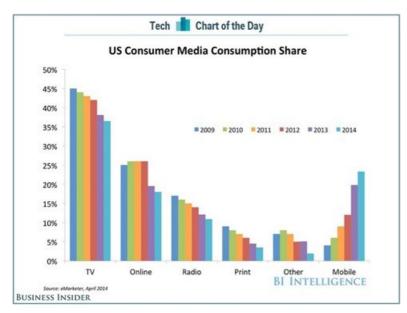


Gareth Cliff on 2015 in media and advertising

Another busy year in South Africa has come and gone - and many interesting new developments have seen the media business itself thrust into centre-stage as live courtroom and boardroom drama made the headlines...

Pop-up channels, the destructive erosion of SABC effectiveness and credibility and the very public spat between Marcel Golding and his media family unravelling before us. If you were paying attention you might have also noticed our little start-up getting quite a lot of attention in public and industry circles.

I'm proud to say that <u>Cliffcentral.com</u> just turned seven months old and that we're thriving. I couldn't have predicted the scope and scale of this undertaking at the outset and I'm often reminded by my business partner, Rina Broomberg just how far we've come in this short space of time. We're a content hub, a new media owner, an online and mobile-only platform and a channel with a unique opportunity to design and develop an entirely new paradigm in advertising. I recently saw a chart showing consumer media consumption share for 2014 as compared to the previous five years, published by *Business Insider* and *eMarketer*. I republish it here for your perusal:



Source: eMarketer, April 2014

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If these trends apply equally to South Africa (and they most likely do, even with lag), then all the traditional media owners are in a very compromised and vulnerable position: They're about to lose their audiences - and critically, their advertisers - to new media businesses who can give them measurability, engagement and a return on investment for their ad-spend like never before. They will be left with expensive corporate hierarchies, onerous licences, middle-of-the-road talent and dwindling audiences. Already radio stations are changing their display names on RDS to XY.com, dropping the FM and defining themselves more as content producers than radio stations. For some time in North America manufacturers stopped making cars above a certain standard with built-in FM radios and opted instead for internet or satellite radio function.

The real challenge for media outlets of all shapes and sizes will be to produce branded content in a way that compliments the audience experience and doesn't interrupt the flow of content the consumer really cares about. Commercial breaks are not *even* effective as a means of reaching people anymore. The real value proposition now is in engagement, in lead-generation and in servicing niche-audiences with a peculiar interest in subject matter that is aligned to brands and services in that category. This cannot be achieved in mainstream media effectively. As a result, the whole idea of demographics and cume must be re-evaluated. You may scoff at this, particularly if you're one of those people who has been in the industry for many years and witnessed the entry of a few new players as the only major change in, say, the radio business. This time it's different, and the major difference is that nobody owns the audience. Each person on earth has become a curator of their own content consumption - and they don't need your TV channel, radio station or newspaper to get what they want. They might still take a few things from each, but the Internet has become a great pool of access and choice that was simply never there before. If I like a certain TV series that is screened in the US on a Sunday night and DSTV don't show it here by the Monday, I'll have downloaded it myself - and with every day that passes after Monday the audience for that programme will decline in great swathes.



At <u>Cliffcentral.com</u> we're producing 12 solid hours of live, original, South African content every weekday - no long commercial breaks; no irritating generalised weather and traffic (that you no longer need broadcast media for); no programmed news on the hour; no music you didn't choose for yourself and no annoying personality you didn't ask for (if you're listening to one of our people, you chose to listen to them) - and the best part: You can listen *whenever* you want to, *wherever* you are, on your phone (the only piece of equipment we guarantee you'll have on you wherever you go). You might listen to Trevor Gumbi, Casper De Vries or Professor David Block once a week, or my show every day - but the power is in your hands.

The exciting thing about this is that it's so modular we might have to run a hundred programmes simultaneously, or build an archive of podcasts that will cover almost every topic imaginable - and if you care about fly-fishing (even if you're one of 500 people) - there will be a show for you. Now if you sold fly-fishing equipment, why would you advertise anywhere else?

2015 will be an exciting year in the media business. There will probably be many other (and perhaps more revolutionary) Cliffcentrals, but the audience will decide who sinks or swims - and I can't wait.