

The big online advertising trends

"Video ad revenue will increase."

 By [Gustav Goosen](#) 26 Jan 2015

As always, it was a highly competitive space but this year that seemed the case more than ever - especially when it came to online advertising, fuelled by the continued growth of digital, but also because clients want more bang for their buck. Budgets are tight and tangible results are essential which has given rise to some worthwhile trends.

Customised content

The need for credible branded content has leapt forward in South Africa. Good, engaging content that builds brands is a win-win scenario for all. We have seen this first hand with our 'pop up' websites. These microsites are brand specific platforms that were populated with content created by award-winning editorial teams.

Our most recent platform was Men24, sponsored by Nivea for Men, and the over 300,000 Unique Browsers consuming almost a million Page Views in November 2014, clearly showed that especially with the astounding amount of content available online, South Africans respond particularly well to relevant and meaningful content that engages.

Content over clutter

In line with the above trend, South Africans are becoming very astute and demanding online consumers. CTR (Click-through rate) is not the only measure of success and never more has this been true than at the tail end of 2014. Online advertising offers so much more value in terms of brand building, which is why less is becoming more in the online advertising space.

Publishers are opting for quality, clutter free, content rich advertising options. Creatively, this means we need to be moving towards greater use of tech innovations, like large format advertising, such as the Rising Star which the IAB has shown more than doubles interaction rates and user dwell time.

Programmatic buying

The [IAB](#) says that approximately 20% of all digital advertising is sold by one machine talking to another. This trend is still fairly new in South Africa although I anticipate an interesting uptake in 2015.

Its popularity lies in its efficiency because it greatly simplifies media procurement and is designed to be highly targeted (if done correctly). There is still some controversy around whether it is as effective as punters but I believe it will play a very important part of SA's digital advertising landscape in 2015.

Video: fast growth

A US based [report](#) from BI Intelligence states that online video is growing faster than any other advertising medium aside from mobile. They project that video ad revenue will increase at a three-year compound annual growth rate of 19.5% through 2016.

Contributing to this staggering estimated growth rate is that online video ads have the highest CTR of all digital ad formats (1.84%), add the uptake of programmatic tools to this and you have a force to be reckoned with. Whilst the majority of statistics and reports are based on US data, South Africa is certainly taking notice and following the international trends as seen in PwC's latest [Entertainment and Media Outlook 2014-2018](#) which says that video advertising is expected to grow at a CAGR of 43.7%.

Predictions...

According to PwC, "internet access will generate more consumer spend than any other media product or service in the next five years". The same report shows that internet advertising will generate R4.4bn in revenues by 2018, which is a CAGR of 22.7%. (2013's revenues were R1.6bn). And more specifically, South Africa's display advertising market will grow by a CAGR (Compound annual growth rate) of 18.8% to R1.2bn in 2018.

SA may be a little slow in adoption of online advertising but the growth is definite and inevitable and we will see many more marketers incorporating digital into the marketing mix in a more meaningful way. By and large, South Africa still relies on television commercials, however, if we look at the international trend, linear TV is on the decline. Consumers today are inundated with content, they are choosing the content they wish to consume and even more importantly, when and how they wish to consume it.

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Gustav Goosen is the CEO of The SpaceStation, a digital media sales company. The SpaceStation executes world-class, multi-platform digital media solutions across more than 40 pre-qualified websites, mobile sites and apps, from leading brands at Media24, 24.com and MultiChoice, making them a leader in the rapidly growing and evolving digital advertising arena in Sub-Saharan Africa.

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