

Digital ad spend reflects strong growth in otherwise challenging advertising market

 By [Gustav Goosen](#), issued by [IAB South Africa](#)

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While some traditional media struggles, digital adspend in South Africa has witnessed powerful growth. The latest full year (2015) digital advertising spend report released by PwC on behalf of the IAB SA illustrates that the local industry has moved beyond the R3,4bn spend (invoiced) mark in 2015. This translates to 36% overall year-on-year growth.

Certain sectors have witnessed exponential development. In terms of the PwC classification, mobile saw the biggest growth at 182%, followed by online at 68% and search at 22% (Search for 2014 was restated by PwC referencing the PwC Entertainment and media outlook: 2015 – 2019). South African advertisers spent R2.35bn in 2015 on paid search. Online advertising (display and video) generated R952m, which equates to 27% of total spend. Excluding search, R181m was reported as being spent on mobile advertising.

The way businesses buy digital advertising is changing, with direct sales losing ground. Only 35% of ads were sold this way in 2015. Demand-side platforms (DSPs) and ad exchanges are also becoming a veritable force. These technology platforms automate the process of buying advertising, and the use of programmatic buying which has accelerated in South Africa over the past year is expected to expand further as the technology evolves.

In its third year, the report continues to map trends in the industry through diverse industry data. Gustav Goosen, IAB Head of Research council says, “We are delighted at these numbers and the real digital ad spend growth we’re now able to report much more accurately and confidently via the PwC commissioned study. We’ve aimed to stay abreast with the changes in our sector to ensure the data collated and reported by PwC is as true a reflection of actual digital ad spend by South African advertising clients and agencies to South African audiences across the internet.”

Louis de Jager, Senior Manager at PwC, adds, “It’s very exciting to see how the internet advertising market is growing and increasing its presence in the advertising space in South Africa. In its third year, the report has been able to provide valuable insights in the trends of how advertising spend is moving towards online.”

In order to ensure relevancy, the IAB SA worked with PwC on adapting the data collection methodology away from a 100% dependency on SA based publisher submissions. Goosen adds, “We placed much more emphasis on data submissions from the buy-side (clients and agencies). This ensured that PwC captured actual spend to reach South African audiences online across the web (beyond just SA based publishers) and via any media buying channel, including programmatic and exchange based buying.”

The report now has buy-in from the industry and is seen as an effective yardstick to measure and predict digital advertising spend. That being said, its relevance will only increase further if it can be released as soon as possible.

“The next step is to expedite collation and reporting of the annual numbers; we can’t release 2015 numbers in late 2016 for a real time media category. We have to kick off the 2016 collation earliest in 2017 and aim to report the numbers by end of Q1 in 2017. We call on all our IAB SA members, publishers, agencies and brands, to support us in this goal and ensure they’re ready to submit early 2017 when called upon to do so by PwC. Longer-term, our IAB SA objective in collaboration with PwC, is to continuously improve on accuracy and frequency of reporting,” concludes Goosen.

Click here for the full report: [iab-pwc-adspend-report-2015](#)

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The Interactive Advertising Bureau (IAB) South Africa, is an independent, voluntary, non-profit association focused on growing and sustaining a vibrant and profitable digital industry in South Africa. The IAB South Africa represents the digital industry across all sectors including the media, the marketing community, government, and the public, and also acts as the channel through which international bodies can enter the South African digital market. The IAB South Africa currently represents over 200 members including online publishers, creative, media and digital agencies, brands, and educators, between them accounting for more than 41 million local unique browsers. The IAB South Africa strives to provide members with a platform through which they can engage, interact, and address digital issues of common interest, thereby stimulating learning and commerce within the South African digital space. To find out more about the IAB South Africa, visit its [website](#), like its [Facebook](#) page and follow [@iab_sa](#) on Twitter.

ABOUT GUSTAV GOOSEN

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 premium 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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