

Media Inflation Watch 2018 Jan-Dec results released

Media Manager Online has released its latest version of Inflation Watch for the full year of 2018. The study covers advertising rates and performance trends and an MIW Index, which is essentially a Cost Per Thousand calculation.



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Some highlights (figures are 2018 on 2017 unless otherwise stated):

Television

All TV

Rates +5.09%.

Performance -1.58%.

MIW Index (CPM) +6.66%

Free-to-air TV

Rates +10.48%.

Performance -2.33%.

MIW Index (CPM) +12.79%

Pay TV

Rates -6.34%.

Performance 0% (see Technical note below).

MIW Index (CPM) -6.34%

Technical note: until 2018 June MediaWatch used DStv-i to provide audiences for Pay TV and BRC's TAMS for Free-to-Air. However in 2018 Q3 BRC's TAMS became the industry standard for both categories of TV. Accordingly, the audiences for Pay TV have different methodologies in the period under review and

no Performance benchmark can be set. Thus the Rate Index becomes the MIW (CPM) Index for Pay TV between periods which display differing audience methodologies. You can get a sense of audience trends by category and by station by navigating to the Quarter by Quarter analysis.

Very different pictures continue for the two categories of TV. Although All TV's average rates comes in at +5.09% 2018 year on 2017 year, Free-to-Air's are +10.48% compared to Pay TV's -6.34%.

As noted in the 2017 Q3 Newsflash, among Free-to-Air stations there is a huge differential: SABC1 rates 2018 year on 2017 year is +24.9% compared to SABC2 +8.3%, and the much smaller SABC3 at -7.8%. That said the latter's rates are up a dramatic 62.7% in 2018 Q4 on 2018 Q3 because of the predominance of special sport (cricket) broadcasts in Q4. Overall the SABC's TV stations comes in at +13.66% Rate. This compares to +13.27% for their ALS/Black Radio stations and +2.69% for their All Races format stations. eTV has a modest 2018 rate increase of +1.7%.

Pay TV station's 2018 year rates continue to reflect mostly down, some significantly so, the most extreme being Boomerang which is down by 42.6% year on year.



RESEARCH

Media Inflation Watch 2018 Q2: Key findings

24 Oct 2018

As noted in recent Newsflashes, Free-to-Air and Pay TV rate adjustments would seem to reflect a repositioning of linear TV relative to competing media platforms, and appears to be continuing to move in the changing TV landscape.

Quite simply, the SABC need the cash (and to be fair, their audiences are massive and their CPM's generally lower than competing stations), DStv Media Sales and others on its platform are repositioning themselves in the bigger world of video on demand. Plus there is still the uncertain affects of the migration of the analogue TV signal to digital on Free-to-Air TV viewership.

You will need to take a look at TV's calculated CPM's so as to get a more complete picture.

Print

All print

Rates +3.1%.

Performance -6.44%.

MIW Index (CPM) +11.1%.

Dailies

Rates +2.14%.

Performance -8.0%.

MIW Index (CPM) +11.58%.

Weeklies/weekends

Rates +2.45%.

Performance -8.07%.

MIW Index (CPM) +12.31%.

Communities

Rates +6.86%.

Performance -0.97%.

MIW Index (CPM) +7.99%.

Consumer mags

Rates +1.92%.

Performance -8.14%.

MIW Index (CPM) +13.51%

BTB

Rates +3.19%.

Performance -1.75%.

MIW Index (CPM) +6.38%



MAGAZINES

Magazines ABC Q4 2018: Magazine freefall continues

Danette Breitenbach 14 Feb 2019

As may be expected for the Print medium 2018 year on 2017 year shows an identical pattern to that pointed out previously: Rate increases at a historical low and the rate of performance decline of (circulation) of many (but not all) of key dailies/weekends and consumer magazines appears softer.

That said, a MIW Index (CPM Circulation) is still a double digit +11.1%, a little lower than Radio and Free-to-Air TV's MIW (CPM) increases, which gives a rare positive note for Print sales people.

So yet again the comment that circulation, or lack of it, continues as the main driver, the real issue, in this sector. It is the rare newspaper and magazine title that does not lose circulation.

Radio

All radio

Rates +7.48%.

Performance -3.09%.

MIW Index (CPM) +12.5%

Black format stations

Rates +12.71%.

Performance -4.91%.

MIW Index (CPM) +19.72%

All races format stations

Rates +4.64%.

Performance -2.1%.

MIW Index (CPM) +8.57%

Note: in line with reality the category of CIW format stations is renamed to All Races format stations. This category includes 5fm, 702, 94.7, East Coast Radio, Ofm, etc.

The overall rate increase for Radio has moderated again, to +7.48% 2018 year on 2017 year: All Races format stations (+4.64%) being considerably lower than Black format stations (+12.71%).



RADIO & AUDIO

#LibertyRadioAwards: ALL THE WINNERS!

13 Apr 2019

Many stations have lost audience, some significantly so. (Technical note: as indicated in previous Newsflashes, you are alerted to changes in RAMS methodology which may affect audience levels. Note that 2018 Q3 performances are updated with more appropriate RAMS releases.)

Accordingly, Black format stations present MIW Index (CPM) increases substantially higher than All Races format stations +19.72% vs +8.57%. But as often noted, Black format stations have a calculated CPM considerably lower than All Races format stations. Thus there continues to be a small closing of the gap between the two.

The Black Radio category has the highest Rate and MIW Index (CPM) increases of medium types.

Further, All Races format radio stations display a CPM higher than the average Pay TV station and given the aggressive nature of DStv in this space the differential is likely to continue.

Out of home

Rates +2.0%.

Performance change none.

MIW Index (CPM) +2.0%.

Out of Home again continues flat compared to competing media platforms, and certainly beneath the CPI. Availability continues at a high level. Having said that much depends on the contractor, format, advertiser demand and location. A good format unit in a prime position will be in demand and command a premium rate.

CPM viewpoints will shortly be included in CPM Analyses.

Cinema

Rates +0.0%.

Performance +0.5.

MIW Index (CPM) -0.5%.

The Cinema Index is worked on the top 15 Ster-Kinekor houses (some 140 screens). Cinemark has had a real rate increase and audiences as supplied by the company indicate an increase of +0.5% 2018 over 2017. This results in a measured MIW Index (CPM) of -0.5%.

Online

Rates +7.40%.

Performance 0.0%.

MIW Index (CPM) +7.40%.

Here a schedule of top sites reflects a calculated increase of +7.40% although in real market terms negotiations would negate most or all of this increase. Note there is no change in given performance because all the sites in the schedule have a CPM rate base: thus the performance measure is a constant.

Total all media

Rates +5.06%.

Performance -2.71%.

MIW Index (CPM) +8.45%

Rates at +5.06% overall 2018 year on 2017 year is higher than buyers have experienced in the last few years, largely due to higher SABC Free-to-Air TV and Radio increases. More problematic is the overall Performance change of -2.71% (which excludes Pay TV), pushing the MIW (CPM) Index to +8.45%. This repeats the observation made previously that unless your advertising budgets increased by 8.5% or more or you negotiated even better this year compared to previous years, that your exposure went backwards.

Rate change quarter on quarter

Looking at rate change through the year it is interesting to observe the drop in Q1 rates over the previous year's Q4. This affects the TV medium mainly, because TV Rates are set monthly according to "demand" and as this category is such a large component of the All Media Index it has a disproportionate influence on the All Media trend. Take a look at the following table: 2016 Q1 Free-to-Air TV recorded a then record fall -30.2% in Rate over 2015 Q4. This led to a record All Media Rate decrease of -11.3%.

Interestingly the largest percent increase is not normally registered immediately prior to the Christmas holidays, traditionally the highest demand period, but in Q2 and Q3, as high as 27% in 2017 Q3. However, 2018 bucked this particular trend, largely because of SABC 3 in Q4.

That said, of course, Q4 has the highest TV rates in rand terms.

Quarter-on-quarter change:

Year quarter	All media	Free-to-air TV
2016 Q1	-11.3%	-30.2%
2016 Q2	+8.3%	+22.7%
2016 Q3	+6.0%	+17.8%
2016 Q4	+5.2%	+12.9%
2017 Q1	-10.5%	-32.6%
2017 Q2	+2.5%	+8.7%
2017 Q3	+8.9%	+27.0%
2017 Q4	+6.1%	+13.5%
2018 Q1	-11.4%	-29.7%
2018 Q2	+6.2%	+16.7%
2018 Q3	+6.0%	+13.5%
2018 Q4	+7.2%	+17.8%

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