

The short to medium-term impact of the Covid-19 outbreak on the SA media environment

As South Africans adjust to a new reality, lifestyle habits are changing that will in turn impact media habits. I have compiled 25 points that I believe will impact media habits over the next few weeks and months...

 By [Chris Botha](#) 18 Mar 2020



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1. Businesses will make less money. It's simple. Therefore, they will spend less money on advertising. Expect adspend to slow down. Marketing spend is often a direct correlation to sales revenue. Over the next six months expect businesses to adjust marketing spend to compensate lost revenue. We have had global clients cut back local spend due to the impact of lost sales in China!
2. Media owners will be making less money. The result? Either offering more discount to get their share of the pie, or severe margin protection – where the clamp will come down on clients looking to cut spend. Relationships between media owners, media agencies and clients will be tested around the negotiation tables.
3. Large gathering types of media like cinemas will take a beating. Expect audiences to plummet. Many big movie production houses have already delayed the launch of their premier content. The new James Bond movie release has been pushed back to later in the year.
4. A brutal blow to sport sponsorships in 2020. A year that was supposed to have the IPL, the Olympics, Liverpool winning the EPL and so much more is now all compromised. And the brands that invested billions in associating with this? There are no direct answers, but plenty of questions. Sport sponsorships over the years have been compromised. This event might go a long way to add fuel to the fire.



SPONSORSHIP

The effect of the coronavirus outbreak on the sports and entertainment industry and thus sponsorship

[Judith Mugeni](#) 13 Mar 2020

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5. With kids, and mom and dad working from home – we believe that day time television could see generic growth.
 6. No live sport on TV? How will we survive! Maybe a boom in “entertainment viewing” will be a distraction from the real world.
 7. Growth in television news viewership – our President’s announcement on Sunday evening will have given these channels a generous boost in audiences. Expect more of this.
 8. Growth in audience and time spent on social media. Twitter as a news source, and Facebook and Instagram as a source to stay social without being social. These platforms will blast ahead in time spent by users.
 9. WhatsApp as a news and business tool will continue to explode. While WhatsApp doesn’t take advertising, it does inform data for Facebook and Instagram (despite what Mark Zuckerberg says). So what these platforms know about you will grow as you use them more.
 10. A drop in audience for roadside OOH. As more people work from home, less people are on the road. Schools are on an extended holiday, meaning even fewer parents and taxis are on the road.
 11. Drop in audiences for shopping malls, but an increase in online shopping. Online grocery platforms like the Checkers 60inSixty will grow in demand.
 12. The impact on Uber? Fewer people are feeling comfortable with being in an enclosed area with a “stranger”.
 13. Very many major events and sports have been called off. This will have an impact on the eventing companies who rely on this as their bread and butter. The “gatherings of 100 or more” decree means their business becomes irrelevant to a lesser or greater degree.
 14. Radio listenership in cars will decrease as “working from home” becomes the new short term norm.
 15. But radio listening for news will increase for news and information. Look specifically to the SABC local language platforms to do well.
 16. Any media that relies on reaching consumers whilst using public transport will see a change in habit. Transport passengers are extra cautious about being in a contained environment with potentially sick passengers.
 17. Is this a further body blow for print? A lot of newspapers and magazines are sold in shops. As mentioned earlier, people going to the shops will slow down, meaning sales will struggle.
 18. Headwinds for search? If advertising growth slows, search advertising will likely see a larger growth deceleration than the overall advertising market. Digital advertising, such as search advertising, is easier to cancel than other forms of advertising like TV advertising, of which a considerable portion is bought in advance during the up-fronts. Search is more vulnerable to a drop in travel, which will be one of the hardest hit sectors. In 2018, travel constituted 9.6% of paid search advertising in the US compared to 6.5% of total advertising spend.
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19. Messaging adaptability will be critical. So many brands are still talking “sharing” as a theme. Travel is a popular prize. How much will this impact our business? Brands might need to relook their messaging.
20. Messaging adaptability might play into the hands of digital media – quick changes are possible, and low production costs.
21. Will we see a change in the consumer journey? Bobo (Browse Online Buy Offline) might see a swing to Bobo 2.0 (Browse Online Buy Online).
22. Growth in gaming. Not only as an alternative to other entertainment, but also as a means of socialising without physical contact.
23. Streaming viewing will grow. As television viewing grows, we believe the likes of Showmax will also grow.
24. Specialist content rules! Want to know more about virus spread? Go find podcasts. Specialist online content like podcast listening might grow.
25. Long term habits change. As consumers change their habits, these might become long term habits. We need to keep our finger on the pulse of consumer media habits, and adjust what needs to be adjusted, and stay true to what we know works.

ABOUT CHRIS BOTHA

Chris Botha is Group Managing Director, The MediaShop, Johannesburg. Chris started his life in media when he was a student at the University of the Free State. He ran the local campus radio station (RSFM) and was the proud presenter of the sport show. [View my profile and articles...](#)

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