

Demand for digital media during the pandemic results in accelerated growth

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IAB SA research tracks digital's upward trajectory in 2020

The IAB SA has released two critical reports that reflect on the year that was 2020 in the context of South Africa's digital media and marketing industry. Seemingly overnight, the entirety of the developed world came to rely on digital platforms for connection, information, and education. This step-change is echoed in our findings: the industry saw rapid acceleration in terms of both revenue and usage.

Haydn Townsend, IAB SA chair and MD of Accenture Interactive comments: "The IAB SA recognises the importance of better understanding our online audiences, and in particular, the digital consumer scale across demographics and the behavioural insights that can be derived across audience segments. By equipping brands, agencies, and publishers with a detailed, relevant, and realistic overview of the last year, we hope to further empower them as they continue to steer the industry forward. The IAB SA Digital Landscape Report and the PwC Internet Advertising Revenue Report detail the ways in which this expedited adoption played out on home ground. While some of the findings are expected given the circumstances, these insights reiterate the fact that when it comes to digital, the only constant is change".

The IAB SA Digital Landscape Survey Report powered by Narrative, comprises data from over 180 websites and contains critical insights into the digital audience driving this growth. Notable statistics include a 12.5% overall growth in the number of people who are online, currently representing 98% of those older than 15 years of age accessing the internet every 4 weeks. The report also notes a 21% increase in South Africans accessing the internet at home – that's an increase from 48% to 58% - with the biggest increase being fibre in terms of type of internet access. This aligns with the IAB SA / Narrative monthly consumer reports, which highlighted the 26% increase in IAB SA publisher page views between January and April 2020, as users looked to find trustworthy information in the wake of the Covid-19 outbreak. Other noteworthy findings comparing 2019 activity to 2020 usage are a 19% increase in unique browsers and a 12% increase in mobile traffic.

Commenting on these insights, Clare Trafankowska-Neal, MD iProspect and IAB SA Measurement Council lead says: "Not only does the report establish a demographic foundation; but also reaffirms the heightened digital consumption that has been noted as a global trend, since the beginning of the Covid-19 pandemic; and also recorded locally. The report further reveals the impact of the pandemic, on the ways that South Africans connect, communicate, and consume content".

Top-level insights contained within the report include: Internet connectivity is more readily accessible than before, with a 21% increase in people who're able to access the internet at home (mobile phones aside); South Africans are increasingly using the internet to shop (35% increase), game (88% increase), and stream television (38% increase).

"2020 was a huge growth year for digital in South Africa. The online world entrenched itself into our lives and we believe these changes are here to stay. The statistics noted in the report talk to the expedited adoption of digital in almost everyone's lives," says Greg Mason, regional lead sub Saharan Africa, Narrative.

As consumer usage and activity continues on an upward trajectory, brands and advertisers are allocating more resources and placing more emphasis on digital content and digital media, as they shift their focus in line with their audience. The Internet Advertising Revenue Report, conducted by PwC and commissioned by the IAB SA, breaks down the numbers behind South Africa's increased appetite for digital content.

"When economic activity came to a halt at the peak of the Covid-19 pandemic in South Africa in 2020, most non-essential

businesses could not operate. This had a massive impact on the economy and forced the advertising industry to very swiftly diversify the allocation of advertising investment to be more in tune with what consumers were doing during this time. We saw a big uptake in e-Commerce due to online shopping, increased in-home media consumption, and the rise of digital media in general,” comments Claudelle Naidoo, managing director, Mediacom and IAB South Africa Research Council chair.

Our data reveals that despite the state of the South African economy at large, the digital industry experienced an 18% year-on-year growth, with a total revenue of R4.7bn in 2020. Internet advertising revenue (excluding paid search) hit R2.1bn in 2020, a considerable increase from R1.4bn in 2019. The distribution of spends shifted in 2020 in line with consumer consumption patterns which resulted in digital attracting a bigger piece of the pie in many planning scenarios. Survey participants reported that digital advertising spend amounts to between 21% and 40% of their total ad spend – this up from 9.2% a mere four years ago.

The Internet Advertising Revenue Report also details the three key trends that will shape the future of the South African and global digital landscape. One, consumers’ increasing concerns about data protection and privacy; two, the demise of the third-party cookie (which has seen web browsers Safari and Firefox already phase out the use of cookies. Google, however, has indicated that their phasing out will be a gradual process – a controversial move, as Chrome accounts for more than half of all web traffic.); three, the growth of headless commerce as consumer expectations of a seamless omni-channel experience continue to increase.

In addition to the growth and maturation of the digital ecosystem, content and messaging have become markedly more creative, connecting and resonating with an audience facing uncertainty. This has, in turn, driven performance and revenue. If these remain key focus areas of the industry, we can expect to see sustainable growth and increased confidence, translating into an even greater allocation of advertising investment.

Both the IAB SA Digital Landscape Survey Report and the Internet Advertising Revenue Report are available, at no cost, to IAB SA members, and can be accessed via the IAB SA [member portal](#).

The Internet Advertising Revenue Report was made possible by a multitude of South African agencies, brands, and publishers, as well as PwC South Africa, the Advertising Media Forum, the IAB SA Research Council lead by Claudelle Naidoo, MD of Mediacom and project lead Shaun Frazao, head of digital and content at Wavemaker.

The IAB SA Digital Landscape Survey Report was brought to by Narrative, as well as the Publisher Research Council, BMIT, and Ornico, and the many IAB SA publishers who promoted the survey.

The Interactive Advertising Bureau (IAB) South Africa empowers the media and marketing industries to thrive in the digital economy. Its membership comprises more than 150 leading media companies, brands, and the technology firms responsible for enabling excellence in digital marketing, focusing on identifying and targeting audiences, delivering, and optimising campaigns to these audiences and the innovation and selling of such activities. The non-profit, non-government, trade group fields critical research on interactive advertising, while also educating brands, agencies, publishers and the wider business community on the importance of digital marketing.

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