

FPS:

Global and Local Landscapes

Key trends in media
consumption

July 2013

Context

- ❑ This section distills and integrates various phases of the FPS project:
 - The academic review
 - The global media landscape
 - The local media and population landscape.
- ❑ The purpose is to locate the South African context within the global frame so that we can ride the change wave that has greater momentum in the broader international arena.
- ❑ The analysis has revealed significant waves of change internationally, in some cases reflected in South Africa and Africa as well, but in others revealing important gaps in the data available locally.
- ❑ Nonetheless, where feasible, we illustrate where South Africa is positioned in regard to specific trends and practices.

What is included in the media landscape?

- ❑ This phase involves looking at consumer behaviour in regard to the how, why and what they consume and how it is changing.
- ❑ This needs to be understood so that we can anticipate what we need to focus on for our samples, methodologies and questionnaire content.
- ❑ While we often use the developed world as examples, we also illustrate what is happening in South Africa and Africa in general so that some assessment of the possible speed of the change wave is obtained.

Note:

1. The FPS project was conducted in several phases. The pertinent phase for the information on each slide is indicated on a tag on the left of the slide.

2. Sources of the information are indicated on each slide where appropriate.



The South African population

The changing face of South Africa



The big 3 issues: *a Curate's egg**

(*good in some parts and bad in others)



Bishop: "I'm afraid you've got a bad egg, Mr Jones"; Curate: "Oh, no, my Lord, I assure you that parts of it are excellent!"



The big 3 issues: *a Curate's egg**

(*good in some parts and bad in others)

These are the critical issues that are likely to help to drive the country forward, but also a look at those that could tip the scales in a negative direction - and hinder growth and development.

❑ Changes in income and LSMs

- There has been significant growth out of the lower LSMs and into the middle and even upper groups.
- South Africa is enjoying a bulging middle (a group that generally drives change), but still poverty is a major concern.
- There is a widening gap between the rich and the poor in several ways that could lead to destabilisation.


❑ Education

- Education has certainly improved immensely over the past 10 years with far more people being educated at secondary and tertiary levels. Greater percentages of young people are studying maths, computer sciences, commercial subjects and technology.
- However, the issue lies in the quality and consistency of this education plus where it can be realised in an employment context.

The big 3 issues: *a Curate's egg**

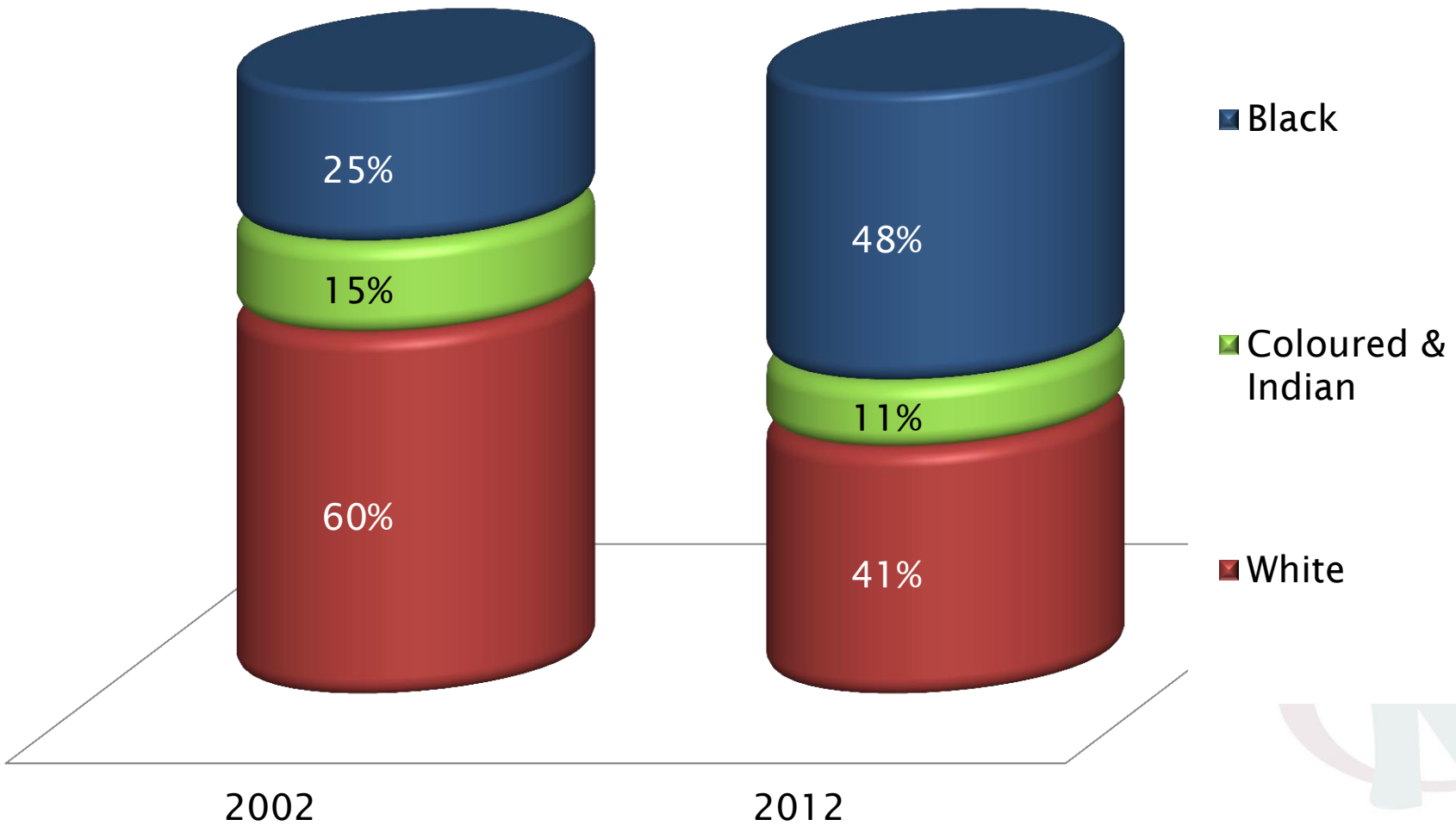
(*good in some parts and bad in others)

❑ Employment

- An improved education does not guarantee employment.
 - If this area is not addressed constructively, we are at a clear tipping point – especially among the youth.
 - Entrepreneurial and practical skills need to be taught to young people so that they are better prepared to enter the workforce – currently the school system does not provide this.
 - Countries like China have managed this by identifying which skills are needed in the country and then designing the school curriculum accordingly.
 - At this stage the youth are still quite optimistic about the country and their futures, but the sentiment will not hold if they cannot find work.
- 

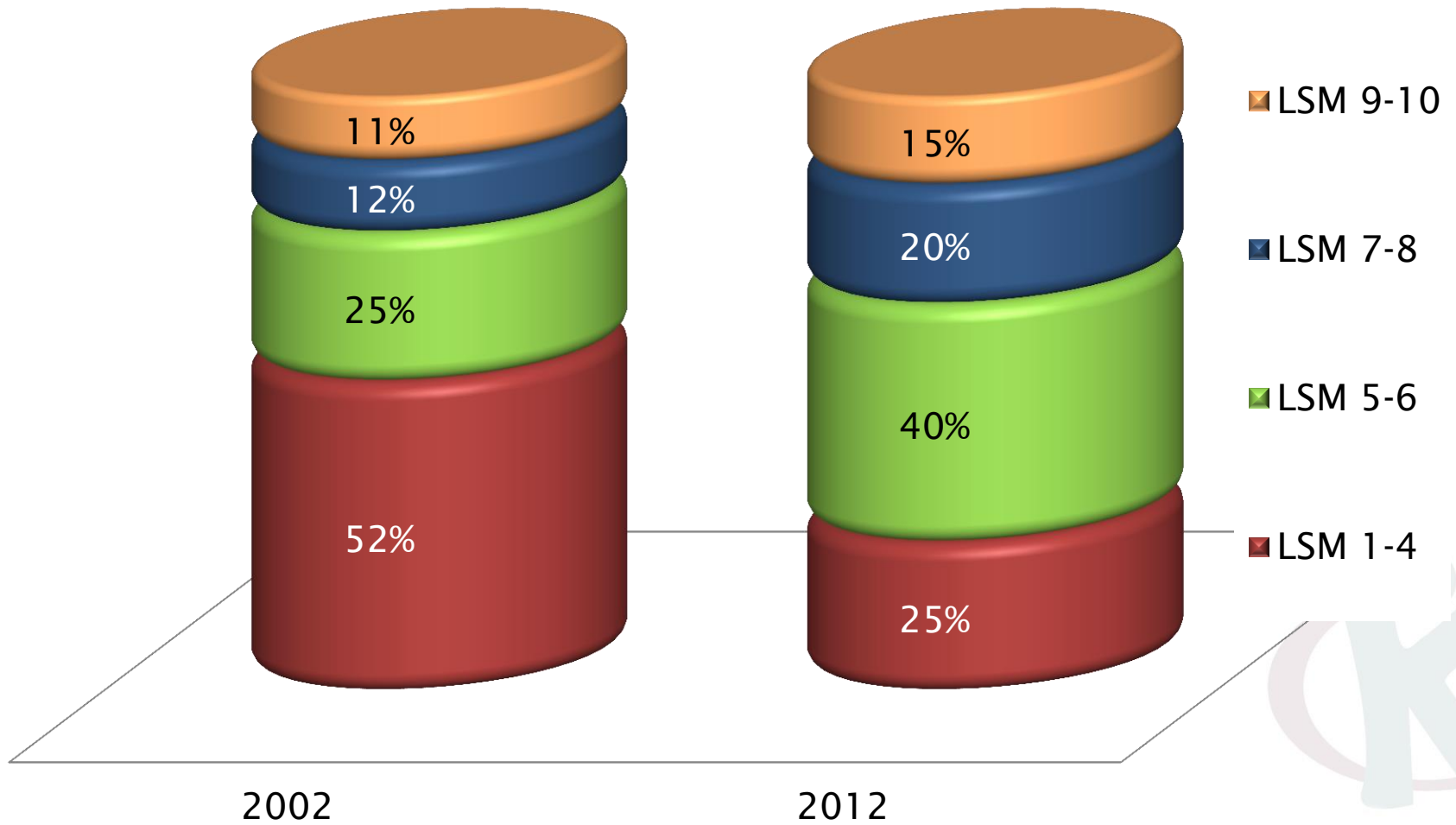
A decade of change

Top 10% of (personal) income earners racial profile

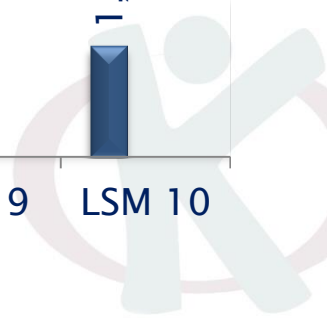
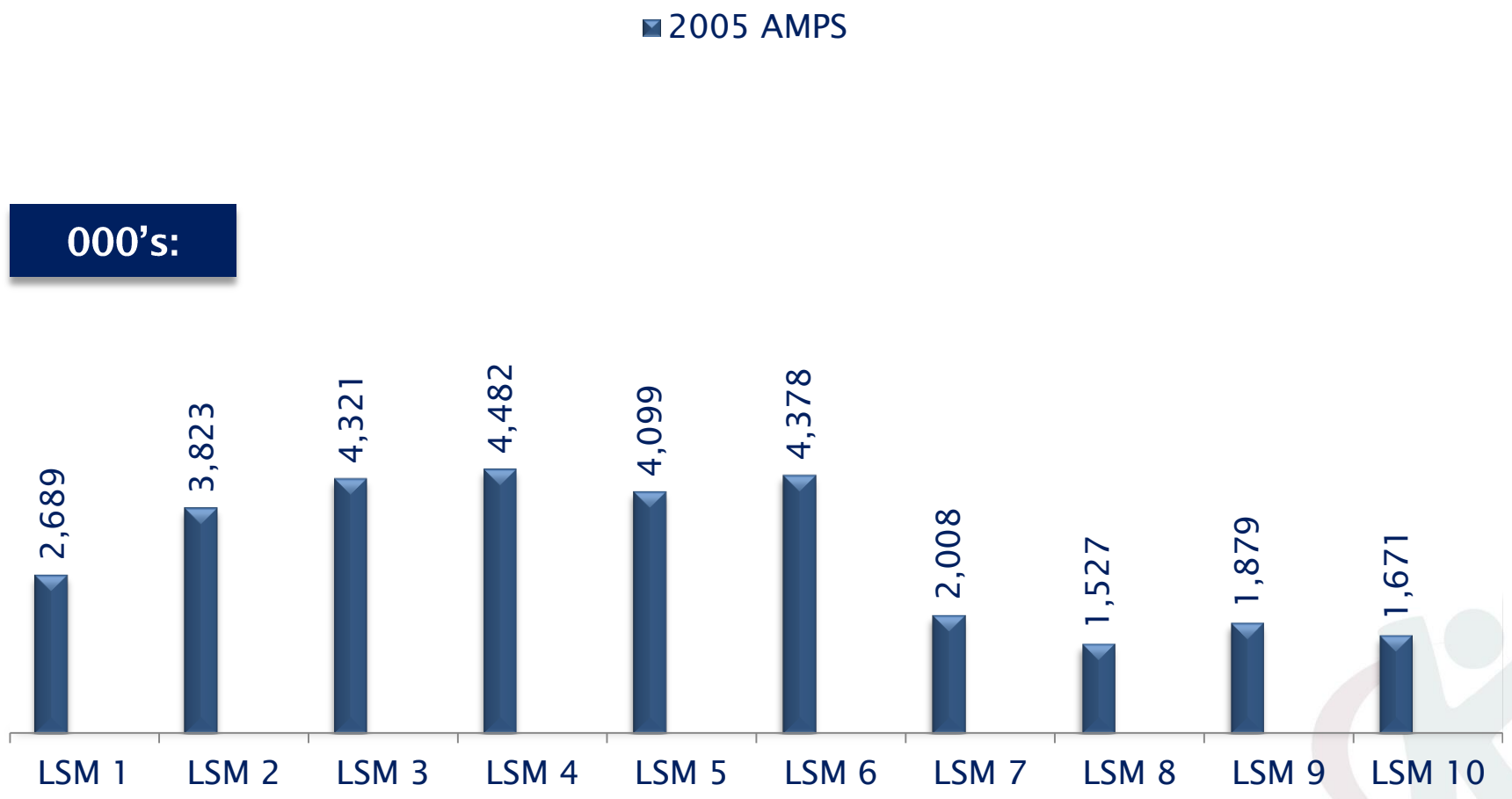


The South African LSM profile

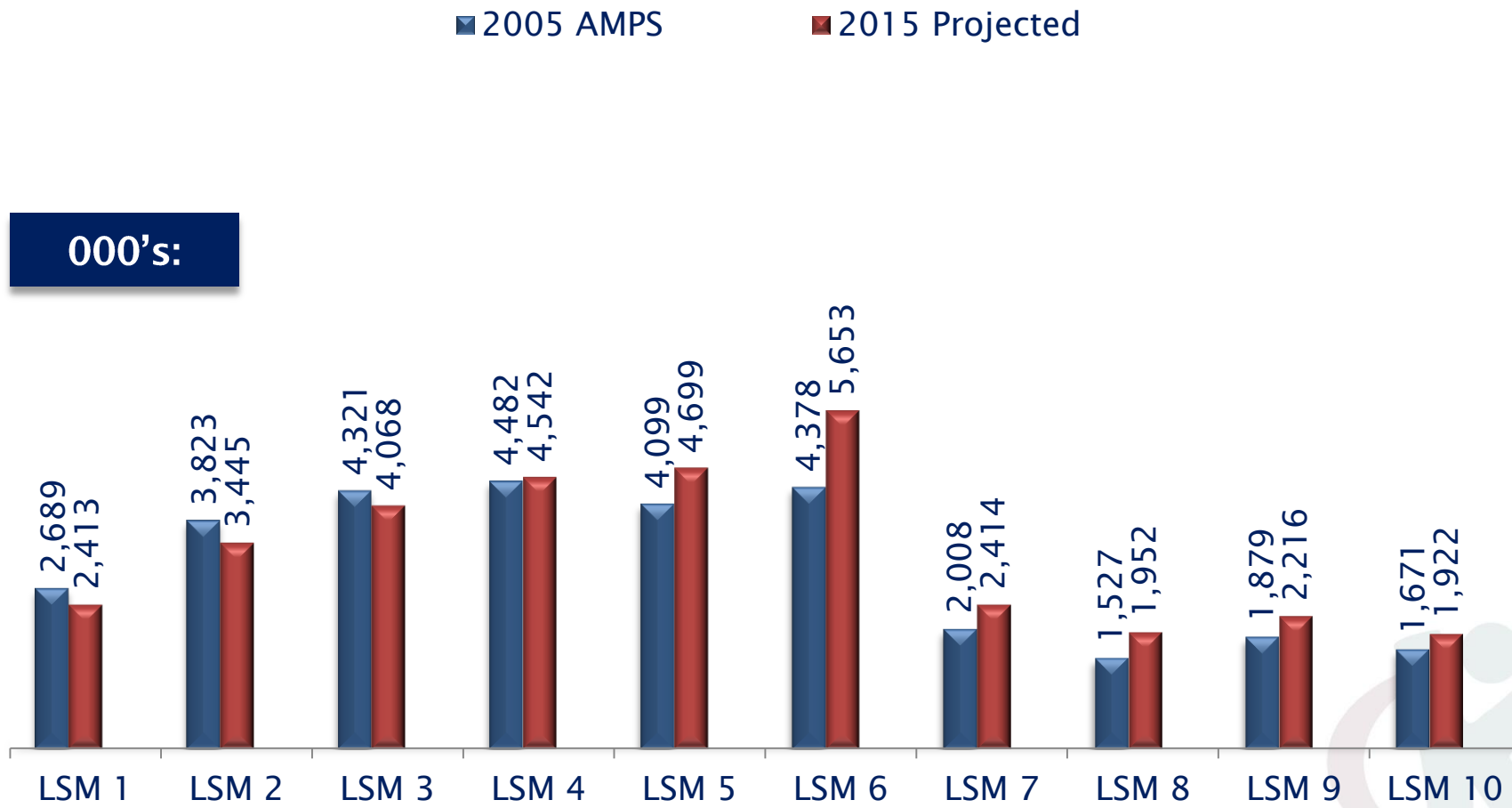
10 year trend



Using AMPS 2005 as a baseline, BMR made some predictions.....

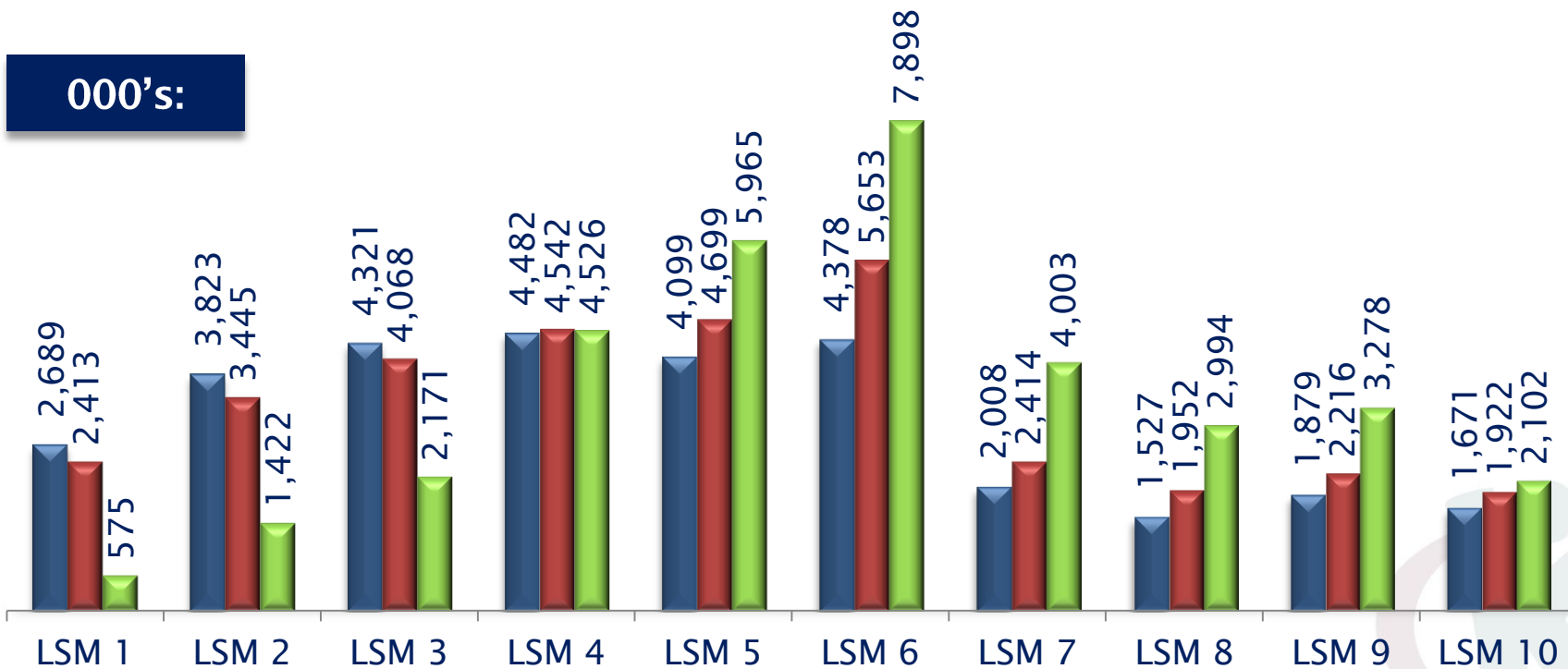


BMR projections based on 2005 AMPS



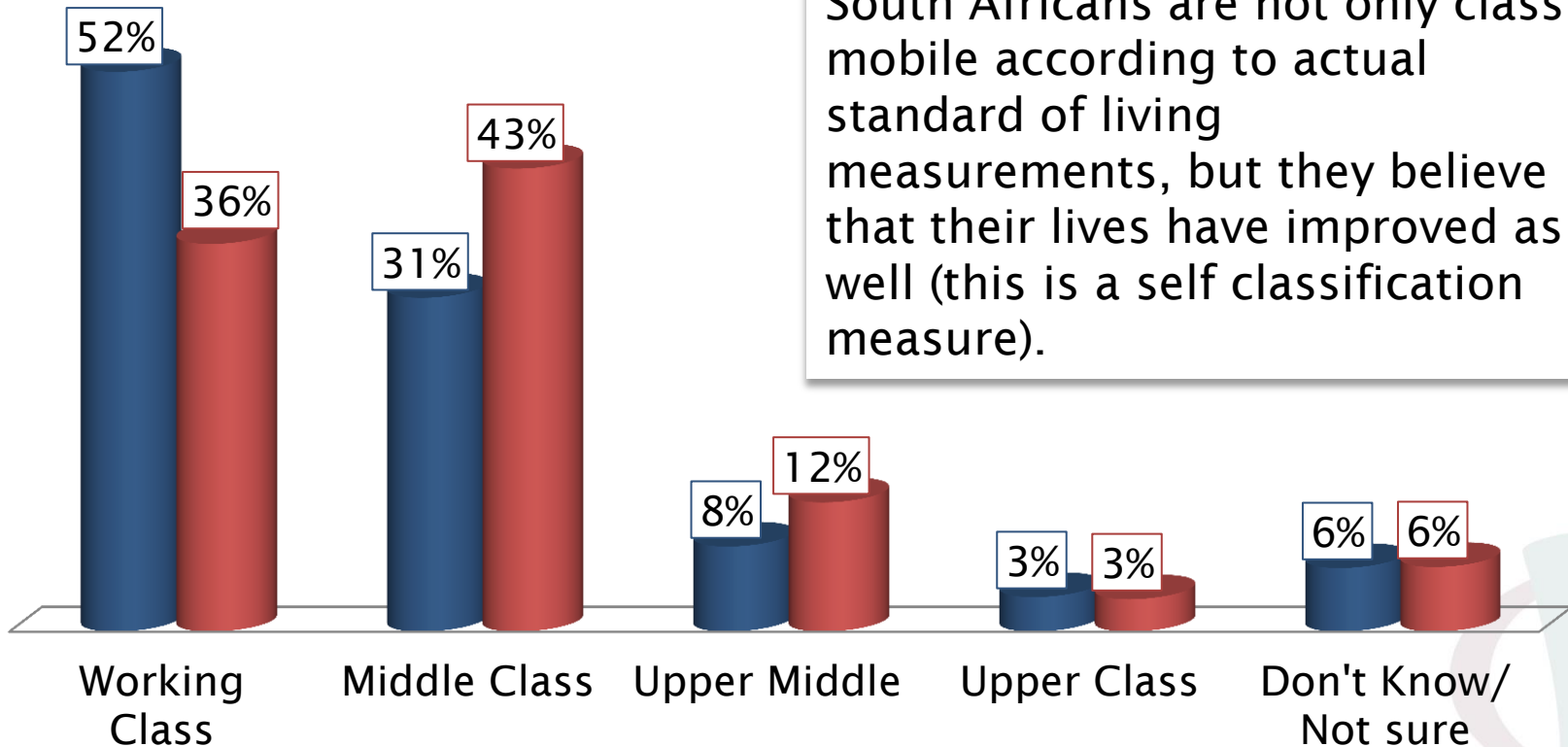
The upward lsm movement is happening far faster than projected.

■ 2005 AMPS ■ 2015 Projected ■ 2012 Actual AMPS

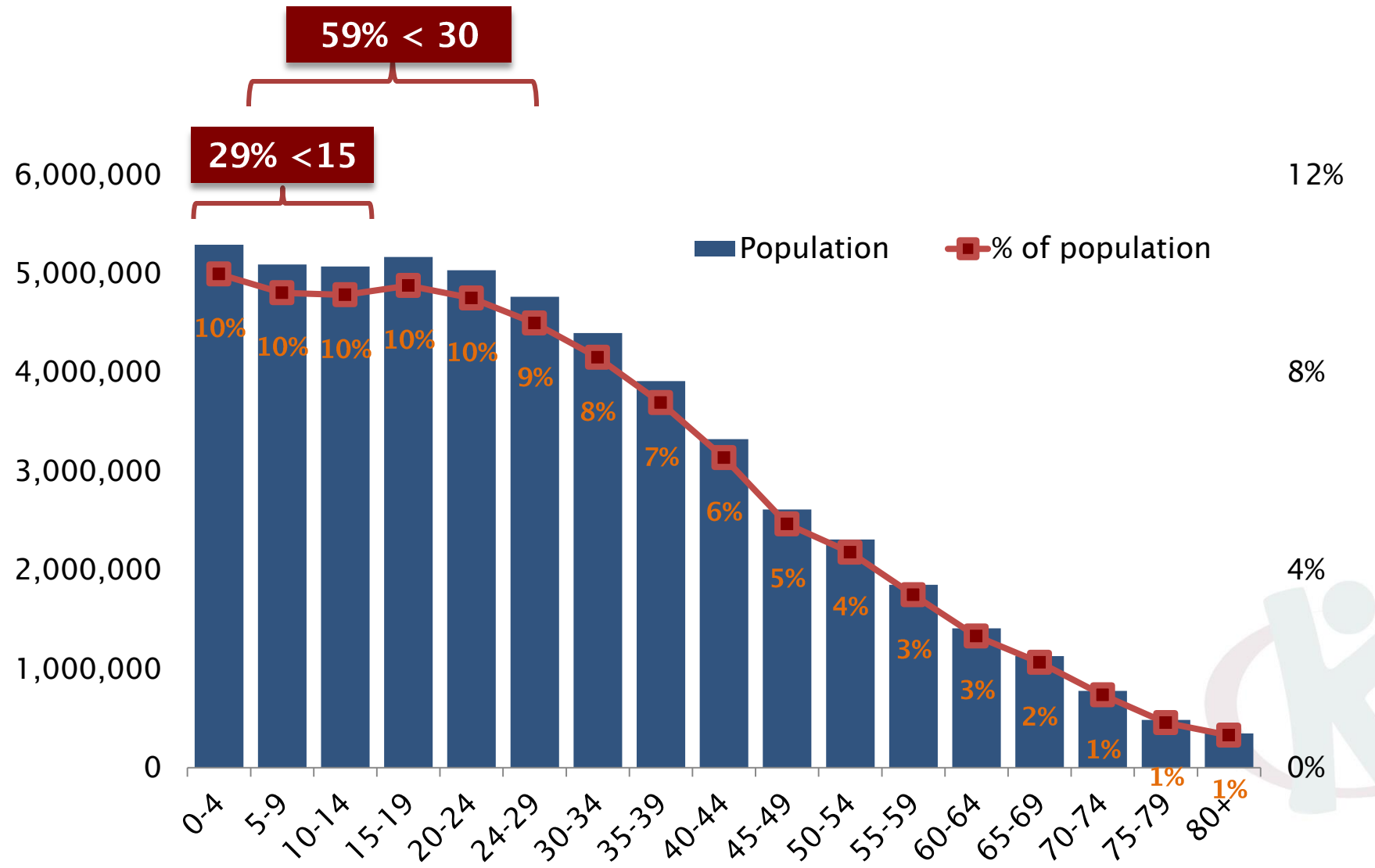


Inter-generational mobility is substantial

■ Parents at same age you are now ■ Own class

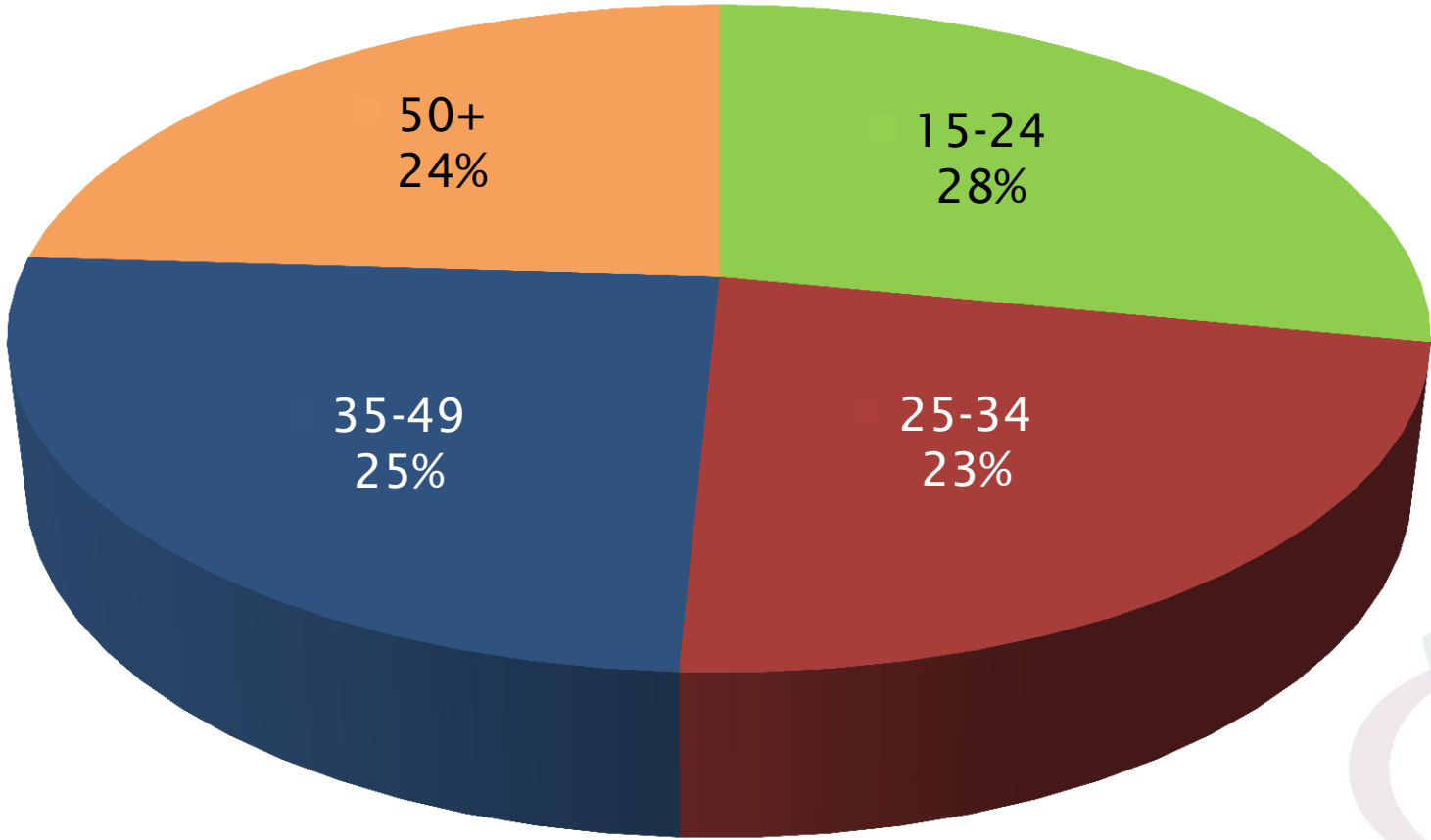


The importance of the youth cannot be underestimated (52,981,991 total population)

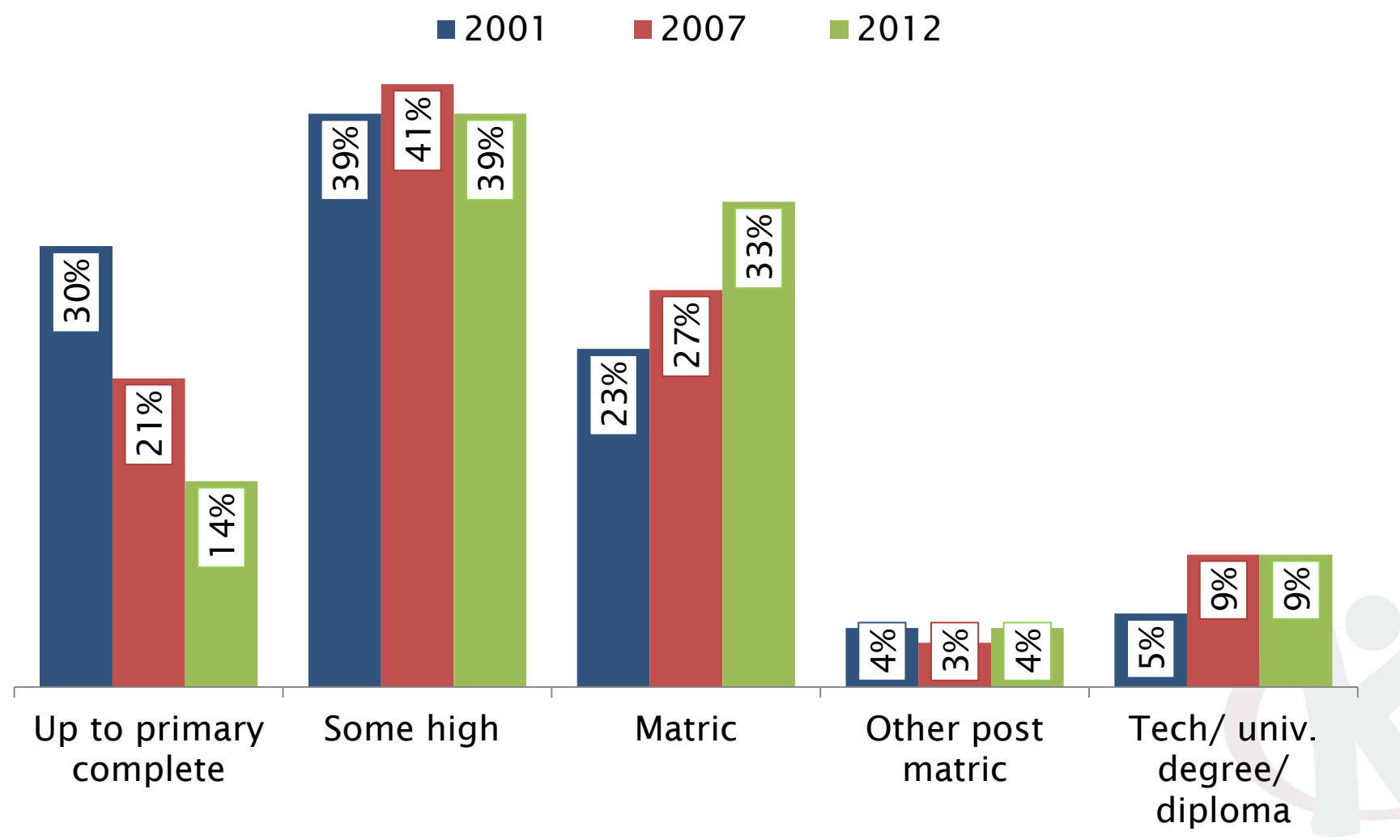


Source: Stats SA mid-year estimates 2013

The South African adult (15+) age profile

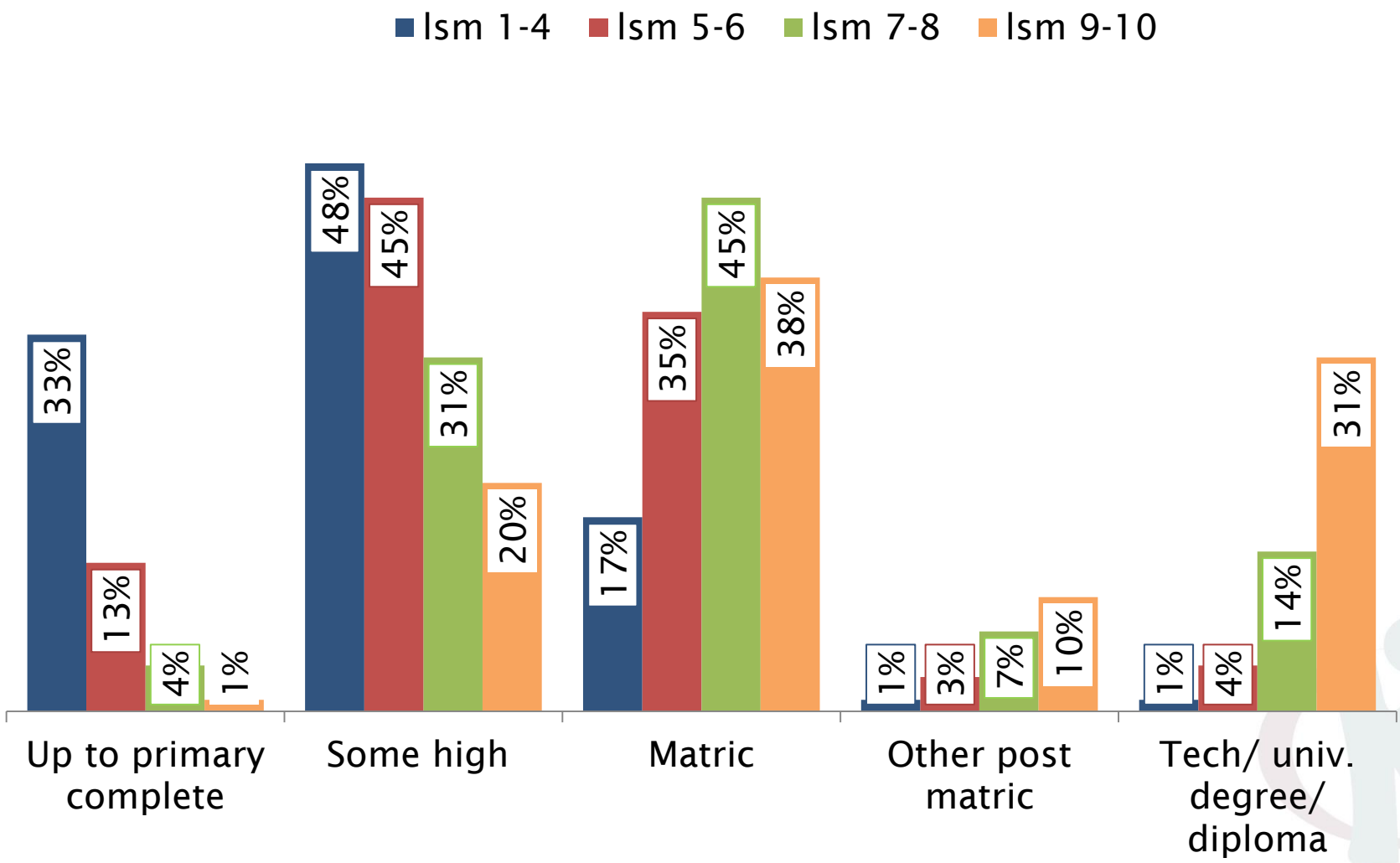


Education trends

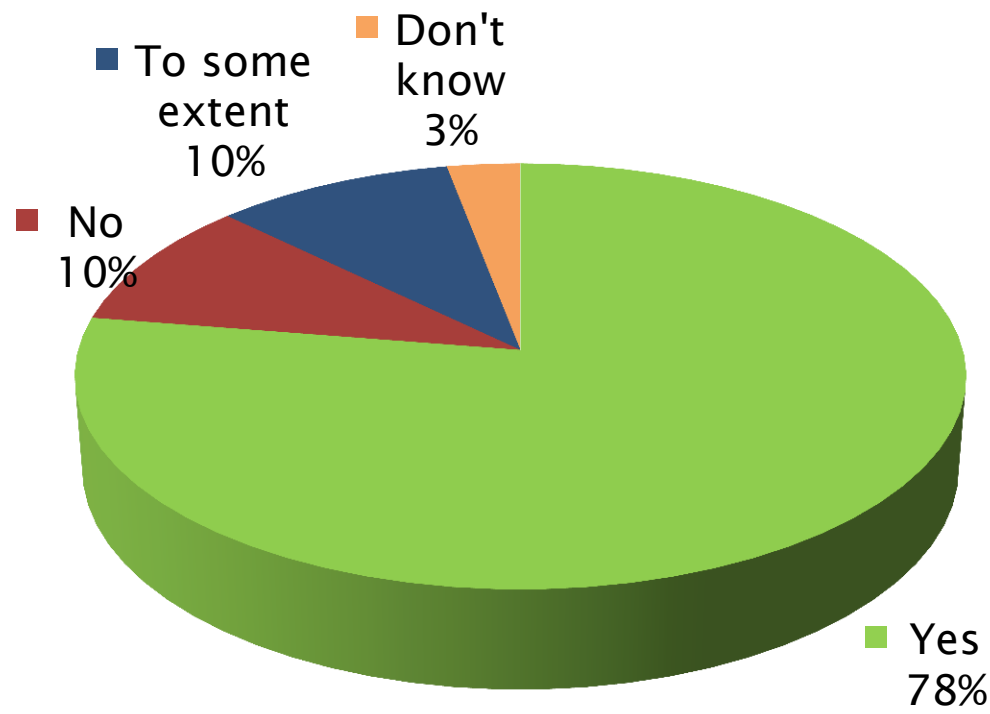


Source: AMPS

Higher education levels go with higher Ism's



Better standard of education compared to parents?

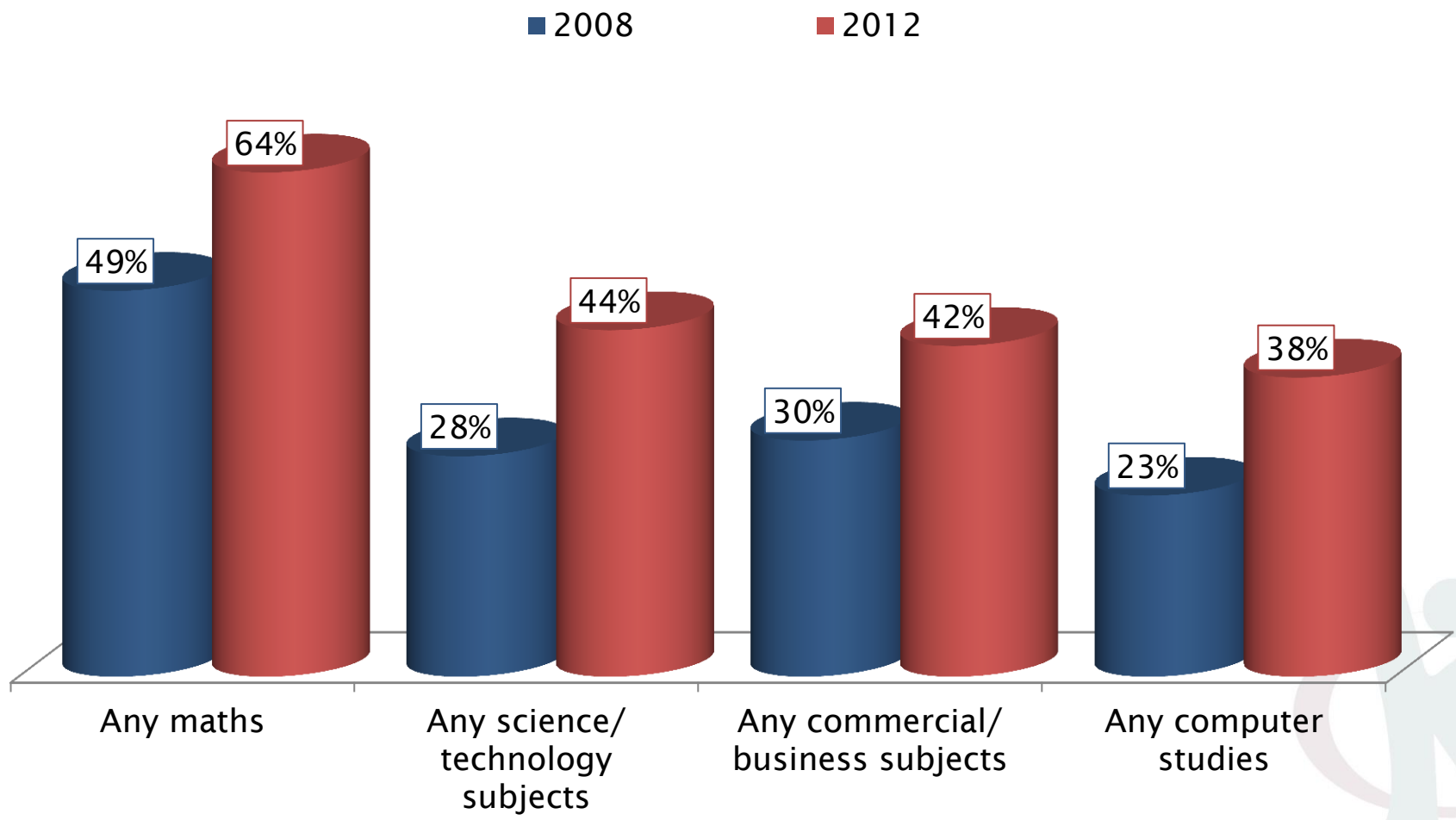


“Yes, my standard of education is better....”

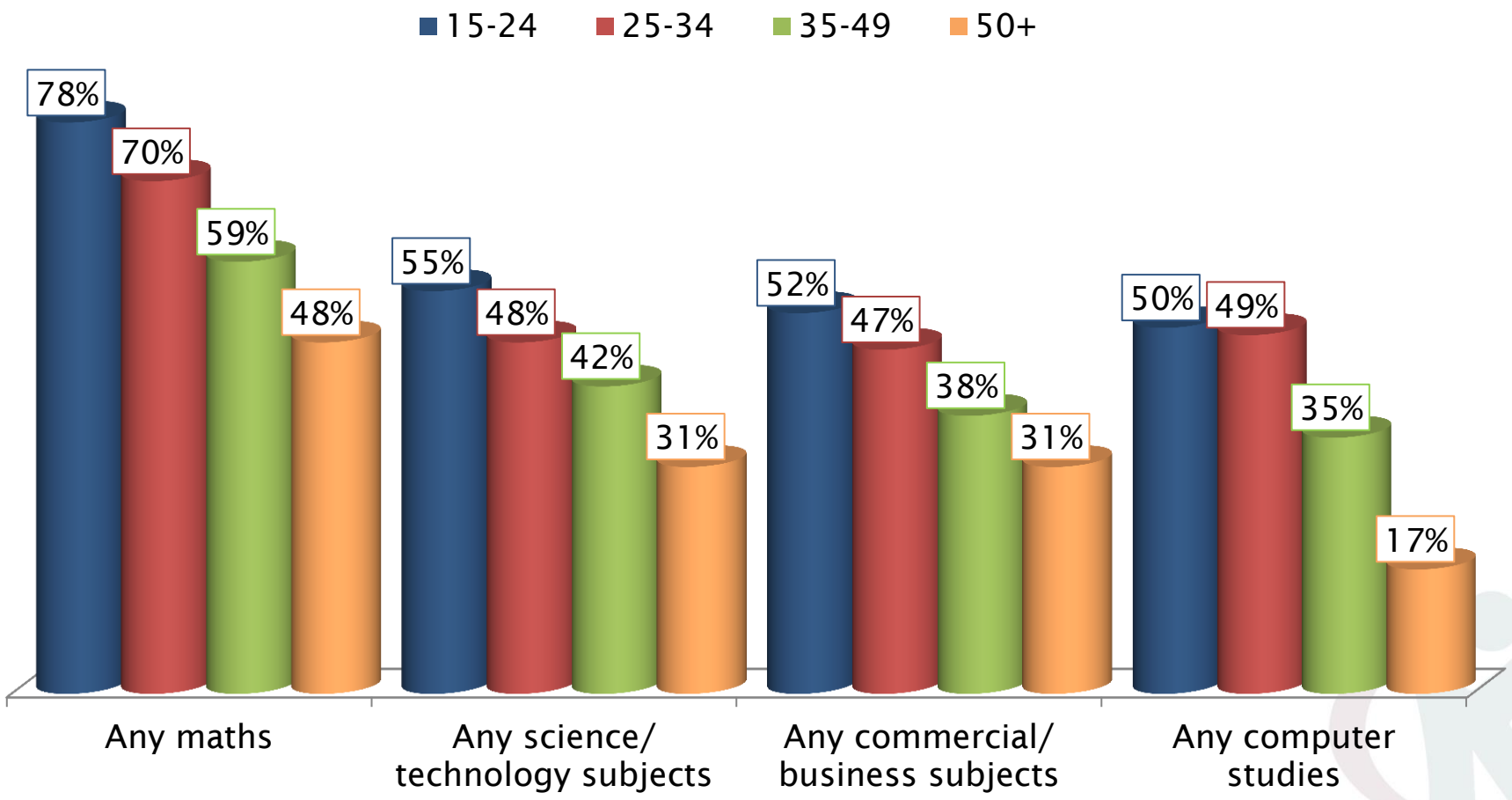
- LSM 2-4 62%
- LSM 5-6 71%
- LSM 7-8 85%
- LSM 9-10 80%



Improvement in relevant subjects studied at matric or post matric level



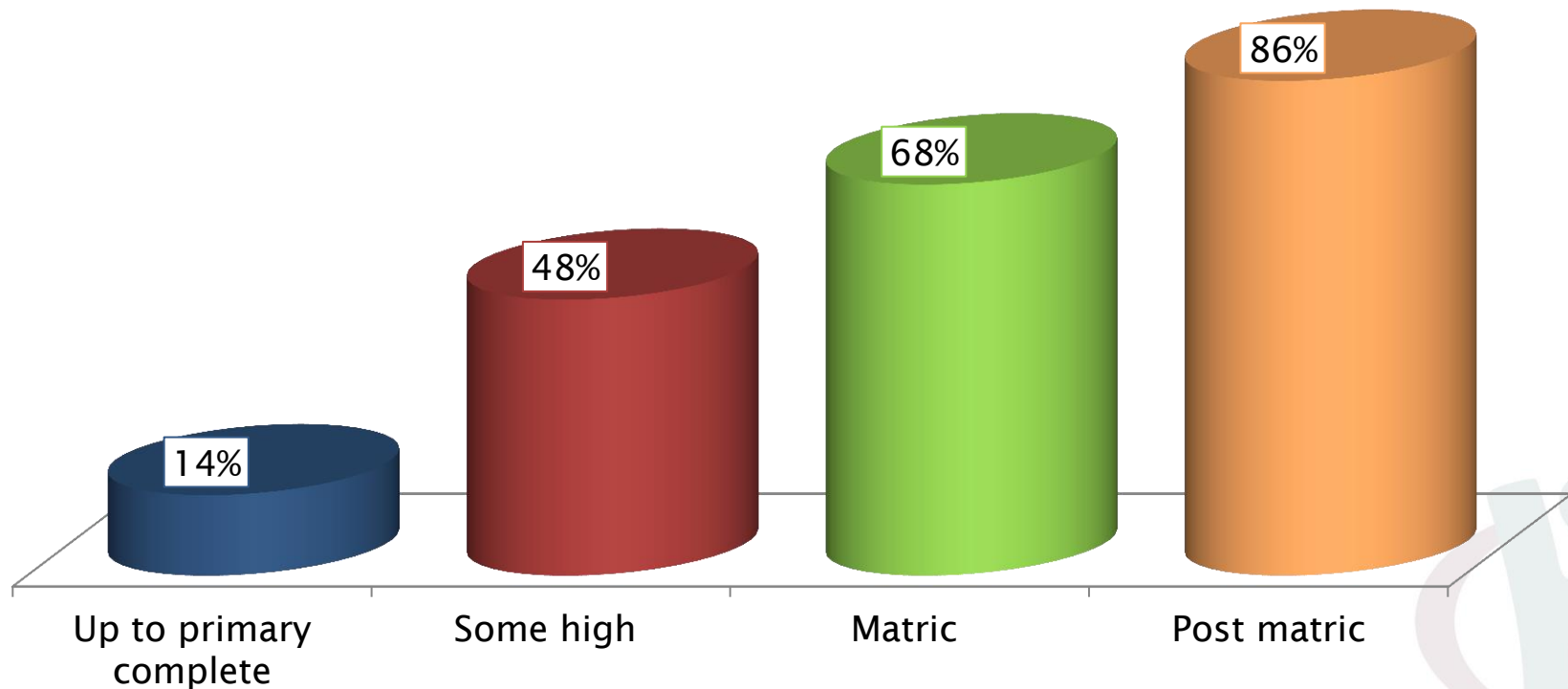
The youth are exposed to these subjects far more than their elders



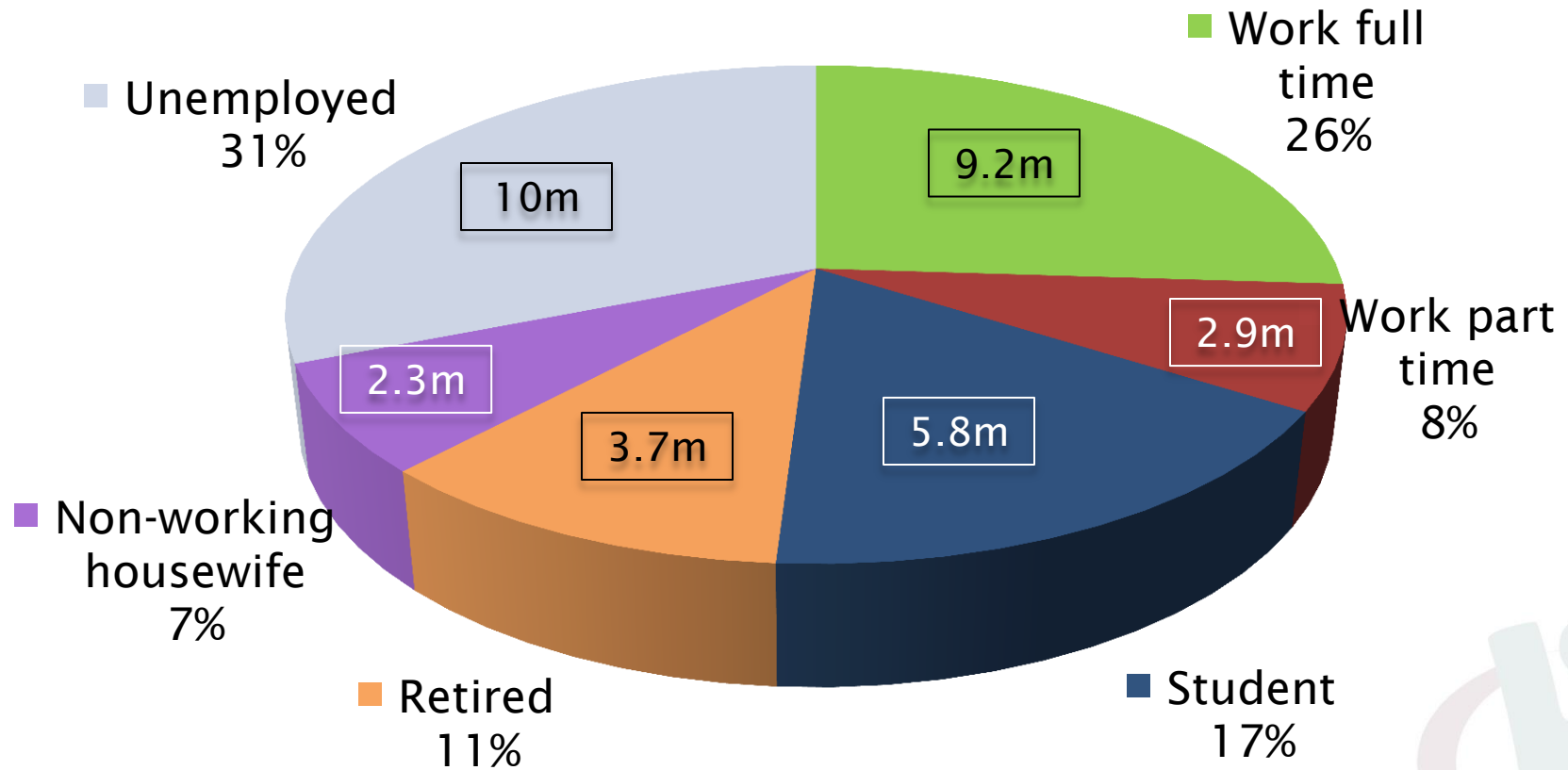
Source: futurefact 2012

Preparedness for the working world?

Percentage who know how to work out a percentage!

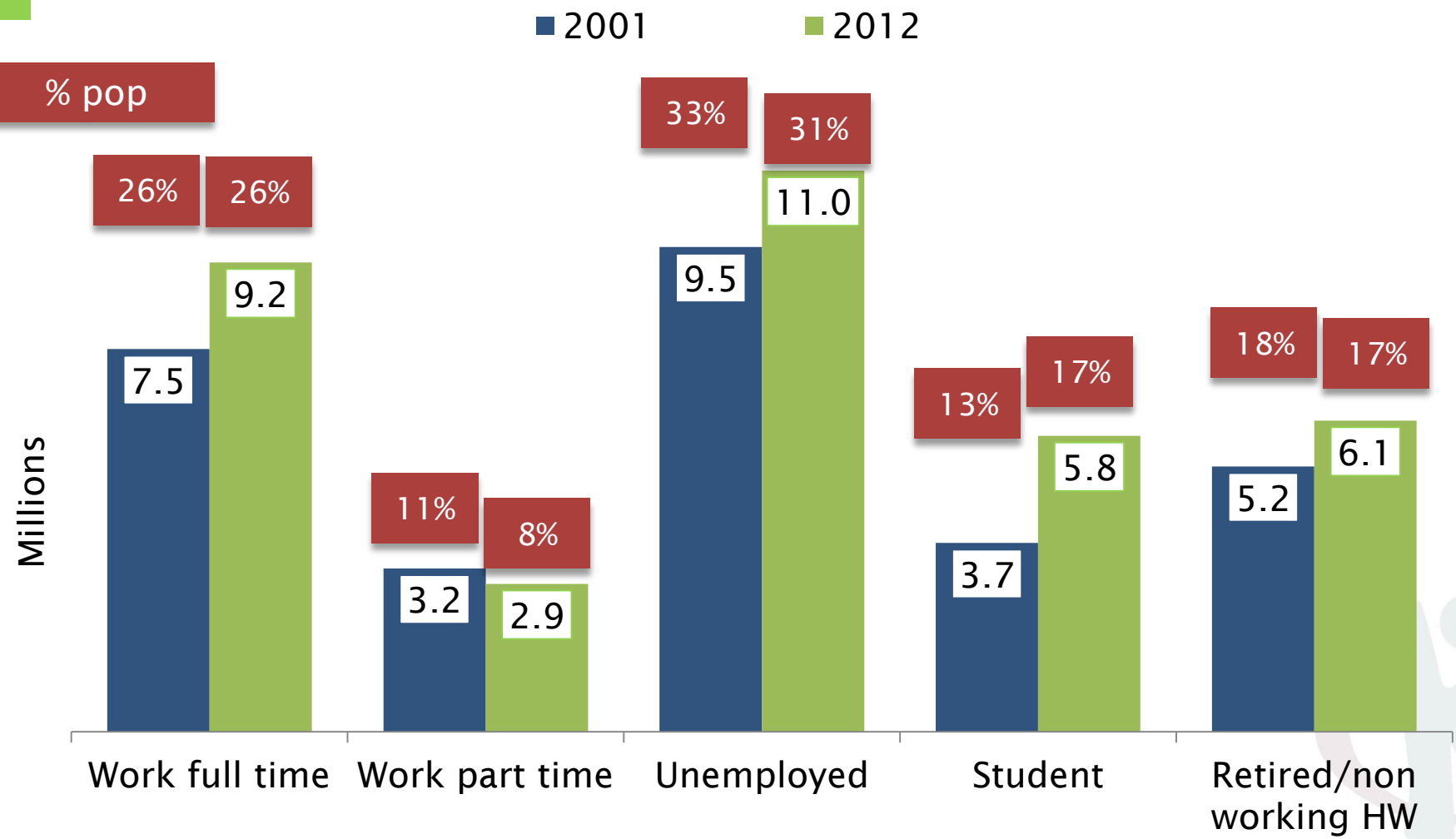


The South African employment situation

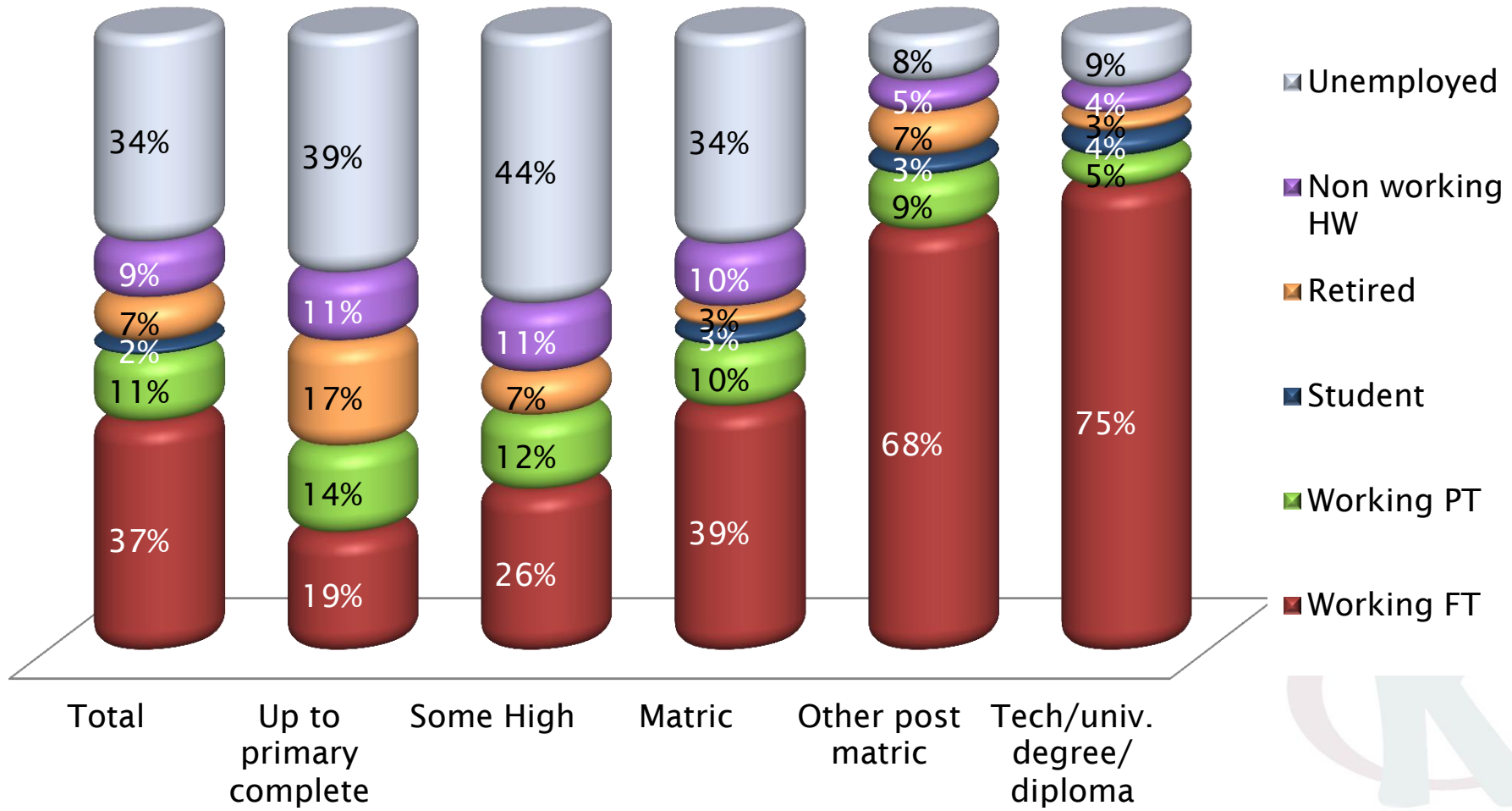


Employment trends

Are we keeping ahead of the population curve?



Employment by education: age 25-64 (the most economically active age)



- Unemployed
- Non working HW
- Retired
- Student
- Working PT
- Working FT



Relative progression in black and white households

Acquisition trends

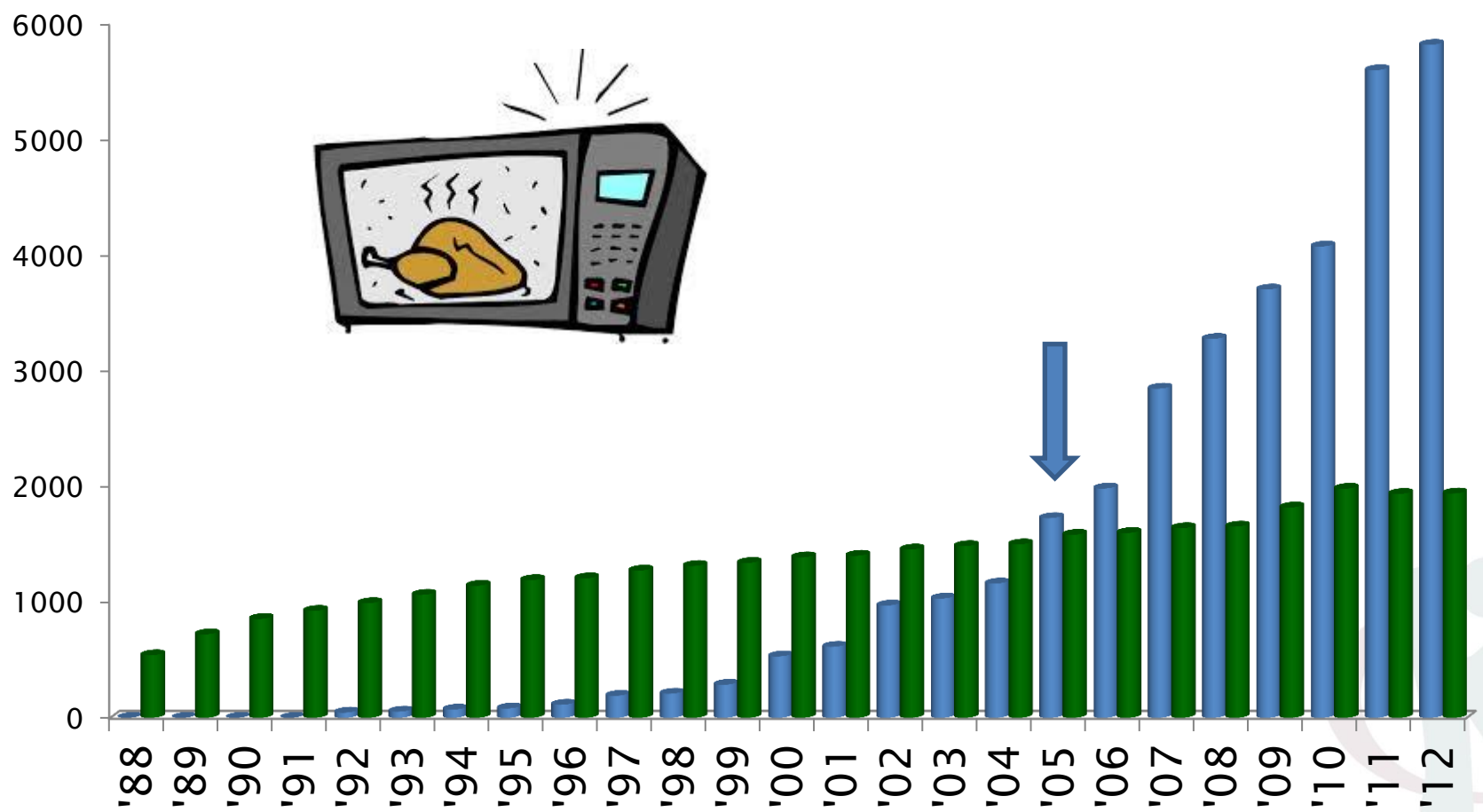


Microwave (2005)

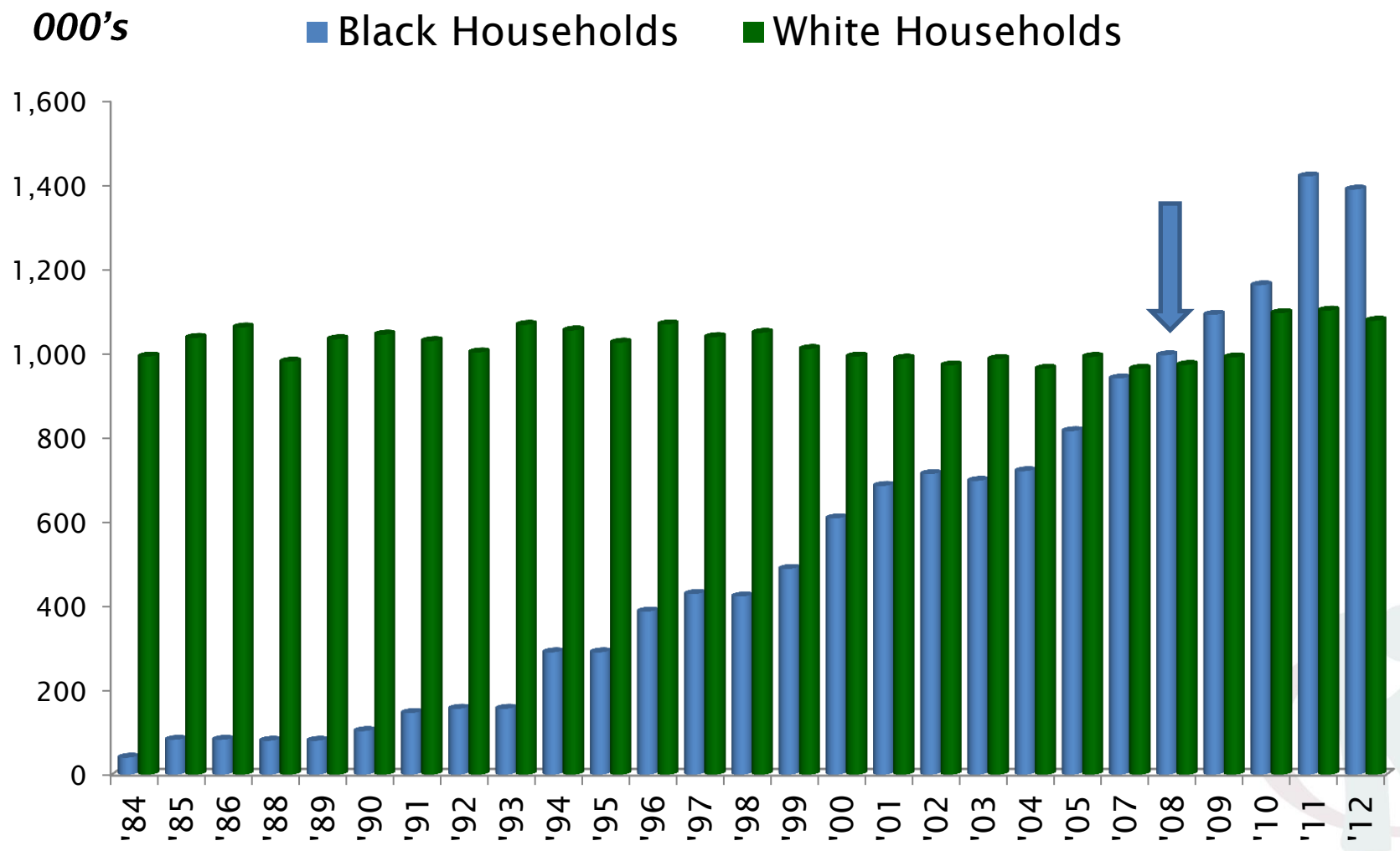
000's

■ Black Households

■ White Households

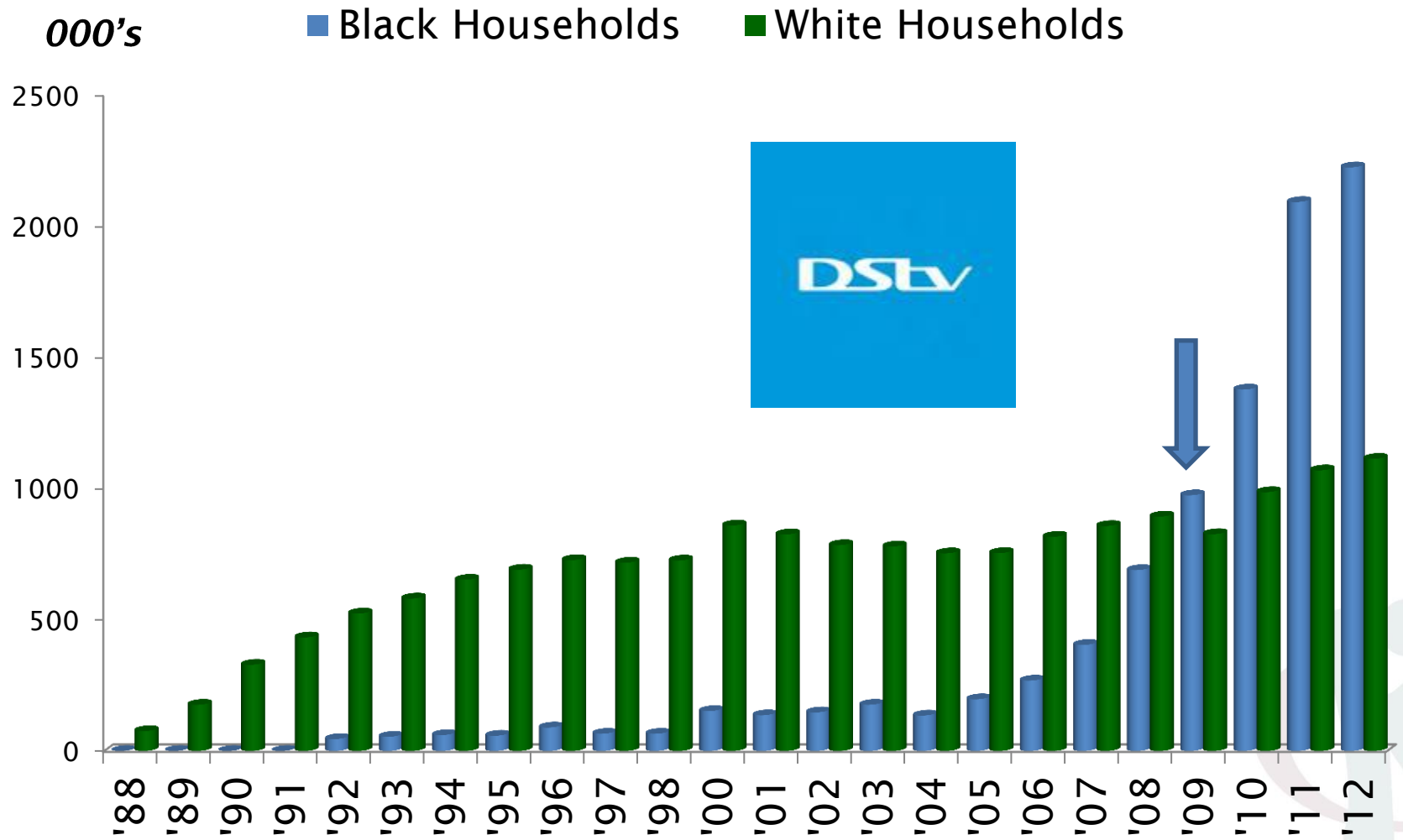


Free standing deep freeze (2008)



Source: AMPS

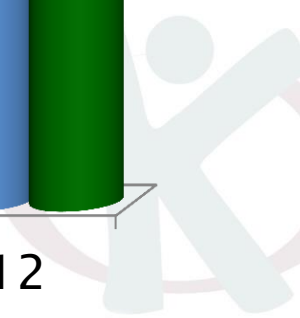
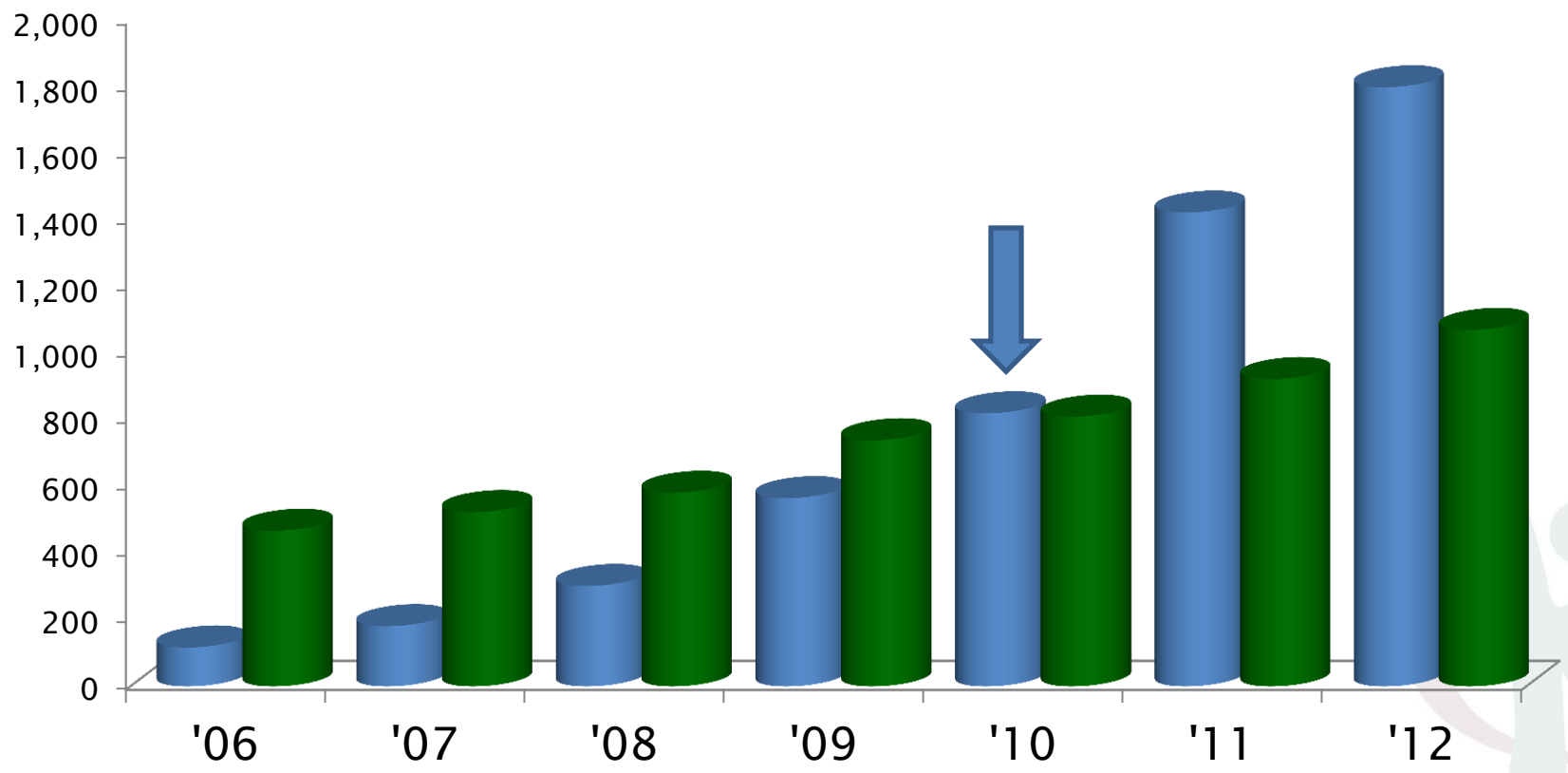
MNET or DSTV Decoder (2009)



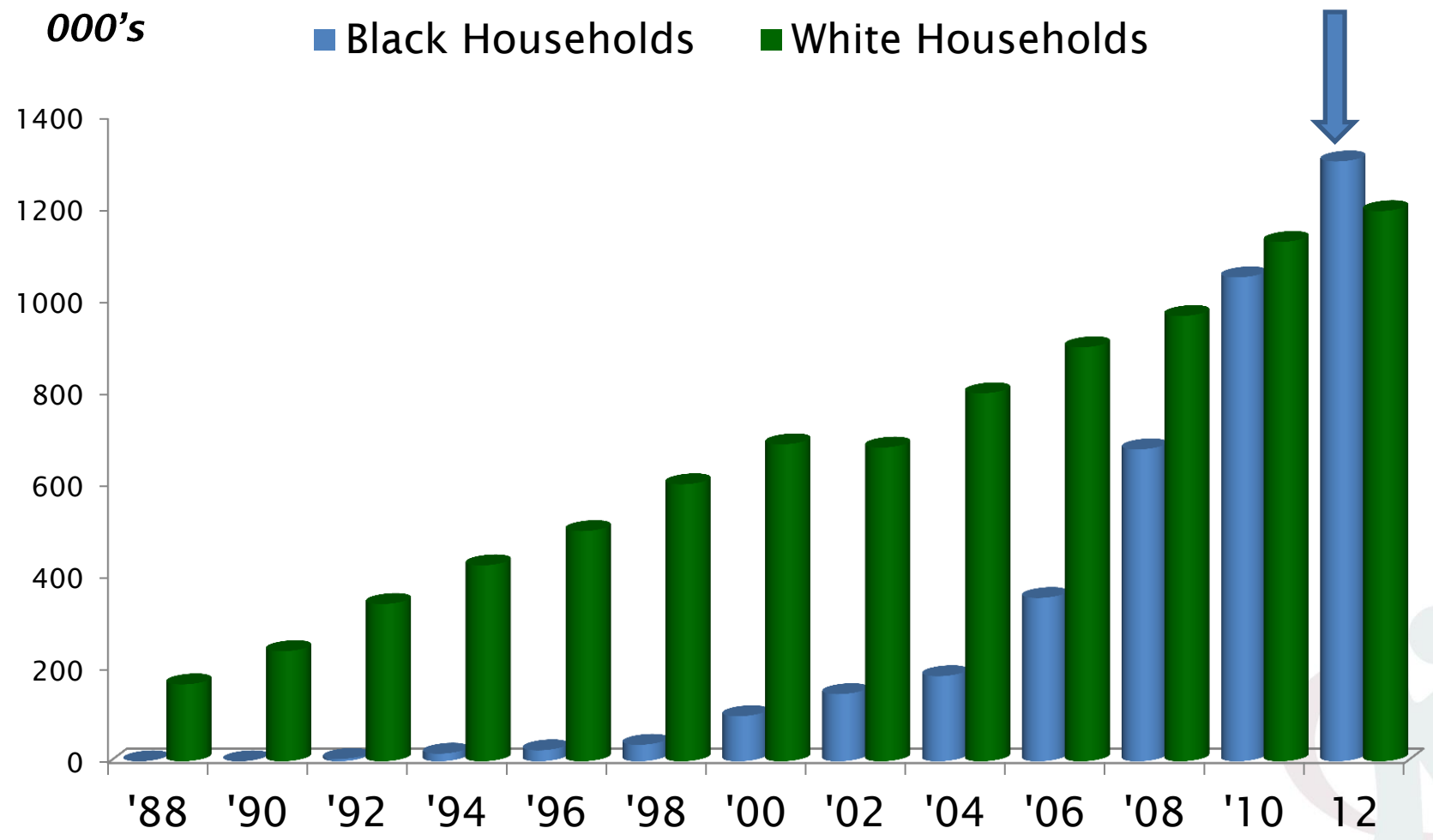
Internet connection at home* (2010)

000's

■ Black Households ■ White Households

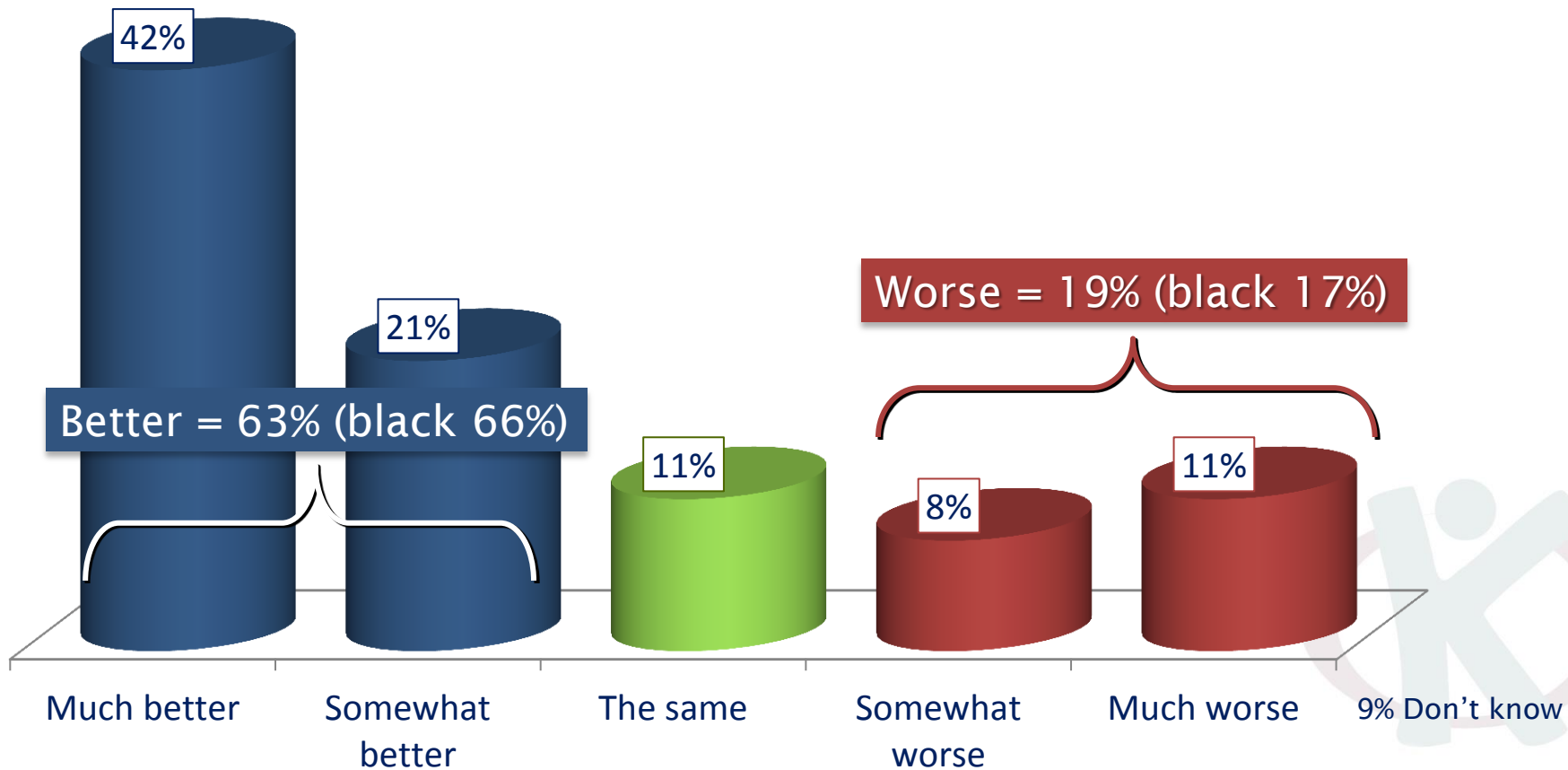


PC/Laptop Computer in home (2012)



In light of these consumption figures, it is not surprising that optimism among black parents is substantial

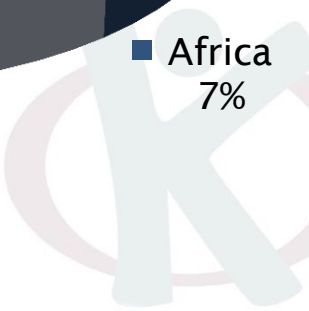
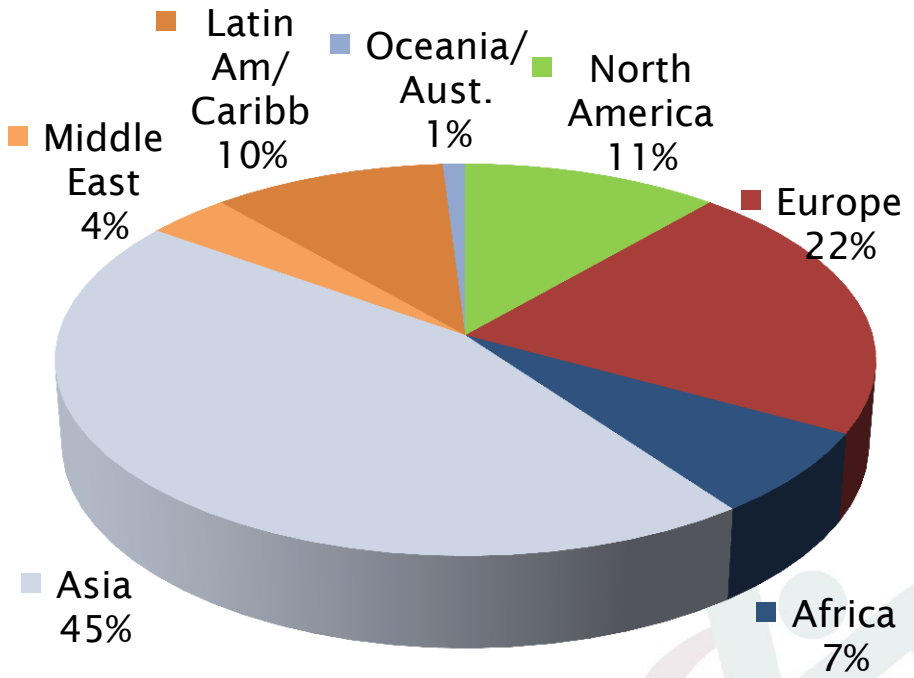
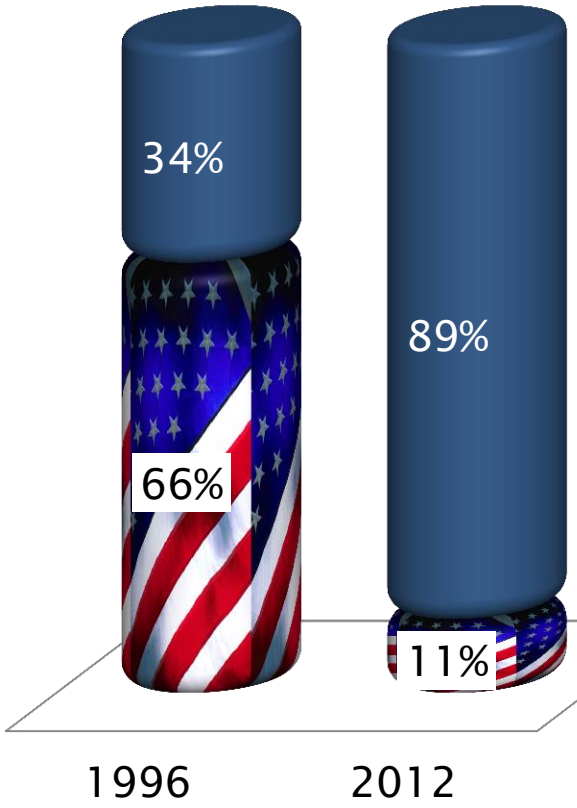
Future standard of living of children when they are the age you are now?
(base: parents)



The digital world

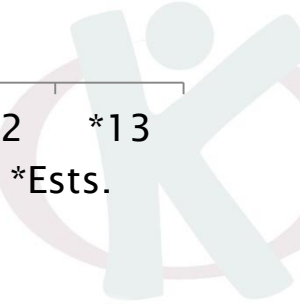
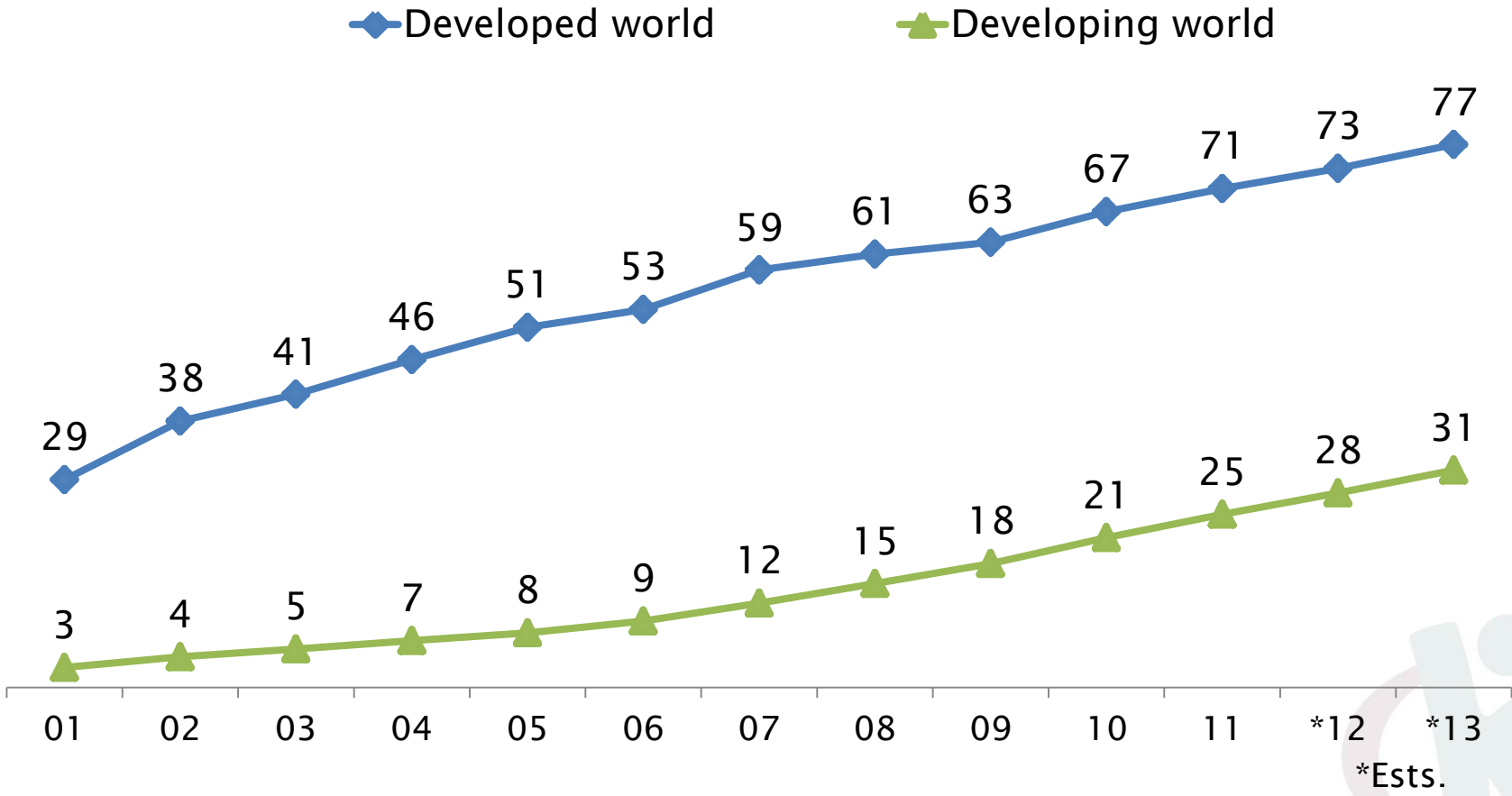


The US is no longer the centre of the online universe



Source: Internet World Stats , June 2012

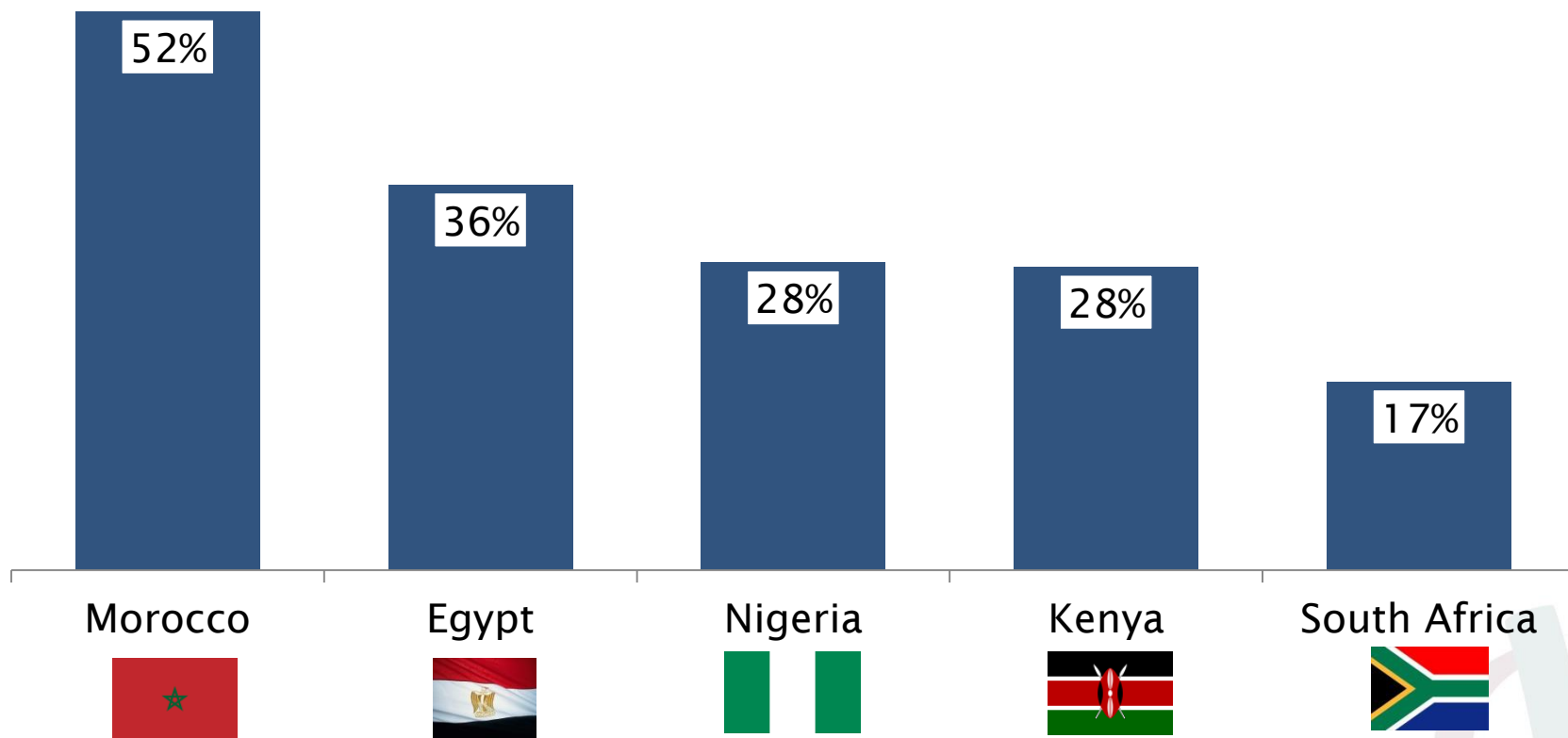
Number of internet users per 100 inhabitants in the world since 2001



Source: ITU World Telecommunication /ICT Indicators database

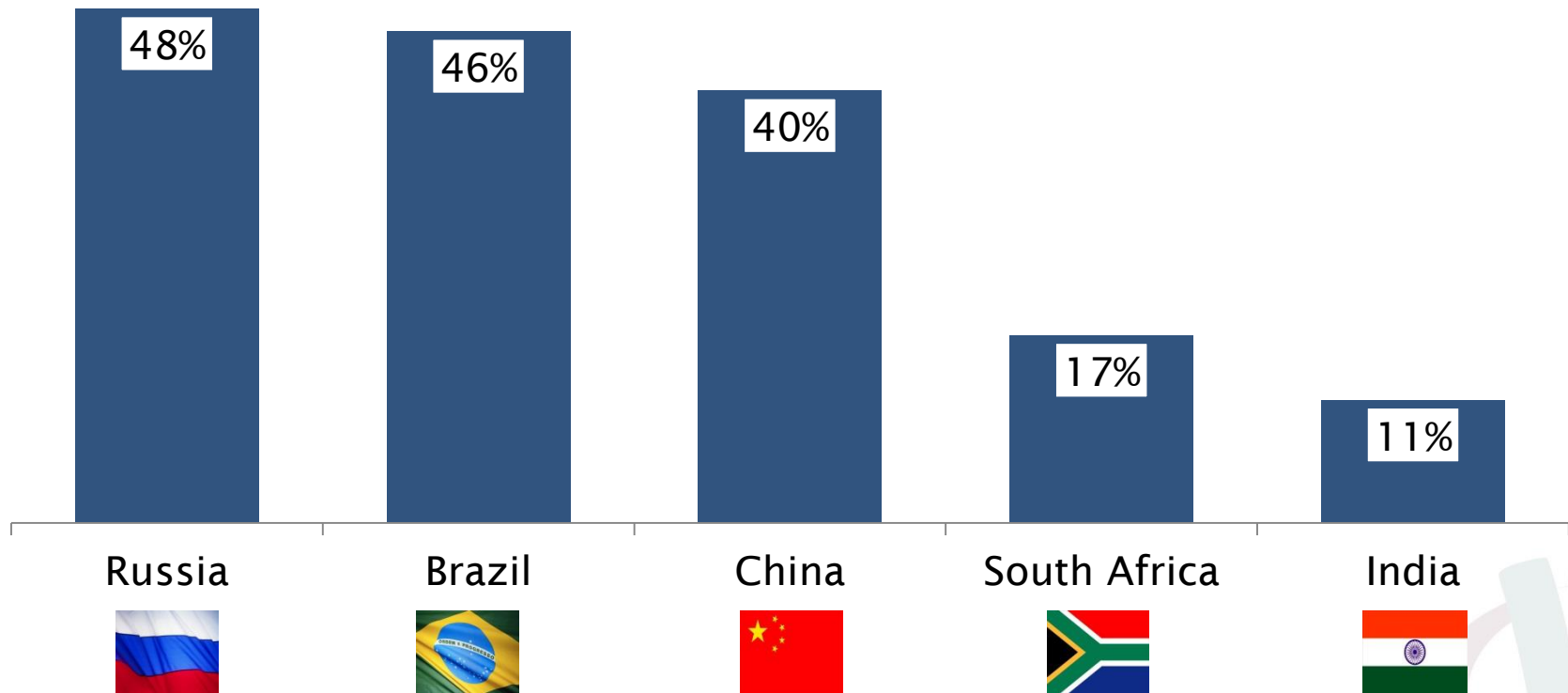
Internet usage: SA's place in AFRICA

% of population in each country (top 5)

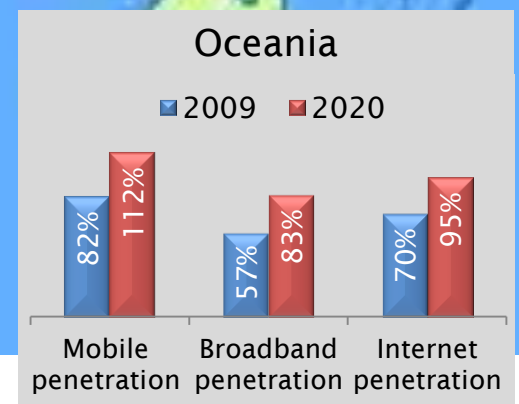
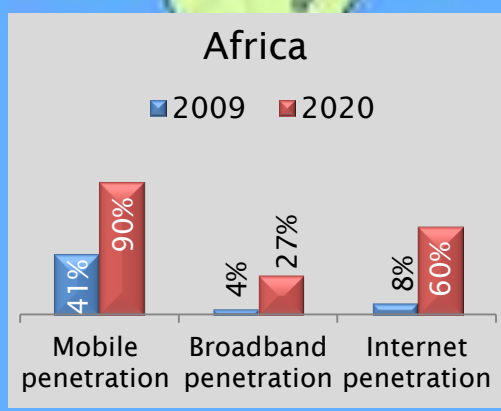
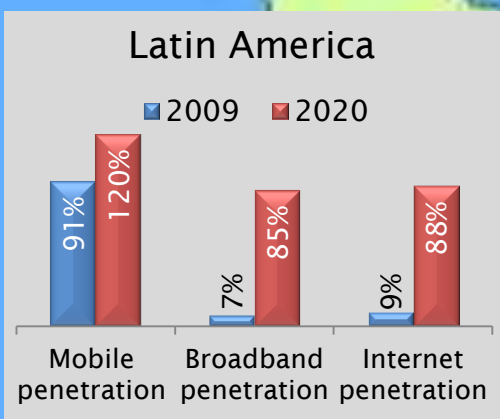
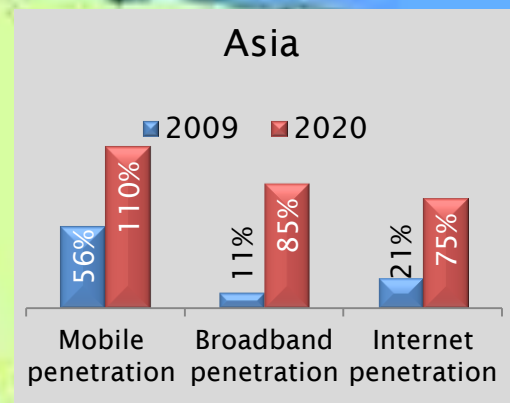
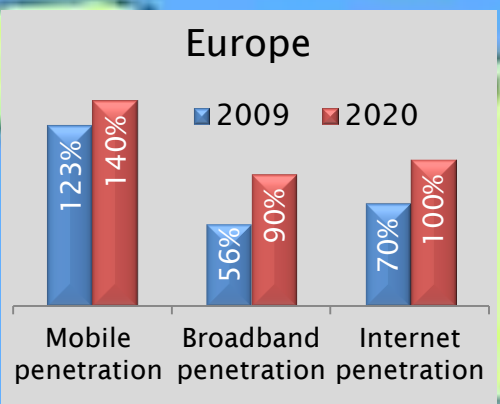
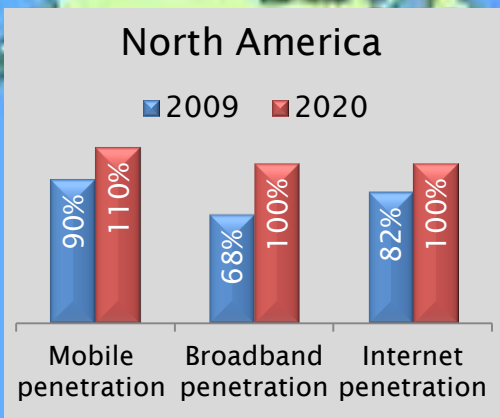


Internet usage: SA's place among BRICS

% of population in each country



Projected increases in mobile, broadband and internet penetration globally: 2009 and 2020



Source: 2009 telecommunications stats from ITU, 2020 projections from Frost & Sullivan

By 2020, US\$4 billion is expected to be invested in submarine fibre cables and US\$56 billion on terrestrial networks

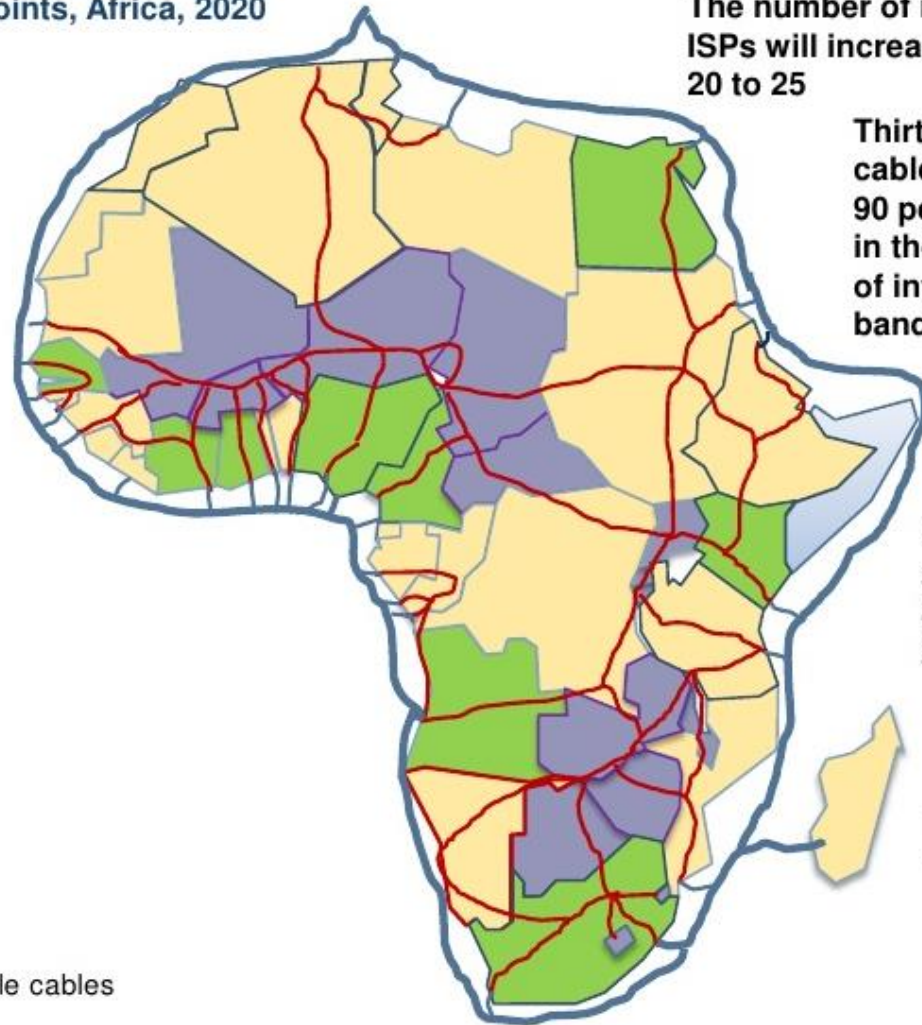
Submarine Fibre Optic Landing Points, Africa, 2020

The number of major ISPs will increase from 20 to 25

Thirteen undersea cables will result in a 90 per cent decrease in the wholesale cost of international bandwidth

Revenue from data services to reach \$137,000 million in 2010

Mobile operators will be the ISPs



- 1 to 3 cables
- 4 or more cables
- Landlocked country with access to submarine cable
- Terrestrial fibre links
- Sub marine cables – Multiple cables

Digital apartheid

Craig Wilson, TechCentral June 2012

- ❑ *Anyone who has attended any sort of telecommunications-related presentation in the past couple of years will have come across the World Bank's finding that a 10% increase in broadband penetration equates to a 1,4% increase in GDP in low- and middle-income economies.*
- ❑ That statistic makes a compelling and concise case for driving broadband access, but it only tells a fraction of the story.
- ❑ Expediting broadband access is crucial not only for creating jobs, but for ensuring that the economically marginalised have a fighting chance in an increasingly digitally driven knowledge economy.
- ❑ South Africa continues to fall behind other developing nations, including some in Africa, when it comes to metrics such access to broadband, cost of connectivity — fixed and mobile — and even the cost of mobile telephony, despite the country having the most mature mobile industry on the continent.
- ❑ Broadband access is rapidly becoming the new divide between rich and poor.

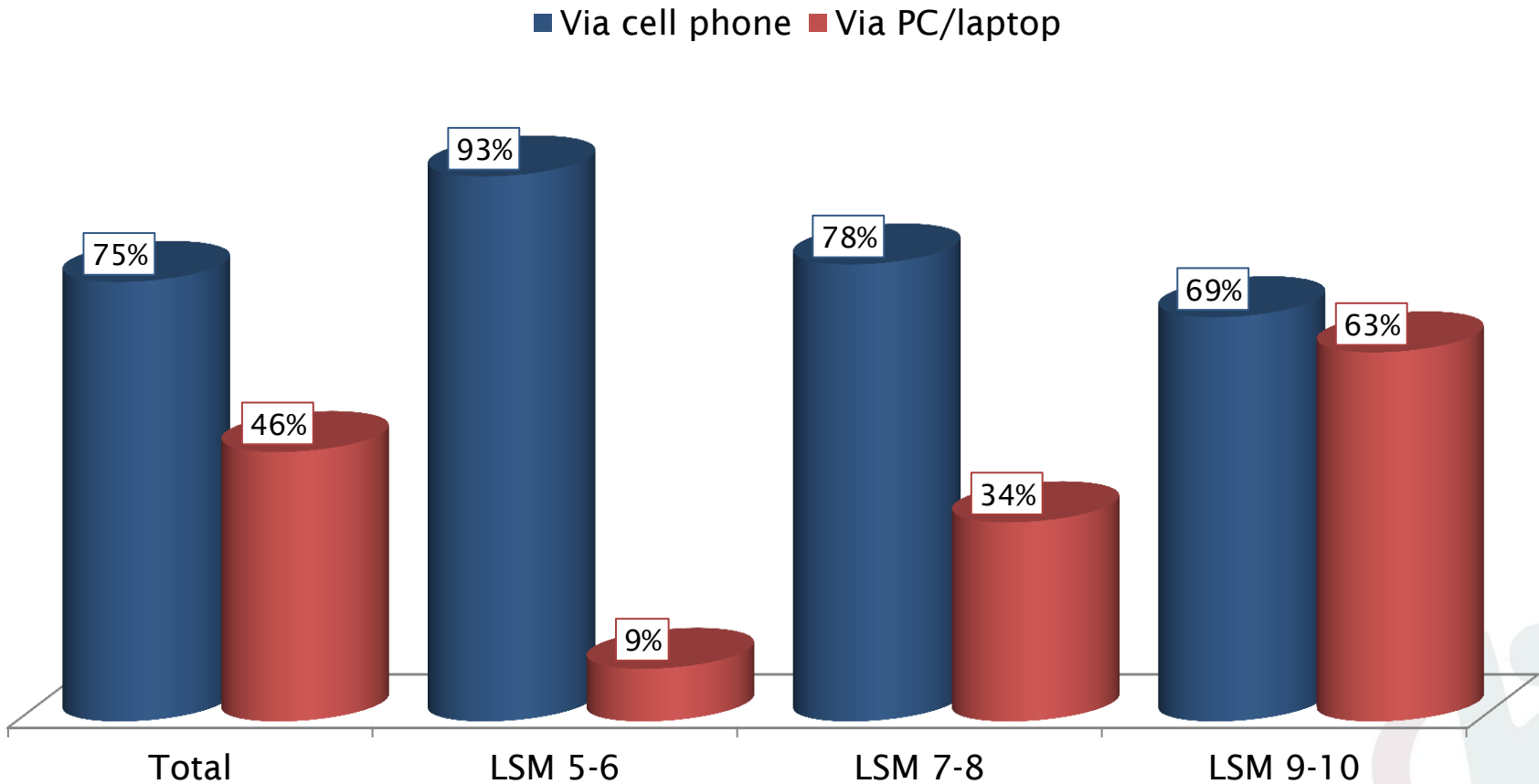
Digital apartheid

Craig Wilson, TechCentral June 2012

- ❑ A point to consider is the importance of correctly defining “access”.
- ❑ If by access we mean mobile data coverage for 100% of the population, we are aiming far too low.
- ❑ There are limitations to what can be achieved with mobile access alone.
- ❑ The United Nations is considering classifying broadband access as **a basic human right**.
- ❑ South Africa would do well to take heed of this.
- ❑ *Without meaningful, affordable and ubiquitous broadband access and cheap, readily available devices, South Africa is condemning the majority of its population to living outside of the modern knowledge economy.*

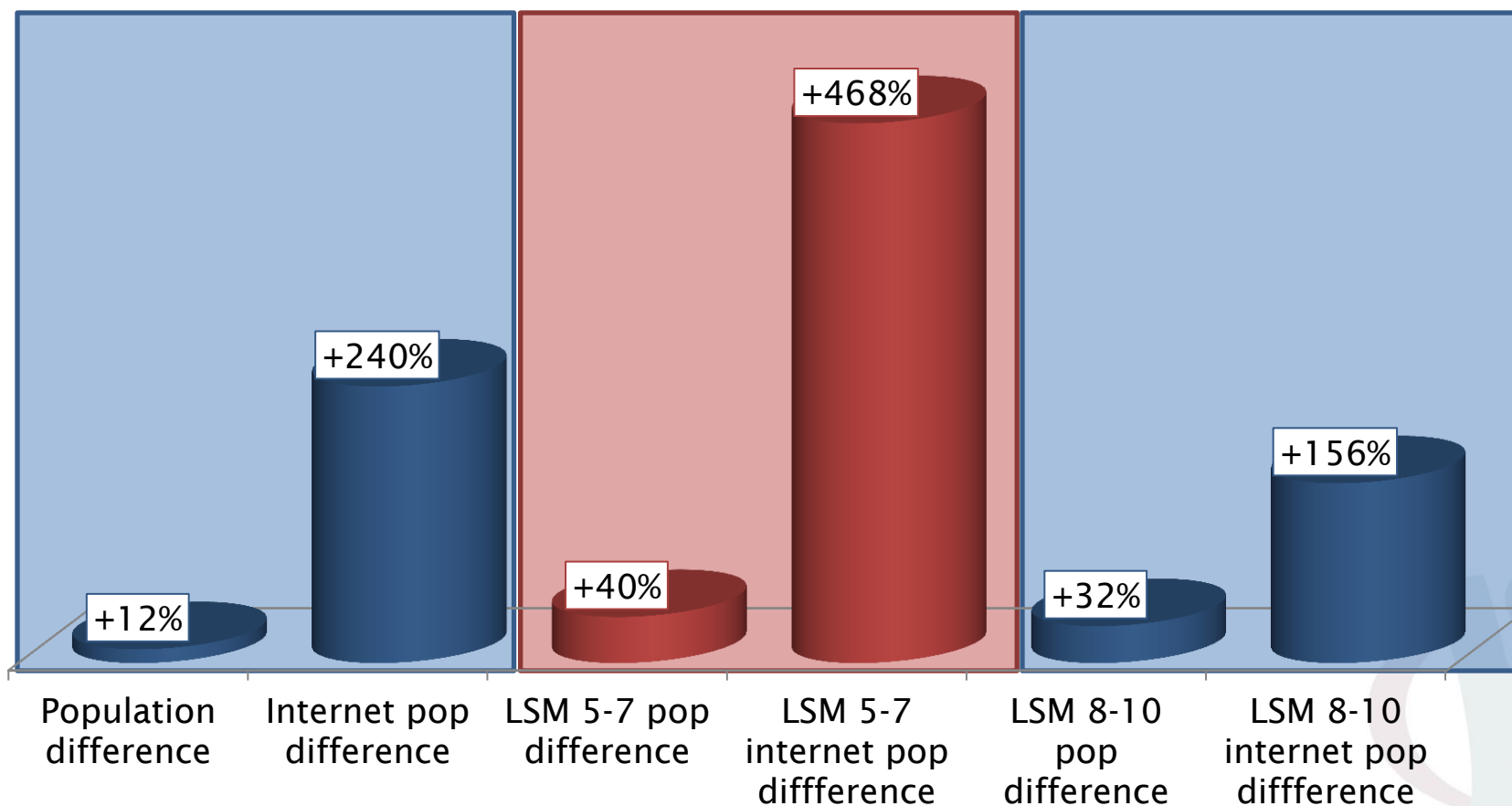


Internet access via cell or computer *base: access to the internet*



Access to **internet growth & population growth** *base: accessed internet within the past 4 weeks*

5 year growth: 2012 vs 2007



Media in a digital world



Academic studies show ‘gratification niches’

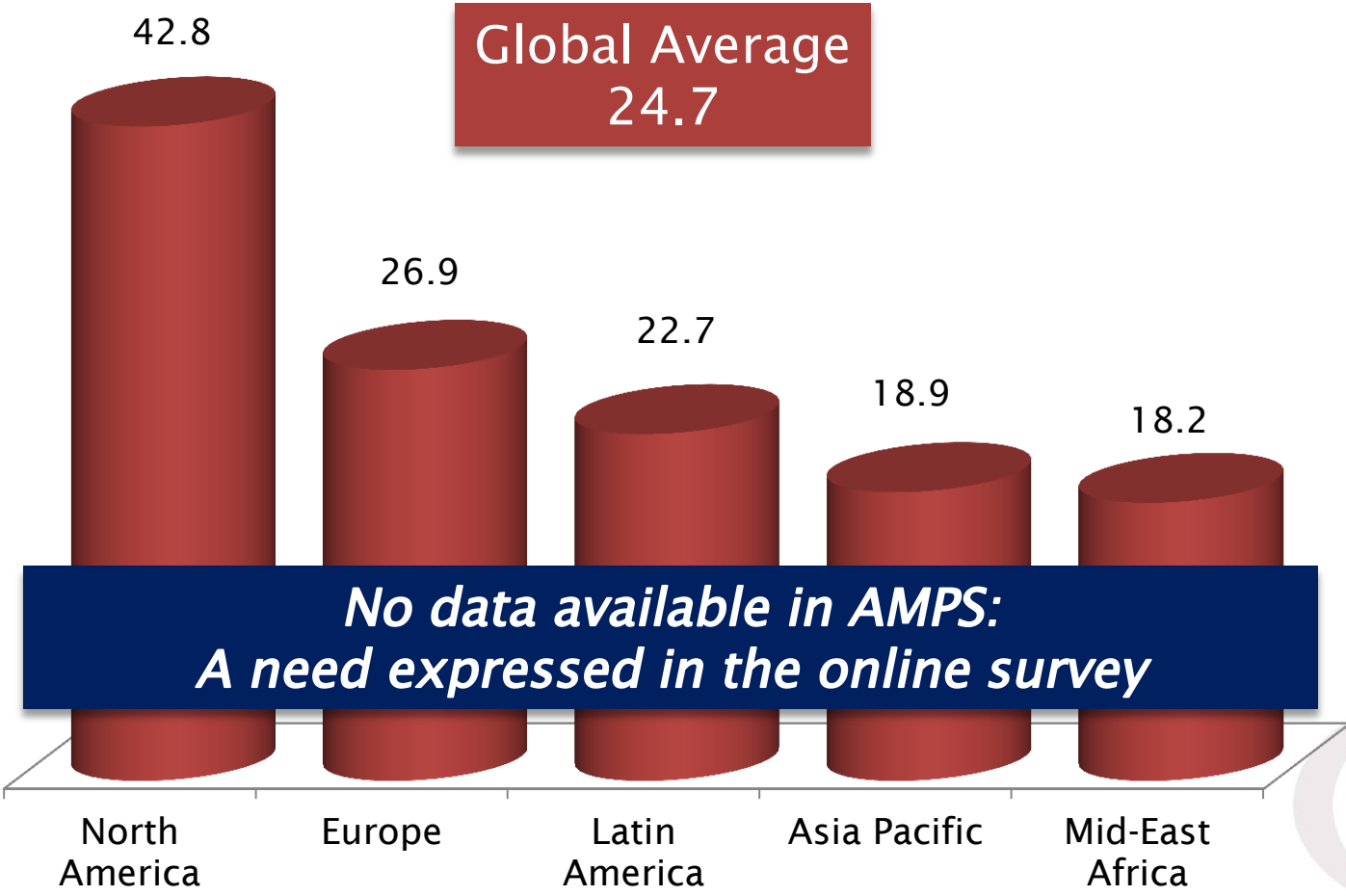
- ❑ The ability of a new medium to compete with those already established was considered in 2009 to depend on its *opportunities for gratification*.
- ❑ If one medium offers the same gratification opportunities as another, the two media may overlap or compete.
- ❑ The Internet and broadcast television satisfy similar needs on ‘news provision’ and thus compete for audience.
- ❑ Similar findings were found when comparing the Internet with newspapers, but at a lower level.
- ❑ With radio there was little overlap.



Fragmentation and concurrent use

- ❑ Technology is the driving force behind the plethora of new media, “where literally hundreds (and in some cases thousands, i.e. Internet) of media vehicles within each media class vie for the attention of the media consumer.”
- ❑ Examples of media fragmentation include, “*streamed broadcasting (radio and television), podcasts, (i.e. MP3 downloads), user generated media (i.e. Wikipedia, YouTube, Facebook, web blogs), short message service (SMS) and video games.*”
- ❑ Despite the increase in media opportunities the total time spent on media has remained at “just over eight hours in 1999, 2005 and 2009.”
- ❑ One of the phenomena resulting from these changes is an increase in the “degree of concurrent media usage”.
- ❑ Historical evidence shows that new media do not usually replace old media - it is the way that media are used that changes, resulting in a decline in the attention given by consumers and a greater degree of selectivity.

Time spent online: Hours per month



Social networking hours per day



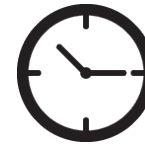
Social networking eats up 3+ hours per day for the average American user

18-34



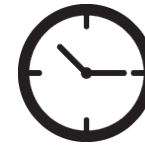
3.8

35-49



3.0

50-64



2.4

Emerging market social networkers are avid users

- Indonesians and Saudi Arabians spend **5.1** hours daily
- Turks (**4.9** hours)
- Argentinians (**4.7** hours)
- Russians (**4.6** hours).
- Almost **one-third** of social network users in Indonesia report spending at least **6 hours** a day socializing on social media sites.

***No data available in AMPS:
A need expressed in the online survey***

Average minutes spent per day with major media by US adults

	2009	2012	2012 vs 2009
TV	267	278	4%
Online	146	173	18%
Radio	98	92	-6%
Mobile (non-voice)	22	82	273%
Print*	55	38	-31%
-Newspapers	33	22	-33%
-Magazines	22	16	-27%
Other	44	36	-18%
Total	632	699	11%

*Print - offline only

Source: eMarketer, Oct 2012

***No data available in AMPS:
A need expressed in the online survey***

Simultaneous usage of select devices according to US connected device users*, Q2 2012

% of total interactions

TV with another device 77%

With a smartphone 49%

With a PC/laptop 34%

Tablet with another device 75%

With a TV 44%

With a smartphone 35%

PC with another device 67%

With a TV 32%

With a smartphone 45%

Smartphone with another device 57%

With a TV 29%

With a PC/laptop 28%

A need expressed in AMPS:
No data available in the online survey

Source: Google and Sterling Brands, 'The New Multi-Screen World: Understanding Cross-Platform Consumer

The Digital Participation Curve

WorldWide Worx

- ❑ There is a powerful relationship between length of time an individual has been on the Internet and their **online self-actualisation**.
- ❑ Same term used for the peak of Abraham Maslow's well-known Hierarchy of Needs.
- ❑ The **Internet Hierarchy of Needs** is almost identical:
 - It starts with physical needs such as getting connected and quality of that connection.
 - Works its way up through social needs like communication and networking.
 - And peaks with self actualisation from user-generated content, interaction with websites and leisure shopping.



SA's Digital Participation Curve

WorldWide Worx

- ❑ This evolution up the Internet Hierarchy of Needs does not happen overnight: it takes around 5 years for an average person to develop from a physical Internet connection to online self-actualisation.
- ❑ By the end of 2008, 3.2-million South Africans had been online for five years. The number grew to 3.75-million in 2011.
- ❑ The online market is suddenly real, the online user is suddenly experienced.....
 - Social media (which took off in 2008) now mainstream,
 - Business networking sites (eg LinkedIn) have taken South Africa by storm.
- ❑ Businesses that missed out on the 2006-2009 Internet boom in South Africa can set their watches now for the beginning of the next boom, expected this year!



More on the implications of....

Fragmentation, multi-tasking and convergence



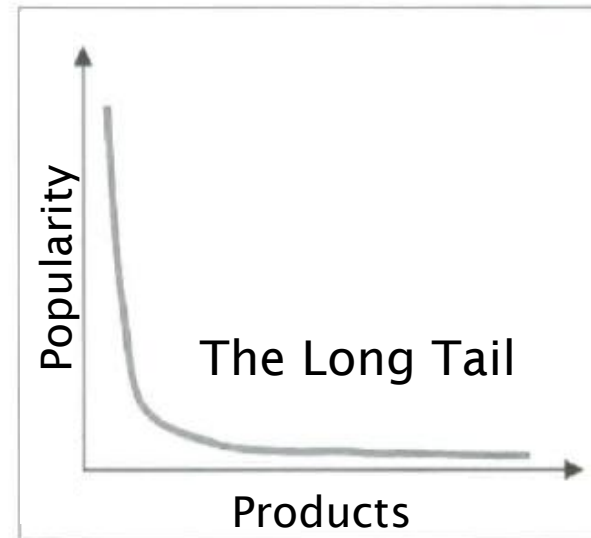
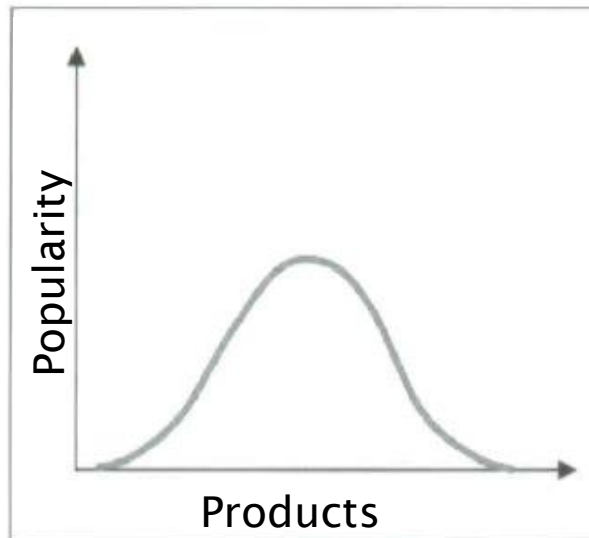
Media fragmentation

- ❑ Interestingly time spent on consuming media is more or less the same as it was 25 years ago.
- ❑ However today “consumers expose themselves to multiple media forms and messages simultaneously.”
- ❑ Media users can follow different strategies – some will use the growing abundance to consume a steady diet of their preferred genre and others will sample a diverse range of materials.
- ❑ The implications for the providers of media in terms of measurement efficiencies:
 - The measures must verify they have an audience,
 - To enable them to adjust their strategies for managing the audience,
 - And thereby monetise the results.



“The Long Tail”

- ❑ The Internet and digital technologies has opened up the market for “low-occurrence niche items that would have trouble finding their customers in conventional geographically bound markets.”
- ❑ The implication is that the normal distribution curve is being replaced by one where there is a multiplicity of choice and less focus on the major media – the long tail curve.



20 years and a fragmentation explosion: 1992 cf 2012

	1992	2012
Broadcast	Broadcast & cable TV, broadcast radio	Broadcast TV, cable TV, broadcast radio, satellite radio, podcasts, streaming video and audio (e.g. Hulu, Netflix, iTunes, Amazon, YouTube, Pandora and hundreds of other streaming services), cinema, music sharing (e.g. Spotify)
Print	Newspapers, magazines	Newspapers, magazines, iPad, Kindle, Nook and many other e-readers, RSS feeds, social bookmarks (e.g. Digg, Reddit)
Direct	Direct mail, telephone	Direct mail, telephone, email, pURLS, SMS text messaging, mobile apps (push notifications)
Outdoor	Billboards, transit posters	Billboards, transit posters, digital outdoor signs, projections on sides of buildings, outdoor installations
PR	Press releases, media events	Press releases, media events, blogger outreach, digital content distribution, online livecast/streaming, online events, flashmobs promoted on YouTube and other social outlets (see Social Media for more "PR" tactics)
In-store	Printed or handwritten POP signs	Printed or hand-written POP signs, digital POS signs, motion-activated coupon dispensers, touch-screen POS kiosks, mobile shopping apps, location-based/GPS-enable apps/devices
Digital devices	Walkman CD and cassette players	TiVo/DVRs, iPod/MP3 players, game consoles, portable gaming devices, laptops/PCs
Online	Didn't exist	Websites, mobile web, smartphone and tablet apps/games, banner ads, rich media ads, video ads, website takeovers, location-based technologies, 2D barcodes, NFC, streaming video and audio (e.g. Hulu, Netflix, iTunes, Amazon), personal online chat/IM, live public discussions, webinars
Social Media	Didn't exist	Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, Foursquare and hundreds of other social networks, forums, discussion boards, over one hundred million active blogs/vlogs, video and audio podcasts, online gaming
Mobile	Didn't exist	Mobile phones, smartphones, tablets, e-readers



Implications of fragmentation

- ❑ Fragmentation has not resulted in reduced reach – quite the opposite.
- ❑ Wider choice actually brings greater consumption per media type.

- ❑ But because additional time is not allocated to greater consumption, it must be that...
 - Multiple platforms are being consumed at the same time
And/or....
 - Less time has to be spent per media channel or title.

- ❑ On the TV front, more consumers watch TV and watch more of it, but those larger audiences are dispersed across multiple screens, or stream TV content to their PCs and smart devices. Internationally, with rare exceptions, the mass audience accustomed to appointment viewing is long gone.

Fragmentation in South Africa

(the size of the media market according to AMPS)

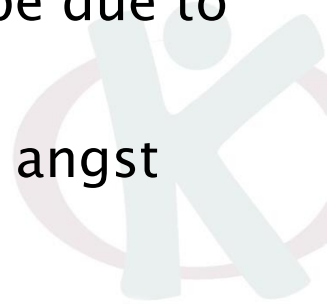
	1996			2012		
	Number of titles	Average number consumed	% reach	Number of titles	Average number consumed	% reach
Daily newspapers	17	1.2	17%	22	1.3	31%
Weekly newspapers	22	1.4	28%	27	1.7	33%
Total newspapers	39	1.8	33%	49	2.1	48%
Magazines	46	2.6	40%	120	3.1	54%
Commercial radio	30	1.6	84%	33	1.8	90%
Community radio	Didn't exist			52	1.1	18%
Total radio	30	1.6	84%	85	2.0	92%
TV (no satellite)	7	1.9	59%	7	3.3	89%
Satellite	Didn't exist			± 140	13	29%
Mobile phone			2%			85%

Fragmentation in South Africa

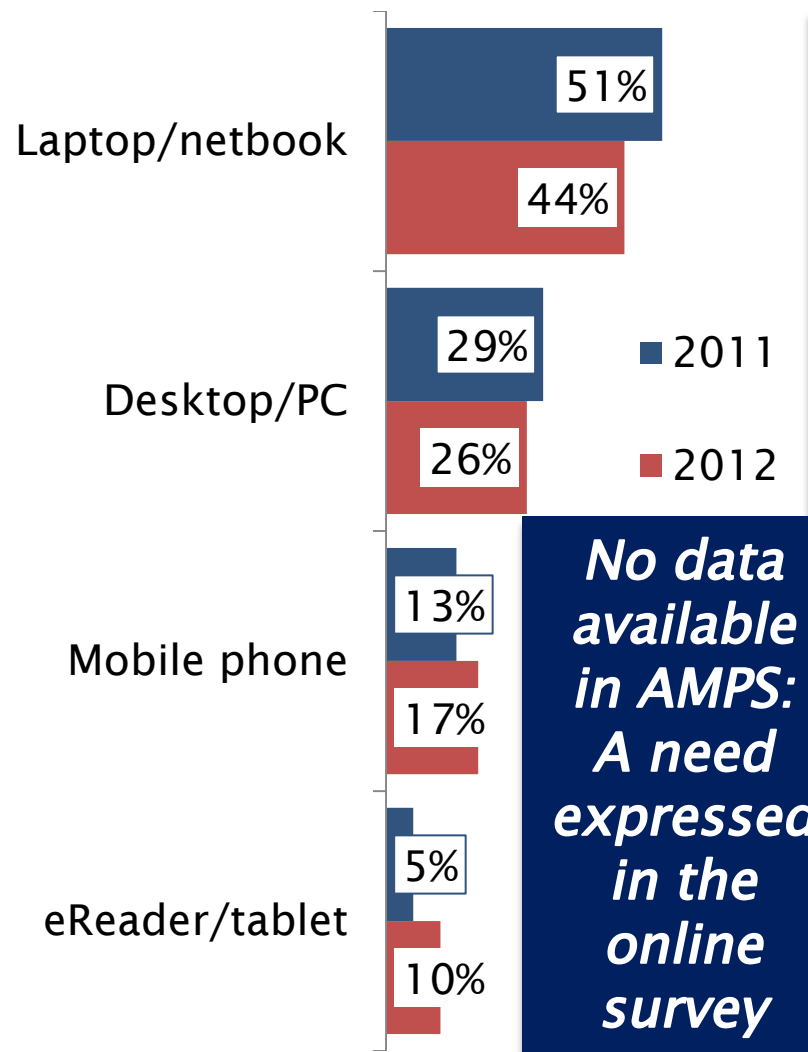
(the size of the media market according to AMPS)

	1996			2012		
	Number of titles	Average number consumed	% reach	Number of titles	Average number consumed	% reach
Daily newspapers	17	1.2	17%	22	1.3	31%
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Total newspapers	39	1.8	33%	49	2.1	48%
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Community radio	Didn't exist			52	1.1	18%
Total radio	30	1.6	84%	85	2.0	92%
TV (no satellite)	7	1.9	59%	7	3.3	89%
Satellite	Didn't exist			± 140	13	29%
Mobile phone			2%			85%

Multitasking and fragmentation

- ❑ Consumers' attention is divided as media multitasking becomes the norm.
 - ❑ The linear consumption activity (i.e. appointments with specific media) of former days is now a tangle of simultaneous activities, some related, some not.
 - ❑ Consumers' media fragmentation is often dictated by the sophistication of their devices.
 - ❑ So there is fragmentation across platforms because mass audiences are now dispersed across multiple platforms.
 - ❑ But there can also be fragmentation within a media type due to greater choice of titles or channels.
 - ❑ This could make media measurement and planning an angst filled task!
- 

Devices used most often *while watching TV* according to Internet users* in Australia 2011 & 2012



- The wealth of devices has helped to drive second-screen behavior, mirroring trends seen in other developed markets.
- 74% of users split their attention between a television and a web-enabled device in 2012, an increase from 60% in 2011.
- Attention is being split no matter what screen one is paying attention to.
- PCs are the best at retaining the attention of the largest group of users as they engaged in other activities, followed by laptops, and then tablets.
- Televisions had the worst record of capturing the attention of users.

Media repertoires and research in the fragmented world



Fragmentation:

Key take out for measurement

- ❑ Fragmentation has implications for media research “as it will not be economically viable to apply conventional random sampling methods to the measurement of increasingly minor audiences”.
- ❑ The decrease in the speed and increase in the cost of audience research on representative samples of audiences distributed across “different media channels and technologies” would also be difficult.
- ❑ Some have described how “the economics of the broadcast era required ... big buckets.... to catch huge audiences”, but this is being eroded by the Internet which provides access to literally millions of niches.
- ❑ Whilst many niche offerings only have a few hits, in combination they can exceed those of the traditional media.
- ❑ *This implies significant challenges in balancing the required measurement methodologies against the realities of the new consumption practices within differing sectors.*

Fragmentation:

Key take outs for measurement

- ❑ Some disagree with the conclusion that total media time is not affected by fragmentation.
- ❑ Their belief is that it is merely that media measurement has not developed to adequately cover new consumer practices.
- ❑ Many believe the media industry must reconcile itself to an amalgam of data integration, modelling, fusion and similar hybrid systems.
- ❑ A good option could be a hybrid methodology of random probability sampling for the bigger reach media together with less statistically controlled sampling for the niche media events in the “long tail”.



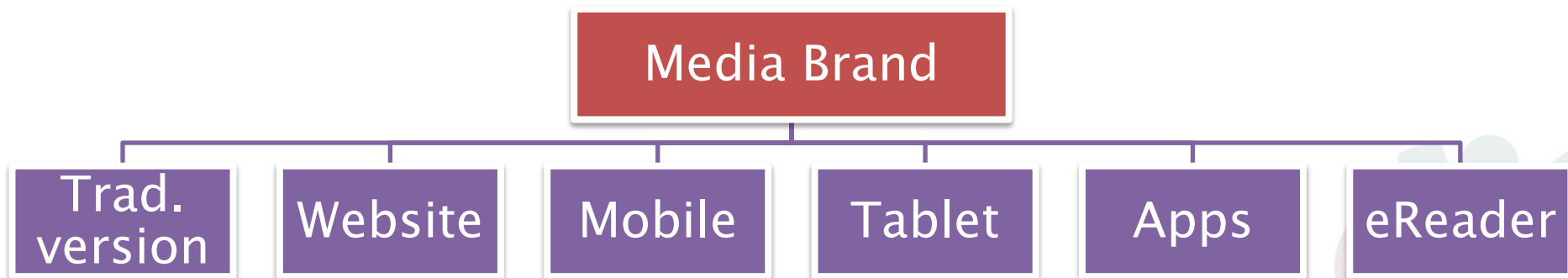
Media repertoires

- ❑ Cross media measurement needs to serve multimedia campaigns, which by definition, must demand comparable metrics across media.
- ❑ For example, readership and frequency of print cannot be directly compared with television audience rating points.
- ❑ The expansion of media repertoires and the evolution of niches (the long tail effect) could point to the measurement of *engagement* rather than *exposure based* metrics or a combination of both.
- ❑ The small audiences of the long tail do not reflect well in an exposure based metric; but in an engagement based one, these media can outperform more traditional media.

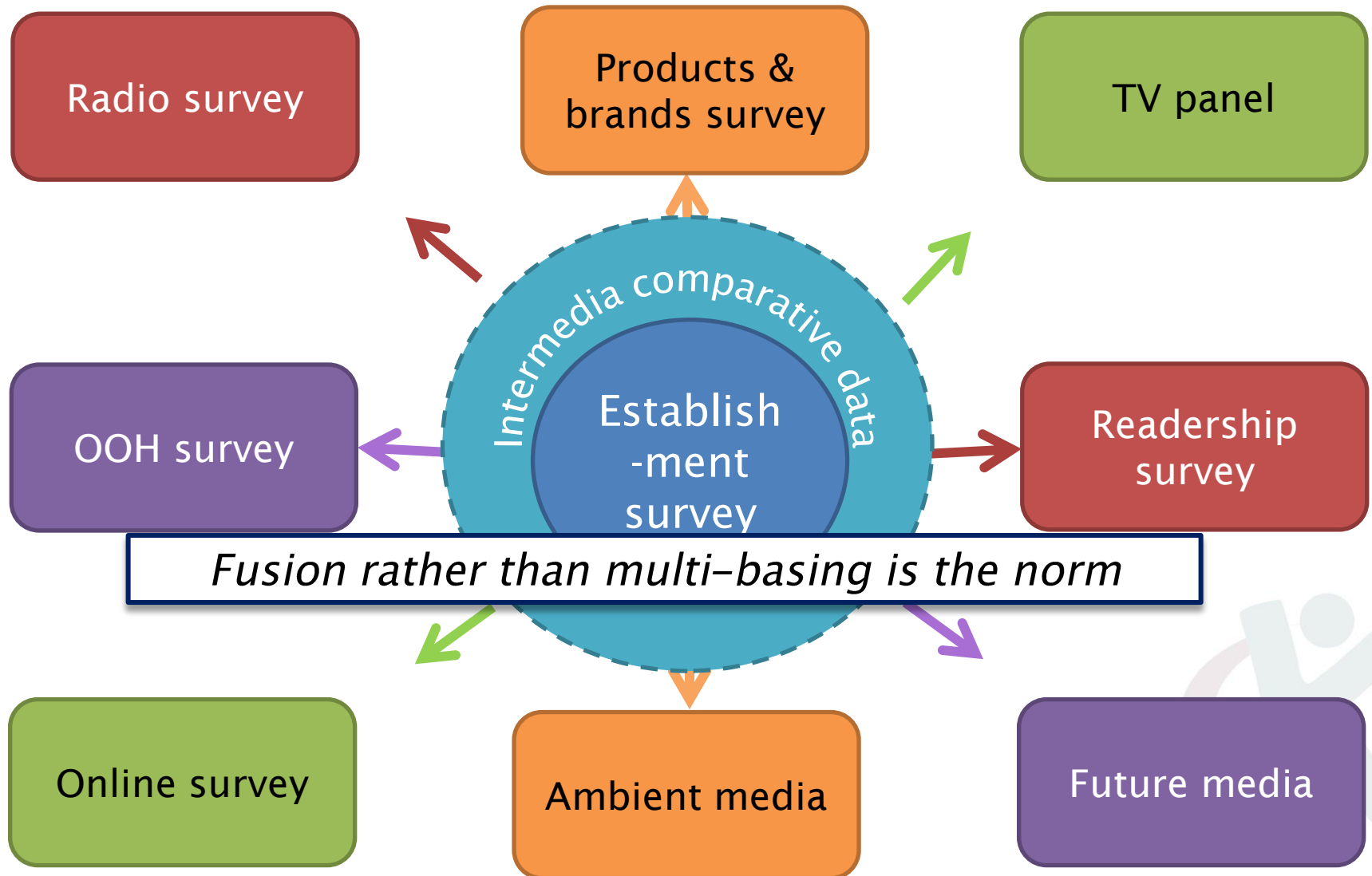
A need expressed in the online survey

Media repertoires

- ❑ Media repertoires are the most promoted means of dealing with the multiplicity of media choices.
- ❑ An approach that has been put forward is a “media-centric approach that tallies total audience across outlets or products”.
- ❑ The implication is that measurement is related to ‘media brands’ irrespective of the where and how of consumption – the brand is key rather than the platform.



International trends link the establishment survey data to a variety of dedicated media surveys via data fusion



'Big Data'

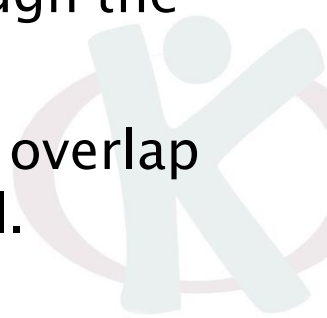
- ❑ As the market place becomes more digitised, more opportunities are created for audience information systems to capture more granular, more real time behavioural activities to create census-like data.
- ❑ Data digitisation is often called 'big data'.
- ❑ An example is return path data which is able to report census-like estimates. This helps to overcome small sample size problems that threaten the accuracy of panel based approximations for fragmented media.
- ❑ Very few companies leverage the opportunity that digitisation presents.



‘Deep Data’

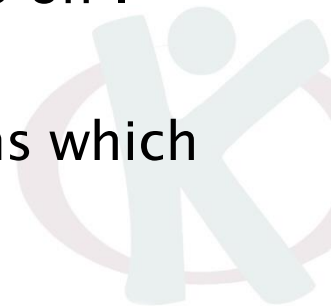
- ❑ Richard Marks (ex Kantar) in the UK talks about the game changing benefits of return path data from set top boxes, the advantages for audience measurement *and the opportunities for combining audience data with customer databases to aid media planning.*
- ❑ He prefers the term ‘deep data’ for this type of data sets.
- ❑ Some companies, for example, run a single source panel combined with frequent shopper cards.
- ❑ Such practice enables actual behavioural consumption to be matched with media usage, demographics and psychographics.
- ❑ There is no need to throw the baby out with the bathwater: traditional media metrics, new media metrics, ‘big data’ (internal company real time data capture) and cloud computing analytics can be combined through advanced statistical modelling.

Network analytics: an example of single source real time cross-platform measure

- ❑ An approach which focuses on the measurement of media synergy is that of network analytics, as used by Nielsen's TV/Internet Convergence Panel.
 - ❑ The panel itself is of cross-platform data which is collected through electronic meters.
 - ❑ Use of meters increases the accuracy of the data while the panel provides a 'single source' and respondent level data across TV and internet by monitoring individual activity across all platforms.
 - ❑ Data is collected in near real time and is enabled through the extensive use of software.
 - ❑ Measurement is centred on ascertaining the degree of overlap between media for the same respondents on the panel.
 - ❑ This is applied in the Netherlands among others (SkO).
- 

Marketing integration

- ❑ The media industry must now “deliver experiences, not just content” in the new business model.
- ❑ Advertisers are now going beyond demographics in defining target markets and are frequently taking into consideration “attitudes, motivations, behaviour and other demand characteristics.”
- ❑ Later work begins to take engagement metrics into new media.
- ❑ Consumer experience management accepts and views “customer engagement to consist of multiple behaviours such as WOM, blogging, providing customer ratings, and so on”.
- ❑ Media metrics need to go beyond consumer size and characteristics to context, particularly to the conditions which lead to lower or higher attention.



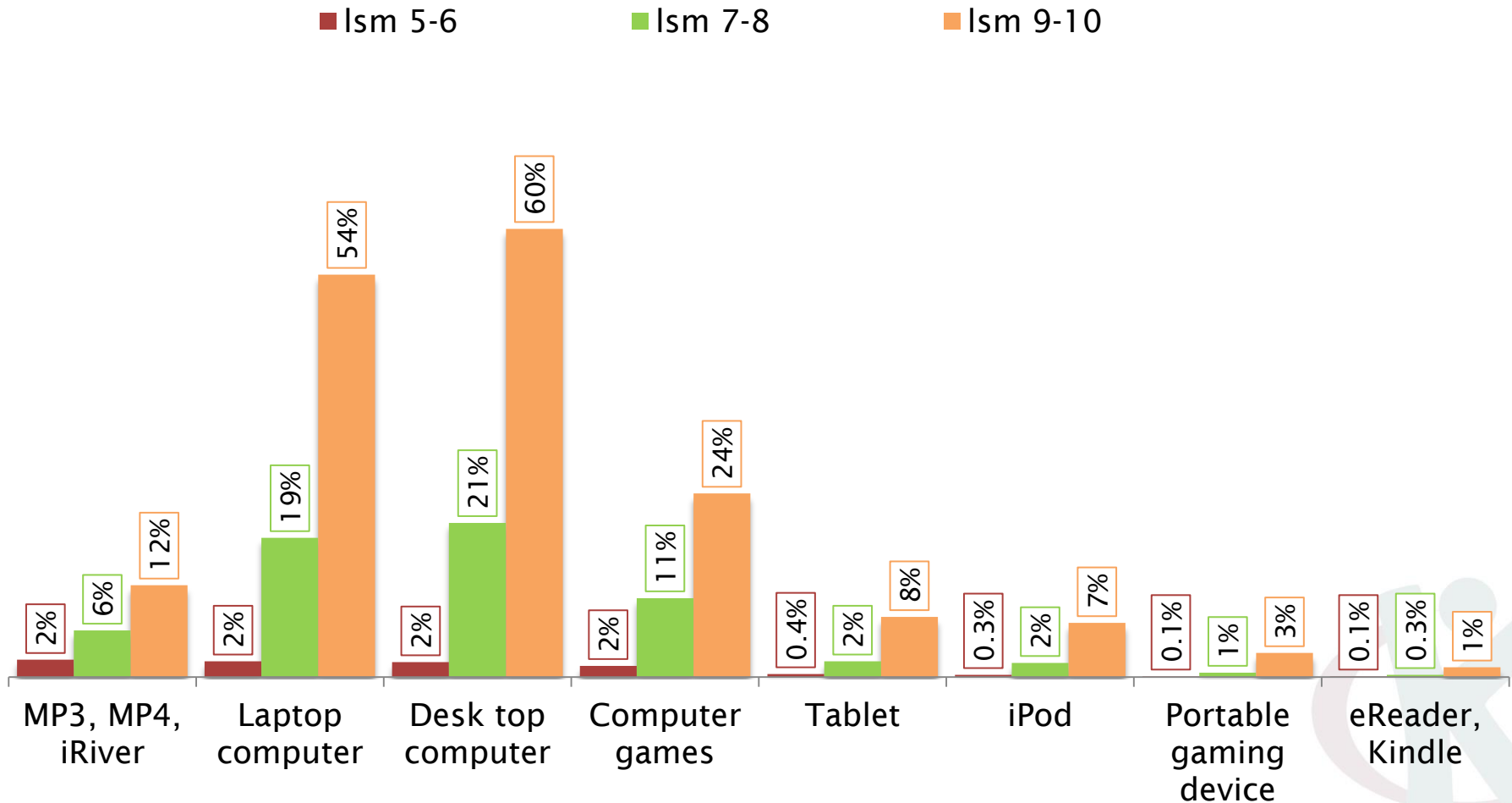
1. Mobile/smartphones
2. Tablets
3. Computers/laptops
4. and others....

Devices

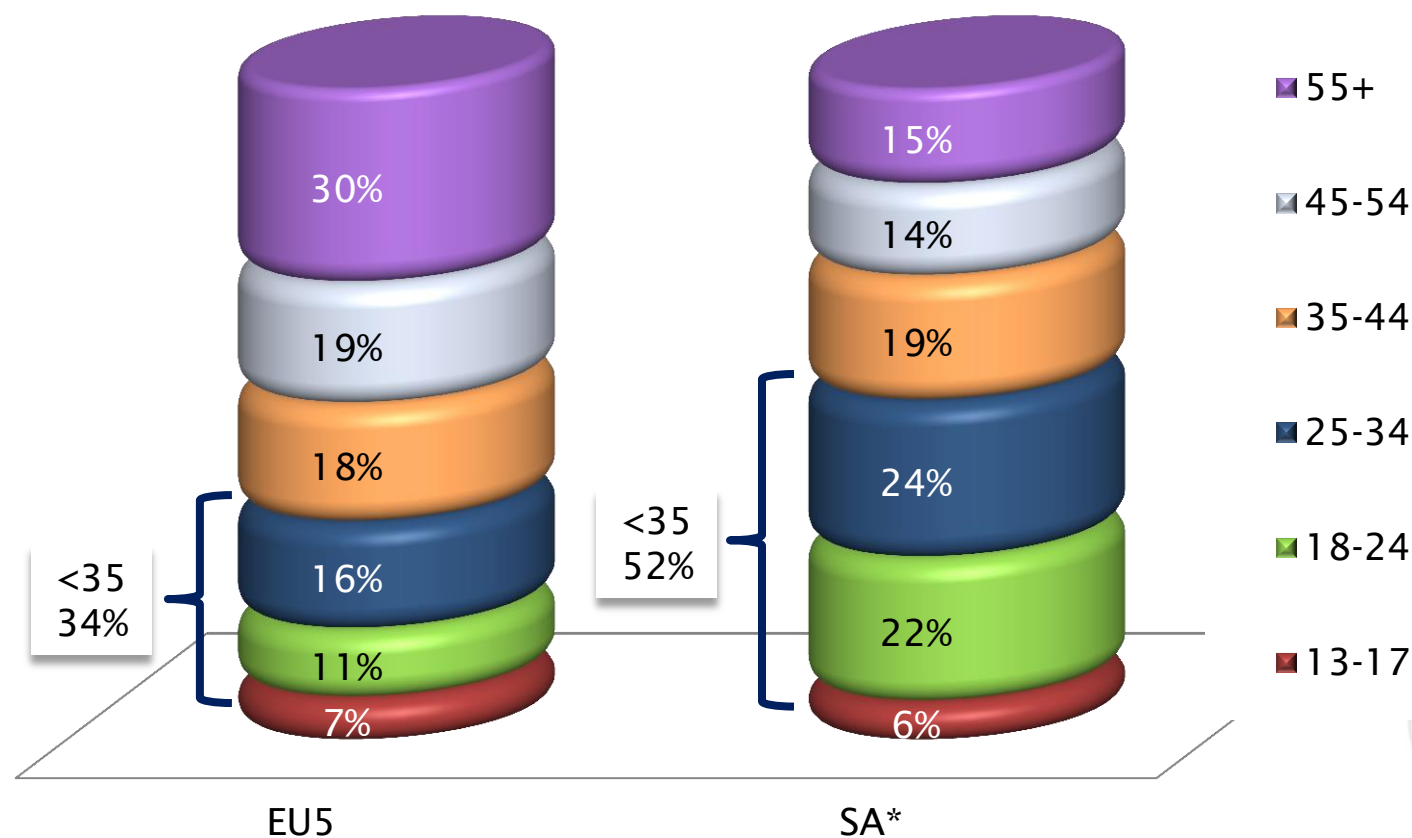


Device in the home in South Africa: by Ism








Household weight



A third of EU5 (Europe) mobile users are under 35 years old (*compared to 52% in SA*)



Consumer electronics owned by internet users in select countries (*SA is a household decision maker incidence)

	UK	Canada	US	Brazil	Australia	SA*
	91%	90%	90%	90%	88%	97%
	85%	83%	83%	67%	82%	41%
	83%	77%	70%	73%	81%	100% <i>any cell</i>
	67%	73%	66%	56%	58%	7%
	64%	74%	72%	72%	65%	37%
	49%	54%	52%	44%	48%	7%
	41%	33%	34%	11%	20%	1%

Source: Microsoft Advertising, Flamingo Research and Ipsos OTX, "Cross-Screen Engagement Research Report" March 14, 2013 eMarketer

*SA: AMPS 2012 Items in home – household decision maker weight

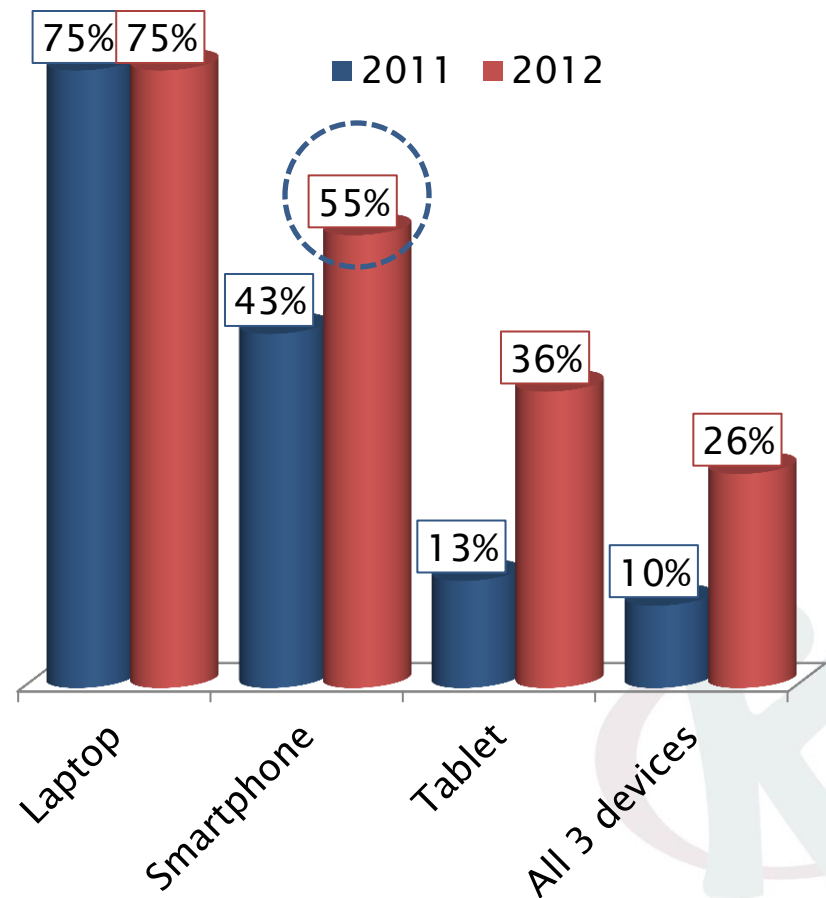
Smart device penetration (USA)

- In the USA the combined number of smartphones and tablets has surpassed the installed base of computers for the first time (2012).

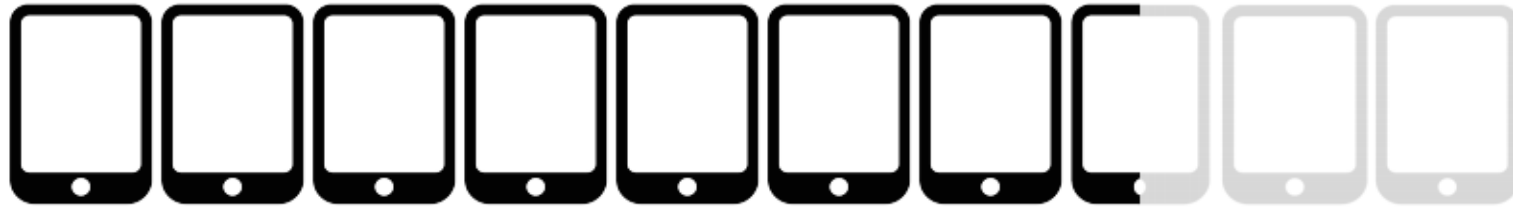
Usage of devices

- 46% of smartphone owners expect to use them more in the next 12 months.
- 69% rated their smartphone as among their top 3 of most value, up from 54% last year.
- 26% of consumers are digital omnivores (own a laptop, smartphone and tablet).
- More than 80 percent of consumers are multi-tasking while watching TV.
- 93% of Americans place Internet access as the most valued household subscription.

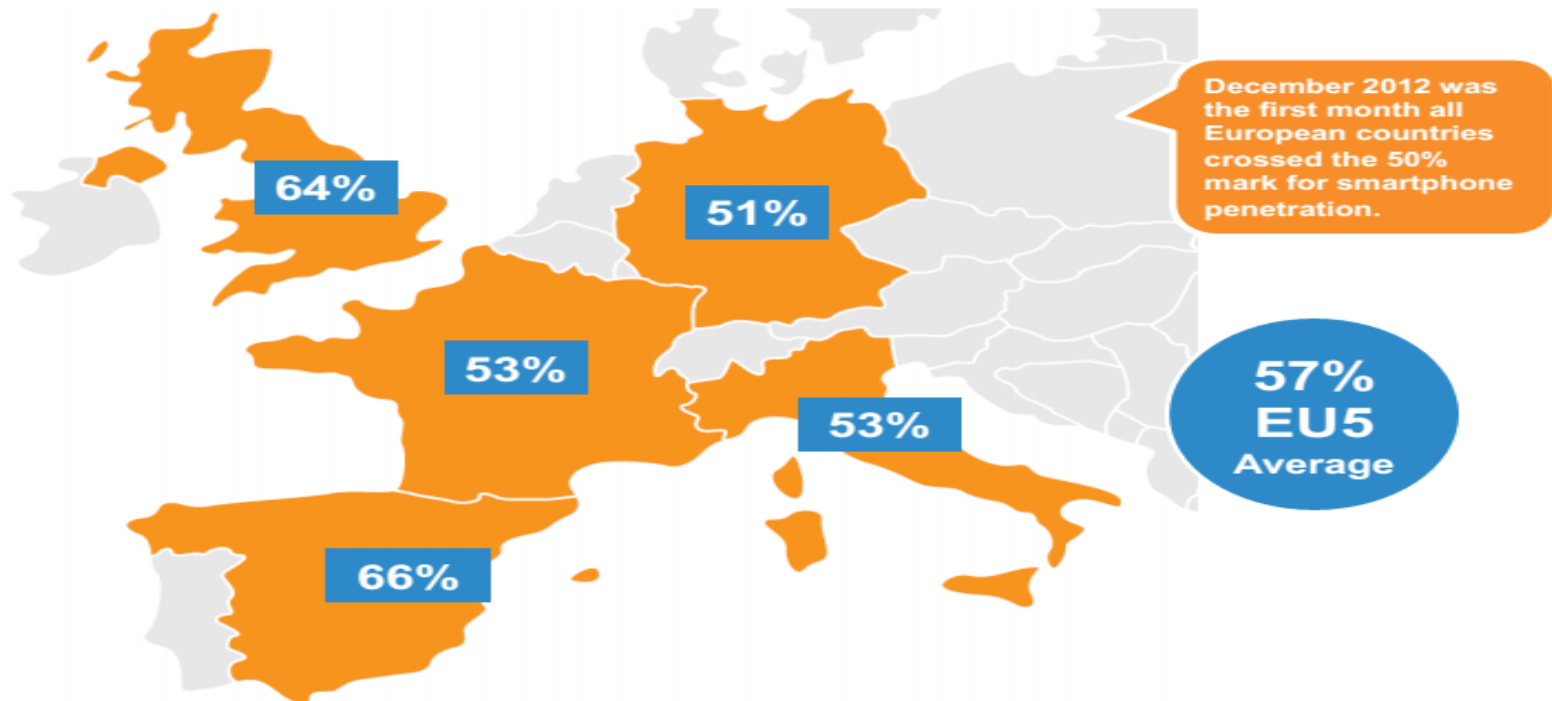
US Device Ownership



In December 2012, 75% of newly acquired devices were smartphones: *Europe*



Smartphone Penetration in EU5 at 57%
Spain's Mobile Audience Shows Highest Adoption of Smartphones



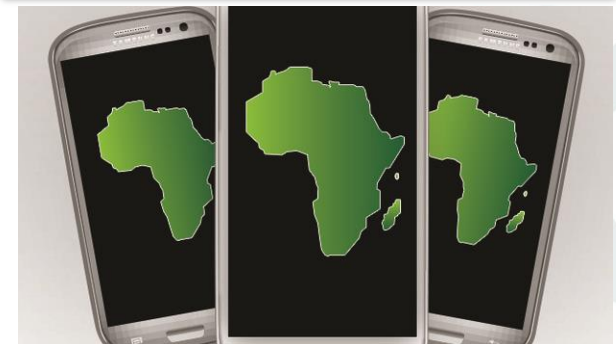
African countries' smartphone usage

African country	% smartphone penetration Dec 2012
Egypt	37%
South Africa	19%
Tanzania	13%
Kenya	12%
Nigeria	12%
Ghana	10%

No assessment of smartphones currently possible in AMPS

South Africa (March '13)

- According to BuzzCity smartphone penetration has increased to 30% in S.A.



futurefact 2012 reveals a 30% penetration within the non-rural population

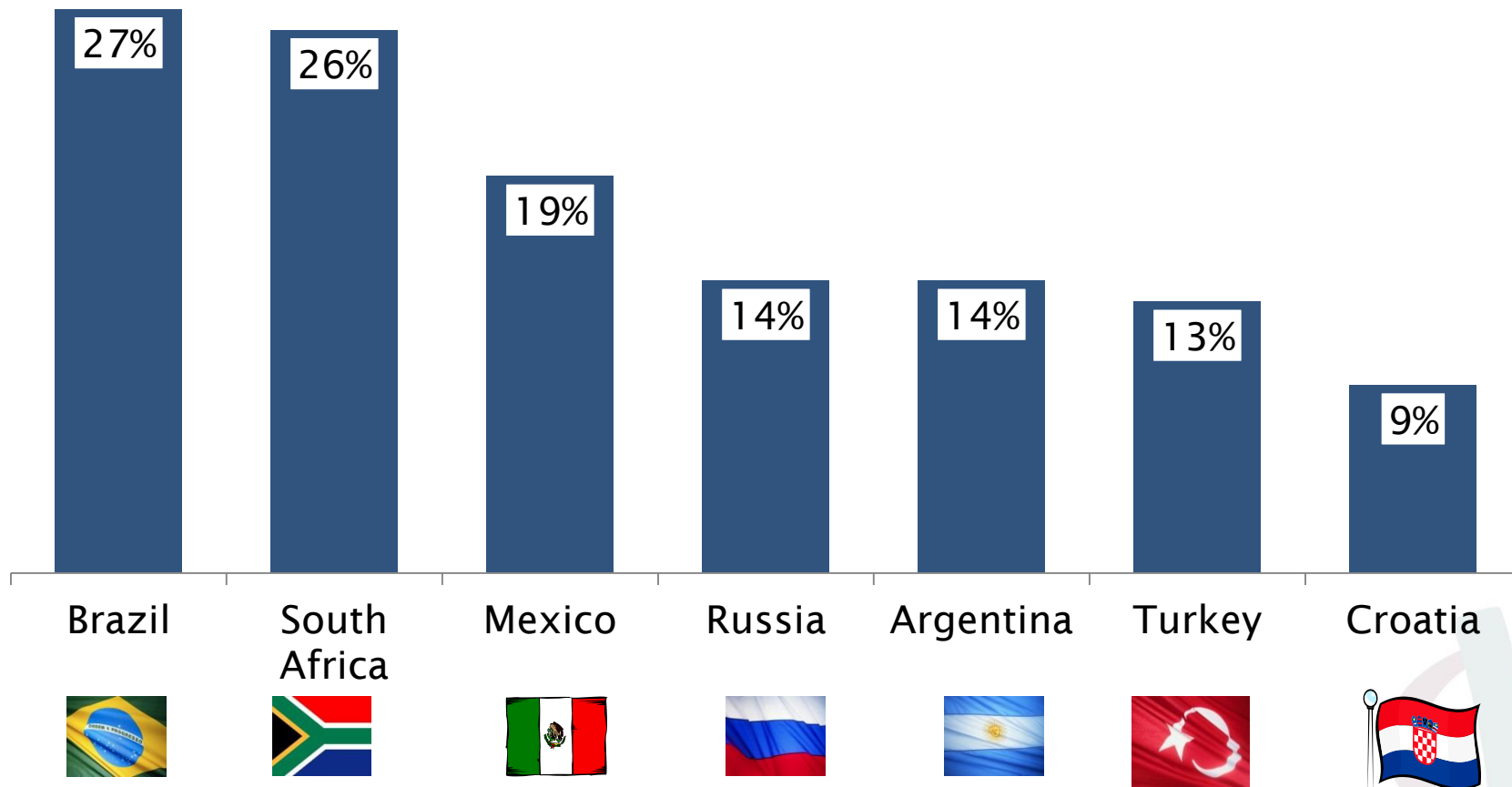
But what of the future – in 5 years?

TechCrunch blog: John Evans

- ❑ A whole cluster of factors make one think that rate of smartphone adoption in Africa will leave the rate of feature-phone adoption in the dust.
- ❑ Smartphones are more desirable than feature phones were – they're three revolutions rolled into one. So the prediction: *in five years' time, most sub-Saharan Africans will have smartphones.*
- ❑ From 2003-2008, basic mobile-phone penetration went from 6% to 40%, and so there are some compelling reasons to believe that smartphone adoption will outpace that.



Ownership or access to tablets in developing markets among urban professionals, 2012



Note: The sample for developing markets is representative of the online population
Source: Deloitte Global Mobile Consumer Study May-June 2012. Sample in SA 2,088

Tablet adoption less age-dependent than smartphone ownership in developed markets

- ❑ Tablet penetration exceeds 1 in 5 in the US.
- ❑ The success of tablets in developed markets is in part a result of their adoption by age groups not traditionally seen as early adopters – such as older consumers.
- ❑ Tablet adoption grew 400% in Canada in just over a year and a half, with a penetration rate of 15% among internet users, up from 3% in January 2011.
- ❑ By 2017, predictions are that more than 52% of the overall UK population and about two-thirds of internet users will have access to tablets.
- ❑ Significant sharing of the devices among family and household members makes for a larger number of tablet users than owners.

Could signal the need for AMPS to measure access and ownership

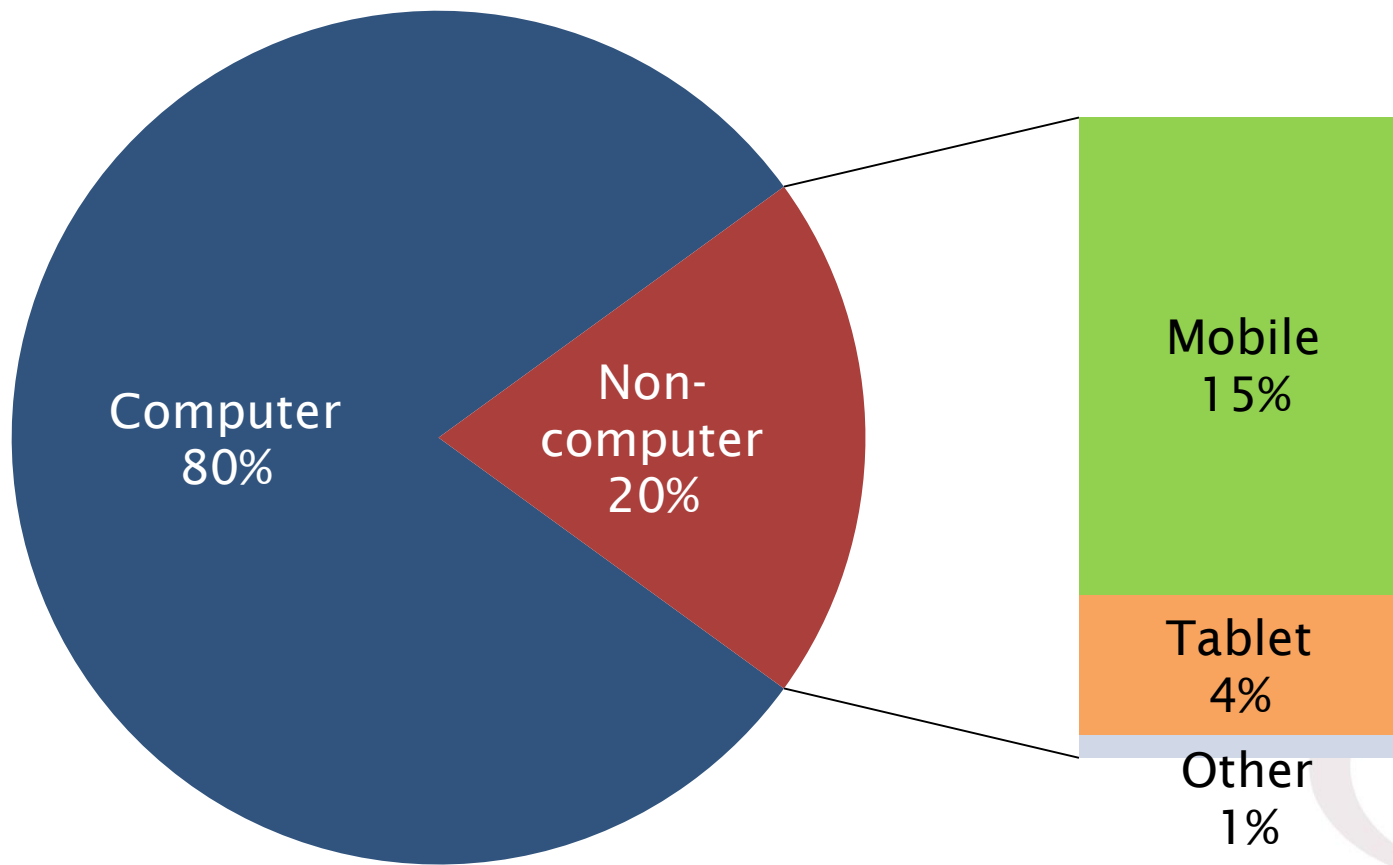


Digital media consumption

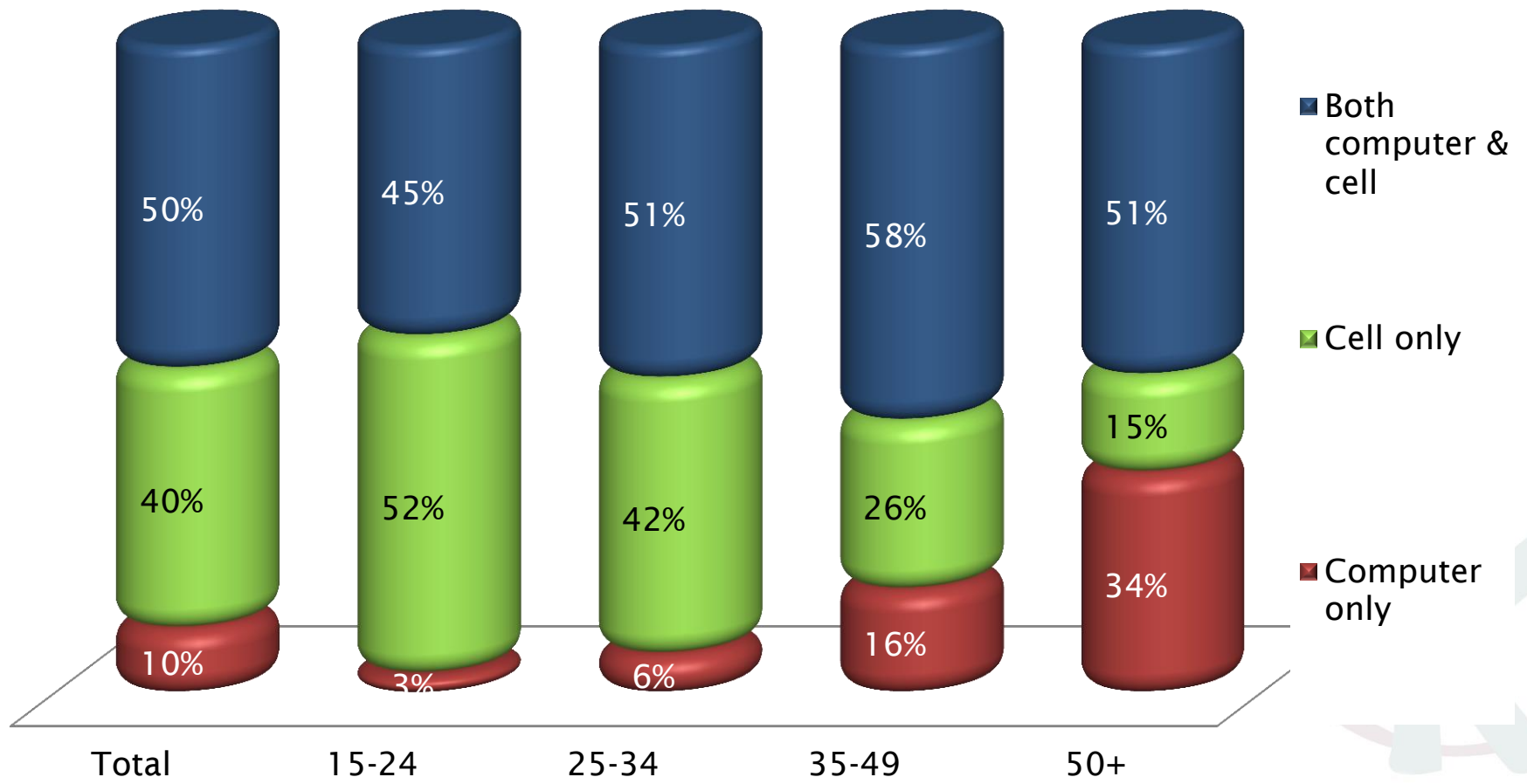


Device share of page views in Europe

20% of page views now from mobiles and tablets

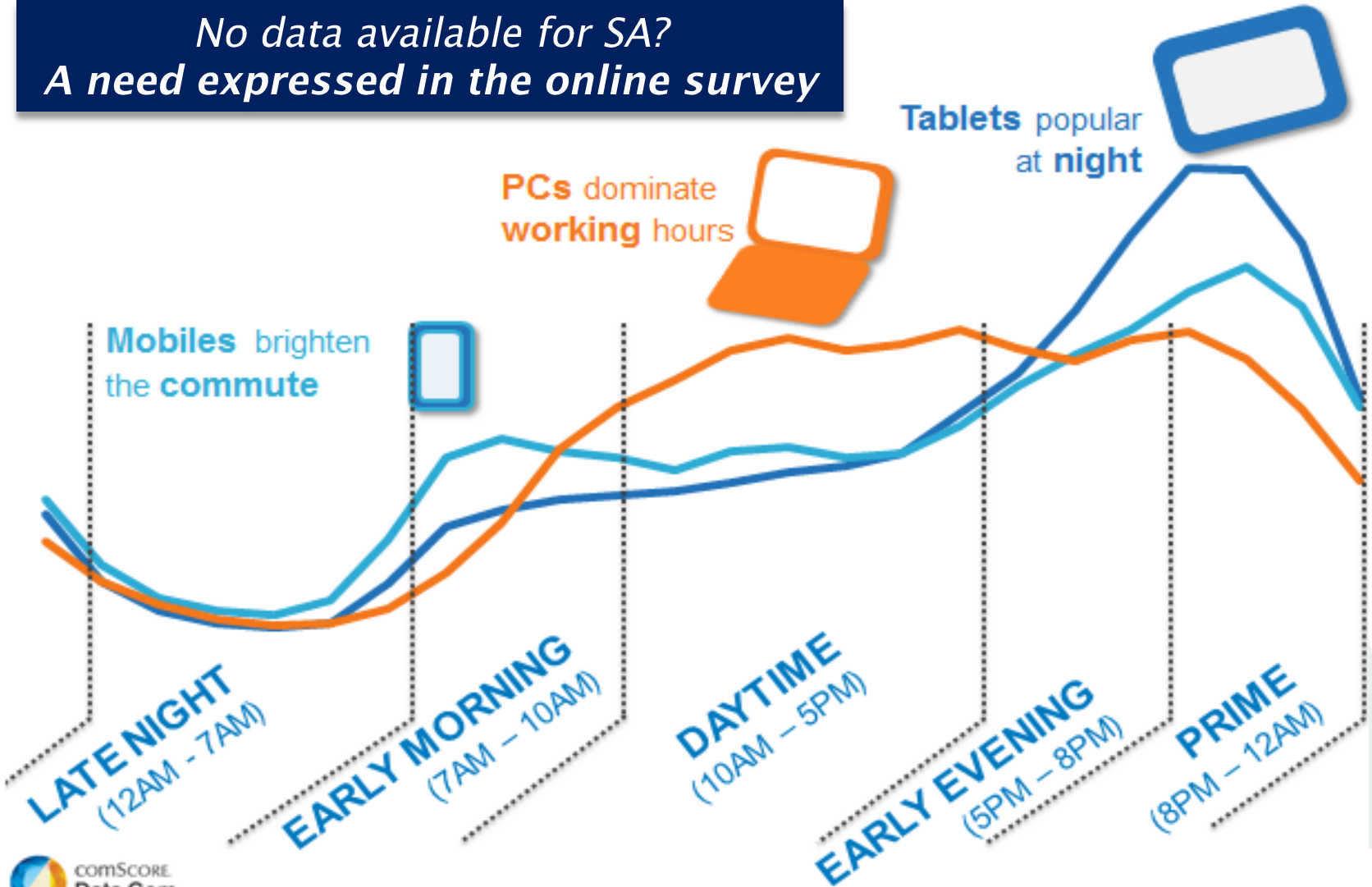


Internet activities via computer or cell base: accessed internet within past 4 weeks



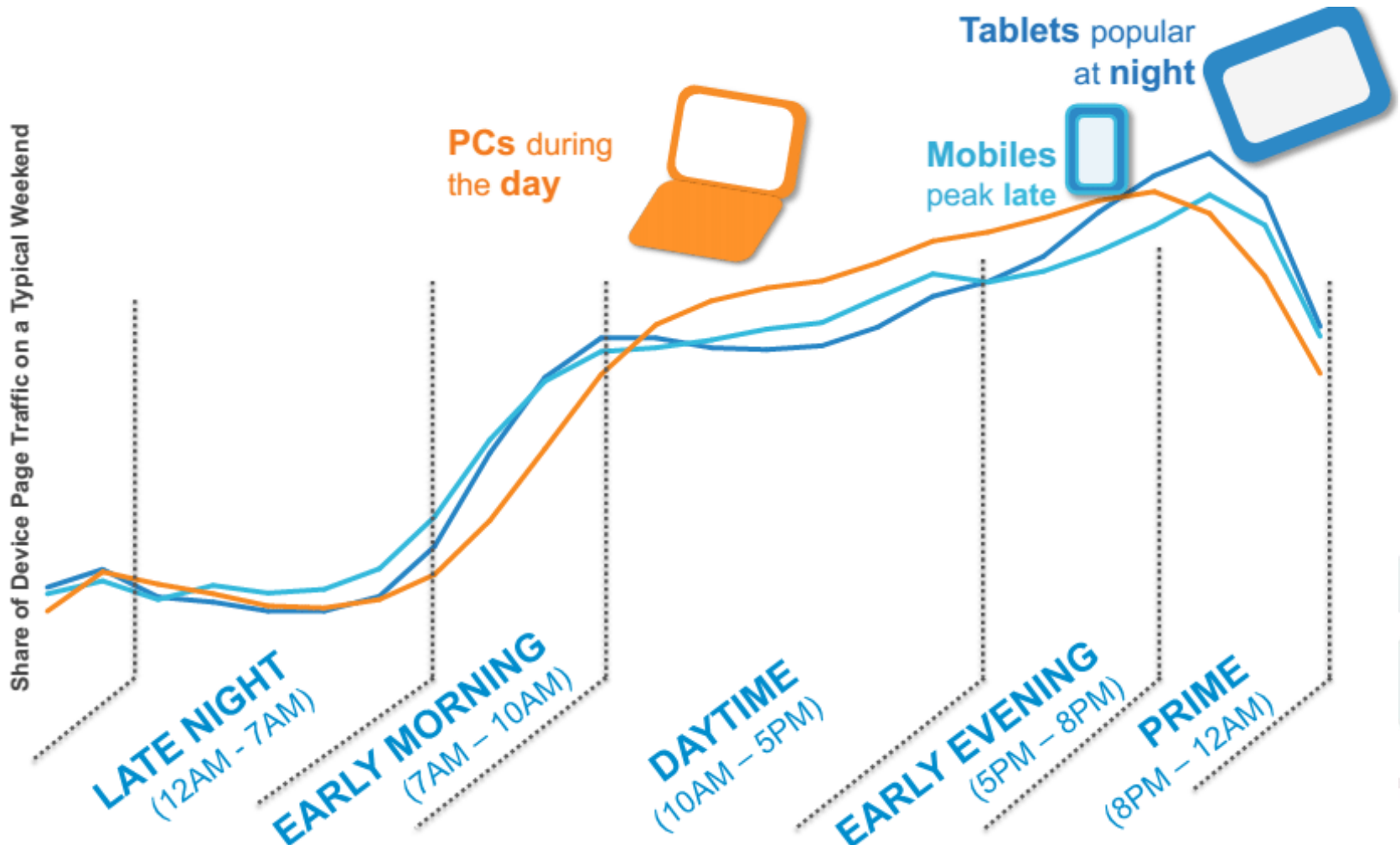
Share of device page traffic on a typical work day: UK Mon 21st Jan 2013

*No data available for SA?
A need expressed in the online survey*




Share of device page traffic on a typical weekend: Europe

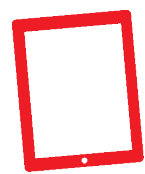
Most weekend tablet usage peaks at 9pm



Media Consumption Trends 2013: USA




42% of Americans anticipate a desktop/ laptop computer to be the most-used technology device in their household.



considering replacing their laptop with a tablet.

38%	18-34
34%	35-54
21%	over 55



Consider replacing television cable or satellite provider with a streaming media subscription service.

39%	18-34
31%	35-54
20%	over 55

Households with children under the age of 18 (37%) are more likely to consider replacing their cable/satellite subscription than households with no children (27%).



Teens



US Teen Gadget Ownership

12-17 who own each of the following devices

Could signal the need for AMPS to measure access and ownership



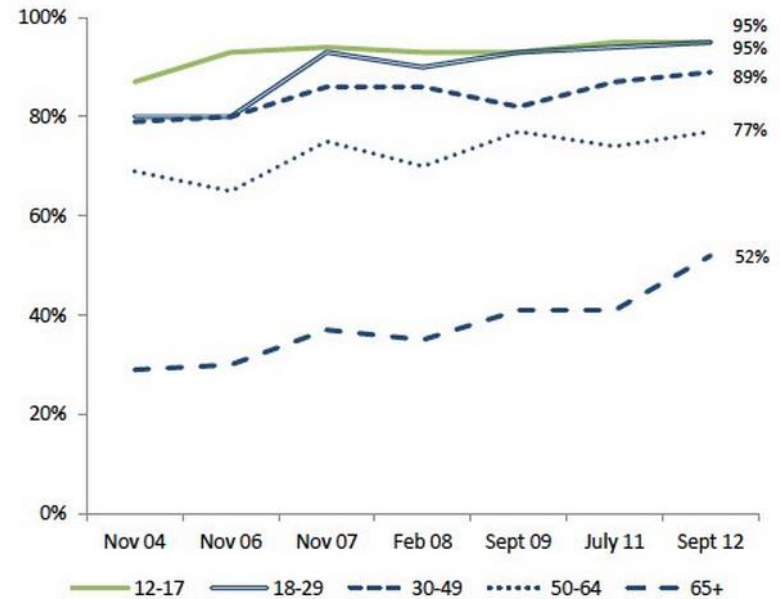
Smartphone adoption among American teens has increased substantially and mobile access to the internet is pervasive. One in four teens are “cell-mostly” internet users, who say they mostly go online using their phone and not using some other device such as a desktop or laptop computer (even though the incidence of the latter is very high though shared with other household members).

US teens Internet use

- *“The nature of teens’ internet use has transformed dramatically — from stationary connections tied to shared desktops in the home to always-on connections that move with them throughout the day,”* said Mary Madden, Senior Researcher for the Pew Research Center’s Internet Project and co-author of the report.
- *“In many ways, teens represent the leading edge of mobile connectivity, and the patterns of their technology use often signal future changes in the adult population.”*

Internet use over time by teens and adults

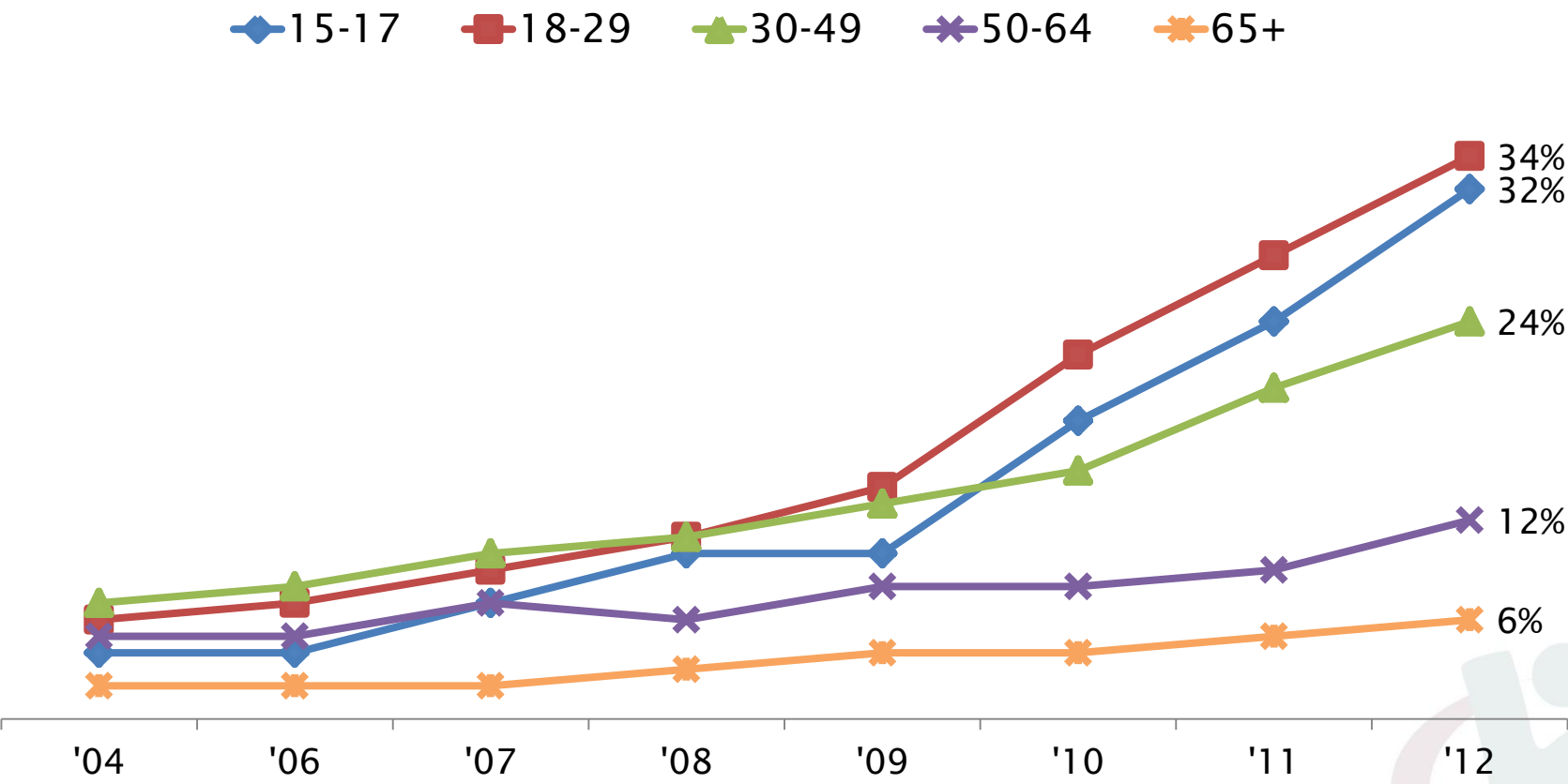
% within each age group who go online



Source: The Pew Research Center’s Internet & American Life Project surveys. All teen data comes from separate surveys of teens and their parents. Methodological info for each survey is available at: <http://pewinternet.org/Data-Tools/Download-Data>

SA Internet usage by age

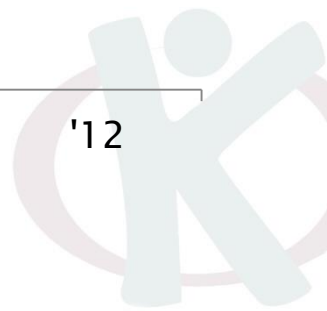
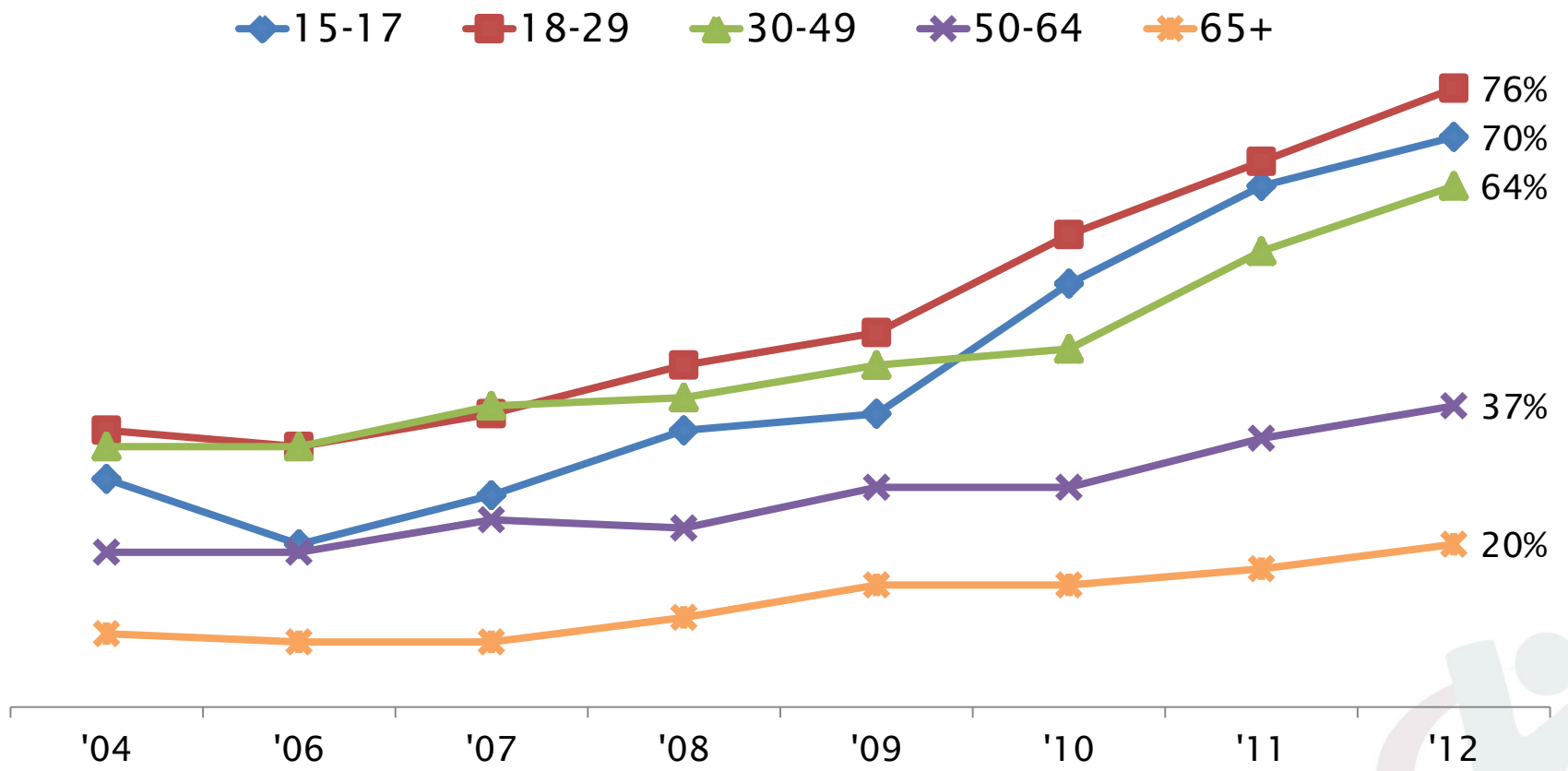
Accessed the internet in p4w



Source: AMPS 2012

SA Internet usage by age: lsm 8-10

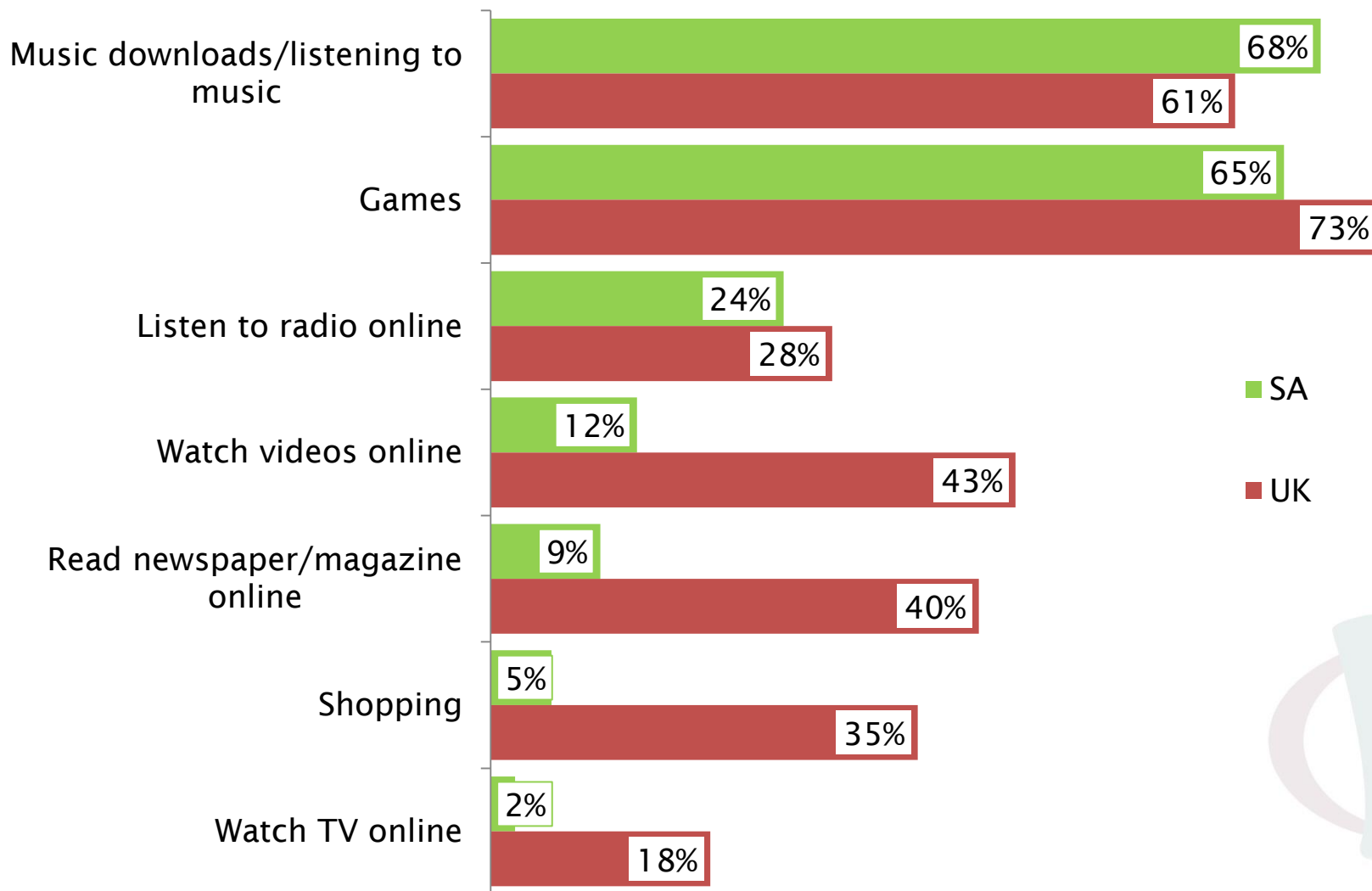
Accessed the internet in p4w



Source: AMPS 2012

What are SA & UK teens doing online?

Leading online activities of teen (15–19) internet access P4W (cell/computer) in SA and (12–17) internet users: Feb 2013 in UK



Media



The print world



Global newspaper trends

Readership Remains High

- ❑ More than **2.5 billion** people read their **daily newspapers in print**
- ❑ **500 million** read daily newspapers in both **print and online**
- ❑ **100 million** accessed **online** daily newspapers only
- ❑ Time spent reading newspapers has remained relatively flat over the past five years, while internet usage levels have increased by approximately 20 minutes during the same period.
- ❑ More than 40% of the world's digital audience read a newspaper online, up from 34% a year ago.
- ❑ Newspaper paid-for circulation increased by 1.1% globally in 2011 compared with 2010, to 512 million.
- ❑ The global newspaper audience has grown by 4.2% since 2007.

Online newspaper reading behaviours

Online newspaper reading behaviour (selected countries)							
Behaviour	USA	Brazil	Germany	Russia	France	India	S.A.*
Ever visit a paper site (*Read a newspaper online)	69%	39%	43%	33%	44%	35%	19%
Visit a paper site daily	17%	9%	12%	7%	12%	10%	
Percent of pages viewed per visitor	1.1%	0.6%	1.9%	0.5%	1.6%	2.1%	

Web adds a fifth to UK newspaper readership, print still dominates

- ❑ First combined print and online readership data shows some titles still see more usage on paper than by pixels, while others are finding booming audience growth online.
- ❑ The difference depends on the visibility, quality and traffic to newspapers' counterpart sites.
- ❑ Small web readerships for The Daily Star and Express, which have never done well online, grow the titles' total readership by only eight percent.
- ❑ The Guardian, Daily Telegraph and Scotsman's online audiences which exceed the print equivalent means the titles' total audiences are more than doubled.



News consumption

- ❑ In Europe news and information sites capture a large proportion of the EU online audience with nearly 8 in 10 internet users accessing one of these sites in December 2012.
- ❑ Time spent also increased by 10 percent, presenting a fertile ground for advertisers.
- ❑ In the USA the share of people who got news from one or more digital forms on an average day has risen to 50%.
- ❑ About 43% of those aged 50 to 64 got some form of digital news 'yesterday' compared with 60% of the younger age groups.
- ❑ The implication appears to be that many younger people now read news, albeit in a different format, whereas previously they were not consumers of newsprint.



For many, mobile means more news

Pew Research USA



Spend more time with news

31%



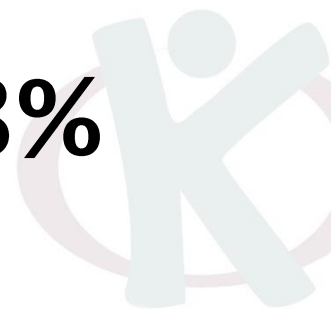
Turn to new sources for news

31%



Are adding to the news they consume

43%



Newspaper multiplatform usage (USA)

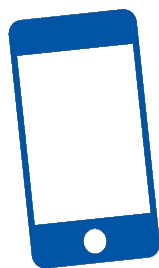
In an average week



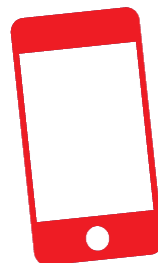
60%
reading print
editions



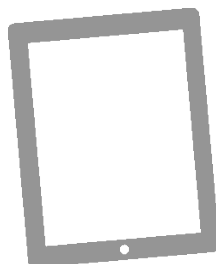
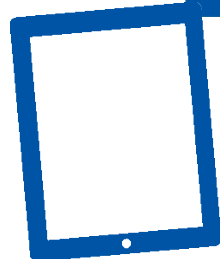
44%
using a laptop or
desktop computer



48%
reading any
digital
editions



19%
using a
smartphone

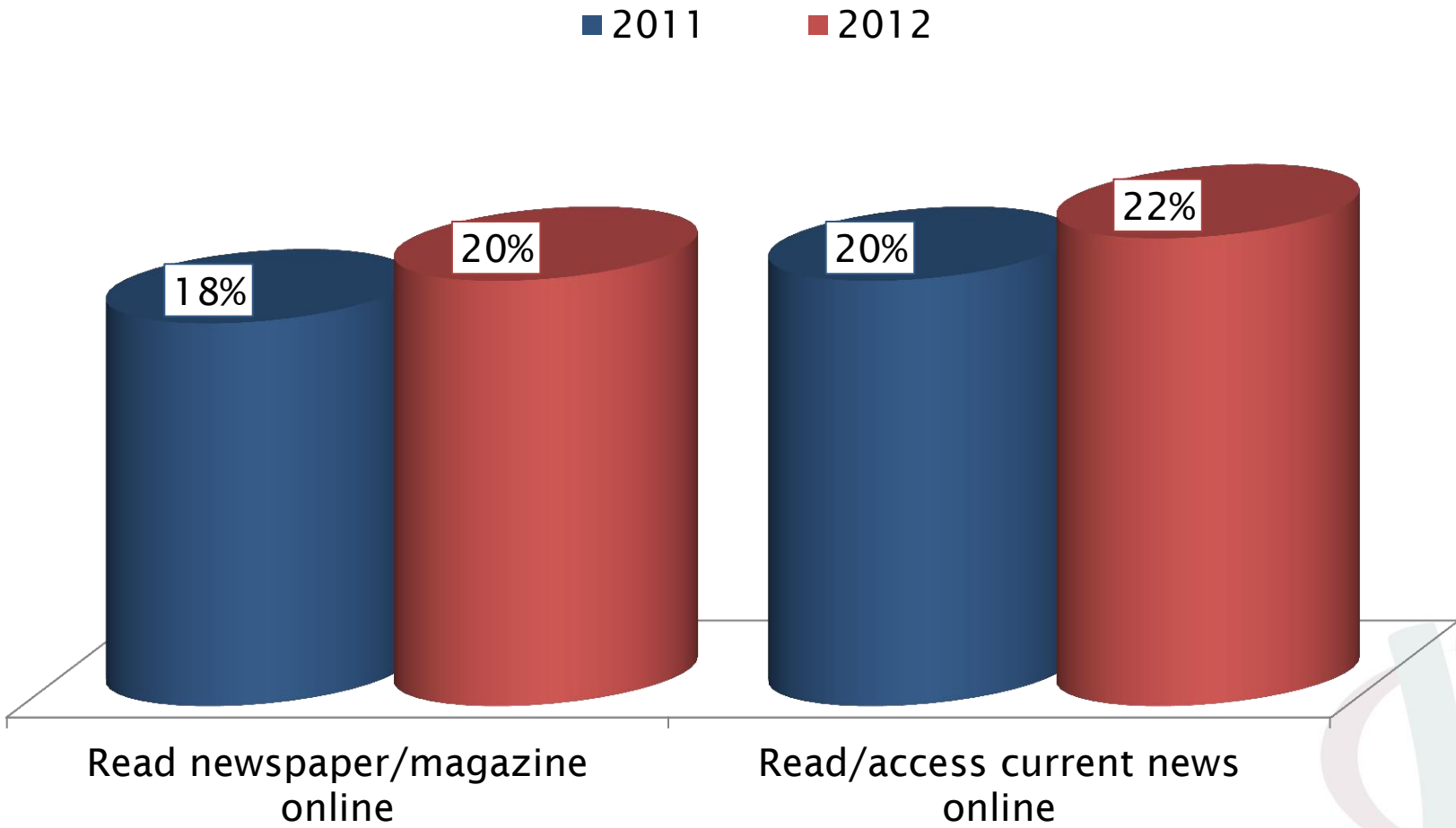


9%
using a tablet

Each platform has different usage characteristics and value for readers

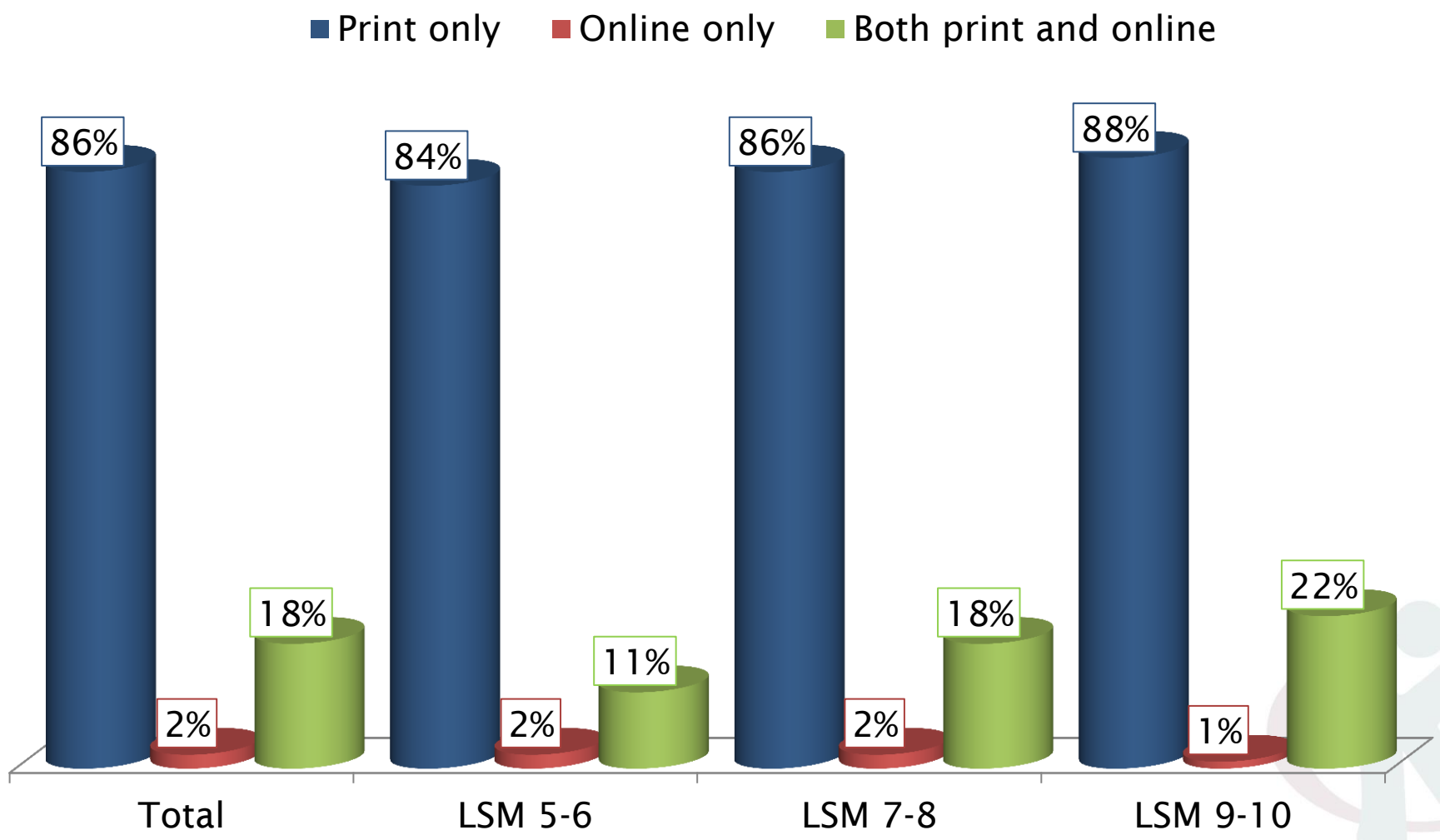
Accessing newspapers/news online

base: accessed the internet in P4W



Source: AMPS

Newspaper/magazine reading (in print/online) base: accessed the internet in P4W



Source: AMPS 2012

Multiplatform usage (*USA*)

- ❑ While most readers frequently multitask using several media, the newspaper consumer follows a fairly organized routine for staying informed.
- ❑ Routines are framed by informational needs and the mix of platforms and brands consulted during particular times, days of the week and locations.
- ❑ Most consumers regularly make a point to consult a modest set of “**go-to**” news brands, which also may include television or radio brands and websites, national newspapers, pure-play Internet news sites, and regular news brands posting on Facebook and Twitter.
- ❑ The number of brands for regular checking typically is limited, averaging around **four** on **tablets** and fractionally less for computers or smartphones, although some readers have a much wider range.
- ❑ Each channel provides somewhat different functional and experiential qualities fitting some usage occasions better than others, depending on the individual user’s needs and habits.

Newspaper Occasions



Waking up



Breakfast



Commute to work



At home during the day



At work or school



At lunch



At breaks



After work commute



Dinner



After dinner



Just before bed



The growing tablet & mobile news landscape (USA)

43%

News on tablets adding to overall news consumption

31%

Get news from new sources on tablets

More likely to read deeply

Get news on both a smartphone and a tablet

82% sometimes or regularly read in-depth articles on their tablet

Get news on a tablet

62% sometimes or regularly read in-depth articles on their tablet

The increases in news activity is heaviest among those who use all four of the major text-based media for news—computers, smartphones, tablets and print.

Multi-device users spend as much time on each platform as other news users—not substituting one for another.

Magazine media readers are social (USA)

base: magazine readers 18-34

- ❑ Social media use “enhances the distribution and consumption of magazine content, and fosters deeper engagement among young readers.”
- ❑ This generation enjoys and engages with magazine content - they’re just reading them in different ways.
- ❑ The favorite social media hangouts for young magazine readers:
 - Facebook **91%**
 - YouTube **61%**
 - Twitter **40%**
 - Google+ **33%**
 - Pinterest **24%**



Digital-only magazine reading is 11% of total gross audience

Total gross magazine audience estimates

(March-October 2011)

<i>Total gross magazine audience</i>	<i>1.580 billion</i>
<i>Total gross print-only audience</i>	<i>1.278 billion</i>
<i>Total gross both digital & print audience</i>	<i>135 million</i>
<i>Total gross digital-only audience</i>	<i>166 million or, 11% of total</i>

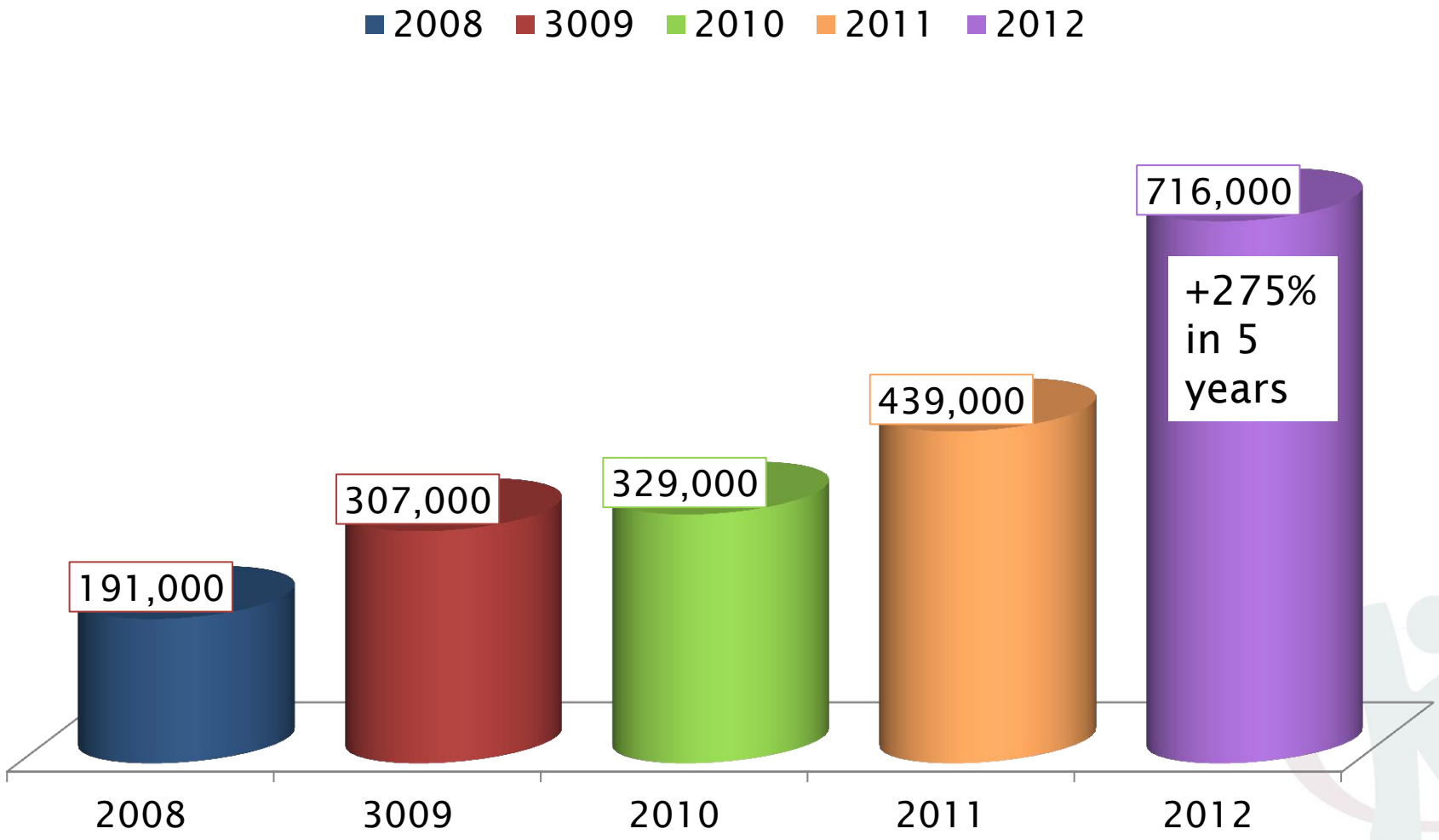
A profile of digital-only magazine readers shows they are more likely to be well-educated, affluent young men, a demographic group much sought after by marketers.



Television



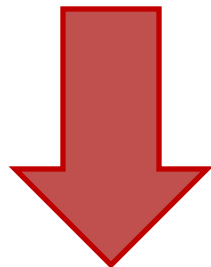
PVR households in South Africa



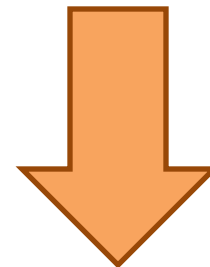
Source: AMPS (household weight)

Habits of people in S.A. who have a PVR in their home

1.8million people with a PVR in their home
(716k households)



627,000 (34%) watched a programme via DStv's catch-up in the past 4 weeks



311,000 (17%) have watched a movie on DStv's Box Office in the past 4 weeks



DVR usage represents growing chunk of TV time (USA)

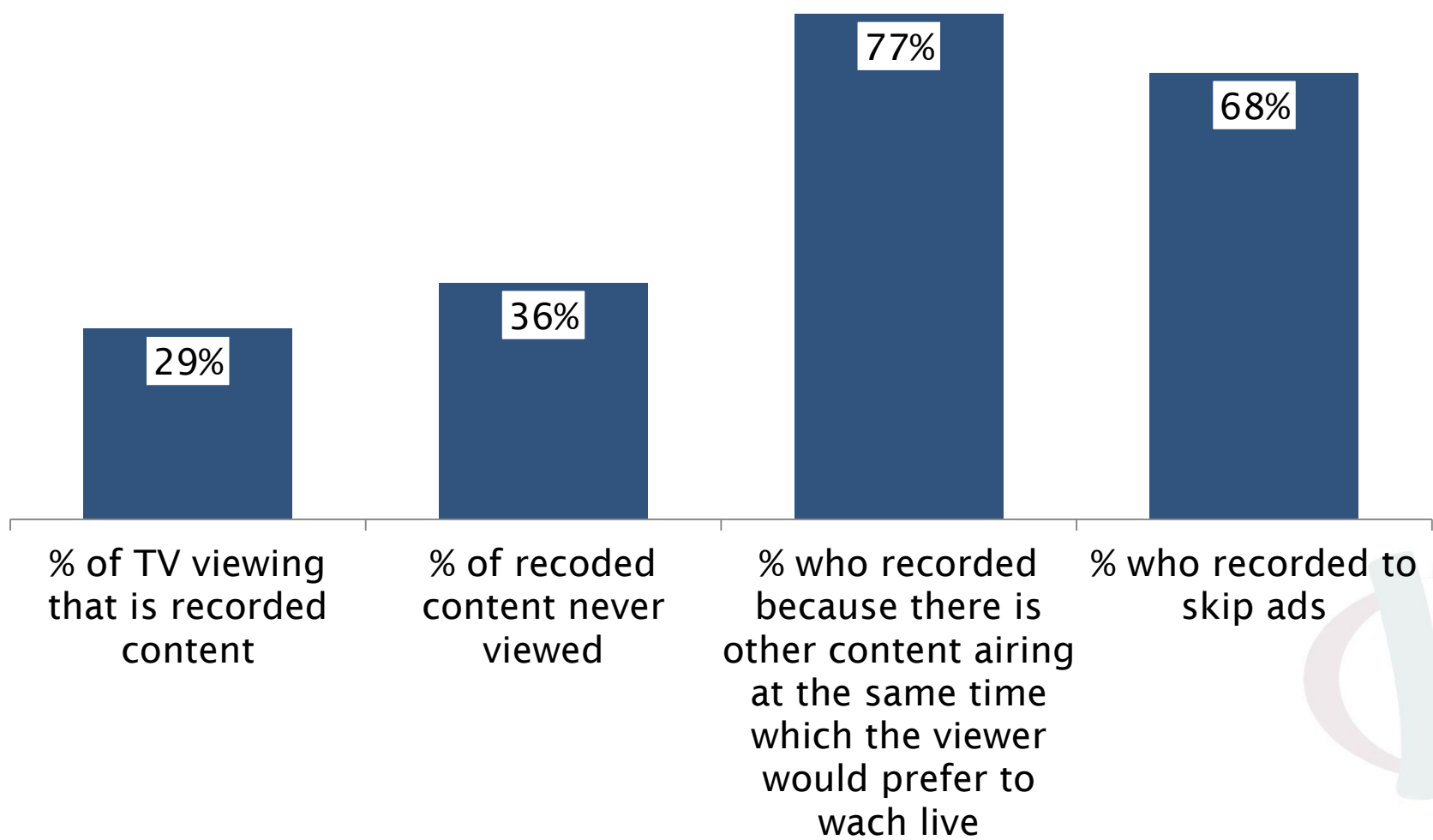
- ❑ 2006 to 2011, the average US adult spent **19 minutes more** on a year-over-year basis watching TV content (live or time shifted) during the first 4 weeks of the 2011 season in September, according to a February 2012 analysis from Nielsen.

This is attributable to a rise in DVR usage:

- ❑ The proportion of total TV time spent watching live TV has dropped **4.5%** from **89%** in 2006 to **85%** in 2011.
- ❑ DVR usage has grown fivefold from **1.6%** to **8%** of time during that period.
- ❑ Live TV gets smaller share for youth.



DVR usage: Global Average March 2013



Source: Motorola Mobility's "Fourth Annual Media Engagement Barometer," March 2013

Ways that users have watched time-shifted TV series, by demographic, Feb 2013

	% of respondents						
	Female	Male	18-29	30-39	40-54	55+	Total
On-demand	42%	40%	47%	45%	41%	35%	41%
Hulu/Hulu Plus/Netflix streaming	41%	39%	71%	60%	33%	19%	40%
TIVO or other recording device (viewed later)	37%	37%	27%	46%	40%	36%	37%
Purchasing, renting, borrowing on DVD	33%	26%	46%	36%	28%	19%	29%

Effect of fast broadband access

A multi-screen future for on demand TV (*UK*)

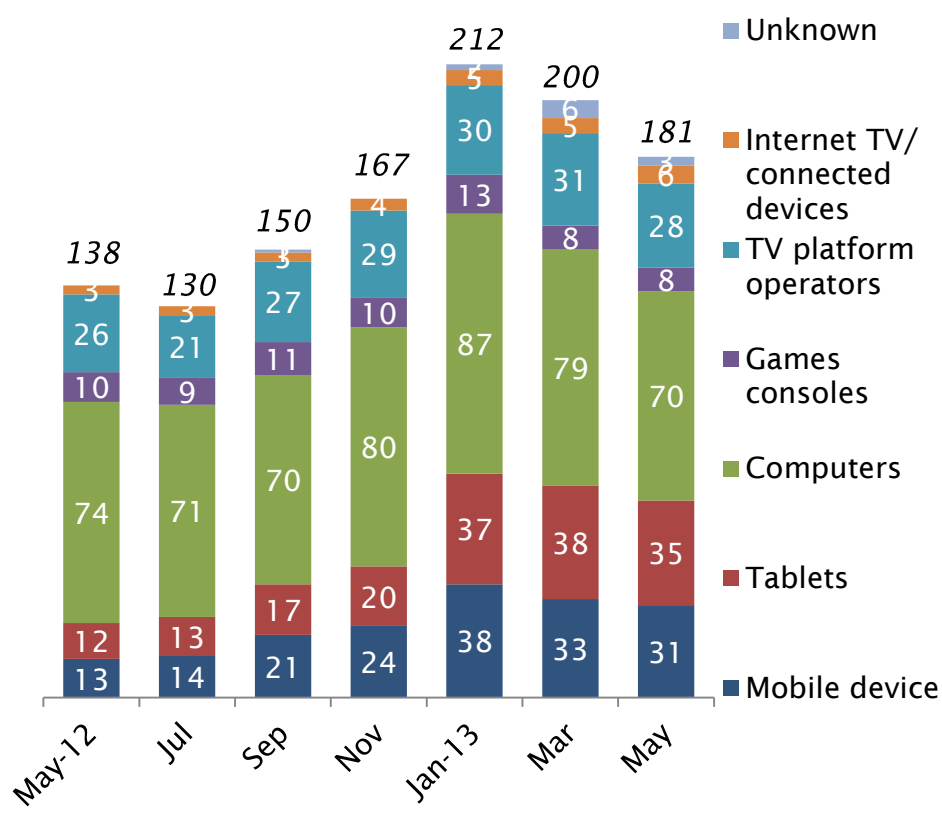
- ❑ The overall percentage of adults watching television on demand has remained consistent across 2012 at 47%, but there has been a shift in the devices used for this on demand viewing.
- ❑ Viewing content on demand through a **TV set has increased by 16%** over the course of 2012. The **number of adults viewing via tablets has doubled** over the same period while **mobile viewing has increased by 39%**.
- ❑ The most common screen for on demand TV viewing is the television (33% of adults have watched on demand through a TV set in the last month) followed by laptop/desktop computers (20%) tablets (5%) and mobile phones (5%).
- ❑ Viewing via mobile devices, such as smartphones and tablets, is growing, in part because of increasing ownership of the devices but also because mobile viewing fulfills a different need. These screens, although smaller, give access to TV content where the TV set is not available.

BBC iPlayer performance: May 2013

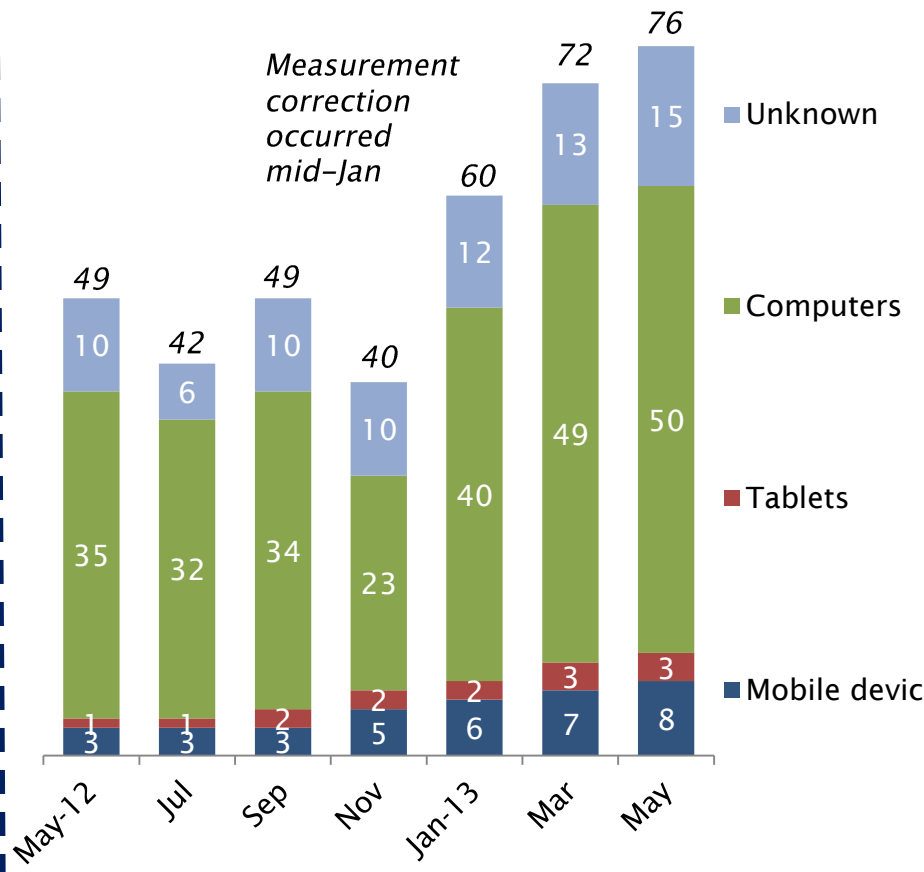
- ❑ 257 million BBC iPlayer requests in May – equalling that of April, with trend of requests across PC, mobile, tablet and connected TV remaining consistent with previous month.
- ❑ Average daily requests remained strong at just under 8 million, and weekly requests were steady on 53 million.
- ❑ Record 76 million requests for radio programmes – continuing the trend of listening to BBC radio programmes via BBC iPlayer.
- ❑ The profile of BBC iPlayer users has evened out over time in terms of male/female ratio, but remains strongly under-55 in terms of age, which is younger than the typical TV viewer or radio listener’s profile (although more in line with home broadband users).
- ❑ BBC iPlayer is used for TV at roughly the same time of day as linear TV viewing, although there is proportionally more daytime and late-peak use.
- ❑ For radio, BBC iPlayer is used far more in daytime than traditional radio listening, which peaks at breakfast-time.

BBC iPlayer: Requests for programmes by device type

TV only (numbers of requests millions)

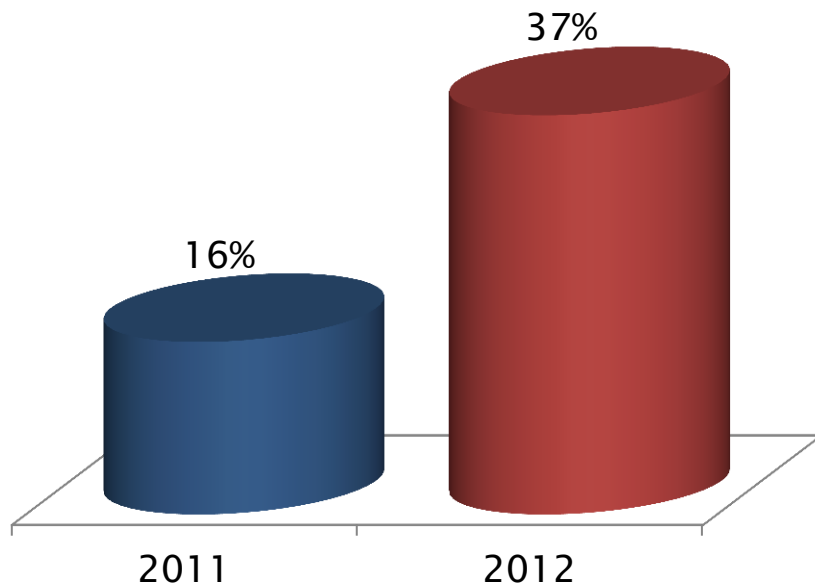


Radio only (numbers of requests millions)

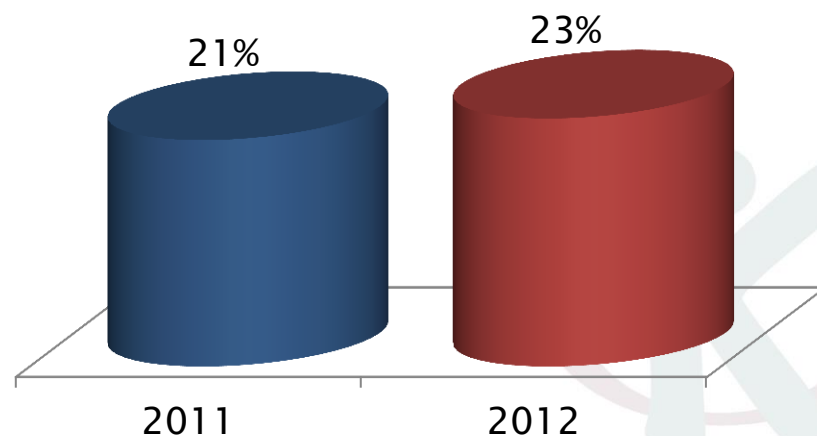


Smartphone subscribers watching videos on their mobile devices is increasing

Canada: % of smartphone subscribers watching TV and/or video on mobile phone



SA: % of cell phone owners who access the internet via their phone - watching TV and/or video on mobile phone



Source: AMPS

Different ways of using multi screens

The New Multi-Screen World Study (USA): A summary

1. The US is a nation of **multi-screener**s. Most of consumers' media time today is spent in front of a screen – computer, smartphone, tablet and TV.

2. The device chosen to use most often is **driven by context**: where they are, what they want to accomplish and the amount of time needed.

3. There are two main modes of multi-screening: **Sequential screening** where they move between devices.
Simultaneous screening where they use multiple devices at the same time.

4. TV no longer commands their full attention as it has become one of the most common devices that is used **simultaneously** with other screens.



Different ways of using multi screens

The New Multi-Screen World Study (USA): A summary

- 5.** Portable screens allow them to move easily from one device to another to achieve a task. **Search** is the most common bridge between devices in this sequential usage.
- 7.** **Smartphones** are the backbone of their daily media interactions. They have the highest number of user interactions per day and serve as the most common starting point for activities across multiple screens.

- 6.** The majority of the times that they use devices simultaneously, their **attention is split** between distinct activities on each device.

- 8.** Multiple screens make them feel more efficient because they can act spontaneously and get a sense of accomplishment – this results in a sense of **“found time”**.



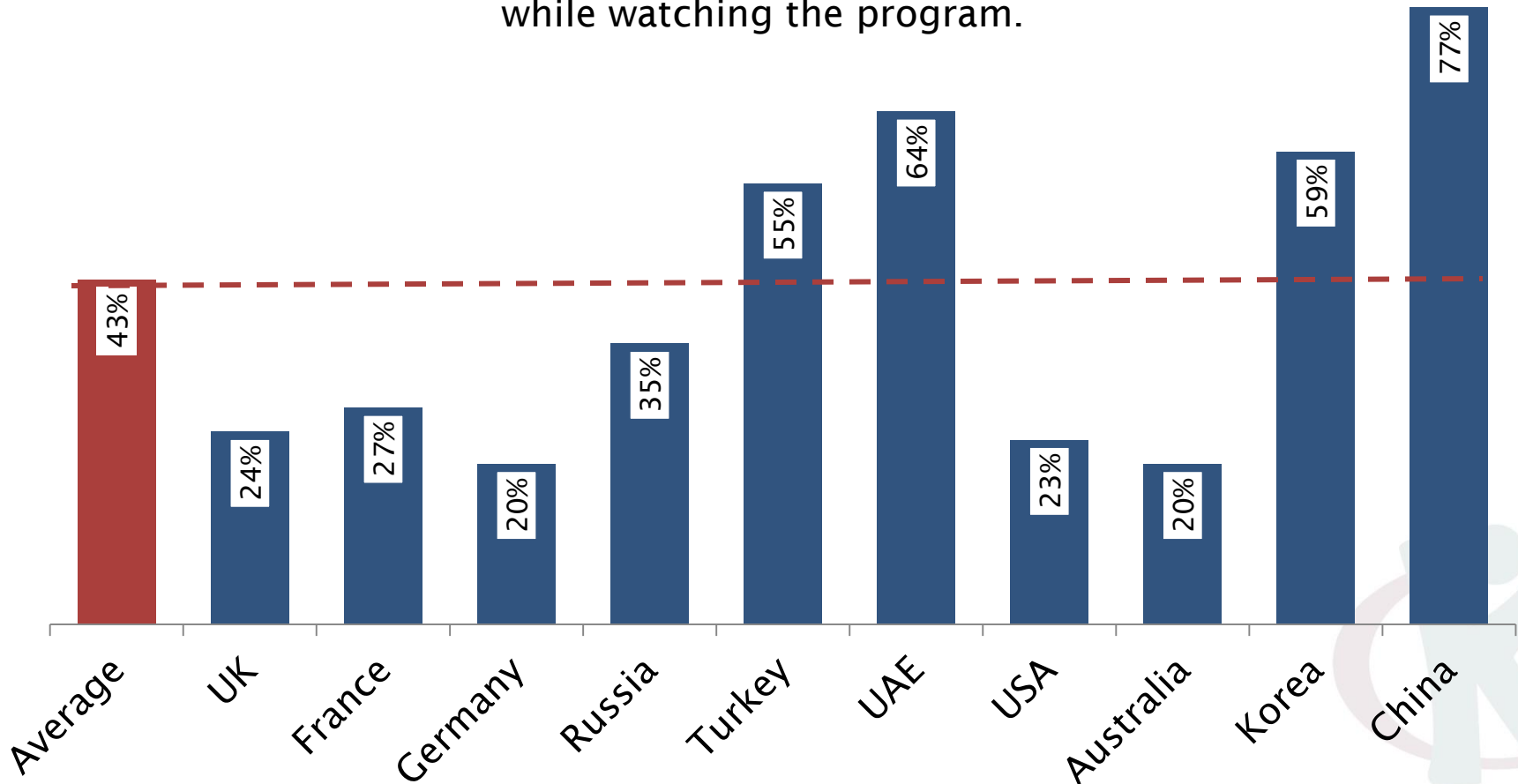
Multi-screening behaviour

There are 4 paths of multi-screening behaviours:

- ❑ **“Content grazing”**: consumers use 2 or more screens to access separate or unrelated content.
 - While this is akin to distraction behaviour, many multi-screenerers also use multiple devices to engage in “spider-webbing”, where they view related content on multiple devices at the same time.
- ❑ **“Spider-webbing”** is curiosity-driven, where consumers look for information that can enhance their primary screen experience.
 - Less common, but still significant, is
- ❑ **“Quantum”** behaviour: consumers start an activity on one device and continue it on another. This type of behaviour is generally begun at work or while on-the-go, and is driven by a desire for efficiency.
- ❑ **“Social spider-webbing,”**: consumers share and connect with others as their other device activity, such as by social networking while watching TV. The catalyst for this type of behaviour is often TV.

Social conversations about TV: March 2013

% of consumers indicating that they follow media conversations (either passive or active) about a program on a companion device (phone or tablet) while watching the program.



Radio / audio



Audio: Digital drives listener experience (USA)

- ❑ Overall, audio has gained traction in the U.S. as more and more ways of listening emerge and listening is perhaps the platform most conducive to today's propensity towards multi-tasking.
- ❑ Among the choices, digital streaming seems to carry the most momentum, though traditional AM/FM still reaches far more Americans.

The vast majority of the listeners...

- ❑ **87%** got their radio news through AM/FM broadcasts
- ❑ **6%** listened through satellite news radio
- ❑ **4%** through a computer
- ❑ **4%** through a handheld device like a cell phone or MP3 player.



Podcasting

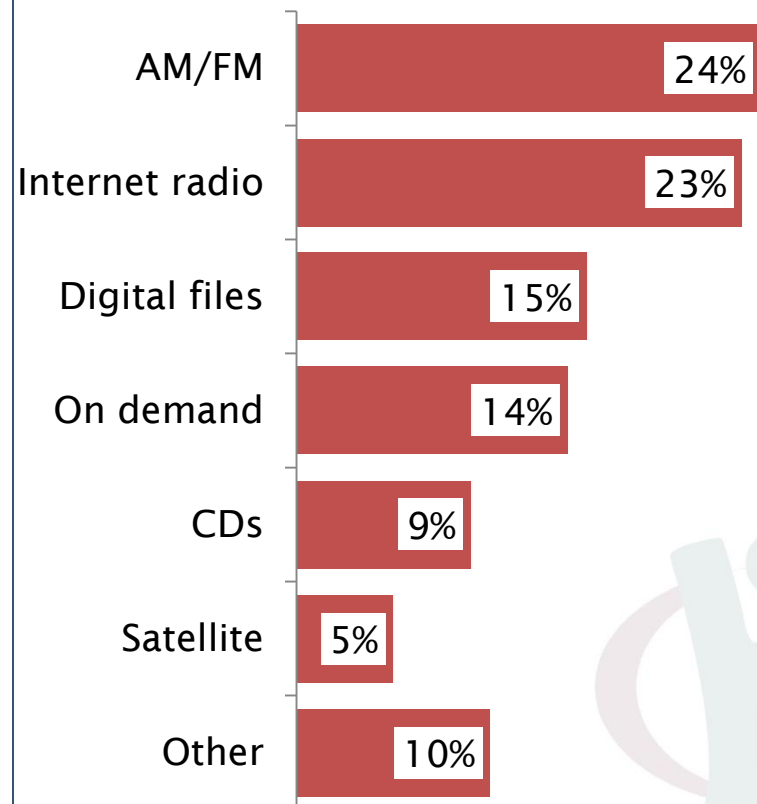
- ❑ Podcast listening has grown considerably in the last two years, although it still reaches only a minority of Americans.
- ❑ Survey data from summer 2012, showed some **18%** of U.S. adults listen to a news podcast downloaded to their computer, tablet, cellphone or MP3 player at least sometimes, twice as high as in 2010.
- ❑ Awareness, though, seems to have mostly leveled off. In 2012, about **46%** of the U.S. population age 12 or older had heard of podcasting. That is up one percentage point from 2011.



Younger consumers turn up digital music listening

- ❑ Internet radio is running on terrestrial radio's coattails.
- ❑ The Q4 2012 study, which surveyed US consumers ages 13 to 35, found that AM/FM radio is still the primary method for music listening, cited by 24% of respondents.
- ❑ However, internet radio is just behind with a 23% share.
- ❑ CDs fell to account for a lowly 9% of music listening, and satellite only accounted for 5%.

Primary method used to listen to music according to US internet users, Q4 2012, Feb 2012



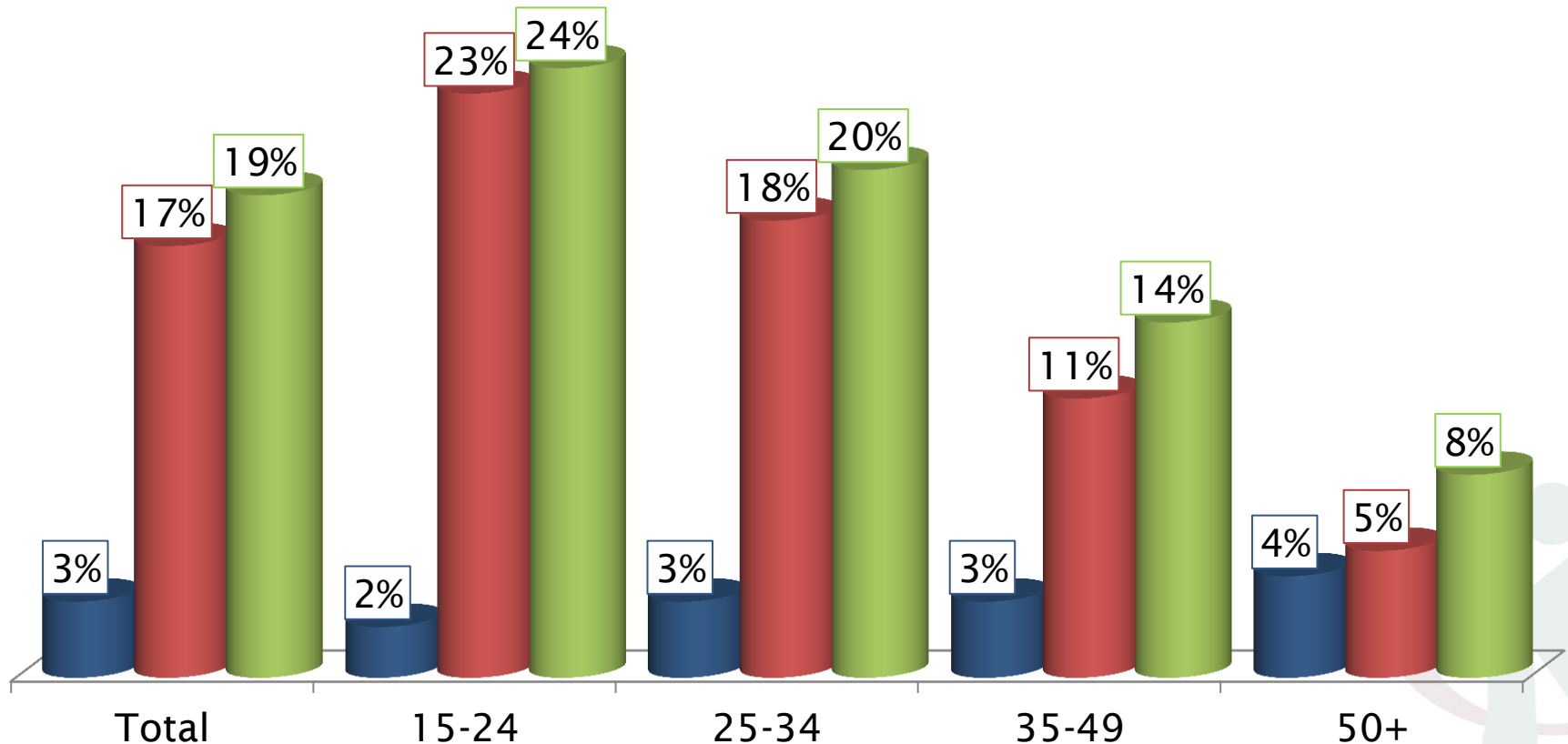
Note: ages 13-35

Source: The NPD Group, "Music Acquisition Monitor"

Listening to music and/or radio online in S.A *base: accessed the internet in past 4 weeks*

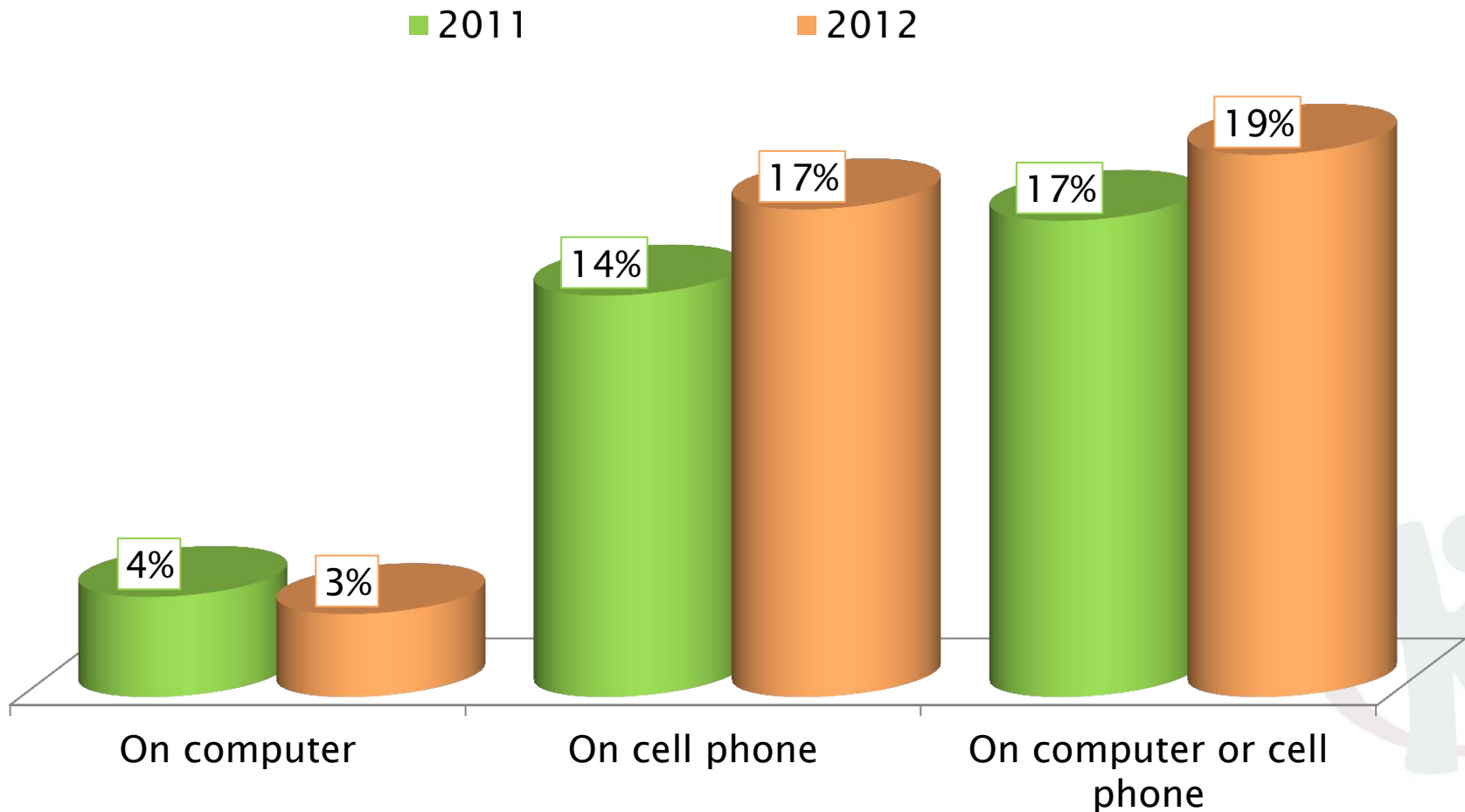
Listen to the radio online

■ On computer ■ On cell phone ■ On computer or cell phone



Listening to music and/or radio online in S.A. base: accessed the internet in past 4 weeks

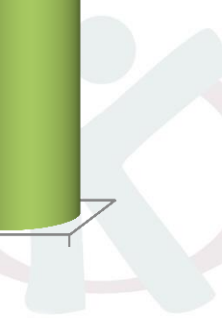
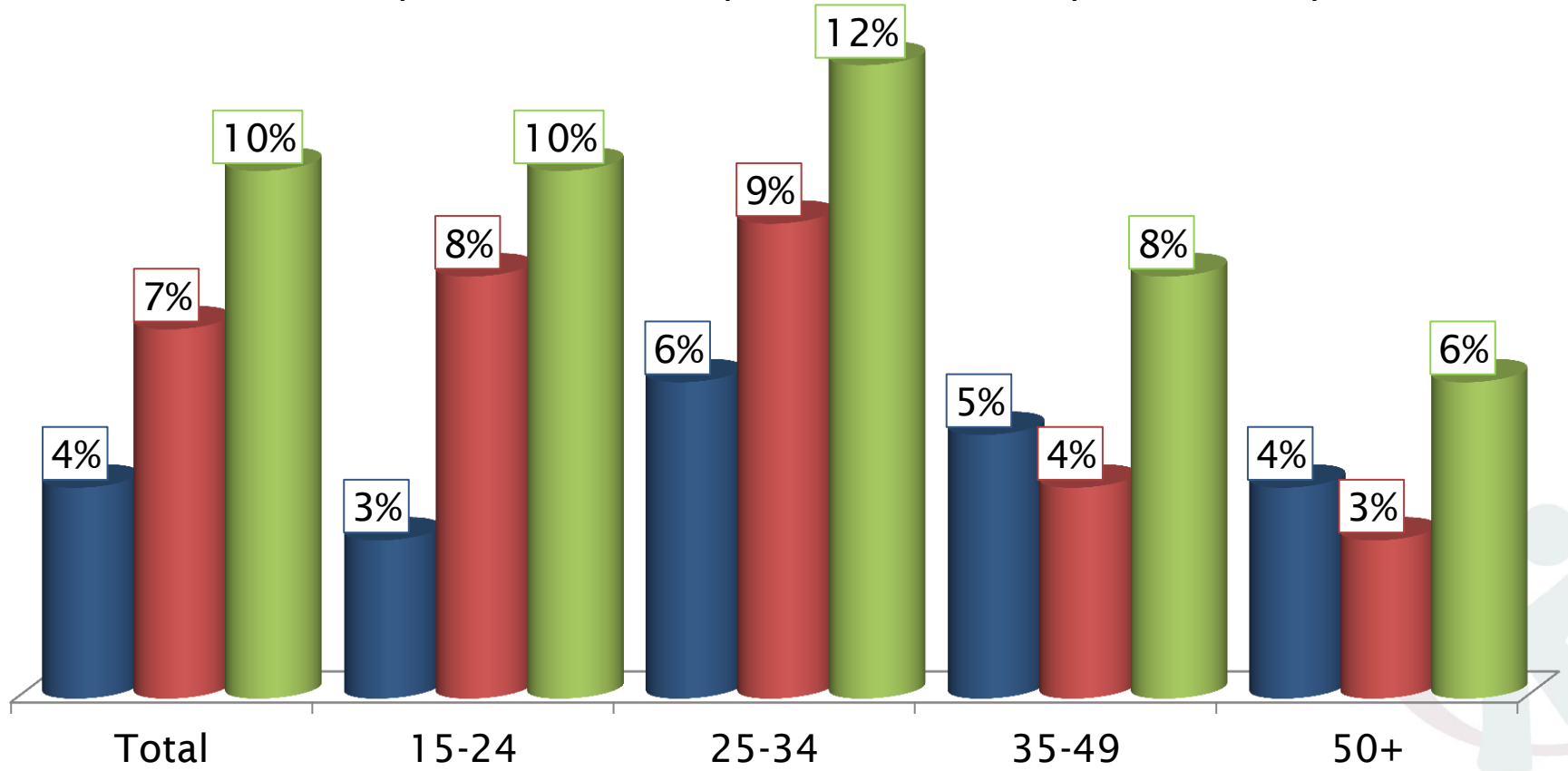
Listen to the radio online: changes



Listening to music and/or radio online in S.A base: accessed the internet in past 4 weeks

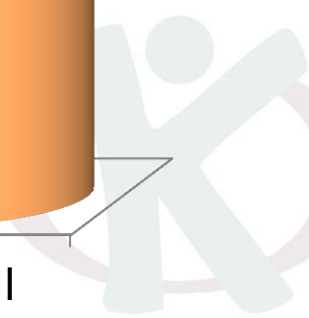
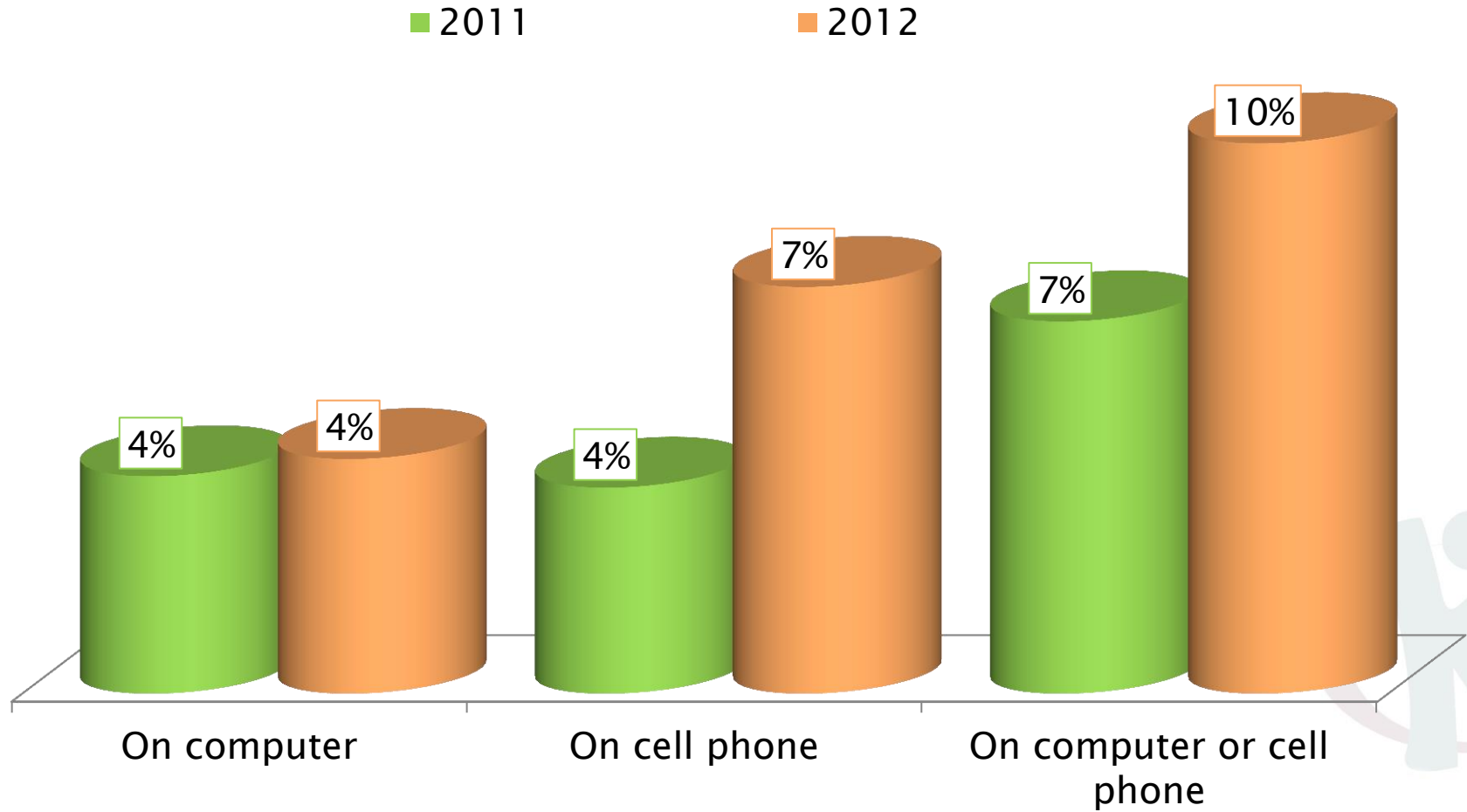
Downloaded a podcast online

■ On computer ■ On cell phone ■ On computer or cell phone



Listening to music and/or radio online in S.A base: accessed the internet in past 4 weeks

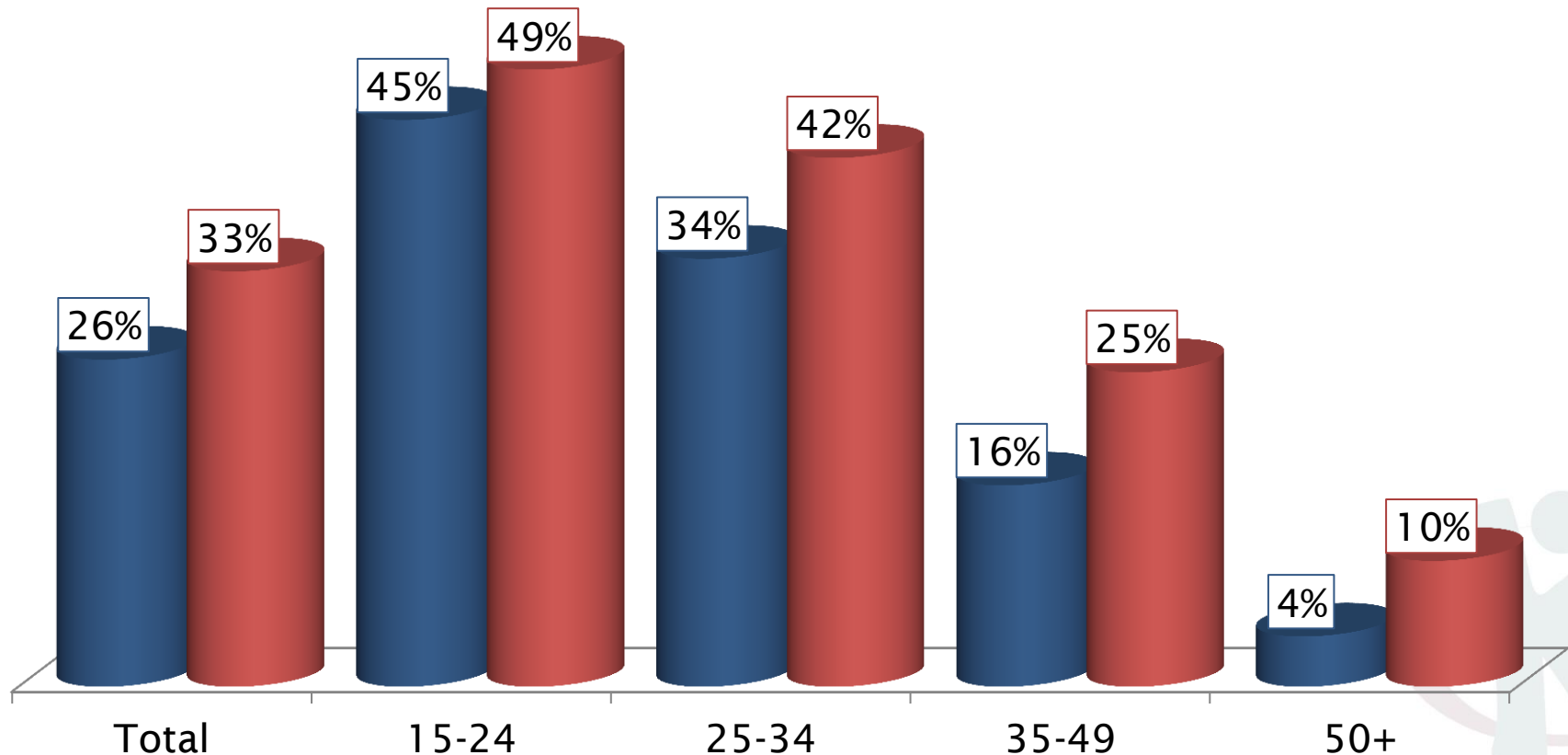
Downloaded a podcast online: changes



Listening to music and/or radio on a cell in S.A *base: own/rent/use a cell phone*

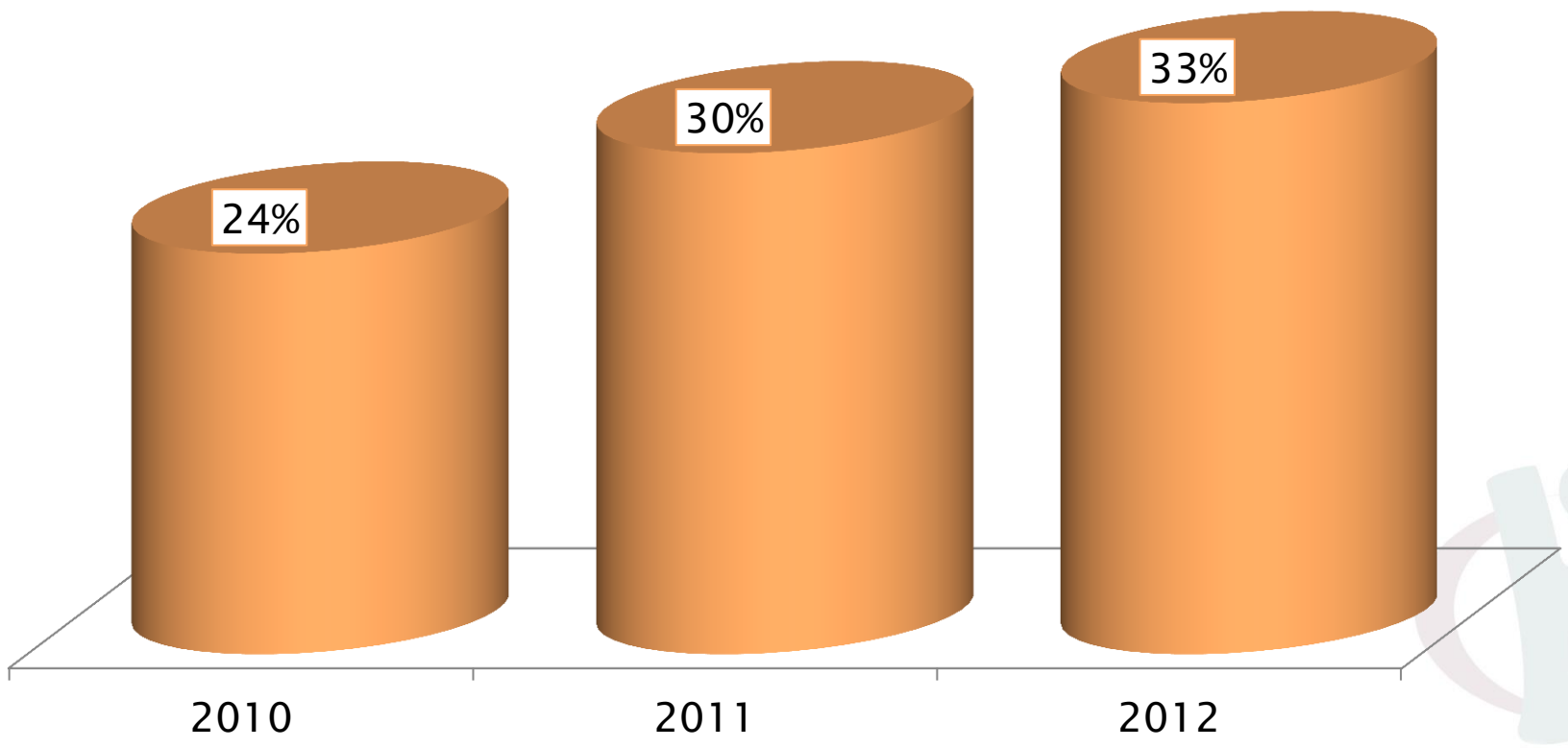
Activities in the past 4 weeks

■ Download/listen to music on cell phone (not radio) ■ Listen to the radio on cell phone



Listening to music and/or radio online in S.A *base: accessed the internet in past 4 weeks*

Listened to the radio on cell: changes



OOH



Digital signage (DOOH) measurements

- ❑ Digital Signage is among the fastest growing media these days.
- ❑ Marketers are able to finely define broadcasting strategies down to every single screen because of the ease with which content is updated as well as the proximity to the purchasing act.
- ❑ Nonetheless, most digital signage networks still lack the solid audience metrics necessary to prove their impact.
- ❑ Some companies are finding ways to deal with this by using a simple video sensor and image processing technology to count actual viewers while accurately measuring dwell times - and estimating the gender and age distributions.



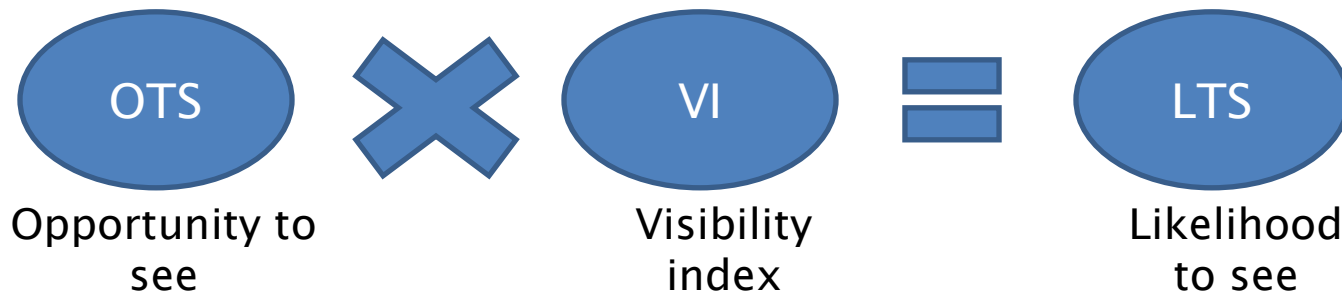
A new metric

- ❑ Some outdoor JICS have adopted a new outdoor metric to make it more comparable to other media.
- ❑ In the USA the Traffic Audit Bureau has conceived a currency to provide more accurate audience data compared with DEC, the Daily Effective Circulation, the previous measurement.
- ❑ Where DEC measured the audience which had the "opportunity to see" a billboard or outdoor location, "Eyes On" measures the audience that is "likely to see" an outdoor ad, including rich demographic and ethnographic data for the first time.



A new metric

- This metric is also being adopted by Route (UK), Move (Australia) among others – regardless of how data is captured.



- Visibility factors could include the individual's mode of transport, speed, and the viewing location as well as 'face metrics' such as visual size and illumination.
- *MOVE (and others) use visibility scores derived from eye tracking research to generate visibility scores for each location. These scores are all based on an audience fixation of 200 milliseconds, as being long enough for perception.*



Discussion and implications

Media metrics in the face of fragmentation and digitisation

- ❑ Media fragmentation and data digitisation provide both threat and opportunity to audience measurement.
- ❑ The long tail is a sign of the degree of divergence yet it represents niches of more engaged consumers which means more effective targeting and adspend.
- ❑ Some old solutions, such as an understanding and implementation of media synergy principles, can have great value in this space.
- ❑ The longstanding knowledge of engagement as an effectiveness metric can now begin to be tapped as the industry is pulled beyond the fundamentals of metrics on exposure.
- ❑ While media are becoming more diverse, the need for greater uniformity in cross media measurement is felt.
- ❑ Single medium metrics that are unrelated to each other statistically do not enable effective cross media planning. There have been moves to create metrics which span media and thus enable better budget allocation and multi-media planning.

Keep the baby in the bathwater.....

- ❑ Survey and fusion approaches to audience information systems globally have begun to include the engagement metrics through additional questions or electronically prompted responses during the day.
- ❑ Some have been extremely innovative in combining disparate sets of consumer information eg media and actual behaviour through shopper cards.
- ❑ A few of the most innovative in the USA have made use of passive measurement and data fusion and return path data.
- ❑ Passive measurement enables 'big data' to be utilised as well as diminishing the problems respondents may have had with recall measures previously.



Key take outs

- ❑ Current systems should probably be integrated and enhanced rather than replaced; they provide a host of variables that make key marketing functions, such as consumer profiling, possible and they provide linking data to other surveys or sources for fusion purposes.
- ❑ When combined with digital and questions on engagement which span media, the quality of the exposure data which single source data provide is much enhanced.
- ❑ However, if appropriate innovative “parallel/co-incidental” studies identify new routes and adaptations that are palpably better for accommodating the big change waves, then in some cases basic systems could be modified quite substantially and require a change in mindset on the part of users of the data.

Key issues in the South African reality

- ❑ South Africa, like India and other emerging markets, does not have the degree of digitisation evident in the more technologically mature and wealthier nations.
- ❑ Nevertheless, South Africa's (and Africa's) mobile technology is fast leapfrogging the digital divide and is providing a means whereby data velocity, volume and variety can start to catch up with other more developed countries.




The future in the South African reality?

- ❑ The future could well be a combination of an establishment survey providing consumer depth and media engagement metrics which can then be fused with other data sources where actual behaviour has been tracked digitally.
- ❑ All this can be managed back to an integrated media usage metric through analytics or other cross platform measures.
- ❑ In timing terms the inclusion of elements missing in the current AMPS mix could be addressed with immediate effect while other evolutions are likely to take a great deal more development and testing before being introduced.



Where the future proofing project could signal a brave new world of media research.....

- ❑ An establishment survey could be based on a (media) brand-centric rather than a platform-centric approach, contrary to the current methodology which is based on the latter.
 - ❑ This could apply to any media type eg print titles whether traditional or online or mobi sites; radio stations whether streamed, podcasts or live; TV stations whether recorded, streamed or live etc.
 - ❑ The universality of the approach would allow for the macro measurement to be comparable across media types.
 - ❑ Fusion of the macro dataset with media specific datasets (eg ratings, quarter hour listening, AIRs, etc) via the inclusion of relevant variables, could enhance the value of the micro data.
 - ❑ Clearly statisticians would have to be brought into the picture within an array of parallel studies.
- 

A giant leap!

- ❑ A great deal of experimentation would have to take place before any changes of this magnitude are implemented.
- ❑ We will need to allow plenty of time to make errors, adjust the processes and try again and then expose the findings in full to the relevant stakeholders for informed decision making .
- ❑ Ultimately though, we can choose to lead as determined by the change wave, or we can choose to be fast followers at a later stage.
- ❑ It is not possible to stay as we are and continue to have relevant measurement techniques in a changing media milieu.



Thank you

