

2021 - The road to recovery

Issued by [Ebony+Ivory](#)

12 Jan 2021

Generating people-centred insights to drive market recovery and sustainability in South Africa.

MARKET SEGMENTATION SOUTH AFRICA • BLOG SERIES FOR MARKETERS BY EBONY+IVORY



2021 - THE ROAD TO RECOVERY

When it comes to advertising and media investment, the road to recovery in 2021 starts now.

That 2020 was a brutal year for advertisers and media owners alike is confirmed by the **Warc Report - State of the Industry 2020/21**. Warc¹ reports that, after adjusting for inflation and exchange rate fluctuations, the global advertising market contracted by over 10% in the year.

Developing markets have shown the most shrinkage with India (-27,7%) and Brazil (-43,2%) being the most severely impacted. Already on the retreat in 2019 (-7,6%) ad spend in South Africa declined by a further -26,8% year on year in 2020. Local anecdotal insights suggest this may well be a conservative figure.

At best, media investment in the country will stabilise at current levels in 2021.

Warc Global AdTrends YoY %Change USD			
	2019	2020 (Nov)	2021 F'Cast
North America	4.6%	-4.3%	3.8%
Europe	1.3%	-14.5%	10.2%
Asia Pacific	0.1%	-9.7%	8.5%
Latin America	-1.1%	-32.2%	0.1%
Middle East	-3.7%	-20.2%	7.0%
Africa	-1.5%	-23.2%	2.1%
South Africa	-7.6%	-26.8%	-0.7%
Global Average	1.9%	-10.2%	6.7%

[click to enlarge](#)

But if 2020 was, in the language of **The Crown**, an *Annus Horribilis*, then 2021 has the potential to be an *Annus Mirabilis* for agile marketers who are ready to do things differently. To embrace new holistic research and more agile data. To

functionally define, understand and actively engage with their target markets.

Harnessing the return of the rise of market segmentation

In 2021, there is an enhanced need to look at advertising and media strategically.

It is interesting to note that the **Warc Guide - Future of Strategy 2020** highlights that 94% of strategists reported that their clients have commissioned new strategic work during the Covid-19 crisis: even where that activity did not necessarily end in a designated media buy.

A key pillar of this strategic response is a renewed focus on market segmentation to tighten alignment of creative to target markets, and media to a more specific target audience.

That said, what is the prognosis? As the rules have changed and marketers face the imperative to dig deeply; to comprehend market segmentation all the way from demographic segmentation to psychographic segmentation, from behavioural segmentation to geographic segmentation.

A focus on traditional segmentation has been de-emphasised in recent years, due to the rise of personalised data-driven marketing. However, in a post-cookie landscape, where consumer data privacy rights take precedence over monetisation, the limitations of personalisation are becoming clear.

Gartner² predicts that by 2025, 80% of marketers will abandon their personalisation efforts due to lack of ROI and difficulties in customer data management. Not least of all declining consumer trust.

The Warc **Guide Making Segmentation Work** highlights the importance of segmentation in driving strategic direction, discovering new audiences and encouraging cultural nuance, and informing new product development. Equally important for effective communication is that segmentation be both meaningful and addressable in terms of both planning and buying media.

Nowhere is this more true than in the post Amps (All Media and Products Survey) media landscape in South Africa.

For some marketers, the demise of Amps is the end of the world while for others, it signals the start of a brave new world. When it comes to advertising and media in South Africa, right now, we need to deploy the old golfing idiom and simply *play the ball as it lies*.

The reality is that data in the Amps database is obsolete and that its collective insights have been replaced by several overlapping, insight-rich databases that provide as many, if not more, insights into the South African market. Reliable insights that can be used effectively for both media planning and trading.

Now where to from here?

Over the next seven modules in this *Market Segmentation South Africa Series* presented by [Ebony+Ivory](#) in collaboration with independent media consultant and media coach Gordon Muller.

The [integrated media and creative agency](#) believes it is possible to *Impact Possibilities* as it evaluates the available industry research in South Africa, particularly with respect to effective market segmentation in a post Amps landscape.

If you don't know your SEM from your LSM and the acronyms BRC PRC OMC Pams Rams Tams and Roots look more like foreign number plates than legitimate sources for marketing insights, join us for a round of strategic advertising and media insights that have the power to reboot your business in 2021.

Let's *play it as it lies* and get on with the game.

Read the next piece in our Ebony+Ivory 'Market Segmentation South Africa - The Post-Amps Landscape: Play It As It Lies' on Tuesday, 19 January.

1 World Advertising Research Council - <https://www.warc.com/Welcome>

2 Gartner Report - Predicts 2020: Marketers, They're Just Not That Into You.

▪ **Ebony+Ivory announces new client win: PwC Africa** 23 Feb 2024

▪ **Ebony+Ivory eyes East Africa** 29 Jan 2024

▪ **Authentic transformation in advertising** 18 Dec 2023

▪ **Solving the multi-agency dilemma for CMOs** 16 Nov 2023

▪ **Delivering performance-based marketing** 18 Aug 2023

[Ebony+Ivory](#)

**EBONY
+IVORY**

We are creators who connect insights, strategy, creative and media through connective campaigns. Unlimited. Uninhibited. Unparalleled.

[Profile](#) | [News](#) | [Contact](#) | [Twitter](#) | [RSS Feed](#)

For more, visit: <https://www.bizcommunity.com>