# DMMA study into media spend trends show steady digital growth

Issued by IAB South Africa

29 Sep 2011

The Digital Media and Marketing Association (DMMA) recently commissioned Analytix BI to conduct a research study to help the digital industry better understand the digital ad spend trends of South Africa's top advertisers.

The survey was conducted amongst the highest media spenders in the country. A total of 104 completed surveys and 15 partially completed surveys were received with over 90% of the responses from companies that form part of the Top 100 Advertisers in the country.

The results show that, overall, these advertisers assigned 10.7% of their current annual media budget to digital platforms. "It is fantastic to see that the actual spend is far higher than what we have assumed for some years. In addition, it is exciting to see the planned increase in both advertising spend and marketing activity," says Andrea Mitchell, Head of Research for the DMMA and MD of DigiVOX, "It is evident however, that many marketers still need to realise the benefits of investing in digital as an alarming percentage of those surveyed are not spending on digital at all."

The study was broken down into digital advertising across search, display and social media channels in both desktop and mobile media. For desktop, current use of search, display and social media in the respondent's advertising budgets was reported at 50%, 69% and 51% respectively with 73% having seen a growth in their search budgets over the last two years, 62% a growth in display budgets and 82% in social media spend. The companies surveyed that use desktop in their campaigns assign, on average, 5% of their budgets to search, 7% to display and 4% to social media.

By comparison, for mobile media, the current use of search in the respondents' budgets is 26%, display 36% and social media 27%. While over the last two years, 76% saw a growth in their search spend, 74% in display and 70% in social media. And the companies in the survey that make use of mobile media platforms assign 4% of their budgets to search, 8% to display and 5% to social media.

The research also looked at marketing campaigns (ie. not paid-for media) and the results can be summarised as follows: respondents currently using their own websites, email marketing, sms/mms marketing and SEO in their campaigns are at 90%, 73%, 74% and 48% respectively while the future usage of the same platforms is placed at 92%, 85%, 85% and 57% respectively.

The use of social media channels in the respondents marketing campaigns is shown to be 75% (Facebook), 53% (Twitter), 52% (YouTube) and 24% (LinkedIn). While the future usage on the same platforms is reported to be 91%, 79%, 78% and 38% - showing a healthy projected growth for both desktop/mobile media and social media platforms.

When looking at perceptions around the different media channels, respondents were asked to rate, on a scale from 1-5, whether they strongly agree or disagree with various statements. The results showed that traditional media still comes up strongest in the points: 'Helps to attract new customers' (47%), 'is effective in brand building' (61%) and 'achieves better reach' (54%). Not surprisingly though social media came up strongest as the platform that best 'increases the longevity of the customer relationship (49%) and 'is cost effective' (52%) while display came up tops in the point 'is easily measurable in terms of Sales & ROI' (28%). More detail can be seen in the tables below.

For more information contact the DMMA on info@dmma.co.za.

## SUMMARY OF FINDINGS

- Use of Desktop & Mobile Media for Advertising Campaigns (i.e. Paid for Media) :

| Online – Desktop Web | Search | Display | Social Media |
|---|---|---|---|
| Current Usage | 50% | 69% | 51% |
| Ad spend growth (past 2 years) | 73% | 62% | 82% |
| Average proportion of current total annual media budget (38 companies surveyed that use desktop and/or mobile) | 5% | 7% | 4% |

| Online - Mobile Web | Search | Display | Social Media |
|---|---|---|---|
| Current Usage | 26% | 36% | 27% |
| Ad spend growth (past 2 years) | 76% | 74% | 70% |
| Average proportion of current total annual media budget (38 companies surveyed that use desktop and/or mobile) | 4% | 8% | 5% |

| | % of Total Annual Media Spend |
|---|---|
| Proportion of current total annual media budget (38 companies surveyed that use desktop and/or mobile) | **10.7%** |

## SUMMARY OF FINDINGS

- Use of Desktop and Mobile Media for Marketing Campaigns (i.e. not paid for media):

| | Current Usage | Future Usage |
|---|---|---|
| Own Web Properties | 90% | 92% |
| Email Marketing | 73% | 85% |
| SMS/MMS Marketing | 74% | 85% |
| SEO | 48% | 57% |

- Use of Social Media Channels for Marketing Campaigns (i.e. not paid for media):

| | Current Usage | Future Usage |
|---|---|---|
| Facebook page | 75% | 91% |
| Twitter account | 53% | 79% |
| YouTube | 52% | 78% |
| LinkedIn | 24% | 38% |

## SUMMARY OF FINDINGS

- Marketers' Perceptions towards Digital Media as Marketing Tool:

| 'Strongly Agree' | Traditional Media | Display | Social Media | Search |
|---|---|---|---|---|
| Helps to attract new customers | 47% | 23% | 39% | 33% |
| Increases the longevity of the customer relationship | 26% | 24% | 49% | 11% |
| Is easily measurable in terms of Sales/ ROI | 21% | 28% | 20% | 20% |
| Is a cost effective medium | 6% | 32% | 52% | 32% |
| Is effective in brand building initiatives | 61% | 27% | 46% | 10% |
| Achieves better reach | 54% | 17% | 20% | 19% |

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