

# MAPS

2023 JULY PRESENTATION INTRODUCTION



## 2021: A YEAR THAT TESTED SOUTH AFRICA TO THE LIMIT

2021 has been a year of challenge and triumph for South Africans as the country grappled with the unknowns of new Covid-19 variants and managing its subsequent economic and social effects. Zuma was sentenced in June to 15 months in prison for contempt of court. With Zuma's imprisonment,

dramatic and violent scenes of unrest and looting unfolded in KwaZulu-Natal and Gauteng by citizens struggling to survive amid climbing unemployment and desperation. More than 340 people lost their lives, and damages exceeded R50 billion.

*Source: IOL*

## COVID-19 EASES

Pandemics eventually end. Three years after COVID burst onto the scene, the world appears to have turned the corner on the first global pandemic in a century. In September, the head of the World Health Organization declared that the end of the pandemic is "in sight." That reality was evident in the fact that many countries abandoned the lockdowns,

travel restrictions, and related measures that they had imposed when COVID swept across the world in early 2020. They were able to do so because of the success of vaccines and therapeutic treatments in lowering the chances of dying from COVID and because many of their citizens had already been infected and developed some protection against the virus. The one exception to this trend was China.

*Source: Council on Foreign Relations*



## “FAMILY MEETINGS” WITH THE PRESIDENT

COVID-19 was a huge topic in 2021 and so were family meetings. The country was always on the lookout for when President Ramaphosa gave his next address, especially if he met with Cabinet or the National Coronavirus Command Council. South Africans tuned to the news daily to get the latest updates on the COVID stats. The COVID-19 pandemic shocked many countries and in South Africa, the talk around introducing vaccines was a hot topic in January.

Government officials constantly emphasised the importance of social distancing, washing of hands and wearing masks in public to keep the virus at bay. At the end of 2021, health officials emphasised the importance of getting vaccinated with booster shots which were available for all those eligible for vaccination.

Source: [www.ewn.co.za](http://www.ewn.co.za)

## INFLATIONARY PRESSURE DRIVEN BY SURGING ENERGY AND FOOD PRICES.

2022 saw inflation rise around the world. The price spikes were driven by a combination of demand and supply issues. On the demand side, years of easy government monetary policy combined with a flood of government spending to prevent an economic collapse during the COVID pandemic put more money in consumers' pockets.



Image: Centre for Human Rights University of Pretoria

On the supply side, first COVID and then Russia's invasion of Ukraine disrupted global supply chains, creating scarcities in a wide array of goods. Spiking prices have roiled politics in rich and poor countries alike as leaders scrambled to address growing public anger. The problem is that the main cure for inflation is raising interest rates.

Source: Council on  
Foreign Relations

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In 2021, South Africa exported **\$61.4M** to Ukraine. The main products that South Africa exported to Ukraine were Cars (\$11M), Citrus (\$8.39M), and Raw Nickel (\$6.81M). During the last 26 years the exports of South Africa to Ukraine have increased at an annualized rate of 11.2%, from \$3.92M in 1995 to \$61.4M in 2021. (\$27m in 2022, Imports \$38.2m)

## GEOPOLITICAL TENSIONS BETWEEN RUSSIA AND UKRAINE HEIGHTENED UNCERTAINTIES

South Africa Imports from Ukraine	Value	Year
Animal, vegetable fats and oils, cleavage products	\$16.94M	2022
Electrical, electronic equipment	\$6.45M	2022
Machinery, nuclear reactors, boilers	\$3.73M	2022
Edible vegetables and certain roots and tubers	\$2.46M	2022
Oil seed, oleagic fruits, grain, seed, fruits	\$1.03M	2022

Source: Tradingeconomics.com

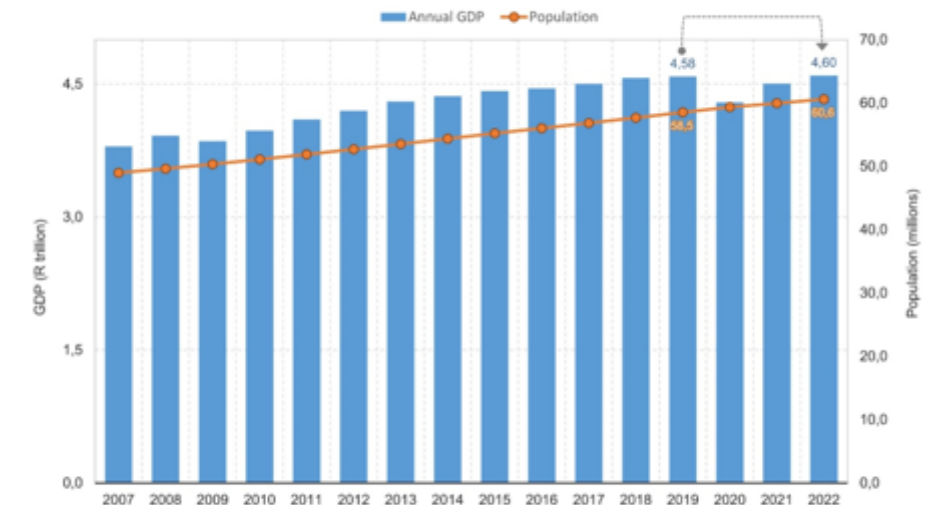
# Status of SA Economy during the Survey Fieldwork Period [2021 and 2022]

## ECONOMIC GROWTH FLAT SINCE 2019

The South African economy grew for a second consecutive year, expanding by 2,0% between 2021 and 2022, from **R4,50 trillion to R4,60 trillion**. Although GDP reached an all-time high in 2022, the economy has only grown by 0,3% from the 2019 pre-pandemic reading of R4,58 trillion. This lags behind the **3.5% rise in the country's population** over the same period. On the upside, South African agricultural activity was robust in the face of the pandemic.

The industry grew strongly in 2020 while many other industries faltered, following up with further gains in 2021 and 2022. The finance, real estate & business services industry also recorded positive growth figures for all three years, although not as strong as agriculture. Source: Statistics South Africa

Figure 2: South African GDP grew by **0,3%** between 2019 and 2022  
The population grew by 3,5% over the same period. Annual GDP (constant 2015 prices) and total population



Sources: (1) Gross domestic product (GDP), 4<sup>th</sup> quarter 2022 (2) Mid-year population estimates, 2022



## HIGH INFLATION IS STILL HITTING CONSUMERS HARD

The cost of the average household food basket increased by **R801.98 (19.8%)** from R4 051.20 in January 2021 to R4 853.18 in December 2022. The price of maize meal, rose by nearly 25% in the 24 months to December 2022. As financial and economic circumstances worsen, so too does household health and nutrition. Source: PMBEJD data

# Status of SA Economy during the Survey Fieldwork Period [2021 and 2022]

## SA'S UNEMPLOYMENT RATE NUDGES DOWN TO 32.7% IN Q4 2022, SIGNALING NO MEANINGFUL IMPROVEMENT

"In the fourth quarter of 2022, South Africa had 7.8 million persons who were without work, looking for work and available to work, of which 6.1 million were in long-term unemployment and 1.7 million in short-term unemployment," Stats SA said. South Africa's economy has many structural challenges thwarting the creation of jobs on the scale needed to address this scourge. But the energy crisis is clearly the biggest shock at the moment to both economic growth and employment levels.

Source: Daily Maverick



This severe electricity shortfall has disrupted economic activity and increased operating costs for businesses, many of which rely on costly diesel generators. It has also affected other infrastructure such as water, IT, and service delivery (health and education). At the end of 2022, there were still close to half a million fewer jobs than at the end of 2019, with women and youth persistently more impacted.

Source: [www.worldbank.org](http://www.worldbank.org)

**ROLLING SCHEDULED POWER CUTS (LOAD-SHEDDING) STARTED IN 2007 AND HAVE INTENSIFIED EXPONENTIALLY, REACHING CLOSE TO 9 HOURS DAILY IN 2022.**



# Looking at the Glass Half Full – Not Everything is Doom and Gloom

## DIGITAL PAYMENTS

As the citizens were discouraged from going to public places and touching surfaces which were touched by many people during lockdown, the way was paved for a spike in digital payments. Contactless payments drove more than 50% of digital payments in SA between 2019-2022, indicating a lower cash reliance in the economy. South Africa is far more advanced in contactless payments than many other markets, largely due to the widespread rollout of contactless enabled point-of-sale (POS) infrastructure.

Source: Visa



Image: [www.freightnews.co.za](http://www.freightnews.co.za)

## REVENGE TRAVELS

Travel spend has rebounded to well above 2019 spend levels, with both business and leisure spend increasing across South Africa. This suggests that 'revenge travel' – embarking on travel journeys as a way of making up for lost travel time during the pandemic – is rife. Appetite for travel continues to grow, with a continuous increase, especially in the affluent segments. Source: Visa

## DESPITE LOADSHEDDING, STREAMING CONTINUES TO GROW

The rise in load shedding is happening parallel to VOD platforms' proliferation. New players have entered the local market, such as Disney+, while well-established platforms locally (like Showmax and Viu) continue to show positive growth. While load shedding will be with us for some time, the actual consumption of broadcast content is not going anywhere; we're simply changing how we view. Source: [www.mediaupdate.co.za](http://www.mediaupdate.co.za)

## BEST OF 2022:

### THE DAY LOCKDOWN WAS LIFTED, AND THE MASKS FELL OFF

After more than **750 days in lockdown** in an effort to stave off the Covid-19 pandemic, President Cyril Ramaphosa announced the end of the National State of Disaster on **April 4, 2022**. The nation breathed a collective mask-free sigh of freedom. South Africans had faced some of the world's most stringent lockdown regulations in the early part of the pandemic such as the ban on tobacco and alcohol and other goods in stores. Source: IOL



# AND WE ARE STILL US – UNIQUE AND DIVERSE







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JULY 2023

# MAPS

**FUTURE TRENDS THAT ARE ALREADY HERE**



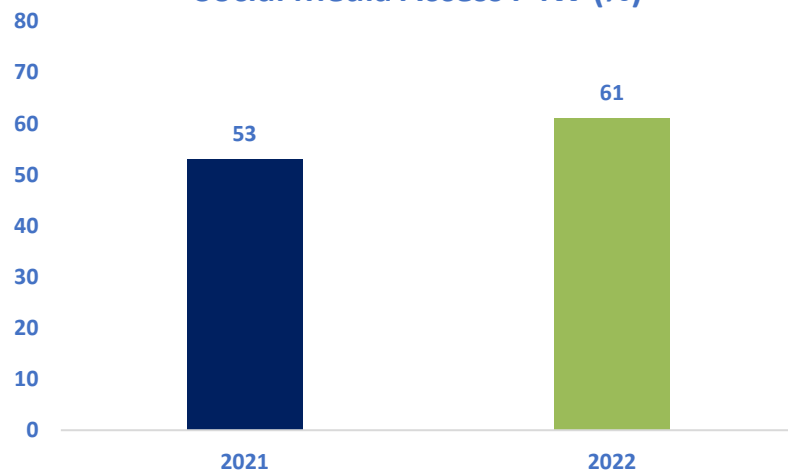
# THE RISE OF VIDEO CONTENT

The rise of video content: Video is becoming increasingly dominant across social media platforms.

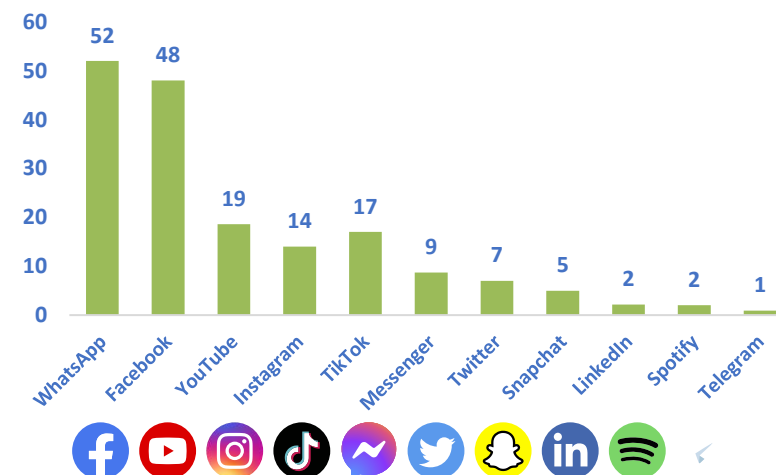
JULY  
**2023**



Social Media Access P4W (%)

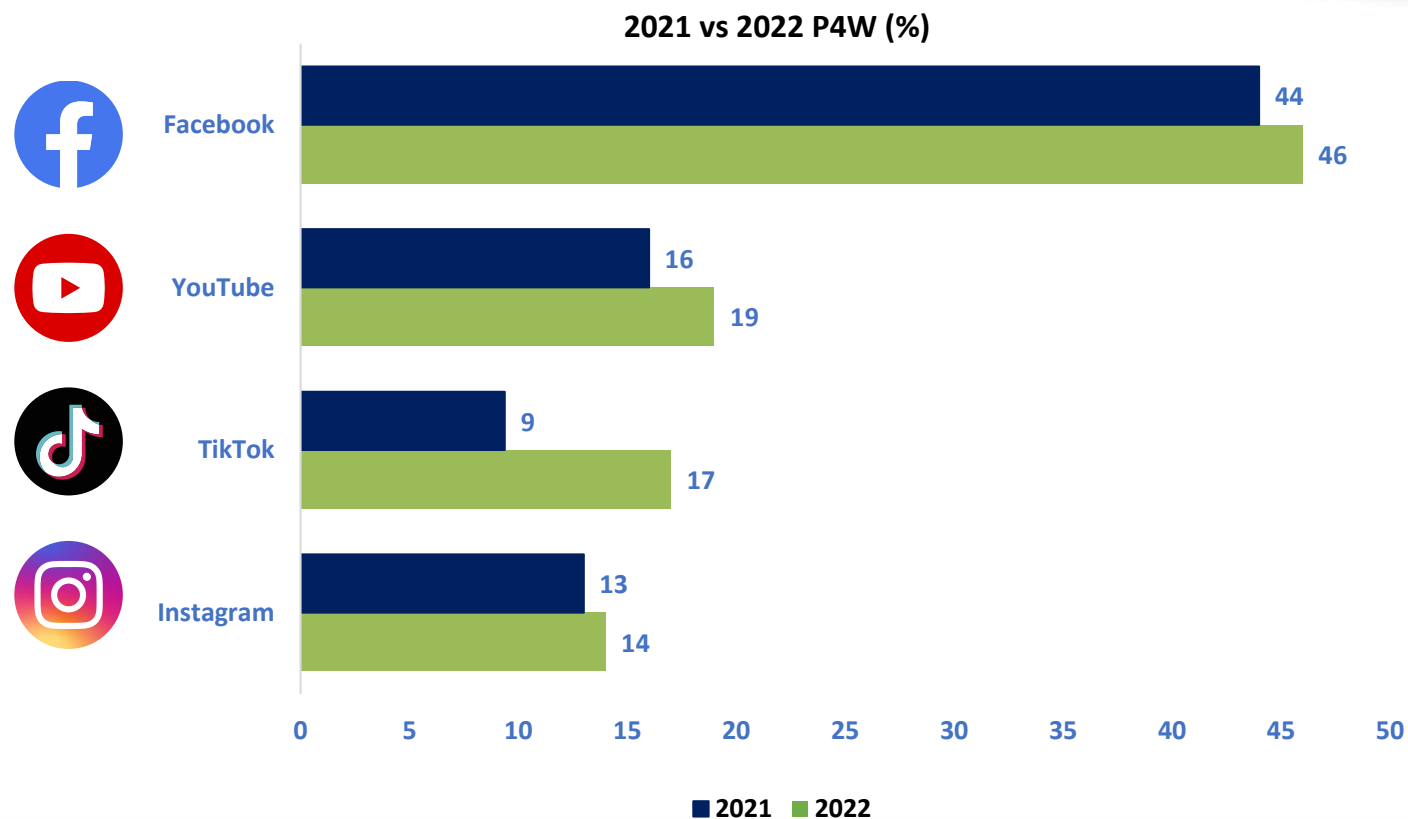


Social media platforms P4W 2022 (%)



1. While the emergence of internet-based services has boosted streaming traffic, interactive mobile apps and declining mobile data prices have contributed to the exponential growth in mobile video consumption
2. The rise of video streaming has disrupted the way people consume content
  - a. Watching programming based on a preset broadcast or cable TV schedule are over.
3. The growth of nonlinear alternative OTT platforms that feature high-quality, original content is driving consumers away from linear formats such as pay TV.





1. Video is the most engaging content type online – with data on video consumption trend evident of this.
2. The following social media platforms have the highest video-based content:
  - a) Facebook
  - b) YouTube
  - c) TikTok
  - d) Instagram
3. TikTok's surging influence on social media has led to an increased emphasis on video across all platforms
4. Data from MAPS indicate an increase in the proportion of TikTok uses between 2021 and 2022.
5. TikTok is gaining traction over time, and to show for it has surpassed Instagram in usage.

# Advertising Spend [2022]: How does SA compare to the world?

	Total ad spend	YoY change in total ad spend (all channels)	Digital ad spend	YoY change in digital ad spend	Digital ad spend as a % of total ad spend
<b>Global</b>	USD793.25 BILLION	+5.1% +USD38 BILLION	USD667.3 BILLION	+15.2% +USD88 BILLION	+84.1%
<b>South Africa</b>	USD1.87 BILLION	+2.8% +USD50 MILLION	USD628.3 MILLION	+10.6% +USD60 MILLION	+33.7%

## Potential Audience that SA Marketers Can Reach With Ads

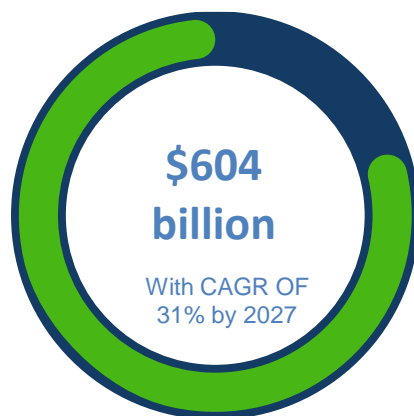


# SOCIAL COMMERCE IS ON THE RISE

JULY  
**2023**

Social commerce is the integration of social media platforms and e-commerce, merging online shopping with social networking. It has gained significant popularity in recent years due to its ability to leverage social media influence and user-generated content to drive sales. While Africa has been relatively slower in adopting social commerce compared to other regions, it is gradually picking up pace with the growing internet penetration and smartphone usage.

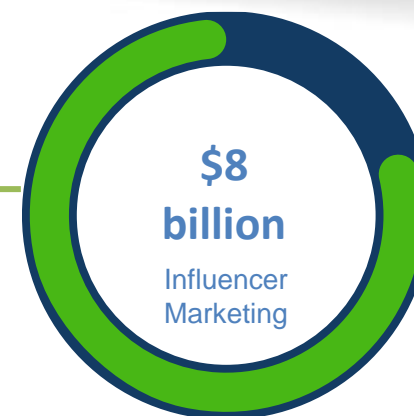




Global market size: Social commerce is estimated to reach a market size of over **\$604 billion** by 2027, with a CAGR of **31.4%** from 2020 to 2027.



E-commerce platform integration: Leading social media platforms, such as **Facebook, Instagram, and WeChat**, have incorporated e-commerce functionalities, allowing users to discover and purchase products directly from their social feeds.



Influencer marketing: Influencers play a significant role in social commerce by promoting products or services to their followers. In 2020, it was estimated that businesses spent around **\$8 billion on influencer marketing globally**.



User-generated content: Social commerce heavily relies on user-generated content, such as reviews, ratings, and product recommendations, as they create trust and authenticity among potential customers.

**1. Mobile commerce:** Mobile commerce has seen significant growth in Africa, driven by smartphone penetration and mobile money services. In countries like Kenya, Nigeria, and South Africa, mobile wallets and payment solutions have played a vital role in facilitating social commerce transactions.

**2. Social media adoption:** African countries have witnessed a surge in social media usage, with platforms like **Facebook, Instagram, and WhatsApp** being popular among users. This adoption of social media provides a foundation for the growth of social commerce across the region.



**3. Local initiatives:** Some African startups have emerged specifically catering to social commerce needs in the region. For example, platforms like **Jumia and Konga in Nigeria** provide e-commerce and social commerce services, integrating with popular social media channels to reach a wider audience. **Takealot** in South Africa has grown exponentially.



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# INFLUENCER MARKETING CONTINUES TO EVOLVE

JULY  
2023





1. Market Size: The influencer marketing industry is projected to have reached **\$13.8 billion** globally in 2021, and it is expected to continue growing in the coming years.

2. Social Media Users: As of July 2023, there are approximately **4.8 billion** social media users worldwide.

3. Instagram Dominance: **Instagram** remains one of the most influential social media platforms for influencer marketing. As of July 2023, Instagram has over **1.5 billion monthly active users**, making it a popular choice for influencers and brands to collaborate.

4. **YouTube Reach**: YouTube has also emerged as a powerful platform for influencer marketing. With over **2 billion logged-in monthly** active users globally, YouTube offers a vast audience for content creators and brands.



5. **Influencer Earnings**: Influencer earnings vary significantly depending on factors such as follower count, engagement rate, niche, and platform. Some top-tier influencers can earn millions of dollars per year through brand partnerships and sponsored content.

6. A study found that for **every dollar** spent on influencer marketing, businesses can earn an average of **\$5.78** in media value.

7. **Influencer Types**: Influencers come in various categories, including celebrities, macro-influencers, micro-influencers, and nano-influencers. Each category has its own strengths and can help target different audience segments.

**If I don't like** something  
that's going on in my life,  
**I change it.** And I don't sit and  
complain about it for a year.

– *Kim Kardashian*

AZ QUOTES





# AUGMENTED REALITY (AR)

The integration of AR technology into social media platforms is gaining significant traction.

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**2023**





## User Numbers

As of 2020, it was estimated that there were approximately **598 million** monthly active users of Augmented Reality globally.



## Value (Market)

As of 2020, it was valued at around **\$4.21 billion**. It is projected to reach a market size of approximately \$72.7 billion by 2024.



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# PERSONALIZATION AND CUSTOMIZED EXPERIENCES

Consumers are craving personalized and tailored social media experiences. Marketers should explore ways to create more personalized content and experiences to enhance user engagement and satisfaction.

JULY  
2023

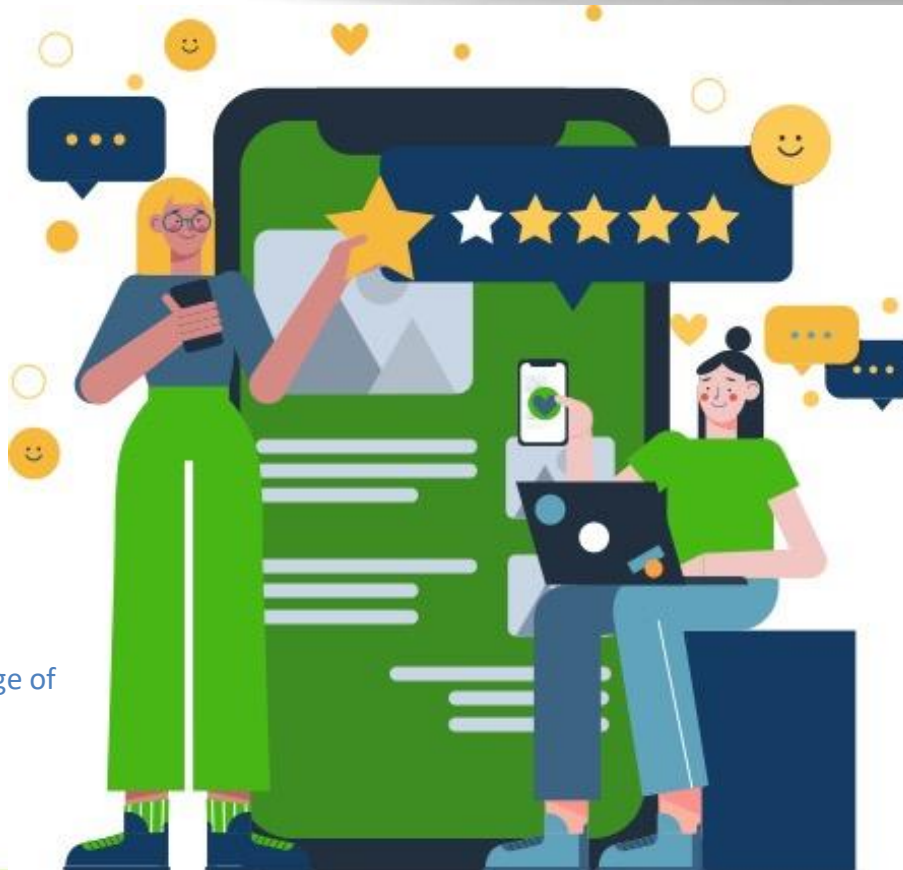


**Personalized ads:** For example, if a user frequently engages with fitness content, they may see ads for workout gear or healthy food options.

**Customized newsfeed:** This allows users to see content that is relevant to their specific preferences.

**Tailored content recommendations:** For instance, if a user enjoys watching cooking videos, the platform may suggest related videos or recipes.

**Customized filters and effects:** Users can choose from a range of options to enhance their photos or videos.



**Personalized greetings and notifications:** Social media platforms may send personalized messages or notifications on special occasions, such as birthdays or anniversaries.

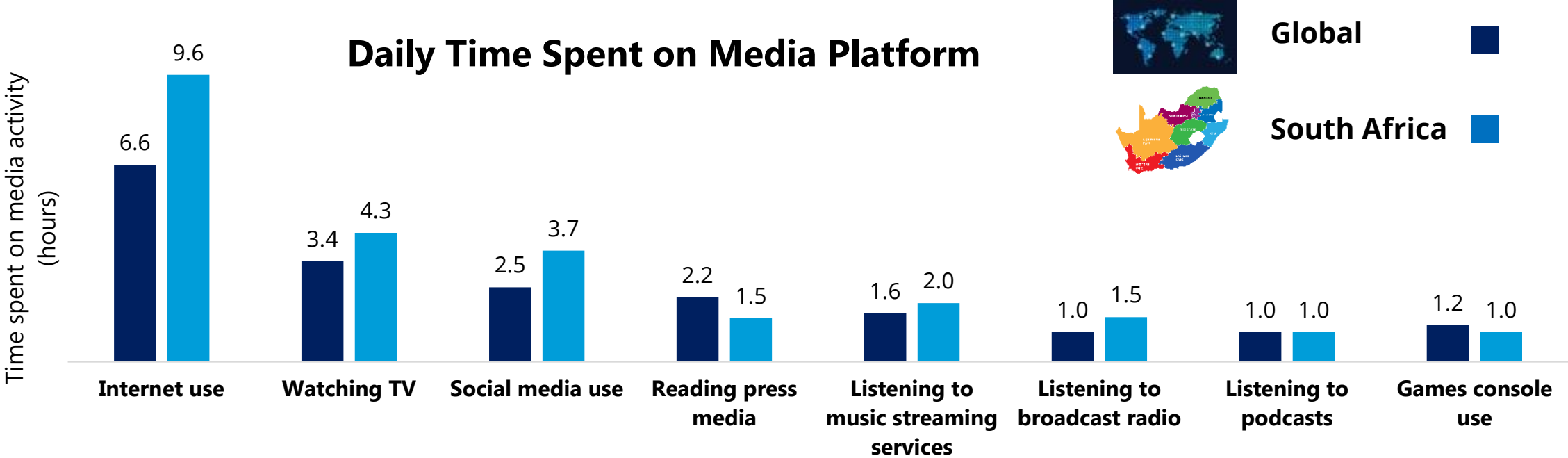
**Customizable privacy settings:** Most social media platforms allow users to customize their privacy settings to control who can see their content and who can interact with them.

**Personalized event invitations:** Social media platforms often provide features for creating and sending personalized event invitations. Users can customize the event details, guest list, and even send personalized messages to invitees.

**Customized user profiles:** Users can personalize their social media profiles by adding a profile picture, cover photo, and a bio that reflects their personality and interests. They can also choose to highlight specific achievements or experiences.



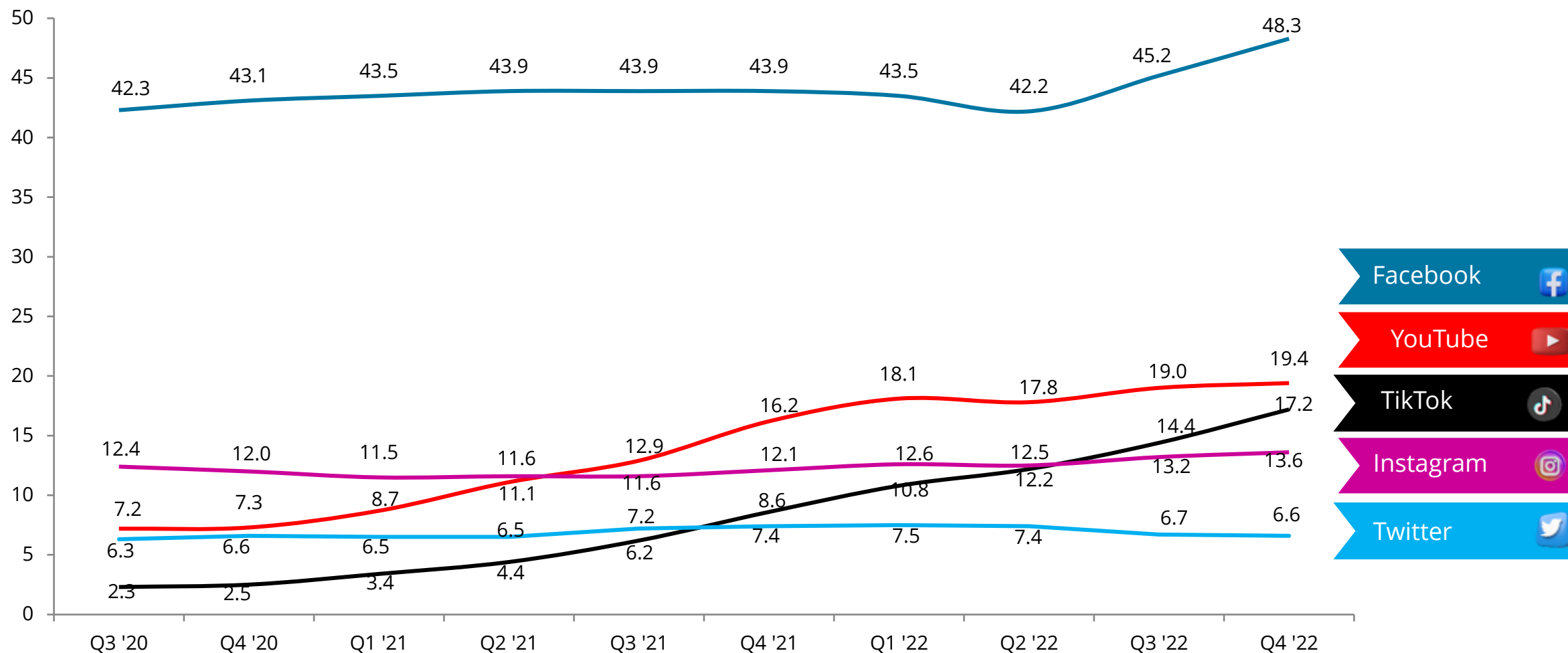
# Time Spent on Media [2022]: SA vs the World Cont.



Data source: [www.datareportal.com](http://www.datareportal.com). The average amount of time each day that internet users aged 16 to 64 spend with different kinds of media and devices.

## Social Media Trends – P4W

*\*\*4 quarter moving averages  
(% of 15+ pop)*



## 2022 Media Trends

### Car Purchases:



- Overall **car sales** in South Africa **declined** by **5%** in 2022 due to economic uncertainties, but **electric vehicle** sales **increased** by **50%** as consumers embraced eco-friendly alternatives.
- **Local production** of electric vehicles **grew** by **30%** in 2022, as manufacturers invested in expanding their electric vehicle offerings.

- (NAAMSA)

### Streaming:



- The number of **active streaming** service users in South Africa **increased** by **35%** in 2022, reaching a total of 8 million subscribers across various platforms.
- On average, users spent **2.5 hours** per day on **streaming** platforms in 2022, up from 2 hours in the previous year.

- (Netflix investor relation)

### Population Movement:



- **Urbanisation** in South Africa continued to **rise**, with major cities experiencing a net migration increase of **2.5%** in 2022.
- The **Western Cape** and **Gauteng** provinces saw the **highest influx** of new residents, influencing local market dynamics.

- (Statista, UN)

### Household Spending:



- **Household spending** in South Africa remained conservative in 2022, with an overall **growth rate** of only **1.2%** compared to the previous year.
- **Essential goods** and groceries accounted for **60%** of household spending, while non-essential items and leisure activities saw a decline.

- (Fitch, Euromonitor International)



## 2022 Media Trends Cont.

### Advertising:



- **Digital advertising** spending in South Africa **increased** by **20%** in 2022 compared to the previous year, reaching a total of 17.6 billion rand.
- **Social media platforms**, such as Facebook and Instagram, witnessed a **15% growth** in advertising revenue in 2022, with businesses leveraging their expansive user base for targeted marketing.

- (eMarketer and Statista)

### Economy:



- The South African **economy grew** by a modest **1.5%** in 2022, as it continued to recover from the impacts of the COVID-19 pandemic.
- **Inflation rates** remained at a persistent **5.8%** in 2022, affecting consumer purchasing power and business operations.
- The **unemployment rate** in South Africa slightly improved but remained **high** at **25.5%** in 2022, posing challenges for job creation and economic stability.

- (IMF, World Bank and Statista)

### Product Usage:



- Sustainable product sales surged by **30%** in 2022, reflecting the growing environmental consciousness among consumers in South Africa and globally.
- Contactless payment transactions rose by **40%** in 2022, with major credit card companies reporting a significant increase in the usage of contactless payment methods.

- (Euromonitor International and Wall street Journal)

### Media Consumption:



- Traditional **TV viewership** in South Africa **declined** by **10%** in 2022, while streaming platforms saw a **25%** increase in subscriptions during the same period.
- **Streaming services** like Netflix and Showmax accounted for **60%** of total entertainment consumption in 2022, indicating a shift towards on-demand content.

- (Variety, Bloomberg and the Economist)

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