

## Should you be scared of tomorrow?

By Howard Thomas

It doesn't matter whether you have just graduated from media school, or if you have 25 years' experience, tomorrow is scary.

Things were unsettled before COVID. Now they are turned completely upside down.

Let's look at our industry before COVID.

For the past year, politicians, equipment salespeople and academics had been rattling on about 4IR. If you had a proposal in to a broadcaster for a programme series, a funder for a handout, or anyone in the media, you had a better chance if you used the word 4IR in every paragraph.

Of course, 4IR is just a phony trick. It was promoted mostly by politicians because it is so vague that you can make many promises under its name, and they all mean nothing.

4IR is a nice word that means nothing. It is supposed to be no more than an over-arching term to cover trends in future life that include:

- Learning anywhere, and anytime, for everyone
- Media content production and distribution, for anyone, anywhere, anytime
- The Internet of Things (IoT)
- High-speed Internet
- Cloud technology
- Coding, the language of computers
- Robotics
- Virtual Reality
- Artificial Intelligence

Don't forget, the whole concept of 4IR was invented by Klaus Schwab, German economist of the World Economic Forum, who coined the phrase in 2016. His whole academic concept was formulated within the context of modern western economies. It did not include places like South America, Africa, Middle East where the basic infrastructure is not yet in place. You need high-speed broadband, plenty of money, and no overwhelming social distractions. South Africa was not the focus of Dr Schwab's thinking when he birthed a phrase that would be misappropriated for all sorts of agenda.

In South Africa, half the population has no access of the Internet.

Before COVID, our media and telecommunications sector was already a mess. We should have migrated to digital broadcasting ten years ago, but petty squabbling between government and private sector allowed people to hijack its delay. Broadcasters didn't want DTT. It meant having to produce more channels, with there being no commensurate increase in advertising revenue. In other words, they would be forced to open channels to run at a loss.

Advertisers didn't want it because it would dilute the audience. And so, it lies today – a dead duck, with over half a million digital decoders rusting in some warehouse.

Meanwhile, also, the tech giants, Facebook and Google, had formed a great big monopoly over media and upset everyone's business plans. That was easy because our media was anyway pretty rotten and needed a shakeup. But in the meantime, unemployment had been steadily growing, and the disillusioned youth, were in search of some excitement in life. They joined the lucrative industry of film schools, where they learned old fashioned ways of making content, paid high fees, and added to the unemployment situation.

The SABC was all but bankrupt. E.tv was small broadcaster focused on maintaining revenue, and increasing profits by reducing costs. Mnet was migrating to Showmax, and

focussed on producing drama and reality series that were high profile, but not impactful in money terms.

There were clouds on the horizon of vague things like Video on Demand (VOD), community media, and other things. But people actually preferred to live for the moment. And not take risks on the future. Human nature – the ostrich syndrome. Bury your head in the sand. But meanwhile:

- Marketers were losing grip on the market, and experimenting with online advertising, taking advertising away from the printed media, radio and TV. But slowly.
- TV was seeing a slight decline in audiences.
- Radio was also facing a level audience that could start declining
- The victim was printed media which had seen circulation drop by 50% over the past 5 years.
- The SABC was living on bailouts, over-staffed, while the other media had been retrenching.

### ***Then along came COVID.***

Skype, which up till then had been a luxury toy, became a daily necessity for business. Big meetings were held on Zoom. A sober population that was no longer smoking, was put out of work. It is feared that the epidemic will put as many as 3-million out of work. Don't forget the knock-on effect. When lockdown ends, the street hawkers can get back to selling, but the now unemployed customers can't afford to buy. That's why any country takes at least two years to revive from a recession, or economic depression.

Schools and universities went to online education, which they are all doing badly, because they were not prepared and went into it within days. Many students had no access to the Internet, which doesn't help.

To get it right, they have a long way to go.

Audiences for TV shot up, but the advertising contracts had been sold ages before, at discount rates. The advertisers scored from the increased audiences, but not the broadcasters.

But, to get to the point, what will media look like post COVID? It's a guess, but it's a no-brainer guess.

## **The Media**

We know from history, that when there is an economic decline, and when unemployment rises, the industries that thrive are:

- Entertainment: to distract people from the ugly realities of life
- Alcohol: to forget life
- Gambling: as a desperate hope
- Education: to try and improve yourself and your prospects
- Information: to find out what is happening and help you create opportunities

So, media is safe, but not in the form we are used to. Every business model we have been used to, has changed. And is going to keep changing.

## **Television**

Television exists not because of audiences, but because of advertising revenue. Advertisers are confused. The sales of the marketers are down, and everything they spend on advertising must produce sales, sales and as many sales as they can do in the

depressed market. Their advertising spend has to be efficient. The old ways – the 30-second slot are no longer trusted.

They are looking to different ways. That's why they are throwing money at the internet because they can see results in real-time. They can see the clicks on their advertisements as they happen. And Google enables them to see what types of people are clicking on their ads. Not like TV research, which is a long time afterwards, and vague.

Also, when someone clicks on an internet ad, you know they are watching and thinking about what they are doing.

When your ad is broadcast on TV, you don't know if the majority of the audience is watching. We suspect that most of them are scrolling on their phones, or talking to their friends. TV advertising is very inefficient.

Also, there is just too much media. Every moment, TV is getting more competition from other media, especially online media. There are more videos uploaded to YouTube every minute that the broadcaster can supply in a week.

### ***So, what's going to happen with TV?***

With so much media, audiences want to watch **what** they want to watch, **where** they want to watch, **when** they want to watch and **how** they want to watch.

Broadcasters have no option but to start migrating to online Video on Demand (VOD). Mnet has started with Showmax. For e.tv and SABC, it's not difficult. All they have to do is load their programmes, as they are broadcast, onto a server, and list them on a website – that looks something like Netflix or Showmax. That includes all the daily local content. From the farmers shows in early morning, to the morning show, and to all the other programmes. Whereas the daily schedule includes repeats, the VOD doesn't have to – it's always there.

#### **How many people can get it?**

Well, they have to be online and pay for data. At the moment, about 50% of the population has a smartphone. Most of those do not have access to either paid for broadband or free Wi-Fi. But it's coming.

To open a VOD alternative is not a problem. The software and systems are readily available, and you don't have to buy costly systems from abroad. They're available locally. And that includes the algorithms that will place advertising according to the user's profile. Like the way Google works.

It will probably be called AVOD, which is advertiser-funded VOD, as opposed to SVOD, which is subscriber funded like Showmax and Netflix

Since it's that easy, it may happen soon, and if the broadcasters e.tv and SABC don't do it, some other enterprising people will do it for them.

### ***How is TV going to be paid for?***

Here's the hard part. With advertising declining, the broadcaster has no option but to make sure that the programming is paid for before it goes on the air.

This means simply: the producers and their commissioning editors have to compile content and revenue as ONE package.

No longer will the broadcast be a partnership between the broadcaster and the producer. It will be a partnership that includes marketers, sponsors and funders – a collection of stakeholders who are all getting something out of the broadcast that they want.

Producers will have to come up with a concept and treatment that will attract revenue. The concept may attract one revenue source, like an advertiser or a sponsor, or a funder. But the content must be fully paid for before it is broadcast. Perhaps there will be a

government funder or a large company. It may even be a group of people. It may even be an investor who is looking to buy some of the rights, for whatever reason. The specifics are not important. It's the principle, that's important.

No longer can anyone risk that advertisers will buy advertising slots around the programme.

This goes for public service programming at the SABC, and mandate programming for other broadcast licensees, as well. It must be funded by a partnership of stakeholders who all want to see the programme on the air for any number of reasons. The SABC alone cannot fund public service programming. Unless of course it is funded by government, which is not only unlikely, but actually impossible. Government has just paid out R500-billion in support money for the COVID disaster.

The principle of pre-funded programming will apply to e.tv as well; Mnet to a lesser extent as it has subscriber funding. But don't forget, Mnet is not in an easy position. It buys programming from abroad, in US dollars, and those dollars are getting more expensive to buy every day.

## Niche audiences

All of this points to a trend that has been with us for at least five years, and that most people ignore.

In the past, we used to say, "You can't please all the people, all the time." That's no longer true. We can please all the people all the time, by appealing to the special interests, and on their own special interest channels.

This used to be the territory owned by print media that could publish magazines for gearheads, dog breeders, people who knit, rap music publishers – any small niche of specialised interest people.

We can do that now. YouTube has been doing it for years. But no longer do we have to join the 100 billion or so videos on YouTube, we can now have our own channel where YouTube doesn't grab half the revenue. OK, you say, but YouTube supports the platform and storage. Do your own sums, and decide for yourself if you can make more money by supplying your own infrastructure and storage.

The name of the game from now on is NICHE AUDIENCES. There is no place anymore for national TV, that tries to please all the people all the time, on just one channel. That's going to slowly decline until it's just another niche channel because it has a footprint where people cannot access online.

## Print media

Let's just forget newspapers and magazines. They won't go away, completely. But they are already a fraction of what they were ten years ago, and tomorrow they will be a fraction of what they are today.

One important reason, is that with so much visual entertainment (TV and video) around, audiences are becoming more visually literate, and more alliterate (illiterate means unable to read, aliterate means too lazy to read.)

## Radio

Radio will always be there. It may suffer a little as the visual media become more accessible, but it will always be immediate, easy to receive, and concentrate on information and news, music and endless talk. You can listen to it anywhere, anyhow. Or rather, you can have it in your ears, but not actually listen to it.+

## Sports

There are interesting opportunities here. Mainstream sports are now so costly, and inaccessible to content producers, that they have become a separate industry that involves the people who deal in high cost and lucrative rights.

This opens the way to fringe sports, which are not professional, do not involve outrageously paid stars, and have a niche audience.

## So, what...?

We must all have a hard look at ourselves, whether we are students or seasoned old professionals. The world has changed. If we don't change ourselves, the world will kick us off. Like if you don't buy a ticket on a bus.

And it's not just adapting. We have to innovate. We can't wait for someone else to innovate and then ask them for a job. If you are in on the innovation from the start, you will be a nuisance – no better than plastic bottles in the sea, or pollution on the Vaal River.

Harsh words, but we need a wakeup call.

We have to follow new rules:

1. The world has too much content, small interest groups have too little.
2. We are in for harsh times, and people want content that they need and can use. It must be USEFUL.
3. People want THEIR content, WHERE they want it, WHEN they want it, and HOW they want it.

## The opportunities

Help online educational schools and institutions get their content right. Right now, it's educationally inadequate, and doesn't help the teacher or the learners. Why? Just go and watch it for yourself, and make up your own mind.

Help the healthcare sector do what they have to do. COVID is not going away, and it's bringing with it a whole lot of other health problems.

Help people get different and relevant skills. Most people know they aren't going to get a job. Now that employers have been forced to prune their workforce, and make those who stay, work harder, they are not going back to their old ways with generous pay for too many staff. People have to make money, anyhow. There are also too many tomatoes for sale on the pavement. So, the skills most in demand are those linked to micro-businesses.

Media people need to interrogate themselves, and ask "What are all the things I can do?" You can't say, "Make TV programmes". Who is going to buy them, unless you get them paid for before they are delivered? Or unless you undertake to distribute yourself.

You rather have to list all the skills that go into making TV, from research and writing, all the way to editing and final mix.

Each of those skills is in demand, somewhere. The police use photographers and videographers. So do construction companies. As do hospitals, engineers, real estate, - and not just for marketing or PR. Writers are in demand everywhere, all the way from copywriting on retail inserts, to instruction manuals. Don't try and make wedding videos, make funeral videos. There are plenty of rich people around. Look to your neighbours, neighbouring countries, cross border work. Break down the limits on your thinking.

Read the news, read the news behind the news. Teach yourself Fact Checking so that you can distinguish the 1% of the Internet that is reliable from the 99% posted by cranks.

Make a list of all the people in your extended family. You will find someone who has connections, somewhere. Take a hard look at your local community. There are municipal elections coming up, and the local government has important messages to get out.

Think. Don't Google for ideas; Google when you have an idea. Talk to people, especially those you may be able to work with. Above all, think crazy, out of the box, off the road.

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