

Load shedding is not a good enough reason to cut TV budgets

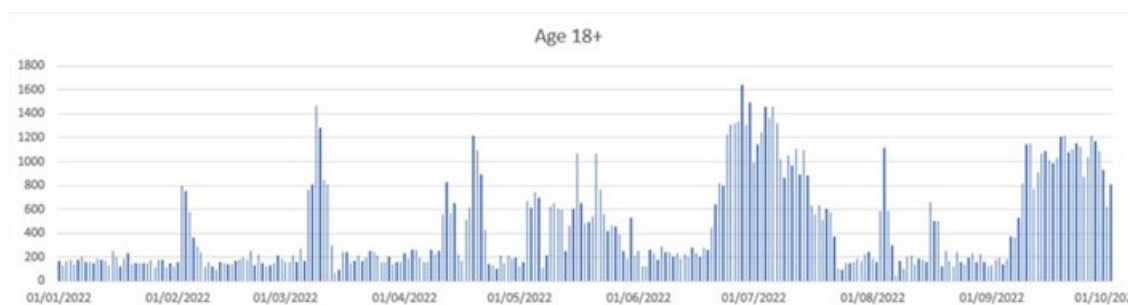
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2 Dec 2022

It's not the first time in history that South Africans have experienced load shedding. However, 2022 has seen a surge of power outages (or rather a decrease in power surges). Not only does load shedding impact the South African economy, but small businesses are also affected, traffic, households, etc. What does this mean for the media industry? Well, ask any TV planner and they will tell you their TV plan under-delivered due to load shedding. Try explaining this to a global auditor sitting in a first world country - who has their lights on.

Whilst near impossible to determine the reach lost on a campaign, thankfully the tools we have are able to show us the number of people in a specific audience that were affected by load shedding.

Depending on the audience, anything from 12%–30% loss in viewership can be noted. For example, week 26 June 2022 where the country was faced with stage 6 load shedding, within adults 18+, 1650 people in the sample were without power. This represents 7.6 million people on the TV panel.



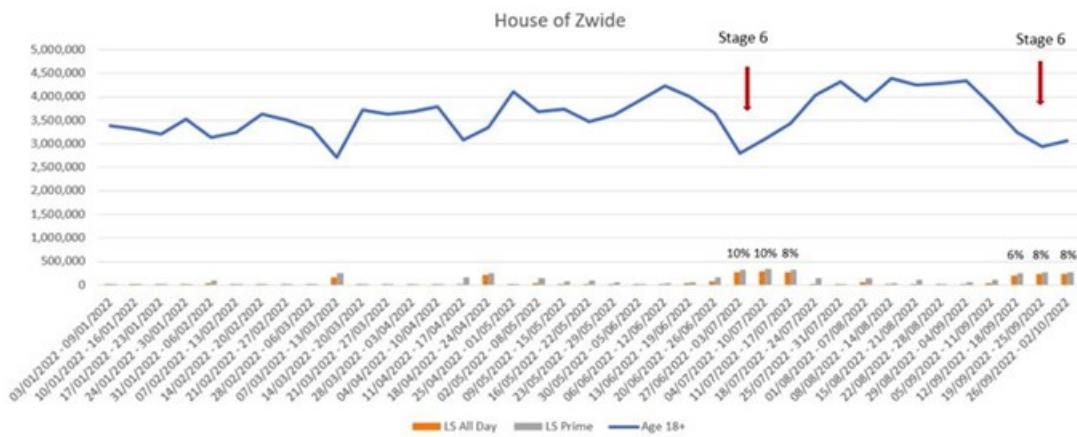
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Should broadcasters be held liable?

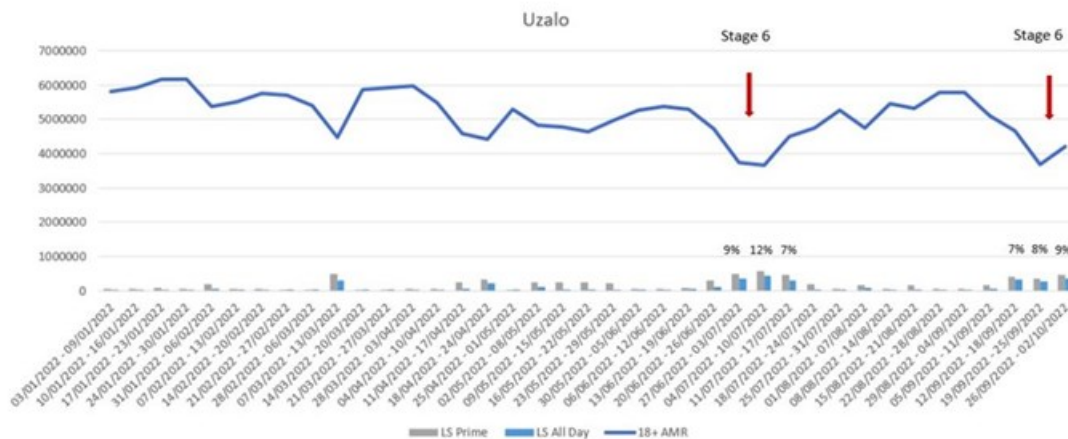
For an auditor sitting in Europe, it's a simple Yes! The client is paying for X number of ratings and now they are only achieving Y without any cost decreasing. We South Africans understand that this is a national crisis and that everybody is affected!

While we are not of the opinion that broadcasters should just compensate advertisers for lost audiences due to load shedding. This is a short term solve to what is going to be a long-term problem, which is why we believe that broadcasters should update their pricing based on what audiences they deliver. It is probably time that we, as an industry, start trading on a cost per thousand model. Broadcaster can then make guarantees on a CPM basis irrespective of client commitment levels, and it will ensure that our clients are getting what they pay for. Compensation then will be controlled and fair, and this method of trading will cover not only load shedding but also the impact of DTT and general migration to digital platforms.

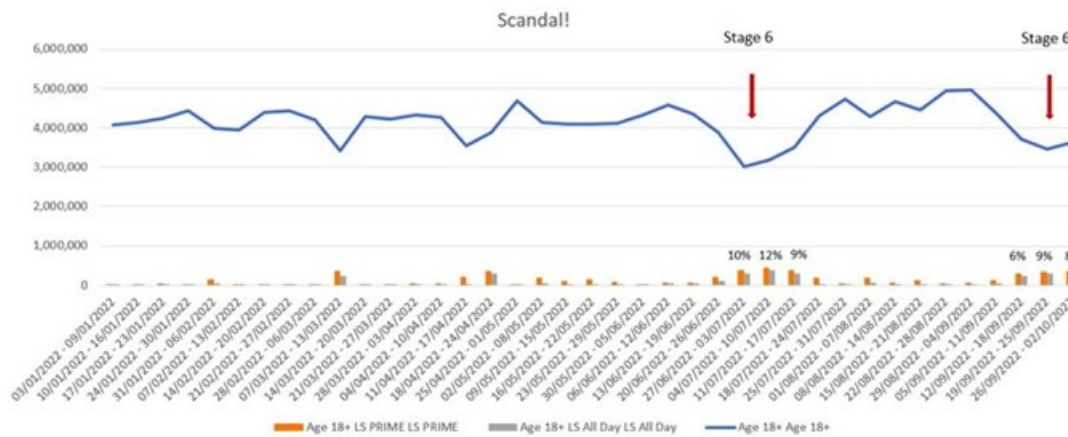
Whilst government banter about various possible solutions and offers financial bailouts to Eskom, it's clear there is no end to load shedding any time soon. So, then what do we do about TV planning? Pull all our TV budget and plug in into digital? Well, no. TV remains the highest reaching medium in our country and, as we can see when we drill down into specific programmes, audiences dip when there's load shedding, but they come back. Moreover, the percentage of audiences that are lost at the highest level of load shedding, stage 6, is an average of 10%. At stage 2 of load shedding we see minimal losses of between 6% and 7%. This is very similar to normal TV under-deliveries and can be managed within normal planning processes.



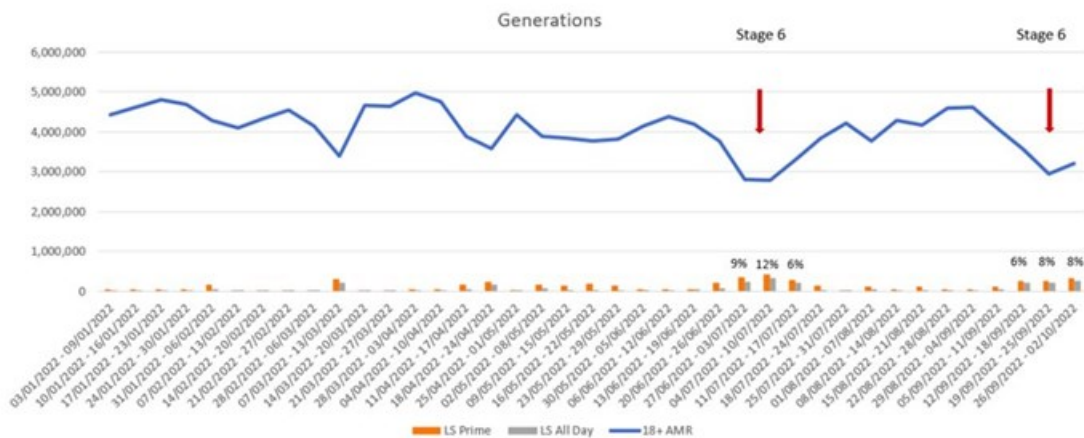
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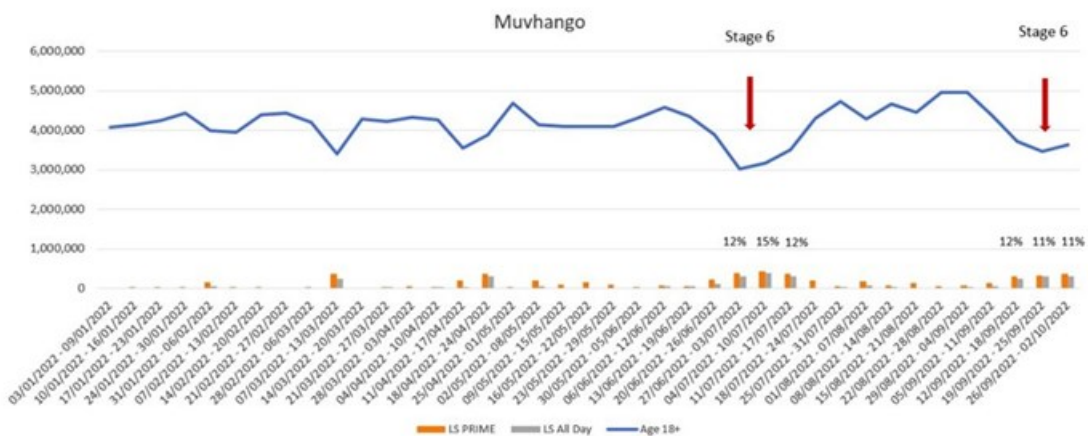
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In conclusion, audiences are still being reached despite loadshedding. Planning will require sufficient down-weighting and constant monitoring of the impact of load shedding on audiences as well as TV plans. It's comforting to see that yes, audiences are left in the dark literally, but when power resumes, so do their TV viewing behaviours. And the cherry on the top would be a little grace and understanding from global counterparts as we navigate our way through these dark times.

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