

B2B advertising spending falls in 2009, soaring by 2014

The first South African edition of PwC's *South African Entertainment and Media Outlook: 2010-2014* shows that the recession led to a sharp decrease in B2B spending in 2009 falling 10.6%. Advertising fell 14.2% and end-user spending fell 7.8% while digital directory advertising and electronic professional books increased significantly but it is expected to grow to R3.2 billion in 2014.

Vicki Myburgh, director of Entertainment & Media for PwC Southern Africa says, "B2B spending is expected to stabilise in 2010 and growth is expected to gain momentum in 2011." According to the Outlook, the business information market which receded 9.2% in 2009, is expected to decrease by an additional 3.7% in 2010. As the economies recover, we expect a rebound in business information and a 2.4% compound annual increase through 2014.

"The B2B market consists of spending on business information, print and online directory advertising, print advertising in trade magazines, advertising on trade magazine Web sites, trade magazine circulation spending and spending on professional books in print and electronic formats."

In relative terms, South Africa has one of the largest electronic professional book markets in the world. As the economy weakened in 2009, growth dipped to 2.3%. Faster growth is expected during the next five years as economic conditions improve, with spending expanding at an 8.3% compound annual rate.

Gains in electronic books will offset declines in print and the overall professional book market will increase at a 0.7% compound annual rate. Total B2B advertising will grow 4.8% compound annual rate to R1.4 billion in 2014 from R1.1 billion in 2009. The overall South African B2B publishing market is set to increase from R2.5 billion in 2009 to R3 billion in 2014, rising by a 3.2% compounded annually.

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