

Understanding local newspapers' effect on consumer spending

To understand consumer mind-set and behaviour, Ask Afrika recently conducted Wave3 of Compass24 research on 77 of Media24's local newspaper titles. In addition to looking at reach and readership, a core focus was understanding consumer behaviour in the categories of telecommunications and cellular, health and beauty, recruitment and tenders, and travel, sport and leisure.

Compass24 identified key focal points in any local newspaper advertisement revolves around price and brand reputation.

Telecommunications, cellular

"Telecommunications is a very competitive market, very undifferentiated. Advertising is more focused on a call to action, with low loyalty and visible promotional strategies and take-up. There is huge opportunity for advertisers. The telecommunication industry, specifically mobile, is growing at a rapid rate and the mobile trend will be even more prevalent in developing nations, such as South Africa. More than ever mobile consumers have a strong voice especially around customer service excellence and, coupled with the volume and market share, business needs to follow the money. The growth potential of the mobile phone market amongst Ads24 readers is 21%," says Sarina de Beer, MD of Ask Afrika.



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In the cellular category, a good/reputable brand was the biggest influencer (78%), followed by affordable price (75%) and by technology/special features of the phone (37%). Most readers (94%) own a mobile phone and 21% said they intend to buy a mobile phone within the next three months. Prepaid airtime is the most popular with 85% of readers on prepaid, of the contract holders 72% opted for a top up contract; 95% of readers own a sim card and 27% own two.

The majority of readers own only one mobile phone (96%) and the top four mobile phone brands are Nokia, Blackberry, Samsung and Huawei. Mostly readers buy their phones from retail stores, followed by obtaining them from a mobile network operator; given to them by a friend; or obtaining it free as part of a contract. 78% bought their mobile phones with cash in hand and 59% of readers consulted pamphlets in newspapers before buying a mobile phone.

The average spend per month on data bundles is R105 and the device used to access the internet most often is a mobile phone (83%) and the majority access the internet every day from their phones. Almost a third of those with a landline, 30% have an ADSL line and 10% have Wi-Fi at home, 15% have a landline.

Health, beauty

“Consumers are actively buying health and beauty products on a monthly basis, with a strong focus on basic hygiene aspects such as toiletries, dental products and hair care products. The health and beauty market is fragmented with many brands operating in this space. Price, the brand and product quality are the key factors when choosing brands in this market. Advertising campaigns that coincide with pay-days mid- and month-end will be very successful,” says De Beer.

In the health & beauty category - price (81%) was the main influence, followed by the brand (76%) and product quality (58%). The top six health and beauty places visited by Ads24 readers in the past month are a hair salon, a barbershop (24%), a GP, a gym, a nail salon and a wellness clinic /homeopathic centre. The majority of readers 78% purchased health and beauty products in the last three months and 79% intend to purchase at least one in the next month.

The top six products are general toiletries, dental products (toothbrushes, toothpaste etc.), bar soap, face and body products (lotions, deodorants, nail care), body wash and haircare products. These products are purchased by 77% of readers once a month. The retailers most frequented are Shoprite, Clicks, Pick ‘n Pay, Checkers/Checkers Hyper, Spar, Dis-Chem and the average distance travelled to these shops is 6 km and 82% of readers pay cash.

Recruitment, tenders

“With unemployment figures of 25% for South Africa, and 50% of young adults in townships being unemployed, there is a definite need for recruitment. One of the pull factors towards any media channel is its ability to build a bridge between advertisers and consumers. Local newspapers do just that, more so than internet and radio. Local newspapers are a popular advertising channel across industries and sectors, that includes recruitment and tenders, since 18% of local newspaper readers are seriously committed to search for employment,” say de Beer.

The average number of years that readers had been working was eight. Local newspapers were both the top source that led to finding the reader’s current job and what they currently use to find jobs, 84% look for jobs for themselves rather than for a family member or significant other and 83% are seriously looking for a job. The majority, 91% said that they would look for tender advertisements in newspapers.

Travel, sport, leisure

“Travel, sport and leisure are industries where only a few brands dominate since they understand how crucial it is to complement a good, affordable product offering with excellent customer service. Tough economic conditions mean there are fewer travellers than previous years, brands that operate in this space have to tailor offerings in such a way that it fits into a budget for example short, local breakaways,” says de Beer.

In the travel, sport & leisure category, the most important consideration was an affordable price (78%), then a popular destination and easy to get to (57%). In the last six months, 18% of readers went on holiday or a weekend break away from home and 23% will go in the next six months, 3% spent their last holiday outside of South Africa. The top three provinces to

visit are the Western Cape, the Eastern Cape and Gauteng. Cash is still king with 69% of readers paying cash for their travel and holiday bookings.

The mode of transport used was a personal car (44%), bus (26%), then mini-bus taxi (21%), 14% have travelled by air for leisure in the last year.

In terms of activities, readers would like to do more of top activities or places to visit are sports/exercise; crime prevention/security; activities/facilities for children; support groups/assistance for crisis; activities for the elderly and recreational centre/sport facilities/ gyms/pools. Many readers (43%) look to their local newspapers to find information about leisure or outdoor activities. The main factors that influence reader to attend local events/activities are affordable food and drink, free entry and activities for both adults and children. A fair number (19%) participate in volunteer activities taking place in the community such as promoting safety activities, health or medical related initiatives and activities for children.

In terms of leisure activities, the top three are picnicking and family gatherings, jogging or running for exercise and walking for pleasure. The top three items purchased by reader in this category are outdoor clothing and footwear, gift cards and items and food for braais or potjies.

The stores most visited are independent retailers, department stores and sporting and chain goods stores. The three favourite sports regularly followed on TV, internet or in newspapers, watched live and played are football/soccer, rugby and cricket. Local newspapers build a bridge between readers and brands. Localised news and editorial content is relevant in the travel sport and leisure industry as well.

“Brands can capitalise in sponsorships of local sport, art, camping, air shows etc. coupled with CSR initiatives around promotions of safe neighbourhoods, local food kitchens and health drives e.g. blood donations marathons. The localised flavour of entertainment remains a popular choice, and brands/organisations operating in this space can utilise local newspapers as a successful vehicle to connect to readers,” concludes de Beer.

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