

THE SABC WITNESSES SIGNIFICANT IMPROVEMENT IN SALES GROWTH

The SABC has faced one of its most challenging trading conditions to date. Despite popular misconceptions that the corporation is a government-funded state-owned enterprise, the SABC only receives a 3% grant from the state. Financial pressures on the organisation have been further worsened by South Africa's technical recession, a shrinking global economy hit by COVID-19, and corporate advertisers consequently reducing their marketing spend.

Notwithstanding the economic challenges, the SABC's revenue generation strategy has begun paying dividends with a reported impressive month-to-month upward sales trajectory, recorded in its third fiscal quarter of 2020.

The SABC has achieved numerous milestones in attaining sponsorships and selling out its Prime-Time advertising slots to generate much-needed revenue and keep the SABC afloat.

"Despite the bleak domestic and global economic outlook, the SABC sales team reached 80% of their weekly targets in the SABC's third quarter of 2020, selling out over 90% of its Prime-Time advertising slots on its television platforms. While the emergence of COVID-19 further slashed advertising budgets, the SABC revised its advertising offering from a traditional trading model to offering short-term commercial arrangements to better respond to advertisers' needs.

"Advertisers are capitalising on the SABC's unique value proposition and reach of over 38 million audiences on its various platforms, across every corner of South Africa and speaking to our citizens in their native language. Leveraging the public broadcaster's current content offering and packages that appeal to its clients, assisted in achieving TV and Radio sponsorships, which outperformed all budgets at 128% and 150%+, respectively," says Reginald Nxumalo, Group Executive for Commercial Enterprise.

In November 2020, the SABC Sales team achieved sell-out status on SABC 1 and SABC 2 during prime time, for the first time in over five years. December 2020 saw the best achievement in sales at 92% success against the set target. Radio revenue achieved 105% of its set budget in the same period, marking the first exceedance in that financial year.

"Maintaining the momentum of growth, December's revenue also surpassed the previous year by +7%. These accomplishments speak to the SABC's commitment to turning the organisation around and becoming a financially sustainable entity. It also validates that the SABC's approach to re-engineering the way business has always been done, providing innovative media placement solutions for brands to advertise across multi-channel platforms, and looking for ways to add value to the organisation's bottom line, is working," adds Nxumalo.

From a content perspective, the SABC's free-to-air TV channels continue to perform well against local content targets, as set by the Independent Communications Authority of South Africa's (ICASA) regulations. SABC1 and SABC 2's full-day coverage exceeded their 65% target to reach an impressive 72.92% and 75.61% respectively. SABC3, as the Public Commercial Services channel, achieved 60.39% against its 45% target. In addition, seven out of the top ten most-watched TV programmes are broadcast on the SABC network, demonstrating the corporation's value offered to viewers and clients alike, as the preferred source of infotainment in South Africa.

The SABC TV, Radio and Digital platforms performed well in all the regions in which the organisation operates. The broadcaster's TV commitment book is peaking beyond expectation while collaboration across all SABC platforms is at the highest they have ever been.

Nxumalo says the SABC overachieving on its local content targets was inspired by its commitment to fulfilling its mandate to offer a range of informative, educational and entertainment programmes that showcase South African attitudes, opinions, ideas, values, talent and artistic creativity. Furthermore, the SABC's successes are only possible because of the great collaboration between the respective multi-channel platforms, the Sales team and advertisers.

Nxumalo adds that the public broadcaster's Turnaround Plan and its Target Operating Model (TOM), which were developed to ensure the long-term existence of a resilient and financially sustainable public broadcaster, are starting to bear fruit as attested by the high volume of advertising slots sold.

"A multi-channel platform broadcaster like the SABC provides its clientele with wide-ranging radio, television and online platforms as it boasts a formidable daily reach of 38 million

audiences across its various mediums. Any brand that desires to speak to the diverse South African citizenry in their entirety should consider partnering with the SABC to maximise financial spend and return on investment," concludes Nxumalo.

Ends/