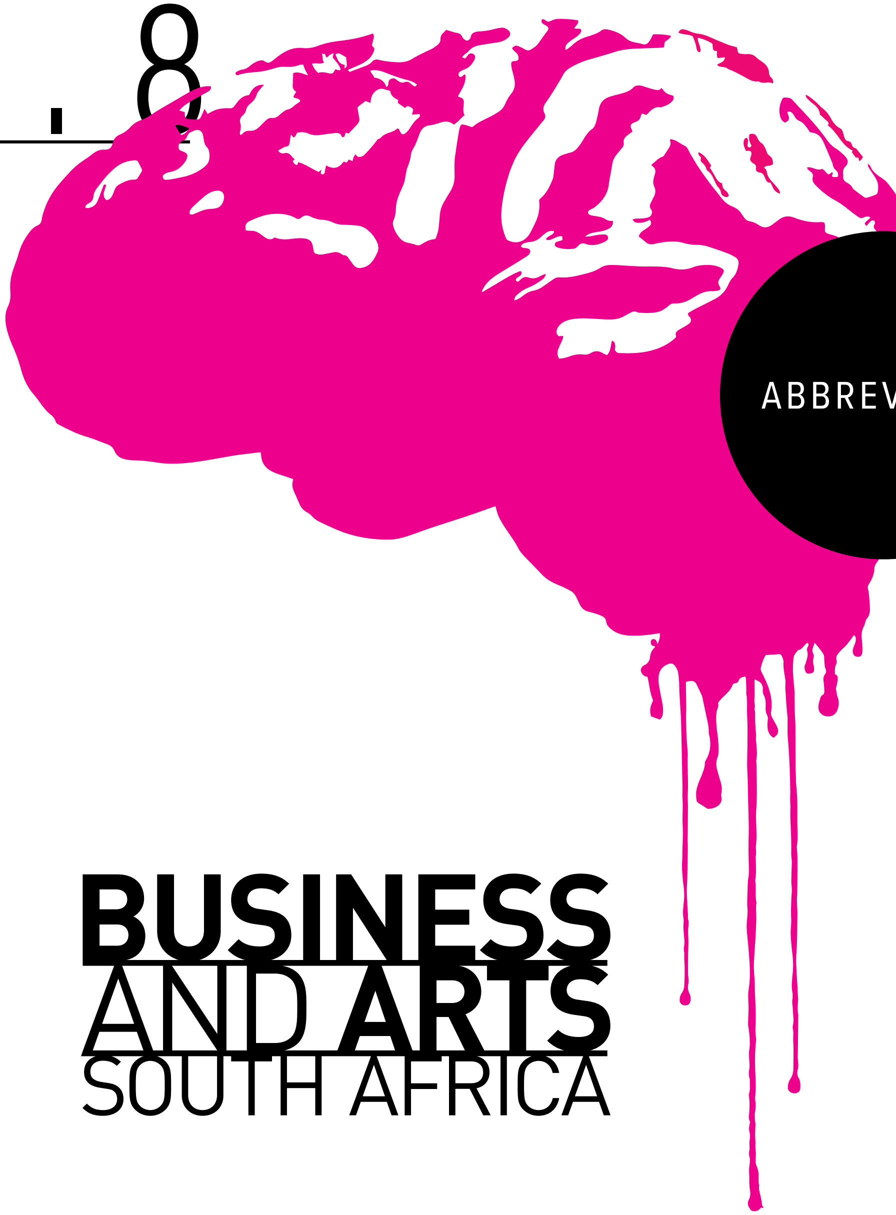
ARTSTRACK

NO.8



ABBREVIATED

BIANNUAL RESEARCH REPORT | JULY 2019

BUSINESS
AND **ARTS**
SOUTH AFRICA

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INTRODUCTION

BACKGROUND

While sport has been by far the most prominent area for sponsorships over the past two decades, the interest in alternative sponsorships is nevertheless also on the increase. As the sport sponsorship market becomes increasingly cluttered and expensive, with rights fees consistently exceeding the consumer price index (CPI), more and more companies are turning to alternative opportunities that offer value-for-money solutions, which can achieve a desired impact within their target markets.

All leisure and lifestyle activities are seen as potential sponsorship opportunities in this regard. This includes arts, culture, music, the environment, festivals, museums, zoos and other social activities. For the most part however, the bulk of these activities do not create the same kind of media interest as sports do.

For years, music has been sponsored by commercial brands as an alternative to sport. It has significant numbers of followers and high entertainment value. It is also something about which consumers feel very emotional, which allows for that special connection to be created between a brand and its consumers' media interest, and if handled correctly, can also be significant. An ever-growing number of companies are becoming involved in the music market.

Historically, a lack of proper, detailed information on this market has limited progress with potential sponsors not having information available on the quantification and segmentation of this market to make informed decisions. This is particularly the case for many arts and cultural activities, which as a result often leads to corporate social investment (CSI) funding rather than sponsorship.

For this reason, BMi launched Music and ArtsTrack in 2001. As a syndicated project, it also means that participating companies could reap the benefits of a significant research programme, at a fraction of what it would have cost if they had to conduct this research individually.

This report of 2019 represents the eighth update of the original report.

NOTE: *This report is in essence a database of demographic quantifications and trends. While it lays a solid scientific information platform on which to base selection decisions, it is not meant to formulate a comprehensive strategy for each potential music or arts sponsor.*

METHODOLOGY

RESEARCH OBJECTIVES

The aim of this research is to evaluate the popularity of music, arts and cultural events, including the quantification and analysis of audience sizes, genres, and other key demographics of those with an interest in the aforementioned areas.

In the 'Arts and Culture Sponsorship' section of the report, qualitative research on the broader arts and entertainment industry has been provided, inclusive of both attitudinal impacts and sponsorship association levels of brands that are currently active in this space.

Where possible, comparisons are drawn with previous reports.

Results were further segmented by age, gender and population group, where variances amongst the demographics were of significance.

RESEARCH METHOD

This project is based on consumer research amongst a total sample of approximately 3 500 South Africans, aged 15 years and older.

- All interviews were done personally, at the places of residence, in the home language of the respondent.
- All respondents were selected at random.
- For each group, an area-stratified probability sample was drawn at random by interviewing every *nth* household, starting on different corners within the different areas. The person interviewed was selected on a random basis, by making use of an adaptation of the Politz Grid.
- A back-check of 25% was conducted as part of quality control measures.
- A structured questionnaire was used. Results were computer-analysed and this report prepared.

The specific sample details will follow.

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BUSINESS AND ARTS SOUTH AFRICA

NATIONAL SAMPLE – BASA ARTSTRACK NO. 8

	TOTAL	BLACK	WHITE	COLOURED	ASIAN
INTERVIEWS [#]	**3 508**	**1 553**	**955**	**650**	**350**
Gender					
Male [%]	49	49	50	49	48
Female [%]	51	51	50	51	52
Age					
15–18 years [%]	9	9	8	13	16
19–24 years [%]	21	24	19	21	18
25–34 years [%]	25	28	22	26	22
35–49 years [%]	27	26	29	23	22
50+ years [%]	17	13	21	17	22
Income					
R0–R4 999 [%]	3	4	2	3	0
R5 000–R7 999 [%]	17	23	10	19	10
R8 000–R14 999 [%]	23	26	20	17	18
R15 000–R24 999 [%]	19	19	19	19	22
R25 000–R39 999 [%]	14	11	16	15	20
R40 000–R54 999 [%]	12	9	15	12	18
R55 000–R69 999 [%]	8	6	10	9	10
R70 000+ [%]	5	3	8	6	2
Region					
Bloemfontein [%]	8	8	9	0	0
Cape Town [%]	19	14	18	80	100
Durban [%]	22	24	19	0	0
Johannesburg [%]	21	23	20	0	0
Pretoria [%]	16	14	20	13	0
Port Elizabeth [%]	14	17	13	7	0

VALIDITY AND LIMITATIONS

Market research is not an exact science [in the same way as an audit], but is always subject to statistical margins of error. The prime factors governing the statistical margin of error of sample surveys are the size of the sample and the unanimity of the responses.

The market research techniques employed to complete this report were all done according to accepted practices and norms of the industry.

The statistical margin of error at a 95% confidence level, on a sample size of 3 500 interviews, is 2% and, statistically. It can be concluded that the result will be as presented, plus or minus approximately 2%, in 95 out of 100 cases. In layman terms, one can be 95% confident that the results are statistically as presented, plus or minus approximately 2%.

The ArtsTrack report concentrated historically on the adult market, defined as 19 years and older; but for 2019, this was extended to include a representative sample of 15–18-year-olds.

Before quantifying and segmenting the arts, culture and music market, it is important to analyse the latest available population demographics for South Africa. How many people are there within different segments of the population?

Based on the latest available census figures, the 2018 mid-year population (as defined by this report), can be estimated as shown in the table to follow.

2018 STATISTICS SOUTH AFRICA POPULATION SURVEY – MID-YEAR RESULTS

AGE CATEGORY	TOTAL [#]	TOTAL [%]	BLACK [#]	BLACK [%]	WHITE [#]	WHITE [%]	COLOURED [#]	COLOURED [%]	INDIAN/ ASIAN [#]	INDIAN/ ASIAN [%]
< 25 Years	9 752 951	100	8 231 188	84	496 905	5	834 669	9	190 189	2
50+ Years	9 374 252	100	6 180 288	66	1 776 972	19	1 046 691	11	370 301	4
< 35 Years	20 585 144	100	17 394 694	85	1 064 689	5	1 674 326	8	451 434	2
> 35 Years	20 096 944	100	14 638 984	73	2 726 480	14	2 013 995	10	717 485	4
TOTAL (15+ YEARS)	**40 682 088**	**100**	**32 033 678**	**79**	**3 791 170**	**9**	**3 688 321**	**9**	**1 168 919**	**3**

QUANTIFICATION AND SEGMENTATION OF THE ARTS AND CULTURE MARKET

QUANTIFICATION OF THE ARTS, CULTURE AND MUSIC MARKET IN SOUTH AFRICA 2019

MUSIC, ARTS AND CULTURE MARKET	BLACK	WHITE	COLOURED	INDIAN/ ASIAN	TOTAL
South African Population – 2018 Stats SA [#]	32 033 678	3 791 170	3 688 321	1 168 919	40 682 088
Population that regularly follows arts and culture [%]	53	33	38	40	49
Population interested in arts and culture [#]	16 977 849	1 251 086	1 401 562	467 568	20 098 065
Population that regularly listens to music [%]	64	59	53	51	62
Population inter-ested in music [#]	20 437 487	2 217 834	1 958 498	595 564	25 209 384

TOTAL INTEREST IN ARTS AND CULTURE ACTIVITIES

Total interest comprises those who classify themselves as 'extremely interested' (considered regular or passionate followers), as well as those who are 'somewhat interested' (considered more likely to have a casual or passing interest only).

TOTAL INTEREST BY ARTS AND CULTURAL ACTIVITY – PERCENTAGE BY DEMOGRAPHICS

TOTAL SAMPLE (15+ YEARS) [%]	TOTAL	BLACK	WHITE	COLOURED	INDIAN/ASIAN	MALE	FEMALE	15–24 YEARS	< 35 YEARS	> 35 YEARS	50+ YEARS
Music performances (live events/festivals)	80	88	69	77	88	79	80	86	85	72	61
Music programmes (*SA Idols, The Voice, Joyous Celebration*, etc.)	72	84	54	84	66	66	77	74	75	68	60
Theatre	32	40	24	23	24	30	33	34	33	31	28
Sculptures/paintings/ photography/exhibition	30	39	23	18	22	28	31	31	32	28	26
Literature/poetry	28	41	16	16	12	27	29	31	29	26	22
Crafts	33	37	31	26	26	29	37	33	32	34	35
Movies	82	81	81	88	100	84	81	87	86	78	73
Dance: traditional	42	60	22	30	66	39	46	41	44	41	37
Dance: contemporary	37	43	28	39	56	34	41	42	41	32	27
Ballet	18	23	15	59	3	16	21	22	19	17	14
Opera	18	24	13	9	2	17	18	21	18	17	17
Museums	32	39	26	27	28	33	32	34	33	31	31
Arts festivals	45	57	31	41	48	43	46	47	48	41	40

When isolating age groups, it is clear how popular music is amongst those under 35 years' old, compared to those over 35 years' old.

In general, the youth are slightly more interested in the arts and cultural events listed.

PASSIONATE INTEREST IN ARTS AND CULTURE ACTIVITIES

Those who classify themselves as ‘extremely interested’ and are considered regular or passionate followers, can be further quantified as follows.

PASSIONATE INTEREST BY ARTS AND CULTURE ACTIVITY – PERCENTAGE BY DEMOGRAPHICS

TOTAL SAMPLE (15+ YEARS) [%]	TOTAL	BLACK	WHITE	COLOURED	INDIAN/ASIAN	MALE	FEMALE	15–24 YEARS	< 35 YEARS	> 35 YEARS	50+ YEARS
Music performances (live events/festivals)	51	65	35	47	58	51	51	60	59	41	34
Music programmes (*SA Idols, The Voice, Joyous Celebration*, etc.)	43	62	24	32	26	39	48	50	49	36	30
Theatre	16	17	10	13	6	17	16	17	17	16	13
Sculptures/paintings/ photography/exhibition	14	18	9	9	2	15	13	16	15	13	11
Literature/poetry	14	18	6	8	2	15	14	15	15	13	10
Crafts	15	20	9	14	4	14	16	15	16	14	12
Movies	56	60	49	63	61	59	53	65	63	48	40
Dance: traditional	25	40	9	19	22	24	25	24	26	23	20
Dance: contemporary	18	19	9	23	10	19	17	21	20	14	11
Ballet	11	8	7	7	1	10	11	12	11	10	7
Opera	10	9	7	5	1	12	9	11	11	10	9
Museums	16	22	10	11	2	18	14	18	17	13	12
Arts festivals	23	34	19	21	6	24	22	23	25	21	20

This table illustrates the percentage within a specific population group, gender, or age group that regularly follows each activity.

For example, while only 39% of males regularly follow music programmes, when isolating females, this rises to 48%.

The combined male and female total will therefore not equal 100%.

PREFERRED METHODS OF ARTS AND CULTURE CONSUMPTION

Those who indicated that they were somewhat to extremely interested were then asked a series of additional questions to further understand their preferred ways to follow each specific interest.

PREFERRED METHOD USED TO FOLLOW SPECIFIC ACTIVITIES OF INTEREST – PERCENTAGE OF BLACK POPULATION

Participants were asked about the different methods they regularly use to follow each of the properties/events listed. Multiple answers per respondent were permitted.

TYPE OF EVENT/ PROPERTY (BLACK POPULATION 15+ YEARS) [%]	ATTEND EVENT	WATCH ON TV	INTERNET/ ONLINE (STREAM)	SOCIAL MEDIA	LISTEN ON RADIO	READ IN PRESS/ PRINT MEDIA	DO NOT FOLLOW AT ALL
Arts and cultural events	**48**	**55**	17	25	12	6	16
Music events/shows	**63**	**78**	21	29	**24**	5	3
Theatre	24	33	9	11	4	9	47
Sculptures/paintings/ photography/exhibition	22	28	12	18	2	9	46
Literature/poetry	23	28	12	23	9	8	46
Dance	**39**	43	12	14	3	7	37
Ballet	14	22	9	9	1	6	71
Opera	14	20	11	9	3	7	71
Museums	**42**	19	11	12	4	7	46
Arts festivals	**54**	45	14	20	5	5	25
Soap operas	12	82	12	16	4	5	15
Movies/cinema	59	59	21	17	1	8	14

PREFERRED METHOD USED TO FOLLOW SPECIFIC ACTIVITIES OF INTEREST – PERCENTAGE OF WHITE, COLOURED, INDIAN/ASIAN POPULATION

Participants were asked about the different methods they regularly use to follow each of the properties/events listed. Multiple answers per respondent were permitted.

TYPE OF EVENT/ PROPERTY (WCI POPULATION 15+ YEARS) [%]	ATTEND EVENT	WATCH ON TV	INTERNET/ ONLINE (STREAM)	SOCIAL MEDIA	LISTEN ON RADIO	READ IN PRESS/ PRINT MEDIA	DO NOT FOLLOW AT ALL
Arts and cultural events	26	35	9	14	7	9	45
Music events/shows	58	70	**29**	34	**19**	8	10
Theatre	23	14	6	7	2	5	65
Sculptures/paintings/ photography/exhibition	14	12	5	9	1	6	71
Literature/poetry	7	8	4	8	3	7	81
Dance	26	42	13	18	1	6	44
Ballet	9	12	4	6	1	4	82
Opera	8	9	4	5	1	3	84
Museums	29	12	5	8	1	7	61
Arts festivals	32	23	7	14	3	8	49
Soap operas	7	46	6	6	1	5	50
Movies/cinema	**67**	**82**	**32**	19	3	10	5

ARTS AND CULTURE SPONSORSHIP

ESTIMATE OF THE ARTS AND CULTURE SPONSORSHIP MARKET

According to the most recently published 2018 BMi SportTrack™ report, sport sponsorship spend in South Africa reached an estimated R5 891 billion in direct spend on rights fees in 2017. The net result was a better-than-expected 3.5% growth year-on-year, for a market that could only be characterised as under pressure, but still holding its head above water.

Sponsors invested an estimated R645 million during 2018, across all disciplines within music arts and culture. Of this, music in all its forms continues to account for more than half this total, leaving the remainder for all the other arts and cultural genres.

The above figures consist largely of rights fees, which are the funds that are required by the beneficiaries (rights holders) in order to perform their events or tasks. This estimate is therefore directly comparable to the estimated direct sponsorship spend on sport. In addition to rights fees, companies sponsoring sport also spend significant amounts to leverage their sponsorships.

Despite the fact that sport activation budgets have been under increasing pressure – dropping from highs of over 85 cents, down to current levels below 50 cents (on average) for each R1 spent on rights fees – this is still significantly higher than comparable leverage budgets (35 cents: R1) usually associated with the arts.

The gap between music and the rest has stabilised somewhat, with movies, reality TV and art and cultural festivals, all beginning to offer unique opportunities to cut through the clutter of sport.

ARTS AND CULTURE SPONSORSHIP AWARENESS AND ENGAGEMENT

SPONTANEOUS AWARENESS OF ARTS AND CULTURE SPONSORS – PERCENTAGE BY POPULATION GROUP AND GENDER

The question asked was, ‘Please recall the names of all the companies that sponsor music in South Africa’.

In this way the spontaneous awareness of arts and culture sponsors could be determined.

COMPANIES RESPONDENTS MENTIONED	BLACK [%]				WHITE [%]				COLOURED/ASIAN [%]				GENDER 2019	
	2011	2013	2015	2019	2011	2013	2015	2019	2011	2013	2015	2019	MALE [%]	FEMALE [%]
Standard Bank	19	17	16	13	16	16	15	18	15	11	14	15	14	16
ABSA	14	8	10	6	18	23	21	17	12	12	9	10	13	9
MTN	14	15	11	9	7	6	5	4	11	9	8	3	3	6
Coca-Cola	8	8	7	2	5	4	3	2	7	6	4	1	1	2
Telkom	8	6	5	3	6	7	5	2	3	3	4	2	3	2
Old Mutual	7	7	6	3	6	3	2	2	4	2	2	2	3	2
Vodacom	9	6	5	3	6	5	2	6	10	7	7	3	3	4
Nedbank	5	3	4	3	6	6	6	4	4	6	6	4	3	4
FNB	5	4	3	2	1	4	5	7	8	7	7	7	7	4
SABC	3	3	3	6	1	1	1	1	1	1	1	1	3	2
SA Breweries	4	4	2	1	2	3	1	1	2	2	1	0	1	1
Sasol	2	2	2	4	4	5	4	5	2	2	2	3	4	3

Based on the above table, highest sponsor awareness has been ranked per population group:

RANK	BLACK	WHITE	COLOURED/ASIAN
1	Standard Bank	Standard Bank	Standard Bank
2	MTN	ABSA	ABSA
3	ABSA	FNB	FNB
4	SABC	Vodacom	Nedbank
5	Sasol	Sasol	Vodacom
6	Telkom	Nedbank	MTN
7	Nedbank	MTN	Sasol

It is interesting to note that 'government departments' generically received amongst the highest association levels as sponsors of arts and culture – particularly amongst the Black population group (20%).

While this is commendable, it also shows that arts and culture are still largely treated as CSI initiatives rather than commercial sponsorships by the vast majority of businesses currently involved.

To access the full ArtsTrack No.8. ***JOIN BASA***

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