

This, coupled with the increase in South African languages as 'home language', highlights the over-reliance of advertisers on English and Afrikaans for communication and the need for marketers to develop a more agile approach to planning and measuring return on investment (ROI) on a regional basis.

A media campaign which is restricted to the *big three metros* will only address just over half the consumers in SEM\_C4 (upper middle) and only one in three in the massive middle market (SEM\_C3).

**What is also important to note is that one in five (22%) of SEM\_C1 consumers have their homes in metropolitan areas.**

At least 83% of SEM\_C5 (elite) lives in free-standing houses with the balance living in cluster homes or apartments. Homes in SEM\_C1 are characterised by a high incidence of traditional huts (27%), shacks (25%) and some RDP houses (12%). In rural areas, specifically, 42% of all SEM\_C1 adults live in a traditional hut, whereas in metropolitan areas 62% of the SEM\_C1 segment and 32% of SEM\_C4 live in a temporary structure or shack.

There are fewer indicators that better illustrate South Africa's alarming disparate wealth distribution than dwelling structures. This is a critical variable in the SEM segmentation weightings.

**Whilst most consumers across the spectrum have access to electricity in the home, only 1% of SEM\_C1 has access to running water in the home.**

Less than 1% of households have a flushing toilet in the home compared to 51% in SEM\_C3. It is only from SEM\_C4 that the incidence of flush toilets in the home increases to over 90%.

Mobility is a critical limitation for those living at the bottom end of the market and particularly for those in rural areas. According to the OMC Road Survey the average South African visits about four distinct destinations in any week. This remains consistent across the full SEM spectrum. Access to transport is however a major axis of polarisation.

Only 1% of SEM\_C1 has a motor in the household compared to 98% for SEM\_C5. This does not mean that people at the lower end of the SEM spectrum are totally homebound. When leaving the home 49% of SEM\_C1 travel in a car each week and they also have the highest incidence of minibus-taxi usage of all the SEM segments.

**What varies is the nature of the out of home event and the destination itself. At least 40% of SEM\_C1 travel to a place of worship each week compared to only 29% in SEM\_C5. Visiting friends is a consistent travel activity, averaging around 46% in the lower SEM clusters declining at the top-end (SEM\_C4: 42% and SEM\_C5: 40%). This reliance on external transport highlights the importance of remote communication.**

Even in SEM\_C1 85% of consumers have a mobile phone compared to only 61% with a TV set. The ubiquitous nature of the mobile phone and the high incidence of these devices in even the most remote and impoverished communities represents the single most important media opportunity for marketers and advertisers in South Africa.

**In the next segment of this *blog series for marketers*, we analyse *purchasing power* in South Africa. Talk to us for your company's media+market segmentation analysis.**

About the Ebony+Ivory Marketing Segmentation South Africa Series

*Drawing data and insights from the most recently published industry database PAMS\_2019 (released April-2020) and the Nielsen Fusion Study 2020 (released November\_2020), we interrogate the SEM model through the following four lenses in the rest of the Ebony+Ivory Marketing Segmentation South Africa series: People and Places; Purchasing Power; Products; and Platforms.*

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<sup>1</sup> Outdoor Measurement Council

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# Market segmentation: people and places

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## **South Africans in 2021 - The real *socio-economic measure* (SEM) reality check**

**In this article, we map the geo-flow of households, people and living standards in Mzansi - giving marketers a strategic view of the realities in which South Africans live, move and work.**

Pams\_2019 reports a total of 17,3 million households in South Africa with SEM\_C3 (middle market) accounting for 6,3 million (36%) of all households and 38,5% of the adult population. Within this all adult (age 15+) population of 41,8 million, the highest concentration of youth (Age 15-24) is found in SEM\_C1 (traditional market) - 26% compared to the national average of 22%.

**There is a steady regression on this variable until we reach SEM\_C5 (elite) where only 15% of the population is represented by youth.**

This age regression across the SEM spectrum has significant implications for all marketers, particularly at the top end of the market, and challenges many of the conventions that might lead to an over-emphasis on youth-focused communication.

**At least 61% of SEM\_C1 (traditional market) is rural but this orientation begins to tilt towards urban and metropolitan areas from SEM\_C3 (middle market).**

At the top end of the market in SEM\_C5 (elite), over 90% of the market is found in urban or major metropolitan areas. The *big three metros* Johannesburg, Cape Town and eThekweni in turn account for a very high percentage of these high-end consumers.

**Almost two out of every three SEM\_C5 consumers (63%) comes from these major centres.**

As we shift the focus further down the cluster scale, the contribution of the *big three metros* diminishes dramatically.

Contribution of the big three metros

SEM_C1	SEM_C2	SEM_C3	SEM_C4	SEM_C5
19%	20%	37%	56%	63%

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