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In the matter of
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held in hybrid format at
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on 20 March 2024

Chairperson: Chief Economist and Acting Deputy Commissioner:
Competition Commission: Mr. James Hodge

PANEL MEMBER:

Ms. Paula Fray

Day 13:

Omnicom Media Group

RTB House

Primedia

START OF PROCEEDINGS ON 20 MARCH 2024

CHAIRPERSON: Good afternoon and welcome to day 13 of the Media and Digital Platforms Market Inquiry Public Hearings. In the last few hours before your Human Rights Day holiday, we've got Omnicom Media Group first, which is a media agency. We then have RTB House, which is a demand-side platform in the AdTech stack. And then we have Primedia running from four to six. So, I want to first welcome Leilani Visser, who's the Head of Digital at the Omnicom Media Group, South Africa Pty Ltd. Welcome, Leilani.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Thank you very much. Thank you very much for inviting us to partake in the commission.

CHAIRPERSON: Great. I believe you've got a presentation, so we'll let you run through that uninterrupted and then we'll have questions for you. We've only got an hour. So, I don't want to rush you, but let's say max 20, 30 minutes, and then we can have questions.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Perfect. No, I do understand that from a team perspective, you guys have been killed by death of PowerPoint. So, I'm going to make this as painful as possible, just running through the slides based on the questions that was posed to Omnicom Media Group South Africa, and then we'll take it from there. So, first things first, just a little bit about myself. I've been with the OMG Group for a substantial amount of years. In essence, some people kind of referred that I've reached my expiry date in

digital, which I fully agree to, seeing that I was born and bred when digital predominantly started in South Africa. So, I joined the group plus minus about 20 years ago, and way back when we were branded as OMD which is predominantly, it was South Africa's biggest buying agency, traditional buying agency in South Africa. It then transpired into a more of a digital sphere, and I believe it might be part of my previous experience from a previous agency where tracking was then available in the African market but through boxes in radio advertising. So, they were called listening tools within Africa. That obviously

10 spiked interest of tracking and the ability to share information, quality information back to client. So, plus minus about 16 years ago, our team leaders, Josh Dovey and Gary Westwater came back from head office Omnicom in London, and we were allowed to put up our hands for digital, obviously because of the history, like I said, very much interested in the tracking and monitoring aspect of it. So, started afresh with the agency within the OMG group and then started small baby steps, like I said, with regards to the rest of the industry as well during that period. We heavily relied on search engines, predominantly Google Search by then, to identify and to guide us what

20 digital media is. Just as an example, what is an impression, and how elements can actually be tracked and monitored. Over the last 16 years, grown within and is very fortunate within the group that I was given the ability to grow not only within the agency itself and within the clients, but also within the digital ecosystem. So, from a digital maturity level, we have grown from both an agency as well as a

technology stack perspective. Just a little bit something about myself that I would want to share with you guys. Just some recap, like I said, from [breeding? 00:09:12] back all the way back from an OMD perspective, OMG was born, full service media agency in South Africa. We offer currently traditional media, above the line digital as well as below the line media services, bucketed down into budget management, campaign management, market research. So, all of these elements are covered and handled within the internal media space within the agency itself. And our value proposition is best summarised with regards to our professionalism services delivered to our clients. And once again, going back to an OMD culture that was born and bred into the OMG culture, very much still tech heavy in the sense of adoption and maturity. But we've been fortunate that we've never left behind the strong culture and the relationship towards both client as well as publishing agents or publishers in the sense of recap as per previously demonstrated by some of the leading agencies that have presented. I think we are all competing heavily within the same space, but our remuneration is predominantly exactly the same. We drive a service fee or commission based or we a cost on a full time equivalent based on services rendered by estimated number of staff required during a campaign or even holistically within a client group. Just some of the questions that was posed to us from an agenda perspective and I'm going to just quickly browse through these. Just quickly explaining the process followed when placing advertising campaigns on digital inventory and the options available for placing

on publishers' sites search or social media. I have added a few more slides post this discussion but predominantly communication strategies determine the outcome and the business objective that is required by a campaign brief. The first point of action would be starting from a communication strategy that is predominantly between a client as well as creative agencies and sometimes there will be PR agencies involved, but looking holistically at media, not digital as a standalone, but above the line as well as a digital. Second point, OMG will then receive a brief from a client and the following key points that can be identified is total paid media budget allocation. So, again this would be based on above the line as well as digital. The key performance or the KPI indicators that the client business would like to achieve, not specifically digital only. And then, which is a very key point, is the available creative formats and the content established by the communication strategy to achieve these business objectives. Just a little bit of a flow, like I said, there's quite a few timelines that I haven't included purely because of the questions and the session, but communication strategy between the client PR as well as the creative agencies will then be set out. That ultimately is then briefed into an agency briefing. So again, we will evaluate the [holistic? 00:12:57] budget, the KPIs as well as the available media performance or the creative elements. One of the very strong things that I do believe, and I believe it's the 20 years plus service from my side is the evaluation of multiple elements, right? So, it's not only evaluating what the brief or the communication strategy is about, but when it comes to digital,

it's very key to establish the media deliverables when it comes to the desired outcome, the client owned media and preferred technology, which we are faced with the digital maturity within South Africa as well as from global perspective. What type of creative elements do we have, or do we need to brief in. And then obviously the allocated budget. From past, the evaluation, only then media planning can actually start. We will then be able to evaluate on the core campaign objectives and how these media, digital media campaign objectives can be reached post the evaluation. So, what is available to us and
10 what is available to client? And how do we actually merge these two from an evaluation perspective, as well as from a media planning perspective? This then runs into a hub called the technology integration. We have an in-house onboarding as well as a global technology department that will ensure once again, that client owned technology stack are integrated into systems with transparency between media and client technology. And I believe, post some of your sessions, that the team have touched on those. The activation will then follow post the integration where digital marketing optimisation from an analytical perspective, as well as proving and
20 achieving the goals. And then ultimately the trackable, transparent, and integrated KPI deliverables, which is predominantly, as we have seen from a digital perspective, gone is the day where an impression counts as a KPI. Gone is the day where a click is calculated as a KPI. Over and above the DSP conversation, as well as the social conversation, commerce is also entering the market, which is going

to be, even more so, more important. And I'll touch base on it a little bit later, specifically post the cookie integration that is heading our way rapidly. Okay, so in relation to the use of the AdTech platforms, it is attended by the specialist team within OMG, specifically appointed to liaise with the client and marketing team, as well as the creative teams to execute these aspects of a campaign. In terms of the digital channels that are deployed, different stages within the actual campaign really depends on the audience segmentation that is available or can be supplied. It is determined by creative element. And

10 I'm going to put an example on the table where, for instance, a client would like to run a reach and frequency campaign on Meta, but more so do not own a Facebook ad or Facebook page. So that kind of determines where the digital objectives will actually be reached within any form of an AdTech platform to integrate with the data signals, being it mobile, being it web or analytical, or even data management platforms. What sort of targeting information is provided for advertising campaigns and what factors influences and bit levels? Bit

20 levels is depending on the goal, the budget, and can be chosen from different bidding models, as we have seen as well, there's CPM models, there's CPC models, as well as CPA. So, bit levels are ultimately determined by the type of inventory, the audience that we would like to reach, the audience evaluation, and also the method of actual sales. Pricing determined through DSP auctions will fluctuate from a CPM base on a bidding strategy, to an auction price, to a desired auction, user profiles, and other criteria. So, there is quite a

lot within a DSP bit level changes that could occur, that could predominantly fluctuate a bidding model. Purchase, just having a look see at the purchasing of digital inventory direct from publishers versus purchasing through AdTech. OMG is a local institute of a global organisation. Therefore, some of the requirements are carried out based on instructions from the global entities, whereby some are implemented from a local perspective. But again, very much emphasising on what is available from a client owned tech level. You can almost say, even from a global perspective, tech evaluation will

10 be done prior to any form of an execution. With the available ad tech allowing integrations between paid media channel, again, client owned platforms and audience integration with third party technology alignment would be based upon optimising towards a set of business objectives. Programmatic digital buying is no longer a single targeted buying element, or just an open exchange or open network. A few of our clients are still in the mindset of, and I'm kind of tapping into the next question of the lower CPMs, as opposed to the quality CPMs, whereby we are fortunate within the South African ecosystem. I would say about 80% of our current clients are very much quality focused as

20 opposed to quantity focused where they are predominantly driven by performances. And because of our longstanding a relationship and culture, back to the previous slide, where we have always onboarded local publishers, new sites, and lifestyle sites, we would rather partner with them and assist them to onboard them with the DSPs to still buy that private or the quality of inventory at a higher cost, as opposed to

an open exchange or network buy. Direct sponsorships is definitely key within the South African ecosystem, specifically on the new sites. Not so much on the main pages, I would like to point out, but it will be conducted based on content, as well as sponsored content supplied by the client, where the publishers will assist us to create little content hubs within the actual website, which will be exposed to their current audiences at a premium rate. Challenges that we are facing. Client-owned platforms, we are challenged by this on a day-to-day basis, and which in turn determines by the client's technology stack, as well as the media owner functionalities. We are unable to go back to a client to say, unfortunately, due to the internal stack that we are privy to or that we are skilled to, please change your back-end business objectives. So we are, it is, on our side, a concern that clients are exposed to the digital maturity platforms, local and global, and platforms are being developed and integrated prior to them, prior to them addressing on an agency level to see what is compatible and what is not. The compatibility of some of the ad techs that we have seen is not all ad techs and DSPs are user or tech friendly, for an example. We've seen that some of the Google platforms specifically will not integrate with a third party mobile integrating system. And we've also seen some of the competitors within the social network that will not allow them to integrate to certain platform integrations. As we know, Google has been long in standing, and I think for the bigger part of digital, Google started it all. So, from an AdTech, from an MMP perspective, publishers have picked up and do not, would not like to

share their data as well as compatibilities with other competing media hubs. The restrictions, there's certain restrictions in place of the use of AdTech, specifically to the brand safety. Creative content and formats can also be determined when it comes to specific abilities to ad tech ad service specifically. And then data management, data for an example is a creative banner receiving, received from a creative agency, will occasionally consist of capturing client data. From an OMG South Africa perspective, we do not, we are not exposed to client data directly. So, we will always look for an integration model
10 between data management to a CRM data system. And that is all of my slides. I truly hope that I've answered in the best possible time.

CHAIRPERSON: You were spot on. In fact, you're a minute early, so well done.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Thank you very much.

CHAIRPERSON: Thank you so much, Leilani. And Sydney, that context and background is very useful for us. I maybe just wanted your help, given that you're past your sell by date and you have 20 years' experience, just to assist us on unpacking some of the
20 questions we have a little more. Just in terms of the ad mix, as you mentioned, companies have different objectives. Maybe they just want branding which might be sort of display advertising, contextual. Sometimes they're trying to drive a conversion and then maybe retargeting ads and the type. How would you break up this sort of broadly, the kind of objectives and where they may fit into the digital

sphere between, say, search, social media and the kind of news publishers that you're dealing with?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Well, currently, if I am looking at a holistic split as and if new publishers as well as AdTech come into play, going to give another example as well. Google came into play. DSPs came into play. Meta came into play. So, it's kind of a every year type of scenario when a new tech enters the actual industry from both an audience perspective. It might be search, it might be social and it also might be YouTube. So again, it
10 would be determined on a strategic level. Should the objective be a combination between reach and frequency as well as interaction? Or would it holistically be 100% performance driven? So that aspect would be absolutely determined from a strategic level.

CHAIRPERSON: And where would you see the kind of display advertising on a media company site playing within this? I mean, we have heard about targeting. And I think we'll come to the third party cookies around retargeting. And I think we heard from someone else that this is a substantial amount of the current advertising. And that seems a bit of a lottery because it might be you just happen to be the
20 next website that comes along that I'm crawling. But the normal display, does that have only one role? Or can it play multiple roles in terms of your objectives?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: No, definitely multiple roles, right? So, it could be determined and used for geo targeting. A lot of the news as well as the publisher websites allow us

to target specifically on a geo location base. It could be based on a device specific. So, being it mobile, being it mobile, being it desktop. And what we've seen on some of the DSPs Covid, not so much on a publisher side, but the connected TV post scenario within South Africa. So, we would place it based on contextual. So, should the content be relevant to the brand? That is very much and foremost very important. That's why the hub scenario is seldomly visited or implemented where we will work hand in hand with certain publishers or news websites specifically to create content, which is locally written
10 by local journalism together with client and PR agencies, where it will be a collaboration between PR and journalists to actually execute this on the platform. It might be a scenario where data capturing specifically, apologies, I do have something in my throat today. It might be a scenario of capturing information again where OMG will not be able to accumulate the first party data on a client's behalf. Where a publisher will then integrate into a CRM system. So, it really depends on the brief, the strategy, and the execution. But I would more so say is, the quality of the actual website plays a very big role. The quality of content within the website plays a very big role. And
20 then the audience bucket that we are able to target within the segment of the website. Gone is the day where a website only have one tab and then multiple filtering options. We've seen this and I think from a news perspective, they've adapted quite well. They have lifestyle sections. They've got weather sections. So, certain aspects can also be implemented on a day part targeting aspect.

CHAIRPERSON: And I just want to pick up that. I mean, how important for at least the media groups, because we talk about news in this context, but they offer a package of content, as you rightly point out, lifestyle and others. From an advertiser perspective, you said your content hubs are often within the website. They're not on the front page. Are those other sections, do you find them fairly important as an advertising channel and for the revenue of those media groups?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: It really depends on the client brand. And I'm going to call out two scenarios specifically.

10 Alcoholic brands would not be nicely associated with bad content news. And if I'm saying negative content news, call it that, as well as pharmaceutical. So, it depends on the brand. I would call it brand perspective of where this brand would like to have an association with. If it's predominantly a motoring company acquiring leads, that would definitely, could definitely be a possibility on the front page. But if it's a brand objective within the actual site itself, we do get directed quite often, specifically from the bigger brands, not to be exposed to news in essence.

CHAIRPERSON: And just from a, we've heard a little bit in this inquiry

20 so far about the difficulty of targeting ads in African languages, or even Afrikaans for that matter. What is your experience from that side, from the creative side, where I'm sure you do have clients, at least South African clients, that want to speak to people in their own language?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: So, I'm going to

go back a couple of years, just on experience again. We have had some clients that taps into different language barriers within South Africa, as well as within the African target market that would require an execution of a different language, being it Afrikaans or Zulu or any of our languages, and still predominantly English, according to us, as well as according to the data signals, were most interacted with. When you go into a French-leading speaking country, for example, we have seen that English will then take the second best. But from an Afrikaans to an English perspective within the South Africa landscape, we haven't seen a huge impact when it comes to creative. It always looks better. It will be recommended that if we do advertise on an Afrikaans website that the language corresponds with the content at least for it. But we haven't seen a significant spike if we do run English advertising on an Afrikaans website.

MS. PAULA FRAY: Leilani, can I take you back to your previous answer where you were talking about brands not necessarily wanting to be associated with news content? And I'm wondering, does that hold true for lifestyle or entertainment content produced by news publishers?

20 MS. LEILANI VISSER – OMNICON MEDIA GROUP: No, absolutely not. So, again, News 24 is one of my favourites. Apologies if I keep on referring to News 24 at all times. It's one of my secured sites that I normally visit. But if, again, let's call it a pharmaceutical brand, which from a client mandate perspective does not want to be associated with any form of news, the lifestyle section or the pharmaceutical section

will then be recommended. So, I'm not cutting out the site holistically. Run of site will then not be selected as a direct buy, but a more specific approach to sections as well as positions.

CHAIRPERSON: Leilani, I just want to take you to the complaint that media houses have that the digital has put pressure on their advertising rates. And I think some have said, look, there's obviously a lot more inventory and so a lot more options for people. Others have cursed the programmatic advertising as almost degrading some of the value of their site in that they could be compared, and this is obviously
10 not the direct, but it's more the auction. They might be seen the same as any old website or piece of content on social media. I mean, from your perspective and experience, what do you think the interplay has been in terms of how digital has impacted on these news media sites and their ability to get good advertising rates?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: So unfortunately, I can't comment around the whole of South Africa, the agencies as well as the publishers. But from an OMG perspective, our, again, it's about quality over quantity within the stable as well as within the client perspective. So, if we're looking at the percentage of
20 investment towards publishers compared to the percentage inventory that we currently buying on the specific DSPs, I would say there's about a 30% DSP buy and there is a 40% publisher buy, direct buy. Again, with the integration of ad fraud and viewability that is also required from both local and global sites, we have partnered with certain publishers to be onboarded within the DSP, where we will then

rather buy a programmatic guaranteed. So, we will buy through the system, but it is still a secure placement with the publisher. So, not entering an auction-based buy within a DSP, but rather a programmatic guarantee. So, it's a deal that will actually be pulled through to the DSP where it will still allow us to have some sort of a control when it comes to device targeting. It could be geo-targeting and so forth, but the inventory will still only be on a certain publisher.

CHAIRPERSON: And I suppose, just to go back to the question, I mean, on the DSP buys or as you put it, where it may be competing
10 with many different contents because you haven't tried to do the specific placement, the secure placement, is this having a noticeable impact on their direct rates? I mean, do you see sort of advertisers shifting to saying, look, I can get it cheaper, and I can even get it on that site, I just don't have a secure guarantee?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: It falls back to the measurability of digital media and within the stable, our clients are based about quality as opposed to quantity. So, buying it at a lower CPM doesn't necessarily equate to a quality need where we have seen in the more expensive brands within the stable where the lower
20 you buy, the lower the quality scenario, it's almost like a blanket approach and then pray for a quality to come through, where we have found that a quality buy carries a lot more weight when it comes to quality.

CHAIRPERSON: And you mentioned the measurability. I assume you've still got the measurability on a news media site versus a search

or a social media site.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Yes, correct.

CHAIRPERSON: I'm also interested in the shift to the secure placement through a DSP. And I just wanted to understand from a fees' perspective what the implications of that are. So, if you went direct previously, you would have not used a DSP. Now a DSP is used to play. So, are you charged the same DSP fees that you would on auction? Is it lower or is it waived entirely? How does it work?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: So, it's still
10 based on a net-net media spend. So, being a direct from a publisher, I'm going to call it a, from a CPM buy is normally the guarantee buys that we buy from publisher through a DSP. So, the rate negotiation is similarly the same. Publishers have actually come to us and understood the value of, or some of the requirements, not necessarily the value, but some of the requirements that are required by client-owned stacks, where the mandate is to only buy inventory through a DSP, being it open exchange or direct buys, but to rather than secure a P&P deal within the DSP. And the negotiation stays the same. So, being a 250 CPM from a direct IO sign or being a 250 direct from a
20 DSP sign.

CHAIRPERSON: So, if I understand you correct, the publisher still gets the same?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Yes, that's according, well, that's according to the deal that we accept on our side. If that is a true scenario between the DSP and the publisher,

unfortunately we don't have line of sight of that negotiation between publishers and DSPs.

CHAIRPERSON: So, you're saying the DSP may charge the publisher a cut from that in order to do the placement through their systems?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: It could be a scenario, correct, but unfortunately, we don't have line of sight of that negotiation.

CHAIRPERSON: And I just want to understand what you do have line of sight of as well. I mean, just to get, a rough idea around what DSPs
10 are charging. I don't want the actuals for individual ones. I'm sure that's in your contract and it may be negotiated. But I think for the public, just to get a rough order of magnitude, you know, we're talking about 10%, 20% of the potential media spend.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: That goes through, sorry, would you mind?

MR. WIKTOR URBANSKI - RTB HOUSE: To the DSPs.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: To the DSP.
Again, so if we are entering an open auction, it would be based the highest bidder wins to acquire this auction. And from a specific, from
20 a publisher perspective, we will have one-on-one conversation with the publisher to buy a certain rate and that exact rate is then transpired within the DSP. There's no, we do not have line of sight of any other fees from a publisher and a DSP perspective. So the rate that we will charge is the rate that we've negotiated with the publisher. That is also transparent within the DSP.

CHAIRPERSON: But as I understand, that's more the secure placement and direct deals. I mean, if it's auction, the DSP has to make money. So, I suppose my question is simply, how do they make money? And if it is convertible into a percentage of the overall ad spend that media agencies place with them?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: So, from an agency perspective, depending on what type of deal we enter, there is an additional tech cost that will be added on top of the negotiated rate that we will pass back to the client. It's a transparent rate. It could
10 differ anything from a 0.5% to a 1.5% tech cost for the DSP to handle it or to run with the actual transaction.

CHAIRPERSON: And is that, sorry, is that for the direct placements that run through the DSP or is this for the auction process?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Only for direct, only for the direct placements. No additional auction funds are charged to agencies as we know. That is charged from a DSP to us.

CHAIRPERSON: I'm still battling to understand the fee structure. Because I would imagine you're dealing with a DSP to act on your behalf. So, their fees are covered from your side. Or are they working
20 on some arbitrage between what they promise you and what they secure inventory for and then take that cut? Maybe if you can just flesh it out a little more for us, please.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Sorry. Like I did say, apologies as I do not have any back-end fee structures. What we are privy to on our side is on any DSP onboarding system within the

agency, there's no set financial benchmark. There is no set financial onboarding process costs that we've covered or seen from a DSP that they could have maybe charged agencies to onboard the DSPs and nor from an inventory level. So, what we see on the actual DSP is what we record back to our client. Being it a biddable media on an auction, being it a CPC, or being it on a CPM. Unfortunately, we do not have any back end financials. If they are making it from an agency level or if they are making it from a publisher level.

CHAIRPERSON: Alright, thanks. We have a DSP coming next which
10 I think you use, RTB House, so we can engage them on that aspect. But we do hear, for instance, I think based on what's on Google's blog that it would seem Google Ads effectively takes about 15%. I suppose you're telling me they don't charge you that. That is somewhere accounted for in the system.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Correct. It's a very dark hole when it comes to how funds are acquired. And I do believe that RTB from their business model they would be able to give us as agency as well as you as a commission a little bit more background into the financial modelling that happens between, I
20 would call it publisher or website and DSP as opposed to DSP and agency.

CHAIRPERSON: Thank you, Leilani. I mean as I understand just to conclude that is you couldn't tell how much of your money makes it to the publisher. It's that dark hole that you talk about.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Correct, yes.

CHAIRPERSON: Just on the use of DSPs I'm sure OMG Group and especially globally makes use of many, many DSPs. I mean it seems from what we're hearing that South Africa is predominantly a Google Ad Manager, Google Analytics market. It maybe they were the first. I don't know. And I see you giving me. So, I mean maybe just give us that idea. Do you have much insight into the publisher side which ad servers are being used?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: So again, as digital transformation within South Africa did, Google was proudly first
10 to execute I think 24, 25 years ago if I'm not mistaken. They started with the search engine then they started with the display advertising that tapped into the market. And because of I think they acquired information from way back when the pot just became bigger and bigger and how these pots are adapted locally from both agencies as well as from clients. Remember it's again, it's client dependent on their technology stack. So, we have seen that from a DSP DV360 specifically display and video was or used to be predominant, the go to DSP within the South Africa market. But we've also seen a shift of other DSPs that have entered the South African market, for the likes
20 of Teads as well as the Trade Desk which are globally owned but executed within the South Africa ecosystem. But I do believe that Google used to be the strongest leading DSP within the South African market. As I've said before is, I think it's that's why I'm still in digital and most probably still at the same agency that it changes from a day-to-day basis. And as and if new technology DSPs, brand safety tools

and platforms are executed that seems to be driving demand from a deliverable perspective.

CHAIRPERSON: And I think we see this in many markets if you're the first here and other global companies are late to catch on and come down to the south of the continent then you might have a strong position and others come late. I suppose what we also see in many markets is there can be many people coming but how much share they grab can be not material. So, I mean from your perspective at least, do you think that DV360 still has the predominant share of the
10 South African market, or have you seen that being substantially or materially eroded?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Not substantially but yet a proportionate percentage of it that have come through specifically on additional or entering the market from a DSP perspective.

CHAIRPERSON: And the one thing we, I mean we're lucky to have someone with your experience in fact because my next question is just about YouTube and DV360. Now we understand prior to 2015, you could buy YouTube through any DSP, but it went exclusive to
20 DV360 at that point. Are you familiar with that?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Yes, I am.

CHAIRPERSON: And when it was available through any DSP you know I don't know if there were many other DSPs around at that time, but did you make use of that option or did you and did that affect your decision making in any way?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Not specifically from buying it to where it's currently or where it was executed but from a YouTube's perspective because it is a video element. Again, that is determined by on a creative level not on a media level. Where we still up until today very far and few between that we get video elements to execute, being it on YouTube or even being it on a publisher's site in a video format because of the portfolio that we hold. Video runs or acquires more of a CPM as well as a CPV by and we don't generally see great performances when it comes to a conversion level on video elements itself.

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CHAIRPERSON: Yes, because I was going to just ask how important is YouTube in the South African context? I mean we know it's a monster platform but –

MS. LEILANI VISSER – OMNICON MEDIA GROUP: It has taken a dive and I think purely because of the economical struggles within both globally as well as South Africa where the channel is kind of seen as a reach platform together with a TV execution not so much as it used to be in the past where YouTube for likes and followers. I mean when they onboarded it was a lot about getting my brain onto YouTube to obtain more subscribers and more followers and currently with our current portfolio very little reach and frequency campaigns are executed as opposed to auction and conversion base.

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CHAIRPERSON: And just out of interest I mean you know television remains obviously a large channel in South Africa and that is a video channel and so some of your clients would have videos for that

channel. Are they seeing YouTube as an alternative to the direct buy with a channel? So, putting it on the SABC channel on YouTube rather than putting it on the SABC television?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: So no, TV has always been and still within the stable the leading rich driver within our portfolio where a percentage of that spend will be attributed or shifted towards a YouTube element. And from a strategic implementation perspective, it's more around our load shedding crisis within South Africa where connected TV currently playing a big role.

10 We've also seen the likings of DSTV offering streaming packages to agencies, so we have seen an uptake from video itself but not an uptake within a YouTube scenario. YouTube was predominantly back in the day most consumed by mobile and from the stats that we've subsequently seen it is most consumed on connected TVs.

CHAIRPERSON: Thanks Leilani. And just on a related matter, I mean SABC came and said they released SABC Plus which is their own app. I mean is that on your radar and how clients or yourselves perceiving that as a channel for conversion because that is also live streaming their channels as well?

20 MS. LEILANI VISSER – OMNICON MEDIA GROUP: So, definitely would take it into consideration with their vast audience within the South African landscape. So, it will definitely become a consideration within the agency as part of strategic execution.

CHAIRPERSON: And then just on, I mean you talk about one of the benefits of digital is measurement which is more accurate, and you

obviously need to report on that to your clients. Does it help to have a more integrated solution when you're going to a DSP that you can get that perspective of consistent measurement across all the campaigns and ad placements?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Not necessarily as a DSP being the Holy Grail to run consistency based on data as well as if a publisher is onboarded through a direct buy not through a DSP some evaluation would also need to be done post the actual click interaction to the client own platform. As long as we are able to track
10 and monitor the interaction post the click, the publisher will still benefit from that. So, I'm not the Holy Grail of a DSP one type of umbrella fits all. I do believe each media platform plays a holistic role where again quality as opposed to quantity on our side still prevails.

CHAIRPERSON: But in the selection of a DSP, I mean we've heard from others that to go with multiple can create sometimes reporting problems. I mean you might use a few, but you wouldn't necessarily use the full extent of DSPs that are available in the market, is that a fair comment?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: It is a fair
20 comment in the sense of if it's more towards a brand awareness comment to be made, where the interaction of the user can be determined by the DSP but holistically, we look post an actual click or the interaction more on a client owned platform. So, analytical based platform where we will make our decision based as well as our strategic thinking on client owned platforms as opposed to media

platforms.

CHAIRPERSON: And what do you mean by client owned platforms?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: So, for instance Google Analytics it might be a mobile app integration where a certain number of downloads or sales have actually been concluded on a client owned platform.

CHAIRPERSON: Right, so this might be the client app?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Correct.

CHAIRPERSON: So, you would look at for instance sales let's say on
10 Takealot or the like, just to see how the reaction has been practically?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Correct. So, what type of media have actually a) driven the download and then b) thereafter what that user have actually acquired within the app ecosystem just as an example and they return to make multiple purchases and they may be bought additional products that we have not even advertised. I mean we've seen that a lot specifically in the commerce space where media will drive a certain product but once a user landed to app or to a website, additional actions might have been taken.

20 CHAIRPERSON: I think you'd mentioned that the integration wasn't always there for different platforms and I think you mentioned partly about the measurement tools whether they've got a Google Analytics versus I think you had a mobile measurement and then P, I can't recall what the P stands for.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Measurement

partner.

CHAIRPERSON: There we go. I mean the fact that Google has so many components through the AdTech stack from the ad server right through and it also interacts obviously with YouTube, Google Ads. I mean does it have an advantage from an integration perspective that makes it attractive to OMG?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Not specifically to OMG. I think the attractiveness comes into again, on who decides on what type of platforms a client platform is developed on. It could
10 be a development. Remember development happens prior to media. So, a client might have been exposed to all past history in a previous brand capacity or they might have inherited a global app within the South Africa ecosystem. So, in the sense that yes Google might still have the leading grounds when it comes to tech solutions within a holistic stack, but as we have seen more and more and more where clients are not at favour for one group to actually hold all of the data. So, client-owned data, Media-owned data, Ad-serving data. And this is where we have seen more and more third-party measurable tools or even analytical partners as well as CRM data systems not being
20 owned by one certain group where they would prefer a third-party MMP for an example to be implemented to track data.

CHAIRPERSON: So, as I understand this is a concern about the privacy of their own data being fed through the system.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Right, yes.

CHAIRPERSON: And maybe on that note just to go to the third-party

cookies and which is partly about data sharing and its elimination. I mean how do you see this playing out in South Africa with your clients? The ability maybe to retarget? Is that still retained just in other ways or is this a big gap going to be there?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: There's definitely going to be a big gap specifically within a DSP, but we've already started from global as well as from local discussions with clients taking them through to the next step of digital cookie-less world at this moment where the focus will be heavily based on first-party
10 data. To have that as clean as possible, to be able to still target to a level that we used to in the past, but it's definitely going to have a big impact from a targeting perspective but might take my career back to 20 years where we just did the one impression fits all type of scenario.

CHAIRPERSON: Well, that would give life to your career.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Absolutely. Let's do it all again but better this time around, right?

CHAIRPERSON: Yes because no one else may remember how it was done in those days.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Again, not to
20 take away my age.

CHAIRPERSON: Just the question we have is, all of the money that was going on retargeting where might it go to as a sort of second-best option? You've mentioned better data, sure. But you used to have a very easy life following someone around the web and just hitting them at different points. So where do you see that going? And in your own

media planning where might you shift that digitally?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: I think still within, not necessarily the same platform but definitely towards a more better quality. I would call it user experience because of the first party implementation. That the audience segment of behavioural and I've explained it to some of my clients as well. Not necessarily that you are interested in both motoring and flowers. You will then be added to two buckets. Am I adding both those buckets to my targeting method? And with the hope that you will still buy the vehicle? Because you've

10 literally fallen within two buckets of an audience segment? Or would it be better for your brand as well as for the performance of your campaign to have a more quality controlled first party data activity? So, it's definitely going to throw it back. But I think from a quality perspective, it will definitely have a better business objective deliverable in the future.

CHAIRPERSON: So, just the last question from me is I mean the news media are all sort of anxious about what these holds, the uncertainty. Are they likely to be winners or losers in this shake up?

MS. LEILANI VISSER – OMNICON MEDIA GROUP: I'm going to say

20 winners because we're going to go kind of eliminating like I said behavioural targeting that was initially on boarded by the liking of the audience. So, from a quality, again from a publisher and news site specifically, the quality we're going to go back to a client first party data quality. So, I think definitely winning as opposed to losing.

CHAIRPERSON: I said last question but that deserved a follow up. I

mean what we hear is that the, you know, whether it's social media or Google with YouTube and search and other platforms have much richer data around interests rather than just demographics and the like. I mean are they not more likely winners because they can still target more effectively given [indistinct 01:05:36].

MS. LEILANI VISSER – OMNICON MEDIA GROUP: No, not necessarily because some of the publishers and again some of the publishers that have grown with agency and client and maturity do have the ability internally and if I'm not mistaken, and I've never been
10 on a publisher site, I think they use a system called GAM, which is also owned by Google, funny enough that, that can determine device targeting, it can determine geo-targeting. So, they also have the ability if the adoption was implemented within the actual platform itself. Hence what I'm saying is do not scare it, rather adapt it.

CHAIRPERSON: Well on that note, we'll thank you Leilani Visser from the Omnicom Media Group. Thank you for making the time to come and give us that knowledge, all your 20 years of experience and hopefully the new challenges in the digital era will keep you engaged.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Absolutely. I'll
20 see you in one of the audience segments.

CHAIRPERSON: You probably will.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: I probably will. Thank you very much. Thanks for having us.

CHAIRPERSON: Alright, cheers.

MS. LEILANI VISSER – OMNICON MEDIA GROUP: Keep well. Bye.

Media and Digital Platforms Market Inquiry

CHAIRPERSON: And we are now moving to RTB House, who are at DSP, and who can probably shed some more light on some of those aspects that we touched on with Leilani. So, I believe we have Wiktor Urbanski, Head of Performance and Operations for Africa on the line. Welcome, Wiktor.

MR. WIKTOR URBANSKI - RTB HOUSE: Hello, good afternoon.

CHAIRPERSON: I'm James and this is Paula, the panel for today. Thank you for making the time, for coming to present in the public hearing. It is a public hearing, so please don't cover confidential
10 information. I believe you have a presentation. We'll let you run through that. We won't interrupt you. But if we can, target 20, 30 minutes, so we've got at least some time for questions in the hour that we have with you.

MR. WIKTOR URBANSKI - RTB HOUSE: Sure, perfect. So, thank you for inviting me and inviting RTB House. I will share the screen of the presentation and I will try to keep it to 30 minutes, so I will skip probably some of the slides. We prepared more, so you can then review the slides later on, or I can refer to them in the questions part. So, let me share the screen, and I can start the presentation and start
20 answering the most crucial parts. So, can you hear me well? Do you see the screen? Let me know.

CHAIRPERSON: Yes, carry on, please.

MR. WIKTOR URBANSKI - RTB HOUSE: Okay, perfect. So, I have the pleasure today to represent RTB House and present how we fit into the South African digital market. I will be referring to some of the

questions you sent us in advance in some of the slides, and then, as we mentioned, we will cover the questions later on after the 30 minutes of this presentation. So, I will start with a quick introduction of RTB House, what we do, and what kind of value propositions we have for our clients. I will also refer to the bidding process, the real time bidding auctions that we take part into, also the different ways on how we can access inventory, and how we provide value for our customers, which are advertisers or agencies. And at the end of the presentation, I will focus also on the future, so on the upcoming

10 changes related to the sizing out of third party cookies. I think this might be interesting for the whole commission and the panel. So, starting off with who we are. So, as RTB House, we are a demand-side platform. We operate in a program-adding, real-time bidding environment. We buy impressions, so we buy ad placements mostly from SSPs, so from the supply-side partners. We also buy them directly from publishers. And based on the data we receive in the bid requests and on the data we receive from our clients, from advertisers, we can assess which users in the internet are valuable for our clients, for some advertisers, and then based on all of that data

20 combined in our algorithms, powered by deep learning, we can estimate which users we want to bid in the bidding process, and then display them ads in the hope to get click and conversion from visitors. And we've been on the market since 2012. We are an international player, and our first campaigns in South Africa we launched in 2017, so we've been seven years on the South African market. As I

mentioned, we work directly with clients. So, with advertisers, for example, it might be a fashion retailer, fashionwebsite.co.za. It might be also an agency that is managing the budget for performance campaigns of such a client. Our core business is retargeting, so it's strictly performance marketing campaigns, but we also provide prospecting campaigns or branding/ awareness campaigns to our clients as well. And in very short, we help our clients achieve better results. We help them to drive online sales, drive incremental orders, purchases, leads, and whatever the KPI or the goal of our client is.

10 And we do that thanks to our technology, which is B2B. So, analysing all of that data we get from SSPs and from the client side, from advertiser side, we can assess which users are likely to click on the app and then make a purchase or make a lead or whatever the goal of our client is. And what our clients value us for is not only the great performance, great delivery of the results, but it's also customer service, beautiful creatives, flexibility in targeting options, but most of all, the most important, and the most crucial thing is delivery on the performance. And we will be talking and we're talking about programmatic environments, real-time bidding, performance
20 campaigns. So, in order to deliver great results and great efficiency for our clients, so high return on investment, high return on ad spend, we need to be able to drive scale with efficiency. So, we need to be able to find the valuable users in the right place in the right moment. So, in order to do that, we need to have many different valuable partners like SSPs and publishers because users are simply reaching

different content throughout the open web in different places. So, we need to be able to reach these users in such places. So, in case of performance marketing, which is part of our business, we tend to say that numbers don't lie. So, in order to provide great value and great performance for our clients, we need to be able to drive big scale, big value for the client because it's easy to assess if this value is delivered, no matter what type of analytical tool you are using. You can easily, as an advertiser, check and see if the performance is there. So, here I put on the slide just a couple of numbers to show this

10 scale. And what was important and the questions you sent us were the questions related to the inventory side or the publisher side, SSP side. So, I would like to highlight that as RTB House, we deliver ads on all the devices. So, most of the traffic on the internet comes from mobile and desktop. But also, we have access to mobile campaigns, mobile applications where we can run our in-app campaigns, smartphone, tablets, other type of devices. And what is worth highlighting here is the fact that we run our ads in what is called open web. So, we don't have access to walled gardens, to social media. We run ads only in the open web, which actually covers almost 100%

20 of the users. So, we can reach, with our ads in the open web, 95% of the internet population because not everyone uses, let's say, social media on a daily basis. But everyone uses websites and open web on a daily basis. What is also important is the fact that users, when they scroll the internet through open web, they are in the exploring mode, right? So, when you are reaching the news websites and you want to

find out what is going on in the world, you are in the exploring mode. You want to find something new. You want to learn about something. That's why running ads through DSPs like RTB House in the open web, you are actually finding users in the right moment when they have an open mind to find something new and when they see valuable personalised content, they can actually click and buy. Moving on, one of the questions you asked was related to the fact how RTB House and DSPs in general go about obtaining inventory from supply-side platforms and publishers. What are the major factors to consider in that process? So we, as RTB House, in order to be able to provide scale, efficiency, and additional value for our customers, our clients, we need to be able to find users on different websites that are displaying or reading their open web journey. So, that's why we have many different SSP partners. As you can see on the slide, it's only selected a bunch of them. We are integrated with most SSP partners which are present on the market. And this allows us to reach the user efficiently, not only in terms of cost, but also to find this user in the right moment throughout the user journey. Most of our traffic comes from open auctions. So, as you know, in the retail and bidding, you can buy this inventory placement through direct deals with publishers. You can do it through SSPs, the open auctions or private auctions. So, most of our traffic comes from open auctions where simply the highest bidder wins. And in order to pay the high bid, you need to be able, as a DSP, to evaluate users properly. So, with our case, since we have this great technology, which is deep learning, we can find a

very valuable user and therefore put a high bid for this user in the auction. That's why, since we target laser focus the correct and valuable users for our clients, we can skip the rest of the users. Therefore, we don't show irritating ads to people who are not interested in the product. We only show them to the users who are actually looking for this product. And we can, therefore, increase our bids. So, our CPM stands to be higher than other DSPs, which are not retargeting focus, which don't have any great technology. And that's why we can win these bids and deliver great performance for our clients. There are also private auctions, so what might be called P&Ps. So, in such deals, the publisher decides who they want to invite into the process. They might take into consideration many different factors. It might be the previous relationship, the previous performance of such vendors. And typically, they focus or they share their premium placements into that private auction because both publishers and advertisers, they want to have more control and more transparency over the whole process. So, we take part into that kind of auctions as well. And because of the fact that we are pretty laser focused, we are very good, thanks to our technology, at finding great users, we might, pay higher prices, because in such auctions, which are, which less partners have access to, because of this control, transparency, and because of the publisher's need, because of the fact that we are very laser focused, we can pay more for each impression. So that CPM stands to be higher. So, answering the second part of the question that was asked about the factors that

determine which placements each DSP will buy, what are the factors to do that, obviously the most important factor is price. In the open deals, open auctions, typically the prices are lower, the CPMs are lower. In the private auctions, it's typically higher. And then the DSP, as RTB House, for example, as RTB House decides which placements they want to buy. So, the price is one factor, but the other factors are actually related to the fact if the DSP is able to find this value. So, if we have a very large, very valuable user, we can pay more for this user, even in the, let's say, direct deal with the publisher or with the private auction, because it simply makes sense for our clients. So, I would say from DSP or retargeted perspective as RTB House, the crucial thing is ability to find these users. So, the technology which plays a vital role here also determines the final price that we pay for the inventory specific placement. So, in short here, the better you are at targeting, the better you are at finding the correct users, the higher you can pay for each placement, and therefore the publisher at the end can receive the higher CPMs and higher payout for the content that the publisher is providing. And we as RTB House, we are integrated with most of the SSP partners on the market because we want to be able to find majority of the users in different places. And also utilise the long tail. So, we are not only integrated with the biggest publishers and biggest SSPs, the smaller publishers also play and smaller SSPs also play an important role in our process because then we can find the users there. And typically, these types of placements are less competitive. So, less DSPs, less vendors take

part in the bidding, and they pay less in the bidding process so we can win more bids in the areas as well. So, I would say the whole market stabilises and equalises through to the whole competition in the bidding process. And as I mentioned, we also have access to the publishers to both to open auctions and private auctions. The premium placement, which you can see, for example, on this slide. And one of the questions you sent in advance, you asked, what is the role of news media in advertising campaigns? What is the value proposition of news media? So, I would say it's pretty important. The news media are important because they are content creators. And what we observed is that in our campaigns, news category is typically one of the biggest and one of the most important in terms of traffic. So users for most of the markets, also in South Africa, they tend to visit news website very often. Therefore, the traffic on these websites is pretty high and that's why we can find valuable users on these websites throughout our campaigns. So, imagine that you want to, for example, promote a luxury laptop, new luxury laptop that you as a retailer want to promote. You can do it on specialising, specialised, let's say, blogs and articles about best laptops in 2024, but the scale of such campaign would be very small, right? So, this is just one website that someone, even a very interested person might visit. But then 99% of the rest of the time on the internet will be spent on other websites. So, we, knowing that this user is valuable because in the targeting, we can recognise this user to ID or to cookie, we can find this user reading articles on news websites and therefore achieve

scale and achieve leads and potential purchases to our campaign. So, news websites play a vital role in our campaign. I will skip some of the general slides about what is retargeting and how we perform, but just to touch upon some of the questions here, like for example, the question, what advertising clients look for when engaging in advertising campaign and how the trends in advertising have changed in an increasingly digital world. Here, I would just like to highlight and mention something they already touched upon. The fact that with retargeting, we can be very effective in finding users interested in continuing purchasing process. So instead of displaying our ads to, let's say, hundreds of millions of users in South Africa, from different devices to different channels, we can limit that only to, let's say, one million users who visited our client's website. And so, then you are not spending money on advertising 99% of the population, which is not interested in our client's product, but then even be even more laser focused, we can, out of this one millions of people who visited our client's website, we can find the ones that are actually likely to buy the product. So, if our client says, okay, our goal is to increase online sales on the website, then we can optimise campaign in a way to find users who are likely to see our app, click on it and make a purchase. So, in that case, we are super laser focused. We don't spend our money on buying impressions for users which are not relevant, not interested in buying. And therefore, our targeting, who, is limited and we can pay more for each user. You can pay more for each impression for this interested user. So, from our side, on one hand,

the cost per user, cost per impression for each user might increase. But for the advertiser, it actually makes sense because the return on investment is much higher because they are not spending money on users that are not interested. They spend it only on users that are likely to make a purchase. So therefore, the return on ad spend increases. And it works with all sites, with all types of DSPs and all types of campaigns. The better you are targeting, the higher CPM you can buy, you can pay for every user. Now let's skip some of the more general slides. And maybe move to one thing that will be also

10 important later on in the rest part of the presentation. So, as I mentioned, in our case, we have bid learning technology, which helps us to achieve great results, analyse all that bunch of data, and come up with a great targeting for users, and then product recommendations that helps users to find the best product for them. And the key questions that you need to answer whenever you're running digital campaign, marketing campaign, is to whom should show the app, then when to show this app, what should be displayed on the banner, and how much you are willing to pay. So, we can achieve all that because, first of all, we have access to the advertiser's

20 website data, to our tags on their site. So, implement tags on the advertiser data, advertiser website, or mobile application, and then we can analyse how the user behaves throughout the user journey. And based on that, we know which users are likely to make the purchase. Then we receive these from the SSP partners, so we don't decide in advance that, for example, we will use this particular publisher of this

particular SSP. We simply receive bid requests from publishers and SSPs, where this actual user that we want to target was on. So, then we see this user is on this, let's say, new website. We know that this user is valuable, and based on our algorithm, the algorithm decides what should be displayed on the banner, product recommendation, algorithm works, which display the banner, the user clicks on the banner and makes the purchase. How much we should pay for every impression; this is also decided in the bidding process and in the valuation of the user by the algorithm. So, this is done this way right now. And here are a couple of different data points that our algorithm takes into account when making a recommendation. This we can skip for now. And then move to the next thing that might be taken into account by advertisers when choosing DSPs. So, we mentioned that when an advertiser is selecting which vendor to work on, most likely the key factor would be performance of this advertiser. So, if the DSP is able to deliver results, grow my sales, grow my leads, grow my conversions on my website in an efficient way, so making my CPA target, cost to lead target, and return on investment target. But other factors might be, for example, creatives. So, you can use typical performance creatives with product recommendations, the one you can see on the left-hand side, or you can use more sophisticated, dedicated creatives that consist also with some kind of branding message. So, for example, for some advertisers, maybe the video message included on the banner would be more applicable for their users. So, in our case, we prepared that dedicated banners for our

clients free of charge. And when advertisers select DSPs, they might do this thing as well. So, if it's, for example, self-service platform, when you cannot change your banner at all, or maybe you can use managed service platform where you will receive dedicated banners for your company. This might be also interesting and important factor that clients take into account when choosing DSPs. Another factor might be customer service. So, in case of RTB House, we are a managed service platform. So, it means that whenever the advertiser wants to work with us and run a campaign, they receive a dedicated
10 account manager and technical account manager from RTB House. These people run, set up, optimise, monitor, and report the campaign to the advertiser. And it's also part of our services. There are no hidden costs and additional charges for that. So, when the advertiser is selecting DSP, he might say, okay, I would prefer to have a self-service platform where I can have my own, let's say, team of specialists running these ads, or I can hire an agency to run the ads for me, or I can use managed service platform like RTB House where everything will be done for me and I will just send my budget, my expectations towards selected posts, and consult the results and
20 receive the inputs from my trusted partner. So, in case of RTB House, I would say that customer service and quality of account management is one of the unique selling points that we definitely have. And maybe very shortly, one of the other factors that DSPs might take into account is brand safety mechanism. So just very briefly, a quick example to show how it might work. Imagine that you are an airline

company, and you want to promote your new route from Cape Town to Johannesburg, let's say, and in other parts of the world, there was an airline crash, right? So, in all of the news websites, you'd see articles about airline crashes and you don't want your ads to appear next to such article. So, then you can use RTB House mechanism, brand safety mechanism, and avoid such targeting. So, you can avoid such websites, such contexts, such keywords in your campaign. So just to sum up the question, that's the question, how to demand side platforms such as because operators provide value, and how clients
10 select DSPs. There may be many multiple factors that they can take into account, like the creatives, how they look like, if they are personalised and prepared for my company. What is the cost of these creatives, might be brand safety, different targeting options, might be customer service, but at the end of the day at least in performance campaigns, the key factor is the ability of a DSP to deliver results, deliver additional sales, additional conversions, with expected return on investment or cost per action for a given conversion. This like, we can skip just maybe one last thing here that might be interesting for the Commission. During the bidding process, there are many vendors,
20 many DSPs taking part in the bidding process, right? So, you might have 30, you might have 50 vendors bidding for one user. So as the RTB House we strongly promote what we call multiple retargeting strategy. So even if the advertiser is using, let's say, self service platform right now, or other DSP, with machine learning algorithms, we promote, we suggest running also on top of that, RTB House

campaign with deep learning and have more partners fighting and bidding for the advertising. So instead of having one or two vendors, one or two vendors bidding on your behalf, you can have two or three and therefore increase your chance of bidding, winning bids and deliver results. So, I started off with an introduction about RTB House, answered some of the questions that you might have about the inventory, buying process about the DSP, different DSPs might have. But now I'd like to move and focus a little bit on the future. So, on the deprecation of third-party cookies, I think that might be valuable for the Commission as well is the last part, so I will try to make it in this last five minutes that I have. So, about the privacy Sandbox, and what we might call the cookie lesson, cookies less word, there's so many things that we discussed and probably you've heard already from different other vendors will still apply after the third-party cookie deprecation, but from the backend perspective, some things might change. And we as RTB House we believe we are strongly supporters of this change. We are supporting the privacy samples project. And we believe that this might work as a replacement of third-party cookies. And privacy preserving alternative mechanism that will remove some of the questionable data processing procedures. We believe that generally a healthy and competitive ad tech landscape in a cookie, both cookie environment is possible. And now I will explain why in general is it happening, when will it happen, what is happening and how advertisers and DSPs might prepare for that change. So, starting off with why, the key reasons, are first of all, rising user

demand for privacy. So, users want to have control over their data. They do not want their data to be shared and sold by different companies. They want transparency and choice over their data. Also, there is increased scrutiny from regulators. So, we as a Polish companies founded, a company founded in Poland, in Europe, we need to be aligned with for example GDPR and since we are a global company in many other markets, there are different regulations that we apply. Also default to change in Chrome, Google Chrome is overseen by the CMA in the UK, so competition for market authority
10 in the UK. So, these types of regulatory permissions and regulators, they simply push in the whole industry to go into that direction. And there is also pressure from other browsers, so Safari, Firefox, and Edge, so the competition for Google phone already limited or cut out the third-party cookies. So, this is the why, why it's happening and why it would happen. And so, let me just to mention a few words about RTB House in that area. We believe that this process is generally good for the environment, good for users' privacy. We've been working, discussing about that with the W3C community since January 2020. So, for already for over three years. We have technical
20 discussions with Chrome about the whole change. So, the whole process is transparent. There are, Wolfram team is also open to feedback. And the best proof for that is the fact that we as RTB House saw that in the initial proposals, some of the use cases for retargeting are not fully addressed. So, we came up with a solution for that, we came up with our own technology or API, or solution for some of the

use cases. And Google implemented, will from, implemented those proposals into their privacy samples. I can mention more about them later on or in the questions or I'll come back, now I think we can move on to the next part. So, the timeline so when it will happen? It's already happening. As I mentioned, since 2020, there have been discussions with the testing of different solutions, different use cases speaker. And now since beginning of 2024 1% of cookies, or 1% of browsers don't have cookies enabled. In the next few months by the end of H1 2024 the industry will be testing privacy Sandbox and then starting off in 10 Q3, the CMA is a competition for market authority in UK will find if this solution is actually unfairly favouring Google and limiting competition or not. If they decide that they are given green light, then the process then in the second part of the year, the start of 100% Cookie deprecation will start. And in the privacy Sandbox there are more than 20 different technologies, 20 the different API's. For us as RTB House, the most important ones are related to showing ads and displaying ads, so to be able to run retargeting effortlessly and seamlessly without interruptions. And since we are already past 30 minutes, I will just make a broad general, from SSA general things about it and then 20 we can move on to the question and move like, deep dive this area and then we can move on. So, in the cookie world, we are targeting people one by one. So, we have a cookie, we know who could show the app. What is specific user was doing on the website, and then we can find this user on the internet. In the possible keywords, so after the application of third-party cookies, this targeting will be mostly

based on group basis, so on the interest group. So, what it's called now K-Anonymity, this K is right now 50 users, most likely will stay 50 users. It means that you can show the ads to a specific person, if another 50 people see this add. So, it won't be on a personal basis but on a group basis. And the things as we, that we propose as RTB House, actually enabled the whole industry because everyone can use these solutions to still show relevant product recommendations on the app, even if it's done in a group interest basis and to be able to be efficient efficiently. So, to pay enough money for every
10 impression, even though it's done in the group basis. It's not for single, impression for single user but it's on a cohort bases, and it's still too possible. So, we can go into that later. But just to say like, last few words about privacy in samples, I would like to mention that we as RTB House, we are promoting Microphone. But we're supporting the Privacy Sandbox project. And we believe that this replacement of third-party cookies with new solutions like Privacy Sandbox, it's good for ecosystem and we remove the questionable data processing practices. We also think that it needs to be done. It needs to be overseen by regulators and it cannot be done overnight. So that's why
20 there's this whole long process that's been already ongoing for a few years and will go on for the next many months. It's actually important for the whole industry for everyone to be prepared. And responsible governance of this process is needed and it's in place and we believe that it will work out in the future and will be good both for the ecosystem and for the users that would want privacy. That is from my

side, we can get back to selective topics if you'd like we can move on to next questions as well.

CHAIRPERSON: Yes, thanks, Wiktor. And I think we do want to unpack the sandbox a little more. Because it seems given RTB House is so intimately involved, you'll be able to educate us a little bit more. I mean we know that the CMA is leading this process, but we also understand this is a global rollout. So not only will cookies be phased out globally, but the solution that doesn't favour Google will also be rolled out globally. Is that correct?

10 MR. WIKTOR URBANSKI - RTB HOUSE: Yes, this is a global solution that might be, will be used by all markets and all SSPs, all advertisers. And it applies to the Chrome from browser, but probably in the future other websites might use this solution as well, may somehow create their own solutions because they are also creating their own solutions for that based on similar approach, for example, my group, based targeting instead of one to one targeting.

CHAIRPERSON: And can I just understand the difference? And I know we didn't have time for all your slides, and we couldn't even arrange a separate time to go into some of this in more detail. But as
20 I understand the browser is still tracking the user in a sense because you've got variables, it just, you can't target individuals, you can only target a group. Is that correct? So, the data remains within, let's say the Google Chrome and it's still used, but you can't see an individual user and get their individual journey. Maybe if you could explain it to us.

MR. WIKTOR URBANSKI - RTB HOUSE: So maybe I'll try to explain it in this, let's say draft where we have advertiser, DSP, then we have SSP and then we have the publication, right? So right now, when the user is visiting the advertiser website, he is aligned or assigned with an ID, which is cookie, right? In the web environment. And when the same cookie appears on the publisher website, the SSP is sending in bit requests information to all the DSPs that this user or this, let's say ID appeared on the website, do you want to take part in the bidding process? So right now, it will be documented on the group based. So, 10 SSP instead of sending the ID of the user, will send the ID of a group. So, in this group, let's say, let's call them fashion lovers, there will be at least 50 people, it might be 500, right? But at least 50 people. And SSP will send information to all the DSPs separately because all the DSPs might combine users in groups differently. So, for example, this DSP will send information to RTB House look, the group RTB House slash fashion lovers a member of this group appeared on our, on the publisher's website, do you want to take part in the bidding process? And then we'll say OK, for this group, we want to beat let's say, \$1. And also in this response, the bid will say, and this is what product 20 level [indistinct 01:43:52], so these two use cases we propose to Google. We will say OK, this is the part of the code that says you should multiply this \$1 by a given number depending on how valuable the user is. So, we as DSP, we will never know how valuable the user is, because this information will go to the browser and then the option will take place based on the browser or maybe in the trusted server,

this is still not decided yet. The latency issues and other issues, but probably it will be on device browser or a trusted server. And then we will not know how much the user is actually valued. But we will say for example, if the user has more than \$100 in the basket, then we should multiply this number by three. If it's more than \$500 we should multiply it by five, right? It will obviously be more complicated but just to make it simple, we'll send that part of the code. And then the bidding process will take place. If we win the bid, we will pay the final price for given user, but we will never know and we will never receive the data, what

10 the user had in basket, this specific user, right? And this, the whole data will be deleted after 30 days. So, this is also the difference. And the same goes with product level terms of what to show exactly in the banner. The information about products visited by the members of the store will be also stored in a browser, it won't be shared with all the advertisers and all the SSPs and this data will be deleted after 30 days. So, each, let's say 30 days you need to create another user group that you will bid on. And it will bid on separately for every DSP so there is no chance that for example, we as DSP might share this data with other DSPs or save this data or put it in some kind of graphs

20 for different solutions. Because first of all, we won't get this data. And secondly, this data will be different for every DSP.

CHAIRPERSON: And one of the objectives of the sandbox was to and I suppose the core concern was that although third party cookies may go, Google has full line of sight. And because it has products right through not just the browser, but the ad server, the SSP, the DSPs

that they could share that data and have a privileged view of retargeting that others wouldn't because often the GDPR as it is there and here the POPI Act would still allow some sharing within a single entity, corporate entity. How is that actively prevented in the solution that has been proposed that we're likely to see rolled out in the second half of the year?

MR. WIKTOR URBANSKI - RTB HOUSE: So, I don't think it will be technically possible to share this data with anyone not only with Google, but any partner because this data will be stored on the user
10 device or in the browser, right? So simply there will be no way in the whole process because it will be obviously the ongoing process, right? So, you create the interest group. Then after 30 days, the data is basically gone. So, there is no way to somehow share this data throughout the process. I'm not sure how technically it's prevented. So, what kind of technology is behind the solution in terms of, let's say, let's say in terms of security of the of the data, right? But it's pretty secure and there's no way to access that. To my knowledge, it's not technically possible to share this data from the user's device that is
20 stored on the user's device with any of the partners. So, the level of my knowledge it's not possible.

CHAIRPERSON: Alright, then look, we could take it out with Google, but they own most of the devices at least in South Africa through the Android system because it's mostly a mobile market. So, it would seem, they have access to that data. But I think what you're trying to reassure us is, at least from an advertiser's perspective, there's a way

to target it, it won't be targeting individuals, but it will be targeting groups. And so, the question I asked the OMG's representative, you know, the publishers, at least the news media publishers to be more specific or anxious about what this will all mean for their traffic and ads being placed on their websites. What is your view on that impact given the kind of solution that seems to be emerging?

MR. WIKTOR URBANSKI - RTB HOUSE: So, I would say that it won't be unless they are not adjusting to the reality, they won't adjust the marketing stack. It shouldn't affect them that much. Because the
10 Private Protected Audience, API, what we are discussing right now is part of the solution from Privacy Sandbox is probably one of the different ways how you can send bid requests to other types, to DSPs. So, you can still make direct deals, you can still take part in using different API. So, for example, topics API can still use awareness campaigns, contextual targeting, also some other methods. So Protected Audience API, the API we're talking about with group based targeting it's only one of the different ways, probably this way would be, this API will be, to the level of my knowledge, will be lucrative option for publishers and SSPs to take part into. Because, for
20 example, the targetless will use this API from retargeting, you cannot actually high CPMs. So, you can, let's say not a party into and not to use utilise privacy, Protected Audience API, but then you are not getting this higher CPMs, CPMs from retargeting. So, I don't think it will be a good option for publisher SSPs to avoid a Protected Audience API. But still, there are multiple other ways you can utilise

and monetise your traffic. So that won't, that shouldn't interfere at least from my perspective, the SSP's publisher side.

CHAIRPERSON: The desire to understand, I mean the APIs that's an SSPs job, not the publisher, is that right Wiktor? The ASPs that they use will have that technology integration?

MR. WIKTOR URBANSKI - RTB HOUSE: Yes.

CHAIRPERSON: Thank you for that. I'm sure many of the news publishers will be pleased to hear that they may not be adversely affected. You say that-

10 MR. WIKTOR URBANSKI - RTB HOUSE: So, the whole idea is for the whole change to be good for the whole ecosystem, right? So, if we, if we as DSPs don't prepare for that, obviously, the solution won't be implemented. If the SSPs are not ready, then also it doesn't make sense to have them implement it. Because we as DSPs we cannot take part in that plan. So, the whole concept of the change is that everyone involved is ready, is, have enough time to test the solution, to implement the solution. And then at the end of the day, not to lose on the change and not to be affected that much. And from my point of view DSPs need to prepare to be able to utilise the new mechanism,
20 the new APIs in order to target the users properly. And from SSP side, it will be less affecting them, at least from the level of my knowledge, so.

CHAIRPERSON: And Wiktor, I just wanted to move on a little bit. You said you only operate in the Open Web. So, you don't go and buy from walled gardens. And by walled gardens I assume you mean social

media. Or is it beyond social media? Is it also sort of YouTube?

MR. WIKTOR URBANSKI - RTB HOUSE: So, we don't buy inventory placements on YouTube and on social media. We also don't buy it on let's say, on Spotify or on other walled gardens, like Instagram, but Instagram uses social media, right? So, we do not buy inventory in those things, we operate in an open work environment.

CHAIRPERSON: And why is that, so we understand?

MR. WIKTOR URBANSKI - RTB HOUSE: So, I would say that first of all, this is like strategy of our company to focus on the users in the
10 open when they are actually in this exploring mode. And from the technical perspective, why we are not buying from there or from the commercial perspective? I'm not sure, so I would have to double check and get back to you. But I guess, since the walled gardens, let's say social media, they own the whole, let's say, the whole platform and they have different rules of different vendors to take part into the whole process.

CHAIRPERSON: And how much time approximately does the general population spend in the Open Web as opposed to the walled gardens?

MR. WIKTOR URBANSKI - RTB HOUSE: So, based on the research
20 I saw, it's around 66 to 70%, let's say 60 to 70% of time of users depending on market is spent in the open one and the rest of the time spent in the walled garden. So actually, most of the time user spent in the Open Web, on browsing some websites, playing mobile games, reading news websites, articles. So, the Open Web part takes majority of their internet time.

CHAIRPERSON: And included in that is Google Search I assume, because that's an access point to the Open Web?

MR. WIKTOR URBANSKI - RTB HOUSE: Yes, yes. So, Google Search, like google.com or Google.co.za will be included in the Open Web, yes. Specifically, how much time spent on Google versus ours, it's hard to for me to say. But typically when someone is searching, because it's not always the case, when someone is searching something and using Google for that, then they enter Google they search something and then are being redirected to the specific news
10 website or blog or website with articles.

CHAIRPERSON: I mean, I find that statistic interesting because it seems that the walled gardens take the bulk, or at least more than half the advertising based on what we've seen in South Africa. So, it seems they, you know, we often talk about the market for user retention, the market for advertising, but it seems their share of the market for advertising exceeds their share of the market for user attention then. I don't know if that's your experience too, and if it is why do you think that's the case?

MR. WIKTOR URBANSKI - RTB HOUSE: It's probably hard for me to
20 say why it's exactly the case. But from my experience when we are talking with our prospective clients or companies we want to work with, and when we talk about this audit strategy or budget allocation, when they hear of what we can do in Open Web is typically the answer is OK, let's try it because from their perspective, it might not be easy to have such a granular targeting in Open Web versus in say, walled

garden. So, in walled garden, you can be pretty granular with targeting because the owner of the walled garden let's say, pretty granular information about the YouTube, right? They are locked in onto the platform, and they have some kind of information about them. So, in the Open Web it's also possible but it's technically more advanced, sophisticated. So, if you don't have good partner like RTB House in your marketing stack, it might be not that easy to perform some kind of actions. And also, Open Web is much higher and much more fragmented, right? You have millions of different websites which are
10 aggregated to SSPs, hundreds of SSPs. And then in order to reach these users you need DSP to perform that action. And it's not always, and for some advertisers, it's not their priority, or it's not a part of their marketing style. But when we are talking with the advertisers, it's never the case that, maybe not it's never but it's not, I would say it's not a huge barrier to reassign some budgets. Let's say from walled gardens to Open Web, because it simply made sense to change this proportion, as you mentioned, if the users are spending, let's say 60% of their time in Open Web, you could have 50 or 60% of your budget allocated to Open Web. So this is the convention that will probably
20 appear in the coming years on the market.

CHAIRPERSON: Alright, but the current experience is people put more into the walled gardens than their share of attention. Is that correct?

MR. WIKTOR URBANSKI - RTB HOUSE: Yes, especially with the smaller, let's say, advertisers, which are not that, say advanced in

their marketing strategies. Because when we are talking with a very big advertisers, they already have different DSPs, they already have different channels addressed. So, they have specialised team focused on walled gardens, specialised team focused on Open Web, specialised team focused on paid search on search engine optimisation from them, they can be much more sophisticated. But if you're a small advertiser and you're just entering the market, it might be the case that it's easier for you to just have your budget allocated in one or two solutions, and you might select one of them, but it's hard
10 for me to say exactly from the advertiser's perspective, the budget is allocated that way.

CHAIRPERSON: And just moving to your own market and the SSPs where you have a relationship, I mean, we're told that a lot of SSPs can be brought on board for a single publisher website. We're told that often you'll have a single ad server, but you might have multiple SSPs. But the experience of the publishers who've here come have said, well, I might have contracted multiple SSPs, but the majority of my spin is coming through Google Ad Ex or GAM as it is an integrated product now. I mean, is that your experience from the DSP's side
20 where a publishers site has multiple SSP servings then there's still the bulk may go through Google Ad Ex if that's active.

MR. WIKTOR URBANSKI - RTB HOUSE: I haven't checked and analysed that. So, it's hard for me to say how it works from the DSP perspective, but it's different because it's how we buy the placements depending on the market and I think in South Africa it's around, it will

be around 50% or slightly less from Ad Ex and the rest of that it will be other SSPs at least on the web environment. So, the longtail also of smaller SSPs and smaller publishers still exist and for us actually the competitive advantage over different DSPs and vendors might be actually accessible for range of inventory. So, it's hard for me to comment on the publisher's site how it looks like.

CHAIRPERSON: I understand, but I think as you pointed out, 50% of your spend is going through Ad Ex or roughly and then you've got the longtail. We also hear that, from some of the media agencies, that it's
10 easier to make use of DV360 because you have access to YouTube for one, you have access to a lot of the actual inventory through Google Ad Ex. And so, it's a more seamless or efficient route. I know you are now playing in competition, but do you find some resistance to going with a non-Google solution even at the DSP level and, well let me let me ask that first and then I have a follow up?

MR. WIKTOR URBANSKI - RTB HOUSE: From our perspective, I wouldn't say DV360 is our competitor, my competitor, from Google Stack they are mostly, more often might be compared to Google P Max, so performance max solution, so this is a different kind of
20 solution, especially in the retargeting part. But it's, as you also mentioned with DV360 it's kind of a broader solution, right? So, it's like a solution with multiple different [indistinct 02:02:22] placement and different KPIs even with one campaign. In our case, when we focus, let's say on retargeting in our whole business, we just run retargeting campaigns. So, it's hard for us to be compared, let's say,

even to Google P Max, which is closer to be our competitor than Google DV360. But in P Max we also have the, actually probably the biggest component is paid search. So, these are somehow different solutions. So, we cannot easily compare let's say, results from Google P Max with results from RTB House. So, we will have to compare retargeting part or P Max with RTB House. These are kind of like different solutions that have different purposes. And for Google DV360 it might be closer to our branding solution. But there are even more different factors that you can look at. So, yes, I would say in
10 other way.

CHAIRPERSON: Maybe we, because we are out of time, I've just, check first Paula. Maybe one last question for you Wiktor and thank you for making the time. I mean we also hear South Africa is 14,15, maybe by now it's R16 billion, so let's say, R700, R800 billion market for digital. I mean, without going into your own business in South Africa, you know, but I would say what do you think might need to change, much like you've been engaging in the Sandbox? What might need to change to allow RTB House to a much bigger player in that size market from where you are now?

20 MR. WIKTOR URBANSKI - RTB HOUSE: So, I would say that we are doing pretty well in South Africa because with our product, which is pretty specific, we can only work with a selected type of clients. So, we cannot work with all types of verticals or all types of advertising on the market because simply deep learning algorithm won't work with for example, with a small amount of data. So that's why we work only

with the biggest advertisers because then we can provide huge value for our clients and utilise this as part of the data. And also, since we are running retargeting campaigns, if the audience of the website is very small, we don't have enough people to retarget. So therefore, I would say in order for our business to scale up even further, the whole market, the whole e-commerce market needs to scale up. So, more users' needs to go online, start buying online. There need to be more advertisers with huge audiences on their website. So, for us, we already worked with majority of the biggest players in South Africa, 10 we provide, for many years we've been providing value for them. And with some of the cases we simply cannot scale the business more because there are no more users to retarget. So, we are limited in our business expansion in those ways.

CHAIRPERSON: Maybe just one quick follow up on that, what we have seen, you know, in our new inquiry that we've been looking at a number of digital platform markets and what you often see is one or two platforms take the majority and then it can still allow niche operators to survive. And it sounds like in that respect, you are a niche player in that you've got a very specific function and role around 20 retargeting, working with the big players. I mean, it seems in ad tech, we might have the same, you've obviously got walled gardens which own their own and some of those are huge but in the general Open Web, Google stands large. Would it be a fair assessment to say that most of the rest of the rest are more niche trying to find their role within this but not to contest the bulk that might sit with Google?

MR. WIKTOR URBANSKI - RTB HOUSE: It's hard for me to say in the comments, from our perspective, it's not the case that we are in a rather niche partner. We are rather laser focused on being the best in the world in a specific solution. So, you might have different vendors, different DPS, different partners, running different services and we want to be, this is our strategy, we want to be the best in the world in retargeting. So, our strategy is not to be, not to address all the use cases advertisers might have, but to be the best in a specific thing. So, it's another part of our strategy. And we've been growing very quickly throughout the last 12 years. So, probably one day maybe we will be much bigger and address more solutions, right? But we started off as a retargeting platform, then we added prospecting, we added brand new solution, so, we are growing. But our strategy is to be the best in the world, in the retargeting we are doing successfully in this thing so far.

CHAIRPERSON: We wish you all the best of that. To Urbanski thank you so much for making the time and also for bringing your innovative solutions to South Africa. We are going to take a five-minute break now and then we will resume with Primedia who will be in the DTIC building live.

MR. WIKTOR URBANSKI - RTB HOUSE: Thank you very much and in case you have any further questions we are open to sharing more data especially about the privacy samples. If you'd like to talk more about it, we're open to another session about that.

CHAIRPERSON: Absolutely, we will do that. Thank you so much.

MR. WIKTOR URBANSKI - RTB HOUSE: OK. Thank you.

[Break: 02:08:50 - 02:16:23]

CHAIRPERSON: Welcome back on day 13 of the public hearings. We have Primedia here in the Dtic. Thank you so much for coming through. We have Lindile Xoko, Primedia Broadcasting Group Revenue Officer. We have Kelvin Storie, the Chief Commercial Officer. And we have Tholoana Ncheke , the group legal counsel. So,
10 thank you very much for coming through and for participating as well, all the submissions you've made and the lead up into this and the information has proved invaluable. And I think Primedia will bring a different experience, which we're hoping. But over to you Lindile.

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Thank you very much, James, thank you, Paula, I think firstly, for granting us the opportunity to come and just share our presentation here with you. So, if I may just very jump straight into it. I think in our opening remarks we'll just like to state that, firstly Primedia has absolutely no objection to digital platforms and social media. We do completely understand
20 their importance to the process of providing access to information, the creative process as well as human connection. So, we completely understand that. But of course, the world has moved on, and we see the progress and especially that technology has made and therefore Primedia recognises the need to adapt to the changing digital environment. And further to that, we do as Primedia distribute content

through various digital platforms. And we make use of the AdTech technology. And primarily because there are no alternatives in the digital advertising landscape. And as a result, that dependency, that we as content creators have on this platform distorts the market, whereby various digital platforms are able to exercise their market power over us as content creators. And therefore, Primedia cannot fully monetise its digital content on these platforms given the uneven revenue share agreements and distortions in the Ad Tech market. As such for the above reasons Primedia is beholden to these digital

10 platforms and therefore there needs to be changed through accurate and transparent reporting of traffic statistics, data and revenue legislation as well as regulation. But perhaps let me take a little bit of a step back. And James and Paula I'll just introduced at a high level, us as Primedia in terms of what makes us who we are. So, Primedia broadcasting is an African media company comprising of four radio stations, as well as a new service, namely 947, which is a Gauteng based music station. Secondly, it's 702 which is Gauteng and beyond, Gauteng borders talk station and then KFM in the western Cape music station. Cape talk, talk station also in the Western Cape. And of

20 course, a national player, an Eyewitness News as a news publication platform. Our content types that Primedia publishes its audio content, video content, as well as text content. And this content is distributed through various means, such as vita [arestial? 02:19:30] signal, which includes radio as well as television distribution, web application, and through third party applications. And maybe just to give a hint in terms

of our business models. The business model is solely advertiser led and works as follows, firstly, Primedia creates and publishes content and distributes it via multiple channels. Secondly, then the content is consumed by audiences made up of listeners, viewers, readers, streamers and users and they access this content via radio signal, web, app, television distribution, and through multiple devices. Thirdly, then advertisers seeking exposure to the audiences for their brands, for their products and services procure advertising space, in and around content. And that's just how our business model works.

10 And then to provide more context, sort of at a macro level in terms of the industry, perhaps to share the history of radio and Primedia in South Africa. This happens, James and Paula to be the 100th year that radio has been in place in South Africa, having started 100 years ago. And our history within that, for example, 947, which is of course changed names a couple of times, was founded in 1964. This was followed by our 702 which is the talk station in 1980. And then KFM in the Western Cape came together in 1990. And then Cape talk came through in 1997. And two years before 1997 as this illustration depicts was when internet radio began. And of course, things started to

20 change. And 10 years later after that, of course, then YouTube was found and of course, the other social media organisations such as Facebook the following year, Twitter now X in 2006. And what essentially this has meant is the change in how content is distributed as well as is consumed. And then for us what has this meant? It means that there's more innovation in the audio error, because now

there's music streaming, there's smart speakers, there's audio books, there's podcasting which changes just their consumption. And of course, for us this audio explosion which happened from 2019 and is still occurring means that our content and essentially our audio becomes borderless which is a positive thing. But of course, we do have then challenges that will explore a little bit later in terms of our, the transparency in terms of those consumption patterns, the data and so forth, but we'll get into it now. Then Primedia's views on the trends and news media, Primedia broadcasting as I mentioned is a

10 multimedia company that publishes and distributes to over 36 billion consumers of content across multiple channels. At the core of the content that Primedia publishes news, the firm views news and especially credible news is a public right and imperative, and of course, Eyewitness News prides itself as a very credible and trusted source of news that is also leveraged by many other news providers online. This is something that is a profound importance, especially in the advent of misinformation. Going to a global scale to look at the context here, as well as at the dominance over the online players in advertising. And here I will reference Walk Media report that says

20 there are five companies that attract more than half of global advertising spend. Namely Alphabet, Amazon, Meta, Alibaba and ByteDance. And Alphabet is the world's largest media owned by ad revenue accounting for a quarter of advertising spend across a portfolio, including Google Search, the Google Display Network and YouTube. This figure is before traffic acquisition costs, which is

money paid to publishers for hosting Google ads. It includes revenue from Double Verify, an ad tech component, which does not make shear calculations truly like for like. But however, sliced the company's influence on modern advertising practice is apparent and unwavering. Meta then follows with a share of 13.5% of global spend up markedly from 12.3% last year, and set to grow to 14% next year, as its ad business recovers strongly from an uncharacteristic period of decline during the second half of last year. And this was due in part to Apple's introduction of its ATT framework. With a shell 4.7%

10 Amazon has now grown to become third largest media owner globally, thanks to the rapid growth of its retail media business broken out of our data set for the first time in this edition. Further, Amazon shares forecast to reach 5% next year and should continue to take upwards thereafter. These three companies combined are set to account for 43.2% of the global advertising market this year, rising closer to 48% when including countries where their platforms are bad, and this is a trend that we are witnessing in South Africa. And to go to the numbers to illustrate this very point that I make. So, if we look on the far-left

20 column just describes five media types and social media, search retail media, online display, online classified and therefore these are summarised pure play internet. Following that is linear TV as well as connected TV summarises premium video. Following that is news brands and magazines summarised publishing and then radio and online audio summarised as audio. And then lastly, cinema and out of home. When we look at those first five categories, if we cast our eyes

to the right one, we look at shelf total, we will notice there that in 2022 this account of pure play internet accounted for 64.3% and is now since grown in 2024 forecasted to 67.7. But in contrast, when you then look at premium video in 2022, accounted for 20.9% and this has declined to 18.8. Further illustrating the cannibalisation of traditional media by emerging media in the digital space. Publishing 5.7% in 2022, now declined to 4.7%. And then audio 3.9% in 2022 and forecasted to decline to 3.5% as a contribution. And therefore, this makes clear that shift from traditional media into these emerging digital players in terms of that revenue. Now zooming into the country to look at the South African view. So, let's look at some consumer insights for a little bit more context. So, the internet access in the country, 41 million internet users with 96% access to internet via mobile, social media, 45% have some form of social media and spent three hours 43 minutes of their daily time across various platforms. Press media, one hour 24 minutes daily time spent on press media. The population breakdown is as follows, our population is fairly useful as we know with 36.6% under 17, 43.6% 18 to 44, 22.8% 45 plus. Looking at unemployment at this point will come into effect later on when I discuss just the impact of these digital players in their local economy is 32% unemployment which shows that a large part of the population can only access free services. Streaming, 26 million South Africans have YouTube accounts, the most penetration of any video on demand service and spent two hours on music streaming. Terms of income, 37.3% earn less than \$3.20 per day in local currency, circa

50. Broadcasting interest, 44% of South Africa listen to radio online and 40% have listened or watched podcasts. Therefore, what do we saying? So, the South African media challenge and our asks here, James, Paula is let us be equitable. Approximately 21,9 million rands leave the pockets of Africa every single day and never returns. The reason that this is important is because before the advent of social media, this 21.9 million per day was invested in South African content creators and journalists. Now, it no longer is, despite the fact that content creators and journalists are expected to compete on a global
10 scale and with increased volumes and much higher quality requirements. The grip of the digital giants on local market revenue could have been defended, had a significant portion of that money be reinvested in journalism and the content creators of South Africa. In contrast, a significant amount of the ads spends that Primedia receives for example, gets reinvested in the South African journalist and content creator market while the digital giants spent almost zero. The digital giants use and distribute our content with ad tech technology and algorithms and charge our advertisers for it. All of this of course has an adverse effect on journalism and the local content
20 creators, culture as well as the economy. But let's have a look as to why the content that we create is as significant as it is and benefits these large giants. And therefore, this is Primedia's views on the trends in news media. So, Radio and Eyewitness News is more than irrelevant. And I'll actually illustrate this through research in the following slides. So, Radio and Eyewitness News remains relevant

due to its accessibility, portability, local focus, immediacy, diverse programming, cost effectiveness, companion ability and resilience in the face of technological advancements. The three hallmarks of our Radio and Eyewitness use is that it's a trusted source of news. Radio and Eyewitness News allows for immediacy and listeners, slash users to relate to the local presenters and journalist. And of course, it's a popular source for regular news updates. And let me illustrate that through research, in research radio is the most trusted medium. As a measure, radio supersedes all mediums at 77% trustworthiness, 10 followed by television with 74%, print newspapers 48%, newspaper websites and apps 45%, social media 15%. Please keep a note on that 15%, I'll come back to this point a little bit later in terms of its importance. And therefore, our views on the distribution of radio news in South Africa, immediacy, and accuracy in news is paramount to maintaining the trust of our readers, listeners, viewers and users. A vibrant news and journalistic sector is crucial to support any democracy particularly across our continent that we call home. We invest daily in the resources, resourcing of journalist and support staff, the hard costs that go with it in terms of operational as well as 20 broadcast costs. Digital, however, allows us the message to be made available on the fly and to repurpose the message. Also, a greater level of accessibility to the message making traditional radio borderless as mentioned prior. However, digital uses our content but doesn't compensate us fairly or indeed at all. I mentioned prior that as a population in terms of breakdown, we are quite a youthful

population, and therefore the youth consume our content through social media, which is why then independent voices are critical to the youth of this country and our democracy. If we as South African journalists can no longer afford to publish news because our ad spend has been lost to social media. The only voice that would remain would be the voice of social media themselves. And now cast your mind back when I had mentioned trustworthiness in radio still being the most trustworthy source at 77% and social media only at 15%, therefore, there's a danger to that. And perhaps just to share a couple
10 of useful statistics to support this, 62.2% watch or listen to online music video. 52.2% listen to music streaming services. 27.1% listen to online radio shows and stations. 33.4% listen to podcasts. 10.2% listen to audiobooks. I'll again, reference our advertiser led model in terms of what is the Primedia business model. As I've shared the context as well as the problem statement, now let's cast our mind back in terms of what is our business model and why it's so important for us to have this conversation on this particular forum. So, number one, Primedia creates and publishes content and distributes it across multiple channels. The content is then consumed by audiences made
20 up of listeners, viewers, readers, streamers and users. And they access the content via radio signal web app television distribution through multiple devices. And then following that advertiser seeking exposure to those audiences for their brand's products and or services then procure advertising space in and around the content. So, at the very core of our sustainability as an organisation, our ability

to generate content that's consumed by multiple audiences is a very premise that allows us to generate revenue and therefore, without access to all of the revenue means, without transparency and access to that, as we find ourselves within the digital space is a major challenge that hinders our sustainability as an organisation. And, of course, this is very important for us to be sustainable because our model then allows our advertisers and our value that we continue to provide for them is meaningful. And of course, I'll share the marketing funnel that is so interested in to position their brands, their products
10 and then their services in following the traditional marketing funnel, which is to generate interest, to drive consideration, to drive intent, evaluation, as well as purchase decisions. Further to that, what is the relationship between Primedia and online platforms? Let's look at search versus social media. Google says that they intend to make it easier to stay informed by using technology to organise and help people access information about current issues and events. While this may be true, it is to the detriment of the producers of the information that Google organises and disseminates. In the process of making it easier to staying easier and informed, Google earns revenue as a
20 result of this utility. In October 2023 43% of visitors to Primedia sites would have been potentially exposed to Google generated snippets. In a best case and very conservative view, the click through rate of a top result on a Google search is in the region of 20%. And just to be clear, this is an exceptional case. This means at an absolute minimum, one out of five Eyewitness news searches for example,

results in the user clicking through to our website. And of course, to further expand, this is seen with the emergence of the creative economy, with Goldman Sachs estimates to be valued at over 250 billion today. While this does not specifically include news and media content, it is a clear indication that there is revenue earned when content is distributed on social media platforms. And therefore, opportunities and challenges when monetising on online platforms, including how rate cards work as well as the effectiveness thereof. Social media products from tech platforms have created communities

10 on the backs of originally produced content. And therefore, transparency is critical to our sustainability and success. Let's look at the three areas. So, the lack of transparency in data, in algorithms and how they work, in the revenue and profit that's been generated off the back of the content, as well as the AdTech stack being the only route to this that we don't actually have access to how it works and how it impacts our revenues, creates an asymmetric relationship. The impact of that is market failure. Because there's no transparency and of course says potential excessive pricing. And we know that there is free riding that's happening with those giant digital players using our

20 content for absolutely free. And therefore, this then amounts to abuse of dominance. They entrench dominance of digital platforms that creates an unsustainable business model for media businesses, as well. And therefore, I'll then conclude by just going to what are the proposed outcomes. Our proposed outcomes are as follows, it's equity in share of ad spend revenue and transparency of

measurement. Number two is attribution of revenue for content utilised in search, display, programmatic and streaming and of course a retrospective view and the fix, and of course once fixed then going forward. Thirdly, establishing a fair and governed content producer, distributor and advertiser relationship. And the fourth point is to create a fair and appropriate revenue share agreements. These are the proposed steps to addressing the disparity of economies in the South Africa digital economy between news and local content providers and international digital media players. Something that has extensively impacted Primedia's commercial position as a news publisher, and as a local content provider. And we know that this extends even beyond us. Thank you.

MS. PAULA FRAY: Thank you very much. And lots of points of discussion there. In your submission by Primedia said that the digital platforms are benefitting disproportionately on the content that you produced. And it was of the view that the panel should consider not just news but lifestyle media content. And I wonder you didn't raise it now in your presentation. But I wonder if you could just very briefly touch on the scope of the content and why you think it's so important for us to have a broad view of what we understand by publisher content?

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Absolutely. Thank you for that, Paula. Yes. Even though the context of the conversation is around news but as a broader content provider that content is also exposed to those digital platforms, and they benefit

from that as well. Which is why there is a broader conversation that includes news at the very core. But also relies to our content in and around the news that we provide. As mentioned, we've got the four regions that also stream online as well as that content finds itself online in a variety of means. And perhaps my colleague Kelvin can expand on this point as well.

MR. KELVIN STORIE - PRIMEDIA BROACASTING: Just to excuse me, just to expand on that, so Lindile alluded to it earlier in terms of obviously outgrowing ecosystem as well. So, from a radio
10 perspective, obviously that's only one aspect of the media, we seen audiences that typically, they engage in via social media, via video, shares, engagement, going to even certain events to be honest, that gets repurposed. So, to a certain degree, you know, sometimes we wouldn't be sitting a situation where we've got an audience that typically might not haven't even listened to us, but they've engaged with us via other platforms. So that's where it does kind of start going into a far greater aspect of lifestyle, you know, tapping into elements, the arts, supporting artists, etc. So, yes, I mean, we kind of hence, at the beginning we talked about the 36. 5 million, because that's really,
20 we call it the full media stack offering.

CHAIRPERSON: Can I just take one step back in terms of the digital strategy, you know, just for maybe the radio stations and then EWN separately, because EWN I think does have a slightly different strategy in terms of how it approaches. So, maybe if you could just inform the public and ourselves what those strategies are and how

you use different media for that social media search, etc.

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Perhaps let me start with Eyewitness News. And as mentioned before in the presentation that the content as well as the news is distributed through either voice content, which is an add on radio, we've got video content that's also then distributed through digital media, such as YouTube. Then we have text content, which is through applications and web, and which is where it finds most of its audiences is through web consumption. Through reading, through the videos that are being
10 watched, and hence the importance of this conversation in particular to Eyewitness News. The, and then the lifestyle content in terms of the radios I think they share, actually James a similar sort of strategy, in that the distribution is through linear and existing channels, but also through web where we've got AdTech, we've got video as well as audio that's consumed there. So that at a high level, its content and then as to make it easy for the consumer to access the content, we must find as many distribution points as possible, so that we can create that particular convenience and that's the strategy because it is essentially about the content. But of course, once we then collate
20 all of those distribution points as well as their reach that's what advertiser is interested in. So that we should then be able to package for the advertiser those multiple audiences across the multiple platforms to then say, this is the type of audience that you're looking for. This is the distribution point and therefore this is how you can get access to them, so at a very high level, that's our strategy.

CHAIRPERSON: Maybe just to distinguish between social media and your website, which I might limb with, let's say search, how you see the two is different. We've had some media campaigns that will say look website is the landing page, that's where you can generate revenue. We might use some of the other vehicles to drive traffic to that. Maybe just separate social media and your website.

MR. LINDILE XOKO – PRIMEDIA BROADCASTING: Absolutely. And that's it, because as I said, it's those multiple touchpoints. So social media is really important to sort of disseminate a lot of that content to
10 get to some users and packaged differently. And perhaps if I may ask you Kel here, in terms of how that fits into our business model and expand it a little bit more.

MR. KELVIN STORIE - PRIMEDIA BROADCASTING: Yes, definitely, as I've previously mentioned, I mean, for social media is more engagement. And the way we kind of refer to the sense of lean back, lean forward mechanisms. And for entering a website is a lot more based on intent, and you're going in there for a reason. And that kind we kind of consider as more the sort of the lean forward driving mechanism. If you look at our website as it's stands, it's actually a
20 multimedia distribution element. I mean we got, everything's been merged under one umbrella now offering the sort of the display elements, the video elements, the audio elements, the content elements or within that. And I think it is important within that also to differentiate between our CEO talk radio stations and your music radio stations. Because talk of at the end of the day, it's obviously a lot more

live on the fly information. So, it does have higher traffic that's coming in there because at the end of the day it's trusted mechanism, sort of local relevancy link towards it as presenters that drive it. Whereas on the opposite side, looking at social media, as mentioned, it's engagement it's more about certain events that we're pushing and taking further engagements which have happened on air, taking it further to a different audience for further conversation primarily driven by the presenters themselves.

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: And just to add
10 on that James, there's the appreciation that, there's a conversation that would ordinarily happen out because of what's going on in the news. And as Kelvin is saying is that it's important then to use social media from an engagement point of view to drive that conversation, but then attract them back into the main web and platform for that content to consumer it and therefore knowing that it's insightful and intriguing enough to drive conversation, especially what we're driving around democracy. We need those robust conversations and what Kelvin is saying is that even on air during the talks when we have those meaningful conversations, we know that they go to social
20 media, and we find a way of bringing them back. So, it creates a cycle that always comes back to source and the core which is either the website application or even on air. And hence the importance to Paula's earlier question around, why does Primedia fraise not just the news, but the other lifestyle content? Is because all of these content type feed into one another. What happens in the news as discussed

on the talks. What's discussed in the talks goes to social media and then we create this cycle of content consumption and discussion.

MS. PAULA FRAY: I mean you, I would just use this in quite significant growth on social media platforms, but not so much on your website. Do you have a sense of why that might be?

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: We may have a sense, is because of that conversation that we're talking about Paula. So, there is much more engagement that happens in social media, much more than where environments sit. But also, what we're looking
10 for is a closer collaboration with those players so that we can start to influence what happens on social media then as results in terms of the platform. But because there's no transparency and access to data, I can't really give you actually a very clear answer that says, that's why it's good there, but perhaps then it's not driving as much outcome as were looking for. But once, we hope that this is resolved in the appropriate manner, in a fair manner, then we'll have access to that data and the transparency for us to be able to drive the right sort of initiatives to drive around that fix around that platform.

CHAIRPERSON: Can I just follow up in on that? I mean if you could
20 monetise better on social media, would you be concerned with trying to drive people back to the website or would you use social media for more as a direct revenue stream?

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Kel, do you want to start and then I'll add to this one?

MR. KELVIN STORIE - PRIMEDIA BROADCASTING: For me, I

mean, I see no harm on it, but we definitely want to utilise that. I mean because the screens go both ways and capitalising on that. So, at the end of the day we want to actually drive the largest amount of traffic to our own ecosystem being obviously, the website properties both from a Premier Plus as well as EWN's point of view. So social media is differently important in terms of utilising some snippets of articles that then you can come to the website to have deeper in depth, sort of understanding, accessing video, etc. and vice versa. You know there are elements that always sits on the website that we need to
10 then go and obviously go and catch and capture a greater audience to bring them in. So, it goes both ways, so it'd be vitally important.

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: And just to add on that, James is, and the reason that we are pushing so hard to drive audiences into our platforms, is because of exactly what you say we're not able to effectively monetise social media, which is why we're here today. And to covers but it does go both ways. If we could be in a position of effectively monetising social media as we would like, whilst gaining access to the transparency of the data that allows us to drive traffic effectively to our own platforms, because that's essentially what
20 we package for our advertising community, that would then be to the point I made earlier during the presentation, create a sustainable business model, especially digitally for us.

CHAIRPERSON: Yes, because we've heard from numerous media companies, they don't want to post the full article but that's obviously a written thing. But maybe the full interview that was done, because

then people weren't necessarily going to their insight and they can't earn any revenue from it on social media.

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Absolutely, which is the same as strategy that we are adopting, is to share those snippets, to drive the traffic there. Because that's what we can effectively monetise, on social media we're not able to do that. So, it is effectively giving away content for free when we're just taking it to social media for the benefit of those social media firms. And hence we're having this conversation that without that being addressed in a
10 fair equitable manner. It makes life difficult for our business and business models.

CHAIRPERSON: I just want to stay with social media for a while. You know, radio at least does seem different. I mean, I think you've repeatedly made the point about you go to social media to drive engagement and there is engagement. And many of your radio shows will actively use social media in the engagement process with the presenters. You know, this seemingly must have a fair amount of value for those social media because you're also taking people to them. Get hold of us on Facebook, get hold of us here and engage in
20 competitions, engage various things. So, do you think you bring, you know, the content brings a lot more value to the social media platforms than you're seeing come back?

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Absolutely. So, I think the short answer is yes. It's because that conversation that we have on air does drive a massive engagement and especially to the

example that you make, James is that we then also run through competitions, if they on Facebook, they on X or whatever. And therefore, we know that we are driving because this is a listener that's listening to 947 for example, and we're saying for you to engage with us and stand a chance to participate in this competition and win, go to Facebook and do that. So that is deliberately driving traffic there which is of benefit to the matters and all of that, but without us seeing that reciprocated and kind.

CHAIRPERSON: And the other aspect of radio that we've heard, and
10 it may be in more community radio, but it may extend to yours as well and I'm interested to hear is that radio is also creating a community. Maybe you can just sort of expand on how you see the radio and radio community role.

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: So, James, which is why in the presentation you saw the trustworthiness being the highest. The power of radio is unquestionable. In that, one, it's a companion to whomever is consuming the content or listening to the present that's on air. They form a bond with a Darren in the morning for example, or Bongani in the morning, and they have a specific
20 relationship with them. In fact, I was at an engagement about a night or two ago, where someone who was at that engagement and Bongani was an MC for that engagement, they said this, you are what sets the agenda for me for the day, you are the first engagement that I listen to. And therefore, absolutely this creates a community because then there is a focal point that people tune in to listen to a specific

voice that they appreciate, that they can debate with, that they can have conversations with, and therefore, there's a community that gets built around that. And of course, the conversation doesn't only last there, it actually goes outside of their way these, conversations go to social media which is of great value that we provide the digital players. And that community, we then also created for the Googles, the matters and the organisation that I mentioned in my presentation. So, absolutely it's the best platform creating communities and by extension for the engagement platforms and digital platforms as well.

10 CHAIRPERSON: And do you see that in your social media interactions? Do you see that sort of listener group that have come on to social media interacting in that sort of community way, discussing topics using your platform for that basis?

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Absolutely. And if you'll allow me, let me share what was very powerful feedback that we've gotten from a listener. And if I may, I'll actually reference them by name that represents a specific community. And his name is Dean and he's a visually impaired listener of ours and of course, his then part of that community. So, the importance of our audio media is one
20 where we provide insight, attainment and engagement to a community that is by and large very ignored by society, where we actually haven't walked into their shoes. And Dean had called into 702 one morning to then saying we really appreciate how you've made the digital experience, so easy for us as visually impaired people. And therefore, we encourage, I encourage, as Dean was saying, other visually

impaired people to engage digitally with Primedia 702 and all of that. And therefore, it provides a very powerful medium as well as an empowering vehicle for communities as I was just mentioning and therefor that's the importance of that. And I thought that's important that I make that example. And therefore, I think it's then fair for us, and by the way, Dean is not even based here, he's based in Harare, which then also underpins the importance of being borderless. Because they're looking for the content. And if the digital players are not collaborative with us, they disempower us in our ability to provide

10 this vital and crucial service that we provide, that empowers those communities that we talk about that sometimes we overlook and don't think about. But also, in the discourse and the conversations around fostering healthy democracy in the country, as well as the conversations that we had. All of this is absolutely critical and that's a vehicle of distribution so that that can carry on. And hence we're looking for more collaboration, for more transparency, and for more equitable engagement so that we can create the sustainability because of the power of radio, the power of the news we provide, that they benefit from. Because as I mentioned James, even in the

20 presentation is that we make a decision every single day to invest quite heavily in the resources that allow us and enable us to be able to provide this amazing content that engages, that creates this companionship, that creates these communities, and where some communities actually depend on what we do. And therefore, will continuously invest. But if that investment is being eroded by people

that are taking the content without reciprocating it appropriately, it is a matter of life and death in certain instances, and hence our appeal.

CHAIRPERSON: And I was interested in you comment about the person who came up to Bongani to say you set the agenda for the day. I think for many there's an experience that exactly maybe radio and radio presenters what they pick up, do set the talking points for the day and do you see that followed through into the social media interactions as well and what people are talking about on social media that link between what your presenters are doing and what's happening online?

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MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Most certainly, because it's where the conversation happens. It's where the debates, okay, it's where that high level engagement and detail engagement that Kelvin was talking about, which is James what also our advertising communities actually looking for because they are looking for engaged audiences. They're not just looking for audiences for the sake of audiences. They are looking for highly engaged diverse audiences and will then see to give that example of Bongani in terms of setting the agenda for the day. It's still a talking point, and therefore goes to the Meta, goes to x, and those conversations then carry on. And of course, they'll then come back for more of that, which is that cycle that I talked about of content that happens on a it breaks out onto social media, and it comes back on air. For example, as we know, we are a country, an incredibly beautiful country, but one that has its fair share of challenges. And of course, on 702, which is our

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positioning statement is walk the talk and we actually live that, we walk the talk and therefore we address the tough conversations, we address the challenges that we face. And of course we have these conversations. And then remember James is that these conversations that happen on actually affect people every single day, two weeks without water, for example, electricity problems that we've got, is that even after you've actually listened to the show, even during sometimes then you'll actually be experiencing this either as a small business that can't operate effectively to garner the revenue or
10 engage your clients or suppliers because you don't have electricity and therefore don't get access to connectivity for whatever challenge or you don't have water at home. Therefore, these conversations then carry on in social media. Because they've started in the morning with Bongani having that conversation or Anele, or Darren, or Lester, or in the news in terms of Eyewitness News. Therefore, these conversations carry on because they affect people's lives every single day.

CHAIRPERSON: I think you've raised an interesting point. I mean, at least around talk that the conversations outside of the news bulletin
20 are often still news or community news that then get discussed. So, there is potentially that broader set of content that is very much community related.

MR. LINDILE XOKO - PRIMEDIA BROADCASTING: And if I may give you another example and I know this is, if one listens to an Anele in the morning she'll address for example, a child that was bullied at

school and I think this was actually this morning, where a parent was so aggrieved. And then she had to challenge the school where she went to the principal and couldn't get much help, went to the school and couldn't get much help. What you find in those scenarios, James is that there are other parents actually going through the same thing. And it's a three-hour show, so as much as we have that conversation on air everyone has a voice and they have an opinion or have a view or have an experience that they're also going through, which is why all of those conversations will then break out into social media
10 because they'll reach out and say, oh my goodness, did you listen to Anele this morning? This is actually something that I'm experiencing. And this was so helpful because I got the insights from that. And therefore, that's that cycle and being created time and again, and our content, and because of that engagement that happens on air creates immense value James, for the digital social media companies, immense value because we then drive those conversations, and we know that they benefit greatly because that's what that package that engagement. And then through the AdTech technology that they used the AdTech stack they then benefit from that content that we create
20 because there's also that snippets that go out there, the conversation then carries on. But then that never is reciprocated. And remember that we then as I said, invests a considerable amount of money to make sure that those conversations are heard because we know that our service is a public service. It's of crucial importance in helping people's lives and therefore we continue but we don't benefit when it

benefits the digital giants and they don't recognise, acknowledge or reciprocate that in kind.

MS. PAULA FRAY: I wonder, and we've asked this of other broadcasters that have come here, just to talk very generally in terms of the cost of views, and apart from your staff and obviously day to day costs, you know, what else are you paying for? Are you paying for licensing fees? Are you buying news from other sources? I mean, what does it take to actually have something like Eyewitness News and bring that to your audiences?

10 MR. LINDILE XOKO - PRIMEDIA BROADCASTING: Paula, thank you for that question. I think it's a great question, in that, as I said, we pride ourselves to be a trusted and credible news source and therefore we have to provide robust news. And therefore, we have to use multiple sources. So yes, of course we do acquire content and license content for us. It's an election year for example, that means that we have to resource ourselves appropriately to make sure that we give the people of South Africa -

END OF PROCEEDINGS ON 20 MARCH 2024