

# TPSA

TECHNICAL PRODUCTION  
SERVICES ASSOCIATION

## 2003 MARKET RESEARCH REPORT

The auditing fees associated with this report were sponsored by the following companies and we would like to thank them for their assistance:



AV Systems



Collyer Lessick & Associates



Gearhouse South Africa



Multi Media Staging



Presentech



Pyro Spectacular



Starburst Pyrotechnics

This report was compiled by:

Grant Thornton 

## **Market Research Results for January to December 2003**

### **1. Project Background**

The Technical Production Services Association (TPSA) distributed a questionnaire to all companies on its database in order to quantify the size of the technical production industry in South Africa.

Grant Thornton was commissioned by the TPSA to receive all completed questionnaires and analyse the data to produce overall industry results. Individual questionnaire responses were only viewed by Grant Thornton employees – no TPSA member viewed the questionnaire responses (other than that completed by themselves for their company).

The resulting analysis of the questionnaire responses is presented hereunder.

### **2. Number of Respondents**

In total **61** different organisations submitted completed questionnaires to Grant Thornton. This represents approximately 37% of the total number of companies on the TPSA database.

Of the 61 respondents, 86% claim to be TPSA members.

A complete list of organisations that responded to the questionnaire is provided in **Annexure A**.

### **3. Industry Size in terms of Turnover**

In total, the 61 respondent organisations generated a turnover of **R590 million** during the period January to December 2003.

Extrapolating this information to the entire TPSA database (based on approximate company size) we estimate that turnover for all 193 companies on the TPSA database amounted to some **R1,6 billion** in 2003.

### **4. Industry Size in terms of Number of Employees**

**1 300** people are employed on a fulltime basis by the 61 respondent organisations – an average of 21 employees per company.

We estimate that some **3 300** people were employed during 2003 by all companies (based on the respondent organisation information and an estimate of the size of each TPSA member company).

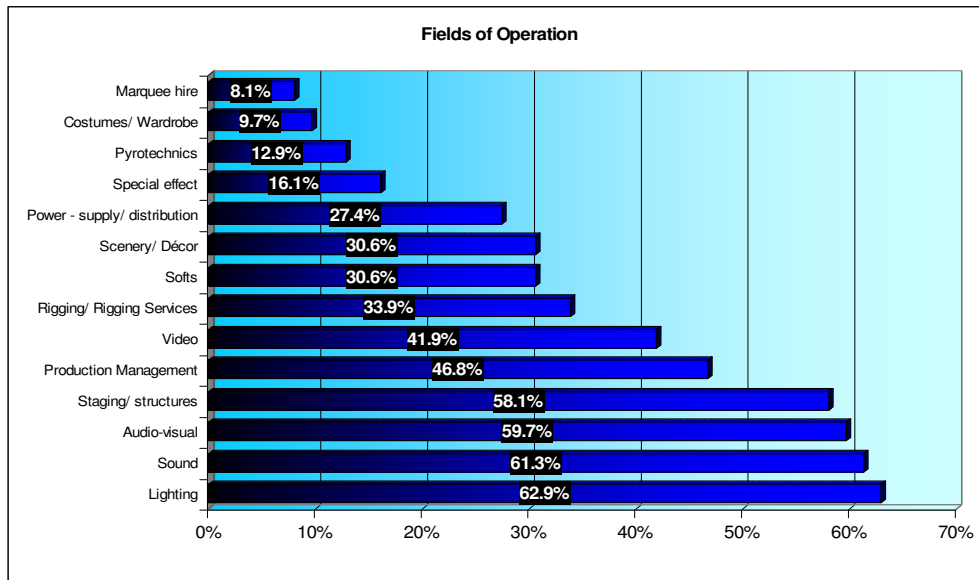
In addition to fulltime employees, on average each respondent company used the services of 12,5 people on a part-time basis each month – a total of 750

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part-time jobs on a monthly basis amongst the respondent organisation. Extrapolating this to the entire TPSA database, we estimate that on a monthly basis some 1 900 part-time jobs were created in 2003.

### 5. Fields of Operation

61% to 63% of the respondent companies operate in the fields of lighting and sound – the most popular fields of operation for technical companies. Less than 10% of companies in the sector provide marquee hire and costume/wardrobe services.



Other fields of operation of some respondent companies include:

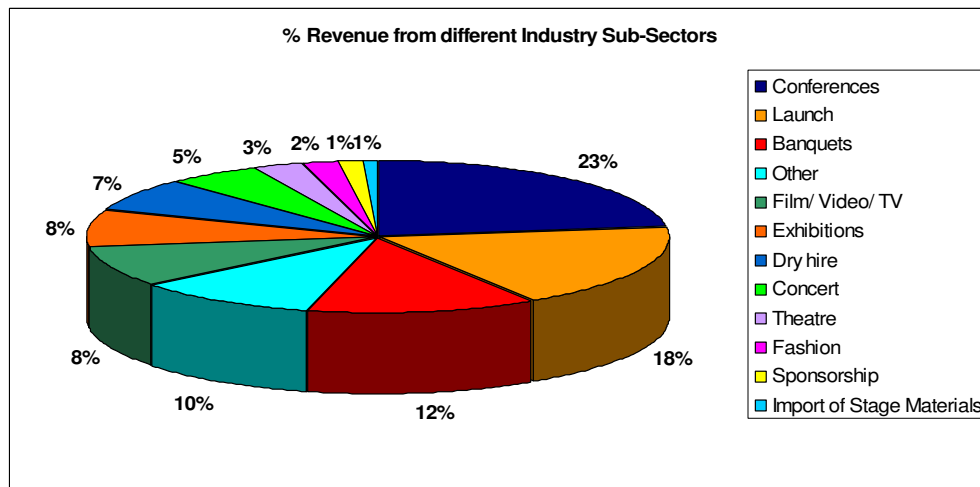
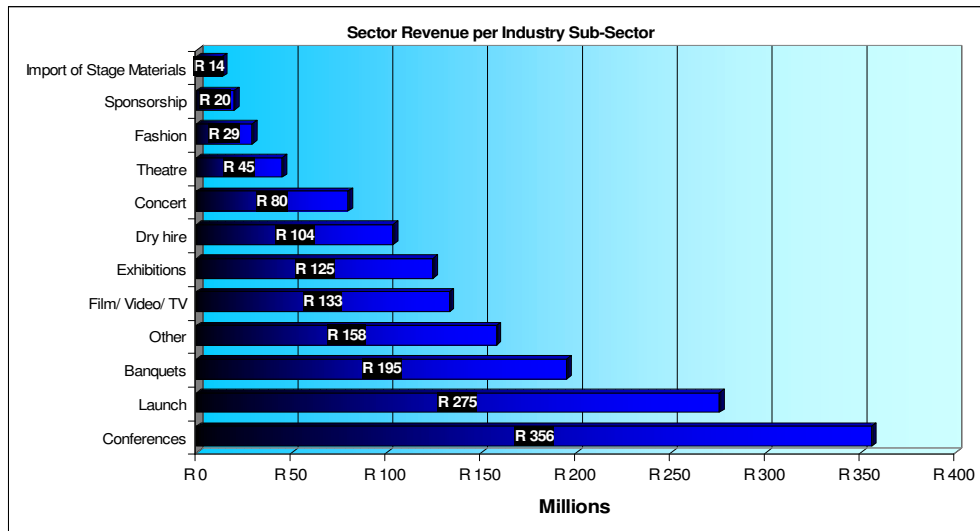
- Exhibition organising;
- Importing of staging materials;
- Speciality stage performances;
- Making of glass gobos;
- Big temporary structures;
- Audio broadcasting;
- Technical consulting;
- Recording facilities;
- Talent supply and entertainment management;
- Entertainment rental equipment;
- Live entertainment acts;
- Sound studio;
- Photography;
- Exhibition stands;
- Lottery, games;
- Displays;
- Posters;
- Design and drawing;
- Hirers of catering equipment;
- Conference and simultaneous interpretation systems;
- Special effects radio;
- Sound studio;
- Scaffolding;
- Sale of equipment;
- Transport.

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### 6. Revenue per Industry Sub-Sector

23% of the revenue generated in the sector emanates from the conferencing industry – the most important revenue generating sub-sector for the technical services industry. The second most significant industry sub-sector is the launch industry (responsible for some 18% of revenue generated in the sector).

Extrapolating this information to the total revenue generated by the sector it is evident that the conference industry attributed more than R400 million to the technical services sector in 2003.

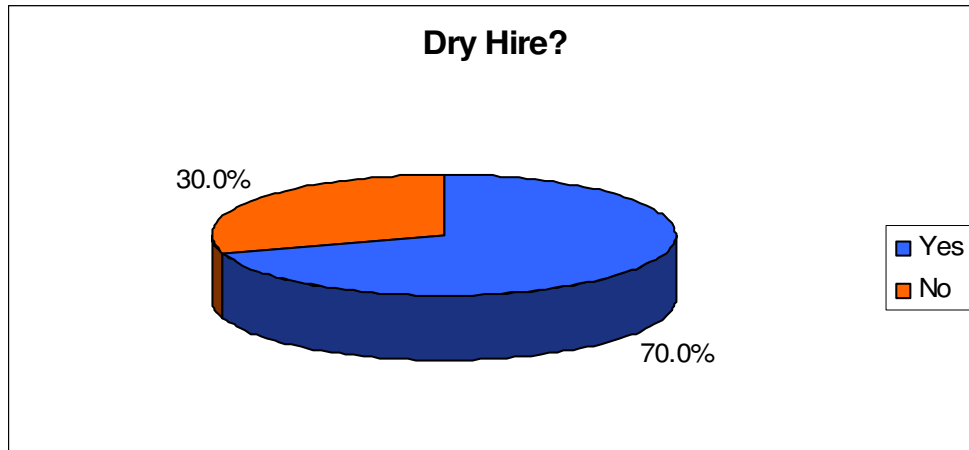


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### 7. Dry Hire

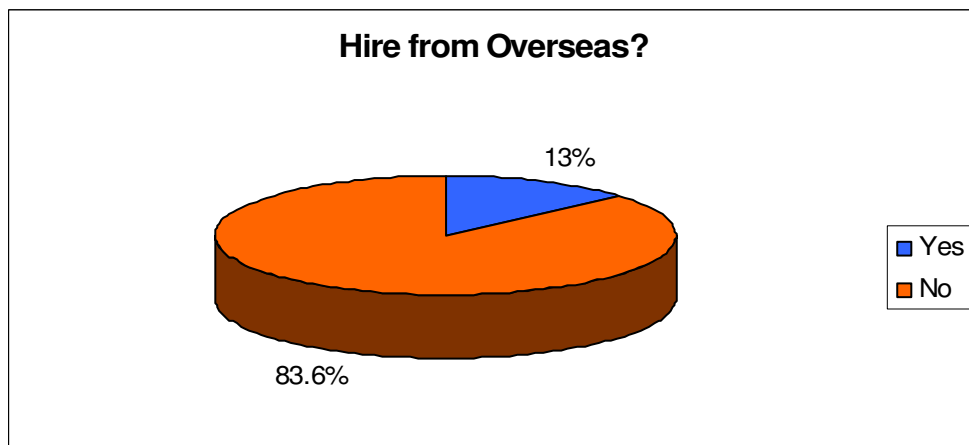
70% of the respondent companies dry hire from other companies, whilst less than a third (30%) do not.

The average monthly value of dry hire in the respondent companies is R2,7 million or some R72 000 per company that dry hires. Extrapolating this figure to the sector as a whole, we estimate that the total monthly value of dry hire by the industry is some R9,7 million.



### 8. Hire from Overseas

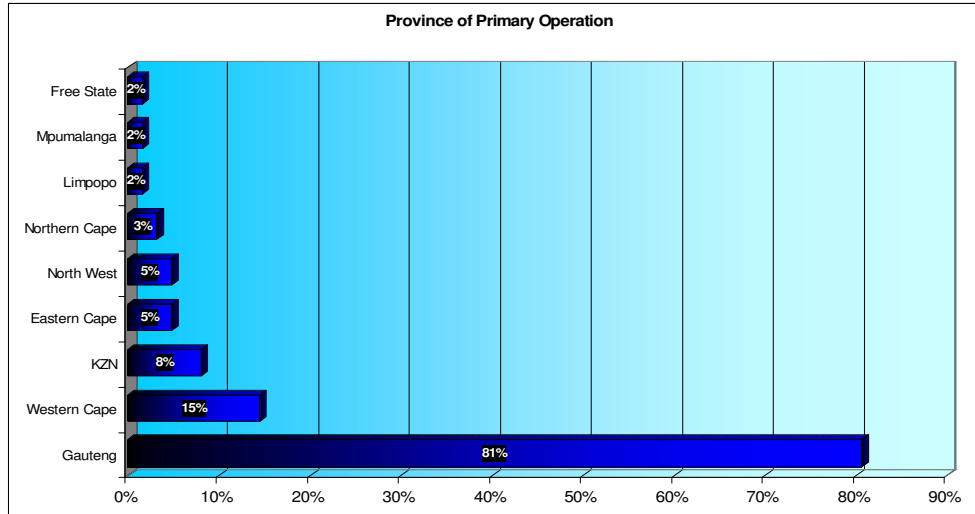
Only 13% of respondent companies hire equipment from overseas for specific events. The average monthly value of this hire is some R450 000 per company or more than R3 million for all respondent companies that hire from overseas. Extrapolating this information to the TPSA database we estimate that each month some R11,5 million is spent on hiring equipment from overseas.



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### 9. Province of Primary Operation

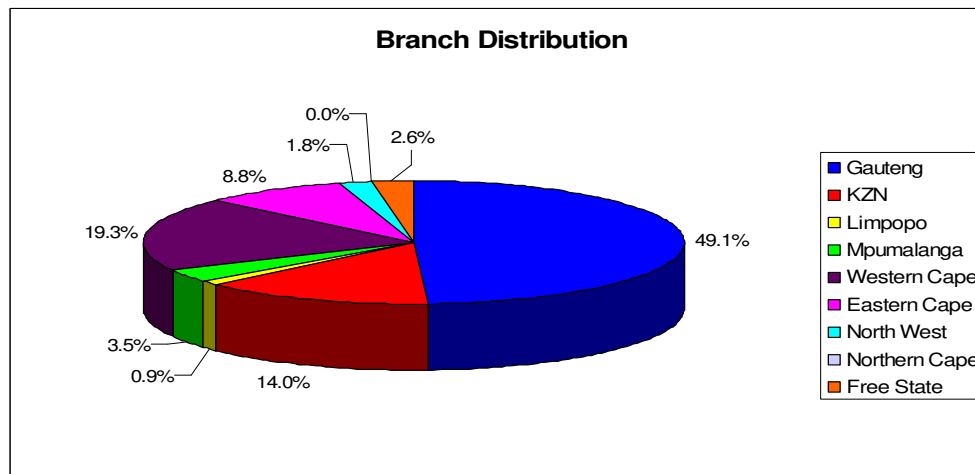
More than 80% of the respondent companies operate primarily in Gauteng (i.e. their head office is located in this province, or the majority of their revenue is generated from Gauteng). The next most significant province for the respondent companies is the Western Cape – but only 15% of the respondent companies operate primarily in this province.



### 10. Number and Location of Branches

The 61 respondent companies have a total of 114 branches (including their head office) throughout South Africa. The majority of these branches (49%) are located in Gauteng.

However, there are only 24 respondent companies (39% of all respondents) that have more than one branch (i.e. head office). On average these companies have 2,2 branches in addition to a head office.



## **TPSA – 2003 Market Research Results**

This report is based on assumptions from the information provided by respondent companies extrapolated to other members on the TPSA database. This is the first Market Research of its kind and we hope that there will be more respondents in future.

The TPSA will endeavour to do another market research at the end of 2004, providing there are funds to cover Grant Thornton's costs.

For any queries regarding this report, please contact the TPSA as follows:

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**The TPSA would like to thank Grant Thornton for their assistance in compiling this report and thank all those that responded to the questionnaire.**

## **TPSA – 2003 Market Research Results**

### **Annexure A**

Completed questionnaires were received from the following:

Asiboni Mbala Events	Oasys Innovations
Aurant Communications	O'MAGE
AV Direct	Pebo Productions
AV Systems	Presentech
AV Unlimited	Production Projects
C & S Audio	Pure Sound
Cape Town International Convention Centre	Pyro Spectacular
Collyer Lessick & Associates	Quality Assessment
Congress Rental South Africa	Questek Marketing
Corporate Office Systems t/a The Hire Zone	Redbox Corporation
Custom Gobos RSA	RPS Remote
DPH Productions	Set Squared
ETA Audiovisual	Sets Non Stop
Event Resources	SGB Scaffolding Systems
Exhibitions for Africa	Shattered Glass AV
Wells Fireworks	Showgroup
Gearhouse South Africa	Sound Stylists
In Living Colour	Spectrum Visual Networks
IT Entertainment	Stage Magic
Jeremy Kusner Productions	Starburst Pyrotechnics
Joburg Set Company	TCH Visual Communications
Just Sets SA	The AV Alliance
Kapok	The Event Production Company
Melanie Keartland	The Light Connexion
KZN Wedding & Functions	The Sight 'n Sound Group
LP Unlimited Productions	Toxic Sun Audio Visual Production
Lucidity	Upstage Lighting
M.J. Lighting	
Magnetic Storm	
Mark Klein Productions	
Matrix Corporate & Theatre Sound	
Mersey Sound Productions	
Mukhtar Hiring Service	
Multi-Media Staging + Projects	