

The revolution will be digitised and automated

 By [Joey Khuvutlu](#)

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Due to the cumulative economic effects of the last few years, our clients' businesses are facing significant economic pressure, which, as we all know, has been drastically accelerated and compounded by the Covid-19 pandemic.



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And while all global economies have been affected, the pressure in South Africa differs from most of the rest of the world. Here, our recovery is based on a set of variables: economic, political and social that do not impact very many other countries in the same way.

This pressure has meant that companies have turned to all of their departments to prove their ROI to their businesses.

And, in cases where truly efficient ROI cannot be proven, then cost-cutting has become the order of the day. For example, recent pitches for business in the telecommunications and banking spaces requested the pitching agencies to deliver the same amount of work as the incumbent, but for (far) less money.

Unfortunately, the procurement department has, for some time now, played an influential role in selection of all services

within all types of businesses. It is my fear that the economic pressure caused by Covid-19 will only see the power and influence of the procurement department grow, resulting in cost becoming the most important deciding factor.



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In the marketing sphere, this will further devalue and commoditise creative services, resulting in the continued 'juniorisation' of the creative industry as agencies battle to produce more work for less, while trying to remain profitable growing concerns that deliver reasonable shareholder value.

Large agencies have also seen a shift in the competitor space. Smaller and more agile agencies are winning accounts that were 'traditionally' only accessible to larger established agencies. This is because of the smaller agency responsiveness to the client need, both in terms of timing and an ability to adapt to the way they resource jobs without adding a massive cost burden.

“ ROI and automation can no longer be buzzwords. ”

The other reality though is that, for the most part, we agencies have been slow to move in terms of efficiency and optimisation.

We have not optimised ourselves against the tools that help optimise processes, or that offer the automation of basic redundant tasks, both in admin and creative. We also haven't looked at our processes and overheads with an eye to deploying technology to making those more efficient.

Instead, we've stuck to the channels where we were most comfortable and traditionally drove the most profit. Those channels now are the ones under the most pressure from both cost-cutting, and the digital maturation of the South African consumer (given a serious push by Covid-19).

“ I am not predicting a trend. Rather I hope that my thoughts contribute towards fuelling a trend, and that is, for agencies to truly embrace digital transformation for internal operations. ”

We have talked about digital transformation for our clients for some years now. We have not done this for our own businesses and our own operations. If the advertising industry is to prosper, we need to transform how we work and with that will come new business models.

Clients will continue to look for cost efficiencies with increased outputs, but as an industry we cannot allow the standard of our creative outputs to drop. If anything, creativity is more in need now than ever; it's a new world we're living in.

So, it will be key for us to look at the outputs that we can automate. Automating those low-value, repetitive tasks means that budgets can be invested back into the high-value strategic and creative specialists and tasks that clients look to agencies for.

And, while creativity is the ultimate product that we sell to grow our clients' brands, we need to extract data and deploy technology that unequivocally demonstrates the ROI of the work we produce. It is only when we empower marketers with data-backed evidence, that we will assist them to not only defend marketing budgets, but to grow them.

We need to go beyond the 'award-entry', post-campaign, reverse-engineered results as the basis of our value proposition

and bring more predictable science and richer evidence of the value of our work, and the tools to do this exist.

That said, we can only do this in partnership with our clients, because much of the critical data to deliver on this sits with them and, to date, clients have not shown a willingness to share richer data with their agencies, the kind of data that they openly share with consultancies.

The advertising industry is not going anywhere, but if we are to prosper instead of merely surviving, we need to transform the way we work – and quickly!

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