

SA's digital agencies target offshore outsourcing as growth opportunity

By [Carli Gey van Pittius](#)

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Organisations around the world have, by necessity, adopted remote working models during various stages of the pandemic to help contain the spread of the virus. This has worked out so well that vast swathes of the global workforce seem set to work from home at least some of the time even once the Covid-19 crisis is over.



Carli Gey van Pittius, digital media specialist at +OneX

That's not news at this point. However, one of the more interesting implications of this shift is that we can expect to see an explosion in offshore outsourcing as companies turn the whole world into their labour pool. After all, once a job can be done remotely, it becomes less relevant whether the worker's home is London, New York, Cape Town or Mumbai.

Over the past few months, we have received many queries from agencies in the UK looking to supplement their digital skills with offshore services from South Africa. Providing operational and technical digital marketing skills is thus emerging as a potential growth market for our digital companies, building on our strengths in other offshoring services.

South Africa has a well-established call centre and business process outsourcing industry, employing nearly 73,000 people and generating around R1.9 billion a year in export revenues. As Amazon's fast-growing presence in Cape Town shows, we are also building a formidable reputation for offshore software development.



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Covid catalyses skills demand

When it comes to digital marketing, new opportunities are opening up due to accelerated digitalisation in the wake of the pandemic. With everyone working, shopping and socialising online even more than they did before Covid, brands and agencies have needed to step up their digital marketing executions.

As they do so, they are facing a skills shortage as well as steep increases in overheads. Many are thus looking to countries with lower labour costs and good skills supply to close the gap. Agencies, in particular, are looking to ramp up the amount of tactical work they can take on without needing to recruit or train more employees.

With margins under pressure in the face of lower client budgets, some are also looking for ways to increase profitability. Outsourcing nuts-and-bolts work like campaign management, data management or programmatic buying lets them focus on the more lucrative strategic consulting work that they consider to be their differentiator.

South Africa's unique advantages

Yet they are also deeply aware that they cannot afford to compromise on quality and reliability. As such, they need to work with agency partners that can deliver to global quality standards.

South Africa is especially well suited to step into this gap because we offer high skilled people with relevant certifications at a significant discount to European or North American rates.

Our advantage isn't just about labour arbitrage – we also offer good infrastructure, high levels of English language proficiency, a shared time zone with Europe, and a similar working culture to destinations such as the UK. This removes many of the cultural and communication challenges companies encounter in offshoring to destinations in other parts of the world.



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3 Nov 2021



At +OneX we have engaged on a number of projects in the UK since the start of the pandemic, and we are finding that the work we are doing for offshore companies offers benefits beyond the financial. It's great that we are able to grow our business, of course, but we are also expanding our skillset and enriching our people's experience through these engagements.

In particular, we are gaining exposure to products and platforms that aren't yet available or widely used in South Africa, such as Pinterest Ads and Apple Search Ads. We are also gaining access to global good practices and new ways of thinking, helping us to keep ahead in a fast-moving digital market. This, in turn, benefits our South African clients.

In years to come, we believe that offshoring of digital marketing work will offer a significant economic and job creation opportunity for South Africa. There is enormous value to be unlocked for agencies in other countries and local agencies in this market, which could follow the same road to success as South Africa's BPO and contact centre space.

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