

South Africa on par when optimising the client-agency relationship

Trends globally indicate a slight increase in the number and duration of relationships with creative agencies.



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Traditionally, marketers work with a larger number of creative agencies, but maintain longer relationships with media agencies, though recently these trends are not always true, this is according to the Scopen Agency Scope South Africa 2017/18.

South African marketers work on average with 1.92 different advertising agencies and 1.12 media agencies. The average duration of marketers and creative agencies relationships in South Africa is 4.26 years, which is on par with the global average. (4.26 vs 4.47 global). Marketer – media agency relationship lasts for an average of 4.12 years, below the global average of 4.81 years.

The integrated-advertising agency relationship figure is lower than the global average for advertising agencies (0.68 vs 1.48 globally) only UK leads the ranking with 2.75 advertising agencies per marketer.

South Africa - Number of agencies and duration of the relationship with marketers

Advertising Agencies	2016	2017	Media Agencies	2016	2017
Number of agencies	2.64	1.92	Number of agencies	1.11	1.12
Duration in years	5.32	4.26	Duration in years	4.82	4.12

Creative agencies (Number of agencies)

Global	Argentina	Brazil	Chile	Colombia	Mexico	Spain	UK	China	South Africa
3.65	2.69	2.96	2.08	1.65	2.29	1.98	10.33	5.37	1.92

Creative agencies (Duration of years)

Global	Argentina	Brazil	Chile	Colombia	Mexico	Spain	UK	China	South Africa
4.47	4.87	4.95	5.16	3.97	4.26	4.48	5.42	3.55	4.26

Media agencies (Number of agencies)

Global	Argentina	Chile	Colombia	Mexico	Spain	UK	China	South Africa
1.15	1.24	1.17	1.03	1.14	1.13	1.30	1.08	1.12

Media agencies (Duration of years)

Global	Argentina	Chile	Colombia	Mexico	Spain	UK	China	South Africa
4.81	5.25	5.02	4.85	4.41	5.21	5.21	4.62	4.12

Marketers looking for simplified approach

Johanna McDowell, partner at Scopen Africa and CEO of the Independent Agency Search and Selection Company (Pty) Ltd believes the reason for the drop in the number of years of the relationship between marketers and agencies is due to the size of the study sample which involved 220 top advertisers in 2017 compared to 70 top advertisers in 2016.

She comments, "What we observed is that the very big marketers tend to have longer relationships with their agencies because of the complexity of their business and the size of the budgets that they spend. This probably prevents them from changing agencies more frequently."

Other global trends suggest that marketers depend on their agencies to be their marketing departments and deliver on their needs. At the same time, marketers are looking for a simplified approach because the average CMO is responsible for a lot more than just marketing in their business.

Distinct specialisations

Another trend from Adforum indicates that there is an increase in clients who are appointing agencies on a project to project basis as opposed to as agency of record. The reason for this is that clients do not want to move the account in its entirety straight away and would rather try out an agency first on a project basis. In addition, there are more areas of specialisation that marketers need which were not available and not as necessary three to four years ago.

The UK ranks the highest in terms of number of agencies per marketer where they average 10 agencies. This is because the market there is so huge and complex with large budgets and most often the marketers work across Europe requiring more specialist agency services.

Looking ahead to next year's study Agency Scope South Africa 2019, one can speculate that we may see that marketers in South Africa would prefer to have all services under one fully integrated roof.

McDowell continues, "Although, they might like a fully integrated approach, marketers are starting to recognise that certain agencies have distinct specialisations that will be needed for certain projects on an ad hoc or continuous basis depending on particular needs," she concludes.

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