

# The need for the advertising industry to modernise

By  Alistair Mokoena

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There has long been a need for the advertising industry to modernise. Now digital transformation is upon us and change is non-negotiable. At the same time, the industry is facing disruption from new entrants.



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No longer is advertising creation the sole preserve of advertising agencies. Consulting firms are getting into advertising. The platform owners – Google, Facebook and Amazon – now sell and create advertising. Clients are using technology and data to insource marketing services. Brand managers are doing their own community management and social media is shrinking...

## Modern marketing challenges

These modern marketing challenges require serious introspection on the part of agencies, but they also present vast opportunities to rejuvenate the advertising industry and deliver a broader, more holistic service to our clients.

The customer decision journey has several steps. It involves creating awareness, signing up customers, increasing sales, problem solution, customer retention and deepening relationships. As advertising agencies, we have traditionally been involved in the beginning of the journey – creating demand and sales.



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Today, the prospect of becoming involved in other stages of that journey is an attractive one for agencies open to expanding their capabilities and reinventing the way they work. If we can develop the right skill sets, we can play across the entire value chain.

Marketing has changed irrevocably from what it was only a decade ago. Clients now look to agencies to help them win with consumers who are always connected, on multiple channels and exposed to media streams from innumerable sources.

Budgets are tight and clients want rapid innovation.

## Opportunities in digital disruption

Delivering in this environment means agencies must embrace the opportunities in digital disruption, and build the skills to work in this space. Once we have those skills, we can use them to help our clients develop a strategy. The agency then becomes a digital consultancy instead of just a supplier.

For ad agencies to make this change to a broader professional-services offering, they may have to redesign their entire internal ecosystem.



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It is one thing to offer a wider suite of services, crafts and capabilities, but clients want simplified functionality. They want to access all these services from one point of contact. A Byzantine corporate structure of a dozen subsidiaries confuses clients and hampers delivery.

Modern agencies need to ensure they have the most efficient structure, processes and technologies. Agencies must be quick and agile, and customer-centric, as they play across a bigger part of the customer decision journey. They can be more relevant to client businesses and have more control over the outcome.

This is uncharted terrain for many agencies, but there is no time to lose. We must adapt our business models, our structure and our offerings – many of which have not changed since the middle of the last century.

## Put the customer at the heart of what we do

We must simplify how we work, and provide a seamless client experience, with a single point of accountability, and a structure that's nimble and cost-efficient. This will enable us to partner more effectively with our clients. It may also mean new compensation models linked to sales or other deliverables, instead of the traditional time- or project-based approach.

The people in these new agency structures must be fully conversant across different capabilities, without any duplication of skills. The agency of the future won't just provide creative ideas for marketing communications, but ideas to win with the customer and to succeed as a business.

We must now put the customer at the heart of what we do, to consider the entire customer decision journey, and not just create demand.



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Brands have multiple stakeholders – the brand owners, the marketers, as well as society and the broader community. Our challenge is to make the brand matter across all those different stakeholder groups, to maximise the potential success of the brand.

Every industry is affected by digital disruption, structural change and greater customer demands – from the motor industry to financial institutions to the media. Every CEO is grappling with digital disruption, fighting to survive, trying to win with the new, multi-connected, always-on consumer.

The agency of today is no different. How we adapt to these challenges and create new ways of approaching business and building brands will determine whether we survive or prosper in the new marketing environment.

### ABOUT ALISTAIR MOKOENA

Managing Director of Ogilvy & Mather Johannesburg. Mokoena has agency and brand experience spanning 17 years. He has held marketing positions across various consumer brands, including Mondelez, SABMiller, Tiger Brands and Unilever. He joined ABSA Bank as Head of Marketing: Retail and Business Bank, founded his own marketing consultancy, Birds Eyeview and, in 2013, was appointed MD of FCB Johannesburg. He joined Ogilvy in 2015. He holds an MBA as well as a BComm and LLB degree from Rhodes University.

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