

# Marketing spend under pressure

By [James Cloete](#)

1 Feb 2016

I'd like to see a resurgence of client spend during 2016 - but I'm not anticipating it. Instead, I think that the economy will continue to be under pressure, and this will shape the way that brands and marketers behave.



When businesses come under strain, marketing budgets always take the hit first. Although it's been proven that brands that spend more during recessions tend to come out of the dips faster, the fact is that when bottom lines are under pressure, companies cut what they perceive to be the soft stuff - and in most cases, marketing falls into this category. Of course, this isn't true of all companies, but there are very few organisations that are truly brand-led.

The decrease in marketing spend that I anticipate will mean that brands will have to be more creative in how they speak to consumers. I'm not just referring to original thinking, although that also applies; rather, marketers and their suppliers will have to be smart about how they use their apportioned spend.

## Increase in digital media spend

As a result, we're likely to see the use of digital and social media continue its upward trajectory, in spite of the fact that South Africans are not yet completely in touch and up to date insofar as technology is concerned. Still, they're relatively cheap mediums, and as more media spend is invested in these areas and access to internet grows, we'll see South African practitioners using them not just more often, but also more effectively and creatively.

## Measurability need

Another consequence of the industry coming under economic pressure, and another reason for my opinion that there will be an increase in spend on social and digital media, is the need for measurability. Clients are demanding a trackable investment, and these channels deliver.

While I'm a big believer in brand building and brand advertising, which traditionally are achieved through consistent and long-term above the line communication, it's very difficult to deliver or prove quick turnaround results in the ATL space. Brand building is, after all, a slow burn process and much of the effect that you make takes place on a subconscious level.

Now, I personally think that this is one of the most important shifts you can create among consumers or would-be consumers, but it's much more subtle than the immediate and clearly visible results achieved through digital and social channels. The value of the impact you make can only be seen by looking back over long stretches of time.

I believe we'll also see greater spend in other below-the-line areas, too, with big growth in shopper marketing especially.

The overall impact on the industry insofar as agencies are concerned, is that it's going to become increasingly difficult for larger agencies to maintain their working models. I predict that, more and more, we'll see smaller agencies servicing bigger clients with integrated TTL thinking and making use of outsourced creative and production resources in order to meet executional objectives. Expect to see agencies running leaner, shrinking and expanding according to clients' requirements on a project-by-project basis.

Regardless of trends which may come and go in 2016, the one enduring truth is that the need for strong, insight-driven ideas will never go away. That was, is and will always be how you create resonant content and relevant communication between brands and consumers.

## ABOUT JAMES CLOETE

James Cloete is a Creative Partner at Pangea Ultima. Cloete worked at Sonnenburg Murphy Leo Burnett, Network BBDO, Metropolitan Republic and The Jupiter Drawing Room, before joining DraftFCB as Executive Creative Director in 2009. 2014 Saw James join 7 Different Kinds of Smoke, a new breed branded entertainment agency. He co-founded Pangea Ultima with Haydn Townsend and Gareth Lessing. 7dks is now just one part of a TTL collective of independent specialist agencies, which are all serviced strategically and creatively by Pangea Ultima.

■ [BizTrends 2016] Marketing spend under pressure - 1 Feb 2016

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>