

Local agencies' market understanding gives them the edge over multinational players

 By [Andre Steenekamp](#)

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With so many multinational consumer brands making an aggressive push into the African market, the big-name international media, marketing and agencies are not far behind them. In exchange for their top-dollar consulting rates and high-end technology, they promise to bring global expertise and best practices to African brands and businesses, in turn helping us to catch up with the rest of the world.

Yet, in reality, some of them have little to offer clients in South Africa besides the glamour of their names and the prestige of their international client lists. There are those that invest in building a local skills base and take the time to research the market, but there are also many who don't take the time to listen and understand what their clients need.

I remember, for example, sitting in on a pitch in Ghana when a hot-shot from a global service provider tried to sell the bemused client an agricultural product for wheat and sheep. If only the multinational company had taken the time to listen before it spoke, it would've known that wheat and sheep are about as common on Ghanaian farms as lions and proteas are in London.



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This is a mistake that we've seen many companies repeat across Africa, whether they are FMCG giants selling deodorant, technology companies pushing expensive software or agencies offering the latest digital marketing solutions and practices. Having a proven global track record is not enough – you also need to attune to the local nuances of the market you are serving.

That's why clients are often better served by working with local companies – or those with an established local presence – rather than those that ship in international skills. While an understanding of global practices and the latest technologies can be valuable, it is as important to understand the finer details of the relationships African consumers have with brands as well as how they consume media.

For example, many of the lessons that international agencies have learnt about how their customers use high-end smartphones or watch streaming video or respond to brand interactions might not apply in many African countries. The customer journey can be very different and the markets can be highly fragmented and diverse, with a large split between urban and rural populations.

And as an aside, so many of these companies also make the mistake of thinking that sub-Saharan Africa is split between South Africa and the rest of the countries, when there are important differences not only between regions and neighbouring countries. Is it worth paying a premium in dollars or euros for people who do know their stuff when it comes to the technology, yet don't understand the local market? I'm not convinced it is.

The good news is that there is an abundance of good talent in South Africa when it comes to digital skills; the fact that some of the savvier international players are spanning up homegrown agencies is testimony to that fact. Those that are most successful let the South African business and its affiliates in other parts of the continent operate as they always have.

On the whole, I think it's a good thing that so many brands and marketers in Africa are eager to learn from the rest of the world. At the same time, we have no reason to feel inferior or to think that local companies and skills are sub-standard. My advice thus is to look carefully at your requirement to understand if you really need an expensive resource from a multinational to do the job.

Often, you'll find that a local agency has the technical skill plus the local understanding to add more value, and at half the price. It will be operationally structured to support you in a long-term relationship rather than to deliver a project and then disappear. A smaller business that focuses on your country will often work twice as hard for your business and be 100% more loyal; what's more, your support will encourage it to keep developing powerful capabilities and skills to service the local market.

An agency with plush offices in Canary Wharf in London might have the glitz and glamour, but does it really understand Africa's diamonds and dust? If it doesn't, does it have the patience and humility to learn? Finding out can be an expensive exercise for brands with limited budget.

ABOUT ANDRE STEENEKAMP

As CEO of 25AM, Andre Steenekamp leads the company's expansion in South Africa's fast-growing digital marketing and advertising space. His 25-year career has seen him work in a range of sales, marketing and management positions for leading traditional and digital publishers and agencies. Steenekamp was appointed to his current role following the acquisition of a 50%-stake in Acceleration Media by Times Media Limited.

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