

Predicting 2023 for creative agencies and clients

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The first quarter of 2020 brought a shocking halt to business leaders' end of year predictions in 2019. This, then, is a look at 'likely' industry events and inclinations through my crystal ball, experience and intuition.



Source: © Canva Studio [pexels](#) It's clear that in the creative industries, creativity is enhanced by being in contact with colleagues

A need to tread carefully

A brief glance back at this year shows that while there was a fair amount of pitch activity over the last 12 to 18 months, it hasn't caught up to pre-pandemic proportions. Indicative of the marketing industry having navigated the changes Covid brought and being more ready to engage, we anticipate the likelihood of more pitches happening early in 2023.

On a cautionary note, I'd say we need to tread carefully. Note which clients are pitching again, largely due to some bad habits created over the last three years. These pitches may be a sign of a marketer attempting to change too quickly, or a sense of anxiety among agencies and marketers afraid of missing out on any new technological advancements that could improve their growth.

This anxiety may be seen in companies spreading their resources a bit too far, thereby fragmenting their budget rather than focusing it. I believe by the end of 2023, there will be a re-focus and marketers will start consolidating again.

A discernment from agencies in 2023

However, for right now and into the first part of 2023, there will be a bit of a run on the smaller pitches, particularly with regard to anything data and digital. My sense is, it's all part of marketing and a sector marketers do need to explore.

This is not in any way a bad thing, but it does seem that marketers are looking to be certain that they are truly tapped into the latest thinking and technology; and that they have the right partners in place. Growth anxiety in the first and second quarters is likely to be a key talking point as marketers dip their toes into various tech waters.

A spin around the crystal ball shows that, paradoxically, agencies are not going to be quite as anxious to jump onto the next big thing. I believe they will be fairly discerning about what they will and won't pitch on, which we've seen as a result of a shortage of staff, post-Covid recovery and a focus on ensuring existing clients are well taken care of.

In 2022, a lot of growing up took place rapidly, and there's a greater maturity in the industry now. Many agencies have reduced in size of staff and premises, and their cost base isn't as punishing as it was perhaps three years ago. So, their discernment is real and a good thing.

A great opportunity for local businesses

What I'm hoping for – and always do – is a few new start-ups. Not sure where they're going to come from, but there is a lot of talk and movement around the technology space in terms of fintech and new tech in general.

These are interesting industries, and we can expect more start-ups in the financial sector. I'm wondering what that may spawn in terms of agencies - will there be agencies that need to specialise in that area? I believe so.

It's a great opportunity for local businesses, as has been seen in the US for around four years. It's something that will require ad agencies, marketers, public relations and communications specialists to glean knowledge quickly to provide services.

During Covid, PR was vital and took up its rightful place. There was reputation management, healthcare, cause and other communications that needed to be heard.

The burst of activity in 2020 and 2021 seemed to die down with the onset of 2022, but perhaps the growth in digital and online activities will create opportunities for PR agencies with the required knowledge and experience.

The CMO and agency partners' conundrum

Recent studies show that the average number of agency partners and platforms in South Africa is 13, but some have as many as 20. It may be prudent to have fewer partners and we're wondering if this scenario will change, given it also means a fragmented budget.

Senior marketers are seeing this gap in their communications and noting what they must do to rectify this. Greater skills are required, including knowledge about what is possible in terms of technology.

What we may see here is a closer relationship on the client side, between the technology and marketing teams, who will need cohesion and expertise to create effective messaging.

Coming to the party

Finally, the big "work from home" debate will continue into 2023. While some leaders in the marketing and agency side are succeeding in getting their staff to come back to the office, others appear to be considering their stance. It's clear that in these industries, creativity is enhanced by being in contact with colleagues.

While there's much to be said for working from home, there's an equal argument for the value of having a diverse group in face-to-face planning and producing creative initiatives.

I believe we need to be measured about our solutions and create in-person moments that add real value.

Merely having staff members in the office two days a week is not really the answer, unless leadership motivates attendance by bringing teams in to work to create, achieve and grow together through projects and campaigns.

By creating opportunities to see the C-suite at work and be a part of shared imagination and innovation, enthusiastic staff will want to be there. When the desire to be with colleagues is ignited by the benefits to an individual both creatively and career-wise, they will choose to be where the chemistry happens

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MD of the Independent Agency Search and Selection Company (IAS), and partner in Scopen Africa, with a background that includes being on both the agency and the client side of the fence, Johanna McDowell is well-placed to offer commentary on marketing and advertising in the South African and international contexts. She built her career in marketing and advertising since 1974, holding directorship in both SA and British advertising agencies. She was MD of Grey Phillips Advertising in 1988.

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