

# Agency Scope: Creative agencies contribute to clients' growth increases in 2023

The latest *Agency Scope South Africa* stats show an overall improvement in the average contribution made by creative agencies to clients' business growth.



Source: © 123rf [123rf](#) In 2021, the average contribution made by creative agencies to clients' business growth was 26%. This is up by 4% in 2023, while media agencies have maintained their 34% contribution from 2021 to 2023 says *Agency Scope SA*

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Marketers know that to maintain a contribution to business growth according to what the client sees is good, but to be able to increase it as creative agencies have done is excellent.

## Creativity delves into the realm of business growth

Scopen co-founder and global CEO César Vacchiano, and Johanna McDowell, Independent Agency Search and Selection Company (IAS) and Scopen partner concur that this data underscores marketers' suggestions that the importance of creative agencies cutting through the clutter and producing workable strategies is vital, and it shows in the Scopen study responses.

This is being recognised across the board, particularly in business growth.

“To impact business growth at the same level with less money across two years shows creativity is key,” McDowell asserts, noting that it is not just creativity in terms of ideas, but also media strategising and creative implementation of financial spend across the various platforms and in a variety of ways to reach target audiences.

“In the final analysis,” says Vacchiano, “creativity in every sense of the word has taken a vital leap into how marketers and agencies conduct business with a steady eye on growth.”



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## Hardest question

McDowell says by far the hardest question for marketers to answer in the Agency Scope study is, “How much has your agency contributed to the growth of your business?”

It is, she notes, one of the last questions in the study and the one that has marketers scratching their heads given the difficulty of considering the sheer number of factors that contribute to business growth.

“Agency contribution to growth is not just about the advertising or the return on investment, which would be too simplistic,” says McDowell.

“Larger marketers, in particular, understand the number of factors that may account for business growth, including product, price, distribution, among others.”

In some instances, marketers don't or can't answer, but the many who do respond have enabled *Agency Scope* to determine that creative agencies contribute just slightly under 30% to their client's business growth, while media agencies are contributing just under 34%, she says.

“The answer to this question is also a factor in determining the net promoter score (NPS) the agency achieves.”



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## South Africa versus rest of the world

According to Vacchiano, comparing South African contributing agencies to their global counterparts is important in setting benchmarks and the trends that drive them.

“The global average for creative agencies in the Scopen markets is 32%, while the media agency average is 33%. Of the two, media agencies would be easier to track, because they have more data that can prove business growth and they share their various analyses with their clients,” explains Vacchiano.

“Considering another statistic; the percentage of spend on advertising when we look at the investment ratio of the amount of money invested in advertising communication by marketers to their company turnover figures, then marketing, communications, advertising and media budgets were around 4.2% of turnover,” asserts Vacchiano.

“In 2023, it stands at 3.5%, showing the investment in the four sectors above has dropped considerably, highlighting that budgets have had to work harder,” he adds.

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