

The acquisition spree

 By [Adrian Hewlett](#)

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"It is the end of the stand-alone digital agency."

Mergers and acquisitions of agencies across the digital, media and FMCG industry in South Africa continued unabated in 2014 and has revealed a much changed industry landscape for 2015 as the push into Africa is consolidated.

"2014 was characterised by the massive acquisition spree, of which we were part of. All acquisitions need to now bed down and become real propositions," says Adrian Hewlett, CEO of Publicis Machine, acquired by the Publicis group last year.

The shake ups are inevitable, Hewlett says, after the talent acquisition drive that agencies like Ogilvy & Mather South Africa have been on, merging with Gloo late last year, beefing up their leadership across the spectrum; and the aggressive investment by international agency networks WPP, Omnicom and Publicis, in South African over the last few years.

He wonders out aloud whether the two big advertising agency independents left - King James and Joe Public - will be able to resist the lure of international investment and further growth into the 'promised land' of Africa.

For Hewlett, the biggest trend for 2015 is, which of the top 10 agencies next year will reveal themselves to be truly integrated, despite all the acquisitions and new alliances.

"It is the end of the standalone digital agency. Some agencies are producing integrated work, but most cannot claim to be totally integrated, with digital thinking at the core. The measure of that will be the work - delivering fully integrated work out of the mothership, not having to pull in sister specialists.

"It will be so interesting to see how the top 10 agencies play this out in 2015 and who will be able to call themselves a full integrated agency at the end of it. Diversity is also an issue - Ogilvy & Mather SA are by far the most diverse agency, the rest of us have to work harder on that front."

The new buzz

The buzz in the industry is no longer all about digital - that is a given. It is now about shopper marketing over the past couple of years, and now content marketing, says Hewlett. "This could be the year when you finally start to get PR shops having a bigger say in the value proposition around content marketing. If you consider what brands waste on media that doesn't work for them, when content marketing works, ad costs are so much less."

Hewlett believes we are at the start of a few very interesting years in the current industry landscape. "Who will be the next breakthrough agency? The next big independent buy out? Could RGA open up here?"

"From a client perspective, the past year has been a tough trading environment. Brands have cut back spend. From a media perspective, the whole industry is in flux, it is not an easy environment, the media world is tough right now."

Brand growth on the African continent is the one to watch right now, Hewlett believes, particularly the rise of local tech and Chinese brands on the continent.

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**[Adrian Hewlett](#) was interviewed by [Louise Burgers](#), specialist editor of *Biz Trends 2015*.*

ABOUT ADRIAN HEWLETT

In 2004 Adrian Hewlett founded The Habari Group, a media and marketing communications company. The company was the partner to MSN in Africa for seven years and then went on to launch the commercial operations for Facebook in Africa in 2010, while counting the likes of the BBC and LinkedIn amongst its partners.

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