

The Creative Cape



Net#work's Mike Schalit and Ivan Johnson get creative in the Cape... pg 30

CAN POSITIONING CAPE TOWN AS A GLOBAL CREATIVE DESTINATION AND DESIGN MECCA SAVE THE REGIONAL ECONOMY FROM BEING MARGINALISED AS BIG CLIENTS SHUFFLE BACK TO JO'BURG AND CAPE TOWN AGENCIES, MEDIA SALES REPS AND MARKETERS RACK UP AIR MILES TRAVELLING BACK AND FORTH? OR IS THE CAPE LIFESTYLE AND BEAUTY THE REASON SO MANY CREATIVE PEOPLE ARE ATTRACTED TO IT?

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By Louise Marsland

Interviews with agency heads, media owners and marketing agencies are littered with phrases like 'strategic realignment', 'repositioning for growth', 'conservative brand outlook', etc. This is an attempt to explain the fact that some major brands have pulled back their spend on marketing by 20-60%, resulting in retrenchments at about 80% of creative shops since July last year when the spiralling global economic recession first hit Cape Town.

In the last 18 months, mega brands such as Old Mutual, BP and Shell have left Cape Town behind to headquarter themselves in Johannesburg. Other brands have cut spend in the market by anything from 20% to a rumoured 60%. Of course hardly anyone is actually admitting to retrenchments, although agency CEOs say they know of quiet retrenchments at 'other' agencies.

There is no doubt that the downturn in the industry started biting in Cape Town earlier as there is a limited pool of work from big brands in the region and agencies are having to be very strategic in how they differentiate themselves to their client, as well as how they service their clients going forward. There seems to be more collaboration and partnership with clients to find business solutions in the current climate.

Some suggest that this is a time to take risks and to acknowledge that the rules of business have changed and to do things differently going forward. Brands and the marketing communications industry need to take responsibility for what they produce and how they sell it to consumers. We have an impact on the world and we can change that impact.

"Our big goal is to put products on shelf that are more sustainable to the world," says Ian Young, Saatchi & Saatchi Cape Town MD, who said this challenge should not be left behind during the rush to survive these times.

There is no one more fervent about getting this message across than inspirational Design Indaba founder, Ravi Naidoo.

DESIGNING A BETTER WORLD

Naidoo believes that everyone should be infected by the creative virus because it is the ultimate antidote for solution providers to mitigate the problems we face in the world.

"With the challenges that the world is facing right now... we have to redesign the world. Everything is coming up for review – the clothes we wear, how we commute, how we consume products. We need to take design and creativity beyond the object, to understand the process and all it affects.

"Process is such an important part. We fucked up 'World 1.0' and we need to make it better. We have only about 20 years to do that, to get to 'World 2.0'. We need to step gladly on the planet,

mind our footprint on the earth and what we leave behind. It is more about the innards, the process... and this is why design is about vision, about making things better and leaving less behind on the planet."

Naidoo is deeply passionate about this subject and personally involved in many projects, both locally and globally, that aim to make a sustainable difference to the world. "We need to get involved upstream and downstream across the product process. We as designers are best placed to do it."

He quotes William McDonough, author of *'Cradle to cradle – Remaking the way we make things'*, as saying that waste is a design flaw.

Naidoo is a scientist, not a designer, by trade, and he wants to break down the silos between advertising and design and embrace the "broad church of the creative industries": Design Indaba is the strategic platform to put ideas on the social agenda. He would rather talk about collaboration than regional divides. "We haven't really collaborated as a nation – we were dismembered as a nation. Collaboration is about being civic minded, about sparking innovation. How do we use creativity and innovation to re-imagine a South African future? I really want, in my lifetime, to see South Africa absolutely blossoming. We can do it by having creative people going way beyond snappy slogans and cute pictures. We shouldn't just be in the ghettos of self-promotion – get involved in projects that go beyond the brief!"

And one of those key briefs, that Design Indaba is a driver on, is to **position Cape Town as a global creative city and design destination** – not only to boost the local economy, but also to attract talent and global brand work.

Jupiter Cape Town has partnered with

Design Indaba for eight years, doing all the collateral pro bono. Says MD Kevan Aspoas: "We believe one of the areas of growth for South Africa is design, we can really excel there. It is good for the industry. There are lots of spinoffs, not just for graphic design, but for furniture design, fashion, publishing, projects from a sustainability area... Positioning Cape Town as a design centre in Africa or globally does attract business. It has attracted business. Design is what differentiates one business from another."

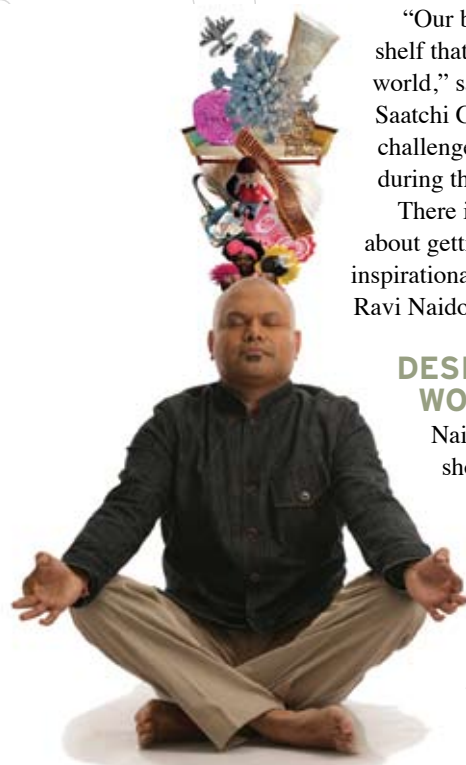
The business community of Cape Town agrees, with several creative and business initiatives to promote Cape Town as a business as well as a creative hub for the creative industries.

BEING A 'CREATIVE LIGHTHOUSE'

Rob Hill, Ogilvy South Africa group managing partner, says they are fortunate in the number of national clients that continue to put their brands with them. "That is really the secret to living and working in Cape Town as it is a much smaller marketplace.

Cape Town agencies need to show their creative spurs in order to attract national business, Hill emphasises. Ogilvy is very involved in the city's drive to be a centre of innovation and inspiration. Hill notes Accelerate Cape Town's vision for the city, driven by the business community, to be a global inspiration. Accelerate have identified industries to drive and promote that vision, and the design, film and advertising industry is one that will shape the Cape. Explains Hill, "A second city in a major economy must stand for something distinctive and they are often the drivers for creativity.

Aspoas says that in his view good people are key to unlocking a future for a client. "It's not to say that when they



'We are having to redesign the world'

Ravi Naidoo, Design Indaba



Picture courtesy gmp architects and designers



Positioning Cape Town as a design centre in Africa or globally does attract business'

Kevan Aspoas, MD Jupiter Cape Town

move their business to Jo'burg they get better service."

He tells the story of two clients over the last three years who appointed independent search consultancies to decide where they should put their regional head office, in which city in the Africa/Middle East/Near East (Singapore) region for Marlboro; and in the Africa/Middle East/Europe region for Chevron. The consultants reported back that the best location regarding cost input, standard of living, best staff, etc, was Cape Town – so today both those brands are located there.

"There are a lot of positive things happening in Cape Town. We have certain areas of expertise: retail, liquor, tobacco, asset management and there was strength in petroleum – we only have Engen and Chevron left here now... We (as an industry) have to build on our strengths. We shouldn't try to emulate Jo'burg, we don't want to be them. Cape Town is very

strong from a creative perspective, but since creative is an abused word, I prefer to use innovation," Aspoas says.

"Completely disproportionate to our size, Cape Town agencies have had a strong showing in awards – there are a group of agencies here that produce work that is absolutely award winning."

As to the impact of the current economic downturn on the region, Aspoas says since Cape Town is filled with lots of small agencies, it will naturally have an impact if one account cuts their budget by 20%. "Because of overtrading in Cape Town, we saw people retrenching from July last year. Jo'burg agencies are keeping quiet about retrenchments, but here we know each other well."

Aspoas says they haven't needed to retrench and hope to achieve good growth this year. Recent client gains include Medi-Clinic, Protea Hotels and they are about to announce three more acquisitions in the pipeline soon.

In fact, Protea Hotels is launching two new five-star hotels in Cape Town this year: 15 On Orange in Gardens, and Crystal Towers hotel and apartments at Canal Walk – at a total investment of more than R200 million.

Saatchi & Saatchi's Young says they are chuffed at recently getting the Worldwide Fund for Nature business. They also picked up the UCT Graduate School of Business. However, there is no doubt the global economic meltdown is affecting our shores, with volumes down for their client, Engen. "We have challenges in that space."

He says, however, the agency is in positive growth and has not had to retrench. "Every now and again there is positive sentiment that comes through in

the industry, like with the elections and the IPL, but I think we are still going to see the worst of it here in South Africa. In times like this, clients want value and a good price. Price is value," says Young, "consumers also want more for the same cost, not less."

'CATALYST FOR BUSINESS'
"Advertising is a catalyst for business – it's not an airy fairy arty business, it is proactive..."

Aspoas emphasises, meaning that work has to be backed up with a strong business understanding and real-time solutions for clients, wrapped up in arresting creative.

Many in the industry do not believe, unfortunately, that we have seen the 'worst' yet of the current economic crisis... others believe we will start to see an upturn in the last quarter of this year as marketing spend for 2010 starts to take effect.

Aspoas has this advice to survive in the near future:

1. Take a conservative approach.

Think it's going to take two years to see economic recovery and work with that. Only in a recession is there opportunity to take up market share. If you play smart, you can grow and out-manoeuvre the competition.

2. There will be a rationalisation going forward. 'Namby pamby' awareness ratings do not keep a CEO happy.

Real figures are needed.

3. You need clients which will believe in you – give them the solutions.

Comments Young, "People haven't stopped shopping – they are shopping differently. Look at the Shoprite Checkers positioning: 'Don't change your lifestyle, change your store...' That is the challenge that premium brands have right now: talk more regularly to people, because they really love you. But if you go quiet over this period, they are going to think they are no longer important to you."



Sue Parker-Smith of Catalyst Communications

An increasing integration of services within marketing communications has also presented during this time, according to Sue Parker-Smith of Catalyst Communications: "With budgets shrinking clients may have reduced their ATL spend, but they recognise that PR still offers outstanding value for money. I have noticed a downscaling on events, but clients are investing strongly in publicity and digital campaigns."

Former adman, Peter Gird, now CEO of 2.0, a new media and film production

BUILDING A CREATIVE CITY

THIS MILLENNIUM has seen new global 'creative cities' emerge as influencers on global culture and as 'creative laboratories' for incubating talent. In 2002, *Newsweek* voted Cape Town as a global creative city: "Driven out by the high rents of cities like Paris and London, and aided by technology and the growing ease of travel, more artists and thinkers are congregating in smaller, far-flung communities around the world. In Tijuana, Mexico, a new generation of artists is uploading its work onto the internet for the world to see. In London, an advertising agency relies on copy that's written in Cape Town – often by someone sitting at a sidewalk café, admiring the view of Table Mountain..." *Newsweek* goes on to quote from a history professor at the University of Southern California, Vanessa Swartz, as saying that culture today is globalised and decentralised: "From the 1850s to the 1950s, New York, Paris, London, Berlin and St Petersburg were the artistic centres. Now, just as culture had become decentralised, so has creativity. We see avant-garde cultures in smaller places, often with young, hip bases."

Creative Cape Town is one of the programmes of the Cape Town Partnership to develop the central city as

a leading centre for knowledge, innovation, creativity and culture in Africa. It's belief is that the creative and knowledge economy includes the full range of creative and cultural industries: including communication and advertising agencies, the craft sector, broad design sectors, publishing, music, fashion, film, visual arts and performance industries, architectural firms, as well as the print and electronic media industries, galleries, museums, festivals, live venues, educational institutions, libraries and archives, software and IT companies – the whole range of innovators, creators and knowledge makers that the city has to offer. Go to www.capetownpartnership.co.za.

Accelerate Cape Town (ACT) is another strong collaboration to mobilise industries in the Cape for the greater good of the region. Futurist Guy Lundy is the driver there. ACT seeks to accelerate economic growth in the city and region; promote the city and region as a prime locality for investment; effectively represent the views of big business; establish a vibrant network of leaders in business, government, education and other stakeholders; set up and maintain constructive partnerships. Go to www.acceleratecapetown.com.



'Capetonians always think they are cooler'

Ian Young, Saatchi

agency with Jason Xenopoulos, says this is an opportunity to reach for new markets. "Although our current advertising market is dead, we see an amazing opportunity to entice other depressed markets in Europe and England to start getting some value for their money by working directly with local production houses."

He believes that the positive side of any economic crunch is that one starts to pay attention. "It generates new awareness and forces you to think of different ways to maintain, if not grow your market share."

Of course it all comes down to what works and has worked in the past, says Andy Sutcliff of brand activation agency *thirtyfour*: "Agencies that thrive in 2009 are those that remain accountable to their clients and deliver a real return for the

brands with which they work. Whether they are based in Cape Town, Durban or Johannesburg."

BRAND RESPONSIBILITY

The industry – creative and brands – has a responsibility, Young also points out, in setting the emotional temperature during times of adversity and change.

"Human beings are incredibly resilient. We play a huge role as an industry in changing that perception. We can often determine the psyche and feeling out there. We are social commentators and we are in the entertainment game. People believe in brands, and when they let them down, they get really pissed off."

As for being part of a regional centre, Young reiterates that they are very much a part of the Saatchi team, part of the global positioning. "We still believe in the same stuff. We probably treat it slightly differently, because the people here are quite different. Capetonians always think they are cooler... For me the most critical thing is the people. Happy people produce happy and good work. It is only people who make our product."

But of course, you have to have a national presence no matter where you are based, says Kay Nash, CEO of Yellowwood brand agency, which boasts clients such as Vital, Media24, Engen and Santam in the Cape alone. "It is easier to put really talented creative people here, but it is not the Mecca for black intellectual property – wonderful black talent doesn't like Cape Town. Jo'burg remains the centre of activity and aspiration. Cape Town is still seen as the last outpost by some – that is a challenge for us here."

"We are seeing the migration of the financial sector up to Jo'burg. We still have retail and tourism strength here, but it is becoming a lifestyle and entrepreneurial haven. People are shuffling in the direction of Jo'burg. My worry is that **we need key players to remain here – they enable economic sustainability in the region**, they are big trainers, they enable entrepreneurship."

Nash agrees that positioning Cape Town as a global creative destination does benefit the region.

The current economic crisis is definitely changing the way business is being done – more work for the same money seems to be the consensus. And faster more precise turnaround on marketing communications solutions. Explains Nash, "We've gone from the shotgun approach to a single shot."

RAPID CHANGE

Nash cautions, "If you are not changing faster than the market, you are being left behind. Yes, it is crisis led... but we currently have accelerated change and we have a market changing faster than at any other time in living industry... We need to be open-minded, participative and collaborative."

Lowe Bull Cape Town MD, Andrew Gillett, says Cape Town is still producing world-class work and competing on the global stage, despite an industry facing retrenchments and with a media industry in pain. Through the Lowe network they have done projects for Coke, Rama and Unilever from time to time, and are about to announce a new client win.

A huge trend, he says, which will benefit the industry is the returning expat South Africans. "They want to come back to Cape Town in particular. I'm getting an enquiry once a week on average just from creative people in this industry living abroad."

Gillett says Lowe Bull Cape Town is fortunate that Hunter is doing a new campaign, which will break in the middle of the year, along with Powerade with a new version of the product. **"We are not thriving, but we are surviving.** One strategy is to find new business – which is pretty tough, but we did manage to win a fairly significant piece of business lately. We are trying to get out there as much as possible, market ourselves and talk about our new structure."

Adds Hill, "We as a company are moving away from a silo approach to communication to a fully-integrated communications business with a holistic approach to a client's business. For us, the competency we want is real creative storytelling. That is one of the exciting parts of being in Cape Town: we can create 'a mash-up culture'," Hill reiterates. "We want to be a post-silo agency."

Hill believes that Cape Town has huge potential, not just for attracting local brands to work with, but also global brands: "The real success for us would be when another global brand lands with us or with some other agency in Cape Town."

