

THE IMPACT OF DIGITAL DISRUPTION ON THE MARKETING AND ADVERTISING FUNCTIONS

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ABSTRACT

Purpose of the study. The introduction of digital technology to the broader marketing and advertising landscape has brought about many changes to the marketing and advertising functions which are making organisations to rethink their business models and invest in new capabilities. This study was conducted to explore the impact of digital disruption on the marketing and advertising functions and provide recommendations on how to retool for the digital age.

Method/Design. A qualitative study was conducted, and a non-probability, simple random, judgement sampling approach was followed. The study took the form of semi-structured interviews with practitioners from marketing, advertising, media, production and regulatory bodies.

Results. The main findings indicated that digital disruption has redefined the marketing and advertising functions. Digital technology is exposing the shortcomings of existing business models as well as traditional media platforms like television. New capabilities are required in order to meet the needs of digitally savvy consumers and to stave off competition from new agile technology savvy competitors.

Limitations. Further research is required to

explore the impact of digital disruption to on organisational culture.

Contribution of the study. This study sheds much-needed light on the impact of digital technology on the respective fields of marketing, media and advertising; and expounds the evolution that advertising and marketing organisations and practitioners need to undergo to remain viable in the digital age.

KEY WORDS: Digital, advertising, media, disruption, sustainability, technology, data, consumer

INTRODUCTION

The evolution in the definition of marketing and advertising has been brought by changes in the media landscape and consumer behaviour, as well as our understanding of the effects of advertising (Laczniak, 2016:351). The new definition is encapsulated in a concept called modern marketing. Green (2015) defines modern marketing as “a holistic, adaptive methodology that connects brands with real customers and drives business results by blending strategy, creative, technology and analysis.”

Deighton (cited by Sheiner & Earon, 2019), observes that in recent times clients have shifted their reliance from advertising agencies to IT (Information Technology) solutions. Sheiner and Earon (2019) inform us that “new technology has generated rapid changes in consumer behaviour, resulting in major changes in the marketing ecosystem.” This is broadly called the digital disruption of the advertising industry (Toefy, 2018). Utesheva, Simpson and Cecez-Kecmanovic (cited by Sheiner & Earon, 2019) define digital disruption or disruptive technologies as “those that cause a major structural shift in an organization following a linear developmental trajectory.” This qualitative study looks at the impact of digital disruption on the marketing and advertising functions.

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Marketing departments are faced with the challenge of having to adopt new business models to keep up with changing consumer behaviour and a changing marketing landscape (Edelman & Heller, 2015; Diez & Beale, 2017). According to Mangani (2003:295) “the growth of the internet has altered the advertising industry’s business model.” Clarke (2018c) concurs, “everything has changed around us. The consumer has changed, the media landscape has changed, and our clients have changed. Of course, we need to change the way we operate.” This has resulted in a shift in budget allocation from mass media to digital and mobile media” (Kerr et al., 2015:391 & Truong and McColl (2010:709).

The migration from print and broadcast to digital platform has been referred to as the digital disruption of the advertising industry (Mulhern, 2009:85). This shift involves moving away from traditional, linear advertising platforms like print and television to on-demand, data-driven and contextually relevant content that can exist independently of news or entertainment (Mulhern, 2009:86). Digital disruption has resulted in the proliferation of media channels and this has broadened the choice for advertisers to include “print, television (TV), internet, mobiles and video games” (Maheshwari et al., 2018:193).

In South Africa, internet access has grown from 18.5 million users in 2015 to 22.5 million users in 2017 and is expected to reach 30 million users by 2020 (Van Zyl, 2015; Sha, 2017). Zhang et al. (2019:842) attribute digital disruption to the growth in internet access and the adoption of digital technologies, whilst Taylor (2009:411) argues that search engines like Google and Yahoo! have changed the advertising landscape and “technological advancements like broadband have enabled the use of rich media content by advertisers”.

Marketers are challenging advertising agencies to display digital skills. In Anon. 2 (2017), a survey by eMarketer revealed that

74% of senior marketers list marketing data and analytics capabilities as some of the key criteria in selecting an advertising agency. Kannenberg (2018) and Toefy (2018) advise that technology has become a competitive edge to agencies and cautions that unless agencies are willing to partner with ad tech companies to enhance their use and understanding of technology, they will not succeed in the digital age. Hull (2017) agrees that in the digital age, organisations need “technologists, consultants, storytellers, copywriters, creative people, entrepreneurs and data scientists to make sense of it all.”

PROBLEM STATEMENT

The advent of digital technology has transformed traditional marketing and traditional advertising as we know them to digital marketing and digital advertising. This transformation can be observed across various aspects including the definition of marketing and advertising, the tools and resources required, as well as the skills and competencies that marketing and advertising professionals are required to possess.

The traditional concept of marketing communications which served as a mass communication tool for many decades, linking brands with consumers is not valid in the digital age because of their top-down, rigid nature as opposed to the open, free-market place nature of the internet (Mulhern, 2009:97). According to Long (2018), Michael Buckley, Managing Director of Accenture Interactive, opined that marketing has become about experience, and not just advertising campaigns. Long (2018) argues that digital transformation equips organisations with the capability required to deliver end to end customer experiences and to play a part at every stage in the customer decision journey. This approach enables you to affect “call centres, the frontline staff, retail and commerce.”

These changes have raised questions about the suitability the current skills and competencies possessed by South African



marketers and advertising professionals. Some commentators feel that advertising agencies are no longer valued partners to marketers because they have lost relevance (Satell, 2014; Hagel, 2016; & Hausman, 2015).

Thus, the problem that this study seeks to address is the current uncertainty amongst advertising professionals, regarding relevant skills and competencies required in the digital age.

LITERATURE REVIEW

Richards and Curran (cited by Dahlen & Rosengren, 2016:334) define advertising as “a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.” This is the most common definition of advertising in modern times (Eisend, 2016:353). Zia and Shazad (2015:39) on the other hand, rely on the International Chamber of Commerce’s definition of advertising, which equates advertising to a marketing tool used to win consumers over by communicating product benefits.

Traditional marketing communications served as a mass communications tool for many decades, linking brands with consumers. Mulhern (2009:86) informs us that this was based on five fundamental assumptions about how marketing communications is consumed. Although these assumptions have served marketers well in the past, Mulhern (2009:97) argues that they are not valid in the digital age because of their top-down, rigid nature as opposed to the open, free marketplace nature of the internet.

Ha (cited by Mulhern, 2009:86) argues that “traditional marketing communications business still places much more emphasis on branding and creative work than on data, metrics, quantitative models and digital technology.” Ma and Du (2018:327) argue that digital advertising on the other hand, adds more value than traditional advertising

because of “greater adaptability of content, more efficient consumer targeting, and higher reach per dollar.”

Some scholars have challenged this definition of advertising provided by Richards and Curran (2002). Johar (2016:318) disagrees with the notion that all advertising is paid for and that all advertising is brand initiated. This is because some “earned” advertising initiated by external stakeholders and influencers such as fashion bloggers is not paid advertising. A research study conducted by Dahlen and Rosengren (2016:340) found Richards and Curran’s (2002) definition too narrow and instead proposed to define advertising as “brand initiated communication intent on impacting people.” Another problematic aspect of the Richards and Curran’s (2002) definition is that brands no longer communicate at consumers, instead they engage in two-way conversations with consumers on the internet and social media (Johar, 2016:319), where consumers make their opinions known and brands respond.

The Marketing and Advertising industry are undergoing digital disruption, as evidenced by the growth in digital advertising. Finn (2020c) states that “technology and digital marketing are revolutionising the industry and the way brands and agencies find and engage with consumers.” Dimitrova and Mackay (2017:23) opine that “the internet has been transforming all areas of everyday life and the business environment for years.” According to Maheshwari et al. (2018:193) “technological advancements over the last few decades resulted in the development of new communication channels that equipped advertisers with several modern media options, namely print, television (TV), internet, mobiles and video games.” Some advertising agencies have embraced this change whilst others are struggling to adjust to this new advertising landscape. As Mark Read, the Chief Executive Officer of WPP posits, traditional, brand-led creative is giving way to e-commerce and customer relationship management (Spanier, 2018).

The role of a Chief Marketing Officer has changed significantly in recent times. “The CMO roles, scope and complexity is much more intensified than it has ever been. In uniquely owning the voice of the customer, they are architecting customer experience, digital transformation and industry innovation” (Rooney, 2018). This is because marketing is increasingly becoming based on data and technology (Price, 2017). According to Williams (2017) “the talent gap in digital marketing is the root cause of unsuccessful campaigns.”

According to Long (2018) Michael Buckley, Managing Director of Accenture Interactive, argues that marketing has become about experience, and not just advertising campaigns. Long (2018) argues that digital transformation equips organisations with the capability required to deliver end to end customer experiences and to play a part at every stage in the customer decision journey. Advertising agencies need to realise that the aim of advertising is not to win creative awards but to deliver consumer experiences that create value. According to Beasley (2016), Michael Farmer concurs that “agencies continue to cling to the notion that clients want creativity and service, but what clients really want is shareholder value. Agency executives have been completely deaf to the economics.”

The traditional definition of advertising as suggested by Richards and Curran (cited by Dahlen & Rosengren, 2016:334) states that advertising is “a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.” This is the most commonly used definition of advertising in modern times (Eisend, 2016:353). According to Zia and Shazad (2015:39) the International Chamber of Commerce defines advertising as a marketing tool used to win consumers over by communicating product benefits. Ewing and Jones (2000:337) argue that advertising has two functions, namely the growth of new brands and the sustainability of existing

brands through increased penetration and frequency. Leslie (2015) adds that the role of advertising is “to inject a brand into the cultural bloodstream and by doing so, books a spot in the most important media of all: people’s brains.” Zia and Shazad (2015:37) opine that the main aim of advertising is to drive sales. The other implication, according to Victor Knaap, Chief Executive Officer of MediaMonks, is that agencies today need to be able to deliver “always-on, personalised content” (Brownsell, 2018).

Fan et al. (cited by Ma & Du, 2018:326) and Kerr et al. (2015:391) state that digital advertising is the fastest growing form of advertising. They define it as “paid promotional messages that exist in digital format and are distributed via the Internet.” Rodgers and Thorson (2018:1) define digital advertising as branded content that includes “branded mobile apps, any branded content that appears in social media contexts, and messages from companies in the form of blogs, tweets, Facebook posts, etc.” Ha (cited by Truong & McColl, 2010:711) define online advertising as content which is placed on third-party websites such as search engines as well as directories. According to Kotha (2018:769) digital advertising includes “content marketing, marketing automation, AdWords, Search Engine Optimisation (SEO), social media, email marketing and website design.”

Kotha (2018:776) argues that the advent of digital advertising has broadened the definition of advertising to include services such as “Search Engine Optimisation (SEO), Search Engine Marketing (SEM), Content Marketing, Influencer Marketing, Content Automation, e-Commerce Marketing, Campaign Marketing, Social Media Marketing (SMM), Social Media Optimisation (SMO), email, Direct Marketing, Display Advertising, e-books, Optical Disks and Games are becoming more and more common in our advancing technology.” TABLE 1 explains these concepts further.



TABLE 1: THE VARIOUS FUNCTIONS OF DIGITAL ADVERTISING

Function	Definition
Search Engine Optimisation (SEO)	Tweaking your website so that it comes up naturally or organically for search results in Google, Yahoo or Bing.
Search Engine Marketing (SEM)	Also known as “Paid Search Marketing” is a strategy to drive traffic to your business, primarily through paid efforts. It also includes Display Advertising, Search Retargeting & Site Remarketing, Mobile Marketing and Paid Social Advertising.
Content Creation	Examples of content include blogs, white papers, e-books, case studies, how-to-guides, question and answer articles, forums, news, updates, banners, infographics, podcasts, webinars, videos, or content for microblogging and social media sites.
Social Media Marketing (SMM)	A part of SEM and involves driving traffic to your sites or business through social sites like Facebook, Instagram, Twitter, Pinterest, Google+ and LinkedIn.
Digital Display Advertising	A part of SEM and you may use a variety of display advertising formats to target potential audience, for example text, image, banner, rich-media, interactive, or video ads.
Retargeting and Remarketing	A strategy to target customers who have already visited your website. It is based on cookie technology.
Mobile Marketing	Customising website, apps and content for mobile devices.
Interactive Marketing	A strategy to ensure advertising engages the potential customer in a conversation.
Viral Marketing	A strategy where unique content spreads exponentially online because the content is appreciated, shared and liked immensely.
Email Marketing	This is when you send a commercial message via email to potential customers.
Affiliate Marketing	This is a performance-based marketing program where you pay publishers to bring you customers through their high traffic sites. Sites like Amazon, eBay, LinkShare and Flipkart run Affiliate Programs.
Digital Media Planning and Buying	When a media agency develops a media placement and buying strategy to help marketers drive sales, conversions, awareness or behaviour change.
Web Analytics	It helps you collect, measure, understand, analyse, plan, report and predict the web activities for your business. Examples of web analytics tools include Google Analytics, Spring Metrics, Woopra, Clicky, Mint and Chartbeat.

Kotha, 2018:770

The adoption of digital advertising is largely driven by a new type of consumer called a digital native. Technology has enabled marketers to understand how digital natives consume media (Finn, 2020a). According to Madinga and Maziriri (2018:1) digital natives are very familiar and comfortable

with technology and the internet because they grew up in the digital era. Bormane and Batraga (2018:338) concur that today's consumers prefer convenient, interactive media channels that can be accessed anytime and anywhere. This has seen a rise in the use of social media platforms by

marketers to reach consumers. According to the 2014 World-Wide Worx report (cited by Madinga & Maziriri, 2018:2) 93% of major brands in South Africa use Facebook, 79% of them use Twitter, 58% use YouTube, 46% use LinkedIn, 28% use Pinterest while less than 10% use Instagram.

Digital natives are known for sharing content with others on social media platforms such as Facebook, YouTube, Twitter and Instagram. This sharing of digital content is called viral marketing. According to Leskovec et al. (cited by Madinga & Maziriri, 2018:1) in viral marketing, consumers voluntarily share information with their friends on digital platforms, such as product or brand information, resulting in much-needed word of mouth publicity for brands.

Berman et al. (cited by Troung & McColl, 2010:710) concurs that many of today's mainstream advertisers do not fully grasp the opportunities presented by digital transformation. Kannenberg (2018) advises that "while many of today's traditional agencies have started to expand their digital focus and tech proficiency, their progress hasn't been enough to close the extensive gap between their capabilities and those of the more-savvy digital shops. Creativity skyrockets unbound by the limits of existing technology. True innovation starts with the systems." Graham (2018c) explains that "VML absorbed sibling WPP agency Rockfish, a digital innovation shop with e-commerce expertise that generated \$70 million in revenue in 2016, according to the Ad Age Datacenter. VML told Ad Age earlier this year it planned to put more of an emphasis on artificial intelligence, virtual reality and augmented reality in 2018."

Pham (2018) suggests that marketers need to build a more integrated organisation to improve marketing effectiveness. The benefits of integration are "improved operational efficiency and effectiveness, no more silos and better collaboration, an omni-channel approach to marketing, elevating the position of content to an asset,

and a seamless and consistent customer experience."

According to Green (2015) the impact of digital transformation on the advertising industry has resulted in a new definition of advertising. This is encapsulated in the concept of Modern Marketing. "Modern marketing is a holistic, adaptive methodology that connects brands with real customers and drives business results by blending strategy, creative, technology and analysis." (Green, 2015). Green (2015) further states that modern marketing "elevates customers brand experiences at every touch point, builds personalised connections with individuals, integrates omni-channel strategy and tactics, adapts to the evolution of the marketing landscape, maximises efficiencies through technology and automation, combines inbound education with outbound promotion, measures and analyses performance and leverages integrative execution and optimisation."

Mulhern (2009:87) states that digital disruption has driven the evolution of advertising into a networked information economy. A networked information economy is different from the mass production economy of the twentieth century. Unlike static media like radio and print, a networked information economy relies on digital content which is virtual and can thus be reproduced and shared by consumers. This content is modular and can be consumed in bite size chunks, unlike a newspaper which is indivisible. In a networked, information economy marketers can interact with consumers and collect data on them.

Stewart (2004) and Trappey and Woodside (cited by Ma & Du, 2018:327) state that "as an interactive forum, the digital environment allows consumers to respond to advertisements immediately in the form of media 'likes' and comments or online purchases." Chiagouris and Wansley (cited by Taylor, 2009:416) add that one



of the benefits of interactive media is that “consumers can move from awareness to action quickly.”

Taylor (cited by Truong & McColl, 2010:711) concurs that “new media’s interactive technologies permit advertisers to deliver an enhanced brand experience to consumers by offering online games, instant feedback and content exchange, resulting in improved impacts on consumer behaviour.” McMillan et al. (cited by Taylor, 2009:415) concurs that interactivity is key to the success of digital advertising, whilst Raney et al. (2003), and Choi et al. (cited by Taylor, 2009:415) argue that entertainment value enhances the success of digital media. Finn (2020a) opines that “digital technology and social media has meant that the sphere of influence is now more varied and more niche, and brands are now able to drill down to very specific interests.”

According to Mullen (2018), delivering a superior customer experience in the digital age demands personalisation which is made possible by close collaboration between the marketing and customer care departments. Personalisation is enabled by design thinking. Mullen (2018) defines design thinking as “a design methodology that provides a solution-based approach to solving problems...by understanding the human needs involved, by re-framing the problem in human-centric ways, by creating many ideas in brainstorming sessions, and by adopting a hands-on approach in prototyping and testing.”

METHODOLOGY

This study was based on a qualitative research method. A non-probability, judgement/purposive sampling approach was used to select research participants. The sample frame that was used consisted of a list of advertising agencies and advertisers obtained from the Financial AdFocus 2017 magazine, IAB (Interactive Advertising Bureau) Digital Agencies), MASA website (Marketing Association of South Africa) as well as from the ACA

website (Association for Communication and Advertising). Table 2 is a list of the top fifty marketers and the top fifty advertising agencies in South Africa.

The research sample size for the qualitative study was 15 participants (until saturation is reached). These participants all hold junior, middle and senior positions in advertising agencies, advertising regulatory bodies (IAB, MASA and ACA) media agencies, publishing companies and professional from the marketing industry. The participants were all chosen because of their experience in marketing, advertising and in the functioning of client-agency relationships. Saturation or redundancy was reached after analysing six participant transcripts.

The non-probability sampling method was used to arrive at the research sample in this study. A consent form was emailed to each of the participants informing them of the qualitative study and asking if they would be willing to participate. The consent form also informed participants of their right to refuse participation and assured them of confidentiality. Participants then communicated their willingness to participate in the study and emailed or personally handed in a signed consent form to the researcher.

Once signed consent forms were received from the 15 participants, the researcher emailed the Discussion Guide to them. The researcher contacted the participants to schedule interviews. Ten of the participants opted for face-to-face semi-structured interviews. All interviews were conducted by the researcher and they took place between 26 April 2018 and 11 May 2018. Each interview lasted between 45 and 60 minutes. Some of the interviews were conducted in the researcher’s office while others took place in the participants’ office.

Once permission had been obtained from the participant a voice recorder was used to record the interview. Transcripts of the interviews were sent to a professional

TABLE 2: TOP 50 ADVERTISERS AND ADVERTISING AGENCIES

Top 50 advertisers (Clients, Marketers)		Top 50 advertising agencies	
Unilever	Mondelez	TBWA/Hunt Lascaris	Havas
Shoprite	Procter & Gamble	Johannesburg	Net#work
Clientele Life	Nestle	TBWA/Hunt Lascaris	BBDO
Absa	Volkswagen	Cape Town	Avatar
SABMiller	Samsung	TBWA/Hunt Lascaris	1886 Advertising
Pick n Pay	Pepkor	Durban	Riverbed
Outsurance	Standard Bank	FCB Johannesburg	OpenCo
Vodacom	Gauteng	FCB Cape Town	FoxP2
Distell	Government	FCB Durban	Johannesburg
Nedbank	Glaxo Smithkline	Ogilvy & Mather	FoxP2 Cape Town
Telkom	Old Mutual	Johannesburg	Ofyf
Massmart	MTN	Ogilvy & Mather	34 Degrees
Spar SA	Johnson & Johnson	Cape Town	House of Brave
Reckitt & Benckiser	McDonalds	Ogilvy & Mather	Radar
Beiersdorf	Budget Insurance	Durban	Ignite Joe Public
Cell C	Toyota SA	King James	Wunderman
FirstRand Bank	Show Ma.com	Johannesburg	JWT
MultiChoice	Pioneer Foods	King James Cape	OpenCo
National	New Clicks SA	Town	The Odd Number
Government	1st for Women	99 cents	Black River
Tiger Brands	Edcon	Joe Public	Ebony & Ivory
Famous Brands All	1Lifedirect Insurance	M&C Saatchi Abel	June 15
Life	Dischem	Johannesburg	Olive
Discovery Holdings	L'Oreal	M&C Saatchi Abel	Communications
Coca-Cola SA	Media 24	Cape Town)	Creative Counsel
Yum	Heineken	Publicis Machine	Young & Rubicam
		McCann	34, DDB, Cheil
		Saatchi Brandsrock	Grey Advertising
		Jupiter Drawing	Fluid
		Room	Metropolitan
			Republic
			Native VML
			Geometry Global
Source: Furlonger (2016:33)		Source: Maggs (2016:29)	

transcriber who used the Phillips Speech Exec Pro software to do the transcription. On average, an hour of recorded audio took five hours to transcribe. The written transcripts were then analysed by a professional analyst.

The other five participants opted to email their written responses to the researcher prior to meeting for their face-to-face interviews. The researcher then discussed their written submissions. These interviews lasted between 45 to 60 minutes.

The written submissions and the transcripts were emailed to an independent analyst for analysis. All fifteen transcripts were analysed and saturation occurred after the sixth interview transcript. Qualitative, inductive, thematic analysis was performed utilising Nvivo 12 Pro. The analysis was an iterative process of segmenting and coding data. An initial thorough reading of transcripts was performed, creating a preliminary coding scheme which was updated and amended as the analysis ensued.



This coding scheme was further developed through exploratory tools such as Word Frequency Tag Clouds, Word Trees and Matrix Coding. Word frequency are words that appear frequently in the findings. Word trees are a visual representation of the context of words used around a given term and are used to generate themes. Each interview was then coded and analysed, making memos of any additional observations. Nodes and child nodes were created in Nvivo, including annotations. After a preliminary inductive analysis was performed, interviews were read and any additional uncoded information was coded.

The coding in this study was performed at three levels, namely open, axial and selective (Douglas, 2003:47). Firstly, open coding was used to “reduce the mass of largely textual data into manageable groupings” (Bowen, 2008:143). Secondly, the open codes were summarised even more by using axial codes to “capture the essence of the data” (Bowen, 2008:144). Thirdly, selective codes were created by “connecting or consolidating axial codes and at the same time, abstracting from the evidence contained in the data” (Bowen, 2008:145). The next step after open, axial and selective coding is theme identification. After analysing the selected codes, the researcher identified universal themes or core categories. These themes were then used to construct “a theoretical framework of interrelated concepts and outcomes” (Douglas, 2003:48).

RESULTS

In order to explore the impact of digital disruption on the marketing and advertising functions, the following questions were asked in the interviews:

1. What is the role of the marketing function and how has it evolved over time?
2. What is the role of the advertising function and how has evolved over time?

The results, contained in Table 3 and Table 4 respectively, capture the responses to the

above research questions. Table 3 relates to Question a) What is the role of the marketing function and how has it evolved over time, whilst Table 4 relates to Question b) What is the role of the advertising function and how has evolved over time.

DISCUSSION

The adoption of digital advertising is largely driven by digitally savvy consumers, commonly known as digital natives. Digital natives consume a lot of advertising on social media platforms. They use their social media handles to drive trends and influence society’s opinions. The implication for the advertising industry is that digital natives can be used as influencers to drive awareness of and engagement with digital advertising campaigns.

Both the definition and role of marketing and advertising industries have had to evolve and re-orientate themselves to the concept of modern marketing. The consumer and media landscape have become fragmented, making narrow targeting more effective than traditional mass broadcasting. The competitive set for advertising agencies has grown to include unconventional competitors like technology companies, consulting firms, media agencies and nimble digital start-ups.

Siebel (2017) concurs that many aspects of digital disruption such as disruptive technologies, artificial intelligence, big data and the Internet of Things, are threatening the sustainability of the advertising industry by opening the industry to new competitors. Marketers have started insourcing creative services after investing in in-house creative studios. Unless advertising agencies invest in these new capabilities by either developing new skills, changing hiring practices or acquiring firms with complementary skills, they risk becoming irrelevant to their clients.

The traditional concept of marketing communications which served as a mass communication tool for many decades has changed. This change was driven

TABLE 3: WHAT IS THE ROLE OF THE MARKETING FUNCTION AND HOW HAS IT EVOLVED?

Question 1a) What is the role of the marketing function and how has it evolved over time?	
Theme	Participant responses
Drive shareholder value	<p>“The role of marketing, overall, is to build shareholder value. The shareholder value is then...really, it resides in the brand equity.”</p> <p>“It’s to up their sale shares, to up their market share of our clients quite significantly.”</p>
Drive sales	<p>“Marketing is to help their particular business sell their product or service.”</p> <p>“I think the marketing function obviously exists to support the sales targets or the sales objectives of a business.”</p>
Drive brand strategy	<p>“The role of Marketing is essentially to develop and manage a brand strategy, to ultimately bring a brand to life so it resonates with the intended market to initiate an action or influence a decision.”</p> <p>“Now, how you connect with the customer need is feeding back into the business and adjusting the key areas of marketing, which is price, your distribution, the advertising itself, and the product in order to meet that consumer need.”</p>
Consumer-centric	<p>“Marketers have to be more focused on the needs, opinions and desires of their target markets.”</p> <p>“Marketing today is a lot more consumer orientated.”</p> <p>“I think, for me, it’s been the best thing for the consumers because you are not pushing out messages to them, but you are joining their conversation. And that is what digital transformation has afforded us as the ad industry or marketers allowed us to do.”</p> <p>“And marketing has changed hugely because the consumer has changed, so all the touch points that are involved.”</p> <p>“Previously, brands would be on a podium ‘preaching’ to their customers but now customers have a voice through various channels.”</p> <p>“The consumers’ opinions and needs are more important than ever before the success of the brand’s hinges on whether they are hearing and understanding those consumer needs. They have a voice.”</p>



<p>Accountability and measurability</p>	<p>“Marketers are now more accountable to consumers as well as to the businesses they represent. Marketers must demonstrate measurable ROI (Return on Investment) and ensure their strategies are aligned to business objectives.”</p> <p>“The advent of the digital age has added an additional complexity of accountability. In the current climate, every impression, click, view and bounce need to be accounted for: data has heralded in the age of ROI and accountability for the marketing profession.”</p> <p>“So, marketing or above-the-line marketing has always been more often medium-to a long-term build, but, in today’s environment, everyone wants to make every rand count right now. So, every corporate wants to see the ROI immediately and they want to see the impact in market-share growth right now.”</p> <p>“I think that the proximity and the closeness between business and marketing has become a lot closer, and I think this is a result of business slowly but surely seeing the value in marketing, and also the fact that marketing has had to be a lot more accountable for its endeavours today more so than ever before.”</p> <p>“Make the marketing function more accountable and more transparent.”</p> <p>“The emergence of data and the impact it has on the reporting of campaign effectiveness means that agencies are for more accountable for the creative produced and the media spent.”</p> <p>“For the biggest portion of it, it’s measurability. I think it’s, for the first time, you’re able to measure, if not all, most of what you do. And I think that’s because of the measurability and the digital transformation that’s happening within marketing.”</p>
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TABLE 3 CONTINUES ON NEXT PAGE

<p>Digitalisation of media</p>	<p>So, I think, from a media perspective, I have definitely seen a shift from above the line, more creeping into budgets, creeping into the digital space.</p> <p>“So, we’re able to serve consumers at a lower cost versus going above the line. We can serve consumers ads on their cell phones, which I have done.”</p> <p>“I think it’s totally fragmented, the media landscape, and changed in that there’s [sic] just so many different tentacles and routes in and out into that digital universe that that sort of fragmented the typical above-the-line media agency to a whole lot of different fractionalised pieces.”</p> <p>“Due to the fact that personalisation and the interaction with the consumer is one on one and it’s not mass anymore, it requires that insight to really be driven hard.”</p> <p>“Because of digital devices, and there’s such close proximity to your devices and so forth that they obviously receive a lot more communication and advertising and, therefore, it’s a lot harder for brands to stand out.”</p> <p>“Technology has changed the landscape between how brand owners are able to analyse consumer behaviour and trends and how they are able to communicate more directly and in a targeted way to their users.”</p>
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TABLE 4: WHAT IS THE ROLE OF THE ADVERTISING FUNCTION AND HOW HAS IT EVOLVED?

<p>Question 1b) What is the role of the advertising function and how has it evolved over time?</p>	
<p>Theme</p>	<p>Participant responses</p>
<p>Brand building</p>	<p>“Core purpose of advertising is brand building. Positioning the brand in the minds of the consumers in such a way that we build a long-term relationship with consumers.”</p> <p>“So, you’ve gotta look after that brand’s health.”</p> <p>“Marketing builds a brand and ensures that it has sustainability and it’s the same type of persona throughout all the years whilst making money for the brand.”</p>
<p>Business impact</p>	<p>“I think, from an advertising point of view, we are expected to be a lot more business minded and business focused, as well as strategic.”</p> <p>“So, the role of advertising is to sell product, effectively.”</p> <p>“I think advertising has also been forced to be a little bit more accountable. Technology is forcing agencies to be more accountable.”</p>



by changes in the consumer and media landscapes. The purpose of marketing is to drive sales and market share whilst build brand equity. Commercial performance measures such as sales, revenue and market share have become as important as brand health metrics. The implication of this on the advertising industry is that performance marketing, which is largely enabled by digital advertising, and return on marketing investment are non-negotiable.

RECOMMENDATIONS

Advertising agencies and clients need to embrace Modern Marketing. Agencies and clients alike need to base their approach to marketing and advertising on the dictates of Modern Marketing, which are that it uses omni-channel strategies to connect brands with consumer; combines brands with customer experience; is enabled by digital transformation; brings together creativity; data and technology and enables advertising agencies to influence various aspects of the customer decision journey.

Advertising needs to have a business impact and agencies need to ensure that they are driven by the need to create commercial value, not merely the desire to win creative awards. Agencies need to offer business solutions that are based on a deep knowledge of the clients' business solutions on offer. They need to immerse themselves in the lives of both clients (marketers) and consumers so they can be the strategic partner and creative collaborator they purport to be.

LIMITATIONS

The study focusses on the impact of digital disruption on the advertising ecosystem but did not look at the impact on organisational culture. Culture is an important aspect in the life and the effectiveness of any organisation. Future studies could explore the impact of digital disruption on organisational culture both in clients' marketing departments and in advertising agencies.

The study focusses on marketing

professionals, advertising agencies, media agencies and regulators. The internal stakeholders of marketers such as the Chief Executive Officer, Chief Financial Officer and Sales Director, among others, were excluded from the study. The relationship between marketers and their internal stakeholders is important and it would be useful to investigate how digital disruption has impacted this relationship. It would also be valuable for these stakeholders to share their views on what marketers and advertising agencies need to do to succeed in the digital age.

CONCLUSION

The digitalisation of the broader advertising ecosystem has brought about disruption in the advertising industry by exposing weaknesses in its current operating model. The implication of digital disruption in the advertising industry is that advertising agencies need to evolve the way they operate because the old model will no longer serve them. It is for this reason that a research study was conducted to study the impact of digital disruption on the advertising ecosystem and develop a critical success factors framework for the sustainability of advertising agencies operating in the digital age.

Digital disruption has resulted in the proliferation of media channels available to consumers and advertisers. Media planners are no longer limited to traditional channels such as television, print and radio. The internet has ushered in a plethora of new advertising platforms and these are mostly accessed on mobile phones. There is also evidence of multi-screening behaviour where consumers or users consume advertising content on more than one screen at a time. The implication for marketers is that competition for consumer attention has increased substantially, therefore advertising should stand out for it to be noticed.

The changes in the advertising and marketing landscape have serious

ramifications for how agencies define their value proposition, how they operate and what skills and capabilities they invest in. The marketing and advertising ecosystem has been disrupted, exposing weaknesses in the business model that agencies have been using for decades. The skills and capabilities required to succeed in the digital era are different from those that worked in the past. The implication for agency leaders is to ensure that their staff can combine data, technology and creativity when responding to client briefs.

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