

Increased competition for brands as economy slumps

Economic growth in South Africa and sub-Saharan Africa is forecast to be low for the next few years, according to economists in financial institutions such as the International Monetary Fund (IMF) and the World Bank.



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This means that in order to grow, brands will have to gain market share for their products from their competitors, in markets that are often highly contested and saturated. This creates a very competitive environment for brands, which is good in terms of innovation and product offering. It is also good news for consumers, as increased competition results in lower pricing and greater quality products being offered in the market.

“The role of the agency for that brand is therefore more important and leaves no room for complacency,” says Johanna McDowell, CEO of the Independent Agency Search & Selection Company (IAS).

McDowell further emphasises that marketers need to ask themselves the following pertinent questions in order to stay one step ahead of their competitors:

- Is your agency ready for the level of competitiveness that will be required for your brand to succeed in this low growth environment?
- What steps are you taking with your agency to ensure that they can cope with your increasing demands?
- Will you be able to do more with less, as no doubt your budget will be restricted?

“All of these questions need to be answered in an independent, robust process that reviews the agency’s capabilities and assesses the brand needs at the same time.

“At the same time, it is helpful for brands to know where their competitors are in the marketplace. Working with the IAS and our unique ‘mapping’ methodology allows brands to evaluate their own needs and the capabilities of their agency partners.

They also need to explore other possibilities and not be shy of venturing into new disciplines. Lastly, they must also ensure that they put into effect, detailed performance measurement systems in place and conduct reviews in confidence,” concludes McDowell.

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