

Stephen Allan: Business is where the consumers' eyes are

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MediaCom's worldwide CEO Stephen Allan recently embarked on a tour of Latin America to gain a deeper understanding of the agency's operational offices in the region. While visiting MediaCom's Argentina offices, Stephen was interviewed by MediaCom Argentina CEO, Fernando Silva, for Latin Spots

Fernando Silva: What is the reason of your visit to Latin America, and to Argentina specifically?

Stephen Allan: I'm in Latin America because MediaCom is very intent on growing in this region. Our first major step was to hire a new leader, and we found the very best in Fernando Silva. I met with many, many professionals in the region and Fernando really stood out. It was an easy decision and he's proven to do very well. We've gotten past that initial step and presently we're working on MediaCom's footprint in Latin America. With 170 offices in over 90 countries, MediaCom is truly a global company. But we are still looking to grow the operation-recently we opened a new office in Colombia, a key country in the region, with Paulina Parra as CEO. In the coming months, we are planning to open an office in Peru, and start affiliations in Venezuela and Panama next year.

The purpose of my visit here is really to understand more about the region, how the market works, learn about the people, listen to what clients need and want, and also to identify the differences between one region and another. My job is to make sure that at MediaCom, we share our thinking and knowledge so we can do the best for our clients. For example, if we are doing something great in the Canadian office that would be useful in the Argentinean office, we need to share the knowledge and make things work in the best way possible.

FS: What were your impressions of the region on this visit?

SA: We are doing well; MediaCom works for some of the market-leading clients and, really, I see huge potential in Latin America today. Argentina, Mexico, Brazil, Santiago, and Miami have enormous potential. We learn from our experience, and based on the growth that we've seen in Asia, it's likely that this region will also expand in the coming years.

FS: How do you see the region in the global media business?

SA: First of all, I think the digital evolution of the region in general has been a little slower than in other regions. According to market research, 19 percent of media investment globally is in digital advertising, but in markets such as the U.S. or the UK that number is as much as 25 or 30 percent, which means it is surpassing television.

In a market like Argentina, digital investment is around 7-8 percent, where it has grown from 4-5 percent, though now seems to be slowing. That's one of the differences that I see today, but moving forward the region will certainly begin investing more in digital.

This is an inevitable transition because we, as agencies and media companies, are in the business of knowing where consumers' eyes are. The time those eyes are spending watching television is not growing. What's growing is time spent on the second or third screen - mobiles, laptops, tablets. It's like they say: "the dollars follow the eyes." In Argentina today, people are already spending almost the same amount of time with second screens as with television, so in time investment will change.

Secondly, the market, particularly Argentina, is complicated. There are daily challenges which might be difficult for our clients, especially global ones. These are some major differences in the market that I see: digital investment and rising inflation.

FS: Speaking of digital - how does MediaCom handle digital today?

SA: "Digital" is a word that is getting a little old now. The world is digital now, everything is digital. Personally, I think everyone in our agency has to be "digital." In Argentina, for example, between 60 and 70 percent of employees

are under 30 and many are under 25 years old, so they are digital natives and that's what we want in our company.

What we have at MediaCom is a way of working in which each person in the agency is an digital expert, so we don't have a "digital hub" -- all team members are digital. And that is why, in my opinion, offline and online is an anachronism, because what matters is the behavior of our consumers. They do not say "okay, now I'll see analogue media ... now I'll see digital media," they just do it and that's all.

FS: Could you tell us more about MediaCom's involvement in sports? For example, recently the agency began to manage Pelé's image.

SA: If we look at the list of MediaCom's clients, most of them are involved in sports and invest a lot of money. We wanted to be part of it for two reasons: firstly, because it is a business opportunity; secondly, because our clients tell us "this is our problem, can you help us?" We want to ensure we have the best solutions; we want to be a full-service media agency, which includes sports among its offerings. We have MediaCom Sport divisions in London, Germany, New York, Russia, Singapore, and Brazil, and it's an area that will continue to grow. With regard to Pelé, I see him as another client, a brand that needs a media partner and communication, so we work to develop that content just as we would with any other clients.

