

# Traditional media remains a force in Argentina

MEDIA

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During his recent visit to Argentina, Stephen Allan, Worldwide CEO and Chairman of MediaCom, spoke with iEco's Leandro Africano about the relationship between brands and consumers, and the role of media in Latin America

Worldwide advertising investment is always delicately balanced. In sporting terms, and according to Stephen Allan, Worldwide CEO and Chairman of media agency network MediaCom, the United States and North Europe are currently drawing, Southeast Asia and Latin America are winning and southern Europe is losing by several goals. Looking beyond the sports metaphor, advertising investment in Argentina is dominated by the presence of media agencies that centralise 70% of their budgets. And this situation drives the

fate of almost 14,000 million annually. One of the characteristics that the local market presents is a high level of creativity and innovation. It's awarded and renowned around the world, and many agencies work for clients from foreign countries. Advertising investment also remains very strong in traditional

**media.**  
**iEco:** How do you interpret the behaviour of advertisers versus new media?  
*Stephen Allan: The changing rhythm to digital media is much slower in Argentina than in other regions. Here, traditional media is still in force and advertisers are shy when it comes to communicating through digital media. In the United Kingdom, for example, investment in digital platforms is nearly 25% and exceeds TV. Digital in the United States reaches 30% and the global average is 19%. In Argentina, digital investment doesn't even reach 7%.*  
**iEco:** Is your visit related to the potential of digital platforms in the region?

*SA: Latin America has great potential and that is one of the reasons for my visit. MediaCom has offices all over the region, and we want to invest and grow in every country here. We see a great business opportunity in every media in the region.*

The arrival of Allan coincided with the announcement that MediaCom had just been appointed by Bank Santander Rio, one of the largest advertisers in the financial system of Latin America, in Argentina.

Santander joins a list including by P&G, Shell and Volkswagen, among other brands. "Advertisers are shy here when it comes to communicating through digital media", says Allan

**Follow the human eye**  
Media agencies invest in advertising spaces where they can capture the audience. From this point of view, Allan explains that if consumers spend more time in front of digital devices, that's where investment must be redirected; "Dollars follow the human eye", says the executive

**How these changes will affect the market**  
The traditional advertising scheduling model is changing. In Argentina, the printed press maintains its income through advertising, something exclusive to this country. They reach 35% of the advertising investment. But the challenge is that editorial houses must adapt to a different reality by investing in applications for digital devices. And to generate a profitable equation, digital

content must be paid, exclusive and unique. Changes are also occurring across the counter. Media agencies used to focus on planning and research, but are now working around a new and different structure. "We think of ourselves as a global company that designs and distributes high-interest content for consumers that emotionally links brands with the audience. That's why we incorporate specialists in content generation and production into our structure", says Allan

## AGREEMENT WITH PELE

- Part of MediaCom's strategy for Latin America is to use sports to connect brands and consumers
- In the short term, this will involve capitalising on the 2014 FIFA World Cup in Brazil, and, two years later, the Olympic Games in Río de Janeiro
- At a time when Brazil will firmly be in the global headlines, the commercial opportunity for brands to tap into the excitement surrounding the world's sixth largest economy (and football as a sport) has never been greater
- To capitalise on these opportunities, MediaCom recently signed an exclusive four-year deal with Pelé, one of the most legendary sporting figures in the world.
- Through this deal, no other company will be able to use the Brazilian star's identity without consulting MediaCom

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