

How different is Big Tech from State Capture?

By  Derek Abdinor

8 Oct 2019

If advertising is about enabling choice, why is Business SA out of ideas? Approximately 90% of every rand spent on digital advertising finds its way into the tubes that keep Silicon Valley's lights on, by way of an Irish holiday.



© 123RF.com

One of the many shots fired at the Zuma/Gupta maladministration was that KPMG, a serious auditing, etc, firm, was found to have enabled much of the malarkey. Instead of standing still and holding space as it represents proper and ethical business practice, it chose to dodge, duck, dive, shift, jink and dodge instead. While this didn't sink Jacob Zuma, who is disputing Rasputin for survivability, [it placed KPMG on the block](#).

No mere slap on the wrist for the tax etc. firm. Leaders, CFOs, internal committees and middle manager, largely excluded from a political debate that favours theatre, [fired KPMG as their advisory etc firm](#) and provided a qualified lesson in ethics. Middle-class SA had found its voice-box and exercised it.



KPMG SA fined \$100,000 for "improper professional conduct"

Ann Crotty 15 Mar 2018



The sheer extractive nature of State Capture, appointing cadres who were on a shadow payroll to function as gate-openers and absentee security guards, was disempowering as it was shocking.

How, then, are we ok with giving Facebook and Google the keys to our marketing budgets and railroad that away?



Time to tax Big Tech big time

Derek Abdinor 1 Oct 2019



Not only is this against the green screen of a country desperate for jobs and cash, but this is literally *klapping* the same media that alerts the business world about what is really happening and informing the conditions that they operate it.

Social media marketing and search marketing are very effective, of course. And they should be because we gave them all the power. With every like, every follow, every link clicked, it seemed to add a halcyonic filter to our lives. Free tools and service seemed to fall from the sky to make these lives easier.

There are myriad, but the most illustrative example arrives around 2015: Google tells publishers that the mobile web was too slow and they will assist publishers to implement the New! Improved! Faster! AMP technology. Once this is done, and shops were worked around the globe to expedite this new implementation of code, users on Android phones noticed how they could swipe and get news from any and all media outfits, estranging the old one-to-one relationship readers had with their news providers and continuity.

The agency business exists for various reasons, chiefly that the principal brand sees media buying and advertising as not being core to operations. The mandate to achieve marketing goals is delegated to the agency and they extract margin from finding reach and frequency. Thus, local media is bypassed and profits extracted.



Warc predicts that Google and Facebook will make \$176bn from advertising this year

22 Mar 2019



Senior managers need to inquire of its agencies what the overall allocation of its digital spend is and calculate how much of that is going back into South Africa, its very customers, households by way of jobs and taxes. This is something that may pose a risk in the near future, looking at what is happening with the [questions asked of Big Tech](#) around the world at the present.

Awareness is the first step. For many of the players, this is a sweet ride and backseat drivers are an irritant. Alternative solutions to the duopolistic dominance of the advertising market, as well as the agency and oversight functions, will come when challenging the system. As we saw when KPMG was examined.

Corporate South Africa has an unfortunate history of participating in and benefiting from unjust structures. Fast forward to different times and they scabble in the archives to find evidence of something to the contrary. Right now, history is in the hand of technology, but when the hand (that has lost the use of pinkies) drops the pen, we will have to live with what we've written.

**This article was originally published on [Daily Maverick](#).*

ABOUT DEREK ABDINOR

Derek runs AQME, South Africa's network for independent publishers and consults to established companies in optimising their digital businesses. He would like to see a healthy media ecosystem where media, brands and advertisers can thrive; where foreign and corporate control of our digital media is limited; where free speech allows us to build the society we believe in; and the introduction of a new ethic that will portray our industry as one of virtue and value.

- How different is Big Tech from State Capture? - 8 Oct 2019

- Time to tax Big Tech big time - 1 Oct 2019

- Big Tech squeezes into small shoes as it denies being anti-trust - 23 Sep 2019

- Of foxes and paradoxes in the media henhouse - 17 Sep 2019

- Investor relations from here on in - 31 Oct 2008

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>