

The state of SA's social influencers with Special Effects Media

By Leigh Andrews

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I spoke to the global and SA CEOs of Special Effects Media about the 'YouTube boom' and how digital content creators take entrepreneurship to a whole new level.



Szabo and Acquisto.

Gergo Szabo is CEO and co-founder of Special Effects Media globally. Special Effects Media is dubbed as a next-generation media company, building and managing leading social influencers on YouTube. To this end, they're a Multi-Channel Network (MCN) partner of Google and a YouTube Certified company.

Szabo himself is an online media expert based in Hungary with strong international experience, having worked at the likes of such household names as HBO, Disney and Sony.



#Newsmaker: Danilo Acquisto heads up local YouTube multi-channel network

Jessica Tennant 27 Sep 2017



Danilo Acquisto, on the other hand, describes himself as a serial entrepreneur, with good reason. In addition to recent media roles you may remember him from, such as TV presenter on *Afternoon Express* and radio presenter on Good Hope FM, he's now CEO of the YouTube Multi-Channel Network (MCN) Special Effects Media South Africa.

This #EntrepreneurMonth, I met with Szabo and Acquisto over mid-afternoon hot drinks at the Workshop17 Cafe, as that's where Special Effects Media is based. Following handshakes and warm hugs, we got right into chatting about how the two met, why they started Special Effects Media and the state of the SA social influencer industry...

■ **Let's start with a broad overview of the state of the SA market compared to what you've seen in Hungary and elsewhere in the world, why you chose to invest here, and your origin story.**

Szabo: The short answer is that it is early days for both our business and for the SA influencer market, which is partly why we decided to launch here.

I've been working in the YouTube space since influencers started to explode onto the scene in 2012. I was based in the UK at the time as digital media director for Sony Pictures, working with some of the biggest content owners. In the UK and the US, YouTubers were already attracting really big numbers of viewers, which attracted the attention of brands, and the rest is history.

“ Back in the days... Thanks @YouTube for existing! #YouTube #YouTubeZA #YouTubeFacts #YTB #SEMSA pic.twitter.com/Sx1wbCH0qR— Special Effects Media SA (@SPECEFFECTSA) November 15, 2018 ”

I moved back to Hungary around then and started to build a business on that, in a market that wasn't quite as advanced as that of the UK at the time. It has since developed further, but I was looking for similar markets that had heard of the 'YouTube boom'.

Life connected me to Acquisto and I learned he had similar plans in mind and YouTube ties here, with the technology and infrastructure behind him, so the stars aligned and we created Special Effects Media (SEM) South Africa roughly a year ago.

So SEM is present at the moment in Hungary and SA, and we're continuously looking for further expansion opportunities, to become a truly international brand. wanted to be in a market with growth potential and hasn't yet been exploited by big media-backed players – SA fit that thinking nicely.



SA YouTube views increased in 2013 by over 90%

20 Mar 2014



Because as I mentioned earlier, the SA market is in its early days in terms of number of YouTubers and their followings, which will only improve. That's exciting.

From the advertisers' perspective, they're already aware of what's happening in this space in other markets, it just hasn't really picked up yet here. That's where we come in as we can provide them with inventory, and show them how to reach those demographics that are proving harder to reach on other platforms.

■ **Sounds good. What did you learn from your time working at global media corporations that's helped in launching Special Effects Media?**

Szabo: It brought a number of things together in my personal career. I've been involved in a number of areas of big media like production, sponsorship, project management and digital, which is all aligned with what we are doing now. The biggest thing to learn from those companies is the importance of content, and of looking after your own content.

However, there's also a lot of things they lack. And that's exactly the problem in the industry at the moment: a lot of the big media companies struggle to attract the attention of the younger set and certain TV channels have lost their connection with the younger generation altogether as they'd rather connect on other platforms.

📌 **Linked to that, share your different perspectives on a few of the challenges of building and managing and leading social influencers on YouTube.**

Acquisto: Digital content creators often start out their journey by sharing personal things about who they are on their platforms, and to build a business around that is quite hard. It's so personal to you that any feedback and criticism is usually met with a sense of: "Who are you to tell me what I can and can't do as an individual."

“ But content creators are also the most interesting people because they've taken entrepreneurship to a whole new level. They've built a platform for themselves, built their own communities, engaged with those communities, found ways to share branded content with those communities and constantly work improve their offering. It's just like when someone decides to quit their regular job and start their own business. ”

That's what makes them fascinating to work with, but doing so does come with challenges – like the left brain/right brain challenge, there are those who are creative and those who are skilled at the 'numbers side' of business.

It's hard to find someone with a good balance of the two, so what we're doing as Special Effects Media is partnering up with those digital content creators, saying, "You keep up with what you love in creating really cool content and we'll handle the business side of things."



Creative strategists - fact or fantasy?

Mari-Louise Kaplan 24 Oct 2016



Because the audiences are so small here in SA, our creators have to start thinking bigger. We have roughly 8m people on YouTube, so a 'big influencer' in our market would be someone with 30,000 subscribers, compared to the US where a 'small micro-influencer' has 45,000 subscribers. SA needs to realise it's part of a global platform and there's so much growth to still achieve.

But they're a great example for the big media houses Szabo mentioned, in terms of realising that the love of producing content is what drives these individuals. To put yourself out there on the internet is not easy, and there's so much work that goes on behind the scenes.

Humility will set in when they realise, "Wow, the world is really big and in the grand scheme of things, I still have a long way to go." That said, these are some of the most creative people out there and I'm so inspired by their passion and commitment to producing content!

Szabo: Yes, the SA market's potential is enormous, because of the country's population size. The challenge is obviously access to the internet and the high cost of data.



#Africom2018: What's *really* chewing up your data

Leigh Andrews 13 Nov 2018



Luckily, we are now seeing more of the telcos focusing on neutralising that and turning their data plans into something more affordable, especially by providing unlimited data for YouTube, so they're also moving in this direction.

Special Effects Media is a content business, but at the end of the day, we are dealing with people so there's also a strong element of talent management, which in itself holds a lot of challenges. We need to be smart and sensitive about that.

■ ***Delving deeper into your focus area then, talk us through some live streaming, digital video and multichannel network trends we can expect in 2019.***

Acquisto: We can definitely expect an explosion in the need for video content, especially in SA, where demand is ever-increasing from brands and corporate clients. The market will move forward as it becomes more cost-effective to produce video content, as brands realise they need to do so to really capture their audiences.

“ Today we had Danilo from [@SPECEFFECTSA](#) come in and talk about the role of video, the [@YouTube](#) landscape and strategy pic.twitter.com/uif4QrHSrp— Atmosphere Comms ([@atmospherecomms](#)) [October 31, 2018](#) ”

When it comes to influence, one of the big things I'm pushing for in the new year for the market to better understand how to incorporate influence into their marketing mix. At the moment it's a bit starved and desperate, as there's not a lot of money in this space.

As a result, there isn't a lot of work for the influencers, so some are saying 'yes' to work that isn't the best representation of what great influencer videos look like. If there was more spend in the space and more understanding of how to be effective, brands would get better content and traction and influencers would have stronger content and creative income sources.



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Leigh Andrews 8 Jan 2018



Audiences are becoming smarter and smarter about advertising. That's where YouTube and influencers play a really big role – they have audiences they already have a great relationship with, they just need to start tapping into the authenticity of the relationship.

The digital content creators and influencers will soon realise that they're as powerful as the audiences they manage.

“ *The audience I speak to is my tool and my power, not my numbers and my reach.* ”

Marketers also need to realise that YouTubers are not broadcasters. You can buy cheap advertising to get eyeballs and views on your video elsewhere for cheaper in the market – with an influencer, you're buying into their relationship with other consumers. So if your brand is trying to capture a market, why not use the people who already have a say in that market to convince their audience that your brand is cool and relevant?



Why brands should focus on community building over the eye-balls approach

Danilo Acquisto 22 Feb 2018



I expect we'll see that trend happen more and more, so I'm hoping SA's digital content creators' audience sizes grow, and with more content produced, **brands will realise YouTube is not the ugly cousin of the marketing strategy.** It needs to become the core strategy, with other social media platforms acting as peripheral platforms to full video presence. That's what I'm hoping to see just in 2019, I don't know what happens beyond there.

📌 **How will that then drive valuable ROI for brands?**

Szabo: It's simple once they implement strategies that place their brand or product or message into content their customer is watching and listening to. Whenever a social influencer or YouTuber does something, wears something, drinks something, or shows something to their viewers, their audience takes note.

Acquisto: Yes, marketing is quite aggressive at the moment in the realm of influence because it's perceived to be expensive. Brands are trying to get as much exposure as they can, so they want their branding everywhere – at the beginning of the video, with their logos on screen and brand mentions throughout. They need to wake up to the fact that you can buy cheaper advertising elsewhere.



Danilo Acquisto on the online video revolution (Part 1)

Juanita Pienaar 8 May 2018



Your brand won't get the results you want without integrating yourself naturally into the content. Granted, you don't want the content to be ignored as it's not noticeable, but it needs to feel natural.

“ Most SA influencers are not making millions of rands, so they tend to accept any job. As the market grows, influencers will start saying 'no' to campaigns that don't align with what they feel and believe. Once we see that happen, we will see a massive explosion in credibility for this form of marketing. ”

Szabo: It's so important to keep that credible authenticity.



Influencer marketing authenticity

Josh Da Costa, R-Squared SA 14 Nov 2018



There's ample research available on whether the suggestion of a mainstream celebrity, movie star or YouTuber's suggestion actually leads consumers to buy a certain product. The YouTubers are winning the race, as they are credible to their viewers.

It's very important to keep that credibility to sustain the relationship in the long term, but also important to realise it can be erased in a short time if you over-commercialise and visibly only do it for money.



Influence or fraud?

Federico Dedeu 26 Oct 2018



Part of our job is to make those connections and bring advertisers to channels where the YouTuber really identifies with the product and believes in it. The relationship needs to be a good fit.

📌 **Lastly then, as it's #EntrepreneurMonth, tips for anyone looking to follow your footsteps?**

Acquisto: My top tip is to **find a mentor or coach**. As an entrepreneur, you are the highest level of your business, so there's no one to bounce ideas off of or make decisions with you. You're kind of on your own, and your team is looking to you, often you need to take a risk and see if it works.

Also, **choose your team wisely**, if you're going to be that entrepreneur with a team below you. Take your time in choosing the right people, especially as you don't have HR and other filters. So trust your gut when doing so.

Third, **don't ignore the finances**. That's not just for the sake of producing reports, but also to understand the way money flows in and out of the business through costs, expenses, debtors and creditors. You don't want to wake up three months or six months, or a year or two down the line realise you don't have a grip on your finances.

The biggest thing to consider about becoming an entrepreneur though is to **really understand why you're doing this**. Without a deep 'why', it's just not going to be worth your while. You'll potentially burn out and be really unhappy, it's not an easy job or a glamorous opportunity. It comes from a much deeper place than that.



'Why quitting my job was the best thing that happened to me'

Juanita Pienaar 12 Nov 2018



Go in with something deeply motivating and let that drive you, as opposed to the potential financial results.

Szabo: I'd also highlight the **importance of timing**. If you have an idea, do your research to figure out if it's the right time for that kind of thing to happen. If you think it is, then go for it. In some markets, a window of opportunity is possibly only open for a few months or years at most. Then you'll find it's too late as other people have beaten you to it.

Stirring words this #EntrepreneurMonth. Follow Special Effects Media SA on [Twitter](#), [Facebook](#) and [LinkedIn](#) for the latest updates.. You can also follow Acquisto directly on the following social media channels: [Facebook](#) | [Twitter](#) | [Instagram](#)

ABOUT LEIGH ANDREWS

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