SCIENTIFIC JOURNAL OF ACCOUNTANCY, MANAGEMENT, AND FINANCE
ECONOMIT JOURNAL

Impact of 2020 Economic Recession on Advertising Agencies in Nigeria

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Abstract:

Existing literature tends to focus on broader marketing trends or global advertising shifts, leaving a gap in understanding how Nigerian agencies navigated the 2020 downturn and its implications for their future practices. This study seeks to address this gap by investigating the challenges faced by advertising agencies in Nigeria during the economic crisis. Qualitative research method was adopted, and data was gathered from ten (10) participants across five different advertising agencies in Nigeria. Additional findings revealed that the 2020 economic downturn had dual consequences for lead generation among advertising firms, depending on their ability to adapt to economic shifts and structural variations. While some formed international relationships and secured health awareness campaign gigs, others leveraged referrals to expand their business. Also, it was found that the 2020 economic recession exerted divergent effects on client-agency relationships within the advertising sector, contingent upon the agencies' responsiveness to the circumstances and their pre-existing operational frameworks. While some experienced cordial relationships through virtual collaborations, some relationships went sour. Based on the findings, it was recommended that advertising firms undertake digital transformation, incorporating remote collaboration tools and data-driven marketing techniques. Agencies can promptly capitalise on new opportunities, such as public health campaigns, by equipping their personnel with training in virtual client management and agile service delivery.

Keywords:
Economic recession, advertising agencies, advertisement, Nigeria

I. Introduction

The COVID-19 pandemic led to a slowdown in the global economy in 2020, affecting several businesses, including Nigeria's advertising industry (Ahmed & Aondover, 2022). The epidemic caused economic activity to slow down, consumer spending to drop, and supply chains to break down, prompting enterprises to rethink their business strategies (Ibn-Mohammed et al., 2021; Yu et al., 2021). Advertising agencies, which depend on client budgets and stable markets, encountered problems they had never seen before when brands cut back on marketing spending to save money. This study examines the impact of the 2020 economic crisis on Nigerian advertising companies. Before the epidemic, the Nigerian advertising sector was worth more than $500 million. However, customers pulled out of campaigns or reduced their participation, which placed a burden on agencies' finances and compelled them to restructure their operations.

DOI: *https://doi.org/10.33258/economit.v5i3.1346*

One of the aspects which the 2020 economic recession affected was how to generate business leads in the face of lack of patronage. Before 2020, the industry was growing steadily because more people were using digital technology, and the middle class was getting bigger.

However, the recession caused by the pandemic led many businesses to cut back on non-essential spending, and marketing budgets were typically the first to be reduced (Jomo & Chowdhury, 2020; Rubin & Willoughby, 2021). The Advertising Practitioners Council of Nigeria (APCON) stated in a research report that Nigeria's ad spending declined by almost 30% in 2020 compared to the previous year Oko-Epelle et al., 2022; Navarro, 2023). This drop was especially severe in industries such as aviation, hospitality, and retail, which were hit the hardest by lockdowns and reduced shopping activity. Agencies that heavily relied on these industries experienced a significant decline in briefs, resulting in layoffs, pay cuts, and even the closure of several agencies. Smaller agencies, which lack the same financial strength as larger ones, were disproportionately affected. They had trouble keeping people and coming up with innovative ways to grow their businesses (DiResta et al., 2020; Suparta & Wijaya, 2023; Saint et al., 2024).

Due to the lack of patronage, agencies had to devise new and more aggressive ways to get more clients. Many turned their focus to digital marketing because they knew that corporations were seeking advertising solutions that were both cost-effective and easy to measure. Agencies that had only used traditional media, such as TV, radio, and out-of-home advertising, had to adopt digital marketing tools, including social media management, search engine optimisation (SEO), and programmatic advertising.

The economic crisis in Nigeria altered the way agencies and clients collaborated, resulting in a decline in business leads. Before 2020, many client-agency relationships lasted for a long time, and retainers were a standard practice for doing business. However, due to the pandemic's financial challenges, clients became more cautious about signing long-term advertisement contracts (Bradley & Oates, 2021), and shifted towards project-based contracts instead. This change made things less stable for agencies, as they lost recurring revenue streams, which made it harder for them to plan for the future. The Market Research Society of Nigeria (MRSN) conducted a poll and found that 42% of brands reduced their long-term contracts with agencies in 2020 (MRSN, 2020). Instead, they chose short-term contracts depending on performance. Due to this change, agencies had to demonstrate instant value, which increased pressure on creative and account management teams, who often worked with smaller budgets and shorter deadlines.

During the downturn, trust and openness were crucial for maintaining strong agency-client relationships. Clients wanted more accountability for how much money was spent on advertising. This led to stricter performance tracking and decisions based on data. Agencies that could not give precise numbers on how well their campaigns were working risked losing clients to competitors that could. This trend aligns with the global shift towards performance marketing, where ad spending is directly tied to conversions, clicks, or engagement data (Muralidhar & Lakkanna, 2024). According to Jobs et al. (2016), advertisement agencies that invested in analytics tools and provided real-time information were better able to retain clients, even during economic downturns.

Another significant change in the interaction between agencies and clients was the greater need for flexibility and teamwork (Romeiro & Wood, 2015; Levin et al., 2016). Agencies had to engage more closely with clients to adjust campaigns in real time because the economy was so unstable. For example, several firms switched from campaigns that raised brand awareness to messages that directly promoted sales. This meant that agencies had to change their creative methods immediately. It was not always easy to be this flexible, especially for larger agencies with extensive bureaucracy. In this case, smaller, more flexible organisations sometimes had the upper hand, as they could make quick decisions without needing to obtain consent from multiple people. Additionally, the downturn led to a more collaborative approach, with some agencies offering lower fees or more extended payment periods to help clients navigate the challenging times. These kinds of concessions initially hurt the agency's budget, but they helped maintain long-term connections that proved applicable once the economy began to improve.

The economic slump also accelerated the adoption of remote work in the advertising sector, altering how agencies interacted with clients. Virtual collaborations have taken the place of in-person meetings, pitches, and brainstorming sessions, changing the way clients interact with each other. Digital technologies like Zoom and Slack have made it easier to communicate with each other, but the lack of face-to-face meetings sometimes makes it harder to build trust and work together creatively (Nilsson & Mattes, 2015; Maikaba & Msughter, 2019).

The economic crisis in 2020 had a significant impact on Nigeria's advertising industry, and for a long time. This is because marketing budgets dropped so quickly, agencies had to rethink how they do business. The shift from retainers to project-based contracts made finances less stable, and the need for transparency and verifiable results made it more crucial for agencies to deliver real value. At the same time, the crisis made client relationships more flexible and collaborative, as agencies and brands worked together to address problems that had never occurred before. As Nigeria's economy slowly improves, the lessons learnt during this time still influence how advertising firms operate (Aondover et al., 2025). They now put more emphasis on being flexible, resilient, and making decisions based on data. Individuals in the industry need to comprehend these effects so they can devise strategies that will sustain their businesses even during economic instability.

Despite the growing body of research on the economic impact of the 2020 economic recession due to COVID-19, few studies have specifically examined its effects on advertising agencies in Nigeria (Vitalis et al., 2023; Oreoluwa et al., 2024). Existing literature tends to focus on broader marketing trends or global advertising shifts, leaving a gap in understanding how Nigerian agencies navigated the 2020 downturn and its implications for their future practices. This study seeks to address this gap by investigating the challenges faced by advertising agencies in Nigeria during the economic crisis, as well as the adaptive measures they employed. By doing so, it aims to provide insights that can help agencies, policymakers, and industry stakeholders develop more robust frameworks for crisis response and sustainable growth in an increasingly volatile economic landscape. The following research questions were answered in this study;
1. What is the role of 2020 economic recession on new business lead enquiries?
2. What role did 2020 economic recession play in agency-client relationship?

II. Research Methods

This study utilised a qualitative research methodology. Qualitative research methods are essential for comprehending intricate phenomena, as they yield rich, nuanced insights frequently overlooked by quantitative methodologies. Qualitative methods, including interviews, focus groups, and ethnographic observations, enable researchers to investigate the underlying meanings, motivations, and contextual elements that influence human behaviour and experiences, in contrast to numerical data (Creswell & Poth, 2016). This method is especially useful for looking at subjective judgements, cultural habits, or new trends when there may not be any set variables. The qualitative approach was expressly chosen for its significance in marketing research, since it elucidates profound consumer insights, brand perceptions, and decision-making processes that surveys alone cannot disclose (Belk et al., 2013; Aondover et al., 2022). Researchers can change the questions during the study, look into unexpected results, and come up with ideas based on real-world observations because the method is flexible.

2.1 Population and Sample

The study population includes advertising agencies in Lagos state. This is because the largest advertising agencies in Nigeria are located in Lagos state, being the commercial capital in Nigeria. Specifically, the managers and chief executive officers of the selected advertising agencies were sampled to participate in this study. A total of ten (10) participants were interviewed.

2.2 Data Collection Instrument

A semi-structured interview guide was designed to gather data from the selected participants. The interview guide comprised of questions that elicits responses regarding how the economic recession that happened in 2020 affected the business leads for the advertising agency and how it affected the agencies relationship with their clients. The semi-structured guide also made it possible to probe the responses given by the participant.

2.3 Data Analysis

Thematic analysis was utilised as the approach for examining the collected data. Thematic analysis is a method that involves examining a collection of data to identify patterns present within the dataset (Braum & Clarke, 2006). This approach facilitates the description and interpretation of data, organised into themes and sub-themes. Although Braun and Clarke proposed the generation of initial codes, the codes were created during the process of reviewing the excerpts. The analysis of the data was conducted utilising Atlas.ti.

III. Results and Discussion

This section presents results of gathered data. Data was gathered from ten participants. It is shown that there is a balance gender distribution among the participants. The average years of experience was 7 years 7 month.

Table 1. Demographic information of respondents

SN	Gender	Job position	Years of experience
1	Female	Head of media	7
2	Female	Manager	8
3	Male	Media lead	5
4	Male	Head of strategy	8
5	Male	Senior Group Head	9
6	Male	Head	10
7	Female	Operations manager	5
8	Female	Media lead	5
9	Male	Senior Group Head	6

10	Female	CEO	14
			Mean = 7.7

3.1 RQ 1: Role of 2020 Economic Recession on New Lead Inquiries in Ad Agencies in 2020

This section presents results on the role of 2020 economic recession on the generation of new business leads for advertising agencies in 2020. A total of six (6) respondents from six different advertising agencies were selected to participate in this study. After data analysis, a total of five (5) themes emerged. As shown on Figure 1, they include; Public health campaigns, international connection, awareness and behavioural change campaigns, leads to referrals and poor business leads.

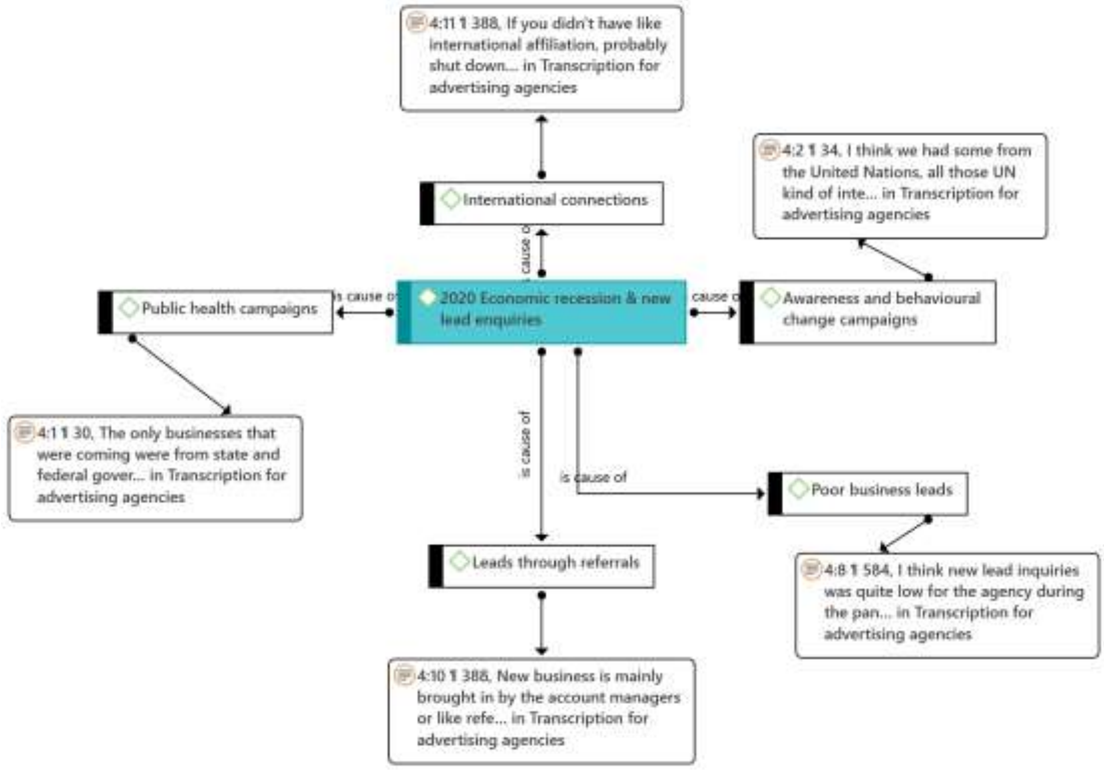

Figure 1. 2020 Economic recession and new lead inquiries

a. Public Health Campaigns / Awareness and Behavioral Change Campaigns

One of the new business leads that was gotten by some of the advertising agencies is on public health campaigns. These campaigns were sponsored majorly by governments (Local, state and federal government). As there were no viable businesses coming from the regular organisations due to the reduction in budget, focus shifted to getting campaign funds from the government, with messages that focuses on maintaining public health. Sample excerpt below;

> "...So new businesses were not coming. The only businesses that were coming were from state and federal governments who were trying to create awareness about COVID-19 to Nigerians and how they should report those people they feel have symptoms and all what not." (KII/Female/Head of Media/MediaReach)

From the above excerpt,it could be deduced that as new businesses were not coming, there were public health campaigns on the awareness about COVID-19 virus. The main message is ensuring that people are aware of the right authority to reach out to should in case they feel COVID-19 symptoms.

Apart from getting businesses on public health campaign from the government, some advertising agencies were also able to secure business leads from World Health Organisation, which also wanted to pass messages on the need for behavioural change in order to prevent contracting COVID-19 virus. Sample exceprt below;

> ”…So generally they were just then, I think we had some from the United Nations, all those UN kind of intervention campaigns, World Health Organization intervention campaigns on COVID-19. Those were the things that were really coming on board that time. The proposals that we were getting were trying to run campaigns that would enlighten people, create awareness, also encourage people to be safe, conscious on their heads and environmental cleanliness and stuff like that.” (KII/Female/Head of Media/MediaReach)

Both excerpts shares the same thing in common: Promoting public health. As COVID was described, the spread is dependent on how people change their behavioural patterns. Therefore, the emphasis was on people adhering to the laid down rules in order to avoid the virus. These campaigns served as one of the viable leads for advertising agencies during the recession due to COVID in the absence of other private organisations.

b. International Connections

As there was little to no advertising campaigns from organisations due to reduced budget from companies for advertising agencies, some leveraged on their international connections to get business leads. The local organisations were already grappling with survival during the recession caused by COVID. Therefore, some advertising agencies were able to get campaign programs/adverts through their connections with international bodies. Sample excerpt below;

> “...Generally, it wasn't an easy time for local businesses, you know, because a lot of businesses had to close down. If you didn't have like international affiliation, probably shut down your business and you know you probably were working from home. We leveraged on international connections, hence many of our businesses then were from international organisations.” (KII/Male/Media Lead/End Strategies Flavours)

From the excerpt, it was observed that advertising agencies that do not have international connections closed down as all business leads were off during the pandemic. However, the few that survived leveraged on their international connection, some of which can be linked to the public health campaign from World Health Organisation, amongst others.

c. Business Leads through Referrals

Another way by which advertising agencies got business leads were through referrals. It was observed from the gathered data that some advertising agencies leveraged on their previous customers who referred other clients to them during the recession. Sample excerpt below;

> "...We have a large client base who we rely on for referrals. So even during the pandemic, business was not as usual, but new clients came in through our past clients". (KII/Male/Media Lead/End Strategies Flavours)

In another way, business leads were generated through indirect referrals from subtle advertisement on souvenirs given to previous clients. Sample excerpt below;

> "...So I guess what you're trying to ask here is how we acquired new business. Yes. New business is mainly brought in by the account managers or through referrals. That's how new business is generated. Honestly, it wasn't easy for anyone because it's a network; WB is a network. A lot of times, you can easily get handmade items because they come from the group, like calls from WBP groups—sometimes businesses come in that way. But holistically, because of the brand itself, we have strong referral capabilities." (KII/Male/Media Lead/End Strategies Flavours)

From the above excerpts therefore, referral was found to be a means by which advertising agencies got new business leads during the recession due to COVID pandemic.

d. Poor Business Leads

Other respondents indicated that there was no new business lead during the pandemic. The recession had significant toil on the advertising agencies as organisations were not forth coming with advertisement. Sample excerpt below;

> "...I think new lead inquiries was quite low for the agency during the pandemic. A lot of brands like I'd mentioned, weren't looking at having a 360 or an IMC campaign at that time. They were focused largely on digital content, digital marketing. I think, particularly for my agency, think we did not get any new leads. I don't think we any new clients. We were just trying to figure out how to get our current clients to push out more money, to do more content." (KII/Male/Senior Group Head/Copy Leo Burnett Group)

The reason was because most advertisers were more focused on digital marketing during the pandemic, regarding the traditional media such as bill board as not serving the purpose for the moment.

3.2 RQ 2: Role of 2020 Economic Recession on Agency-Client Relationship

This section presents results on the role of 2020 economic recession due to covid-19 on agency-client relationship. As presented on Figure 4.7, four (4) themes were identified from the gathered data; Cordial relationship, symbiotic relationship, virtual collaborations on projects and strained relationship.

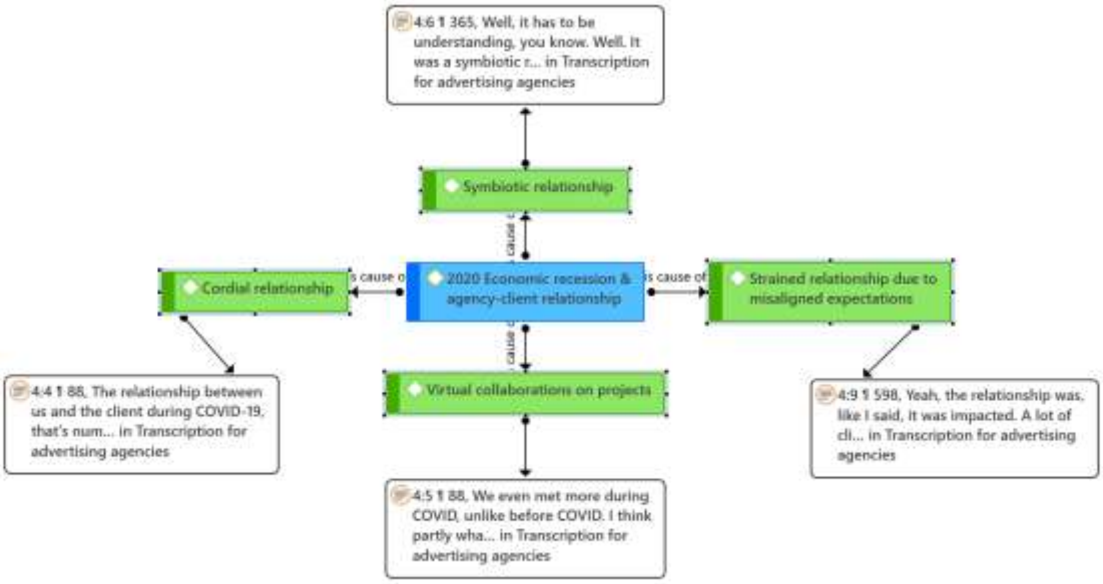

Figure 2. 2020 Economic recession and agency-client relationship

a. Cordial and Symbiotic Relationship

From the gathered data, it was observed from one sect of respondents that there was cordial relationship between the advertising agencies and the client during the 2020 recession. Cordial relationship in the sense that clients and advertising agencies perceives that they are all in the same situation during COVID, hence, kept the same goal of fighting the virus. This enabled continuous communication despite the halt in businesses. Sample excerpt below;

> "...The relationship between us and the client during COVID-19, was very cordial. We were all now more connected. Since we were all fighting one battle, we were all connected together. And it brought most of all the clients and agencies together because even when the tone of me has changed, as against that very harsh…You know the way normal agency, if you've been in the advertising sector, know the way normal agencies and clients' relationships always are. But that period, it was very, very cordial." (KII/Female/Head of Media/MediaReach)

From the above excerpt, the economic recession period was identified to be a moment where they had one of the best agency-client cordial relationship. Another form of relationship observed from the gathered data was a symbiotic relationship. One of the respondents from an advertising agency indicated that there were mutually beneficial communication between the agency and the client. Communications that were not business-related, but rather was more of casual and informal.

> "...It was a symbiotic relationship, know. There was this outbreak that just totally, forgive my French, that you're totally fucked up everything, know. Royally fucked up everything. We had to... You had to adjust whether you liked it or not. It was not in your hands to adjust, you know. Even the client to some point, you know….Not everybody knew what they were doing. Honestly, nobody knew what they were completely doing. Everybody was just adjusting. So like, we had to get closer, understand clients better, and understand that there was no physical, a lot of times there was no physical way to do this because everybody was doing social distancing and all of that. So we had to like, really like tighten our our relationship with like digital platforms a lot of calls sometimes even calls that would be like this is just to

> check on you guys you know even client did it sometimes so yeah you have to build a relationship to be able to meet those objectives because sometimes clients would need you impromptu sometimes you need clients impromptu so like and you could not go to the offices and stuff so you have to like call them speak to them. Sometimes even jokes, sometimes their calls are like the music to your ears in that boring lockdown situation. You actually want to walk. You want to speak to the client. So it was a symbiotic relationship." (KII/Male/Media Lead/End Strategies Flavours)

b. Virtual Collaborations on Project

While the pandemic placed restrictions, some advertising agencies were still able to continue business relationships by virtually collaborating on projects. As observed from the gathered data, one of the respondents from an advertising agency indicated that they had more meetings virtually, compared to during physical meetings before the pandemic.

> "...We even met more during COVID, unlike before COVID. I think partly what also affected, made it possible was virtual meetings that were made with Zoom and Teams. So unlike before, if you want to, if you are going for a client meeting, maybe can do, visit a particular client maybe like once or twice in a week physically. But during COVID, we had meetings often."

From the above excerpt, it could be deduced that digital platforms aided continuous business relationships between advertising agencies and clients. It even presented a platform for frequent and strong business relationship compared with physical meetings.

c. Strained Relationship

The other side of the positive agency-client relationship discussed so far was the development of strained relationship due to misaligned expectations. Sample excerpt below;

> "…A lot of clients, I think, because they were restricted to digital content. They were quite impatient with the agencies. They were in thin impact. Some of the brands did not know how to adjust their expectations to the reality. So they wanted to still see the same impressions, same numbers, same clicks and you know all those things from digital content as they were expecting you know before covid so they were quite impatient and agents just had to find ways to manage you know that relationship or those relationships." (KII/Male/Senior Group Head/Copy Leo Burnett Group)

As shown in the excerpt above, the relationship got strained as a result of the impressions and results the client got after advertisements. As it was during the pandemic, the advertisement poor impact on the business outcome, which the clients was not comfortable with. This is one of the few relationship that were strained by the nature of what happened. In other words, while the advertising agency had done their job, the pandemic, which led to the restriction of people made it difficult to reach the target audience, hence, did not yield positive result for the advertiser.

3.3 Discussion

The study examined the role of 2020 economic downturn on advertising agencies in Nigeria. Two specific objectives were generated from the main objective. One of the the specific objectives was to understand how the 2020 economic recession influence new lead inquiries in advertising agencies. It was found that despite the absence of patronage, some advertising agencies were able to get gigs on public health awareness regarding COVID-19 virus, awareness and behavioural change campaigns, leads to referrals, formed international connections, while some got poor business leads.

Resource mobilisation theory (McCarthy & Zald, 1977) posits that firms with superior access to financial resources, personnel, and social capital are more inclined to capitalise on opportunities during crises. Agencies that secured contracts for COVID-19 awareness initiatives likely possessed pre-existing relationships with government entities, NGOs, or international health organisations, facilitating their swift adaptation. This aligns with Bourdieu's (1986) concept of social capital, which posits that societal networks facilitate the discovery of opportunities. Agencies with prior collaborations with global organisations, such as the WHO or UNICEF, may leverage these relationships for referrals and international partnerships (Abeykoon, 2021).

Conversely, agencies that received poor business leads may not have possessed sufficient capital, illustrating the disparity within the advertising sector. Smaller or less-connected enterprises often forfeit lucrative contracts, perpetuating the "Matthew effect" (Merton, 1968), wherein advantaged entities have increased opportunities. The pandemic exacerbated these disparities as established entities with a history of delivering trustworthy health communications were frequently awarded emergency funding and contracts (Benjamin, 2020).

The results demonstrate the significance of adaptive innovation. Agencies that performed successfully likely employed adaptable strategies, such as repurposing creative assets on digital platforms or utilising data-driven frameworks to shape behaviour (Sultana et al., 2024). Conversely, individuals with rigid business strategies or limited technological knowledge struggled to compete, exacerbating the digital gap in creative sectors.

Also, it was found from the study that the 2020 economic recession led to forming cordial relationships between advertising agencies and their clients. In some instances, some formed symbiotic relationship, all through virtual collaborations. However, in few occasion, the 2020 economic recession led to strained relationship between advertising agencies and clients. The findings indicate that throughout the 2020 economic slump, the connections between advertising agencies and their clients exhibited both strength and fragility. Certain partnerships intensified, particularly through virtual channels, while others became strained. Theories of crisis management, relational contracting, and digital intermediation may facilitate critical analysis of this duality, as can structural imbalances in the power dynamics between clients and agencies.

The concept of "shared adversity" in crisis management (Anderson & Jones-Bodie, 2023) posits that companies collaborate more effectively when confronted with external problems. This resembles how amicable and potentially advantageous collaborations develop. The recession's financial troubles made it vital to be cost-effective, which led agencies and clients to develop flexible, trust-based relationships. The transition was facilitated by virtual collaborations, accelerated by pandemic constraints. Research on digital intermediation (Pantielieieva et al., 2019) suggests that remote work platforms, such as Zoom and Slack, have reduced transaction costs and facilitated real-time collaboration between agencies and customers. This aligns with the concept of relational contracting (Yeung et al., 2012), which posits that long-term mutual advantage supersedes short-term inflexibility in contracts. Agencies that used performance-based pricing models, such as pay-for-results, or integrated digital solutions, like programmatic advertising, were more likely to maintain their contracts (Toussaint, 2018).

However, the recession exacerbated existing issues in client-agency interactions, resulting in complete breakdowns in several instances. Resource dependence theory (Pfeffer & Salancik, 1978) elucidates the reasons for this distinction: clients who are experiencing major cash flow problems may have reduced their marketing budgets without consulting their partners, thereby breaching agreements and eroding confidence. Smaller agencies faced greater adversity due to their diminished bargaining strength, which was exacerbated by the recession's amplification of power inequalities (Degdeviren & Donoghue, 2019). The transition to online collaboration was not always seamless; digital operations may result in misunderstandings (Ahmad et al., 2023), and divergent expectations regarding crisis management (such as rapidly adapting messages to be more sensitive to the pandemic) could strain relationships. Clients may have departed from agencies perceived as inflexible or slow to adapt, so reinforcing the "flight to safety" phenomenon, where clients transfer their business to larger, more stable organisations.

IV. Conclusion

The findings indicate that the 2020 economic downturn had dual consequences for lead generation among advertising firms, contingent upon their ability to adapt to economic shifts and structural variations. Certain agencies, particularly those with established networks, proficiency in digital marketing, or specialisation in health communication, capitalised significantly on COVID-19 awareness campaigns. They established international relationships and referrals. However, other firms struggled to obtain quality leads due to insufficient resources, weaker client relationships, or an inability to adapt their offerings. This disparity illustrates the significance of social and digital capital in effectively managing a crisis. Agencies with superior market positions or innovative concepts capitalised on emerging public health demands, whereas less-equipped firms were relegated to the periphery. The absence of traditional patronage exacerbated these disparities. This illustrates how recessions can create specialised possibilities for specific individuals in the advertising sector while rendering others more susceptible.

Also, the findings indicate that the 2020 economic recession exerted divergent effects on client-agency relationships within the advertising sector, contingent upon the agencies' responsiveness to the circumstances and their pre-existing operational frameworks. Agencies that utilised digital tools provided flexible pricing models and established trust-based collaborations to foster stronger, mutually advantageous relationships with clients. Virtual intermediation frequently facilitated these relationships by reducing costs and enabling real-time coordination, aligning with the principles of relational contracting. Conversely, agencies who underperformed in the market or adhered to inflexible business models encountered difficulties with their clients, as the latter either reduced their budgets or consolidated projects with larger, more reliable firms. This disparity illustrates how crises exacerbate existing imbalances, empowering well-funded institutions while marginalising smaller entities.

The recession demonstrated how digital transformation could alter the collaboration between clients and agencies in two distinct manners. Specific collaborations maintained their strength or even intensified due to the use of virtual collaboration technologies. However, they also engendered new issues, such as misunderstanding and misaligned expectations, particularly for organisations unprepared for digital operations. The "flight to safety" phenomenon exacerbated these disparities, as consumers gravitated towards more stable agencies, so rendering less-established ones vulnerable to criticism. Digital adaptation alone is insufficient to rectify power disparities; additional strategies, such as renegotiating contract terms or enhancing service delivery, are also necessary. The transition to remote employment during the epidemic served as both an equaliser and an accelerant for industry stratification.

Recommendations

The following recommendations were made based on the findings of the study; Enhancing digital and adaptive competencies: To remain competitive during economic recessions, advertising firms must undertake digital transformation, incorporating remote collaboration tools and data-driven marketing techniques. Agencies can promptly capitalise on new opportunities, such as public health campaigns, by equipping their personnel with training in virtual client management and agile service delivery. Agencies should proactively establish networks and strategic collaborations with NGOs, government entities, and international organisations to engage in initiatives that address emergencies. Participating in business groups and utilising internet networking platforms can facilitate referrals and collaboration, especially during economic downturns.

Expanding Service Offerings and Revenue Models: To diminish reliance on traditional clients, agencies could consider using flexible pricing structures, such as performance-based fees, and venture into high-demand sectors, including health communication and behavioural change initiatives. Agencies specialising in crisis communication might become essential partners during emergencies. Policy and Institutional Support for Smaller Agencies: Trade associations and regulatory bodies should advocate for equitable access to public contracts, including designated money or capacity-building programs for small and medium-sized enterprises. Funding for digital infrastructure and mentorship initiatives could promote equity during economic downturns.

Client Relationship Management in Volatile Markets: To address budget reductions or alterations in scope transparently, agencies must to incorporate crisis clauses as a routine element of contracts. Consistent communication and demonstrating the value of your services, such as ROI metrics, will assist in retaining clients throughout challenging periods. Adaptive service models, such as modular campaigns, can effectively operate with limited resources.

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