

MTN withdraws adverts from *CEO Magazine*

By  Walter Wafula

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Mobile operator MTN Uganda has withdrawn advertisements from a popular business magazine in Uganda over a story that exposes mobile money fraud in its operations.



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Steven Douglas Baryevuga, general manager, *CEO Magazine*, told Bizcommunity in an interview, that MTN Uganda instructed advertising agency Metropolitan Republic to withdraw ads from the magazine following its publication of a story that bruises the operator's image.

"The account director at Metropolitan called me to complain and break the sad news to me about the cancellation but no official communication was made to CEO as a magazine," Baryevuga said on Thursday, 14 June 2012, "Yes, Metro has told me MTN asked them to cancel any ads booked with us."

However, in a separate interview, Martin Ssebuliba, marketing manager-brand, MTN Uganda distanced the telecom company from the order. "It's not true and this coming from the media is disheartening. We don't gag the media," he said. "I'm in charge of the advertising and I have not had any discussions in that regard," Ssebuliba explained.

In its June 2012 issue, *CEO Magazine* leads with a story titled: *MTN Exits: Is there more than meets the eye?* The publication documents the UGX9 billion (US\$3.6 million) fraud which was confirmed by MTN Uganda last month after local newspapers exposed the scam.

In its official statement, MTN Uganda said fraudsters took advantage of gaps in its mobile money system while it was being upgraded and made off with the money. MTN Uganda upgraded its network between November and December last year in an effort to serve its mobile money customers better.

MTN - Uganda's biggest advertiser

MTN is also the [biggest advertiser in the country](#) according to the 2011 Uganda All Media and Products Survey conducted by research company Ipsos-Synovate. MTN spent about Shs32 billion on advertising in 2011 and was closely followed by Airtel at approximately Ugx24 billion, the media survey reveals.

MTN has been the exclusive sponsor of the *CEO Magazine's* Milestones, an early page section of business briefs where news concerning product launches, company and others are positioned. The adverting space costs the company, UGX3 million (about US\$1 210) per month.

Through the agency, the two parties had also reached an agreement to run the MTN sponsored Monthly Golf Mug, a monthly golf event held at Kampala Golf Club. The publisher was to offer a centre spread covering the golf events once a quarter in exchange for UGX6 million (\$2,420). This new deal was slated to start in July this year.

Magazine prepared to survive

The magazine is prepared to survive without necessary revenue from the biggest advertiser in the economy but in agony. However, it stands proud that it has stood by its editorial policy and remains courageous enough to pursue more insightful stories about leading advertisers in Uganda.

"In Uganda, businesses like ours survive on advertising, very little is gotten from copy sales. So, having one of the top 5 biggest spenders in terms of ad revenues not doing business with us is not good and to get other sponsors to fill that gap in such a short time isn't easy," Baryevuga said.

MTN is the second major advertiser to withdraw ads from the magazine after Uganda Breweries Limited. The brewers is alleged to have cut off advertisement relations with the magazine after it reported that Nile Breweries Limited, a subsidiary of SAB Miller had taken over the number one position in the industry.

ABOUT WALTER WAFULA

Walter Wafula is a seasoned journalist who has reported for the *Daily Monitor* newspaper in Kampala-Uganda. He is also a contributor on Bizcommunity.com website. Email Walter at wafwalt@yahoo.com and connect on LinkedIn.

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