MTN tops advertising spend in Uganda

By Walter Wafula

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MTN, Uganda's largest mobile operator, maintained its lead as top advertiser in the country in 2011, according to a new media report by Ipsos-Synovate.

The Uganda All Media and Products Survey (UAMPS), a report by research company Ipsos-Synovate (formerly Steadman-Synovate) reveals that MTN spent about Shs32 billion on advertising in 2011 and was closely followed by Airtel at approximately Ugx24 billion.

Like MTN, Airtel retained the second spot while Uganda Telecom lost the third place to Orange Uganda Limited which spent Ugx19.8 billion during year.

Top 5 spenders

- MTN - Ugx31.8 billion
- Airtel -Ugx23.7 billion
- Orange Uganda - Ugx 19.8 billion
- Mukwano Group - Ugx 19 billion
- Warid Telecom- Ugx 16.9 billion.

Last year, MTN spent a substantial budget of its adspend on publicising its mobile money service, its new frontier revenue segment. By close of last year, the mobile money transfer system in Uganda had 2.6m subscribers with MTN accounting for over 80% of the electronic money market.

Mobile money market expected to grow

In 2012, analysts expect the mobile money market to grow faster, following the launch of Airtel Money by Airtel and Warid Pesa by Warid Telecom, in January this year. Both Warid and Airtel are aggressively marketing their new services in print and electronic media channels in the quest for a bigger share of the mobile money cake.

UAMPS shows that Uganda's total industry advertising exposure increased to Ugx480 billion in 2011 from Ugx395 billion in 2010. This represents a growth of 21.5& in one year. However, it represents a significant decline when compared with the period 2009 and 2010 when advertising spend grew by 46.8%.

Estella Muzito, the strategy and media manager at fireworks Advertising, attributed the hold back to the general slowdown in the global economy, elections, and high inflation in Uganda which forced companies to cut back on their expenditures due

to uncertainty.

Despite the slow growth, in the last five years, advertising spend has tripled from about Shs150 billion in 2007 to Ugx480 billion in line with Uganda's robust economic growth. Adspend, is seen edging higher this year with renewed rivalry in telecommunications and beverage industries.

Companies likely to increase adspend in 2012

According to Muzito, in 2012, companies are likely to increase their adspend because the global economic outlook has improved and there is more confidence in the economy.

"Unlike last year, we expect to see new investments, more product launches, competition, mergers and acquisitions. These are some of the things that drive advertising. 2011 was an election year so many companies put their plans on hold because of the political environment," Muzito explained.

Other findings

The report further shows that last year, corporate multi-brand advertising topped accounted for the largest adspend over industry specific advertising. Corporate multi-brands, accounted for 23% of the total ad expenditure. The group was closely followed by the communication sector at 19%, and then beverage companies like; Crown Beverages, and Nile Breweries Limited.

The new report which is based on results of a survey conducted among 5 000 respondents in 48 districts also reveals that *The New Vision* newspaper is Uganda's most read newspaper followed by *Daily Monitor*, its closest rival.

In electronic media, NTV Uganda, a subsidiary of the Nation Media Group maintained its position, as the most viewed television station in the country. Central Broadcasting Service 1, Etop FM, Mega FM, Hoima FM, Voice of Kigezi, Nile Broadcasting Service (NBS) FM, and Step FM are rated as the leading radio stations in their regions of operation.

The findings are based on field research conducted between October and December 2011.

ABOUT WALTER WAFULA

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