BIZCOMMUNITY

Free, targeted media in Kenya draws advertisers

By Bob Koigi

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Africa is now seen as one of the world's most promising consumer markets, with studies reporting Kenya as the most consumption oriented market in Africa. But the absence of specialist media channels, and obstacles in direct marketing, have created challenges for advertisers keen to reach the country's aspiring consumer class.


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The launch of East Africa's first free daily newspaper in March this year, geo-targeting young, urban Kenyans, is reportedly quickly becoming the country's third largest newspaper. It has also prompted the closure of one competitor, and the copycat move to free distribution by another of the country's dailies.

A more modern media channel

The success of the new, free, targeted media model comes as advertisers and readers race to adopt a more modern media channel, with the country's existing print media suffering an ageing readership on traditional news content, and consequent declining circulations, despite a rapidly growing population and a vibrant middle class youth.

According to Nielsen's Emerging Markets in Africa report, Kenya has a higher proportion of Trendy Aspirants and Progressive Affluents (wealthier, better educated and more willing to spend on products they like) than other African countries.

This has seen the country's consumer market move into exponential takeoff. L'Oréal East Africa reports it last year sold 40 million units of skincare, cosmetics, hair care, hair colour and hair styling products in Kenya, compared with two million units the year before, in growth that is being echoed across many consumer goods and services companies.

Numerous international brands have moved into the market in recent months, including Spanish clothing retailer Zara, the Massimo Dutti clothing brand, and Clarks shoes. A report by New World Wealth titled *Wealth in Kenya 2014* additionally flags the expected arrival of brand stores from Armani, Burberry, Gucci, Zegna and Hugo Boss to meet the growing demand from the country's middle class, which, according to the African Development Bank, comprises 6.5 million Kenyans.

Kenya's rise as a consumer market

The country's rise as a consumer market is driving accelerated advertising, with PricewaterhouseCooper (PwC) forecasting a more than quadrupling in advertising spend in the country, to $184m by 2017. However, advertising reach has been constrained by the disillusionment of the country's middle class with traditional media channels that focus on political allegiance. At the same time, direct marketing has faced unique obstacles.

The Harvard Business Review reported in 2013 that direct marketing results in response rates up to 25% better than any other marketing tool. But leafleting in Kenya incurs City Council charges of Sh15 (18 US cents) per leaflet and leaflets must be handed out individually - as Kenyan homes don't have post boxes - curbing targeting by area and socioeconomic group.

The launch of *X News*

Against this backdrop, the launch of *X News* in March this year has opened a new channel that has seen the paper draw the country's top advertisers and sparked a mini-revolution in the country's media industry. The newspaper is now driving campaigns such as youth drives by local telecom companies, distributing the newspaper to order across the country's leading university campuses.

A cosmopolitan mix of 16 pages of national and international news, the paper has earned a rapid position as the most read paper by the country's under 30s, with readership data from market research company IPSOS further showing that 9 out of 10 of the newspaper's readers are LSM (Living Standards Measure) 8+, representing the middle and upper middle class. The newspaper is distributed at the end of the work day and captures professionals at the start of their journey home. IPSOS research shows that the typical commute is 90 minutes.

With agreed distributions to targeted populations, the paper is delivering a unique marketing model in Africa that spans the strengths of both direct marketing and well targeted print.

GFK Starch, a US-based advertising analysis firm, recently found that 61% of the readers of print media have taken action based on specific advertising seen in a publication. But the challenge in Kenya was bringing back a young readership to print - a media that still offers the highest consumer engagement, at 43%, according to a 2013 study by the Newspaper Association of America (NAA).

"Media buyers are continuously faced with new challenges as advertisers increase in the Kenyan market and focus on the unique selling proposition that makes them different and better than competitors in targeting specific markets," said Paul Marshall, *X News* CEO. "We are presenting the advertisers with a unique medium to reach audiences in the most efficient manner."

The launch of *X News* was quickly followed by the closure of Nairobi's most recently launched city newspaper, *Nairobi News*, which belonged to the country's largest media group Nation Media Group. That was followed by the relaunch as a free newspaper of longstanding daily *The People Daily*, owned by Mediamax, seeing the new kid on the block lead what may now be accelerating disruption to the country's paid-for print industry.

More research

1. Trendy Aspirants and Progressive Affluents drive modern trade, media usage and consumption of value added products like deodorants and air fresheners. Variables used in the Nielsen study were: attitudes, age, socio-economic

class, education level, and mobile and media usage.

2. The Kenya National Bureau of Statistics (KNBS) economic survey last year said the middle class had jumped to 24% of the population from 19% in 2007.
3. Kenyan youth consume airtime worth Sh23.6bn ($278m), spend Sh64bn ($753m) a year on clothes and other accessories and a further Sh65bn ($765m) on entertainment and outings, according to a 2012 study by Youth Dynamix, Africa's leading authority on youth matters. The key influencers of youth culture are media & marketing, family, peers, society/environment & fashion/brands/celebrities.
4. A survey by Standard Chartered Plc and UK-based consultancy Globescan in 2013 found 66% of Kenyans had put tech devices at the top of their buying list over the past five years, while 64 per cent bought clothes. As personal wealth increases over the next five years, the report forecasts even more middle class Kenyans will first buy devices (75%) and clothes (71%).
5. A 2014 Consumer Insight study found 47% of Kenyans spending their leisure time at malls, second in Africa only to South Africa's 77%.

ABOUT THE AUTHOR

Bob Koigi is an award-winning business journalist from Kenya who has worked for print, broadcast and online media. He has a passion for business journalism and holds a degree in Journalism and Media studies. He has extensively covered stories on government spending, economics, agribusiness, technology and SMEs.