



AMI
**AFRICA
MEDIA
INDEX**

group*m*

**PRODUCED BY GROUP M
IN COLLABORATION WITH
IN ON AFRICA**

IN AFRICA
IOA
Connecting Africa's Potential

WHY AFRICA?

Global Brands and Global Agencies have focused on emerging markets and the growth they can deliver for many years, if not decades. Most of those markets, particularly in Asia – from China to Thailand to Indonesia, have now emerged and are rapidly evolving into strong and stable economies. South Africa has long since been part of the global emerging markets, but what about the rest of Africa?

A continent with the youngest and fastest growing population in the world, some of the fastest growing economies in the world, a potential 1.2 billion people participating in a Free Trade market in the near future and, surprisingly, still not attracting significant advertising investments. This is mainly because Africa is made up of many different countries, many different cultures and languages, unstable rules and regulatory environments, dodgy practices and an historic lack of data to help understand the marketplace.

We, at GroupM, have invested in the development of the African markets to help our Clients explore the immense opportunities they may not realise are available, to offer insights and support solid business growth. Also, to offer constantly new opportunities to local talent, providing them with the ability to thrive in the marketing and media practices, supported by an international network and best-in-class expertise.

Being in the African markets will allow our clients the ability to understand and enter the market with fewer barriers. GroupM prides itself on moving not just our business, but the industry, forward, and we see enormous potential in Africa.

WHY AN AFRICA MEDIA INDEX?

Some markets - South Africa, Nigeria and Kenya - are better known and better studied than others. In order to provide a comparative view, we have decided to look at specific dimensions - Economy and Business, Media Landscape, Media Consumers, Technology, Governance and Legislation – across 14 countries.

By creating an Index, we are more easily able to highlight differences and similarities – from GDP growth rates to inflation, from internet and mobile penetration to the presence of women in parliament and the relative freedom of the press.

We call it the Africa Media Index, but we have focused on 14 Sub-Saharan African countries for this first report. The aim is to cover the whole of the African continent over time.

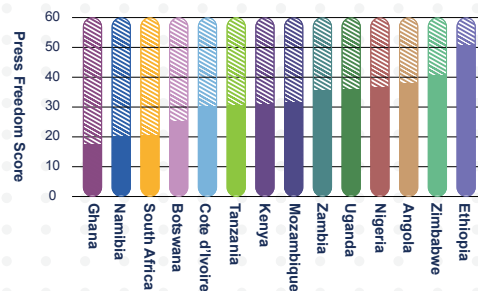
INTRODUCTION

The media industry in Africa has dramatically expanded in technology, user numbers and influence over the past decade. The digitalisation of African society rests on content provided by an array of service providers, from mobile phone companies to satellite TV firms and traditional producers of content. To meet their citizens' needs, governments must satisfy growing demands for a free media and the technological means to provide it. This also means expanding such services as electricity supplies to allow media to operate, with the benefit that these improvements also bring large economic and societal benefits for countries.

Media's growth in Africa is part of the movement toward full democracy in African countries. Authoritarian regimes are being replaced by more people-oriented governments. Authoritarian regimes that repressed the media are making way for more open societies where media flourishes. The mobile phone has given a communication device to hundreds of millions of Africans who never possessed these personally before. With mobile phones come such services as the ability to conduct financial transactions electronically. Now that they have such communication power, citizens will not allow service interruptions, and they want more connectivity, cheaper data costs, and more sophisticated technology. In many ways, the new media is driving governance change in a way no technology ever has and with an impact few societal forces have had. Mobile phones and social media have proved perfect technology for Africans because these are modern ways to continue Africa's oral tradition of storytelling and person-to-person, neighbour-to-neighbour communication. Facebook, the most popular social media platform, is like an electronic community council meeting.

African populations are largely poor, although a middle-class is growing impressively. Therefore, use of media is based on cost. Television is replacing radio when people can afford TV sets and electricity supplies become available, just as internet use depends on the price of data. The print media may not be growing at the same pace as digital media, but print is experiencing positive

World Press Freedom Results 2018
Inverse ratings - lower scores mean greater freedom



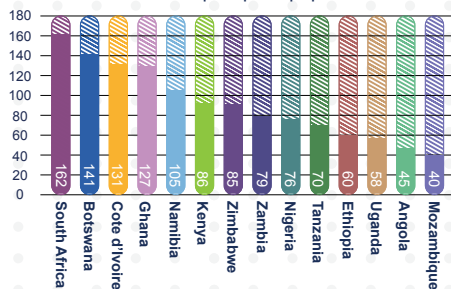
growth and is expanding electronically with online digital editions. The African media landscape is a whirlwind of change and activity, and its power can be harnessed by knowledgeable investors and advertisers. The facts of the media industry that must be understood extend beyond technology and market trends. A knowledge of an entire investment environment is required, including the relevant forces at play in governance, local business and economies that impact the media sector. Not only does the media industry not exist all by itself, but perhaps more than any other business, the media is influenced by the society it serves. In turn, the media influences the societies that hear, read and see its output.

By examining closely 14 key African media markets in five thematic categories - which are Economy and Business, Media Landscape, the Media Consumer, Technology and Governance, the index that follows presents a concise encyclopaedia of selected countries with an ultimate aim of offering well-informed business guidance.

The GroupM Africa Media Index, produced in collaboration with In On Africa (IOA), targets 14 of East, Southern and West Africa's largest media markets. The index is designed to inform media investors and advertisers about opportunities, while also highlighting problems that stand in the way of profitable investment and effective advertising. Balancing raw data with the media sector are surveys conducted with experts in the field. Their perceptions provide depth to the report's data structure and capture the enthusiasm or pessimism relating to particular aspects of the media environment. From these voices, businesses can hear direction on where to grow their brands.

One conclusion stands out in this report: Africans are diverse as individuals but tend to have uniform tastes in what they wish to receive from their media services. Enabled by the latest technology, investors can meet consumer needs and advertisers can tap into consumer desires.

Mobile Penetration
Subscriptions per 100 people



ABOUT THE INDEX

For comparative purposes to better assess the relative strengths of the 14 surveyed nations, a numerical score and ranking have been assigned to each country. These scores are informed by statistical calculations that combine each country's performances in five 'dimensions' relevant to understanding a country's media environment. These dimensions are Economy and Business, Media Landscape, Media Consumers, Technology and Governance and Legislation. To quantify the performance of each country, key data sources were found, scrutinised, allocated to a dimension and presented uniformly for comparative analysis. Each dimension was afforded at least 10 statistical indicators that could inform the outcome.

These statistics were gathered from multiple reputable data sources, such as the World Bank and the United Nations, while others were extracted from like-minded indexes, such as the Inclusive Internet Index and the Mobile Connectivity Index. Once accumulated, the data was shaped according to a moving weighting system that caters for the sometimes dire lack of statistical information in certain African countries. Individual dimensions are important for business investors to consider, but combined into an overall country score, they provide a holistic assessment of a country under consideration. The following 14 countries were selected for this evaluation:



Index Dimensions



Economy & Business

The economic fundamentals, market size, workforce, inflation, value of national currency, employment and ease of doing business are some of the factors weighed to achieve a country score that best reflects the status of economic performance



Media Landscape

A country score combines the availability of media, like broadcast, cinema, internet, print, outdoor advertising and telecommunications, with media's prevalence geographically, to reflect how diverse and influential a country's media sector is



Media Consumers

A measure of a country's media consumer population in terms of access to and integration with local and international media, defining the level and type of demand for media consumption prevalent in the country



Technology


The availability and penetration of ICT technology is ascertained via information that quantifies a country's capacity to provide the necessary infrastructure for media dissemination – an essential factor as ICT becomes more sophisticated and in demand



Governance & Legislation

A numeric representation of a country's governing and legislative framework and its interaction with media consumers, commerce, technology and the media landscape, depicting positive and negative impacts of governments on the media sector

INDEX RESULTS

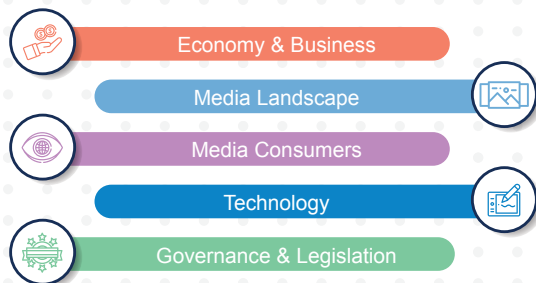
	Economy & Business		Media Landscape		Media Consumers		Technology		Governance & Legislation		OVERALL	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
 South Africa	57.11	1	56.90	1	74.11	1	71.42	1	70.34	1	65.97	1
 Ghana	54.66	2	40.23	3	55.67	5	53.65	2	54.03	5	51.65	2
 Botswana	49.39	3	31.67	5	66.37	2	49.69	3	56.80	3	50.79	3
 Kenya	47.76	5	41.44	2	58.30	4	42.53	6	52.86	6	48.58	4
 Namibia	41.00	12	28.58	9	59.38	3	40.63	7	57.05	2	45.33	5
 Nigeria	47.19	7	40.01	4	47.51	9	45.88	4	39.91	14	44.10	6
 Cote d'Ivoire	47.79	4	30.71	7	48.04	8	45.40	5	46.12	13	43.61	7
 Tanzania	47.44	6	25.15	11	55.14	6	35.47	8	49.95	9	42.63	8
 Ethiopia	44.37	9	30.42	8	41.08	13	32.10	10	54.29	4	40.45	9
 Uganda	43.23	10	31.58	6	43.08	11	31.58	11	49.61	10	39.81	10
 Zambia	46.72	8	27.07	10	37.74	14	29.51	13	52.86	7	38.78	11
 Zimbabwe	41.63	11	24.71	12	43.94	10	33.38	9	46.80	12	38.09	12
 Angola	32.92	13	21.98	14	49.18	7	31.19	12	47.85	11	36.62	13
 Mozambique	30.94	14	23.86	13	42.15	12	26.57	14	50.92	8	34.89	14

METHODOLOGY

IOA approached the creation of the GroupM AMI using multiple data sources and analytical techniques. The ultimate goal was to craft a comprehensive and adaptable measurement tool for media landscapes in Africa, starting with 14 key media markets on the continent. The following section briefly describes our methodology, which included desktop research, in-depth interviews, web surveys and data analytics.

Index Dimensions

Each of the 14 countries were extensively researched and assessed across the five AMI dimensions:



Desktop Research

The basis for all analysis presented in this index is a wide-ranging and layered investigation into publicly available resources on a wide range of related topics spanning the five index dimensions. The resources assessed during the desktop research included:

- News articles**, such as those released by the BBC, AllAfrica and Africa News
- Industry reports**, such as those released by PwC, Nielsen and We Are Social
- Government publications**, policy documents and regulatory information
- Data repositories**, such as those updated by the World Bank and the IMF

We also drew important data from relevant and well-established indexes, deepening the value and accuracy of the analysis. IOA used components of these indexes to further inform those in the AMI. The indexes, and their subcomponents, are listed on the following page.

In-Depth Interviews

Interviews were conducted with a range of specialists from 6 of the 14 focus countries. These 6 nations were seen as priority markets because of their established media landscapes. Ultimately, IOA recorded 1,540 minutes of talk-time (+30 hours) during 52 interviews, averaging 29.6 minutes per interview, and ranging from 14-55 minutes. Interviews were conducted with a mixture of media associations, media clients, media experts and media owners.

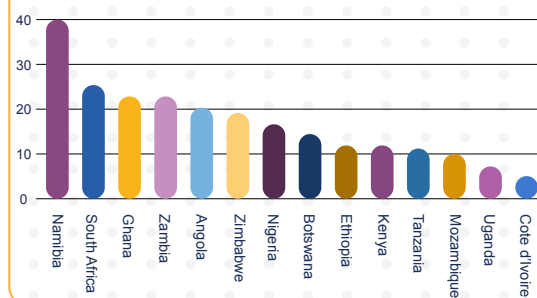
Interview Respondent Distribution



Survey Rollout

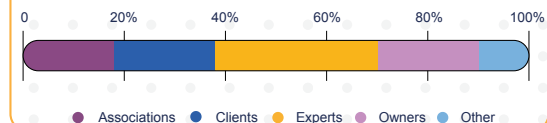
A web survey focusing on the five index dimensions of the index was rolled out across the 14 markets.

Survey Responses per Market



A total of 231 responses were collected from media associations, media clients, media experts and media owners, all with wide-ranging media experience in their respective markets to help inform the analysis and index results.

Survey Responses Distribution



METHODOLOGY

Index Data Collection

For each dimension of the AMI calculations, IOA collected and evaluated a minimum of 10 reputable datasets, allowing sufficient variety in source and statistic-type to ensure that the market assessments were holistically well-informed.

Many well-known and dependable data repositories were utilised, such as:

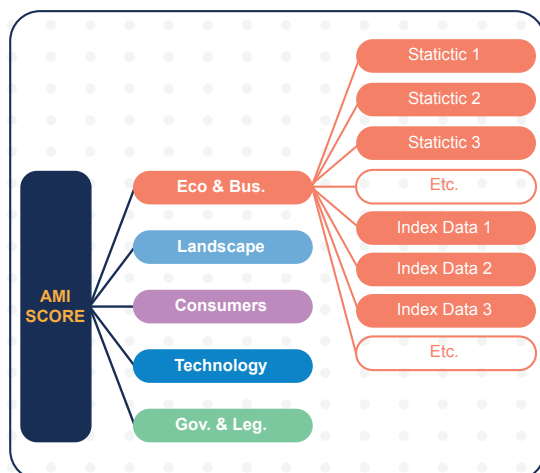
- World Bank
- CIA World Factbook
- International Monetary Fund
- United Nations
- GSMA Intelligence
- International Telecommunications Union

A key consideration in identifying sources was balancing the integrity of data with the availability of the information for each of the selected countries. Finally, the subcomponents of identified indexes were examined and allocated to the relevant dimensions.

Index Calculations

Each of the five dimensions were equally weighted (20%), which therefore had equivalent influence on the final index score for each market. Within each of the five contributing dimensions, individual statistical results, presented in the table on the right, were converted, if necessary, into scores out of 100. This provided a uniform scoring base across each data point in the analysis.

The index had few examples of 'missing' data, and in those cases, the weighting system ensured that a country was neither benefitted nor disadvantaged, by adopting an adjusting weighting system. The contribution a single statistic made to the dimension score was dependent on whether the full complement of data was available.



Dimension	Statistics	Indexes
Economy & Business (20%)	<ul style="list-style-type: none"> - Adults with bank accounts - Currency and gold reserves - FDI stock - GDP growth rate - GDP per capita - Industrial growth - Inflation rate - Labour force - Lending rate - Unemployment rate 	<p>Doing Business Report Starting a business Getting credit Protecting minority investors</p> <p>Global Competitiveness Report ICT adoption Business dynamism Innovation capability</p>
Media Landscape (20%)	<ul style="list-style-type: none"> - Handset price - Household computer use - Households with internet access - Internet bandwidth per user - Internet penetration - Number of radio stations 	<p>Mobile Connectivity Index Content and services Infrastructure</p> <p>Inclusive Internet Index Availability Readiness</p>
Media Consumers (20%)	<ul style="list-style-type: none"> - Communications and PC imports - Education expenditure - Fixed broadband subscriptions - ICT goods imports - Literacy rate - Mobile subscription - Price of data - Social media penetration 	<p>Mobile Connectivity Index Affordability Consumer</p> <p>Inclusive Internet Index Affordability Relevance</p>
Technology (20%)	<ul style="list-style-type: none"> - 3G coverage - 4G coverage - Electricity access - Internet speed - LTE/WIMAX coverage - Mobile latency - Secured servers - Urban population 	<p>Web Index Communication Infrastructure</p> <p>Measuring the Information Society Access</p>
Governance & Legislation (20%)	<ul style="list-style-type: none"> - Improved sanitation services - Military expenditure - Net migration - Voter turnout - Women in parliament 	<p>Ibrahim Index of African Governance Safety and rule of law Sustainable economic opportunity</p> <p>World Press Freedom Index</p> <p>Business Bribery Index Interactions with government Anti-bribery deterrence and enforcement</p>

CONTACT US



GroupM is the world's leading media investment company responsible for more than \$45B (COMvergence) in annual media investment through agencies including Mindshare, MediaCom, Wavemaker, Essence and m/SIX, as well as the outcomes-driven programmatic audience company, Xaxis. GroupM creates competitive advantage for advertisers via its worldwide organization of media experts who deliver powerful insights on consumers and media platforms, trading expertise, market-leading brand-safe media, technology solutions, addressable TV, content, sports and more.

Discover more about GroupM at www.groupm.com

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Connecting Africa's Potential

In On Africa (IOA) is one of the leading Africa-focused research, consulting and publishing firms, based in Africa and focused solely on Africa. IOA was founded in 2007 and aims to ensure data-driven decision-making through quality research and analysis. IOA offers a wide range of services to help clients to better understand Africa and to accelerate growth on the continent.

Discover more about IOA at www.inonafrica.com

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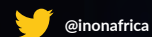
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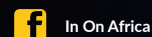
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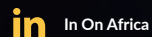
South Africa



@inonafrica



In On Africa



In On Africa

GroupM commissioned Africa-focused research consulting firm In On Africa (IOA) to conduct a comprehensive assessment of the media landscape in selected African countries, with a focus on economies, consumers, landscapes, technology and governance, culminating in an assessment index. This publication has been compiled by IOA for release by GroupM.

The research was conducted from IOA's offices in Johannesburg and through a web survey with more than 200 media professionals across Africa. While IOA and GroupM believe that the information and opinions contained herein are reliable, they do not make any warranties, express or implied, and assume no liability for reliance on or use of the information or opinions contained herein. Furthermore, IOA and GroupM indemnify themselves from unforeseen errors due to certain sources being gathered from third parties.