

Cyberletter Media

Special Annual Edition 2010: Advertising Expenditure (Adex) in Pakistan
Produced by: Gallup Pakistan Jointly with Gilani Research Foundation

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Ad Spend Index

Methodology:

For our new readers, Ad Spend Index is an indicator of advertising activity in the country in various Media. Our cyber letter focuses on TV and Print.

Ad spend index is calculated in comparison with figures of last year. If we consider 100 as the standard advertising spend in the same month last year then the current value exceeding 100 or going below 100 shows increase or decline in the advertising spend relative to last year.

From the Editor

Dear Reader,

We are happy to present to our readers this special Edition of Media Cyber letter focusing on the Annual Ad spend. We look forward to your comments and feedback

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Findings

We see that Total Advertising expenditure in year 2009 basically increased compared to previous year, on average 20% is the increase in every month.

TV Ad spend has shown the increasing trend throughout the year, especially in January in which there was an increase of more than 50%. The rising trend has however flattened out over the months, showing no change in October 2009.

On the other hand, Print Media has shown a decreasing trend throughout 2009, with the exception of August, September and October.

Month	Total	TV	Print
2009 Oct	106	100	119
2008 Oct	100	100	100
2009 Sep	116	120	105
2008 Sep	100	100	100
2009 Aug	115	121	105
2008 Aug	100	100	100
2009 July	119	131	97
2008 July	100	100	100
2009 June	118	143	83
2008 June	100	100	100
2009 May	116	131	90
2008 May	100	100	100
2009 April	120	137	89
2008 April	100	100	100
2009 March	117	141	85
2008 March	100	100	100
2009 Feb	118	152	74
2008 Feb	100	100	100
2009 Jan	129	155	94
2008 Jan	100	100	100

* Considering the anomalies of rate card, the ratios may not precisely match the reality. But this should not alter the main findings from these data. TV Index is based upon terrestrial & all the leading satellite channels running Pakistani commercials.



The top 10 Advertisers on TV made up almost 70% of the Total Advertising spend in October 2009!

This Figure is 20% more than the share of the TOP 10 TV Advertisers in the previous month, September 2009(51%). In both months, Unilever remained at the top of the list of Advertisers, in terms of its % Value Share; 13.3% in Oct-09. Not far behind was Telenor (11.9%), in 2nd place.

Telenor exhibited a drastic change by jumping to almost 12% Share in Oct-09 from 6% in Sept-09. All the top 10 Advertisers in September 09, sustained their places in the TOP 10 advertisers category in October-09 as well. A mere shuffle can be observed among the different companies; Colgate Palmolive shows drastic decrease in position; it went from being 6th in Sept to out of the list, in Oct.



The TOP 10 BRANDS advertised on TV made up 22% of total advertising share in October 2009

This figure is considerably higher than that of Sept 09 (17%).

Telenor which was at No. 6(1.4%) in the TOP 10 in Sept 09, jumped to the 1st position with 6% Share; the drastic increase can be attributed to the launch of a new scheme, Telenor EasyPaisa.

On the other hand, OLPERS MILK which was at the 3rd place in September 09, exited the Top 10 List in October. Other brands to exit the list were Nestle Fruit Juices and National Recipe Masala Mixes.

Oct saw the entrance of 3 Brands in the TOP 10 list, not present in Sept's Top 10: Brite Maximum Powder, Omore Icecream & Mountain Dew.

Telecom Services such as ZONG, Ufone and Telenor, just shuffled their positions, coming up with various packages but managed to stay among the TOP 10.

TOP BRANDS	
October 2009	Share %
TELENOR EASYPAlSA	6
ZONG CALL ANY NETWORK FOR 20 SEC AT 45 PAISA	2
SURF EXCEL	2
SUNSilK HAIR FALL SOLUTION	1.80
TELENOR	1.80
BRITE MAXIMUM POWER DETERGENT	1.80
OMORE ICECREAM	1.70
MOUNTAIN DEW	1.70
ZONG Z20	1.40
UFONE GSM	1.40

Top Advertisers			
SEPTEMBER Share%		OCTOBER Share%	
12		13	
8		12	
6		6	
6		6	
4		6	
4		4	
3		4	
3		3	
3		3	
2		2	

* Govt. of Pakistan has been excluded from the commercial top ten advertisers' ranking. In-house advertising by Newspapers and TV channels have also been excluded from the list of top 10 advertisers. The individual figures above are not very prominent due to the fact that Services, Classified and Government advertising enjoy the lion's share, leaving the rest with relatively meager portions. Note on rounding off: All figures above 2% have been rounded off to their nearest whole numbers. However those under 2% are reported at two decimal point level, wherever that is applicable in this cyberletter.

PRINT*



The TOP 10 Advertisers in Print Media make up around 14% of the Total Print Advertising spend in October 2009

This figure is less than the previous month's figure of the Top 10 Advertisers, which was 17% (Sept 09). In both October and September, PTCL topped the list of advertisers in print in terms of percentage value share.

Four out of the 10 Top Advertisers in print in Sept-09 remained on the list in October as well. They were PTCL, China Mobile, Telenor and Nokia. The companies to exit the list were Wateen (from being on 2nd place in Sept-09, completely exited in Oct 09), National Bank of Pakistan, Pepsi, Western Union, ICI and Telecard Ltd.

The advertisers that made up to the TOP 10 category in October were Bank AL Habib, Bank Alfalah, MCB, Unilever, Nokia and Real Marketing.

A significant share of print advertising comprises in-house advertising by some newspapers and TV channels and the advertising by government institutions. Among these advertisers Jang Group with 4.5% share in September 09, government educational institutions (2%), Express Group of Newspapers (1.5%), WAPDA(1.2%) and WAQT TV Channel(0.86%) showed up in top 10 but are **excluded from the list**.





















The TOP 10 brands advertised in Print made up around 10% of the Advertising share in October 2009

This figure is almost 3% less than that of Sept-09 (13%). In Sept-09 PTCL increased the share significantly and topped the list.

Four of the TOP 10 advertisers in Sept-09 managed to remain in the TOP 10 in October-09 as well. New entrants included Bank AL Habib, Bank Alfalah, Mobilink (Jazz Package), MCB, Bahria Town and Diamond Residency.

GEO programs, Govt Ads, and Express News Group also were among the top advertised brands having considerable share but have not been included in the list.

TOP BRANDS (PRINT)	
October 2009	Share %
TELENOR	1.83
BANK AL-HABIB	1.73
ZONG	1.49
UNFONE GSM	1.30
BANK AL-FALAH LIMITED	1.14
MOBILINK JAZZ PACKAGE	0.76
MUSLIM COMMERCIAL BANK	0.50
NOKIA	0.50
LIFEBOUY SHAMPOO	0.40
WARID TELECOM	0.34

Top Advertisers			
SEPTEMBER Share%		OCTOBER Share%	
10		5	
1.49		2	
1.37		1.58	
0.97		1.49	
0.84		1.19	
0.75		0.74	
0.66		0.60	
0.56		0.55	
0.42		0.50	
0.38		0.46	

*Govt. of Pakistan has been excluded from the commercial top ten advertisers' ranking. In-house advertising by Newspapers and TV channels have also been excluded from the list of top 10 advertisers. The individual figures above are not very prominent due to the fact that Classified and Government advertising enjoy the lion's shares, leaving the rest with relatively meager portions. Note on rounding off: All figures above 2% have been rounded off to the nearest whole number. However those under 2% are reported at two decimal point level, wherever that is applicable in this cyberletter.

Annual Review of Advertising Expenditure in Pakistan: 2009

An exercise undertaken jointly by Gallup Pakistan (www.gallup.com.pk) and Aurora Magazine (www.dawn.com)

Comparative Figures for PRINT AND TV: Gallup, MindShare & Aurora

	Rupee Values			Percent Shares		
	Print Rupees	TV Rupees	Both	Print % Share	TV % Share	Both
Gallup & Gilani estimates	7.04 bn	14.80 bn	21.84 bn	32%	68%	100%
MindShare estimates	6.90 bn	23.1 bn	30 bn	23%	77%	100%
Aurora estimates	9.09 bn	13.37 bn	22.46 bn	40%	60%	100%

Print

Newspapers contribute approximately 95% of Print Advertising Expenditure (ADEX) in Pakistan. Consequently, the share of magazines in Adex is meager and so the findings of the Adex of Print Media as a whole are almost the same as that of newspapers. Despite its small share Magazine advertising is in many ways distinct. Below we report on both of them:

NEWS PAPERS

The Product Category with the largest Share of Advertising in Newspapers is Classified Advertising at 19% share. Classified Advertising is made up of hundreds of small individual advertisers who place advertisements in newspapers every day. This was followed by TV/Radio stations and Real Estate, both having 9% Share. Then came Educational Institutes and Banks, both having 8% Share, followed by Telecom at 7% Share.

The Company that advertised the most was Jang Group at 5% followed by PTCL at 3% share. Mobilink, China Mobile, Express Group and Telenor Pakistan followed with 1% share each.

The top brand advertised in newspapers was Zong with a 1% share. This was closely followed by PTCL, Bank AL Habib and Ufone with each having close to 1% share.

MAGAZINES

The top product category advertised in magazines in terms of value share was Beauty Creams/Lotions/Face (13%). This was followed by beauty soaps (7%) and cooking oil (5%).

The company that advertised the most in Magazines was Nestle Pakistan with a share of 3%. Forvil Cosmetics followed with 3% share. Cool Industries was at no. 3 with 2% share.

The brand advertised most in magazines was Medicam Dental Cream with 2% share. Waves Cool Bank was at no. 2 with 2% share followed by Hoor Beauty Soap at 1% share.

ANALYSIS AND CHANGE OVER PREVIOUS YEAR

- Classified Advertising remains the Top product category in newspapers with a decrease of 1% in its share which went to 19% this year from 20% the previous year.
- The Telecom sector this year has decreased to a 7% share from 10% share last year and lost its 2nd place which is now secured by TV/Radio Stations (9%).
- The share of Real Estate advertising has increased to 8.5% from 6%, the previous year and is the Top 3rd category to be advertised in Print Media.
- The category of Investment and saving services has exited the TOP 10 list this year, and Magazine Category has entered the list with a share of 1.78%.
- The other 9 categories that were among the TOP 10 in previous year remain on the list this year as well.
- Unilever, which did not appear in the rankings last year, appears this year as one of the TOP companies advertising in Print Media this year.
- Warid Telecom, Wateen Telecom and DHA have exited the TOP 10 list of companies in Newspapers this year.
- The Top 10 companies in Newspapers account for 15.86% of Total Ad spend in Newspapers, whereas they account for 21% of the Total Ad Spend in magazines (which is significantly less than last years' figure for Top 10 Companies' % share of magazines: 27%).

TV

- The most advertised product category on TV was Telecom: telephone/mobile communications with 28% of the value share. Shampoo followed far behind with 6% share and Carbonated Soft Drinks were at number 3 with 5% share.
- The most advertised company was Unilever (16%) followed by PTCL (6%) and Mobilink (6%).
- The most advertised brand on TV was Surf Excel at 2%, followed by Rin Detergent (1%) and Mountain Dew (1%).

ANALYSIS AND CHANGES OVER PREVIOUS YEAR

- Eight of the top 10 categories that advertise on TV are FMCGs, as opposed to seven last year.
- For the most part, the top 10 categories on TV remain the same except for banks, which has pushed out to make room for medicated soaps.
- Telecoms account for 26.23% of the total ad spend on TV, which is almost the same as last year.
- The top 10 companies accounted for 58% of total Ad Spend last year, this year they account for 55%.
- Unilever Pakistan continues to be the top advertiser on TV, but P&G Pakistan has moved from number 3 to number 5 this year.
- Engro Foods, Coca Cola and China Mobile entered the list of TOP 10 Companies this year, pushing out LG Electronics, Nokia and Hilal Confectionary.
- From among Telecom brands only Ufone Uwon made its place in the TOP 10 Brands this year as opposed to two last year; Telenor Talkshawk and Warid Zem Prepaid.
- Samsung is the only mobile handset brand that sustained its place in the TOP 10 this year as well.

ADVERTISING BY TYPES OF CHANNELS

News, Business, Entertainment, Music

Top Product Categories Advertised by Types of Channels

- The most advertised product on News channels is Telecom (37%) followed by Carbonated Soft Drinks (4%) and Real Estate (4%).
- The most advertised product category on Business channels was Investment Finance: Next came Investment Companies/Saving Centers (29%) followed by Telecom (20%) and Banks (5%).
- On top of the list of top product categories advertised on Entertainment channels is Telecom (23%) followed with a wide margin by Detergents (7%) and Shampoos (6%).
- The number one share of advertisements on Music channels was of the product category Telecom (35%). After Telecom which seems to be the top Advertiser everywhere, the second largest share of advertisements on music channels is of carbonated soft drinks (19%) and then shampoos (9%).

ANALYSIS AND CHANGES OVER PREVIOUS YEAR

- The share of telecom advertising on News channels has increased from 33% to 37%.
- The Real Estate sector continues to sustain its' 3rd position on News channels, however banks which was at 2nd place last year seems to have traded places with Carbonated Soft Drinks. The share of Banks has decreased to 2% from 6%, whereas the share of Carbonated Drinks has increased from 2.7% to 4.5%.
- On Business Channels, Investment/Saving Companies, Telecom sector and Banks continue to secure the Top 3 positions on the list; with Investment companies and banks decreasing their advertising share by 3% and Telecom increasing its share by 3%.
- Telecom remains the number one category on Entertainment channels but their share has decreased by 4%. All other categories on the TOP 10 list are the same as previous year except for Chocolates/Candies which pushed its way in replacing the Juices.
- The top 3 categories on Music channels, remain the same, though account for 53% this year as compared to 60% last year. The category of Beauty Creams/Lotions/Face Wash has moved up significantly from 2% to more than 8%.

TOP COMPANIES ADVERTISED BY TYPES OF CHANNELS

- On News channels Mobilink (10%) was most advertised company. PTCL followed with 9% and China Mobile with 8% share.
- The top advertised company on Business channels was Mobilink (9%). Telenor Pakistan and also P&G followed at 4% each.
- On Entertainment channels Unilever had the largest share (21%). PTCL and P&G followed with 6% and 5%. Mobilink was 4th with 5% of the advertising share.
- On Music channels Unilever at no.1 had 21% share. Pepsi (6%) and China Mobile(5%) followed.

ANALYSIS AND CHANGES OVER PREVIOUS YEAR

- Companies have shown the most drastic shifts from previous year. LG Electronics which was the Top advertising Company previous year, has completely exited the Top 10 list this year. PTCL which was at the 10th position the previous year with 2% share, has now moved to 2nd place with 9% Share.
- Only three companies from last year have sustained their place in the TOP 10 category this year on News Channels, namely Pakistan Mobile Communication (Pvt) Ltd., Telenor Pakistan (Pvt) Ltd and Madina Enterprises. Unilever(4%) and P&G(4.6%) entered the list this year along with Pepsi(3%) and Coca Cola (2.5%).
- On Business Channels, Top Company is Pakistan Mobile Communication (Pvt) Ltd. Investment/Insurance companies such as AKD and Shaheen have exited the list this year from being one of the top most in the previous year. Bank Alfalah and Habib Bank too have disappeared giving way to Standard Chartered Bank. Telenor and Diamond Polymers sustained their place in the list.
- On Entertainment Channels, FMCG companies bag the greatest shares like previous year. Significant increase in the company advertising with the most in Unilever's share (13% to 21%) is observed. Others' share remains almost the same. Coca Cola and Engro Foods replaced LG Electronics and Hilal Confectionaries.
- Unilever, on Music Channels too, remains the winner and has increased its advertising share by almost 10%. It went from 14% last year to 24% this year. Six companies from previous year's list have sustained their place in Top 10.

TOP BRANDS ADVERTISED BY TYPES OF CHANNELS

- The most advertised brand on News Channels this year was Ufone Uwon with 1.63% share. Pepsi Co. (1.57%) and Samsung Mobile (1.46%) followed in 2nd and 3rd places.
- The TOP Brand on Business Channels was NIT (National Investment Trust) Units with a significant share of almost 27%. Childcare Association followed, though with a huge difference, 4.5% share. 3rd place was taken by Telenor Persona with a 3% share.
- The most advertised Brand on Entertainment Channels was Surf Excel (2%), with Rin Detergent (2%) in 2nd place and Fair&Lovely Multivitamin (1%) in 3rd Place.
- On Music Channels, Mountain Dew (6%) was the most advertised brand with Ponds Face Wash (5%) in 2nd place and Pepsi-Pepsify (5%) in 3rd place.

ANALYSIS AND CHANGES OVER PREVIOUS YEAR

- As opposed to previous year when only one FMCG was on the list on News channels, there are 4 FMCG brands in the Top 10 list this year namely; Pepsi Co, Head & Shoulders, Kissan Vegetable Ghee and Pantene Pro V Shine Shampoo.
- Top of the list is Ufone Uwon with 1.63% share. Telecom Brands in general sustained their place in the Top 10 list on News Channels. The Top 10 Brands account for just 12% this year as opposed to 21% the previous year.
- NIT (National Investment Trust) Units continue to dominate the advertising scene on Business Channels with increasing its share from 16% (Last year) to 26% this year. AKD Brand from being on the top positions last year have exited the list this year. Four of the brands on the TOP 10 list of Business Channels last year, remained on the list this year as well; National Investment Trust, Daily Times, Mobilink and Diamond Supreme Foam.
- Advertising scenario on Entertainment and Music Channels is dominated by FMCG's and Telecom Brands. Ufone Prepay Life (6%) has replaced Mountain Dew as the Top most brand advertised on Music Channels this year.

Comparative Figures of AD SPEND: By Gallup and Aurora

Gallup's Data	Rs. (bn)	% Share	Aurora's Data	Rs. (bn)	% Share
TV	14.80	55	TV	13.37	54
Print	7.04	26	Print	9.09	37
Outdoor	2.48	9	Outdoor	0.75	3
Direct Marketing	1.56	6	Direct Marketing	0.49	2
Radio	1.08	4	Radio	1.04	4
Total	26.96	100	Total	24.63	100

ANALYSIS AND CHANGES OVER PREVIOUS YEAR

- Total Ad Spend (revenue) when compared to previous years' total has shown an increase of 7%. It increased from 25 billion to around 27 billion. This is lower as compared to the 10% increase in 2007-2008 and previous years.
- TV Ad Spend (revenue) has increased by 20% (from Rs.11.91 Billion to Rs. 14.80 Billion) when compared to the last fiscal year. This is higher than the 13% increase in the last year 2007-2008. In terms of Share of spend, TV's share also increases by 8% (from 47% to 55% this year).
- Print Media Ad spend (revenue), on the other hand, has shown a significant decrease of 30% this year. It went from Rs. 8.16 Billion to Rs. 7.04 Billion. This is an anomaly as in the previous 3 years, its has been showing an increase with every passing year.
- Radio Ad spend (revenue) has significantly increased by 44% going to Rs 1.08 billion from Rs. 0.6 billion in the previous fiscal year. This increase is significantly higher than the increases shown in the previous years; 22% (2006-2007) and 9%(2007-2008).
- Outdoor Ad spend (revenue) has decreased by 8% (from Rs. 2.7 billion to 2.48 billion) in the last fiscal year. Direct Marketing Ad spend (revenue) has also shown a decrease by 7% (from Rs. 1.68 billion to Rs. 1.56 billion).

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**A year to thank,
share and reinvent
Gallup & Gilani: 1980-2010**

