

# Calls to professionalise advertising industry in Rwanda

By [Garikai Nhongo](#)

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As an entrepreneur who has had the privilege of working across Africa, I have come to respect the role that systems and structure have to play in the success of any industry or enterprise. I really believe that these form an integral part of the secret of entrepreneurial success but that's a story for another article.



Garikai Nhongo

It is against this backdrop that I set up an office for our advertising agency in Kigali, Rwanda. I was and still am impressed with the progress that this country is making and with the systems and structures that you find across most facets of the economy. In addition to this, the economic indicators are exciting for an entrepreneur like myself.

With the economy growing at over 7% per annum and with international investors and businesses investing in the country, I smelt opportunity like a shark smells blood in the water. Numbers like that should ordinarily mean that there are endless opportunities for support industries like insurance, management consulting and in our case, advertising.

Here's what threw me off a little (not a lot). A few months after setting up, I realised that regardless of the growth everywhere else, the advertising industry in Rwanda was on the decline and the decline had been steady over several years. It was and still is hard to believe. Imagine that billings within the advertising industry have fallen to between 16% and 22% of what they were five years ago. I'll give you a moment to gasp.

## Challenges

I took the time to try and understand why and I uncovered the challenges that bedevilled the industry. The largest firms in the country prefer to work with international and external agencies from Kenya, South Africa and even Madagascar, as opposed to Rwandan ones. One executive unapologetically told me that there were no good agencies in Rwanda (hey, I'm here now!).

Others have decided that it is more cost effective to hire internal design teams to work with their marketing departments rather than spend millions on agency fees. I kept asking the question “why” and a deeper analysis revealed that over the last 15 years, companies have been so disappointed with what they have received from advertising agencies that they no longer see value in them.

This comes as no surprise given that the oldest advertising agency, as an example, operates in similar fashion to what more developed agencies in Africa were doing 12 years ago. In addition to that, the industry has little or no oversight, so anyone with a computer and a design programme can call themselves an agency, sell their services and without doubt they will disappoint on delivery or creative or strategy or any other facet that requires more than a laptop and design software.

To sum up my findings, although Rwanda has a number of advertising agencies, there is no advertising industry. Measures have to be taken to transform this collection of companies into a self-regulating and accountable industry. The only way to resurrect the advertising industry in Rwanda is to develop the systems and structures that will make it an industry.

My suggestion is to bring together industry players into an organisation or chamber that represents the professional interests of every player and is managed and regulated in the same way in which chambers of commerce are. This gives the industry credibility and organisation that works for everyone involved.

An industry body of this nature has immense benefits for agencies, suppliers and clients and this has been demonstrated by similar bodies in other markets that we operate in, namely South Africa and Zimbabwe and beyond, and even in industries outside advertising.

## **Benefits**

Firstly, a body like this would be able to set minimum standards that each business would need to adhere to in order to remain an operational agency. This protects clients more than anyone else but it also protects the reputation of Rwandan advertising agencies and by extension, the Rwandan brand.

Therefore, no more fly-by-night agencies that rip clients off and give the profession a bad name. This also means that we can all raise our game to international best practices or at the very least, work towards that goal.

Such a body would also make lobbying more effective. I will give a practical example. In Zimbabwe, the Advertising and Media Association (ADMA) has a deal with media houses across all media. Any accredited agency that places ads with any media house gets a 16.5% commission off the media cost. Should any client approach the media houses directly, they will be quoted a full fee including the 16.5%.

Moreover, the agencies can offer discounts to clients by reducing their own commission. This encourages clients to place their ads through an ad agency as opposed to going directly. This works well in that you will find that gross media bookings account on average or 60% of agency billings and even more for the larger agencies. This means jobs and revenue within the industry. It has worked so well, that in some instances media agencies have emerged which only place media for clients and yet-to-be-accredited agencies.

Juxtapose this with the current industry practice in Rwanda. A direct client is more likely to get a discount from a media house than an agency is likely to. Therefore, most agencies earn absolutely nothing from media placement. Simply put, Rwandan agencies could be making twice as much in turnover if there was an industry body to lobby and negotiate on their

behalf. The lobbying can go beyond this to include areas such legislation etc. Surely another 100% in revenue would have kept many closed agencies open and created some jobs within the sector?

## Best practice

When we mention developing and maintaining global best practices and I'm sure one wonders that if the industry is a decade behind, where would those come from? The answer is simple. An industry organisation would have the mandate and capacity to offer learning opportunities to members. These learning opportunities must be accredited to international organisations to ensure that we are plugged in to the latest trends and developments and to ensure that we can put these into practice. This means that as long as agencies set up well and correctly, opportunities are offered for the agencies to grow. That can't be a bad thing, can it?

Just like with any other industry, the body would offer protection for agencies. A good and recent example reported on Bizcommunity.com, is where South Africa's Association for Communication and Advertising (ACA) [sanctioned fixed telephony provider Telkom](#) for unfair tender and pitching practices. According to the article, they felt that the tender process was skewed in that it offered agencies less than a 10% chance of getting the work and the pitch costs and requirements were prejudicial to smaller agencies.

How many times do we hear that with pitches especially with the bigger companies in Rwanda? The playing field is so skewed against anyone who hasn't been around for 10 years, such that fairness is lost in the process. With an industry body looking over those things and with enough clout to do something about it, the advertising industry in Rwanda can only get better and stronger.

There are many more reasons why professionalising the advertising landscape in Rwanda is a good idea. Any client who has been the recipient of shoddy service and work would agree. I have heard people asking why they should invest in making other agencies better. The simple answer is that such an investment benefits us all and if you are the biggest agency now, business coming back into Rwanda can only make you bigger. Moreover, better skills and more revenue certainly cannot hurt. We can also contribute to the incredible developments that are taking place in Rwanda and being part of the process and not left behind. I am convinced that this move will not only serve Rwandan agencies well, but also make Rwandan advertising agencies regional players within East Africa.

## ABOUT THE AUTHOR

Garikai Nhongo is the managing director of KG&A Advertising in Rwanda and he is the group head of strategy for the global firm. He is also a blogger at [www.thinkingentrepreneur.gq](http://www.thinkingentrepreneur.gq) and [www.garikainhongo.blogspot.com](http://www.garikainhongo.blogspot.com), an entrepreneur and a poet. [[[www.kgaadvertising.com](http://www.kgaadvertising.com)KG&A Advertising]] operates in Rwanda, Zimbabwe and South Africa.

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