

# Unpacking Betting in Kenya

A joint survey by Ipsos and GeoPoll



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# Overview

## The burgeoning Betting and Gaming sector has been riddled with controversy and success stories over the past few years

### **2019** 10th July 2019

The Betting Control and License Board issues a letter to telecommunications firms to suspend paybill numbers and short codes for 27 betting firms. The BCLB indicated that these firms do not meet the license renewal requirements, hence non-renewal of licenses.

### **11th July 2019**

Gamblers given up to the night of 12th July 2019 to withdraw money deposited in sports betting companies' wallets or lose them.

### **12th July 2019**

Digital lenders refute claims that their borrowers are using loans for gambling.

### **16th July 2019**

Government set to deport 17 foreign directors of gambling companies, illegally engaged in the business.



## Impact of the Betting Suspension amongst Kenyans

### *Research Design*

<b>Analysis</b>	Quantitative
<b>Method</b>	SMS (self filling survey)
<b>Instrument</b>	Semi-structured Questionnaire
<b>Source / Database</b>	GeoPoll Database
<b>Sample Size</b>	N=683
<b>Sample Details</b>	18-35+ years // Male & Female
<b>Sampling Criteria</b>	<ul style="list-style-type: none"><li>• Random sampling from GeoPoll Database</li><li>• Respondents only qualified for the survey if they were aware of the Government's suspension on betting firms operations</li></ul>
<b>Language:</b>	English
<b>Question count</b>	17
<b>Location</b>	Kenya Nationwide
<b>Fieldwork Dates</b>	12 <sup>th</sup> – 14 <sup>th</sup> July 2019

# Summary of Findings

- With the suspension of betting firms the media industry stands to lose 10% of 2019 advertising expenditure. Equivalent to KES 14 billion projected loss!
- 73% of Kenyans that are aware of the suspension are bettors.
- The majority of bettors are unhappy and close to 1 out of 5 will not watch major football tournaments as a result of the suspension
- 6 out of 10 of bettors are looking to spend their money on other items or other betting channels
- 28% of bettors are unemployed, they are more likely to seek alternative betting channels than all other bettors

*But what does  
this mean for  
the Bettor ?*

A woman with dark curly hair is smiling and looking down at her smartphone. The background is a soft-focus indoor setting.

# 73%

**Of Kenyans aware of the suspension have engaged in betting**

# UNPACKING BETTING IN KENYA: A JOINT SURVEY BY IPSOS AND GEOPOLL

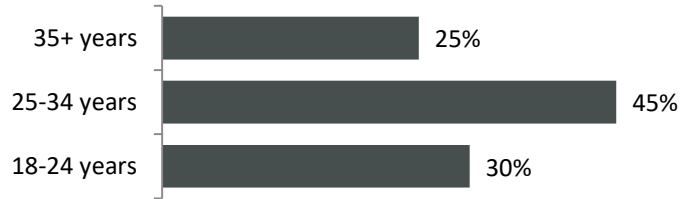
The profile of the bettor who is aware of the suspension is largely male, 25 to 34 years, with household earnings of up to KES 77,000 and self-employed or unemployed.



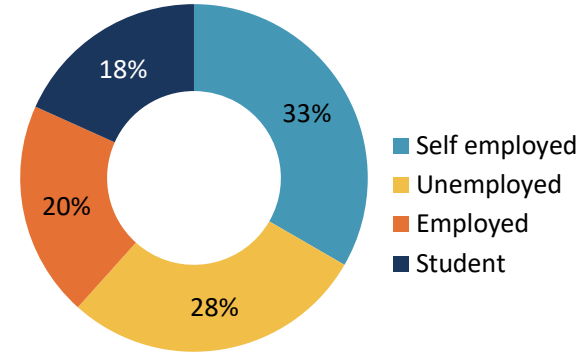
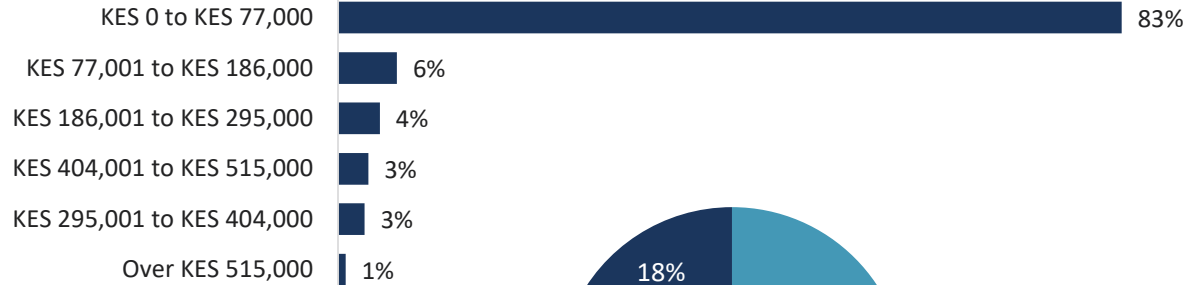
55%



45%



Average monthly household income



KES 1,550

**Average spend on betting by Kenyans  
aged 18 to 29 years, in a given month**

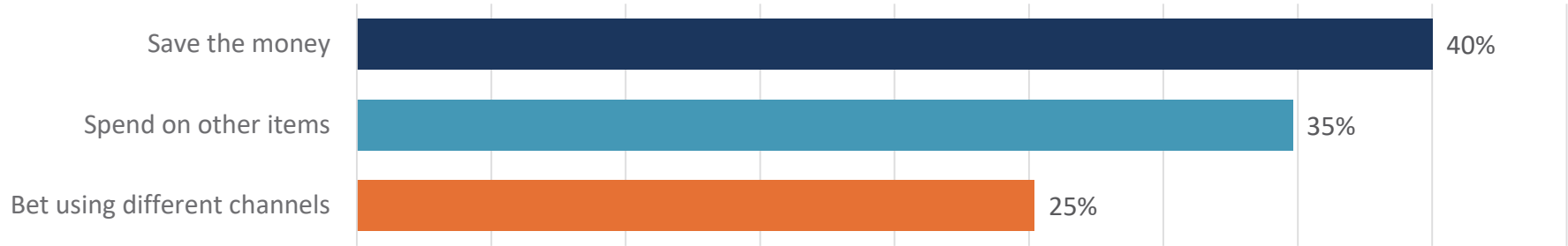
*Source: Ipsos' Youth Survey*



## UNPACKING BETTING IN KENYA: A JOINT SURVEY BY IPSOS AND GEOPOLL

**Whilst 40% of bettors intend to save this money, 60% intend to spend it, either on other items (35%) or other betting channels (25%)**

### Impact on Share of Wallet

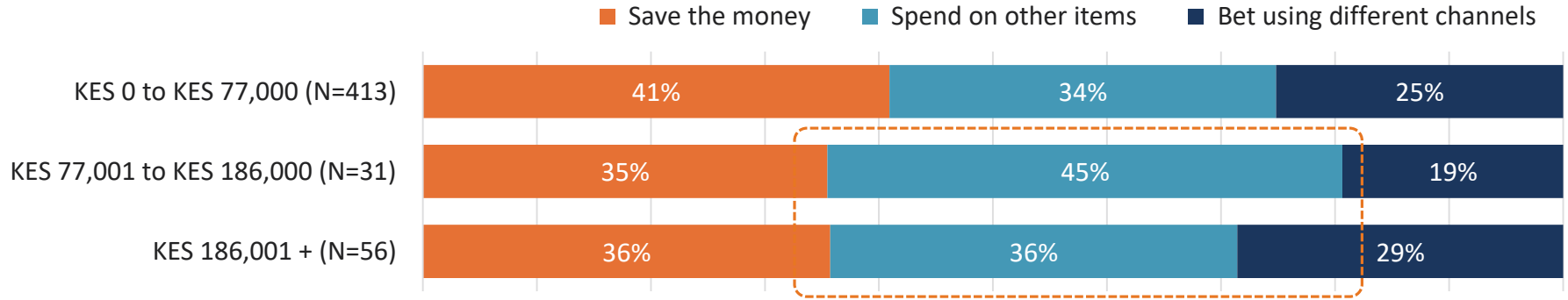


*With the government suspension on betting, what do you intend to do with the money you use to bet?*

**Base:** 500 Kenyans aged 18 years+ who are aware of the suspension and have engaged in betting in the past

## UNPACKING BETTING IN KENYA: A JOINT SURVEY BY IPSOS AND GEOPOLL

**Bettors with a monthly household income of more than KES 77,000 are most likely to use the money they would use to bet, to spend on other items.**



*With the government suspension on betting, what do you intend to do with the money you use to bet?*

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*What will bettors be  
more inclined to spend  
their betting money on?*

*// Impact on the Advertiser*

## UNPACKING BETTING IN KENYA: A JOINT SURVEY BY IPSOS AND GEOPOLL

**The Betting and Gaming sector has been growing since the launch of Sportpesa. There was a slight decline in media value exposure in 2018 due to the tax levy. We expect the same trend in 2019.**

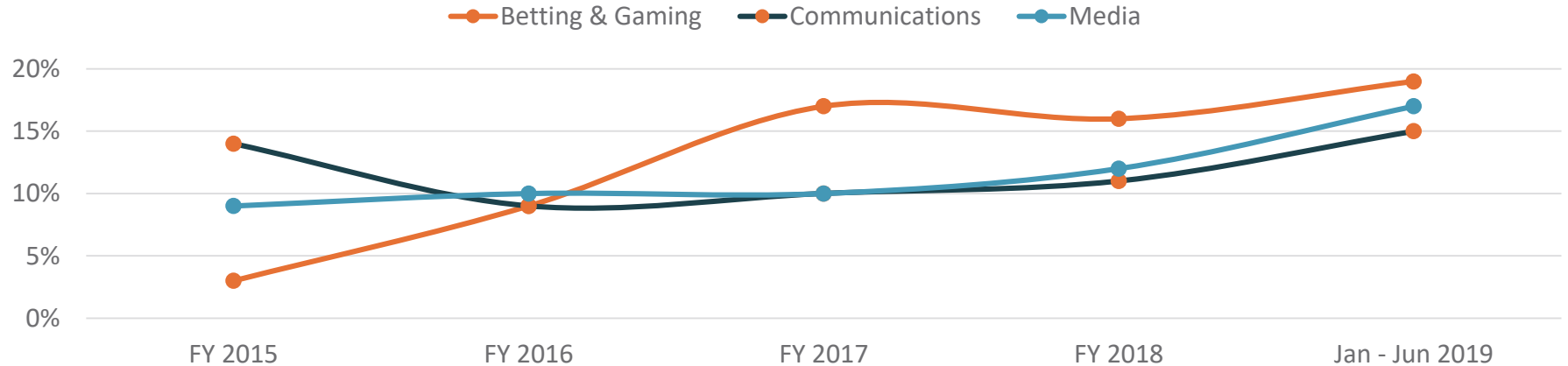
*Spends in KES millions*

SECTORS	FY 2016	FY 2017	FY 2018	JAN-JUNE 2019
<b>Betting &amp; Gaming</b>	<b>10,846</b>	<b>22,128</b>	<b>21,853</b>	<b>14,306</b>
Media	11,271	13,127	16,990	12,870
Communications	10,563	13,435	15,295	10,968
Corporate & Multi-brand	12,623	15,059	9,922	6,272
Financial Services	11,288	9,504	12,157	5,703
Personal Care	6,587	5,509	6,654	4,445
Beverage	12,061	13,660	10,605	4,193
Publishing & Education	4,875	5,454	5,684	2,698
Household	7,766	7,751	7,309	2,587
Property & Building & Acc.	4,456	6,750	6,305	2,155
Pharmaceuticals	3,808	4,317	5,571	2,102
Foods	5,459	5,039	5,794	1,712
Veterinary & Agriculture	3,045	2,795	3,653	1,550
Transport	3,193	2,837	2,592	1,323
Tourism & Entertainment	4,220	2,561	3,026	856
Retail	1,862	1,471	2,198	573
Office Equipment & Services	432	527	399	138
Clothing, Fabrics & Footwear	393	348	342	74
<b>Grand Total</b>	<b>114,749</b>	<b>132,272</b>	<b>136,349</b>	<b>74,528</b>

## UNPACKING BETTING IN KENYA: A JOINT SURVEY BY IPSOS AND GEOPOLL

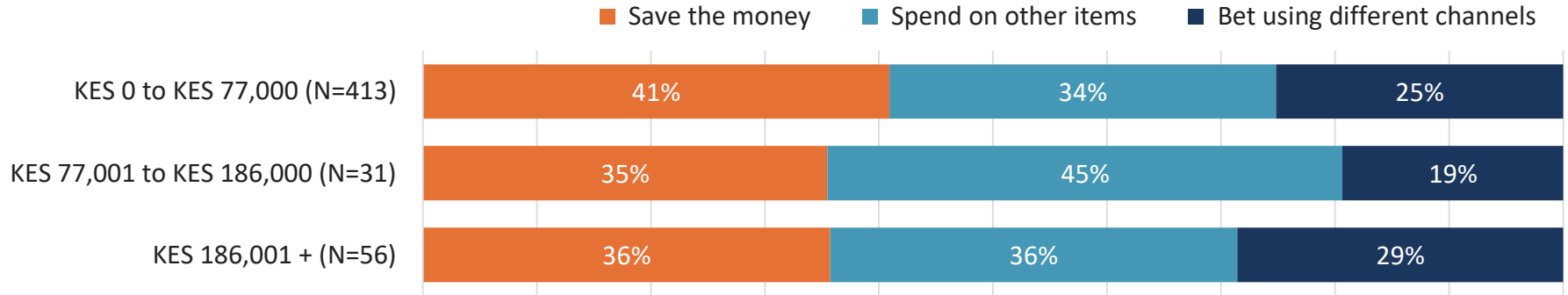
Since the upsurge of Betting and Gaming advertising spends, there has been a correlation between this sector, the Communications (driven by telecommunications companies) and Media sectors. Betting firms are major revenue drivers for communications and media companies, how will their advertising spends be impacted by the suspension of betting firms' operations?

Advertising spends across Radio, Television and Print



## UNPACKING BETTING IN KENYA: A JOINT SURVEY BY IPSOS AND GEOPOLL

**Advertisers have a ready consumer base that has disposable income. This means there are opportunities for financial service providers to facilitate saving of this money; FMCG companies and service providers to gain more customers or other betting channels to allow them to transfer their betting habit.**



***With the government suspension on betting, what do you intend to do with the money you use to bet?***

**Base:** 500 Kenyans aged 18 years+ who are aware of the suspension and have engaged in betting in the past



# 10%

**Decline in advertising expenditure  
forecasted for 2019!**

**Opportunities Abound!**



**The anticipated decline in clutter across media as a result of the anticipated decline in betting firms' advertising expenditure, yields the following opportunities for advertisers**

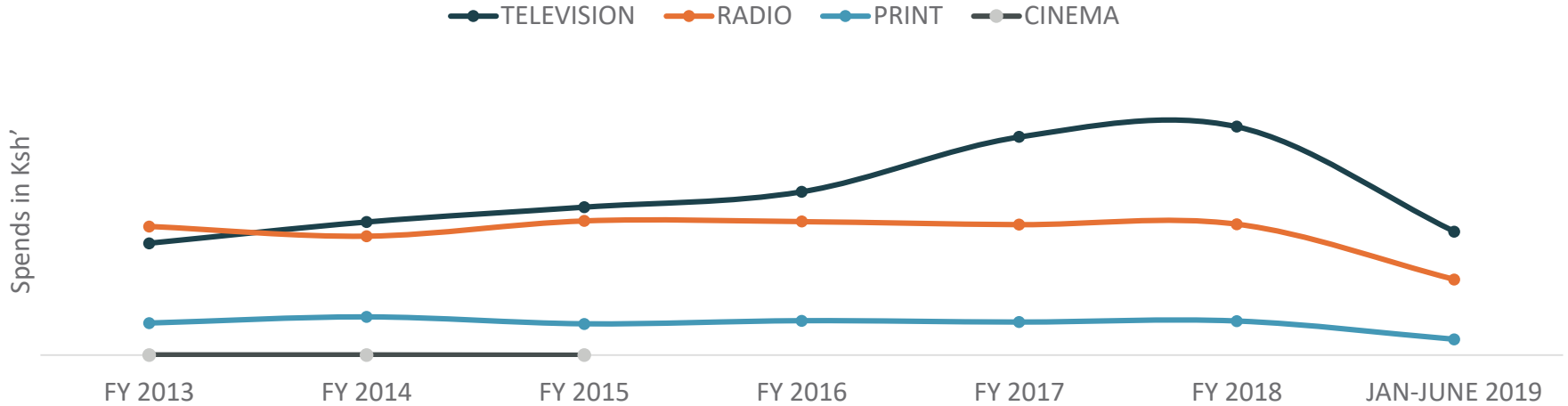
- Greater visibility of their communication in media
- Potential reduction of media budget needed to cut through media clutter
- With the reduction in media budgets, marketing budgets can focus on consumer conversion marketing activities, making use of their disposable income



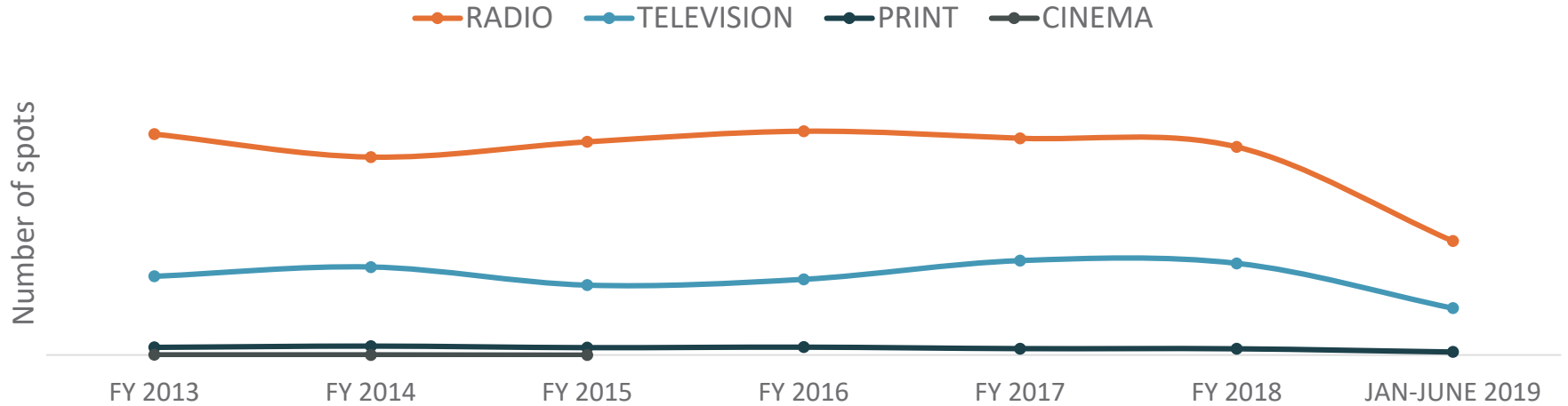


*But what does  
this mean for  
media?*

**Media expenditure value across all media has been on the upward trend, where the value of expenditure on television surpassed radio in 2014.**



# Radio continues to dominate with the most clutter across the key media platforms.



# UNPACKING BETTING IN KENYA: A JOINT SURVEY BY IPSOS AND GEOPOLL

**The Betting and Gaming sector has been a key revenue sector for media houses.**

*Spends in KES millions*

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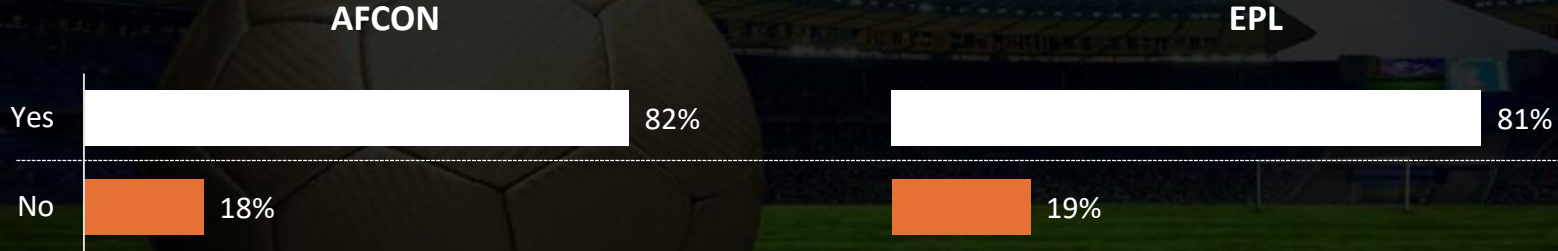
As a result of the suspension, media stations airing major football tournaments could expect to reach close to 20% fewer audiences, than originally planned. Which other sports media properties may be impacted?



*Do you plan to continue watching AFCON after the suspension?*



*Do you plan to watch the EPL after the suspension?*



Base: Kenyans aged 18 years+ who are aware of the suspension



For more  
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