

Y&R Brands cuts ties with global partner

Kenyan advertising firm Y&R Brands has terminated its relationship of more than two decades with its global partner Y&R Inc.

The surprise move heralds an era of increasing competition against multinational advertising companies by stronger local agencies. The termination notice for the 22 year old partnership was served to senior Y&R Inc officials at a meeting held in Amsterdam on 11 September 2012, according to a statement released by Y&R Brands chairman, Chris Harrison.

Y&R Inc which is wholly owned by WPP which is a minority shareholder in the Kenyan business. WPP has a much stronger presence in the Kenyan advertising market through its substantial shareholding in ScanGroup, East Africa's biggest advertising agency. ScanGroup's portfolio includes Ogilvy Africa, Hill and Knowlton, TNS Research, Milward Brown, JWT, Red Sky, Squad, Mediacom, MIEA, Grey, Roundtrip and Smollan Group.

The WPP link with ScanGroup could have provoked Y&R Brands in Kenya to terminate the contract with the international group. Y&R Brands in Kenya which was formerly known as Ayton Young and Rubicam. It has been in business locally since 1972 when it was founded by Vernon Ayton and Stan Hill.

Kenya has been the headquarters for Y&R's 13 network markets in Africa whose keys accounts have included SABMiller, Total, Delmonte and Kraft. It is not yet known what the new agency will be called after dropping the Y&R name. According to research firm Ipsos Synovate, Kenya's advertising spend on radio, television, newspapers and cinema grew by 33% to hit the Sh65.4 billion mark last year, up from Sh49 billion in 2010. Ipsos Synovate further confirmed that within the second quarter of 2012, media spending had also grown by 33% to close at 16 billion.

Source: [allAfrica](#)