

Broadcasting Services Report for Quarter 4
FY 2017/18
(April –June 2018)

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(APRIL –JUNE 2018) 3

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BROADCASTING SERVICES REPORT FOR QUARTER 4 FY 2017/18 (APRIL –JUNE 2018)

I. INTRODUCTION

The ICT sector law mandates the Communications Authority of Kenya (the Authority) with promoting and facilitating the development of a diverse range of broadcasting services in Kenya. This mandate includes issuing licenses for various broadcasting services, facilitating the development of Kenyan programmes, administering the broadcasting content aspects of the ICT Law, developing media standards, and regulating and monitoring compliance with these standards. In addition, the Authority promotes the observance of public interest in broadcasting services and ensures that broadcasters provide internal mechanism for disposing of complaints related to broadcasting services.

This report is an overview of the performance of broadcasting services during the 4th Quarter 2017/2018 Financial Year (April-June 2018).

II. STRATEGIC IMPLICATIONS

In the Corporate strategic plan, the Authority has identified compliance to regulatory requirements as one of the strategic objectives. In an effort to ensure compliance, the Authority monitors broadcasters compliance with license requirements as per the ICT Law.

III. OVERVIEW OF THE BROADCASTING MARKET

1. FTA Broadcasting Services

Commercial FTA Radio had the greatest reach with 131 radio stations on air, followed by Commercial FTA TV with 66 stations, Community FTA TV with one station and Community FTA Radio with 38. This is represented graphically in Figure 1 below.

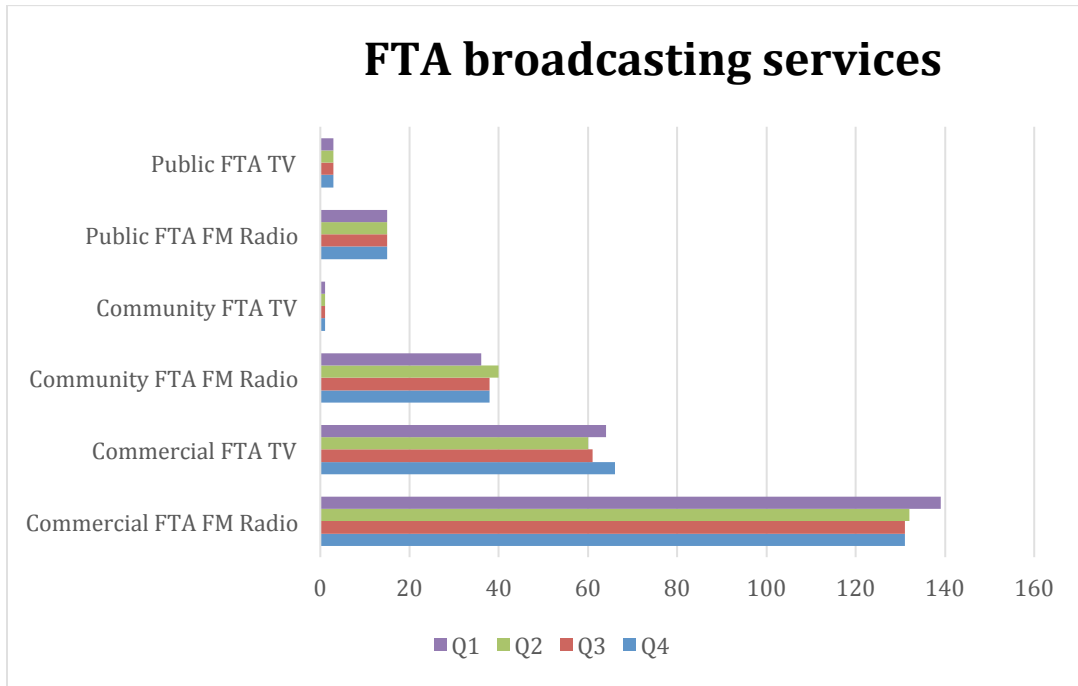


Figure 1: Description of the FTA broadcasting services as at the end of Q4 vs Q3, Q2, and Q1 FY 2017/18

2. Subscription Broadcasting Services

On Subscription Broadcasting Services, Terrestrial subscription broadcasting services had the highest subscriber base with 3,809,244 subscribers, followed by Satellite at 995,012 and Cable at 153,462 subscribers. Figure 2 below shows the annual growth of the subscription market.

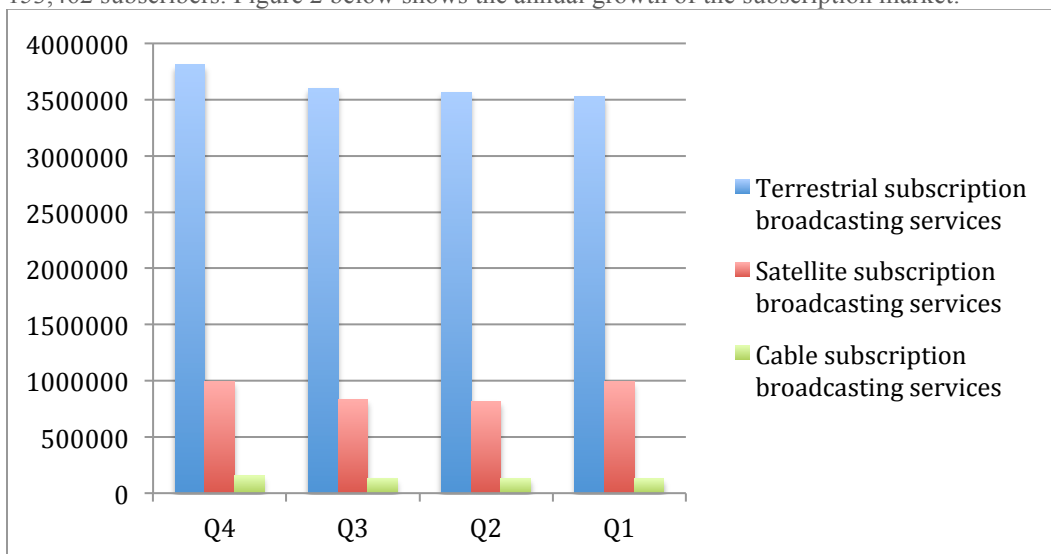


Figure 2: Subscriptions Broadcasting Services 4th Quarter FY 2017/18

- i. There was a significant increase in the number of subscribers on all the platforms of Satellite, Terrestrial and Cable subscription broadcasting services. The growth was attributed to the World cup that was took place between June and July 2018.
- ii. Terrestrial subscription remains the preferred Pay TV option in Kenyan which can be attributed to the affordability of subscription bouquets in the platform with prices ranging from KShs. 259.00 – 3,600.00, compared to KShs. 399.00 – 7,900.00 for Satellite subscriptions and KShs. 399.00 – 2,000.00 for Cable. The price of subscription bouquets remained the same.
- iii. In addition, the initial set up costs for the various broadcasting subscription services may be a determinant of the number of subscribers on the various subscription services, with terrestrial requiring the least set-up cost as compared to Satellite and Cable broadcasting services.
- iv. The impact of IPTV on the market with the launch of Video On Demand (VoD) services such as VIUSASA and Showmax is set to increase the content options for Kenyan audiences. The VoD platform offers music, videos, and a combined content package whose subscription rates start at KShs. 15.00 per day or KShs. 450 per month for the various content options. The platform has leveraged on consumer demand for quality local content, increased availability and affordability of Internet and the uptake of smart phones to provide quality and affordable everywhere.

3. Broadcasting Signal Distribution Services –Population coverage

The Digital Terrestrial Television (DTT) population coverage stood at 86% by the end of the fourth quarter compared to 85% by the end of the previous quarter.

IV. BROADCAST CONTENT MONITORING PERFORMANCE

The table below shows a summary of the levels of compliance with the various monitored parameters during the quarter.

This performance is based on an analysis of 48 out of 66 FTA TV.

Standards	Quarter 4 Compliance	Quarter 3 Compliance	Quarter 2 Compliance	Quarter 1 Compliance
Local content quota requirement of 40%	83.3	75	83	82.4
PWDs sign language insert requirement	92	96	92	92
Advertisement (maximum limit of 10 minutes in every 30 minutes of TV programming)	100	100	100	100
Advertisements (40% local) requirement	100	100	100	100
Children’s programs requirement of at least 5hrs per week	12.5	13	19	7.8
Appropriate content requirement during the watershed period	100	94	98	96

1. Local Content Quota Compliance

40 out of the 48 TV stations monitored met the 40% threshold. This means that, 83.3 % of the stations monitored were compliant with the 40% quota requirement, which is an increase from last quarter’s performance of 75 %. This improvement is attributed to the engagement of the Authority with non-compliant stations through notification letters, which saw majority of broadcasters increase local content in their programming. The Authority consequently instituted enforcement action on non-compliant stations.

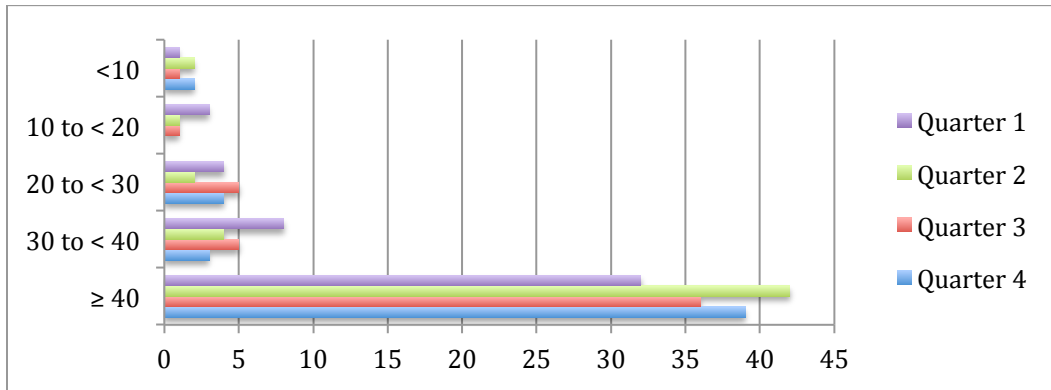


Figure 3: Local Content Quota compliance

2. Local Content Quota Genre Performance

The results in this quarter show that Music had the highest weekly average of 38.8 % while religious content, as a genre was rated second with a weekly average of 17.7 % in local programming. Talk shows came in third at 17.3 %. Children, reality, Documentaries/features, Current affairs, Drama, Comedy and sports genres had the lowest local content across most of the stations monitored during the review period registering 5.5%, 3.5%, 3.3%, 3.2%, 2%, 0.8% and 0.6% respectively.

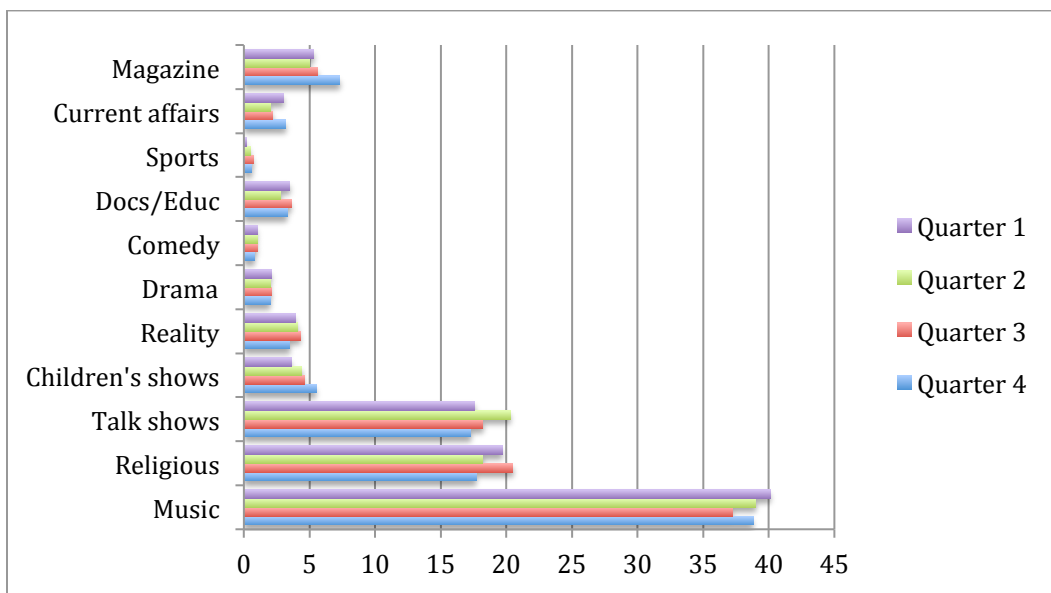


Figure 4: Performance of the various genres of local content

3. Performance of the various genres during prime time

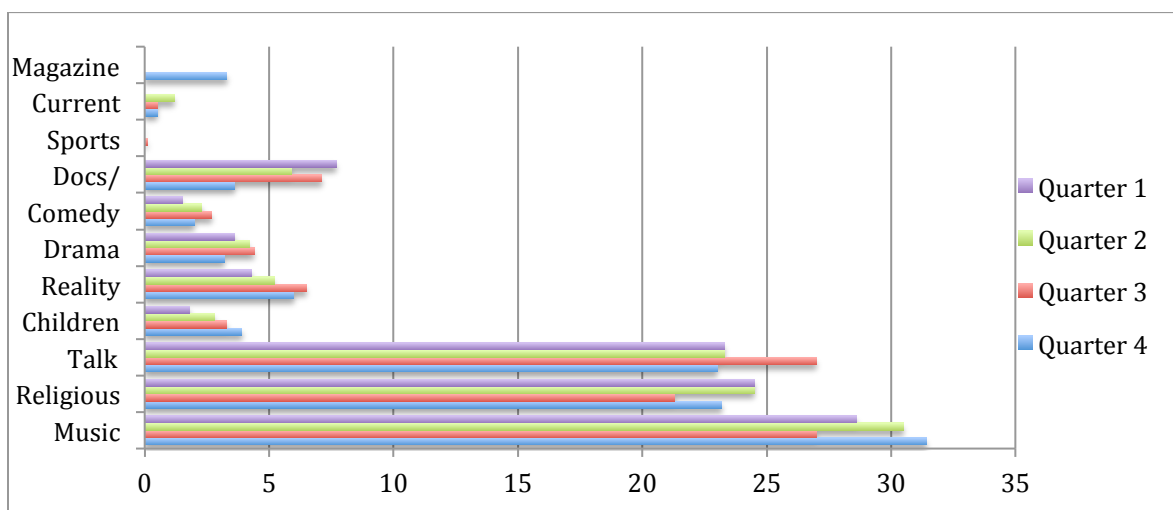


Figure 5: Performance of the various genres of local content during prime time

The results in this quarter show that Music had the highest weekly average of 31.4%, religious content came in second at 23.3% and talk shows third at 23%. Comedy, current affairs and sports genres had the lowest local content across most of the stations monitored during the period under review registering 2%, 0.5% and 0% respectively.

4. Advertisements

During the quarter under review, none of the stations monitored contravened this requirement.

5. Accessibility to broadcasting services by persons with disabilities

On accessibility to broadcasting services by PWDs, twenty-four (23) out of twenty-five (25) TV stations with news complied. The Authority consequently undertook the regulatory action on the non-compliant stations.

6. Religious programmes appropriate content during the watershed period

During the period under review, none of the stations monitored contravened this requirement.

7. Appropriate content during the watershed period

During the quarter under review, none of the stations monitored contravened this requirement.

8. Children’s programs requirement of at least 5 hours per week

On 5 hours of children’s programming, six (6) stations were compliant with this requirement as was the case in the previous quarter.

The continued poor performance in Children programming is attributed to the cost implication associated with complying with this standard and the trend for broadcasters to move from general

programming to niche programming also poses an additional challenge since programming for such niche stations may not be children oriented. The Authority expects that the use of incentive regulation on this requirement will yield positive results.

Duration of Children Programming (Minutes)	Number of broadcasters (4 th Quarter 2017/2018)	Number of broadcasters (3 rd Quarter 2017/2018)	Number of broadcasters (2 nd Quarter 2017/2018)	Number of broadcasters (1 st Quarter 2017/2018)
≥ 30 and <100	9	6	10	7
≥100 and <300	11	13	9	8
≥300	6	6	9	4

Children’s programs requirement of at least 5 hours per week

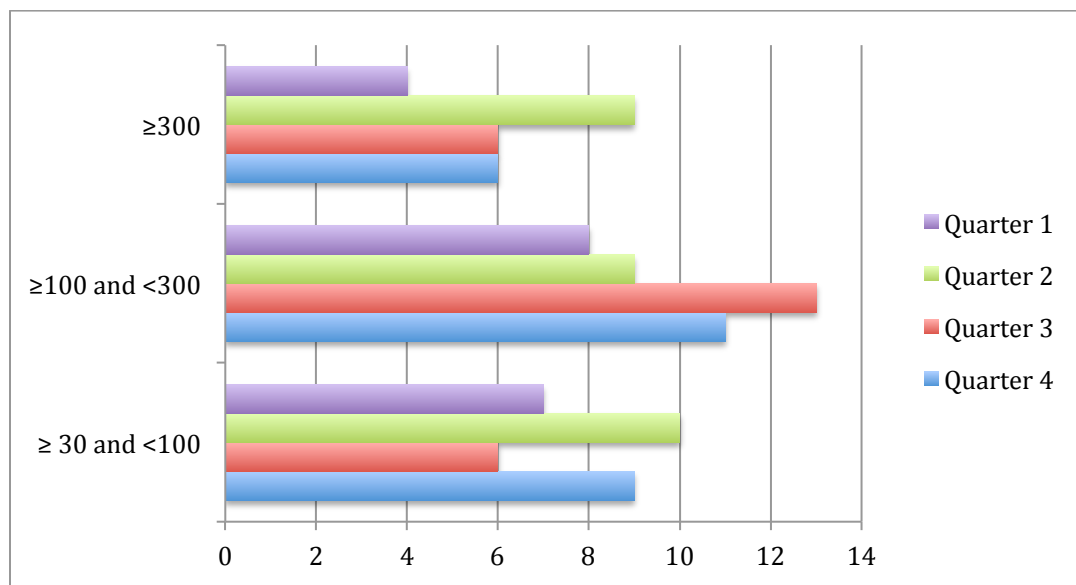


Figure 6: Children’s programs requirement of at least 5 hours per week

V. OTHER REGULATORY ACTIVITIES

The following other regulatory activities were carried out during the quarter:

No.	Activity	Objective
1.	CA-KFC Capacity Building Workshops	The Authority in liaison with Kenya Film Commission carried out local content capacity building activities for content producers in Siaya County. The forum enabled participants to develop Film Production skills in all areas such as Directing and Production, Screen-script writing, Acting, Editing and Cinematography, informed the participants on the latest trends in the local film industry, widened the skills pool in the local film industry to support the local creative industry, and provided an opportunity for participants to gain practical experience in aspects of film production and network with fellow film professionals from the local film industry. The Authority also participated in the my Kenya story Award ceremony hosted by KFC which recognised and encouraged new Local Content Producers who used the Mobile phones to create short films.
2.	Kuza Awards Gala	The Authority hosted the second edition of Kuza Awards on 23 rd May 2018. The Kuza Awards aim to celebrate and encourage broadcasters who demonstrate excellence in their broadcasts in line with the provisions of the Programming code.

*****END*****