

FY 2017/18 Quarter 2  
(October –December 2017)  
Broadcasting Report

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## **FY 2017/18 QUARTER 2 (October – December 2017) BROADCASTING REPORT**

### **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 second Quarter of the 2017/2018 Financial Year (October - December 2017).

### **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. STATUS OF BROADCAST LICENSING DURING QUARTER 2 FY 2017/18 (OCT-DEC 2017)**

#### **1. FTA Broadcasting Services**

Commercial FTA Radio had the greatest reach with 132 radio stations on air, followed by Commercial FTA TV with 60 stations and Community FTA Radio with 40. In comparison with the first quarter, the number of Commercial FTA Radio stations remained the same while that for Commercial FTA TV stations on air declined by 6 but the number of Community FTA Radio stations increased by 4. This is represented graphically in Figure 1 below.

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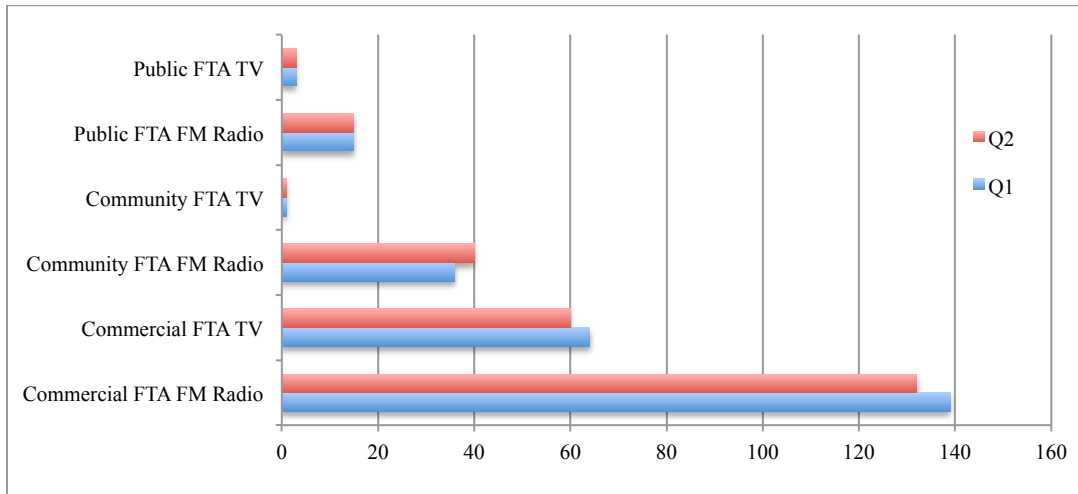


Figure 1: Comparison of on air FTA broadcasting services as at the end of Q2 v/s Q1 FY 2017/18

## 2. Subscription Broadcasting Services

On Subscription Broadcasting Services, Terrestrial subscription broadcasting services had the highest subscriber base with 3,565,595 subscribers, followed by Satellite at 818,588, and Cable Broadcasting service subscription at 131,015 subscribers and shown in Figure 2 below.

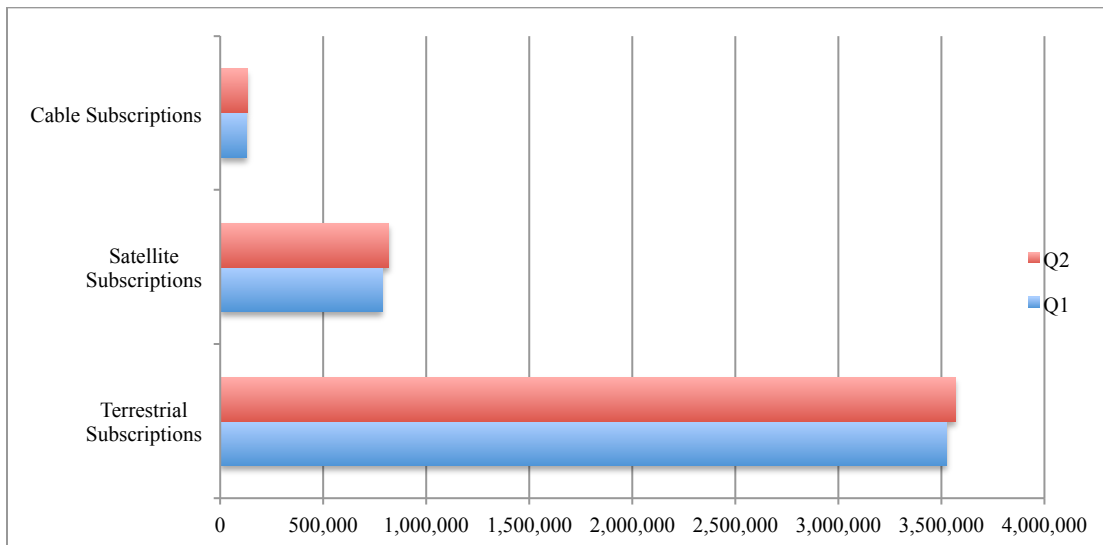


Figure 2: Q2 v/s Q1 subscription numbers for the various subscription broadcasting services

- i. There was an increase in the number of subscribers on Terrestrial and Cable subscription broadcasting services, while the subscriptions for Satellite declined marginally during the period Oct-Dec 2017.
- ii. In comparison to the previous quarter, there is an increase in the Terrestrial Broadcasting service subscription by 38,710, a decrease in Satellite Broadcasting service subscription by 172,244 and an increase in Cable broadcasting Service by 3,218.
- iii. 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.
- iv. 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.
- v. The impact of IPTV on the market with the launch of Video On Demand (VoD) services 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 85% by the end of the second Quarter.

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**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 47 out of 60 FTA TV.

REQUIREMENTS	% COMPLIANCE QUARTER 2	% COMPLIANCE QUARTER 1
Local content quota requirement of 40%	83	82.4
PWDs sign language insert requirement	92	92
Advertisement (maximum limit of 10 minutes in every 30 minutes of TV programming)	100	100
Children’s programs requirement of at least 5hrs per week	19	7.8
Appropriate content requirement during the watershed period	98	96

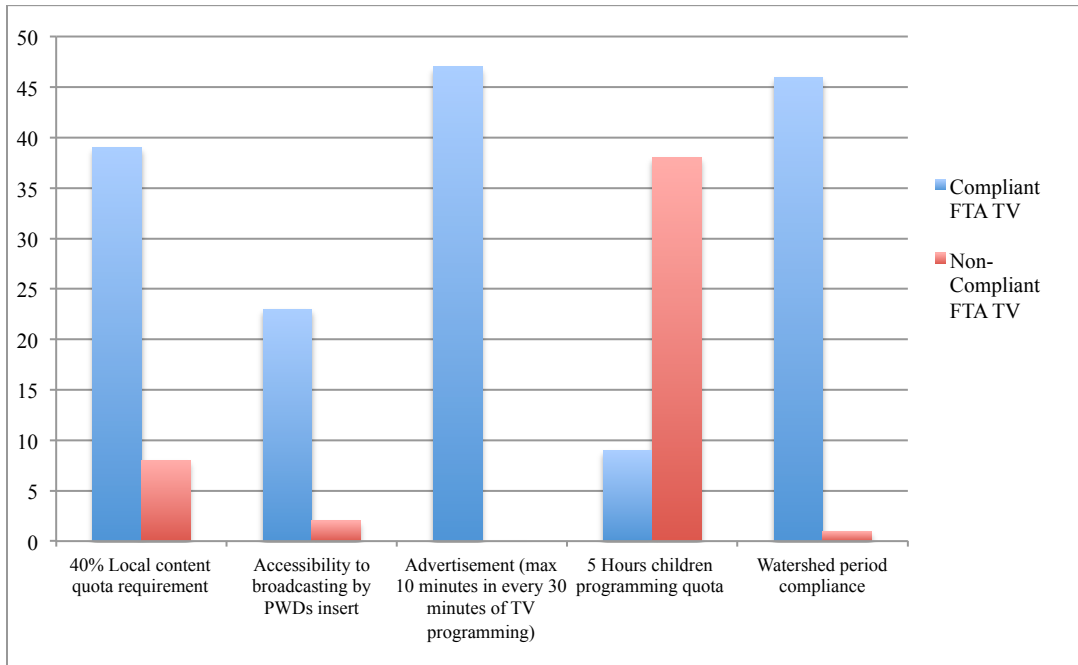


Figure 3: Overview of compliance levels for the various monitored parameters during the quarter

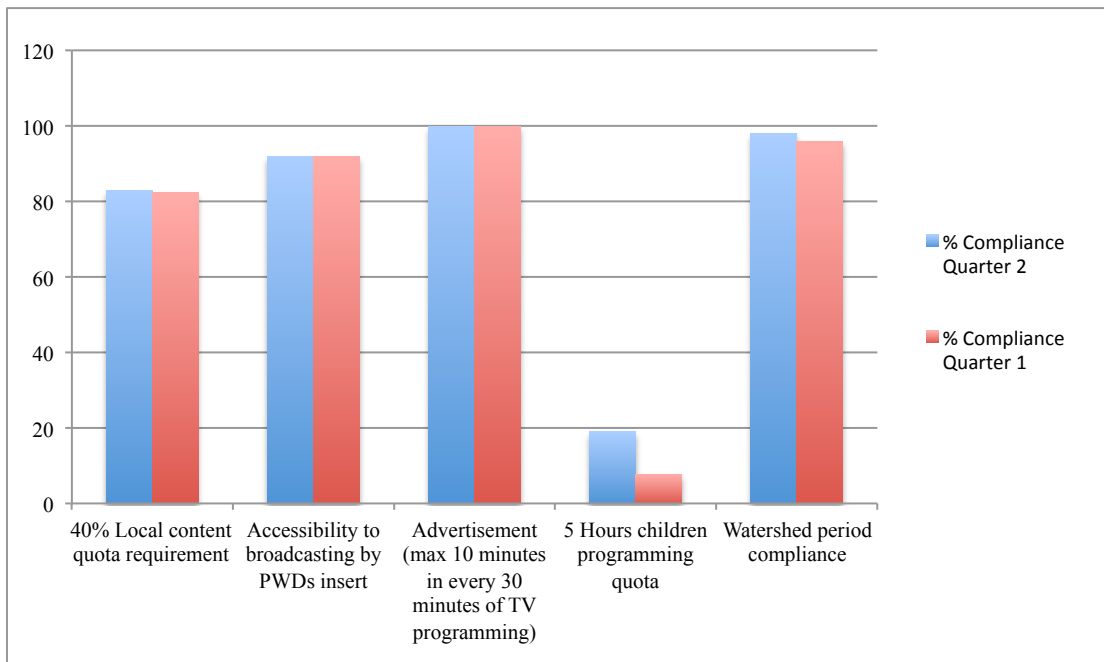


Figure 4: comparison of compliance levels in quarter 2 vis a vis quarter 1 FY 2017/18

### 1. Local Content Quota

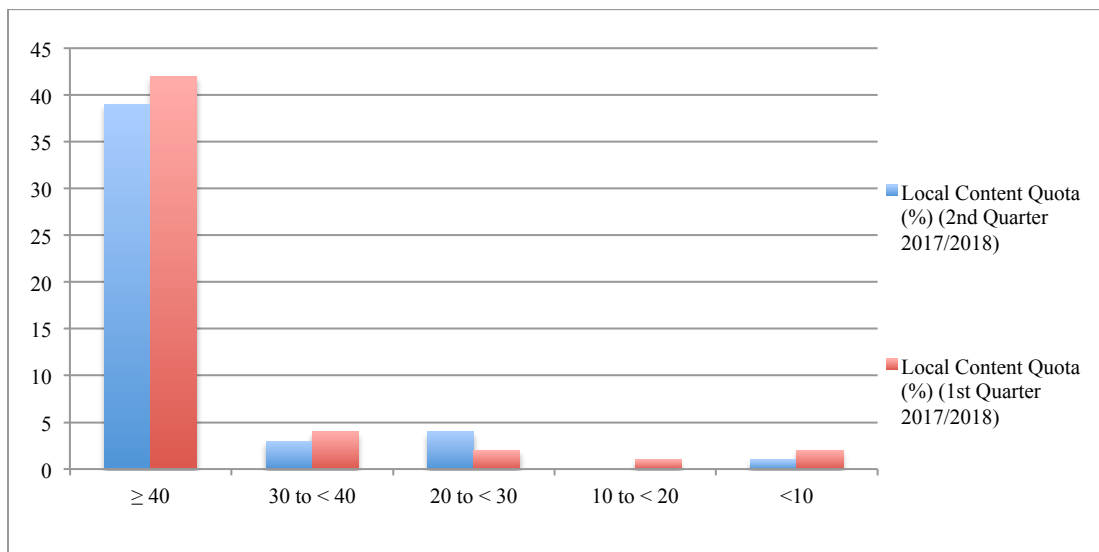


Figure 5: Comparison of Q1 v/s Q2 Local content quota performance

- i. 83% of the stations monitored were compliant with the 40% local content quota requirement. This is an increase from last quarter’s performance of 82.4%. This improvement is attributed to the engagement of the Authority with non-compliant stations through notification letters and issuance of penalties, which saw majority of broadcasters increase local content in their programming.
- ii. The Authority consequently instituted enforcement action on non-compliant stations.

### 2. PWDs sign language insert requirement

- i. On enhancing accessibility to broadcasting services by Persons with Disabilities (PWDs), twenty-three (23) out of twenty-five (25) TV stations that offer News as part of their programming complied.
- i. The Authority consequently instituted enforcement action on non-compliant stations.



**3. Advertisement (maximum limit of 10 minutes in every 30 minutes of TV programming)**

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

**4. Children’s Programming Quota Requirement (at least 5hrs per week)**

- i. During the quarter under review, nine (9) out of forty-seven (47) TV stations complied with the Children’s programs quota requirement of airing at least 5hrs per week.
- ii. This was an increase from the previous quarter, where only 4 stations had complied with this requirement.

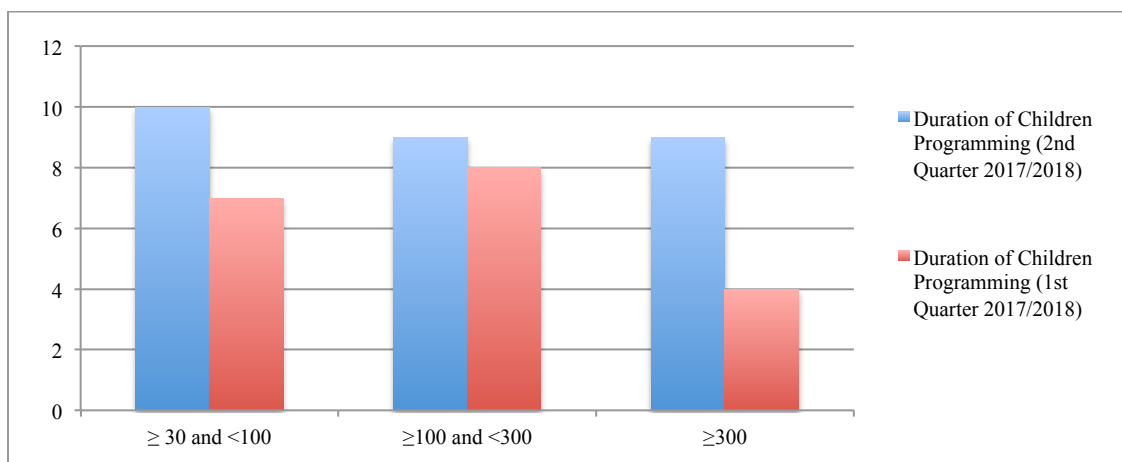


Figure 6: Comparison of broadcasters' performance on the requirement for 5 hours of children programming per week during Q2 vs. Q1 FY 2017/18

- iii. The low performance of local Children programming can be attributed to the cost implication associated with developing quality children programming, as well as the trend for broadcasters to move from general programming to niche programming where niche programming may not necessarily be children oriented.
- iv. The Authority has adopted the use of incentive regulation on this requirement such as through recognition of broadcasters who are complying with this requirement through the CA Kuza

Broadcasting Awards, which seeks to reward excellence and compliance amongst broadcasting licensees.

### 5. Appropriate content during the watershed period

There was a violation of watershed period guidelines during the watershed period, which included scenes of nudity and sexually explicit content. The Authority instituted regulatory action against the offending broadcaster in accordance with the KICA Act.

#### 1. Genre Performance

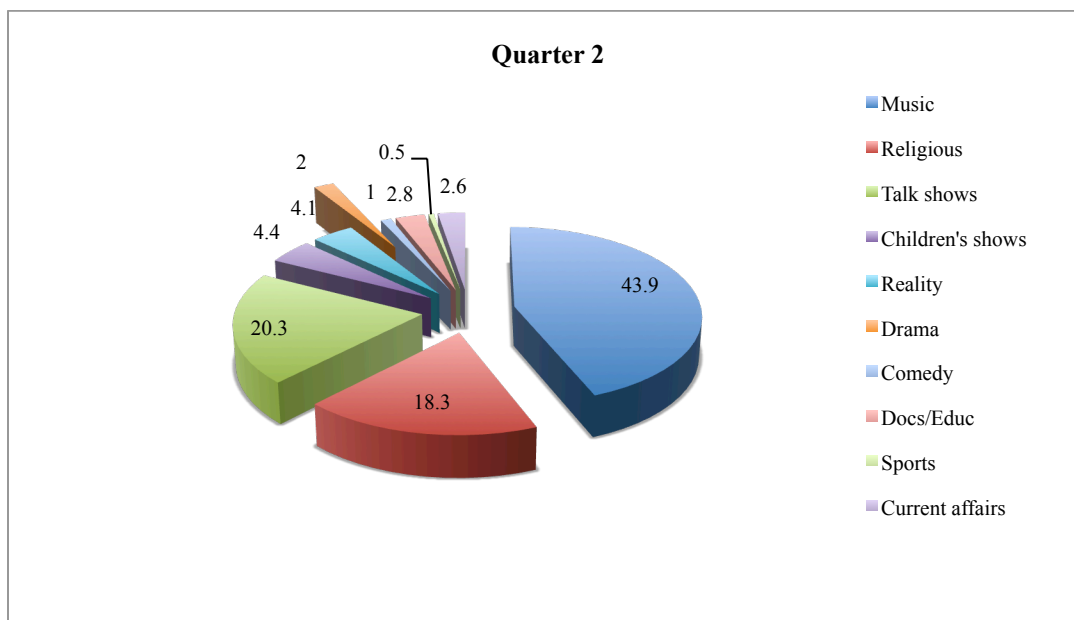


Figure 7: Genre performance during the period Oct-Dec 2017

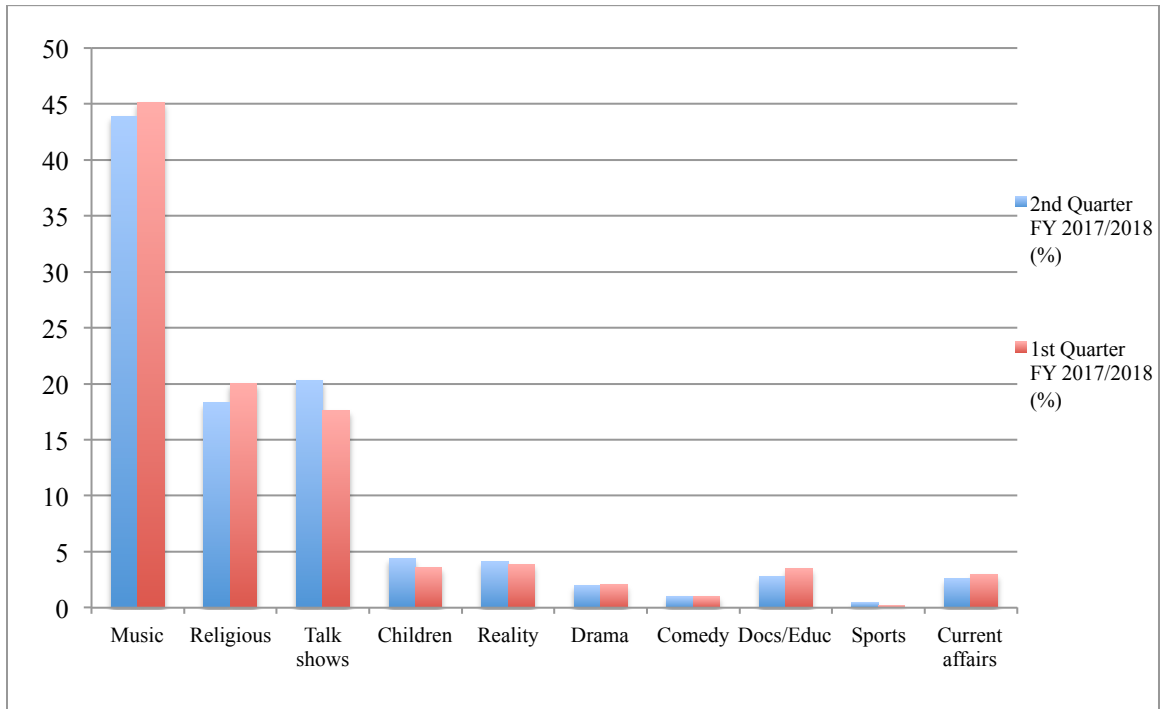


Figure 8: Genre performance comparison between Q1 (July-Sep 2017) and Q2 (Oct-Dec 2017)

- i. Music had the highest weekly average at 43.9 % while talk shows was second with a weekly average of 20.3 % of local programming.
- ii. Religious programs came third at 18.3 %. Reality, Children, Documentaries, Current affairs, Drama, Comedy and sports genres had the lowest weekly average of local programming across the stations monitored during the review period registering 4.1%, 4.4%, 2.8%, 2.6%, 2%, 1% and 0.5% respectively.

Performance of the various local content genres during prime time

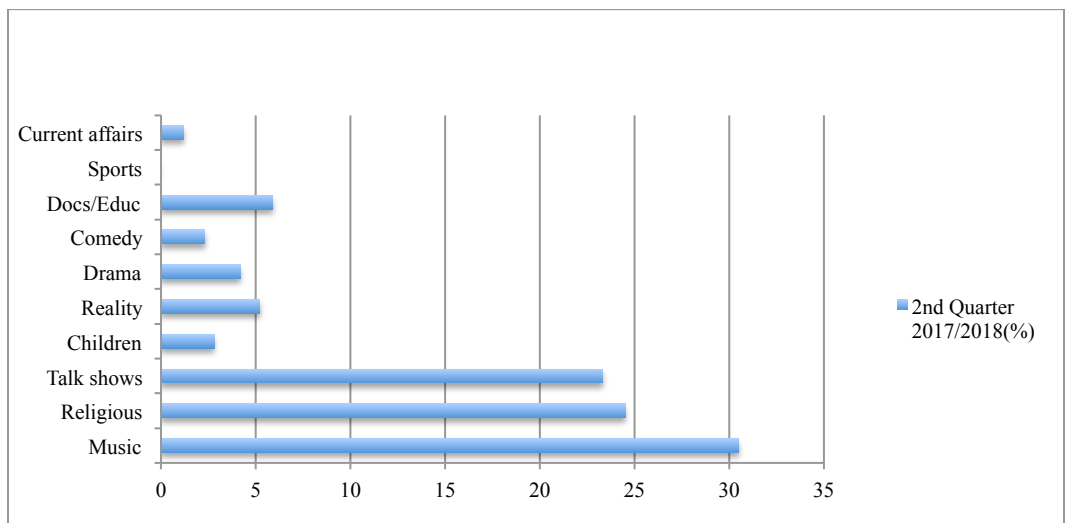


Figure 9: Local content genre performance during prime time for the period Oct-Dec 2017

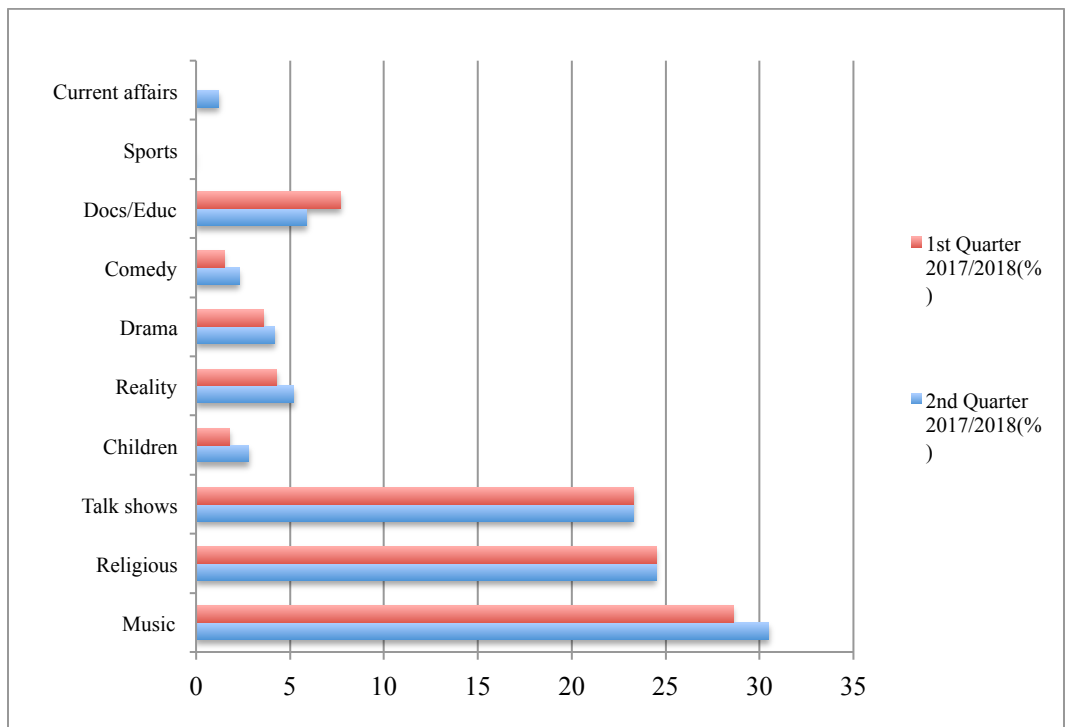


Figure 10: Comparison between prime time genre performance during the period July-Sept 2017 v/s Oct-Dec 2017

- i. Music had the highest weekly average of 30.5 % with Religious content coming second with a weekly average of 24.5% of local programming.
- ii. Talk shows was third at 23.3 %, and Documentaries, Reality, Drama, Children, Comedy, Current affairs and Sports registering the lowest weekly average of local programming across the stations monitored at 5.9%, 5.2%, 4.2%, 2.8%, 4.2%, 2.3%, 1.2% and 0% respectively.

### V. OTHER REGULATORY ACTIVITIES

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

Item	Objective	Activities
CA-KFC Capacity Building forums	Local content development	The Authority in liaison with Kenya Film Commission carried out local content capacity building activities for content producers in Meru. 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.
Kuza Awards	Inform broadcasters of the second edition award categories and evaluation criteria	The Authority formally launched the award categories and evaluation criteria to all broadcasting licensees and leverage on the combined synergies of the industry and audiences towards creating a responsible and responsive broadcasting culture in Kenya

## VI. INDUSTRY TRENDS

The broadcasting audience measurement data as shared Courtesy of Kenya Audience Research Foundation (KARF) indicates the following:

### ***a) TV and Radio Broadcasting Audience Trends During the period Oct-Dec 2017***

- i. During the quarter under review, Radio and TV were still the preferred source of information and entertainment for Kenyans.
- ii. There was increased media incidence during the month of October 2017, which can be attributed to the interest in current affairs pertaining the election period.
- iii. Radio is the preferred media by Kenyans averaging 65% daily media incidence. This can be attributed to the 99.9% population coverage of radio compared to 85% TV.

### ***b) Television and Radio incidence by Topography***

- i. Central registered the highest TV daily media incidence during the period Oct-Dec 2017 at 29% based on a 7-day media consumer population of 4 million as per the 2015 KARF Establishment Survey, with North Western registering the lowest incidence at 1% during the same period.
- ii. With an estimate base of 12.4 million average daily radio listeners based on the KARF tracker for the month of December 2017, Central region registered the highest Radio incidence at 24% during the quarter, with North Western registering the lowest incidence at 2% during the same period.
- iii. Rift and Western regions came in second at 14% radio incidence each during the same period.

### ***c) STB Ownership***

- i. 55.39% of the weighted 2663 households during the period owned an STB in November compared to 56.11% in October.
  - ii. 27.83% of the sampled households during Q2 FY 2017/18 owned an integrated digital TV.
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***d) Demographic of Television Viewers and Radio Listeners***

- i. With a base of 9.5 daily TV viewers according to the KARF Tracker for the month of December 2017, 54% of rural viewers tuned in to TV compared to 46% urban viewers, while with a base of 12.4 daily Radio viewers for the same period, 64% of rural listeners tuned in to Radio compared to 36% urban listeners.
- ii. More men than women tuned in to TV during this period at 57% compared to 43%, while more men than women tuned in to Radio during this period at 53% compared to 47%.
- iii. TV was the media of choice amongst the 25-34 and 45+ age group during this period, while Radio was popular amongst the 25-34 and 45+ age group. .

***e) Advertising Spend***

- i. The total spend for the period Oct-Dec 2017 was estimated at KShs. 23.8 Billion.
- ii. Television took the chunk of the Ad spend for the period, at 52% compared to 44% by Radio.
- iii. Betting and gambling was the highest spender on both Radio and TV during the period.

\*\*\*\*\*END\*\*\*\*\*

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