A Baseline Study

Broadcast Journalism in Pakistan: A Hostage to Media Economics

Outlining economic infrastructure of media industry

By
Asad Baig and Umar Cheema

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Preamble

“... to fight (against) freedom of press, one must maintain the thesis of permanent immaturity of the human race ... if the immaturity of the human race is the mystical ground for opposing freedom of the press, then certainly censorship is a most reasonable means of hindering the human race from coming of age.” – Karl Marx

Through the decades of civil evolution, we’ve seen that freedom of media, speech and expression is the only true litmus test to gauge a society's independence. An open society cannot exist without an independent media and vice versa. With a public service mandate, mass media can do wonders, but if monopolized, it can be turned into a weapon of ‘mass deception’. Perhaps that's the thesis formost intricately designed media control structures in an Orwellian model. As Mark Twain puts it, “there are laws to protect the freedom of the press’s speech, but none that are worth anything to protect the people from the press.”

In Pakistan, there was a time when physical force was the method of choice for making media compliant. Crack down on media outlets, lashes for journalists and State controlled censorship was commonly practiced. Over the years, however, media control mechanisms have evolved into more subtle techniques targeting what matters most for media ... its business.

Recent incidents of broadcast media censorship¹ have demonstrated the State's power to unduly control media through various ‘cloak and dagger’ means, most popular of which is influencing and/or pressurizing the media intermediaries. That, however, hasn’t deterred the use of power. International Federation of Journalists (IFJ) had declared Pakistan as 'most dangerous country for journalists' with 14 killed in just 2014.

For a democracy, it's crucial to foster enabling environment for a commercially viable media independent of State regulation, however, in Pakistan it’s still a dream far from reality. State governed media regulators, exclusion of civil society in policy making, defective media-economy models, overly commercialized (and at times politicized) media groups and failure to directly serve public interests are just some of many ailments plaguing Pakistan’s media industry.

The good news is: Pakistan’s (electronic) media is in its first phase of evolution and there’s a long way to go. The bad news is there’s not enough indigenous, sustained effort by the industry or civil society groups to push for a third generation of media reforms from within, one of potential reasons for which may be inadequate understanding of certain critical issues.

This report – a CPDI initiative – is a step towards enhanced understanding of Pakistan’s broadcast media’s economic landscape, focusing on Television Rating Point or TRP, media business models, analysis on digital versus analog transmissions and best practices around the world. The report is authored by Asad Baig, a media development expert and co-authored by Umar Cheema, a senior investigative journalist.

¹ http://www.geo.tv/article-149944-Geo-shutdown-by-PEMRA-for-15-days-
Executive Summary

Over the last few years the broadcast media industry in Pakistan has been the subject of endless debate and discussion. The industry has been hailed as a strong democratic force but at the same time, it has also been criticized by the public, consumers and the government for being unprofessional, unethical, sensationalist and exceedingly commercial. Even the most casual media consumer is now familiar with the concept of ‘ratings’, that have been blamed for the falling standards of journalistic content and the abundance of sensationalist material on TV. The criticism on broadcast media is justified to a certain extent, but is bereft of an actual understanding of the functional aspects of the industry, primarily the economic and financial aspects. This report looks at the underlying financial structure of the media industry in Pakistan and aims to highlight those structural issues that lead to the so called 'over commercialization' of the industry.

The report draws from news reports, statistics from Pakistan Electronic Media Regulatory Authority, PEMRA, International Telecommunication Union, ITU and other authentic data sources. However, there is a general lack of current, comprehensive data available that highlights a lack of interest and investment in efforts to understand the industry's plight. Thus, this report should be seen as a comprehensive baseline that brings together scattered pieces of information and makes scientific projections in data in an effort to outline and understand the economic structure of the broadcast media industry.

The report includes the following key findings and recommendations

1. The current economic infrastructure of the broadcast industry leaves local and regional channels at a loss. Pakistan's current rating system or TAM is designed to cater only to urban population (20 cities with most focus on Karachi, Lahore and Islamabad). Relevant agencies should immediately implement structural changes to encourage gathering of TRP data from rural and urban sectors independent of each other.

2. PEMRA’s current lax media ownership rules are leading to concentration and formation of monopolies. The rules should be immediately revised and overhauled to ensure a truly vibrant, independent and diverse media.

3. Pakistan is one of the only two countries in South Asia who haven't declared the status of digital switchover mandated under the International Telecommunication Union. The Government of Pakistan should, on an urgent basis, draft a nation-wide digital switchover plan and share Pakistan’s status.

4. The cost of digital switchover might be heavy on the consumer end. The Government of Pakistan should take all possible measures to ensure that reasonable financial and administrative arrangements are made to facilitate the media consumers during switchover.

5. Currently Media Logic is the only company operating electronic TAM in the country, and the data that decides the flow of advertising revenue is single sources. Parallel
TAM structures have to be set up and supported across country to ensure TRP data is not monopolized and to enable cross-verifications.

6. The civil society remains strangely silent over the issue of PEMRA reforms and efforts made so far appear inadequate. Civil society actors, especially media development organizations should initiate sustained advocacy for independence and restructuring of PEMRA.
Introduction

Context

Karl Marx, being a prolific journalist, maintained a steady stance on ‘freedom of press’. He was of the view that “press, in general, is a realization of human freedom.” The notion of an independent media usually refers to independence from sanctions imposed by an authoritarian State, or an oppressor, but to Marx, media’s commercial progress, itself, was one of the biggest threats to its freedom. Critiquing media (or press) as a profitable enterprise, he noted “to put freedom of the press (or media) in a class under freedom of business is to defend it while killing it in the of course of the defense... Your freedom is not my freedom, cries the press to business... is the press (media) free if it degrades itself to a business? To be sure, the writer must make money in order to be able to exist and write, but on no account must he exist and write in order to make money.”

We’ve come a long way from the Prussian State, but the scrimmage between media’s freedom and its commercial interests is still a philosophical debate. On one hand, a commercial media is susceptible to external influences which might come in the guise of kickbacks or more subtlety as advertisements, bringing under question its impartiality. But on the other hand, is it really possible for a public-service media entity, operating as a not-for-profit, to sustain? The question then is of striking a perfect balance between the two models – but is it conceivable at all?

An independent media is a globally acknowledged fundamental civil right. In Pakistan, Article 19 of the Constitution of Pakistan ensures the freedom of media and expression. It states:

“Every citizen shall have the right to freedom of speech and expression, and there shall be freedom of the press, subject to any reasonable restrictions imposed by law in the interest of the glory of Islam or the integrity, security or defense of Pakistan or any part thereof, friendly relations with foreign States, public order, decency or morality, or in relation to contempt of court, [commission of] or incitement to an offence.”

Pakistan’s media has sailed through four dictatorships – including the most recent one which also happens to be the longest – and has experienced its share of encounters with dictators, imposition of censors, sanctions and in extreme cases, target killings. But ironically so, to Former President, Retired General Pervez Musharraf goes the credit for liberating Pakistan’s airwaves. Some in the industry still maintain it was a strategic move to project a liberal image globally and to ward off the aura of a conventional dictator; but a commendable feat nonetheless. Had he known this initiative would eventually become his undoing, he would have thought twice.

With the establishment of Pakistan Electronic Media Regulatory Authority (PEMRA) in March 2002, Pakistan’s media industry experienced somewhat of a revolution. The bar on private media ownership was raised, making space for privately owned and operated FM radios and television channels, disseminating news, infotainment and entertainment content. Pakistan
where prior to year 2000 the definition of private media was strictly limited to print, and there was no concept of digital content, save for that broadcasted by State media outlets, was taken by surprise – 91 television\(^2\) and 140 FM radio licenses\(^3\) issued thus far, in merely 12 years.

The initiative, as expected, was welcomed with arms wide open. ‘Indus Vision’, a subsidiary of Indus Television Network, was the first to hit the market. Then came ‘ARY Digital’, a subsidiary of ARY group, ‘Geo Television’, a subsidiary of Jang Media Group and the list goes on. These channels were primarily transmitted through satellite so a cable TV (analog) system was introduced to further distribute them in households. The cable TV system, in terms of content, offered substantially more than the conventional terrestrial broadcast and so got popular very quickly. Coupled with the influx of Chinese products bringing down the cost of television drastically, it became an essential household commodity – currently more than half of the country’s population has access to it\(^4\).

A whole new industry sprang to life in slightly more than a decade and with it came a hoard of opportunities. New positions were offered with better salaries and fringe benefits and young professionals were encouraged to join. Youth became a majority in media industry, bringing down the average age of a journalist in Pakistan from 47 to 23. Pakistan Federal Union of Journalists (PFUJ), country’s prime journalists’ union, experienced a drastic growth; from 2,000 members to about 10,000 in just 10 years.

The progress substantially supplemented corporate development. In year 2001 – 2002, Pakistan’s annual ad-spend, which stood at 7 billion\(^5\), went to a whopping 35 billion in 2013\(^6\). Television became the preferred medium for advertisers and the leading shareholder in country’s annual advertising budget – which currently stands at 61%. Cable television licenses observed a sharp rise as well; from about 900 in 2002 – 2003 to 2,224 till 2008 – 2009\(^7\). The number rose to about 2500 to 2700 in 2014, with an estimated 13 million cable connections\(^8\), with each connection priced, on an average, at Rs.300 per month, giving rise to a parallel industry with an annual turnover of 46 billion.

This tremendous growth in media industry stimulated the culture of social accountability, strengthened the voices of people and for the first time in the country’s history, questioned the groups & individuals, otherwise considered unquestionable. Media discourses simplified complex governance issues for masses and equipped citizens to make informed political decisions. Extensive media coverage of constitutional, parliamentary, national and international affairs gave the general public a cognizance of critical issues with an immediate impact on the nation. Hourly news bulletins, special Interviews and political talk-shows drastically improved the country’s information flow.

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\(^7\) PEMRA - [http://www.pemra.gov.pk/pemra/images/docs/cp/Regulating_the_Carriage_and_Placement_Fee.pdf](http://www.pemra.gov.pk/pemra/images/docs/cp/Regulating_the_Carriage_and_Placement_Fee.pdf)

Information is said to be power, a demonstration of which was seen during Pakistan's lawyers' movement. It started in March 2007, when the President General Pervez Musharraf, fired the Chief Justice of Pakistan, on allegations of exploiting his authority. Perhaps the establishment, based on the experience of 1999's coup d'état wasn't expecting a backlash; only this time around, the country had a powerful media which instantly took up the issue. Realization came a bit too late, but till then, the civil society forces had already rallied, with journalists at the forefront. Although in an attempt to silence the roaring news channels, the government did take some of them off-air but it only added fuel to the fire. The movement finally resulted in impeachment of the dictator in 2008, another first in Pakistan's history and media's due credit was acknowledged.

With power comes responsibility and unless kept under check, it corrupts. The story of media's evolution is not much different.

In an attempt to establish itself as the ‘fourth estate’ and to conquer its rightful place in State paradigm, media in Pakistan got almost completely derailed from its original mandate of ‘public service’. In effect, instead of aligning itself with its consumers, the media aligned itself with various political and non-political groups, enterprises and commercial entities. With that, started a rat-race of TRP and sensationalism, leading to an all-out war between media groups, trying to bag as much sponsorship as possible, getting down-right dirty while doing so. The outdated regulatory laws and intentional lack of a favorable commercial setting for media entities, ensuring legit profits and keeping a check on devious means further worsened the situation.

The commercial rift between media groups made them vulnerable to State control and other influences, taking away impartiality and sadly, the credibility, leaving behind a façade of independence. As a result, while electronic media still is the largest disseminator of news and information in the country, it's almost entirely disconnected from social issues plaguing the society and so is generally considered partisan by the public at large.

As we stand today, Pakistan has an abundance of news media but it seems to be lacking objectivity, impartiality and spirit of public service. In summary, it has, to a large extent, acquired its space in State paradigm but has failed miserably to establish itself, in the eyes of the citizens it claims to serve, as an independent societal watchdog.

This report aims to look at the underlying reasons of media industry's behavior and the reasons which made it to deviate from its original mandate. The purpose of this report is, to improve the understanding of broadcast media's economic landscape and technical infrastructure, aiming to equip media advocacy groups with relevant and requisite knowledge.

**The Report – Objectives, Methodology and Outcomes**

**Objectives**

Media's mushroom growth in Pakistan is definitely encouraging but while it may generally be perceived independent of State control and other influences, the studies show otherwise.
Broadcast Journalism in Pakistan: A Hostage to Media Economics

Freedom House, an international research institute, working on democracy, political freedom and human rights, rates the media in Pakistan as ‘not free’\(^9\). The study was conducted on a global scale, keeping in view the legal, political and economic environment of respective countries\(^10\). Unsurprisingly, Pakistan’s media industry is rated as one of the lowest in South Asia for its ‘economic environment’\(^11\).

In any given country, media industry’s economic setting plays a decisive role in determining its level of independence. Over the years in Pakistan, mechanisms of media-control have evolved, from brute force, to more subtle, strategic techniques targeting media’s commercial interests, its viewership and its geographical reach. Although physical attacks today is still a present and persistent danger but the damage of these strategic tactics, in terms of impact, is much higher – high enough to bring the country’s largest media group on its knees, literally.

This report is aimed to highlight, discuss and provide potential solutions for (selected) media’s economic challenges.

**Television Rating Point (TRP):**

The report examines the television rating and the function and operation of people meters used to gauge the ratings, in particular. Television rating without doubt impacts the decisions of advertisers and the media houses both; the former have to make a choice for ad-spend depending on the viewership of a TV channel and the latter have to tailor programs making them rating-friendly.

In Pakistan, television ratings, directly and indirectly are held responsible for today's ubercommercial television news media. Although, it's difficult to pinpoint and gauge its impact on television content and programming, TRP is considered one of the top driving factors behind it. At heart of the ongoing debate are arguments floated for and against the current system of rating. The role of different stakeholders and their constraints have not been discussed in detail. This report attempts to deconstruct the rating's system, underlying issues and the role of stakeholders in protracting them.

**Media Revenue Generation:**

Television ratings and the ratings' system is generally considered flawed and is usually blamed for media’s unruly behavior. This report attempts to present an antithesis of the notion, simultaneously highlighting more pressing issues pertaining to industry's economic setting. One of the immediate concerns is broadcast media's over reliance on advertisement revenue. The report explores additional sources of revenue for broadcast industry and aims to come up with consolidated recommendations.

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\(^11\) Freedom House - [http://cf.datawrapper.de/s4MnR/6/](http://cf.datawrapper.de/s4MnR/6/)
Analog and Digital Distribution Systems:

Distribution systems for broadcast media in Pakistan have the potential of substantially adding into media’s economy. Pakistan is an ITU signatory and is currently in the process of digital switch-over, aiming to complete it by September 2015. This report critically analyzes Pakistan government’s strategy and work-plan for digital switch-over, identifies gaps and provides a comprehensive set of recommendations to address them.

Methodology

Focus Group Discussions were organized in Karachi, Lahore and Islamabad. We brought together individuals of diverse background that contrasted with their convergence of interest/experience/understanding. Journalists, advertisers, cable operators, communication researchers, media owners and representatives of the advertising association either attended the FGDs or consented for telephonic interviews to answer the research questions that fall within the scope of this report. PBA representatives were neither available for FGD nor did they answer the questions sent for written reply.

Desk research complemented our FGDs. It could not have been completed without an input from the MediaLogic, the sole service provider of TV rating to the advertisers and media houses both. CEO of MediaLogic was interviewed on more than three occasions. The first session was aimed at understanding the system and follow-up interactions were arranged for his comments over the questions raised by different stake-holders about the rating system. We also spoke to several individuals who could offer an insightful detail for broadening our understanding about the issues under questions. Several of them were hesitant to make public the information they shared and we were unable to verify those contents independently hence not made part of this report.

Outcomes

Report’s primary outcome is a consolidated set of recommendations aiming to provide potential solutions for identified gaps. The recommendations will be further taken up by Coalition for Ethical Journalism for advocacy and lobbying with relevant stakeholders.

Pakistan’s Media Industry – Key Figures & Statistics

Data have been gathered from following sources:

Pakistan’s Media Industry: Key Stats & Figures

Pakistan is the 4th most populated in Asia
- Population 190 Million (estimated - 2014)
- On average 7 Persons / Household
- 28 Million Households (estimated - 2014)

Access to Television (Individuals) vs Households with Televisions
- Estimated 134 to 140 Million have direct or communal access to TV
- 20 Million in 2012 (Express Tribune)
- Estimated 21-21.5 Million in 2014

Cable TV Access vs Cable TV Connections vs Cable TV Audience
- 51% Households in 2013 (Gallup)
- Estimated 15 Million in 2014*
- Estimated 105 Million Viewers*

More than HALF of Country’s Population has Access to Cable TV/Satellite Channels

* Figures based on growth projections on Gallup 2013 Data

Legend:
- Green: Access to Cable TV (55%)
- Orange: No Access (45%)
Broadcast Journalism in Pakistan: A Hostage to Media Economics

Cable Network's Geographical Spread

<table>
<thead>
<tr>
<th>Urban - 2013*</th>
<th>Rural - 2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Cable (85%)</td>
<td>Access to Cable (50%)</td>
</tr>
<tr>
<td>No Access (15%)</td>
<td>No Access (50%)</td>
</tr>
</tbody>
</table>

Interestingly, Pakistan’s Rural Cable Networks Experienced a Growth of approximately 11% over 2 years

*Source: Gallup Pakistan

Terrestrial Networks

| 25% - Approx. 5 Million Households Own Simple Antenna | Estimated 35 Million Viewers Have Access |

Note: Figures provided are mostly based on estimations, may vary and have margin for error.

Data Sources: Gallup Pakistan, PEMRA, Mapping Digital Media and Express Tribune.

Media Penetration in Pakistan

Literacy rate in Pakistan stands at 46% making broadcast the most popular medium. Radio and Television are by far, ahead of print in terms of geographical spread and impact.

Note: Figures represent ‘million viewers’ - Radio penetration figures may vary.
Digital Distribution Platforms - Television

Breakdown of digital distribution platforms in terms of viewers and number of households

- **Cable Networks**: Est 105 Million viewers & 14 to 15 Million households
- **Terrestrial Networks**: Est 35 Million viewers & 5 to 6 Million households
- **Broadband and Satellite**: Est 10.2 Million viewers & 14 Million households

Source: CMI Wave 2012

Television Licenses Issued by PEMRA

- **Infotainment Channel**
- **Company’s Business Name**
- **News Channel**
- **Entertainment Channel**
- **Group Name**
- **Sports**
- **Cancelled**

Jang Group

- **M/S Independent Media Communications PVT LTD**
  - Geo News
  - Geo Toz
  - Geo Entertainment
  - Geo Sports
  - Geo Kahani

APNA Group

- **M/S APNA TV Channel**
  - Abb Takk
  - Jalwa
  - APNA Channel
  - BXM Music

10 Most Viewed TV Channels - 2013 Gallup Pakistan

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Star Plus</td>
<td>17.6%</td>
</tr>
<tr>
<td>Geo News</td>
<td>11.4%</td>
</tr>
<tr>
<td>PTV Home</td>
<td>10.5%</td>
</tr>
<tr>
<td>Sony</td>
<td>8.9%</td>
</tr>
<tr>
<td>Cartoon Net.</td>
<td>8.5%</td>
</tr>
<tr>
<td>Geo Entert.</td>
<td>7.3%</td>
</tr>
<tr>
<td>ARY Digital</td>
<td>5.07%</td>
</tr>
<tr>
<td>KTN</td>
<td>5.0%</td>
</tr>
<tr>
<td>PTV News</td>
<td>4.8%</td>
</tr>
<tr>
<td>Urdu1</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Figures depict the percentage of access to population.

Ad-Spend for Individual Mediums in Pakistan

<table>
<thead>
<tr>
<th>Medium</th>
<th>Ad-Spend</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>21 BL</td>
<td>60%</td>
</tr>
<tr>
<td>Print</td>
<td>7.7 BL</td>
<td>22%</td>
</tr>
<tr>
<td>Radio</td>
<td>142 BL</td>
<td>4%</td>
</tr>
<tr>
<td>Internet</td>
<td>.54 BL</td>
<td>1%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>2.31 BL</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>2.07 BL</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>35.85 Billion</td>
<td></td>
</tr>
</tbody>
</table>

Growth projections based on figures from 2011 - 12 -13
The Problem Statement:

This section aims to further contextualize the points of concerns for Pakistan’s broadcast media and is divided into sub-sections for each stakeholder group.

Distribution

Broadcast media without doubt is the mass-medium of Pakistan and within this category; (analog) cable networks enjoy the most viewership. The networks operate under individual licenses issued by PEMRA – 2700 to 3000 issues thus far (according to sources).

The distribution sector in Pakistan’s broadcast industry hosts most problems and requires immediate reforms.

1 – Limited Number of Channels:

Cable networks in Pakistan are still using the otherwise obsolete analog transmission, limiting the number of TV channels to only 85 – as opposed to 87 currently valid broadcast licenses, excluding the licenses of landing rights for international channels. This limitation discourages regional TV content and results in a perpetual tussle between media groups attempting to bag a spot on analog frequency.

This technological brick-wall is the most obvious obstacle in promoting regional television content and encouraging media diversity and can only be resolved through a nation-wide digital switchover.

2 – Subscription / Distribution Revenue:

Satellite channels are distributed to approximately 105 million viewers through about 25 million cable TV connections across country. All of them are categorized as ‘free to air’ – with no charge on content consumption or broadcast.

The consumers, however, are charged with a subscription fee for each individual cable TV connection by cable operators. According to figures provided by Khalid Arian (President of Pakistan’s Cable Operators’ Association), the fee ranges between 200 to 1200 PKR.

Considering the average subscription cost as 300 PKR and calculations based on data presented in section 2.3, the annual turnover of Pakistan’s cable TV industry totals up to a rough 54 Billion PKR – about 300 percent more than the TV’s ad-spend. This inappropriate commercial setting forces broadcasters to survive either completely on ad-based revenue and fight for the largest share of advert pie, or to come up with other, less than ethical means to add to their revenue streams.

Even if the broadcasters and distributors reach an agreement of implementing a certain charge for viewing particular channels, it’s impossible to find out the exact number of cable subscribers

in the current analog system. The challenge of healthy subscription revenue can only be dealt with in a digital distribution setting.

**Cable Networks Revenue (Annual)**

- **Estimated 15 Million Cable Connections**
- **Subscription Fee according to Cable Operators Association**
- **Average Subscription Fee**

\[
\begin{align*}
\text{300 PKR} \times 15 \text{ Million} &= 4500000000 \\
\times 12 &= 54000000000 \\
\text{Monthly Cable Subscription Revenue} &= 45000000000 \\
\end{align*}
\]

*54 Billion PKR Annually*

**Television Versus Cable Networks Revenue**

- **Cable Network’s Revenue**
- **Pakistan’s TOTAL Ad-Spend**
- **Television Ad Revenue**
- **Print Ad Revenue**
- **Internet Ad Revenue**
3 - Distribution Infrastructure and Control Mechanisms:

Increased media density combined with the obsolete analog systems (limiting the number of channels on a cable network) has given a certain leverage to distributors – broadcasters now have to deal with a cut-throat competition, actively lobbying with the cable networks to have their channels tuned to a better, more accessible frequency – or to keep them from dropping it altogether. PEMRA in general has failed miserably to keep a certain check on cable operators since they are by law bound to broadcast ALL the licensed TV channels.

Some in the industry allege that there are huge sums of money involved in the process – although there are no evidences to support this claim, the situation does give an unfair advantage to the cable operators.

Cable operators are also commonly used as a media control mechanism by various State, non-state, religious and even political groups. Being centrally located in the geographical area they serve, cable operators have proven to be an easy target for those trying to gain leverage over media houses (especially news channels) in an attempt to take them off-air, or to simply influence their content.

The larger, more corporatized cable service providers seem to withstand the pressure, but smaller ones have no other but to give in.

Case Study:

In the recent case of Geo News’ controversial transmission alleging involvement of a State institution in an attack on Hamid Mir – a complaint was filed in PEMRA, later resulting in its’ temporary closure for 15 days. But till the time decision was made, most cable operators had already taken it off-air or have re-tuned it to a less accessible frequency.

Corporate companies (Nayatel, World Call, PTCL etc.) however, only acted until the receipt of valid notice from the regulator (PEMRA).

Broadcasters

1 – Over Dependence on Advertisement Revenue:

Television channels currently don’t have a subscription revenue stream – forcing them to rely on advertisement profits and making certain ‘compromises’ while doing so. Pakistan’s total television advertisement budget is around 22 Billion PKR with a substantial share from the Government – the fact that corporates and the government funds (directly or indirectly) the media, bring its very role as an impartial societal watchdog under question.

Digital switchover with appropriate pay-per-view policies can help broadcasters maintain a healthy stream of subscription revenue, making the media less dependent on advertisers, the government and other commercial entities.
Case Study:

Certain news stories critical of advertisers but of great public importance are not at all covered in the mainstream broadcast media – one of such news stories is the lack of legislation to regulate extraction of natural ground water but is critical of one of the biggest TV advertisers.

2 – Race for Ratings:

Highest commercial rating means the maximum advertisement share – and is currently the mantra of most private satellite channels. ‘Fine tuning’ the broadcast content to make it relevant to geographical areas with most media concentration is common. The process entails giving highest priority to content relevant for cities/regions with most commercial value. The practice is not entirely illegal, however, it causes broadcast media to become very ‘urban centric’.

(Underlying reasons are discussed in Section 3.3)

Case Study:

News events in certain geographical areas get much more time and coverage as opposed to vernacular areas – for instance there’s usually a special section in news bulletins to cover Karachi’s ‘good weather’, as opposed to almost no time to cover public interest issues in internal Sindh.

3 – Cross Media Ownership and Media Monopoly:

It’s clear from the data presented in Section 2.3 that cross media ownership is leading to media monopolies, hurting the idea of an impartial and diverse media – the data clearly shows that Jang Group is the leading beneficiary in both Television and Print media industry.

PEMRA ordinance as enacted in 2002, does NOT put any limitation on ownership of media outlets – nor does any other legislation in Pakistan.

Ratings

1 – Television Rating is Urban Centric:

Television ratings is measured through a system commonly referred to as TAM or Television Audience Measurement – the system comprises of People’s Meters; electronic devices installed with selected television sets in any given geographical area. With approx. 1175 meters installed across country, most of them are in large urban centers (Karachi, Lahore and Islamabad).

As described in section 3.2, the fine-tuning of content is ideally to get the attention of audiences in large urban centers – a process during which media diversity is often sacrificed.

TAM in its current form is hurting the business of regional channels and affecting the content propagation of vernacular and less mainstream areas. More than half of Pakistan’s population lives in rural areas and there’s a huge demand of regional language content (Punjabi, Pushto
and Sindhi etc.) However, there are hardly any People's Meters installed in the rural areas. The TV channels serving rural population are not able to perform on TRP scale and as such gets a very small number of advertisements, giving rise to media monopolies.

In a digital distribution system, however, the TRP data is gathered directly from individual set top boxes and can present a wholesome picture of audience.

2 – Inappropriate Sample Size:

Satellite channels in Pakistan through analog cable system, serve approximately 15 million households and 105 million individuals.

The sample size of currently deployed TAM is about 1100 households and 6500 individuals. Considering this data is taken very seriously by the advertisers and (at times singlehandedly) determines TV channels’ annual revenue, tiny sample size presents a serious concern.

TRP gathering is generally difficult in an analog transmission system (since there is no feedback from individual connections). Digital switchover is the only solution for an independent and authentic TAM system.

Case Study:

PTCL in Pakistan is the sole distributor of broadband television connections. According to the figures collected, it has approximately 40,000 connections across country. PTCL has recently started to sell the TRP data collected through digital feedback to Pakistan Advertisement Society – which arguably is Pakistan’s most authentic TRP since it accounts for each individual connection. Interestingly the data also includes real-time feedback from 215 independent connections in Quetta (Baluchistan) – which is currently the largest sample size in Pakistan, followed by Media Logic, with 25 People's Meters.

3 – Ownership and Monopoly:

Currently Television Audience Measurement is operated by 2 private companies Media Logic and Gallup Pakistan. While Gallup still relies on data gathered through manual surveys, Media Logic is the only company using People’s Meters.

Most in the industry believe that TRP data generated by Media Logic is taken as the 'last word' and is heavily relied upon for advert dissemination. The fact that a single company determines the revenue of the whole media industry, in itself presents a concern.

Pakistan Advertisement Society invested initially in Media Logic to set up this TAM – a tool to be used by advertisers. The broadcasters, considering TAM as a tool for profit maximization started to religiously follow it. The practice gave rise to downright dirty competition among media groups to achieve maximum rating.

Digital switchover presents a viable solution – with active digital feedback from individual TV connection, the data from People’s Meters data would become redundant.
Media Consumers

1 – Lack of Understanding, active Advocacy and Lobbying:

Media consumers are as much responsible for deteriorating standards of media as industry itself. While there’s hue and cry on every incident of media’s ethical violations, there’s inadequate understanding and hence advocacy for the solution of underlying problems causing media industry to behave in such ways.

Case Study:

Digital switchover can bring about a mini revolution in Pakistan’s media industry, addressing multiple problems relating to media economy and content generation – enabling a direct connection between broadcaster and media consumer. But there’s hardly any push from Pakistan’s media development groups on this front.

Digital Switchover

1 – The Government:

By the virtue of being an International Telecommunication Union signatory, Pakistan is liable to switch 100 percent of its broadcast transmission from analog to digital by June 2015 – however, there is hardly any progress.

Pakistan Electronic Media Regulatory Authority, PEMRA called for interested companies for licenses of digital cable networks in Sep 2014 – an encouraging feat but failed to share a public policy for the switchover itself.

According to sources, PEMRA has set Dec 2015 as its deadline for the digital switchover – but in a glance, it seems, there are no supporting plans for implementation. There’s a question on the smoothness of the transition itself. There’s also a question whether it would be possible for a country of approximately 140 million television viewers, with approximately 15 million cable network connections to switch technologies in less than a year.

Unfortunately, Pakistan is one of the few countries on International Telecommunication Union’s website with no declaration regarding the digital switchover process.

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Following are details of other South Asian countries. Pakistan seems to be the only country in South Asian region who hasn’t declared the switchover status as yet.
2 – The Distributors:

Digital switchover, for cable operators would mean a complete overhaul of their existing systems. According to sources, on an average the switchover would cost somewhere between Rs8 Million to Rs35 Million to individual cable operator, depending on the quality of equipment. The cable operators are demanding for a tax-cut in the import of this equipment – a demand on which Government’s stance is unclear.

Once the switchover is completed, the new digital system would allow operators to transmit somewhere between 100 to 200 channels (or beyond) using the digital spectrum, depending on quality of equipment installed.

*The digital spectrum will enable the use of pay-per-view technology and will be able to generate subscription revenue for broadcasters.*

3 – The Consumers:

Each subscriber would have to pay for a set-top television box, costing roughly 45$ for a unit (without tax). Government, to ensure a smooth transition will have to introduce a subsidy – any such plans have not been made public.
Television Rating Point (TRP):

What is TRP?

Target Rating Point or TRP, as commonly referred to is a tool to gauge viewership of televised content. The data gathered draws a comprehensive map of drops and surges in active television audiences at any given time. With observance of geographical spread and duration of viewing, it presents a sample size of people’s choice in real-time. TRPs are usually gathered using TAMs, or Television Audience Measurement (systems).

What is TAM?

TAM refers to a systematic method of recording and analyzing TRP data. In Pakistan, this data literally drives the media economy. The most popular method is through People Meters. Gallup Pakistan and Media Logic (Private Limited) are two major groups currently operating TAM in Pakistan but data from Media Logic is most widely used.

What are People Meters?

People meter is a device used to measure viewing patterns. It gathers information; mostly about preferred broadcast content by identify a particular channel tuned at a particular time. It’s physically connected with television sets and continuously records TRP data – every 30 second. The service provider can retrieve the data through inbuilt GSM connectivity.

How rating is measured?

People meters are installed in the select households (commonly referred to as Panel Households). A device is attached to the TV set and separate buttons are assigned to each individual in the household with their name-tags displayed. Viewership preferences are monitored 24X7 and automatically recorded using the Meters. At the beginning of every television-viewing session, members of the panel household have to log in and identify themselves by pressing the button allotted to them on the device. Households of the selected panels are trained by the service providers how to use the device for recording preferences.

Three factors are noted every 30 seconds: 1) what channel/program is being tuned in; 2) who is watching; 3) its duration. Data is retrieved from every household from 2am to 8am using GSM technology and upload on Media Logic’s server for consumption.

TAM registers viewing preferences the moment a channel/program is tuned by the members of panel households. It gives a break-up of the gender, age, income, occupation, education of the viewers and the channel and programs they watched.

Program preferences of children and family elders are also registered as and when they press their allotted buttons. The meter thus records data for each individual household member measuring the length of duration they watched a particular channel at a given time.
Who subscribes the TRP data?

Mostly advertisers base their decision on TRP scales – but broadcasters as well to keep track of their content’s commercial value – with total dependence on ad-based revenue TRP becomes extremely important and higher rating means bigger share of annual ad spend.

The subscribers have to pay a certain share of revenue to Media Logic. Each mainstream channel pay one percent of the revenue or five millions rupee (whichever is higher). The rate is different in case of smaller channels (Rs3.5 million). The advertisers are charged 0.5 percent of the total ad-spend on TV.

Details & Current Sample Size:

Over the past 11 years, Pakistan's ad spend has gone up significantly, from approx. 7 billion in 2002 to approx. 35 billion in 2013. Unsurprisingly, television is the leading shareholder in country’s annual advertising budget, with approx. 61% share. Most of the advertisers are medium/large enterprises and corporates looking to reach audiences on a mass level and while they don’t entirely rely on TRP data, it still is the most widely used market assessment tool. Considering Pakistan’s electronic media’s absolute dependence on ad-based revenue, ratings’ game has become an existential quest for media houses.

Gallup Pakistan is using what’s commonly referred to as ‘the diary system’ and is primarily based on household (physical) surveys across country, maintaining a sample size of approx. 4,800 from urban and approx. 700 from rural centers. Media Logic on the other hand is using a technological option available through People’s Meters; devices installed in selected households to record, in real-time, the viewing patterns of a particular household. Media Logic has deployed approx. 1,100 meters in 20 cities and claims to have access to about 6,500 individual consumers (on average 6 persons per household). According to figures provided by Ministry of Information and Broadcast, Media Logic holds the major market-share in Pakistan’s media industry with the highest number of TRP subscribers (broadcasters and advertisers).

Concerns about Sample Size:

There is a lingering concern about the adequacy of TAM’s sample size. Can 1100 households and 6,500 individuals present an accurate sample size for more than 20 million households and approx. 135 million individuals (with access to television sets), especially when the focus is extremely urban centric?

The answer is multifold.

Neither Media Logic nor Gallup Pakistan claim to represent the ‘national’ viewing patterns and are not aimed at collecting nation-wide television ratings. The reason for this is simple: TAM with Media Logic was setup by Pakistan Advertisers’ Society (PAS), in consultation with Pakistan Broadcasters’ Association (PBA) in September 2007, with a priority of generating TRP data and fine-tuning analysis for advertisers; not for broadcasters. Major advertisers have a large consumer market at these urban centers and so the sample size is based on socio-economic profiling, assuming that trends set at major urban centers are naturally followed by their rural
counterparts which explains the reason for geographical limitations. In short, Media Logic, the prime source of TRP data for broadcasters and advertisers, is delivering all what it has committed, if not more so.

Media Logic on the contrary to the popular belief, operates solely on the financial support and technical requirements of its financiers, Pakistan Advertisers Society and Pakistan Broadcasters Association and so cannot act itself in the matters of increasing the sample size.

** Figures may vary
Other Concerns about TAM:

Sample Size:

For a TAM which decides the fate of TV industry in Pakistan, a small sample size, catering only to urban minority is a huge concern.

Misappropriations:

In 2009, some panel households in Faisalabad were allegedly bribed by a TV channel for favorable TRP. They were given flat screen televisions in exchange of higher rating as benefits in exchange of keeping the TV with the Meter tuned to a particular channel.

While Media Logic suspended of that particular channel for several weeks when it got wind of the matter but the case study proves the system is not exactly foolproof. Again, not acceptable for TAM based on which the revenue decisions are made.

Exactitude of TRP Data:

TAM only rate particular channels tuned at a particular timeslot. The channels toping TRP scales are often considered as most ‘influential’ – it however doesn’t necessarily represent the acceptance of the content. Conflicting data from physical surveys have shown that audiences are tuned into certain channels they seem to disapprove of – Geo News for instance seems to be toping TRP scales while still being criticized in physical surveys.

Is TAM Flawed?

TRP yes, but TAM no!

TAM provides comprehensive data sets to advertisers who are looking for best TV channels and time slots for their product coverage. However, the problem starts when broadcasters, using the same data, try to fine-tune their programing and news content in an attempt to make it ‘advertiser friendly’. Almost 100% of broadcast media’s revenue is ad-based which makes commercial viability a serious threat for media houses. Attempts to bag highest number of advertisements leads to an indecorous race for ratings pushing against the editorial standards and quality controls, causing broadcast (news) media to deviate from its original mandate, public service – and instead, safeguarding the corporate interests of advertisers. Media’s over-commercialism results in self-censorship causing it to intentionally overlook stories of great public importance, bringing under question the very ideology of an ‘independent media’.

Broadcast media’s unfair attention to urban centers is resulting into a disproportionate coverage of issues specific to rural population, which constitutes a larger part of the total population. This trend presents another serious problem, affecting media pluralism and diversity. Regional channels, catering mostly to regional population, will never be able to perform on an urban centric TRP scale, putting them at a disadvantage in-term of business development.
How can TAM be improved?

Improving TAM would mean adding additional People Meters to the existing infrastructure which essentially means improved representation of currently sidelined geographical regions and populace. A good indicator, but it will not deter the media houses from religiously following TRP data to ensure profit maximization and regional TV channels would still bear the brunt. Ultimately with an analog signal transmission and distribution system (such as in Pakistan) it’s technically impossible to have accurate viewership readings.

The only (technically) accurate TRP data in Pakistan is currently being gathered by PTCL using digital feedback from their broadband television subscribers. There are approx. 40,000 PTCL Smart TV subscribers including 215 in Quetta which currently is largest regional representation for any TAM operating in Pakistan.

BOL Television Network is seemingly going to introduce an independent system to record TRP data with an enhanced geographical and ethnical representation but the credibility of any such analysis coming out of a competing media group is likely to be challenged by other media groups.

The Solution:

Digital switchover presents an excellent potential solution. It refers to the conversion of signal transmission and distribution (through cable operators and other means) from analog to digital. Each of the household will then be equipped with a set-top-television box and will help in accurate gathering of viewership patterns. It will further improve the record-keeping of subscribers through a particular service provider, a feat which is impossible currently.

How will it work?

A digital TAM, alone, is not the answer. The root of the problem is broadcast media’s over dependence on advertisement based revenue. The main reason for which is the lack of a suitable commercial environment, depriving media houses of their legitimate profits as commercial entities. Among other potential alternate revenue sources for the broadcast media, subscription revenue is on top. Broadcast media is the country largest news content producer and as such, is not remunerated for content consumption. Instead, the distribution and subscription fee directly and solely goes to the distributor (the cable operators). Surprisingly, the market volume of cable industry is much higher than the Pakistan’s total ad-spent for all mediums put together. Add to this, the inability to find exact number of subscribers for a particular cable network operator and hence the total number of subscribers in the country (the figures provided by surveys and other sources are merely an educated guess).

With the digital switchover, an exact directory can be maintained, keeping track of not only subscribers but subscription revenue as well, bringing a substantial and currently under-taxed industry under the tax net. But most importantly, with right policies, the subscription revenue can be shared with the broadcast media outlets, the original content producers, establishing a
legitimate alternate revenue stream for media houses and improving the connection between broadcasters and media consumers.

Pakistan Electronic Media Regulatory Authority (PEMRA) has the responsibility of digital switchover in Pakistan, and being a member (and a signatory) of International Telecommunication Union, it’s required to provide a roadmap for digitization. While the process on some level has started and PEMRA is requesting bids for digital cable operator licenses, but unfortunately Pakistan is still one of those few countries who haven’t declared the current status of digitization on ITU’s website.

PEMRA has marked year 2015 as the deadline for Pakistan's digital switchover and while other south Asian countries are well on their way in transitions from analog to digital, Pakistan still has a long way to go. For Pakistan to foster a truly independent media, it’s crucial to make the media industry commercially sustainable in compliance with international standards and conventions. Progress in 2015 will demonstrate the government’s political will to do so.
Digital Switchover & TV Revenue Models:

Revenue for any commercial enterprise is its life-blood. Only a commercially viable media enterprise can be professional and more importantly so, sustainable. Roughly there are three main types of revenue models followed by broadcast industry globally:

1. Advertisement based
2. Subscription based
3. Part ad-based and part subscription based

Pakistan's broadcast industry follows the first and completely relies on advertisement revenue. As opposed to Pakistan, India's broadcast industry relies on both. In 2011, India's annual television revenue stood at around 329 billion (Indian) rupees, out of which 214 billion came from subscriptions and 116 from advertisement – surprisingly India was running mostly on analog system in 2011. Although there was a scrimmage between the cable operators and broadcasters over the subscription revenue – since in an analog model it's difficult to establish the total number of subscribers - the subscription revenue was still shared by broadcasters (unlike Pakistan).

How does it matter?

In Pakistan currently, the content producers (broadcasters) are not being remunerated for their original role (content production) by the content consumers (general public), instead, they are being directly financed and supported by the advertisers. In other words, by the virtue of a business relationship, the broadcasters’ liabilities lie more so with commercial entities (financing them) and not with the citizens (the content consumers).

An independent media's original mandate is to serve the public but the problem starts when the interest of a corporate entity directly funding the media comes in conflict with the interest of public at large.

To carry out its original mandate, media has to be liable to its consumers and not the advertisers, the only way to legitimize this connection is to have consumers ‘pay’ for the content they consume.

How to do that?

Remuneration for content consumption is not currently practiced in Pakistan. It's not entirely impossible to generate subscription revenue in an analog system though. Pakistan Television Network maintains a healthy stream of subscription revenue collected through electricity levy; Turkish national television TRT follows the same model. In India, the concept of pay televisions has been thriving on analog cable system as well.

However, it's tricky to maintain healthy subscription records in an analog system – for instance, there is no way of finding out total number of subscribers of a particular cable operator, since
the analog signal is impossible to trace - and so it’s difficult to determine total amount of subscription revenue.

In order to enhance the returns of subscription market and to enable financial transparency, resulting into higher tax collection, it’s important to migrate to digital transmission.

**When do we go digital?**

Digital TV licenses were issued to two local broadcast companies by PEMRA in early 2000s but were revoked due to non-payment. The Geneva 2006 Agreement sets 17 June 2015 as the date after which countries may use those frequencies currently assigned for analog television transmission for digital services, without being required to protect the analog services of neighboring countries against interference. This date is generally viewed as an internationally mandated analog switch-off date, at least along national borders.

Pakistan as mentioned is one of the few countries in the world, and one of two in South Asia who hasn’t declared the digital migration status of ITU as yet. However, PEMRA called for interest in digital cable operator licenses in September 2014.

**What other countries have gone digital?**

Relevant to our region, India is the best example and was able to completely migrate in a short period of 3 years, starting from 1\textsuperscript{st} Nov, 2012 and finishing on 10\textsuperscript{th} Nov 2014.

Cambodia is another example. Digital switchover started on 9\textsuperscript{th} Nov 2010 and was completed by 1\textsuperscript{st} Jan 2015. Iran completed the switchover in December 2014, South Korea in Dec 2012, Saudi Arabia in March 2013 and Turkey’s switchover will be completed by March 2015.
Recommendations:

These recommendations are based on the findings of Focus Group Discussions and feedback from experts and Coalition for Ethical Journalism. The recommendations aim to improve the quality of media-scape of Pakistan, through ensuring legitimate profits for media enterprises and distribution industry while discouraging the formation of monopolies.

1. The Government of Pakistan should, on an urgent basis, draft a nation-wide digital switchover plan, taking broadcasters, distributors and consumers onboard – as a first step to ensure smooth transition from analog to digital transmission.

2. The Government should immediately share Pakistan’s status and devised work-plan with International Telecommunication Union. Currently Pakistan is one of two countries in South Asia who haven’t declared their switchover status. The Government should declare a switchover deadline for broadcasters, distributors and consumers.

3. The Government of Pakistan should take all possible measures to make the digital switchover smooth for all stakeholders, especially media consumers. The migration process entails upgrading the consumer-end broadcast equipment and installing a set-top television box which may cost around 50 USD for each subscriber (without tax). To encourage consumers, it’s recommended that the Government should either provide subsidy for the requisite hardware or waive off import duty (or do both).

4. The Government of Pakistan should take all possible measures to restructure PEMRA’s 12-member committee to ensure greater representation of media industry stakeholders.

5. PEMRA should be encouraged to conduct regular researches on Pakistan’s media-scape. The most recent research study by PEMRA was carried out 4 years ago, in 2010.

6. PEMRA’s current lax media ownership rules are leading to concentration and formation of monopolies. The rules should be immediately revised and overhauled to ensure a truly vibrant, independent and diverse media.

7. PEMRA’s lax oversight of cable operators is resulting in the formation of a strong mafia, exposing media industry to external influencers. Immediate notice should be taken, ideally followed by a formation of special PEMRA cell for registration of complaints against cable operators.

8. Pakistan’s current TAM is designed to cater only to urban population (20 cities with most focus on Karachi, Lahore and Islamabad). The resultant TRP data is actively followed by advertisers, based on which advertisement decisions are made. The urban nature of TRP data is causing massive losses to regional channels. It’s therefore recommended that Pakistan Advertisers Society and Pakistan Broadcasters Association should immediately implement structural changes to encourage gathering of TRP data from rural and urban sectors independently of each other.

9. Pakistan Advertisers Society and Pakistan Broadcasters Association partnering with Media Logic initiated Pakistan’s first electronic TAM in 2007 and since then have not
supported the expansion. It’s recommended that PAS and PBA work with Media Logic to improve the sample size in proportion with the number of subscribers and viewers in Pakistan.

10. Currently Media Logic is the only company operating electronic TAM in the country. Government of Pakistan, PEMRA, PAS and PBA should encourage commercial enterprises to set up parallel TAM structures across country – to ensure TRP data is not monopolized and to enable cross-verifications.

11. Lack of public advocacy for an independent media regulator and cross media ownership is grossly missing. Efforts made so far are either inadequate in terms of impact or are not sustained. Media development organizations and civil society groups in general, under the umbrella of Coalition for Ethical Journalism, should specifically push for the implantation of recommendation 3 & 4.
ANNEXURES

ANNEXURE 1: Proceedings of Focus Group Discussion in Islamabad

Report: Focus Group Discussion on “Rating System and its Impacts on media in Pakistan”

Islamabad

CPDI invited following experts from media and advertising firms:

Mubashir Zaidi (Editor (N) at DAWN TV),
Nadya Naqvi (Media Expert, TELENOR),
Alina Saeed (Oasis Insight),
Amir Jahangir (Chief Executive Office at Mishal Pakistan),
Puruesh Chaudhary (Director, Mishal Pakistan),
Wahaj Us Siraj (Chief Executive Officer, NayaTel),
Adnan Shaukat (Classic Entertainment)

and Umar Cheema (The News).

Narration:

Umar Cheema as the facilitator, in his opening remarks discussed the core purpose of the debate, emphasizing on the significance of TRP in the spirit of educating civil society of its impact on television programming (if any) – pointing out the common public perception that all televised content is gauged with the scale of TRP and not quality or standards. He further narrated that the idea of this discussion was to get to the root of mal-practices, hindering the idea of ethical journalism. Wahaj Us Siraj said that technology plays a great role in ratings and there was a time when exercise of collecting data for ratings was done through dairy system – practice of manually recording data in a door to door survey. He said that his understanding about rating system is not broad but he recognizes the technology and deployment of MediaLogic is a step taken for the improvement of rating system.

He further said that according to the figures of Pakistan Electronic Media Regulatory Authority (PEMRA) there are about 20 million cable TV connections and 2400 cable operators operative across country with approximately 25 million households and so if we compare this figure with the number of installed people’s meters (approx. 1100), the sample size seems to be flawed. I think there is a room for more TRP companies using better technology. He was of the view that the analog cable TV system has become obsolete elsewhere in world, while in Pakistan it’s the only option. With the technology now improving with the speed of light, Pakistan should follow suit.
Wahaj said Television Audience Measurement in a digital environment is much easier – and can be done with a click of a button. The data gathered digitally is much more accurate and provides details of individual viewer.

He said the analog system in Pakistan has become obsolete because the total number of channels to be transmitted (through cable) has gone beyond the number of existing (national and international channels). It's about time government starts thinking about it.

One of major advantages of having a digital transmission model is that one can transmit more than 300 channels – while on analog there is limit beyond 85. The digital set-top box (required with every connection) serves only television set however.

He further said that PEMRA – while the Pakistan's Government has signed international covenants to have digital transmission by 2015 – doesn’t seem very interested and have a 'soft-policy' regarding the switchover.

Adnan Shaukat said that the IP – TV, Internet TV is the future of analog systems and without doubt technology plays prominent role in TRP gathering. He was of the view that inappropriate and an urban centric sample size is a serious problem. He emphasized on the loss of regional channels with an urban centric Television Audience Measurement system.

He claimed households with people's meter ask for a 'carriage fee' for providing continuous rating – cable operators, upon the receipt of such fee, tunes a particular channel in the 'head list'.

Adnan said that WorldCall being the biggest cable operator in Pakistan also charge for rating that is the clear indication that the rating system is fine but the operators are faulty.

He said Karachi understandably has most People’s Meters installed – claiming Media Logic’s investment comes from Karachi.

According to Mubashir Zaidi, Karachi being the hub of ad-agencies and multinational companies has the most People’s Meters.

Alina Saeed said we are limiting the TRPs and numbers to Karachi and Lahore.

She said we assume vernacular areas follow the patterns of urban centers without looking into the process of TRP gathering. We neither countercheck the data nor understand the process. Ideally, she said, urban and rural centers should have independent TAMs.

Discussing TAM for terrestrial networks, Zaidi said for PTV, TRP measurement is still done through manual means.

Jahangir emphasizing on the importance of digital switchover said, Pakistan has signed international covenants – promising a digital switchover by April 2012 – the dead has now extended to June 2015.
He further said to counter the proliferation of imported DTH (from India and other countries), there should be a legislation – we have the example of India, he said, as they’ve introduced a ‘conditional access system' to keep in check external broadcasts.

Alina Saeed was of the view that we cannot rely on raw data collected by MediaLogic. There should be supporting analysis on it, before its disseminated.

Nadya Naqvi representing the advertisers said the Media Logic’s TAM seems to be fine, but sample rate needs to be improved. Advertisers have a huge market in rural centers and TAM is failing to collect authentic TRP data representing rural markets.

PTCL, she said, is piloting, through broadband television connections, a new, much more sophisticated and authentic TAM – using approximately 30,000 broadband television connections across country, PTCL has started to sell this data to Pakistan Advertising Association on a trial basis.

She said, as a large corporate, Telenor doesn’t rely on Media Logic’s TRP data alone and have other means of technical market analysis as well.

Zaidi differed of the view and said advertisers are looking for sizzlers in TV programming and selected programs get most ad revenue.

Amir Jahangir claimed only 5 percent advertisers carry out their own researches whilst rest relies on Media Logic. TRP data interpretation, he said, is another problem. Broadcasters are not doing it right.

Adnan Shuakat seemed to agree of the view and said advertisers use TRP data as their ‘bible'.

Alina Saeed was of the view that advertisers should counter check the data before investing in TRP and should their independent researches as well.

Puruesh Chaudhary was of the view that advertisers have nothing to do with media content in fact, the TRP data is used inappropriately by both, broadcasters and advertisers, not understanding the implications to custom behavior or vice versa.

Amir Jahangir said PAS invested in TAM in partnership with Media Logic, but broadcasters are using it to benefit themselves – when they should be investing to expand the sample size.

Nadya Naqvi said healthy content automatically drive ratings and attract advertisers. The main concern of advertiser is to assess consumers’ behavior regarding the broadcasted content - without keeping in mind viewers interests.

Puruesh Chaudhry noted that one of the concerns is media industry professionals and their focus on ‘short-term’ profits without keeping in mind the industry standards and the longer term impact.

Adnan was of the view that as compared to TRP, PR is a much stronger tool binding the broadcasters and advertisers.
Major Recommendations at the conclusion:

1. Appropriate Sample size of TAM – collecting data from urban and rural centers equally.
2. Manipulation of private companies in TRP gathering should end. More companies should a part of the process.
3. Advertisers as their corporate social responsibility should work with PEMRA to improve the televised content.
4. Digital switchover should be completed within a year.
ANNEXURE 2: Proceedings of Focus Group Discussion in Lahore

Report: Focus Group Discussion on “Rating System and its Impacts on media in Pakistan”

Karachi

In order to explore the influences (if any) or existing TAM on TV programming CPDI invited following in Karachi:

Naeem Uddin Syed (Executive Vice President, BOL Network),

Shabeeh A. Ikram (Chairman Pakistan Advertisers Society and Executive Director Johnsons and

Afia Salam (Senior Media Researcher and freelance journalist)

Umar Cheema (The News).

Umar initiated the discussion by briefing the groups of previous FGD’s findings and recommendations.

ShabeeIkram said PAS upgraded the TAM in Pakistan from manual diary maintenance to electronic data gathering – the aim was to introduce the technology. But realizing that a unilateral approach may lead to industry monopoly, PAS is not endorsing the Media Logic’s TRP anymore (since 2010).

He said if we are to follow international best practices, then BBC and CNN are hosting subscription based revenue sources.

Syed said across the world, there are three types of revenue models, 1 – that rely completely on advertisement, such as in Pakistan, 2 – that rely on both subscription and advertisement and 3 – which only relies on subscription.

A channel with a high subscription turnover, he said, doesn’t have to host advertisements at all; in fact, it might drop it all together, keeping subscribers convenience in mind.

About the digital switchover, he said, its PEMRA’s domain and looking at the current situations it isn’t much for the proliferation of digital distribution – the market is in complete control of analog cable operators. He said the DTH licenses were issued in 2001 to ARY and GEO but were revoked due to nonpayment – the issue is pending in court.

Naeem Uddin Syed pointed out that Media Logic is (soon) bringing in the new generation of People’s Meters. The older ones only captured the broadcast frequency of particular channels – which could differ on an operator to operator basis, presenting a certain margin for error.

On a question about TRP tempering, Shabeeh noted that there might be issues in the system, but nothing is perfect – he accepted the fact that in Pakistan’s context the tempering is not only possible but plausible.
Afia said, endorsed by PAS or not, TRP data of Media Logic is the sole currency across country and there are evident problems within the system – we should try to understand the system better, in order to be able to reform it.

Ikram said as an industry body there are many concerns surrounding the effectiveness of current system.

Afia Salam said any research assessing broadcast content should be both qualitative and quantitative. She said as a media consumer, I am also concerned about the factors impacting the content. She noted that TRP data represents the viewership and not the acceptance of public for broadcasted content. Advertising, she noted, is getting extremely rating driven – not a very health approach. The ad agencies should take a notice of it and should realize that content getting TRP does not mean its preferred – the rating sample is not adequate to make this claim, especially when other mediums (terrestrial, broadband) are excluded.

Following recommendations came out of discussion:

1. An independent media regulator (as opposed to PEMRA)
2. There’s an urgent need to improve the TAM and add to its sample size.
ANNEXURE 3: Proceedings of Focus Group Discussion in Karachi

Report: Focus Group Discussion on “Rating System and its Impacts on media in Pakistan”

Lahore

CPDI invited following panel of experts:

Salman Danish (Chief Executive Officer, Medialogic),
Zahid Amin (Chief Executive Officer, Impassion Media),
Affan Alam (Creative Director, DUCK Designers),
Habib Akram (Executive Editor, DUNYA TV)
and Umar Cheema (The News).

Umar Cheema briefed the group about the session's agenda.

Mr. Salman Danish presented a brief overview of TAM Media Logic is operating. The main objective, he said, is to establish the total audience in a particular timeslot of a particular channel and TV channels are one of the recipients of TRP data, based on which advertisement decisions are made.

He mentioned that according to Media Logic's surveys cable penetration has increased from 70% to 82% and terrestrial viewership has decreased from 30% to 18%. To select the household (to host People's Meter) he said, Media Logic conducts an elaborate survey to make sure selected households serve the purpose of TRP data collections. He mentioned to incentivize the process of TRP collection; households are often given gifts as remuneration (usually common household items) but no exchange of cash takes place.

He said there's a common misconception regarding the number of People's Meters installed – 675 (now upgraded to 1100) – the meters actually represent a household and for member of the particular household a separate profile is selected – estimating 6 members on an average, this totals up to 3800 individuals (not upgraded to 6500).

He said that following three things are measured every 30 second:

(1) Frequency tuned on TV,
(2) Time stamp
(3) Number of time the button was pressed

Our office, he said, retrieves all the data from each household from 2am to 8am using GSM publishes it on Media Logic server the very next day.

Addressing another common misconception he mentioned that Media Logic doesn’t claim to measure the rating for the whole of Pakistan – the system is not built for it. We started with
three cities, namely Karachi, Lahore and Islamabad, extended to 6 and currently collecting TRP data for 9 cities. Error margin is plus minus 5%

He said regarding the sample size and panel size, all the decision were made by Media Logic's financiers, Pakistan Advertising Society and Pakistan Broadcasters Coorporation. They make decisions regarding the criteria of ratings and we execute the plans.

He disregarded the notion that media content is rating driven saying there hasn't been a research done to prove that.

He said that the viewership of violence and reenactment program is high because of low production cost.

Zahid said that advertisers are making business decisions based on the TRP data and broadcasters are using it as a benchmark to get highest profits.

Affan Alam was of the view that its extremely difficult to determine peoples' choice through TRP. Data comparisons of TRP and multiple surveys conducted show that individuals are continuously watch what they apparently dislike.

Salman Danish supported the argument – quoting the example of Geo News – said, apparently people dislike the channel TRP and People's Meters show otherwise – Further said there's a huge difference between the results of physical surveys and TRP – mostly they are contradicting.

Habib said it is general standard that if a product is getting rating in 9 cities where metering is available you can safely evaluate it will be getting almost same results from other cities.

Salman mentioned that regional channels suffer since TRP data is mostly urban centric.

Affan Alam said TV is only one of the mediums of interest for advertisers – social media is gaining popularity by day.

Zahid Amin said cable operators are taking decisions on individual basis regarding numbering of channel and they manipulate the process – PEMRA should ensure a mechanism to regulate them.

Habib Akram supporting the argument said influence of cable operators should be kept in check by PEMRA.

Zahid Amin raised the issue of cross media owner ship – said its one the most important issues PEMRA should deal with.

Salman mentioned that globally the news channels are thriving on subscription revenue and are not dependent on the advertisement – we should follow similar model. Only a subscription based model will ensure ethical journalism and will push broadcasters to maintain certain credibility.
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