

## **Introduction**

The media is an important tool of communication, linking the public and authority as well as allowing for the transmission of vital information of the happenings both locally and internationally. As such, a vibrant media is vital for the long-term prosperity of any civilized society. Though the media has widely been associated with print and broadcast, it has evolved to encompass the internet and digital platforms. The number of media houses and publishers has increased dramatically, providing consumers with both variety and quality. This report will examine the media sector from a global and Kenyan perspective, providing details of challenges, opportunities available, regulations as well as various media outlets in Kenya.

## **Sector Overview**

The media comprises of any means through which information can be relayed, and covers broadcast via television and radio, printed publications and digital content accessible directly via the internet or mobile phone applications. With the freedom of the press being advocated for the world over and recognized by international organizations such as the United Nations, the media fraternity has made great strides in improving their stand and global position.

Entertainment and media are combined and are set to continue posting impressive results. In 2012, the United States accounted for 29.2% of global revenue in the sector, which stood at \$1.639 trillion. Analysts at Price Waterhouse Coopers project that this global revenue will increase to about \$2.152 trillion in 2017.

Media reach is set to grow tremendously fueled by the global embrace of technology. The penetration of smartphones around the world has seen an upsurge of news and entertainment

consumption. While in 2014 the smartphones in South Africa, Nigeria and Kenya numbered 22.8 million, this is expected to rise to 52.3 million by 2019. Adding to this is the uptake of the internet and the laying out of fiber-optic cables across Africa. While in 2010 the internet access stood at slightly below 15% in Kenya, Nigeria and South Africa, it is projected to rise to about 40% by 2019. Despite this, media outlets involved in print publications still expect to make impressive returns, boosted by a traditional reading culture among many societies, most people in which prefer physical as opposed to soft copy books and magazines.

### **Kenyan Media**

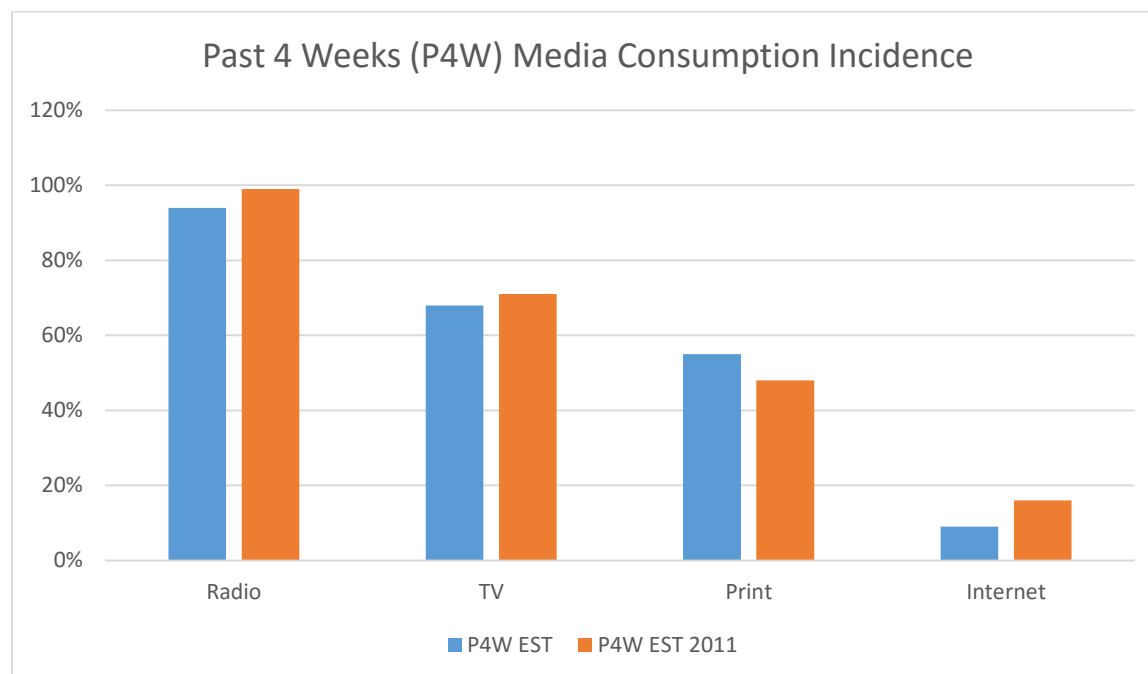
The history of Kenya's media dates to the pre-colonial times, with the country enjoying far fewer broadcasters than is the case today. The main newspaper was the African Standard with Voice of Kenya being the sole broadcaster. Immediately after independence in the years following 1963, a large part of broadcasts was foreign programming, mostly British and American content. In the 1980s after Daniel Toroitich Arap Moi took over presidency from Jomo Kenyatta, the media in Kenya suffered major losses. The state exercised authoritarianism, often arresting, imprisoning and allegedly torturing journalists who were considered not to comply with the wishes of those in authority or portraying the state in negative light. Additional media houses sprung up beginning in the 90s, and the competition in the media sector began to gain traction. In the period after President Moi's rule, having ended in 2002, the media in Kenya gained significant influence and power back, a factor which was further underlined by the promulgation of the Kenyan Constitution in 2010.

Currently, the media in Kenya is diverse and highly competitive, comprising of print media, radio, television and online or digital media. The country has a number of television stations,

both public and privately owned. So developed is the sector that a number of media houses have even been registered in the Nairobi Securities Exchange, namely Nation Media Group and The Standard Group Limited. Several reports and surveys have repeatedly placed the media as one of the most trusted institutions in the country, a factor which has cemented the importance and impact of the media in Kenya.

In the period from 1999 to 2010, advertising revenue rose from KES3.2 billion (\$31.5 million) to KES49.2 billion (\$484.6 million). A report by Price Waterhouse Coopers placed the revenues by Kenya's entertainment and media section at \$1.7 billion in 2015, a figure largely contributed to by the increased access to the internet. This points to the modernization of Kenyan media and its willingness to compete with the best in the world. Local television and radio alone are projected to contribute upwards of KES88 billion in 5-years' time, approximately \$866.4 million.

A 2013 survey on the state of the media sector in Kenya posted the following summarized results covering the main avenues of local media.



Source: Ipsos Synovate, Oct 2013.

## Competitive Environment

The competition level in Kenya's media sector has been accelerated by the digitization initiative which will be discussed in a later section. Each of the sub-sectors within the sector has a number of players, with some more dominant than others. The most notable brands will be highlighted in the following section, with the smaller brands also being mentioned within the country's competitive arena.

### I. Broadcast

A survey by research firm Ipsos Synovate indicates that between 1999 and 2010, the number of television broadcasters in Kenya increased from 4 to 15, while the number of radio broadcasters increased from 10 to 107. In the period between 2010 and 2015 these figures increased further,

especially driven by the digital migration of 2015. Within this subsection, firms involved in television and radio respectively will be discussed.

*Kenya Broadcasting Corporation* is the only state broadcaster, enjoying nationwide coverage. It is the oldest existing broadcaster, having been started in 1928 and changing its name severally. It is majorly involved in the broadcast of news and civic broadcasts, such as National Assembly proceeding broadcasts, as well as national events, doing so in both English and Swahili.

*NTV* is a television station owned by Nation Media Group (NMG hereon) and one of the main stations in Kenya. NTV was previously Nation Television, and was rebranded in 2005. It is heavily involved in transmission of news and local events, as well as lifestyle content and primarily makes broadcasts in English.

*Kenya Television Network* (KTN) is one of Kenya's main private broadcasters and is owned by the Standard Media Group Limited (SGL hereon). It was founded in 1990 and primarily makes broadcasts in English. It is involved in news and current affairs as well as lifestyle content. In 2015, a 24-hour news branch of KTN dubbed *KTN News* was launched, allowing the broadcast of in-depth news content round the clock.

*Citizen Television* is owned by Royal Media Services (RMS hereon). It broadcasts mainly in English and deals with news, current affairs and lifestyle from a local middle-to-low income population bracket perspective. It enjoys the highest viewership in Kenya, with an estimated 14.2-hour weekly average. Citizen Television was launched in 1999.

*K24* which was launched in 2007 is powered by Mediamax Network Limited and was set up initially in the CNN format, where it was intended to broadcast news on a 24-hour basis. It has

since diversified to include lifestyle content, and primarily broadcasts in English, with a heavy emphasis on local content. It has an average weekly viewership of 3.1 hours.

*QTV* is the only broadcaster in Kenya with a purely Swahili emphasis. It is involved in news as well as lifestyle content. It is in partnership with British broadcaster BBC to broadcast *Dira ya Dunia*, a Swahili news segment. It has an average weekly viewership of about 6.5 hours.

Other media outlets involved in television broadcast include *Kass TV*, *Kiss TV* and *UTV*.

Relatively smaller broadcasters which have been established following the digitization initiative include *Ebru*, *Pwani TV* and a range of vernacular stations such as *Inooro TV*.

Radio in Kenya is perhaps the most diverse in the broadcast segment. Kenya Broadcasting Corporation is also involved in radio, broadcasting in both English and Swahili, with a national coverage.

*Capital FM*, owned by a local businessman is not only involved in entertainment but is also one of Kenya's most renowned news provider. The station was established in 1996 and has the highest revenue figures in the Kenyan radio scene, mostly from advertising. Its prolonged existence has made it one of the main radio stations in Kenya.

*Nation FM* is owned by NMG and broadcasts in English. It was formerly known as *Easy FM* and makes use of its parent company's resources and experienced team of journalists to provide swift, detailed and widespread news content. It has also enjoyed a considerable stay in the media sector and therefore has amassed a significant following.

*Classic 105* is a comparatively new radio broadcaster. In recent years, it has grown to become one of the most influential in the Kenyan scene. It broadcasts in English and has a core demographic segment of 25-35, with a secondary segment of 25-40 year olds. It makes its revenue from an aggressive advertising segment, with insurance, finance, real estate and telecommunication forms all lining up to advertise through them.

*Radio Citizen* is owned by RMS and broadcasts in Swahili. It has expanded its reach countrywide with a series of roadshows which have endeared it to the masses. It is one of the major radio stations in the country based on reach.

Other stations in the country worth mentioning include SGL-owned *Radio Maisha*, *Kiss FM* as well as a significant number of vernacular stations, most of which belong to Royal Media Services. These appeal to rural dwellers, most of who prefer to obtain information in their native dialect.

## II. Print

Kenya has a number of newspapers as well as magazines in circulation. The major publishing houses involved in the Kenyan scene are NMG, SGL and Radio Africa Group.

*The Daily Nation* is a major English daily newspaper run by NMG, and is one of the oldest running dailies in the country having been started in 1958. It is ranked as having the highest circulation rate. Its Swahili version is *Taifa Leo*, which is a direct translation of its English name. the paper has countrywide circulation. NMG also runs *Business Daily*, a daily newspaper in English which specializes in matters business as opposed to news content as covered by the

*Daily Nation* and *Taifa Leo*. Additionally, under NMG is *The East African*, a weekly newspaper that is distributed in Kenya, Uganda, Tanzania and Rwanda.

*The Standard* is run by SGL and is the oldest daily in the country, having first been printed as *The African Standard* in 1902. Its extended stay in the market has made it one of the most trusted newspapers with a countrywide reach. It is printed in English.

*The Star* is run by Radio Africa Group and although it is relatively new in the Kenyan market, it is one of the fastest growing dailies with a countrywide coverage. It was launched in 2007 as the *Nairobi Star* but was relaunched as *The Star* in 2009. It is printed in English and offers both news coverage as well as a variety of other services. Key among these is its initiative aimed listing licensed medical practitioners in the country for the public's benefit.

*The Kenya Times* newspaper was a local daily which was started in 1983. Printing in English, it had national coverage and was one of the main dailies in Kenya. As of 2010, the newspaper went out of publication owing to facing difficulties financially.

Other newspapers in Kenya include *The People* as well as several county-level newspapers and a number of even smaller newspapers which are printed in various local dialects to appeal to people who cannot understand English or Swahili publications.

There exist a number of magazines in Kenya as well, which appeal to a variety of clients and specialize in a variety of issues. The most notable are *Parents*, *True Love*, *Motor*, *QZ* and *Weekly Review*. Issues covered range from professional practice, fashion and lifestyle to sports and political analysis, appealing to as wide a market segment as possible. Subscription arrangements have become a reality in the Kenyan print sub-sector, with courier services providing delivery to



make the experience as seamless as it can be. Tabloids operate on a much lower scale in Kenya, with no in-depth information on them since there are no established names in the market.

### III. Internet

The internet has not only become used through social media; a number of Kenyan media houses have set up online platforms for news delivery. Key among these is NMG, which not only has a website, it also runs digital advertising online as well as offering electronic versions of its newspapers. Subscription packages for the same also exist. SGL also has online coverage which gives the ability to stream news content, read its newspaper online and access other information. The Star newspaper provides additional online support and newspaper publication.

Mobile phones have additionally been made use of by the media in reaching a wider market area and bridging previously existing circulation deficiencies. SGL and NMG as well as The Star have launched mobile applications (apps) which aim to further improve news delivery and save those who cannot buy newspapers daily the hassles of having to search for them. Moreover, the relay of information via apps is more appealing, especially to the younger generation which has access to cell phones.

Social networking sites have also been used by media houses in the relay of information. The most commonly used are Facebook and Twitter, due to their large memberships and frequency of access by the said members. Gaining prominence is Instagram, although it is yet to be fully utilized as a formal news source. Not only are these sites used to give information to the public on a wider scale and faster, they also allow the media to be more interactive with the public,

often posting topics which engage the public and yield impressive response rates. As yet, there are no credible major media outlets which operate solely on the internet.

## **Challenges**

### *External Interference*

The Government of Kenya and specifically Parliament has been noted to interfere with media freedom on several occasions. This not only contravenes the freedom of the media as outlined in the Constitution, it also undermines gains that have been made in securing such freedom. Additionally, it has brought ill repute to the country internationally. In 2007, journalists held a silent demonstration to oppose a bill which would force them to reveal confidential information sources. Another example is the 2013 demonstration to oppose the Kenya Information and Communications (Amendment) Bill, 2013, which has since been signed into law. It allows the imposition of hefty fines on journalists (of about \$6,000) or media houses (of over \$200,000) who or which provide information to the public deemed to be damaging or inappropriate by government authorities or the National Assembly.

### *Social Media*

The concept of social media is relatively new in the world, especially in its application in professional journalism. These include the likes of Facebook, Twitter and Instagram, the most widely used platforms for information sharing in the country. There have been a number of cases where legislation provided is silent on how to handle cases of perceived conduct that is contradictory to expectation. This has created a grey area which calls for attention so as to further broaden the reach, efficiency, speed and depth of local media.

*Censorship and Intellectual Property Difficulties*

While regulatory bodies such as the Kenya Film Classification Board among others attempt to place restrictions on creation and distribution of content, there are loopholes. These occur where unscrupulous persons pirate and illegally distribute or exhibit such content, especially upon the issuing of bans. Regulation requiring certain advertisements be aired only at certain times has also led to uproar from the affected firms as well as the media, who are forced to forego advertising revenues.

**Opportunities***Digitization*

The migration of Kenya from analogue transmission to digital transmission under the *Digital Kenya* brand name has presented broadcast media with additional coverage and expansion opportunities. The analogue transmission system had content limitation and the streaming of live coverage was also highly restricted. Not only has the digital transmission system enabled quicker and more transmission, it has also allowed the set-up of more media houses, which has increased competition in the sector. Furthermore, fiber optic lay-outs countrywide have allowed increased internet coverage, which has made social media more popular and accessible as a means of relaying information. Kenya has no reputable media outlet which is exclusively online. As part of the benefits of digitization, the establishment of such outlets would give the establishing firms a competitive advantage owing to the increased ease of access to the internet. They would also set themselves apart as pioneers in a segment which is yet to be tapped into in the country.

*Entry Barrier Reduction*

Due to the absence of too much regulation, entry into the market is slightly easy, a situation only made difficult by the amount of competition in existence. With fewer regulations, incoming investors are faced with less compliance requirements, and therefore can set up and operate with relative ease.

**Regulation**

The media in Kenya is regulated by the Media Council of Kenya, a statutory body set up in 2004 and established by the Media Council Act No.20 of 2013. Starting off as a self-regulatory authority and later receiving government support while still maintaining independence, the Media Council of Kenya oversees the conduct and discipline of journalists. Among its other functions are media standards establishment, protecting media independence and freedom, advising government on regulatory matters, conducting annual reviews of public opinion of the media and the compilation and maintenance of a list of accredited journalists and media outlets.

The Communications Authority of Kenya is partly involved in regulation where broadcast is concerned. While more involved in the information and communication sectors, broadcasting is also a tool used by the media in relaying information, and therefore its regulation is necessary to ensure adherence to set legislation and rules. The authority was established in 1999 by the Kenya Information and Communications Act of 1998.

The Kenya Film Classification Board is involved in regulation of the media sector since media houses are also involved in the broadcast of local and international content, specifically films and television programs. Mandated by the Films and Stage Plays Act, Cap 222 of the Laws of Kenya,

this state corporation regulates the creation, broadcast and distribution of films by rating them to protect morality and national values. This includes both the setting of age restrictions and, where deemed necessary, banning content altogether.

### **Media Unions and Associations**

Kenya Union of Journalists is an organization whose membership consists of journalists, editors, photographers and other members of the Fourth Estate. It was formed in 1962 and its mandate is to ensure ethical conduct among journalists as well as professionalism and the improvement of their working conditions.

Kenya Correspondents Association, launched in 1997, is concerned with improving the state of Kenyan media. This is through increasing professional capacity, lobbying for better working conditions for journalists, creation of a pool of competent personnel and creating conditions for improved marketing and remuneration of those involved in Kenyan media.

Public Relations Society of Kenya is a registered society under the Constitution of Kenya. Formed in 1971, it brings together public relations practitioners in Kenya with the aim of promoting professionalism and networking. It is a member of the East African Public Relations Association and a founder member of the Global Alliance for Public Relations and Communications Management.

Kenya Editors Guild was formed in 1998. It provides a platform through which editors in the various media outlets can discuss issues pertaining to their work. They can also gauge performance through it.

Media Owners Association oversees relations between government agencies and media house top executives and owners. It helps in articulation of issues between the two parties in the country.

## **Conclusion**

Kenya's media and entertainment sector has developed to international standards and it has the capacity to compete with global giants. With few regulatory authorities, compliance is considerably easy. There also exist opportunities to rapidly grow for investors, primarily driven by the uptake of technology and the internet at an impressive rate, which according to analysts are expected to grow further in the foreseeable future. All participants in the media in Kenya are adequately represented. There is the presence of a number of unions and associations which protect journalists' freedoms and lobby for improved working conditions where necessary. Furthermore, the level of competition in the country's media sector provides variety and quality for consumers, and presents ardent investors with a suitable and multi-faceted positive challenge in terms of establishing themselves.