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Subtle but Pervasive; the Impact of Stakeholders Interest on Radio Programing Diversity in Kenya

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Abstract

Purpose: Radio stations in Kenya are confronted with financial problems due to the business model still grounded on advertising. The advertiser as a major stakeholder has potential influence over any medium which seeks his patronage, through his control of the purse strings. People listen to the radio for the programmes rather than advertisements and radio advertisements are not heard in isolation, but generally appear within the context of programmes. The subtle pressures on media enterprises by advertisers lead to the assumption that decisions concerning radio programming are much more frequently taken under the influence of economic principles shaped by the advertising industry and not under the perspective of journalistic news values. The study was anchored on the political economy of the media theory

Methodology: The study adopted a mixed research design method, data was gathered through questionnaires and interviews and analysed using descriptive and inferential statistics.

Findings: The study established that there was a statistically significant positive relationship between stakeholders and radio programming diversity. The study found that through his control of the purse strings, the advertiser as a stakeholder has potential influence over radio programming decisions.

Unique Contribution to Theory, Practice and Policy: The empirical findings contribute to our understanding of the subtle influence of the advertisers on radio programming decisions due to their ability to withhold sponsorship. The study also contributes to our understanding of the question of how media organizations specifically radio are funded.

Keywords: *Programming Diversity, Stakeholders*

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INTRODUCTION

Media scholars (Bagdikian 2000; Baker, 1994; Herman and McChesney 1997) have long been concerned about the possible threats to media objectivity particularly from market forces. Media organizations derive their revenue from two markets; a consumer market for media products and an advertising market (Mantrala et al. 2007) in which access to an audience is sold to advertisers. To the extent that they depend on advertising market, media organizations are particularly vulnerable to audience and advertiser pressures to modify programing. The process may be conscious, as suggested by reported cases of overt corporate pressures and threats to withdraw advertising investments (Richards and Murphy 1996)

Ben Bagdikian and Robert McChesney, further submit that audiences are gathered through programming not to be informed, but to be sold to advertisers. Edwin Baker contends that media organizations sell audiences to advertisers instead of news products to audiences. Shoemaker and Reese have pointed out that radio stations are more susceptible to advertiser's pressure than print because they are more sensitive to profit needs and rely on advertising sources of revenue. The intensifying pressures on media lead to the assumption that radio programming decisions are taken under the influence of economic principles and not the objectives of informing, entertaining and educating (Erjavec, K. 2004) – with the risk that radio stations may tailor their programming to the needs and requests of the advertising industry. Advertisers are not only major financial contributors, but they also shape the form and contents of media. (Mattelart 1991) Advertising being the main source of revenue, news media services must pursue audience-maximizing alongside "the additional factor of seeking to please and also not to offend key advertisers" (Whitney, et al. 2004).

Through his control of the purse strings, the advertiser has potentiall influence over any medium which seeks his patronage. In his relations with Radio, the advertiser's basic power rests in his right to withhold support, this could constitute a form of leverage which seeks to influence editorial and program content.

According to Altschull (1984), the interests of those who finance the press have strong correlation with the content of the press. He said, "The press is the piper, and the tune the piper plays is composed by those who pay the piper." There is substantial evidence that both advertisers and audiences affect media content, both directly and indirectly.

Problem Statement

Radio stations do not rely on the audience to get revenues but to advertisers. Audiences who tune to a station to hear its programs do not make direct payment for the programs they receive. Advertisers, who gain access to those audiences with information on their products and services, purchase advertising time sold to them by the media. The sales department is the principal generator of revenues for the media. However, its ability to sell time is determined to a large degree by the media creative workers in drawing audiences, especially those that advertisers want to reach. Good programming attracts audiences, which in turn attract advertisers and revenues.

It is not surprising that advertisers interest influence greatly the structure of much of the mass media industry in most countries. According to Shoemaker and Reese (1991), most media in free-market countries are finely tuned to jointly optimizing the needs of advertisers and sponsors as well as their own interests as a normal condition of operation. The normal influence involves the matching of consumption patterns of targeted audience with media content to be produced. Media design, scheduling, planning, layout, often reflect advertiser interests.

This study focuses on the relationship between radio programming and advertisers, Radio advertisements are not heard in isolation, but generally appear within the context of programmes. The audiences reactions to and feelings about the programmes may influence their reactions to advertisements inserted within them. In other words the effectiveness of the advertising message may partly depend on the context in which it is embedded.

LITERATURE REVIEW

Theoretical Framework

This study is anchored on political economy of the media theory

Political Economy of the Media Theory

The manner in which the media operates is shaped by their owners, the market environment and the financial support. In this environment, the media manufactures cultural content that sustains the system 'capitalism' (Chomsky and Herman, 2008). The media is in the business of maximize profits just like any other business organization in capitalism (Williams, 2003; Mc Chesney, 2003; Mosco, 1996; Hesmondhalgh, 2007).

A good deal of PEM research has focused on the evolution of mass media as commodities that are produced and distributed by profit-seeking organizations in capitalist industries. The trends that Murdock and Golding identified in 1974 have expanded and intensified, not only within traditional media industries but also across industrial divisions into newly converged businesses. Analysis of media as business has involved various concepts, including but not limited to the following:

Commodification/commercialization. Increasingly, media and communication resources have become commodities products and services that are sold by profit-seeking companies to buyers or consumers. In addition, more and more of the media landscape is filled with commercial messages and the privatization of media outlets continues.

Diversification/synergy. As media companies have expanded, new lines of business have been added in a process of diversification. While media industries often begin with a relatively large number of differentiated companies, these industries today are typically dominated by huge media-entertainment conglomerates that are involved in a wide range of diversified activities. There is also the potential for the various businesses owned by these large diversified conglomerates to work together to more effectively market products, thus producing a synergy that maximizes profits and decreases risk.

The theory argues that the product or the content of the media may be shaped by corporate interests, basically, interest of the owners. Media owners ensure they appoint journalists who share the same ideologies as theirs in the market driven system into managerial position to sustain their interests and the interests of a particular class (Nyabuga, 2009). News and investigative reports that journalists produce have a value attached to it for maximizing profits (Chambers, 2006). The media is thus obliged to meet the needs of owners, the audiences; advertisers as well as media employees by employing a delicate balance between these stakeholders (Picard, 1989). This obligations influence media content (Gandy, 1997).

METHODOLOGY

The study was conducted in Nairobi at the headquarters of the Royal Media Group, Media Max and the Kenya Broadcasting Corporation. Since the objectives of the study were primarily to establish the influence of media owners on programming diversity, it was important to conduct the study at the station's headquarters. The location accommodates the majority of the staff amongst who were the primary informants namely the programming managers. The secondary informants included reporters and radio presenters. The study population comprised of a diversity of respondents including reporters and programming managers from six radio stations. Two programme managers from Royal media services representing Citizen radio and Bahari FM. Two programme managers from Media max representing Radio Maisha and Pilipili FM and Two programme managers from the Kenya Broadcasting Corporation representing Pwani FM. The respondents were important in assessing the extent to which radio station ownership has influenced programming diversity.

DATA COLLECTION AND ANALYSIS

Quantitative data was collected using questionnaires while interviews of key informants was used to gather qualitative data. SPSS version 22, was used to analyze quantitative data. The statistics included frequencies, correlation, and regression. Qualitative data from key informants that included programme managers and radio presenters was used to compliment the quantitative statistics. Given the qualitative nature of this study, purposive sampling was used to select the study respondents. This type of sampling was applied because the study aimed at specific and in-depth information from officials directly involved in decisions and actions regarding programming. By conducting research with such respondents and schedules proportion the researcher expected to get deeper understanding of the subject of the study and a wider perspective into the research problem. A total of 230 questionnaires were administered to the six radio stations, 12 respondents were selected to be interviewed for this study.

FINDINGS

Descriptive Results

There were three variables whose composition was analyzed. These include the name of the radio station, subsidiary and ownership.

Table 1: Radio Station

Name of Radio Station	Frequency	Percent
Radio Maisha	20	9.5
Pilipili FM	32	15.2
Pwani FM	36	17.1
KBC Idhaa ya Taifa	44	21.0
Citizen Radio	40	19.0
Bahari FM	38	18.1
Total	210	100

Results from Table show that KBC Idhaa ya Taifa had the highest proportion of representation at 21%, followed by Citizen Radio and Bahari FM at 19% and 18.1% respectively. Radio Maisha had the least representation at 9.5%. This shows that there was fair representation of all the stations.

Reliabilty

Reliability measures the consistency of the tools of data collection. Cronbach's alpha is usually used to test the reliability of the tools of data collection. Cronbach's alpha value of higher than 0.7 indicates that the tools are reliable. In this research Cronbach's alpha was used to test the reliability of the proposed constructs (Ali *et al*., 2016). The result shows that the overall reliability Cronbach's Alpha is 0.833. All the variables had Cronbach's Alpha of more than 0.7 as given in Table 4.5. This shows that the tools used to collect the data set were reliable and consistent. Therefore, the data is adequate for further analysis.

Table 2: Reliability Statistics

Cronbach's	N of Items
0.833	30

Table 3: Reliability Statistics for Stakeholders Interest

Variable	Cronbach's Alpha
Stakeholder's interest	0.789

Factor Analysis for Stakeholders Interest (Advertisers)

The key components of factor analysis used in research are the Kaiser-Mayor-Oklin Measures of Sampling Adequacy (KMO) and Bartlett's Test of Sphericit. The results of the factor analysis are presented.

Table 4: KMO and Bartlett's Test

Variable	KMO	Bartlett's	
		Chi square	P value
Stakeholder's interest	0.568	458.543	0.000

The table shows that KMO was 0.568 and Bartlett's test of Sphericity had a p value of 0.000 which is less than 0.05. Therefore, the data can be subjected for further factor analysis tests

Table 5: Total Variance Explained

Stakeholder's Interest						
Component	Initial Eigenvalues			Rotation Sums of Squared Loading		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.25	44.887	44.887	2.226	44.513	44.513
2	1.75	35.080	79.967	1.773	35.455	79.967
3	.550	11.004	90.972			
4	.254	5.090	96.062			
5	.197	3.938	100.000			

The above table shows that two factors had the greatest influence on the variations in stakeholder's interest. The two factors accounted for 79.967% of all the variations. The first factor accounted for 44.887% while the second one accounted for 35.080%. The two factors had Eigen values of more than one and are therefore retained for further analysis.

Correlation Analysis

Table 6: Correlation

		DIVERSITY	STAKEHOLDERS
DIVERSITY	Pearson Correlation	1	.332**
	Sig. (2-tailed)		.000
	N	210	210
STAKEHOLDERS	Pearson Correlation	.332**	1
	Sig. (2-tailed)	.000	
	N	210	210

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.38 shows that there is moderate significant positive relationship between stakeholders and program diversity. The correlation coefficient was obtained as 0.332 which is significant at 0.05 level of significance (p value =0.000).

Regression

To determine the exact nature of the relationship a linear regression model was fitted between the stakeholders and program diversity. The results obtained are presented in Tables 4.39, 4.40 and 4.41

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.332[a]	.110	.106	.79107

a. Predictors: (Constant), STAKEHOLDERS

Table 4.39 shows that stakeholders accounts for 11% of all the variations in diversity of programs. Other factors not in the variable accounts for 89%.

ANOVA Results

Table 8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.086	1	16.086	25.706	.000[b]
	Residual	130.164	208	.626		
	Total	146.251	209			

a. Dependent Variable: DIVERSITY

b. Predictors: (Constant), STAKEHOLDERS

The table shows that stakeholders have moderate influence on the program diversity (F value of 25.706 and p value of 0.000).

Coefficients

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.379	.242		9.839	.000
	STAKEHOLDERS	.315	.062	.332	5.070	.000

a. Dependent Variable: DIVERSITY

The table presents the most probable form of the relationship between stakeholders and program diversity. Since the p value (0.000) of the test statistic on the variable ownership is less than 0.05, there was significant influence of stakeholders on diversity. This relationship can be modeled as (Y_i is the program diversity and X_3 is the stakeholders).

$Y_i = 2.379 + 0.315X_3$ **……………………………………………….. (4.3)**

Equation 4.1 shows that for every one unit change in stakeholders, diversity increases by 31.5% keeping other factors constant.

The qualitative findings were very similar to quantitative findings. A key informant 5, a radio program manager opined that:

The advertiser has the ability to affect radio programming by controlling the purse strings. The advertiser's basic power in his connection with the media is his ability to withhold support; this could be used as a sort of leverage to affect editorial and programming decisions.

A key informant 6, a radio program manager stated that:

Companies with large advertising budgets have a lot of weight when it comes to certain media outlets and the material they provide. Safaricom, the country's largest mobile phone provider, is an excellent example. As the Parliamentary Committee on Public Investment later noted, in July 2007, The Leader, a now defunct weekly newspaper owned by Royal Media Services, published a story titled 'Who Gets Safaricom billions' in which the company was accused of unethical corporate business practices bordering on corruption. RMS' print, radio and television outlets lost all advertising and sponsorships as a result of the company's retaliation, and the media house lost KES 5 million each week. After RMS management apologized sincerely, the advertisements were reinstalled.

It is unsurprising that advertisers' interests have a significant impact on the organization of much of the developing world's mass media industry. According to Shoemaker and Reese (1991), most media in free market countries are carefully calibrated as a normal condition of operation to jointly optimize the needs of advertising and sponsors as well as their own interests.

According to Altschull (1984), the interests of those who fund the press are inextricably linked to the content of the press. Altschull stated, "The press is the piper, and the tune the piper plays is composed by those who pay the piper." Advertisers and audiences have a direct and indirect impact on media content, according to evidence.

Key informant two stated that;

Because advertising is the lifeblood of the media industry, advertisers wield enormous power over it. Advertising is essential to the commercial media's survival. Big advertisers frequently put a lot of pressure on the media to conform to their requirements, and they are intolerant of hostile media coverage. As a result, the media is often careful not to irritate advertisers. As a result, upsetting stories about advertisers who frequently withdraw or threaten to withhold advertisements if their desires are not met are a rarely *published by media outlets.*

Burton (2005), reinforces the above thoughts by emphasizing that advertising, at any cost, promotes the marketplace's philosophy. Product promotion, customer satisfaction, commercial competitiveness, firm expansion, and profit maximization are all part of the marketplace concept. Advertising practically guarantees the predisposition of media owners to promote the prevailing ideology, the status quo, and conservative values. The emphasis in this market economy model is on lowering production costs and increasing audience consumption. The meaning text, the dominant discourse that produces specific forms of meaning about how the world should be, is the result of media owners' ownership patterns and production techniques, combined with collusive interactions between media and advertising. This interest in how institutions function to create discourses within a text is part of a media political economy criticism (Burton, 2005).

Advertisers, not government, are the principal censors of media content, according to Baker (1994). He offers examples of advertisers attempting to prevent specific statements that harm their interests by exploiting impacts personnel as well as editorial decisions in the media by using various forms of pressure. However, the impact manifests itself in negative ways that are often difficult to discern. Advertisers are occasionally willing to use their financial clout to protest what they perceive to be unjust treatment by the news sector of the media by refusing to run advertisements. Because commercial mass media rely heavily on advertising revenue to survive, the larger the advertiser, the more revenue it generates.

The majority of theorists agree that journalists and advertisers have a genuine cause to reach out to their target audiences. This is why commercial news production necessitates a trade-off between journalistic principles and financial realities. While the pursuit of profit is evident for some media organizations, hiding the firm's economic interests assists management, according to Bagdikian, 1990; Underwood, (1993). Ehrlich (1993:3) observes "although the talk of money making is likely to be rare in market driven newsrooms, the logic that drives news routines nevertheless, is economic". It is realistic to expect profit from media owners' investments. After all, they had taken a risk when they started the business. Picard (2002); Doyle (2002); Hoskins, McFadyen and Finn (2004), all believe that media companies are continuously dealing with the risk of poor management decisions affecting current and future operations. Picard (2002: 6) takes notice of this, "risk is a concept that results from uncertainty about the future and about the result of choices that must be made today".

Picard (2002: 7) notes "profitability is crucial to all media companies because it allows firms to produce their own financial resources and make them more attractive to lenders and other sources of capital when they require additional financing to support their strategies and activities". He claims that the only way they can reinvest in content and become more appealing to advertisers and audiences is to make a profit, "ultimately making themselves more profitable". When a media company is losing money, it is doomed to fail since it can no longer finance its day-to-day operations, let alone reinvest in the company. As a result, Picard explains the situation as "the continued spiral of decline combined with the increased strengthening of competitors to heavily disadvantage the less profitable or unprofitable firm". The diagnosis will be the death or collapse of that media entity. The outcomes of this study regarding stakeholder influence on programming diversity, concurs with the literature review.

The alternative hypothesis and the null hypothesis were provided:

H_{01}: Stakeholders' interest have no statistically significant influence on programming diversity

H_{0A}: Stakeholders' interest have statistically significant influence on programming diversity

Conclusion

The independence of programming from advertisers influence is a cornerstone of journalistic ethics. The trend towards profitability and efficiency is related to a wide-ranging commercialization process in the media. As a result there is a growing tension between economic and journalistic interests. Market relations exert a greater pressure on radio stations, in particular the advertising industry, as it remains the main financial source. Radio through programming plays an important role in educating and entertaining the public. Given this vital role the question of advertisers influence on programming decisions is an issue of great concern. This study helps to establish a broader approach to assessing advertising pressure on radio programming decisions

Further Research

The study focused mainly on the influence of advertisers on radio programing diversity in Kenya. The study recommends for further research to be conducted on the influence of advertisers on program content.

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