Media and corporate bodies: challenges and opportunities

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The media is deemed the Fourth Estate and 'the people's voice'. It is a watchdog on the powers that be. But whose voice is the media today? Is it more a corporate voice than that of the community? Who matters more between the consumer and the citizen?

Is the media concerned more with markets or with society? Is it Marketing Media or Mass Media? Read what N. Bhaskara Rao, founder chairman, Centre for Media Studies, and P.N. Vasanti, director, CMS & CMS Academy, have to say about all this, and also how TV channels, in order to sustain 24-hour news with TRPs, have taken to hype, while continuing their preoccupation with politics, crime and corporate happenings. The larger question: will all of this have implications on the democratic processes?

Despite so much talk about the relationship between media and corporate bodies in India, very little is in public purview, barring some recent bits on 'private treaties' (now brand capital). Based on extensive research for 15 years, we have been writing about a shift in the paradigm of media operations. An analysis of that emerging scenario was published first in Frontline (2001) and then in the Economic and Political Weekly (2002). We have expanded that understanding further in our 2005 publication titled Media Scene as India Globalises. More recently, A Handbook on Poll Surveys in Media (2010) described how political and corporate interests are hyped up and camouflaged without transparency in electoral processes. This article discusses these processes further.

A suitable alliance

There are two emerging issues. One is the relationship between media and corporate bodies; two, the media becoming 'corporatised'. The latter is to do more with the obvious paradigm shift in media operations in recent years. The former is more about the media's dependence on companies for support by way of advertising. Both are interrelated. There is a cause-and-effect relationship. Which is cause and which is effect is difficult to say now or at any one point. One thing for sure is that the role of the corporate sector is getting consolidated.

The driving principle of corporate bodies is profit maximisation. Return on investment to shareholders is a differentiator. Media, on the other hand, is supposed to operate without conflict of interest. Traditionally, in democracies, the media function is viewed as a service. The media is deemed the Fourth Estate and as ‘the people’s voice’. It is a watchdog on the powers that be. But whose voice is the media today? Is it more a corporate voice than of the community? Who matters more between the consumer and the citizen? Is the media concerned more with markets or with society? Is it Marketing Media or Mass Media?

Our publication in 1995, titled Marketing Media – Perspective into Media, captured the emerging phenomenon. Today, ‘corporate culture’ is all over and entrenched in the media too. What factors could have caused this? The finer points in that process are how much ‘means’ matter for ‘ends’.

Shifts in paradigm

With the relatively recent proliferation of TV, radio and newspapers in the country, the overall role, reach and relevance of the media should have expanded much beyond what it was a decade ago. However, there has hardly been any change in both respects. This is because the competition within and across the media has been for the same sections of people, those having deeper pockets (to purchase branded goods and services). We feel that the increase in circulation and viewership claimed is because of multiplicity, not because of expansion in reach.

Today new definitions, new news values and new priorities dictate the media. What does this paradigm shift mean? What is the dilemma involved? Is the media a public service or for private interests? Societal concerns vs. market priorities, stakeholders vs. shareholders, short-term vs. long-term implications, these are the considerations. Then, of course come the contradictions to do with blurred distinctions between news and views, news and advertisements, “to interest” versus “in the interest” and so on.

‘Advertising capital’

Today, advertising and market research in many ways determine the scope of mass media, including journalistic trends. A decade ago, by allowing 100 percent FDI in both the fields, the advertising and market research functions were placed in the hands of corporate bodies mostly controlled from abroad. Indeed, advertising, market research and media planning set the pace for media, including in the case of ownership patterns and journalistic trends. Generally, the control of these ‘determining factors’ has changed, with no one raising an issue or a debate at any level. In a way, this amounts to corporate disciplining of the media.

The share of advertising in the media’s total revenues has been on the increase from that of a ‘supplementary’ (25-30 per cent) nature some decades ago, to that of a ‘supportive’ one (45-55 per cent) now. In fact, in the case of television channels, advertising has become the ‘primary source’ (60-80 per cent) of determining priorities and preoccupations. In the case of some big newspapers, too, revenue from advertising constitutes as high as 60 per cent of total revenue. Therefore, the recent boom in the Indian media is often being attributed to advertising. Clearly, advertising today sustains and steers the media.

Secondly, advertising through newspapers and television today is mostly by multinationals and big corporate houses. Entry of foreign advertising agencies has been going on parallel to the entry of foreign brands and rise in the share of foreign corporate houses in the total advertising in the country. Lifting the limits of foreign capital in advertising agencies has opened the floodgates. Well over half of Indian advertising is now accounted for by overseas-based corporate agencies.

Thirdly, market research is a basis for proliferation of brands and consumerism as well as for the preoccupation and priorities of the mass media. The very scope and character of advertising is dependent on such research. Two decades ago, we had about six or seven market research agencies, owned mostly by Indians. Today, the top seven or eight market research agencies, accounting for more than three-fourths of research, are foreign agencies. In fact, with recent mergers and acquisitions, certain monopolistic trends are already evident, with annual turnover exceeding Rs 1500 crore. More specifically, market research agencies are those who conduct readership surveys and rate television viewership. They thereby directly influence advertising agencies as well as the news media's anxiety. One of the authors was involved in launching India-specific readership and rating studies 30 years ago and feels guilty for what is happening today, particularly the way the findings of these surveys are being used both by newspapers and TV channels as if a national agenda has been hijacked. About a decade ago, the trend was coined as the 'TRP trap', with larger and long range implications to our nation building efforts.

Since 2000, as the media ecosystem became complex, two 'new' mediating functionaries have emerged with serious consequences to the very nature and character of the journalist centered Fourth Estate. These are 'media planning' and 'public relations' – these have in many ways eroded the core prerogatives of journalists and their 'editorial control'. Media planners are the ones involved these days in buying wholesale space and the time of the media, too, for advertising and selling the same in retail on their terms. In the process, they have acquired a say on the contents of the media.

Indeed, in the case of corporate public relations, functioning of these 'experts' implies undermining of or interference in the functioning, particularly of news reporters and editors, and their marginalisation. The very purpose of PR is to ensure coverage for a particular viewpoint or otherwise. 'Disinformation' that is being talked about recently, is a part of the new phenomenon.

Foreign investment in media

Foreign Direct Investment (FDI) has lured media institutions to turn themselves into market-driven corporate organisations. How well a media is 'corporatised' is a criteria for foreign investors. This means marketing and advertising of the media as a 'brand'. And to attract FDI, the news media is turning itself into corporate entities.

According to the Registrar of Newspapers' annual reports, the percentage of newspapers that are 'corporate' has gone up to about 30 from less than 15 percent in 2000. As broadcasting is capital intensive, all television and radio operations are corporate groups. The entrance of FDI into media, particularly into news media, has to be viewed together against whether there are any regulations and obligations for foreign participation and what kind – not just in terms of equity pattern but also content. No country is without some restrictions on foreign investments and content-related obligations. Once the government allowed FDI as part of economic reforms, media moghuls have been taking interest in the Indian media market. For pursuing that interest, they needed cheer leaders as their advance party. That was how initially, 100 percent FDI was allowed into businesses, which "support and sustain" the news media.

FDI in media (without a policy debate)	
Films	100%
Advertising	100%
Market Research	100%
Public Relations	100%
TV-Non news	100%
Technical Journals	74%
TV News	26-49%
Newspapers	26-49%
Radio – FM	20-49%
DTH	20- 49%
Cable TV	49%

FDI permitted in newspapers and television stations remains below the 50 per cent mark.

These businesses include advertising, market research, public relations and more recently media planning. In 1995, we described them as the 'new gatekeepers' of the media. These businesses today dominate the Indian media and influence policies about the media. That is how FDI into news media is being consistently increased. This implies further 'corporatisation' of Indian media.

What does 'corporatisation' of media mean?

What do we mean when we say that the media is 'corporatised'? Some features include: enhanced capital investments, expanded reach, bigger content package, and a more attractive and more market-oriented 'product'. Of course, more advertising support and adoption of new high-end technologies. 'Corporatisation' has brought in competition and competitiveness.

All that has helped explore untapped markets and reach some sections of society that have never been reached. For investors, the media has become more attractive than ever before. In the process, media has become a business opportunity, deriving other advantage including political and social clout.

For example, businesses like real estate, which have made much faster money, have ventured into a newspaper or a TV channel to 'arrive' on the local political scene.

In the process, the role of the editor and the journalist is no longer what it once was. They have become ‘employees’, not so much stakeholders. With Wage Boards becoming ineffective, in spite of an Act of Parliament, journalists no longer enjoy independence as they used to. Marketing and advertising functions have become more important. Share value in the stock market has become a priority rather than watchdog functions. Big media has become bigger and is becoming even bigger and is aspiring to become a monopolistic industry. Thirty years ago, about 30 media enterprises dominated most (75 per cent) of the media in the country. Today, less than 15 media houses have that share. All this, without strictly coming under active legal and regulatory provisions that apply to corporate bodies. A more recent example is that SEBI, despite acknowledging its concern about private treaties, could not directly notify its directives to the media engaged in such practices. Instead, it suggested the same to the Press Council of India (PCI) knowing well that PCI has no teeth to take any action.

“Freedom of the press should not be turned into commerce,” said Ravi Shankar Prasad, BJP leader who represented the party at the Election Commission meet in October 2010. At the same meet, a Congress spokesperson (perhaps Jayanthi Natarajan) also talked about democracy and freedom of the press. Former Chief Justice of India Dr A S Anand said, “While commercialism has a legitimate place in the business office of the newspaper, it becomes a danger when it invades the editorial room.” “Today, there are some genuine concerns about the way in which some sections of the media function,” Justice Anand said, adding, “the liberty of the press cannot be confused with its licentiousness.” Successive Presidents and Prime Ministers have also said the same thing at one point or another during their tenures – of course, making no difference to the ongoing process of ‘corporatisation’ of media and their increasing hold on the media.

Equity business is now brand capital

‘Private treaties’ perhaps epitomises the nexus between the media and the corporate world. It is also a precursor and another reminder of the ‘corporate media’ regime. The SEBI chairman has expressed his concern about private treaties that media enter into with corporate houses, as they “harm fair, unbiased news”. SEBI felt that it would lead to “commercialisation of news reports”.

Private treaties are the ones some media houses enter with companies that are listed or which propose to come out with public offers and, in return, promote the companies with positive reports and/or advertisements. To gear up treaties for a larger role, The Times of India has renamed this 'equity business' as 'brand capital'. It hopes to generate 'advertising capital' for corporate businesses and growth in advertising revenue for news media.

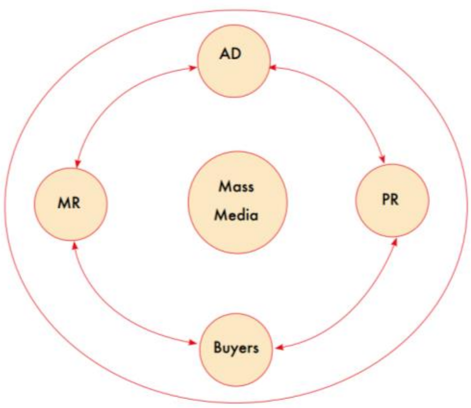
Has 'corporatisation' helped media?

'Corporatisation' of the mass media has helped both horizontal and lateral expansion – the very impressive growth story that is lauded worldwide. To achieve these impressive growth rates, corporate agencies have relied rather heavily on advertising in the media and also on market research.

The regional language media has benefited even more. 'Corporatisation' has attracted a new crop of youngsters into the profession, created many new job functions and better opportunities. It has also made media marketing and media management distinct specialisations.

India is going to see 'corporatization' of the media even more in the coming years. To cope with the process, we need to prepare better so that the media's privileged position (Fourth Estate) is not threatened, and the media continues to play a positive role in strengthening democracy and better serves the Indian Constitution.

NEW GATEKEEPERS OF MEDIA CONTENT?



Can there be a right balance?

The challenges and opportunities involved are nothing but the pros and cons of 'corporatisation'. Considering the global trends, there is not much choice – 'corporatisation' is perhaps a compulsion today. That is why the effort now should be how to retain the virtues, rather than how to minimise the effects of corporate compulsions. Five features that illustrate the Fourth Estate and watchdog standing of the media are:

1) Conflict of interest on content 2) Transparency in operations and priorities 3) Reflecting plurality of voices of people 4) Reflection of certain selfimposed discipline and concerns of people 5) Balance of information, communication and entertainment components.

Need for a talk-back culture

The best bet for realising the opportunities is active viewers, readers and listeners who care to manifest their preferences, choices, likes and dislikes, according to their own concerns. They are more passive now. Only an insignificant few consumers of media, even those who pay on a recurring basis, care to do so. As media is likely to become more and more 'pay as per use' (as mobile phone charges have become now), users have to be more active and talk back.

Second, we need a regulatory system with checks and balance practices (self regulation, industry regulation and an independent audit). The Supreme Court's landmark judgment (1995) that air waves belong to the public and an independent regulator should manage the natural resource has been ignored by successive governments since. News media cannot operate in a 'free for all' environment. Even corporate organisations do not operate that way, even though they operate to maximise profits.

Third, media has double-edged character. As special efforts are needed to reap positive effects, punitive acts are required to keep negative effects away. These efforts are not just by 'rule of laws' but a more concerned and assertive citizenry.

Fourth, realisation of role and significance of research is needed to monitor, analyse and find out effects. This has to be an on-going support. But, not based on top-ofthe-mind approach currently in vogue.

Fifth, transparency in media operations enhances credibility. The RTI Act should apply to media establishments, too. Conflict of interest should be questionable by citizens and civil society groups. Media on their own should evolve ways of indicating such conflict, as has already been demonstrated by few media.

Sixth, news media should have ombudsman or "readers editor" like mechanism but with scope for some independence and objective assessment.

Summing up, the current trend and compulsions in our news media is well established in the recent film by Amir Khan – Peepli Live. It aptly brought out the neglect of the rural poor and backward regions. There is no longer any uncertainty that to sustain 24-hour news with TRPs, television channels have taken to hype and trivializing, while continuing their preoccupation with politics, crime and corporate happenings as far as content and concerns go. But how long will the trend continue before it has implications on the democratic processes and before its own credibility is questioned? That's the vital point.

http://pressinstitute.in/file-folder/vidura/april-june-vidura-11.pdf