

EMERGING MONOPOLY TRENDS

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2001 has been yet another year of all round proliferation of mass media in India. However, the media scene has gone through significant paradigm shifts in so many different ways. The prominent ones include proliferation of regional and news television channels, mostly satellite based. As a result of this expanded reach of television, including in rural India, television is emerging as a primary source of news to the extent of depriving newspapers as 'agenda setters'. In the process television transformed itself in 2001 from that of a 'mere entertainer' to that of a primary source of news and current affairs, including regional and local. But the multiplicity of news channels and their by and large similarities and hyping phenomena have added 'referral status' to newspapers as viewers would like to go over what they had heard or seen. The Centre for Media Studies (CMS) described this phenomena as an 'appetizer effect' of TV news. Certain aping continues, the current phase being "reality TV". What India needs is an 'Interactive TV', not "reality" of the kind that amuses well off viewers at the cost of individual privacy.

Print media, on the otherhand, has suffered a setback – marginal to significant. Although in terms of number of daily newspapers and periodicals, there was a marginal increase, but a significant decline in growth of circulation and readership of many dailies and most magazines, much more in the case of business ones. So also in the case of print media in total advertising outlays. But for competitive marketing drivers, newspapers would have suffered more. Overall, competition between television channels as well as between newspapers, nationally and regionally, has not only sustained growth but expanded the reach and the size of media markets in India in 2001.

Thanks to FM radio, the year 2001 has seen some revival of radio as a popular media, particularly of the

young and affluent. Some 40 FM channels were expected in 2001. But even when they start operating, unless cheaper FM radio sets are available in the market, the FM revolution will remain a fringe media. Also, the fact that 80 per cent of rural household are yet to be electrified will continue to be a limiting factor for television and radio. In this regard in the States like Bihar, UP, Orissa, Assam and West Bengal where media development requires special attention, the situation is worse. The revival of Cinema in the last couple of years was consolidated with new buoyancy in the film industry. Music industry has acquired its own feet and had much higher growth in the year. The advertising sector, which sustains mass media of all streams, had a marginal setback in 2001 as a result of overall slow down in the economy and markets of the country.

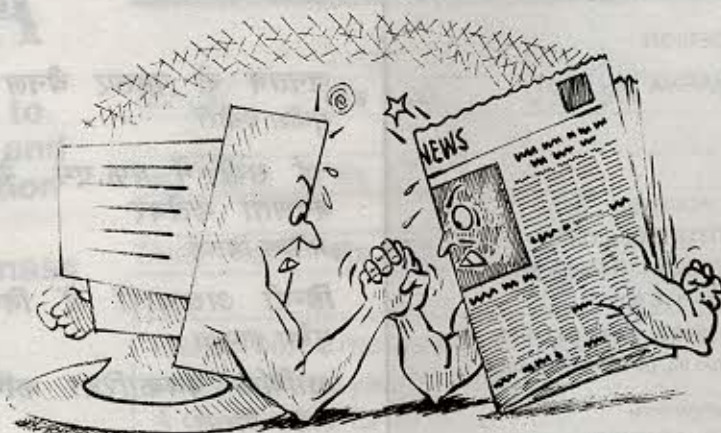
SHIFTS IN PARADIGM

The Indian media scene has gone through a dramatic shift

recently both in terms of content and control. While media content is more and more market driven, control has now shifted, although indirectly to foreign corporates. And yet our political masters in 2001 continued to revive irrelevant debates like the one of 1955 Cabinet decision against foreign capital into Indian print media, when in fact the foreign factor is al-

ready moderating the priorities of most media in the country. The debate should not lose sight of the core of the issue – the direction of Indian media in 2002 and beyond.

Today advertising and market research in many ways determine the scope of media. Both these functions are in the hands of corporates controlled by foreign multinationals. The path and pace of media is set today by advertising, market research and media planning as much as in the case of ownership pattern and journalistic trends. By and large the control of these "determining factors" has slipped out of Indian hands with no one making an issue of it.



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MEDIA VIABILITY

First, the share of advertising in total revenue of media has been on the increase from that of a supplementary (25- 30%) nature some decades ago to that of a supportive one (45 - 55%) in 2001. In fact, in the case of television channels, advertising has been a primary source (50-70%) to sustain themselves and to the extent of "determining" the priorities and preoccupations. Even in the case of some big newspapers, revenue from advertising constitutes as high as 60 percent of total revenue. The recent boom in media in India is often attributed to advertising. Advertising today sustains and steers media.

Second, advertising through newspapers and television today is mostly by multinationals and big corporates. In fact, top 15 advertisers account for three-fourth of advertising revenue of newspapers and television channels. Except for Dabur, Tata, Bajaj and Videocon, all other top advertisers belong to the multinational category. Top brands being advertised in media belong to these corporates. There has been a wave of foreign brands recently - all giving a big boost to media as well as consumerism in such a way that as a country we can not reverse even if we want to.

Third, advertising agency business in the country has been getting concentrated in fewer and fewer hands in the last couple of years. Top five advertising agencies, with major holding from outside the country, account for well over half of advertising business in the country and this has been on the increase. Entry of foreign advertising agencies has been going on parallel to the entry of foreign brands and increase in the share of foreign corporates in the total advertising in the country. In fact, lifting the limits of foreign capital in advertising agency business has opened the flood gates. Now global conglomerates like WPP, TWT, O&M, BBDO, DDB-Needham, JWT have gained majority control in Indian advertising and bulk of the market share too. Little over half of Indian advertising now is accounted by overseas based agencies, whose majority control in India is with foreigners. In fact, there may be two agencies in the top 20 which have no foreign partnership. These agencies are now answerable to either private groups based abroad or to dollar-trading stock markets in London or New York.

Fourth and not least, market research is a basis for

proliferation of brands and consumerism as well as, for the preoccupation and priorities of media and the very scope and character of advertising. Until a few years ago we had about six or seven market research agencies owned mostly by Indians. Today top seven or eight market research agencies, accounting for more than two-thirds of research have either already been taken over by one or another foreign corporate or they have acquired significant interest. In fact, with recent mergers and acquisitions, certain monopolistic trend is already evident in this function with an annual turnover of over Rs.350 crores.

POWER SHIFT

More specifically, market research agencies are the ones which also conduct "readership" surveys and "rating" of television viewership and thereby directly influence advertising agencies as well as the media as to their priorities and preoccupation. The point here is that the methodology being followed for readership surveys and TV rating is not without bias in favour of the sponsors and subscribers. As one who was involved in launching India specific readership and rating studies 25 years ago, I feel guilty for what is happening today, particularly the way the findings of these surveys are being used both by newspapers and TV channels. The "TRP trap", as I call the phenomena, has larger and long range implications to India than we seem to realize. The distortions are already evident today in our media scene.

Fifth, with media becoming complex and also specialized, two new mediating functionaries have emerged since 2000 with serious consequences to the very nature and character of the Fourth Estate. Both these functionaries of media planning and public relations, in a way erode into core prerogatives of the media functionaries and their editorial control. And the fact that both these functions have become corporatised with foreign agencies having managing control, should cause some concern in the country before it is too late. The media planners are the ones involved these days in buying wholesale space and time for advertising and selling the same retail on their terms.

In the case of public relations, functioning of these "experts" implies certain undermining or interference in the functioning, particularly of reporters and editors. For,

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the function of PR is to ensure coverage for a particular view point or otherwise. "Disinformation" being talked about recently is a part of this new phenomena. Today majority control of these PR corporates in India, some six or seven leading ones operating nationally, is with foreign agencies. In fact, some of these have entered India as a part of one or another advertising agency having already a majority foreign equity. Most of these PR agencies mostly cater to the interests of foreign corporates or their collaborators in India. Many Indian concerns, including some public utilities, need to avail these PR agency services to make their presence in the media, as if it is a compulsion.

Giving out the finding of their analysis on media trends, P.N. Vasanti, Director of CMS, has said that "communication business has now moved into foreigners control and this reflects on the scope of contents of newspapers, even more so in the case of television channels". Against this background, a debate on the entry of foreign capital into print media is irrelevant and contradictory in view of what the government did with regard to opening the flood gates to electronic media.

BEYOND 2002

Communication convergence era (an Act is expected to come into being mid 2002) will have its influence on the media scene of the country in so many different ways. Whether 2002 will see economic revival or not is yet another factor. The first and foremost of course will be a result of quicker, cheaper and more easier on-line telecommunication and this impact would be on media contents in terms of their scope and character and on journalists. In fact, the very concept of media enterprise will go through changes in terms of value added services and their contribution to the very viability of the media establishments. All this implies that bigger media enterprises will have a better opportunity to grow further and faster. All this means moving towards market driven monopolistic situation. The present trend towards polarization between top two media, in terms of readership to newspapers and viewership to channels, is likely to be consolidated further. With an independent regulator not

in sight, level playing opportunities for new entrants as well as for smaller players will be tough.

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Further, fast spreading pay television phenomena is likely to help or at least neutralize further erosion in the growth of newspapers assuming that print media will reposition and restructure itself as it is already in the fast changing communication scenario. Cable TV is yet gear up to avail opportunities of convergence and DTH.. Corporatisation of thefilm industry in the coming years will enable consolidation of cinema with a matching entrepreneurship at the viewer end, with cinema theatres themselves becoming big corporates and chains. Tehelka dot com has not lead to proliferation of dot com journalism as was expected in 2001. But mainline newspa-

pers already have gone for web sites although mostly aiming at NRIs. *India Today's* on line *The Newspaper Today* has become the first subscribed electronic newspaper. All this growth, however, will not assure that present information imbalances in the country will disappear in the years ahead or even that the reach of media to rural India will increase substantially. With increased pressure on advertising outlays, newspapers and even channels, of late are going more and more for "camouflaging paid ads." (sometimes as advertorial, spotlight, sponsored features, etc) as news with implications to media credibility. Civic concern and public debate on issues to do with media are needed now more than ever before. The educational stream of the country has to be concerned about media as part of the curriculum. As someone has said most of these issues are too important to be left to politicians or journalists or advertisers.