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Exploring the effects of digital disruption on radio revenues among urban radio stations in Kenya

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Graduate School of Media and Communications

EXPLORING THE EFFECTS OF DIGITAL DISRUPTION ON RADIO REVENUES AMONG URBAN RADIO STATIONS IN KENYA

By

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A thesis submitted in partial fulfillment of the requirements for the degree of Master of Arts in Digital Journalism

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May, 2021

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APPROVAL PAGE

The Aga Khan University
Graduate School of Media and Communications

A research thesis submitted in partial fulfilment of the requirements for the degree of Master of Arts in Digital Journalism

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DECLARATION

EXPLORING THE EFFECTS OF DIGITAL DISRUPTION ON RADIO REVENUES AMONG URBAN RADIO STATIONS IN KENYA

I, **BARON KHAMADI SHITEMI-543743**, declare that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university and that to the best of my knowledge it does not contain any material previously published or written by another person except where due reference has been made in the text. The editorial assistance provided to me has in no way added to the substance of my thesis, which is the product of my research endeavors.

Signature

Date

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ABSTRACT

This study sought to investigate the effects of digital disruption on radio revenues among urban radio stations in Kenya. The specific objectives of the study were: (i) to explore the trends in radio revenues in a competitive media environment in Kenya; (ii) to examine how radio revenues have been affected by digital disruption; and (iii) to establish new revenue generation strategies adopted by radio stations in Kenya today. The study adopted qualitative approach and employed exploratory research design. Four radio stations in the country were the sample size; Capital FM, Radio Citizen, KBC Radio and Spice FM, where editors, station managers and business managers were interviewed. The sample size also included interviews from media research firms including Media Council of Kenya, Kenya Audience Research Foundation, WPP Group and TIFA Research. Furthermore, there was documents review, where previous studies published by PricewaterhouseCoopers, Media Council of Kenya, Deloitte, Geopoll, Communications Authority, Ipsos and Kenya Audience Research Foundation were reviewed. The research was guided by Strategic Management theory and Media Economics theory. The study used interview guides and document review guide as the data generation tool. This study found out that the audience share has reduced due to a number of factors including digital platforms which provide the information and entertainment that radio and media in general does. These digital platforms have taken away considerable media advertising even as the business environment is very competitive. Despite these, new radio stations are still being opened signifying potential for radio as a business and public interest medium. The findings reveal that some of the trends in radio revenues are decline in revenues, devolution, digital migration and decline in mass market approach by advertisers. Digital disruption has impacted on radio revenues in that there is decline in listenership on broadcasting waves as people access the same information online, the rise of the influencer who are taking away advertisements that were earlier tapped by radio and media in general and move towards embracing digital advertisements only as stations seek to diversify revenue streams. The new revenue generation strategies include increasing direct online marketing through engaging with advertisers and advertising agencies, creating digital assets in diverse platforms where audiences are and learning their trends, establishing media agencies to reduce need for creative work being done by outside companies, banner ads on the radio stations' website, call center and research for brands, and government. The study recommended maximizing of digital platforms through content and good distribution to tap into internet advertising, providing quality content consistency and content that is differentiated from other platforms, diversifying revenue sources, institutions of higher learning teaching broadcast should consider a unit in revenue generation and the Media Council of Kenya that is running media viability project should consider training media on how to maximize on revenue sources including government advertising.

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ABBREVIATIONS AND ACRONYMS

GAA:	Government Advertising Agency
AKU-GSMC:	Aga Khan University-Graduate School of Media and Communications
RMS:	Royal Media Services
MCK:	Media Council of Kenya
NACOSTI:	National Commission for Science, Technology and Innovation
AM:	Amplitude Modulation
FM:	Frequency Modulation
PwC:	PricewaterhouseCoopers
CA:	Communications Authority of Kenya
KBC:	Kenya Broadcasting Corporation
SBC:	Special Broadcasting Corporation
BBC:	British Broadcasting Corporation
ABC:	Australian Broadcasting Corporation
KPMG:	Klynveld Main Goerdeler

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

This study discusses the effects of digital disruption on radio revenues among urban radio stations in Kenya. These digital platforms have compelled the media in general to explore mechanisms to tap into their potential in order to satisfy societal demands for information. In Kenya, radio has higher listenership comparable to newspapers and television, according to the Status of the Media Report (2020) by the Media Council of Kenya, making it an important medium to investigate, for its operations directly affect livelihoods.

1.2 Background to the Study

Media depend on audiences to make their revenues, but this has increasingly been challenged by audience fragmentation occasioned by a wide range of media content sources on the internet. As a result, radio, television and newspapers are struggling with business models that will make them sustainable (Macnamara, 2010). In economics, plurality of media content sources is competition which can be positive because it leads to lower prices, and high-quality media content as content producers strive to attract audience loyalty. But this is not always the case in all businesses. The media, for instance, whose main role is public interest, informing the public about current events and serving as a watchdog on the government has seen this economic argument turn negative (Hollifield, 2006) as more content producers, especially non journalistic content producers are increasingly tapping into the ad revenue share that would have otherwise gone to public interest journalistic enterprises.

Hirschmeier, Tilly, and Beule (2019) assert that while the broadcasting industry is equally affected by the digital transformation, music and film industries have found ways of coping. Radio is finding itself in increased pressure to innovate. For radio, innovation does not just mean embracing digital; there is a whole conundrum of changing business models and value propositions to audiences. Hollifield (2006) discusses that competition in the media affects content, the media organization as a whole and the media's financial position. For instance, specific to radio, competition leads to a decrease in the number of local news stories produced. The decrease can be adduced to lower revenues being generated and the media house resorts to only doing the bare minimum. A resultant impact of this is the failure to do its societal functions, like holding government to account as it should.

The Media Council of Kenya (MCK) has accredited 168 radio stations (MCK, 2020), as published on its website as at 3rd June 2020. Moreover, as at 19th June 2020, some five more radio stations intend to be registered as per Gazette notice No. 4217, published by Ag. Communications Authority Director Mercy Wanjau as they sought public input on whether the Authority should register them.

That sheds light on the continuous interest to register and run radio stations in the country. The stations can be loosely categorized into four: Vernacular (that broadcast in local languages); national (that broadcast in English and Kiswahili); community stations (that have a limited frequency of five kilometers radius); and regional (that broadcast largely over a certain region of the country) as published on the MCK's website. All these stations depend on revenues to run, albeit community stations are ideally not for profit, but to benefit the residents who they broadcast to.

The result of these stations who depend on the same revenue sources mean that competition is high. There is equally shrinking of general revenue for media houses due to digital platforms that are taking advertising spends as they are considered cheaper with higher reach to audiences. A Geopoll study published in March 2020 for the top ten radio stations in the country had four Swahili stations taking the top four spots, with English and Vernacular stations having three slots each (Okulo, 2020).

The Geopoll study further stated that while the study was done between 1st – 29th March 2020, when the government had started implementing stay at home protocols which brought about shifts in audiences' preferences, "people are not on-the-go like they are in an average week, radio must compete with various other media channels and pass times that are not available to them on-the-go" (Okulo 2020).

A report by Reboot and Omidyar Network on strengthening Kenyan media noted that while the media is generally struggling to make and sustain revenues, monetizing content from rural areas is even more difficult, disincentivizing reporting of critical stories in the vast majority of Kenya (Harwood, Herrick & Ugangu, 2018). The MCK further notes that the digital disruption of the media is impacting media operations and business dynamics (MCK, 2016).

Harwood, Herrick, and Ugangu (2018) in the Reboot and Omidyar Network report further noted that all traditional media platforms have struggled to find reliable business models with the changing technological and economic environment. They add that while the media have moved to monetize online audiences to compensate for lost revenue; commercial advertisers have also moved online to ad services such as Google AdWords while the government has also rolled back its revenues. The rest is a struggling media ecosystem in the country.

The Kenyan media is struggling like all other media in the world in an environment where media production and consumption has drastically changed. Media consumption has become more social, participatory, ubiquitous and multi-channeled. These pose a major social organizational and economic impact for contemporary media institutions (Westerlund, Rajala & Leminen, 2011).

Today's radio stations are equally compounded by changing audience expectations, increased and ever-changing competition landscape, emergence of new technologies including new devices, and convergence of media. Furthermore, radio broadcasters had not had much need for change on their business models but now must adopt fast (Hirschmeier, Tilly & Beule, 2019). It is against this backdrop that studying the competitive media environment with a focus on revenue generation approaches in the Kenyan radio industry is vital.

1.3 Statement of the Problem

The media is expected to provide information necessary for the public to make decisions. It is also meant to keep those in power accountable through their stories and other formats like talk shows. It is the eye of the public on the rulers or governance entities in a society. For it to accomplish this, it requires human and financial resources as well as an enabling environment to undertake its responsibilities.

However, the environment in Kenya has been impacted by stiff competition and digital technologies. Competition has made some stations to close down due to their inability to attract sufficient revenues, like XFM (where FM stands for Frequency Modulation), QFM, *Radio Mangelete* and *Radio Umoja*. Today, digital technologies are slicing away audiences that they sell to advertisers to get commercials. The commercials are in turn moving along with audiences to the digital platforms. This competitive environment has digital platforms specifically Facebook and Google that are taking most of the digital advertising spend in the world (Jonnalagedda, 2011).

In Kenya, radio not only plays an important role in providing information to people, but has historically had the highest reach and the highest number of stations or frequencies in the media landscape especially in Kenya. This becomes an important medium to learn for its growth and development in society (Chignell, 2011) as it is directly linked to the growth and development of society. It also has highly fragmented audiences with growth that is not supported by commensurate advertising. For instance, new stations like Spice FM, NRG Radio and Vybez Radio started operating in recent years indicating potential for untapped opportunities including on digital platforms for maximum revenue generation. This makes it an important area to investigate and learn.

Studies have often focused on revenue generating mechanisms that touch on newspapers like paywalls but radio is yet well researched. Radio broadcasting is undergoing a fundamental digital transformation that is affecting revenue generation mechanisms evidenced by the need to provide their content on mobile devices. There is also competition for listeners' attention from new music streaming services and multimedia platforms (Hirschmeier, Tilly & Beule, 2019). But how radio stations in Kenya have been compelled to embrace this digital transformation to enhance revenues is a grey area. For instance, data as advanced by Mcnamara (2010), though controversial, has been touted as a potential for revenues for media houses, same way Facebook, Google and the big technology companies are tapping into it. He advances that "data on media users and their interests, needs, and patterns of information search and purchasing available from Web statistics and search engines, offers new opportunities to media and businesses targeting potential consumers of their products and services" (p.16). Informed by the role radio stations play, it is important to establish how they are still operating yet revenue streams have dwindled partly occasioned by digital technologies.

1.4 Objectives of the Study

The general objective of the study was to investigate the effects of digital disruption on radio revenues among urban radio stations in Kenya.

1.4.1 Specific Objectives

The objectives of the study were:

1. To explore the trends in radio revenues in a competitive media environment in Kenya;
2. To examine the effect of digital disruptions on radio revenues in Kenya;
3. To establish new revenue generation strategies adopted by radio stations in Kenya today.

1.4.2 Research Questions

1. What are the trends in radio revenues in a competitive media environment in Kenya?

2. What are the effects of digital disruptions on radio revenues in Kenya?

3. What strategies are used in revenue generation in the radio industry in Kenya?

1.5 Justification of the Study

The media is an important medium in society for information, entertainment and education (Pavlik & McIntosh, 2011). Studying revenue generation with the knowledge of how media, especially in Kenya provides information to inform day-to-day decisions, gives an opportunity to learn how media managers balance the needs of audiences, advertisers and society. Kenyans heavily rely on the media for information, especially radio and in undertaking this public interest function, conversations on its viability and sustainability are important because they touch the lives of Kenyans. These two, complementary terms speak to whether the media can continue to provide quality journalism in the long run. Sustaining that quality needs sustained and robust revenues. Hudson and Rowlands (2014) posit that technological development in news does not spell the end of journalism. It instead places a higher premium on the quality of content being availed to the public by journalists. But quality cannot be provided without robust revenue approaches being implemented. Even though the same technology does take away audiences that media like radio depends on to sell to advertisers, embracing it to tap into available revenues on the platforms needs to be considered. Moreover, it is instructive that some Kenyan media houses, specifically print publications, are finding ways of exploring technology to augment their revenue generation mechanisms.

Radio stations in Kenya enjoy the highest listenership across other media platforms like newspapers and television, according to the Kenya Audience Measurement Survey, (Q3 2020) by Ipsos – Kenya Audience Tracker (IKAT). They equally have highly fragmented audiences. But digital platforms like Facebook and Google are equally occupying the same role of providing information, education and entertainment. These digital platforms make considerable revenues from advertising, the same mechanisms radio use, according to the Entertainment and Media Outlook: 2017-2021 by PwC (2017). How these digital platforms have taken away revenues from newspapers and television has been written widely but not in radio. It is this competitive media environment that necessitates a study on approaches to revenue generation that radio stations have embraced, critical for their existence.

Kenya has a highly fragmented media industry especially radio. The fragmentation is through language, rural-urban as well as lifestyle including music. There are vernacular stations that broadcast in different local languages, Swahili, English, urban audiences focused as well as those that target specific target audiences and segments like specific music interests like reggae. As a result, the study purposively chose radio stations that respond to these wide segmented audiences and in urban centers to better learn how digital technologies have affected them to the greatest extent possible. KBC is the national broadcaster which is important to understand their revenue dynamics, Spice FM is a new station targeting urban audiences with unique programming like talk shows that do not have advertisements. It is part of the Standard Media Group and leverages on this in its programming. Capital FM is the oldest private radio stations that speaks to urban audiences who can be considered middle-class. On its part, Radio Citizen broadcasts in Swahili and has historically had the highest reach in the country. The study will provide knowledge for better strategic direction of radio management and revenue generation thereby being of value to the public.

1.6 Significance of the Study

The study comes at a time when most media houses are slashing salaries of staff while others have let go staff over dwindling revenues, partly occasioned by COVID-19 pandemic that has reduced expenditures considered non-essential by businesses like advertising. They have also been consistently letting go journalists considered to be taking up higher wages and hiring new ones. It is therefore significant to the practice of journalism, strategic direction of radio management, revenue generation and media houses who can learn how other local radio stations generate revenues and they can borrow a leaf from them. Marketing and advertising players in the market will also learn the different ways they can partner with radio stations to reach audiences. The policy environment in Kenya, specifically Government Advertising Agency and MCK who are working on an Advertising Code for media can learn the mechanics of revenue generation in the digital space for radio stations in order to better frame policies that align to it and help the area grow. It equally can contribute to the general technological environment and how it affects media law, regulations and the contribution of the media to the economy. Furthermore, media owners will learn how other local players are maneuvering the revenue conundrum and could consider some approaches for their own stations.

The study is significant as the academia will benefit from research on how radio stations in Kenya are embracing digital innovations to boost their revenue generation capabilities. It offers local knowledge on digital disruption in the radio industry, offering insights on further areas of study and contributing to global conversations on revenues and business models for traditional media. Existing studies on both revenue generation, business model and focused on radio specific to Kenya are inadequate hence the study becomes essential.

1.7 Scope of the Study

The study focused and limited itself to revenue generation strategies and approaches in the competitive media environment that includes digital platforms. The study also solely focused on the four radio stations and four media monitoring and research organizations were sampled. In addition, since the study was qualitative, the data collection methods employed were be restricted to interviews for the radio stations, in-depth interviews for the media research institutions and document reviews for reports from media research and monitoring institutions.

1.8 Limitations of the Study

Access to critical information, especially on revenues was not guaranteed since some institutions and individuals considered them organizational secrets. However, the necessary documentation from the university and existing networks helped breed confidence on the utility of the study to the industry. This was not wholly the case as some media houses declined to be part of it. On those that declined, the researcher deepened interviews from personnel from other radio stations to ensure good data is generated. The study was being carried out at a time when media houses are significantly cutting down their staff due to the impact of COVID-19 on revenues or working from home. Indeed, some interviews had to be online as face-to-face meetings were restricted to some organizations. The study focused on urban radio stations hence some of the approaches may not be generalizable especially to stations that are located in areas not covered adequately with the internet. Considering that the pandemic is on-going, the future remains unclear in how it could further affect the radio stations including those targeted as samples for the research.

1.9 Operational Definition of Terms

Audience: A large number of unidentifiable people united by their participation of media use. The unidentifiable people determine the reach of a certain platforms, like radio through the frequency. It is them who help create a notion of popularity. (Barry & Fisher, 2019)

Business Model: It can be defined as the process of stepping back to evaluate the base that make commerce in the product or service possible. It is about strategic thinking and leadership on how an institution will go about generating revenues (Hayes & Graybeal, 2011).

Broadcast: Originally used to refer to the casting of seeds widely in the field, it was later applied to the electronic medium of radio and later television. It is the art of transmitting information through electronic mediums to reach wide audiences. (Pavlik & McIntosh 2011).

Disruption: Disruption can be defined as a where a smaller company with fewer resources efficaciously challenges established incumbent businesses. They take advantage of ignored needs of consumers by incumbents who focus on product and service improvement to maximize on profits. The small company then targets overlooked areas and delivers better functionality, sometimes are better (lower) prices. They are often ignored by incumbents and thus the small companies deliver quality performance that customers are happy with but maintain merits that drive their early success. Once customers embrace smaller entities en masse, disruption has occurred (Christensen, Raynor and McDonald 2015).

Information Overload: A scenario where there is difficulty in managing and making sense of large amounts of information available to people (Pavlik & McIntosh 2011).

Media Economics: It can be defined as business transaction and financial transactions of an organization producing and selling production into the various media industries (Shameer 2015)

Media Viability: DW Akademie defines media viability as the ability of a media organization to be both financially sustainable as well as ability to high quality journalism in the long term. It also means that the country's socio-economic and political environment need to be conducive to support the emergence, development and ability of media to produce content that informs the public, holds power to account and enables participation in governance processes (Schneider, Hollifield & Lublinski, 2016).

Media Sustainability: IREX which publishes Media Sustainability Index affirms that it comprises Legal and social norms that promote free speech and access to information, there are multiple news sources, independent media are well managed business with editorial independence and existence of supporting institutions that promote the professional interests of independent media (IREX 2011).

Public Interest: It can be defined as any that involves the conduct by men and women of public affairs or business (Whittle & Cooper 2009).

1.10 Summary

This chapter presented the essence of this thesis, specifically illustrating on the phenomenon of the effects of digital disruption on radio revenues among urban radio stations in Kenya. It has also looked at the purpose and significance of this study, research objectives, assumptions, scope, and limitations. The chapter provides a basis for conducting a study on the dynamics of radio revenues in a competitive media environment like Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the various literature related to media, journalism, digital disruption and generally the revenue and business models for media and specifically radio. It also covers the theoretical framework guiding the study and identifies the knowledge gap that emerged from the review of literature.

2.2 Theoretical Framework

The study was anchored on strategic management theory and media economics theory.

2.2.1 Strategic Management Theory

Discussions on revenue for media naturally have an element of economics, the how that media make money and the why they may not be thriving at it. Strategic management theory emanates from the strategic management which in organizational development is about the combination of strategy formulation, implementation and evaluation (Raduan et al., 2009). It appreciates that both internal and external factors exist in an industry for it to thrive or choke. External factors include national and industry context while internal factors resources, ownership dynamics, capabilities and strategies to be able to realize the intended goals (Krumsvik, 2017). The theory mainly stems from the systems perspective, information technology approach to management of corporate affairs and contingency approach. Externally, industry dynamics are principally the digital platforms, Facebook and Google, which are taking most media advertising revenues. At the national level the strength of the economy and policies like the GAA do have an impact on media revenues and the advertising market.

The strategies are not always rationally planned, they can equally emanate from responses to circumstances in society or industry. Competitiveness occasioned by digital platforms is a circumstance that compels media entities to strategize how to remain relevant to the public. In this case analyzing the managerial decision-making process as it informs day to day running is crucial. The strategic management theory is also linked to the survival-based theory. Raduan et al., (2009) explain that this theory, which can be seen as a subset of the strategic management theory, speaks to the need for organizations to adapt continuously to be competitive in their environment in order to survive.

In understanding why some media houses outperform others, Hollifield and Mierzjewska (2006) assert that the strategic management theory comes in handy. It addresses such issues as the strategy of the media market, adapting to changing markets and exploring strategic options, which is what embracing digital by a traditional media entity would do.

In the context of the study the first tenet of the theory presupposes that there are radio stations that are doing well in the current competitive environments. These stations have instituted revenue model strategies that are both emanating and responding to the disrupted digital landscape that the media is currently operating in. Therefore, because the disruption has occasioned hemorrhaging of revenues from the traditional streams, radio executives must be in the business of coming up with rational strategies for new revenue generation models which the current study seeks to investigate. As the radio stations come up with strategies, the theory informs that they think of contingency plans, have a systemic or wholistic approach to the issue, like in this case revenues that inform solutions including the use of information technology.

2.2.2 Media Economics Theory

Media economics brings together media, communications and examines the economic principles and application in managing a media entity. Free speech, access to media, the social impact of media content being aspects of media and communication involve discussions of economic principles to some degree (Owers et al., 2004).

The field of economics is about what is produced, the technology and organization of how it is produced, and for whom it is produced. For the media, it is content, with different technologies being used to produce and distribute the content to the benefit of the public. Owers, Carveth, and Alexander (2004) assert that economic principles must be contained by media viable firms to continue in an ever more demanding economic context. The demanding economic context has seen consumers of content demand how to allocate their scarce resources to acquire goods and services including news. Organizations that seek visibility, like through advertising, also face similar challenges.

Albarran (2004) is emphatic that successful radio stations in the 21st century will need to up their promotional and marketing efforts to build their brands. Branding the stations requires active engagements with the communities they serve with a variety of programs and events. On the digital platforms, one can demonstrate how stations are actively engaging with audiences especially during talk shows and this is meant to strengthen the audience–station relationship. In the long run, it promotes loyalty and return listening. This in turn could see advertisers want to continue working with them as they would feel the engagements generate desired audiences for their messages.

Shameer (2015) says that the print, radio, television, social networking sites and the internet in general being widespread types of media platforms, media economics would entail studying the application of economic concepts, principles and theories to understand the macro and micro economic aspects of mass media. In this case, the macroeconomic are the global, national, local media market in relation to policies and regulations while the micro economic aspect covers supply and demand, consumer needs and wants, the market structure, entity's conduct and behavior.

The context of scarce resources, technological and organizational constraints, responses to preferences of consumers, and the distributional aspects of whose tastes and preferences will dominate is pervasive in all economic analysis. Media economics focuses on the consideration of the genre of goods and services comprising the media segment of the economy. The media industries are generally very visible segments of the economy.

Competition in media, ownership structure, concentration of ownership, consumer expenditure and principles and barriers to entry are some of the areas of media economics researched about by early scholars (Albarran, 1998). He also notes that discussing media economics includes looking at industrial organizational models which helps focus on things like market structure, conduct or performance. This is certainly critical in this study as it fleshes out how the market that Kenyan media operates is structured, how internally the media entity is structured to generate revenues and be innovative even as it seeks to inform the public and how this influences its performance as seen by audiences.

Shameer (2015) also notes that case studies are popular in media economic research. This is because they allow a researcher to have different types of data and use different methods. When using case studies in media economics research, they tend to be very targeted and focused examinations. Indeed, this research will not only be case studies-led, but also targeted at diverse radio stations in Kenya in order to get quality data for examination and analysis.

Ozanich and Wirth (2004) discuss that the media industry has experienced levels of structural change due to financial transactions, primarily mergers and acquisitions. This has led to a higher degree of concentration of ownership of media. In Kenya, one can relate how *Milele FM*, *Kameme FM* and *Pili Pili FM* joined Mediamax. This expanded its breadth of media, concentrating it with one owner. It is also important to underscore that the ability to capture a larger share of local advertising remains a huge challenge in a competitive environment. The economics are that the radio stations are competing against other radio, television, newspapers and digital platforms. There are also internet-only radio stations that are coming up, streaming content that listeners would be interested in (Albarran, 2004). Though yet entrenched in Kenya, one can consider how podcasts are increasing in the country and their potential to reach wide audiences only, who radio and other media will equally be competing for.

Financial factors play a key role in the structure of the media industry (Ozanich & Wirth, 2004). One could look at how Nation Media closed several media houses including Nation FM, QFM and QTV but would later reopen Nation FM. For the station, while they closed it, music would still be playing and people were listening in. This informed their decision to re-open it with some minimal programming. The reopening was strategic in the sense that the listenership being reached to audiences could be augmented in their discussions with partners and advertisers. Showing up more numbers is instrumental in supporting revenue generation.

Albarran (2004) asserts that radio did not become a commercially viable medium until advertising was introduced in 1922. Radio is a competitive marketplace since it competes for audiences and advertising revenues in local and national markets with television, newspapers, books, magazines, and the Internet. One would need to look at for instance *Sky FM* that is primarily a location station competing against even Ramogi, a fellow vernacular but national station or *Kass FM* that is also vernacular but international.

In most markets or countries, radio gets its revenues primarily from selling advertising. In some countries, there is syndication that can be referred to us network advertising, where a time is sold by radio networks and programs in national syndication

(Albarran, 2004). Data on Kenya, for instance how DW or BBC is syndicated with local radio stations remains a grey area, with whether they make revenues from such.

The internet is also becoming challenging to radio stations. At first, they quickly embraced it and started live streaming their broadcasts to reach more listeners around the world. But they soon bumped into innovation concerns related to economics and intellectual property. Music producers who own copyrights to the songs and who used money to produce, market and build their brands equally became alarmed by radio stations' playing their songs yet they do not get royalties and they are reaching millions of audiences, to seek redress and have platforms stop stations, thereby denying them revenues (Albarran, 2004).

2.3 General and Empirical Literature Review

2.3.1 Brief Background of Selected Radio Stations

KBC Radio Taifa

KBC Radio Taifa, 92.9, launched its transmissions in 1953 having been hived off English service. It was part of the colonial efforts to inform the public on the post war Kenya. The station was then known as Kenya Broadcasting Service Kiswahili. It has evolved through the times and transformed itself to meet ever changing audience demands. The station initially transmitted on various frequencies initially short wave, then combined short wave and medium wave before installing the crystal-clear FM. They however still maintain the Medium Wave frequency transmission in selected parts of the country whose terrain and topography can only handle signals on a Medium wave platform. Previous brand names for the station were Sauti ya Kenya, Idhaa ya Taifa and now Radio Taifa.

Radio Citizen

Radio Citizen, 106.7, is one of Kenya's biggest national station by listener affinity and audience measurement. It started in 2002 by businessman Samuel Kamau Macharia and hit off the road by aligning itself with different programming away from the then KBC Swahili that was seen as pro-government. For instance, it tackled different topical issues including civic education. 2002 was a transition year as the then President Daniel arap Moi was ending his 24-year reign. It therefore coincided with the clamor for change in the democratic space and with its programming on civic education, it quickly started to capture audiences, away from KBC Swahili which was considered an extension of government propaganda.

Spice FM

Spice FM, 94.4, is a radio station under the Standard Media Group and was launched in August 2019. It was launched alongside Vybez Radio on the same day. It identifies itself as a station that seeks to plug the gap for serious elevated conversations on Radio. For instance, some of its talk shows are devoid of advertisements, in a bid to reduce editorial interreference.

Capital FM

Capital FM, 98.4, is the oldest private radio station in Kenya having started in 1996. It initially covered Nairobi and its environs but later went nationwide as well as broadcasting live 24 hours a day. Since its beginning, it has maintained its appeal to the middle-class and upper-class segments of the population. Capital FM has equally built a huge digital media footprint, which is why it says "from Kogelo to Kansas, you can listen live to Capital FM”. Over the years, it has been offering live streaming of its radio broadcasts to Kenyans and to the world, making it a global station.

2.3.2 History of Radio

Radio, though invented in the 1890s did not develop much as a mass medium tool until the 1920s. It was used first for ship to ship or ship to shore communications for quick emergency transmissions (Pavlik & McIntosh, 2011), but later developed to broadcast wireless messages widely to multiple locations. But crises like World Wars changed radio’s significance, particularly the Second World War (Chignell, 2011). People relied upon it for information, necessitating more people to acquire radio sets; the exponential growth in audience numbers led to its growth as a mass medium and brands started embracing it as a medium to reach the masses (Nyamjoh, 2005). There was not much competition at the time since Television sets were rare and newspapers were expensive to print. The ‘competition’ to radio was therefore non-existent unlike today where technology has turned the table on radio.

The golden era of radio saw on-air advertisements being used as the main way to generate revenues (Gratz, 2013). But the nature of the advertisements and frequency of their airtime on air tended to grow as liberalization grew or general expansion of the economies of countries. The expansions saw competition for services with radio being the prime medium to reach to the masses on the products. Radio stations tended to rely on announcements and commercials of companies. The variety of the commercials grew with the economy and frequencies infused in the different programming like talk shows and news. It is in these talk shows where discussions that endeared to audiences increased their ratings thereby also increasing commercials. The expansion of the economy also changed from in-house productions to pre-produced audio files from major professional advertising enterprises (Gratz, 2013).

Dubber (2013) notes that radio connects with people in different ways including with history, technological developments, jobs that people do in the sector, programs like drama, music, magazine, commentary, news, entertainment and documentary among others. These ways related closely with people, creating impact and relationships that they cherish. It is this connection that builds audiences necessary to attract revenues. Radio has specific characteristics that differentiate it from other media. Radio programs are traditionally structured according to the radio hour clock or block. Radio shows in that hour block have music, spoken and news content. Revenues are made by looking at the radio clock and dividing these three main contents to air advertisement. Moreover, different hour blocks have different programming that could fit specific advertisements (Hirschmeier, Tilly & Beule, 2019). In addition, some hours generate more money because more audiences are tuned in than others' but this is differentiated from one station to another. Morning shows could be the lead revenue generator for one station and for the other, it is the afternoon's drive show. According to MCK (2020), there are 168 radio stations in Kenya. All these radio stations compete for the same sources of revenue necessary for an inquiry into how some of them are staying competitive.

In Kenya, transmission by Radio started in Kenya in 1927 with advent of the East African Broadcasting Corporation (EABC) relaying BBC news to the colonies. English Radio Broadcasting begun in 1928, targeting white settlers who monitored news from their home and other parts of the world. The first radio broadcasts targeting Africans came during the World War II to inform parents and relatives of African soldiers what was happening at the war front. English broadcasts continued until the beginning of the war when Asian and African programmes were introduced. In 1953, the first broadcast service was created for Africans. African Broadcasting Services (ABS) carried programmes in Swahili, Dholuo, Kikuyu, Kinandi, Kiluhya, Kikamba, and Arabic. In 1954 a commission was set up by the colonial government to look into the future of broadcasting in Kenya. Its recommendations led to the establishment of the Kenya Broadcasting Services (KBS) in 1959 and regional stations were set up in Mombasa (Sauti ya Mvita), Nyeri (Mount Kenya Station) and Kisumu Station in Nyanza (at the time comprising the current Western Province and Kericho Districts) (Simiyu, 2015).

Research on the effects of competition on media performance for radio found that competition was related to increased amounts of staff-produced news and time devoted to staff-produced news (Hollified, 2016). The effects are related to the financial commitment that the radio station must bear, to better edge competition. The study however, affirmed that journalists feel competition improves the quality of their reporting and therefore with stiff competition they strive to innovate and come up with new models or sourcing for revenues. Sembra Media (2017) in a study of South American media found that models that engage the audience through membership and crowdsourcing models were a lot more sustainable in Latin America. They note that two pathways to such audience engagement models and revenue streams include “building audiences to drive traffic and advertising, or leveraging the loyalty of the audience to inspire micro-donations” (p. 8).

2.3.3 Radio in a Digital World

The mid to late 1990s saw a new digital era of online enterprises like Amazon.com and eBay. They became success stories that structured internet business, informing future emerging opportunities that could be tapped (Westerlund, Rajala & Leminen, 2011). They add that informed by this: “Early New Media business models were based mostly on graphical design and coding skills, because there was a great demand for firms to establish an internet presence, but also a lack of knowledge and software tools that would make anyone do a website easily” (p. 12).

The world has changed and what used to be available only on television and radio is now easily available through the phone or a computer. It is the age of information overload and instant gratification (Hudson & Rowlands, 2014). In this contemporary society, information that would be provided at certain hours of the day is written by the minute and published. This can be on social media platforms or when on digital platforms, once a writer has written and an editor decides they are newsworthy, they are easily available on the digital space. The digital media landscape is characterized by high volume of content at instantaneous speeds, interactivity in the platforms and content, low cost to none of establishing and running them and wider distribution capabilities among others. MCK (2016) assert that this ‘instant’ and constant delivery of information online has meant that new revenue streams become inevitable in this competitive media environment. Those in the media business are then compelled to be constantly finding new ways of delivering content to audiences if they are to remain in the profession.

Information technologies affect both economic structures as well as socio-cultural and political conditions that society depends on for survival. Carbonell, Zilles and Cuenca (2016) and Pavlik (2010) argue that these technological changes have influenced electronic communication platforms. The changes have affected the value chain in media, being readers, viewers, and users, which are what the media in turn “sell” to advertisers. Hollifield

(2006) says that competition in news media is often pegged on quality of content. It is the quality, which is often problematic to define as what leads audiences to interact more with one platform over the other. These audiences that are 'sold' to advertisers are increasingly moving to new platforms powered by technology, a situation that shrinks existing revenue models for media platforms, necessitating adoption of new business and revenue models or closing of shops. Furthermore, research on competition in media says that it has a negative effect on media organizations' market performance unless media organizations respond by investing more heavily in product quality. However, such investments are not possible when competition is so high that there are no profits (Hollifield, 2006).

Radio also has strong market segmentation according to languages, specific aesthetics like people listen to radio while doing other things and immediacy in the sense that it can evoke the impression of being live (Hirschmeier, Tilly & Beule, 2019). These features, unique in their own way, have a bearing on how advertisers engage radio to reach audiences. For instance, in the morning during traffic, some advertisers may find it opportune to place certain adverts knowing well that people are heading to work and can be engaged on radio stations. Macnamara (2010) discusses that the youth market has been abandoning broadcast content over the years as they turn to the internet for the same information. What he defines as "monolithic blocks of eyeballs are gone" (p. 2-3). The result is that advertising volume and rates have equally been falling. Falling rates were meant to at least ensure the broadcasters could still earn some revenues but coupled with reduced volumes, the broadcaster suffered immensely.

2.3.4 Media Economics in Radio

Media economics refers to the economic and financial pressures that affect a variety of communications systems, activities and enterprises including media and telecommunications (Picard, 2006). It is about looking at how a media entity works in its entirety, understanding the operating environment and market conditions that influence it, guided by the belief that financial and economic concerns influence how the media entity works. But as a subject area, it is also analyzing the economic context and behavior of media firms not just markets alone (Picard, 2006). The focus here is informed by reality that the economic context affects many other players in the economy hence important to consider how media firms behave given the general economic situation in society.

Radio is legacy media. Franklin (2014) asserts that the shrinking of legacy media is continuing, characterized by falling audiences, readerships and advertising revenues. To address the same, some newspapers have resorted to shrinking publication frequency to three times a week, as they struggle to meet other obligations like pension. Radio is more than a business. It is a medium for entertainment and plays a role in furthering democratic principles and building communities. Its potential as a social tool in this digital age also exists as the rise of mobile telephony continues to be observed. In this scenario, radio stations are today featured in mobile phones, taking its wireless capabilities to new levels (Dubber, 2013).

Ireri (2017) argues that the "Kenyan media is one of the most-respected, most-engaged, well-produced, thriving, sophisticated, innovative, and widely consumed media in Africa," (p. 4). He adds that when speaking on governance, the Kenyan media is a critical indicator of the vitality of democracy. He further asserts that three traditions characterize the media landscape in Kenya: the liberal-commercial, authoritarian-development, and advocacy-protest traditions. He says the main feature of the liberal-commercial tradition is privately-owned media that are competitive, commercial, and independent from official censorship. It is this tradition that closely aligns to this study.

Krumsvik (2017) explains that the news media as an industry serves a democratic function of informing audiences, facilitating debate and performing critical oversight. However, they are also commercial enterprises, some being privately owned, that need business to maintain a certain profit level for operations to continue. In Kenya, the majority of the media houses including radio stations are privately owned, with a few community radio stations formed to empower communities. But even these need some source of revenue to remain afloat.

Revenue drivers on digital platforms have three main characteristics as explained by (Hayes & Graybeal, 2011). They are the number of users on a platform, the level of consumer trust and users' willingness to pay for content. While nothing can stop a radio station from having a paywall, say if they have a website that publishes content, certainly the level of consumer trust and number of users count. In fact, using their airtime on radio, they can significantly increase users on their digital platforms/assets while the content they share and speak about can tamper with the level of consumer trust.

West (2009) is emphatic that "an economic crisis is a perfect situation to consider alternative models because news organizations have to think about different ways of doing business to stay alive" (p. 3). Indeed, what the media is facing is a crisis. A crisis in which the revenue base is shaky and if not addressed, the media establishment is threatened.

2.3.5 Value Chains in Media

Creating value to the public or audiences is what distinguishes media's role in society. They rely on it for information, which informs their day-to-day times but as Evens, Raats, and Rimscha (2017) explain, digital technology has had, and continues to have, a tremendous impact on how media organizations create value to the public. In radio, one would need to also appreciate the age of podcasts, radio on TV and YouTube among other ways technology is impacting the industry. They add that their place is however not to take a back seat, but to position themselves in the expanding value network. One way in which media houses are introducing innovation is through introducing mobile applications as a new distribution channel (Evens, Raats, & Rimscha, 2017). In Kenya, no doubt many media establishments have this option, but there is lack of data on the uptake of these applications as standalone options or in comparison with other mechanisms they distribute content. There is also a lack of data on how the same distribution mechanisms are supporting revenue generation mechanisms.

In a study on audience behavior in Spain, Gonzalez-Neira and Quintas-Froufe (2016) remark that the changes in the traditional media resulting from digitization have not only altered viewing dynamics but also assessment of viewer habits by the advertising industry. While the study was on television, it is a serious indictment of how they would still view radio audiences who are listeners and attendant advertisements. Dynamics of viewers include use of Apps to access broadcast channels, podcasts and radio being listened to from TV sets among others. Carbonell, Zilles, and Cuena (2016) argue that the value chain in media is based on the number of readers, viewers and user's which media sell in exchange for advertising revenue. "The value chain has now entered a critical phase owing to the advent of the social media, digitization and horizontal mass communication" (p. 1). For instance, many radio stations even in Kenya allow one to listen to the programs live on their websites.

Accuracy is something that Varzandeh (2018) posits easily leads to loss of credibility in online news platforms. Even as he mentions this as a challenge, maintaining professional standards for journalists should apply both online and offline. It is certainly a threat to the media, but which offers the greatest asset for the media to assert itself as the reliable, dependable and accurate sources of news. Such a media that attracts more readership and viewership can translate in better financial fortunes since advertisers rely on numbers to place ads. Those who fail to do so can also lose the readership and listenership hence not earn revenues. In fact, they potentially can be fined for ethical breaches by the regulator, the MCK.

2.3.6 Technology influence on Radio and Revenues

Radio and technology have combined forces over the years to develop and grow the communication landscape. It is the discovery of the electromagnetic spectrum and the ability to transmit signals wirelessly that helped empower the radio as we know it today (Dubber, 2013). Albarran (2004) explains that throughout its history, the radio industry has continually been impacted by the introduction of new technologies. The television in the 1950s created a massive structural shift in radio programming. It forced them to move from a block type of scheduling similar to today's television environment, to one with different types of music and talk formats. At the same time, when Frequency Modulation (FM) began to grow in the 1960s, the better music quality led to music formats abandoning the Amplitude Modulation (AM) dial for the higher quality FM bandwidth.

Technology has been transformational in the media space in that it has reduced the costs and time of production. It has also provided enhanced storage capabilities for original content. Picard (2011) explains that this process has taken over five decades starting with the production of newspapers, magazines, and books and then moving to television and audio production. The process has been referred to as digitization, a process of changing content production, distribution, storage, and consumption from an analog to a digital base. Its endearing feature is that it changes these bases from physical form to binary electronic form (Picard, 2011). But the media is not isolated. The same is happening in other industries and should be seen as part of advances in computing and telecommunications. Today, MCK (2016) explains that for media, interactivity has been one of the most cited characteristics of digital media. The interactivity is made possible by technology powered by the internet.

Pavlik (2010) while admitting that technology has since time immemorial influenced journalism, adds that the technological change "affects the way journalists do their job, the nature of news content, the structure and organization of the newsroom and the news industry and the nature of the relationships between and among news organizations, journalists and their many publics, including audiences, competitors, news sources, sponsors and those who seek to regulate or control the press" (p. 2).

Digitization can have both positive and negative impacts in an industry or organization. The MCK (2016) study explained that the media houses and journalists surveyed said technologies have aided the production of content. It has made it easier and effective to produce content and helped strengthen numerous revenue streams especially in Kenya's increasingly competitive digital media marketplace. It further added that one effect of digitization is on the practice of journalism as well as media businesses. One phenomenon that was inter alia unexpected is coopetition, in which Standard Group and Radio Africa partnered to work together to advance common interests (MCK, 2016). At the time of the agreement, it was to ensure the digital migration that was taking place does not negatively impact them. The practice is underpinned by the thinking that synergy, resource maximization and cooperation can generate benefits and growth for everyone involved. In addition, it acknowledges that cooperation and not competition may be the key to future success, especially in guarding investments against common exposures that could lead to losses.

The internet has changed the radio landscape by providing different mechanisms for not only accessing information, but also afford radio content related formats like live streams, podcasts, downloads and interactive radio stations. There is also satellite radio that has opened broadcasting to much larger geographical areas. In some countries, this has introduced paid subscription models (Dubber, 2013). In Kenya, Homeboyz Radio, Milele FM and NRG Radio have embraced live streaming, where they live stream some of their talk shows on platforms like their websites and Instagram but still a grey area whether they are earning some revenues through this or the livestreams are meant to boost interactivity and familiarity with audiences.

2.3.7 Understanding Audiences

Varzandeh (2018) argues that news on digital platforms can facilitate voices of people who would not have voice in mainstream media. He adds that digital platforms have also made communication more interactive than before and this gives audiences power to allow for a two-way information flow. An interactive communication is synonymous to talk shows in radio, albeit, the show hosts still have authority to decide who they engage, the duration and limits as to what they can say on air.

Audiences are the lifeblood of media and if they move, media struggles with its existence. Krumsvik (2017) affirms that audiences today are increasingly moving their news media consumption online. They are shifting to social media. He adds, rightly so, that global platforms such as Facebook and Google are taking larger shares of advertising revenue. As a result, legacy media have been disrupted and resort to downsizing staff, consolidating production and merging operations. This is the case that Kenyan newsrooms have found themselves in recent years. But it is not unique to Kenya, it is global. It could be that those surviving or still running have probably invested in better or robust revenue streams which the study will help unpack. It would also establish how viable they are and the place of value addition to content in these new approaches.

Kalogeropoulos and Fletcher (2019), writing in the Reuters Institute Digital News Report for 2019 assert that no matter how good reporting may be, if people do not value it, it is unlikely to have a significant impact on public opinion or public knowledge. This shows how critical audiences to a media house and the inherent importance to ensure news as a public good is accorded due importance. Media houses are challenged to create content that will be valuable to audiences. In the Reuters study done across the globe, more than half of the people agreed that news media keep them up to date with happenings while half said it helps them understand current events. This illustrates the importance media still holds in society. But responding to audience demands and expectations is not always a straight line. Multiple factors play a role, some resident among journalists themselves in how they perceive the feedback while others in how traditionally newsrooms have operated in accepting or declining audience input. Anderson (2011) says that one reason is disconnect between journalists and audiences but distrust of audience news judgment. He rightly adds that the division between the editorial and marketing departments also contributes to the lack of appreciation of audience demands by journalists.

Today, there is a need "to implement emotional communication, interact with more committed users, tell stories through a close, coherent, transparent and credible narrative that offers a valuable proposition to customers". In addition, "media outlets must be capable of generating engagement beyond the mere commercial transaction. In such a scenario, stories and friendly experiences through media and informative content and entertainment (advertainment) of interest to the user" come to life (Castello-Martinez & Monserrat-Gauchi, 2016, p. 112).

2.3.8 Business and Revenue Models

Hayes and Graybeal, (2011) asserts that even while traditional media is struggling to make ends meet, new digital online news platforms are not thriving either. Picard (2011) affirms that while the internet creates opportunities for online content, its monetization capabilities are limited especially for news and general information providers. He argues that this is because news is abundantly available on many platforms at little if any cost to the end-consumer. Picard (2011) argues that traditional media contents were created in technical, economic, political and information ecosystems that no longer exist. For them to thrive today, they must revisit the foundations of their businesses to ensure they are providing the central value that customers want and that the content they provide is unique or distinctive enough to attract audiences that would in turn help them to monetize.

Picard (2011) notes that the fundamental problem for media firms does not reside in the fact that the revenue portions of their business models are ineffective, it is that too many of them are trying to sell 19th and 20th century products in the 21st century. He adds that in many cases, they are doing this without a better or different value proportion.

Ireri (2017) asserts that decisions journalists make in creating stories at times depend on the amount of autonomy they enjoy at the workplace. This autonomy while diverse in nature and interpretation, has a consideration for revenue, especially its source. If journalists have diverse sources of income, their autonomy is likely to be higher than the reverse. The discussions and solution on the right model remain an on-going challenge, world over. Evens, Raats, and Rimscha (2017) assert that better approaches are not about changing the entire model but embracing multi-dimensional nature in a coordinated manner. The comment speaks true to the need for learning as a media entity adopts new revenue and business models for their survival.

But McManamara (2010) asserts that one challenge has been the traditional media executives being slow to embrace digital platforms and seeing them as less valuable to audiences. He cites executives in countries like Australia and the United States of America (USA) as calling blogs as parasites and devoid of intellectual rigor in their content. He adds that the failure to recognize the potential and public demand for new forms of content and distribution methods has led them to trail in tailoring content to the Web 2.0 environment of social media and social networks. The environment is that of a changing cultural economy that media houses must be alive to.

This is not very different with Kenya where at first, the focus has been to handle digital from a distance and to publish content online in the exact format as traditional like newspapers. In terms of revenues, the Kenyan scenario has also been as an advertising-based model. Hayes and Graybeal (2011) says that the model requires large or highly specialized and diverse viewership to achieve optimal production. Such an optimal production sees sales, banner advertising and affiliate advertising increase or count for a media house. For a radio station that has embraced digital platforms, the banner advertisement placement, social media influencing, and affiliate advertising could be the options on the table. Chyi (2005) asserts that the advent of online medium has forced internet news publishers to experiment with different revenue models as they seek to achieve profitability. These are subscription models, the advertising model, the transactional model, and the bundled model.

Falling revenues, where media is heavily reliant on advertising, is forcing them to think of new sources of income. But innovation is not an easy solution to embrace because it also requires resources, something many media companies find inadequately willing or able to invest (Krumsvik, 2017). Moreover, even though advertising is declining, there are contemporary ways in which it can still be embraced by media entities. On the internet, pop up ads are being discouraged from a strategic perspective because they block viewers from content compelling them to first see the advert. This leads to bad user experience that discourages them from engaging with the platform again. McManamara (2010) speaks of rich media that involves video, sound and graphics, interactive applications like advertising in games and targeted media also known as 'behavioral targeting' where search engines give user behaviors to target relevant adverts. Events are another opportunity for radio stations to host and invite businesses to serve as co-sponsors by paying a fee. In Kenya, one can look at road shows that are held by radio stations, with some being sponsored (Albarran, 2004).

Radio stations often operate 24 hours a day, 7 days a week, 365 days a year and this continuous operation promotes loyalty and stability among radio listeners. The ubiquitous nature provides an unending supply of time available to audiences and advertisers, whenever access is desired. In addition, stations can also target different demographic groups, forming another way to think about the supply of radio. This ability to reach different formats makes it particularly attractive to advertisers who seek particular audience profiles (Albarran, 2004). One can look at the Kenyan landscape where you have stations like Capital FM that target the urban areas, mostly middle class, Ghetto Radio that targets young people with their sheng' language, Swahili stations that have a national appeal and vernacular that target those who hear and speak a certain language.

Paywalls though extensively discussed globally as a viable option; research conducted in eight countries found out that it only helps generate 10 percent of a media companies' revenues. It is no wonder that Kenyan media houses have been slow to embrace the model. Paywalls also derive their power from an ability to pay, which while for some they can be seen as excluding important news from reaching the public, particularly those who cannot pay for it (Franklin, 2014). This being an ongoing conversation, it is important for media managers to understand that the success of business model innovation will significantly be reliant on acceptance by the customers. Media organizations need to constantly learn through insights on consumption habits and preferences of audiences (Evens, Raats, & Rimscha, 2017). Their changing habits and preferences can better inform any new value-creating opportunities.

In addition, conversations on both business models and revenue models need to consider the impact of policy and regulatory reform (Evens, Raats, & Rimscha, 2017). In Kenya, one cannot fail to recognize the impact of the Government Advertising Agency (GAA) on ads placed in the media. Media reports have indicated how huge debts the institution owes media houses in addition to an opaque process used to determine which entities earn advertising and which ones do not. Certainly, the whole world is grappling with a reliable replacement for advertising-led models. Franklin (2014) says the better way forward is embracing multiple revenue streams. The streams include pay walls, advertising on mobile devices, the sale of newspaper apps, crowdfunding, crowdsourcing and co-creation, hyperlocal business models, funding from not-for-profit organizations, private foundations and think-tanks, public funding, sales and subscription and finally monetizing hyperlinks.

One approach that has been embraced in Kenya is what Mcnamara (2010) calls a slash and burn approach. It is a cost cutting measure where staff and other costs are reduced in order to maintain profitability. But this approach is not sustainable but equally leads to staving the media of quality content, research, and development (National Association of Broadcasters, 2019). In Kenya, the approach has seen the most experienced journalists and editors fired and replaced by less experienced who have lower wage demand or merging two or more functions to be handled by one person. The result has been poor journalism that the public questions quality of content.

What is coming out is that media houses will need to consider a plethora of avenues to generate revenues which could equally be complex than ever before, (State of News Media report 2011). Even those being used like advertising and paywalls among others continue to evolve. It means revenue models will become an ongoing conversation in general on the media and specific to platforms, say broadcast and print or text.

As growth and adaptability of technology and the internet grew, the media business had to find space for itself. The media business requires specialization in core competencies in order to develop business model-specific capabilities (Westerlund, Rajala & Leminen, 2011). This is informed by the reality that in the media industry, augmentation of audiences is what is prevalent (Sankatsing, 2007).

In discussing revenue generation mechanisms, media viability and media sustainability become important concepts. While viability is about good journalism in a sustainable way, sustainability is about diverse revenue sources in the long term (Sakr, 2017). At the end of the day both concepts respond to the need for high quality journalism with robust revenue models in a sustainable way.

Westerlund, Rajala, and Leminen (2011) affirm that today Ad-sponsored business models in the media appear to be increasingly prevalent. Here, media products like newspapers are offered for free to consumers as they run advertisements. The model is however prevalent in newspapers, like in Kenya, The People Daily. They cite Metro, the world's largest newspaper measured by circulation as also being free and has ads. The radio equally functions the same way in the most part, where the frequency is accessed for free by the public, but they run ads to fund the station. Another revenue generating mechanism that the media is adopting is paywalls. It is not one-size-fit-all, or the silver bullet, some success stories like New York Times today which had to pull back on this mechanism in 2007 to first evaluate before re-engaging it. Westerlund, Rajala, and Leminen (2011) explain that there are two kinds of paywalls; a full paywall requiring payment for all content and a hybrid model offering some content for free and others, perhaps specialist content at a cost. This is done through subscriptions or micro-payments. Radio has not succeeded in this area as music played on radio has to be paid for in form of royalty by the radio station and it is imperative to establish the equivalent strategies used in radio.

The business model that comes close to radio and broadcasting in general is public funding. Australia Broadcasting Corporation (ABC) and the UK's British Broadcasting Corporation (BBC) receive full funding from the government. The Special Broadcasting Service (SBS) in Australia is also partly funded by the government. Westerlund, Rajala, and Leminen (2011) discuss that the model is not very popular especially beyond national broadcasters because it is seen as over-subsidization and overall high demand for services from governments mean that it would not make sense to also fund media. Hollified (2016) explains that in an ideal situation, financially powerful media organizations are good because there can be little influence on content they report. But since competition has reduced media profits, media have become more vulnerable to commercial and economic interests of the corporate world and the political elites. This situation reduces media independence and quality of media content.

Discussing future revenue generation for radio, there is need for them to follow an audience strategy that should identify new audience segments and define dedicated target levels of reach and cultivate consumer interaction as a lifecycle of three elements: reach, engagement, and connection (Hirschmeier, Tilly & Beule, 2019). In addition, social media integration has the power to leverage on content. Indeed, in Kenya, some media houses have taken to using their social media platforms to publish sponsored content of advertisers. However, the extent to which radio has used social media to leverage on content or even generate revenues is a subject that needs empirical investigation, even though most radio stations are increasingly integrating the visual aspects on the digital platform.

One revenue model that could perhaps be taking place in Kenya, but which studies have yet to write about is sales commission. The approach has been suggested by consulting firms Deloitte, Klynveld Peat Marwick Goerdeler (KPMG) and PricewaterhouseCopers (PWC) (Westerlund, Rajala, and Leminen, 2011). Some radio stations for instance, Classic 105, sponsor products like cars where a consumer is informed of it on radio and advised to visit their websites to see more details like features and price. But there is limited knowledge on whether they use the model and if they do, how widespread this is and how they devise the commission and the extent to which such commission models contribute to viability. Today, there are more than 168 accredited radio stations registered (MCK, 2020). The stations are mainstream which broadcast in English and Kiswahili, community which have a restricted frequency radius of five kilometer, albeit one can get an extension and vernacular stations which broadcast in local languages. In such an environment, Pillay (2017) asserts that advertising income and alternative revenue sources are critical to sustaining the stations.

This study is important as it seeks to examine specific approaches to generating revenues that radio stations are employing amidst the digital disruption, especially the internet as they have survived, and new stations are coming up.

2.4 Summary

This chapter has discussed radio revenues in Kenya in a competitive media environment. Although there is anecdotal research on media revenues, business models and revenue approaches around the world, very little has been written in Kenya and radio specifically. The chapter provides a foundation on revenues in the media broadly, how different players in the world are approaching it and brings out gaps in radio revenue research both globally and in Kenya. The Chapter has also reviewed some key literature from scholars on media on business models and revenue generation globally. Finally, the chapter has discussed key theories that have been used in this study which include strategic management theory and media economics theory.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design, approaches and the methods that were used to collect and analyze the data. It entails the population, sample size, sample selection, data collection method and analysis to achieve the objectives of the study. The study was meant to investigate the effects of digital disruption on radio revenues among urban radio stations in Kenya.

3.2 Research Approach and Research Design

The research adopted qualitative approach. In explaining why qualitative studies are popular in social science research, Marshall and Rossman (2016) explain that such studies help to bring out deeper understanding of issues and experiences. These kinds of studies seek to explain the world rather than measure it (Ioro, 2004). Such research can also elicit multiple realities, important for understanding phenomena, positions, experiences or organizations. In addition, qualitative studies are important where the researcher gathers the data in its natural context and setting. Ioro (2004) affirms that journalism and qualitative approaches to research share many commonalities. They both require deep understanding of phenomenon to better explain phenomenon to audiences. The understanding comes through probing and seeking information from different sources to make sense of an issue.

3.3 Population

This study focused on radio stations and media research and monitoring institutions. The study intended to capture data from station managers, media owners, and business executives who are knowledgeable on revenue dynamics in the stations. According to MCK (2020), there are 168 radio stations in Kenya as at the month of July (2020). The media research and monitoring institution periodically conduct research on media trends, strategies and approaches hence becoming useful for the study for key informant interviews as well as reviews of the reports they have produces.

3.4 Target Population

Mugenda and Mugenda (2013) describe target population as the complete set of individual cases or objects with some common characteristics to which the researcher uses to generalize the results of the study. Kumar (2019) adds that it is the population that a researcher wants to base study findings on. The base could be a group of people or individuals that the study applies. The target population was four radio stations and four media research and monitoring institution.

3.5 Study Site

The study targeted editors, owners, station managers and business executives from four of Kenya’s mainstream media organizations, namely: Capital FM, Spice FM, Royal Media Services and the Kenya Broadcasting Corporation. All the four radio stations are based in Nairobi but have bureaus and staff across the country, the study was conducted in their specific newsrooms and on zoom.

3.6 Sample size

The sample size for the study was seven staff or owners of the four radio stations, where in each station at least two people were interviewed. However, emphasis was on saturation point of the study as a whole during the interviews. There were also five interviews from media research institutions to make a total of 12 as the sample size. One of the natures of qualitative research is flexibility, which would allow the researcher to even interview multiple people. If one individual raises a point, the researcher can follow up with another individual who is best placed. In interviewing the staff who could come be owners, or derived from marketing, finance or editorial, consideration was made whether the radio station is part of a group or single station. For instance, Spice FM is part of Standard Group and therefore interview sort to include the head of radio at Standard Group. The study categorized the radio stations into four categories; National, Urban, Local Languages and Religious based on understanding of media landscape and need to get rich data. For purposes of the study and considering that the study is on revenue generation, the study left out community and university radio stations since they are not commercially driven but community centered.

Dworkin (2012) affirms that scholars talk of saturation and not the number of people to interview, when conducting in-depth interviews in order to get a good picture of the revenue generation dynamics. Saturation refers to a point in the data collection process where hardly any new data or information is being generated. Editorial and business managers support the day to day running of activities related to revenue generation and shape the stations' decisions on revenue, content, audience and innovative ways of generating content and revenues, hence critical for the study. The researcher sought guidance from the stations' management to determine the most appropriate person to interview.

3.7 Sampling Procedure

The study used purposive sampling. The four radio stations were selected based on the researchers' knowledge of the media, data needed for the study and radio landscape. It considered the categorization; National, urban, reach, broadcast content (agenda), target audience, geographical operations, and language. It also considered similar characteristics among the stations in each category and selecting those that are less similar in order to generate rich data. Capital FM was selected since it highly uses the internet, has a niche urban audience and is the oldest private radio station; Spice FM is a new station and part of the Standard Media Group; Radio Citizen broadcasts in Kiswahili, ratings have shown it has the highest listenership in the country and part of the Royal Media Services media fraternity; while KBC Radio Taifa is a state broadcaster.

Table 1: Selected radio stations

Media Organization	**People Interviewed**
Capital FM	2
Spice FM	1
Radio Citizen	1
KBC Radio Taifa	3
Total	**7**

These are the individuals who are involved in the day to day running of the stations specific to the study and make decisions on strategy. These individuals also implement or oversee implementation of the strategies. Daymon and Holloway (2010) recommend a sample group of heterogeneous members to be between 12 to 20.

3.8 Research Methods

The researcher employed exploratory research design to deliver on its objectives. This is where a researcher employs more than one case study to generate data. This involved investigating how four radio stations; Capital FM, Radio Citizen, Spice FM, and KBC Radio were operating in the current competitive media environment. Zainal (2007) affirms that exploratory research allows for the exploration and understanding of complex issues. When it entails in-depth investigations, it is considered a robust research design. Social and behavioral problems in society lend credence to this research design because of its nature to perform deep inquiry. Revenue models and new approaches especially in value addition in content can better be understood through in-depth inquiry. Lune and Berg (2016) explain that researchers employ intrinsic case studies when they want to better understand a case or issue. In addition, when a researcher employs exploratory design, they can analyze data within each situation and across different situations (Yin, 2003).

In exploration, the examination of the data is most often conducted within the context of its use, like a newsroom's revenue approaches. This enables a researcher better to understand authentic text or knowledge they are getting. Further, they can bring out the complexities of real-life situations. This may not be well captured through other means like experimental or survey research (Zainal, 2007). Employing this design ensures there are no generalizations but in-depth understanding of new revenue generation models which can then be applied in similar situations. The media houses chosen share a lot of economic and market dynamics with others in Kenya and the region.

3.9 Data Generation / Collection Tools

Interview guides and document review guides were the way data was collected. The interview guides were semi-structured where a set of predetermined questions was asked to generally guide the process and ensure it maintains the objectives. When responding to the questions, there were follow-up questions made through probing from the answers the respondents gave. If they do not, again, the learnings were made. This helped to better clarify some things and ensure in-depth knowledge is derived in a systematic manner

In addition, documents review was also used. There are important research documents produced, like by Geopoll, Media Council of Kenya, Deloitte, PricewaterhouseCoopers and Kenya Audience Research Foundation (KARF) that were reviewed for the study.

3.10 Data Collection Procedure

Iorio (2004) affirms that a key principle of qualitative case study research is the use of multiple sources of information, which is what this study sought to do. Being exploratory study research, data collection was primarily through interviews and review of secondary data from research on revenues and audience measurement. The nature of interview questions was structured in a manner that helps learn the revenue generation approaches and interaction with digital platforms. The interviewees were of staff from departments that play a critical role in day-to-day decisions on revenues, competition and innovation. This is because they are more relevant to enriching the study from a practical lens as they handle the issues on a daily basis.

The researcher also conducted key informant interviews with the regulator, Media Council to not only understand revenue generation approaches in radio but also the grant they will be rolling out for community media. The Council intends this to build into a Media Diversity Fund for media in the country. They also produce annual status of the media report, providing useful insights in the media in the country. The researcher also interviewed media research firms; Kenya Audience Research Foundation, WPP Group and TIFA Research.

In addition, documents review was also used. There are important media research documents produced by institutions like PricewaterhouseCoopers, Media Council of Kenya, Ipsos, Deloitte, and Kenya Audience Research Foundation (KARF) which helped generate data for the study.

Moreover, once data was collected, there was triangulation of the research findings, then creation of a case-study database where each case study was stored and finally creating a logical chain of evidence.

3.11 Pre-Testing of Data Generation Tools

Pre-testing the data collection instrument was an important process that builds quality control measures in the research. The researcher piloted pre-testing by conducting two in-depth interviews with station managers at one of the four radio stations. The researcher also piloted one interview from a key informant. The pre-testing helped the researcher determine the understanding of the questions and make necessary corrections, where necessary. It helped refine the questions on trends and strategies to better generate data for the study. The interviews were recorded for reference. Preliminary data was used to improve the tools.

3.12 Data Analysis and Presentation Plan

The data was be analyzed thematically based on characteristics that were established during the interviews. Interrogating the themes established during the interviews was analyzed with the aim of bringing out experiences from respondents to answer the research questions. These are the aspects that relate to the overall research question. It was theme triangulated according to the objectives of the study. Thereafter relevant material was selected and used to build a coding frame. There was then be segmentation of the data that lead to trial coding. Evaluating and modifying the coding frame was done, which informed the main analysis.

3.13 Validity and Reliability of Research Tools

Reliability can be defined as the consistency of the information given and whether the questions answer what they are supposed to be answered will show their reliability (Kumar, 2019). The questions in the interview were pre-tested with one key informant and three people from radio stations to ascertain the need for any changes. This process indicated their ability to generate the required data.

Validity is the extent to which a concept is well founded and corresponds accurately to the issues at hand (Kumar, 2019). Terms that can be used to explain validity include trustworthiness, authenticity and credibility (Creswell, 2014). Since the interviewees were from different institutions performing different roles, from those at the strategy level to those that implement, they helped provide good data. The radio stations chosen as case studies are some of leading media outlets in the country informing the thinking of leaders among other stations in the country. They are also diverse, catering for different markets, making the data generated rich and useful.

3.14 Ethical Considerations

The researcher first sought clearance from the Aga Khan University - Graduate School of Media and Communications (AKU-GSMC) Ethical Review Board. Secondly, the researcher sought clearance from the National Commission for Science, Technology and Innovation (NACOSTI). These reviews were crucial in approving data collection in the field.

The researcher also sought consent from the interviewees before proceeding with the interviews. The researcher explained the importance of the study to the journalism profession and the radio industry. Through the study findings, radio stations can learn from each other how they are advancing their journalistic work to ensure they continue to survive in the competitive business environment. The stations that also do strategic planning can find information from the study to inform their planning for the coming years.

The researcher secured written consents from the individuals being interviewed. In seeking their signatures for consent, the researcher disclosed the purpose of the study and informed interviewees that they are free to withdraw the consent at any time.

In undertaking the interviews, confidentiality, anonymity and privacy were respected and accorded to the greatest extent possible. These were important because interviewing competing media stations, data on their strategies to generate more revenues is vital and needs to be protected. For confidentiality and anonymity, this was not only endeavored for the study but also emphasized by the researcher to the participants.

The privacy of information provided during the interviews and where the participants seek their identities not to be revealed was exercised. It was not waived or sought to be waived. In addition, the interviews were conducted in public spaces and at the comfort of the participants. Furthermore, no money was paid, or monetary value attached to collect data for this study.

The researcher did not anticipate any risk, including job security that the study could threaten the participants. However, considering that some documents like strategies are considered company secrets, the researcher first sought consent from the relevant authority at the organization to secure their consent to interview staff. Secondly, the researcher did not include information that was considered risky. Third, the researcher communicated and promised the freedom by the participants to withhold any information they feel could jeopardize or be a risk to their jobs or in any way they would be uncomfortable to divulge information. Fourth, the researcher informed the highest authority of the organizations on who is the target for the interview to also secure their approval to share information.

3.15. Summary

This chapter outlined the research methodology process, which included the research method, design, population, sample size, data collection and analysis procedures. A rationale was provided for the choices in the methodology. The section included some ethical considerations that arose during the fieldwork phase.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1. Introduction

The purpose of the study was to establish the effects of digital disruption on radio revenues among urban radio stations in Kenya. The study sought to find out how digital disruption has impacted radio revenues, the strategies employed to generate revenues and trends in radio revenues in a competitive media environment. This chapter presents the findings of the study after interviewing 12 participants who were selected purposively and undertaking documents review of eight media research and analysis documents on revenue generation and audiences in Kenya. Out of the 12, five were in-depth interviews of the key informants and seven were interviews of personnel from radio stations. The researcher was meant to achieve saturation in the data collection process in interviews before embarking on analysis, interpretation, and presentation. The analysis, presentation, and interpretation were done in line with the research objectives and research questions. Data is presented thematically.

4.2 Presentation, Analysis and Interpretation

4.2.1. Respondents Overview and Demographic Results

The researcher interviewed seven participants from four newsrooms and five key informants. The seven participants were selected from Radio Citizen, Spice FM, Capital FM, and KBC while the key informant interviews were selected from Kenya Audience Research Foundation (KARF), TIFA Research, Media Council of Kenya and Scangroup. The key informants comprised of one female and four males who are experts with extensive experience in newsrooms, media management, academia and research while the interviews were conducted with station managers, marketing managers and commercial division personnel. The participants were contacted through phone calls, followed by courtesy emails. Seven interviews were conducted in person, one interview was conducted via email while four interviews were conducted via zoom. All the interviews were recorded with permission from the respondents.

4.2.2 Findings

Once all the interviews were transcribed, the researcher indexed the key words and phrases while reading through the transcripts. The researcher looked out for terms that stood out by bringing out revenue issues, words and phrases repeated by two or more participants, surprising statements, and those which participants explicitly said were critical. The key words were then classified together based on similarity or connection for the emergent themes. The researcher then crafted themes from the indexes based on the research questions. The findings are presented in narratives form as emergent themes in response to the research objectives.

4.2.2.1 Research Objective One

The first research objective sought to find out the trends in radio revenues in a competitive media environment in Kenya. The findings established that there are six major trends. They include declining revenue, decline in mass market approach, revenue sources wiped out, digital migration, stiff competition and devolution.

Decline in revenues

Radio stations like the media in general has been recording declining revenues. The phenomenon is complex as it is linked to the economy. A thriving economy means that there are many sources for revenues for media but without it, there is little to generate. A respondent noted that:

> Media expects to generate revenues from the economy but the economy has not been doing well the last ten or so years. Even when you get some advertisements, the payments have been taken too long, months and in some cases years before you see it in your bank account.

However existential the reason behind the decline has been, there have equally been decisions or preferences by advertisers on which media to use over the others. On the same script, a respondent stated that:

> Six years ago, people moved advertising to TV. Radio started feeling the heat. When they were coming back, the same cake was being distributed across many radio stations which had been registered, so radio really never recovered. The least revenue decline was 15 percent.

There is also the government's expansion in electricity across the country that has had a negative impact in radio advertising. A different respondent said:

> The government's last mile connectivity deepened access to electricity in very, very many places, perhaps, all parts of the country, but the economy is not large and vibrant. It meant therefore that people bought more TVs and therefore advertisement went to TV less than radio because, you know, TV has more appeal because of its audio-visual effect.

The decline in revenues is also leading to radio stations thinking of how they can turn their fortunes by reducing their pain points. A respondent argued that:

> The solar power project we are working on can be able to replace electricity and will be able to reduce the costs so that our revenues actually make sense. You know, you have to pay power and it is very expensive, but if you could be able to use other source of power to run the transmitters, you can save a lot. Irrespective of whether we are getting anything or not, we need to cut off expensive costs to reduce pressure on running the station.

The reason behind establishing radio stations, where profits are the primary motive need to be alive of what declining revenues means in the medium term and long term. Even though Kenya has seen several radio stations close shop, each station will need to make strategic management decisions that will make them more competitive. It has not been an isolated scenario where only a few have experienced declining revenues but across the board, yet many still operate maximally. It means that each station will have to self-introspect and work towards staying and thriving in the game.

An overview of the Total Advertising Industry Media Activities in Kenya by Ipsos published in July 2020 for data collected between half years of January to June 2019 and the same period in 2020 shows a decrease in 33 percent of advertising spent. During the period in 2019, the ad spent was sh74.5 billion while in 2020, it was sh50 billion. The report is unequivocal on the decline of revenue even before COVID-19 hit the country. The Ipsos report read:

> Before the 1st case of Covid-19 in Kenya, the industry spends were still trending below same period last year.

Furthermore, the Competition Study of the broadcasting industry in Kenya published by Deloitte in 2012 indicates that share of radio revenues between 2006 and 2011 generally declined. Although the data targeted Media Groups where it collected data from Royal Media Services, Mediamax, KBC, Nation Media Group, Standard Media Group, Radio Africa and Capital FM, Capital and Royal Media are part of this study recorded decline in share of revenues. Royal Media Services dropped from 28 percent share of revenue to 24 percent while Capital Group was from 23 percent to 13 percent. Deloitte report noted that:

…the free to air radio market is effectively competitive at present. …radio advertising market is fiercely competitive.

The Deloitte report remarked that each radio Group negotiates a significant share of its revenue via between one and three advertising agencies, indicating that the radio Groups face countervailing power. This deepens the competition that is present, though normal in a capitalistic society. The decrease in share of revenue further points out the shrinking space the stations still need to compete for advertising.

A 2019 report by media research companies Reelforge and TIFA Research gives insights into advertising spends in radio, TV and print between 2014 and 2019. Two key issues can be deduced from the study. The first is that top advertisers over the period have not been consistent. For instance, Safaricom appears as the top spender in 2014, 2015, 2016 and 2019. It was second in 2017 and 2018. The Government of Kenya was the second top advertising spender in 2014 and 2015. In 2016 it did not appear among the top 11 advertisers, it was the first in 2017, ninth in 2018 and fourth in 2019. The second issue is that there is a general decline and lack of consistency in advertising expenditures by the companies. For instance, Lotto spent sh5.61 billion in 2017, sh4.59 billion in 2018 and sh1.95 billion in 2019. In the six years under review, Unilever Kenya only appears among the top 11 advertisers in 2014 where it spent sh1.96 billion and in 2017 where they spent sh2.15 billion. These inconsistencies affect revenue generation for media.

The Ipsos Media Audience Measurement Tracker Survey (2018) industry exposure rankings for top 20 companies for the years 2017 and 2018 all showed decrease in the rankings. Industry exposure ranking is the value of all the advertising spots in the country, a critical tool of establishing how much and how far brands go to be seen by audiences. For instance, while in 2017 the industry exposure value for Coca-Cola was over sh8 billion, it was KSh. 2.88 billion in 2018. The government of Kenya was KSh. 6.5 billion in 2017 while in 2018, it was KSh. 4.05 billion. Betting firms Kenya Lotto had KSh. 3.7 billion in 2017 and KSh.1.7 billion in 2018 while Sportpesa had KSh. 3.1 billion in 2017 and KSh. 2.7 billion in 2018. Among the top 20 brands, only Safaricom had a notable increase from KSh. 7.9 billion in 2017 to KSh.10.8 billion in 2018.

The industry exposure findings give insights into some of the top advertising brands in the country and how their advertising exposure has reduced, some by close to a billion shillings in just under one year. Although no explanation was given as to what could be the reason behind the reductions in exposure, it could reflect the general economic conditions that businesses and the country are facing, forcing companies to reduce their advertising budgets. This is because the advertising exposure findings are not just about how they advertise in the media or the internet, but also their own platforms like websites and social media handles.

The reports are critical in understanding the advertising dynamics. First, there is a growing appetite to reach niche audiences. Secondly, it describes some factors leading to reduced advertising market in general as impact from legislative and administrative efforts by government to the gambling industry. Thirdly, internet advertising is not only growing, but competing with radio and TV. Fourth is that inconsistency in advertising spends and decline in revenues are a reality in the media industry.

Decline in mass market approach

The advertising market is changing and what they considered important, specifically mass market, wanting everyone and anyone that can be reached to be reached is no longer the case. There are those who want this, but many want more engagement, conversion and target audiences. A respondent opined that:

> Marketing budgets have been reducing over time. I have been in the media marketing business for over six years and I can see the same previous clients we got adverts for, the amounts are lesser today than they were six years ago. And now, these less figures are more targeted. Someone wants specific profiles of people in specific neighborhoods not just anyone.

There is also some knowledge already, informed by ratings, including on digital platforms on which media platforms are best for their products among marketers. One respondent reported that:

> The market is very competitive and tuffs are very clear. So, you find whoever earns when the advertiser wants specific products to go to specific profiles, they know who to go to.

There needs to be a conversation within radio stations' management to learn this trend and adopt unique strategies and approaches that will better endear to advertisers. The ability of radio stations in aptly understanding their audiences, however small, is what will set them apart and enable them continuously generate sustainable revenues. Moreover, not losing sight of the overall approach of using ratings is important because there are advertisers who still focus on ratings in determining who they will allocate adverts.

Stiff competition

The Kenyan radio industry is very competitive. On the vernacular front, there are many stations even within the same language. A respondent presented that:

> In the last ten years, a huge change has taken place in the radio landscape with the considerable increase in radio stations in the market. But the advertising cake has not increased.

However, within the competition, there is lack of seriousness among the stations to want to stand out in order to attract advertisements. A respondent commented that:

> In some of these radio stations that call themselves vernacular, seven out of ten minutes they are on air, they speak in English and you wonder how they expect to be ahead of the curve and beat competition. It is self-defeating.

Another challenge they face is their inability to attract diverse revenues because of weak raison d'etre that informed their opening. They are sometimes neither pure businesses to make profits nor provide public good or perform public interest work. One of the respondents commented that:

> Some of these stations were opened by politicians to be their platforms to gain popularity. So, the way they run them, you wonder how they actually expect to make money. They have no structures and procedures and even hardly pay their staff. An owner can go on air or interfere with management because they view it as private property. So, to them, being competitive is not really in their interest.

MCKs status of Media Report 2020 has three Kikuyu stations among the top 24 radio stations in the country. They are Inooro FM which is fourth, Kameme FM which is fifth and Gukena FM which is 22nd. Luhya stations are two, Mulembe FM which is 19th and Sulwe FM which is 23rd. In Kiswahili, which has historically had the highest listenership, competition is also high and the general number of stations in the country is high. In fact, the first three most popular stations in terms of reach all broadcast in Kiswahili. They are Radio Citizen, Radio Maisha and Radio Jambo. The data shows how competition is high even among stations that broadcast in the same local language.

According to the Kenya Audience Measurement Survey (Q3 2020) by Ipsos – Kenya Audience Tracker (IKAT) compared to 2019 data as at November, while Radio Citizen's reach was 19.3 percent in 2019, it was 14.7 percent in 2020, indicating a decline in reach. The station however maintained the lead with the highest reach in the country. KBCs Radio Taifa had 3.2 percent in 2019, in 2020, it was at 0.6 percent.

The data indicates a trend in reach of two of the radio stations that were part of the study. There is a decline with KBC experiencing higher decline than Radio Citizen. The decline is due to competition in the radio business. This competition also sees different stations tip each other for national reach and regional reach over the past decade. For instance, Radio Maisha, Radio Jambo and Radio Citizen have been fiercely competitive for the top spots. The KARF data for fourth quarter of 2018 showed that Radio Citizen led by 12.0 percent, followed by Radio Maisha at 6.5 percent and third came Radio Jambo at 6.4 percent. The MCK Status of the Media Report for 2020 showed Radio Citizen at 19 percent, followed by Radio Jambo at 14 percent and third was Radio Maisha at 10 percent. Evidently, the three are not only competing fiercely against each other but also individually increasing their market share. In fact, the audience measurement and industry trends report for the first quarter (2019-2020) by the CA gives more data on stations listenership by prime-time vs other programming time. Radio Citizen leads in Other Programming Time blocks, Prime Time (Afternoon - 3pm - 8pm) and Prime Time (Morning - 6am - 10am). Between Radio Jambo and Radio Maisha, Radio Jambo only leads in Prime Time (Morning - 6am - 10am) while Radio Maisha leads in other programming time blocks, and Prime Time (Afternoon - 3pm - 8pm). This shows that while overall data indicates Radio Jambo as second, Radio Maisha is more competitive in two of the three programs monitored for the study. At the same time, the same data shows that less and less time is being spent on traditional media while time on the internet increases. In December 2016, while people stayed 294.93 minutes on radio, in 2020, it was 151.95 minutes.

Competition is neither good nor bad but depends with how people take it. The competition in the radio stations is largely because there are too many radio stations serving the same market and expecting to generate revenues from same pool. They therefore must consider differentiating factors and attributes that make them stand out in order to be ahead of the curve. Furthermore, there is a need for each station to know and understand their audiences in order to provide them relevant content and in the process generate revenues from this knowledge.

Devolution

Devolution was expected to be a boon to change livelihoods for everyone. It was expected to boost businesses at the grassroots and help reduce poverty and while its implementation is still nascent, the media is part of the enterprises that were formed, hoping to benefit from businesses that will want airtime to showcase their products. a respondent was of the opinion that:

> An interesting trend is that the advertising was expected to expand a bit because of devolution and there is a little more at the counties. So, we had more politicians that are going to have money to spend. We also would have more businesses in the counties with money to spend because they want to reach the masses.

While counties have had some monies to spend on advertising, the media has not necessarily benefited as they expected. This is because of a couple of reasons. The first is that Governors expect these stations to be their public relations outlets and not to do any oversight hence any station that reported accountability issues would lose the advertisements. Secondly, payments for adverts already run have had significant delays. Some radio stations have gone for months while others years without being paid in full. In most cases, the payments are partial. Third is that outside of counties, industries have not necessarily developed to create employment and the need for media services.

Moreover, the 2019 Reelforge and TIFA Research study on the media landscape lists county governments as one of the top 11 advertising spenders in all the six years except 2017. In 2014, they spent sh850 million, in 2015, they spent sh1.04 billion, in 2016, they spent sh700 million, in 2018, they spent sh310 million while in 2019, they spent sh430 million. It is also indicative how inconsistent they have been in their advertising spends.

Although devolution has been a good thing for media in terms of increasing the sources of revenues in counties, specifically from government coffers, radio stations must be alive to dynamics of government procurement. Many that have yet to tap into this source need to acquaint with the requirements but also need to tamper with their expectations on things like payments of invoices. While it is unlikely to change in the near term, the future of radio stations at the grassroots that expect to reap from fruits of devolution could wait a bit longer, hoping that no further disruption renders them obsolete.

Revenue sources wiped out

Another trend is that some revenue sources that radio stations relied upon have been wiped out or significantly reduced. There are sources of revenues like meeting announcements and death and funeral announcements that today, very little revenues are generated compared to how they used to generate them before. This is because people can post the same announcements online to provide the same information for free. But also, many players and more niche, like vernacular. Respondents noted that:

> We used to get a lot of revenues from funeral and general meeting announcements. Today that information is available online for free. If we are lucky, we may get one or two in a month.

This is a reality of trends in revenue generation in the media industry. Some revenues sources are wiped out. Every invention has its casualty, hence the need to always be alive to innovation and try to join the bandwagon early enough as you learn it. This approach certainly disadvantages bureaucratic institutions but those that can learn fast and adopt, will thrive.

In addition, betting companies that have been a reliable source for revenues for the media have significantly reduced. The 2019 Reelforge and TIFA Research on the media landscape listed four betting companies, Shabiki, Lotto, Tatua and Sportpesa among the 11 top advertisers during the six years under review. In 2018, Tatua was the top spender at sh5.36 billion but in 2019 it spent sh1.65 billion. However, a 2019 joint survey by Ipsos and GeoPoll stated that the suspension of betting firms would see the media industry lose 10 percent of 2019 advertising expenditure which was equivalent to sh14 billion projected loss. Furthermore, the Total Advertising Industry Media Activities in Kenya by Ipsos published in July 2020 on industry exposure rankings for the first half of 2019 and 2020 showed that while in 2019 there were five betting firms among the top 20 advertisers in the country, in 2020, there were only two with both having significantly lower ad exposure. In 2019, there were Shabiki, Sportpesa, Betin, Super 5 Lottery, and IXBET. In 2020, there were Shabiki and Super 5 Lottery. In 2019, Shabiki and Super 5 Lottery spent sh5.33 billion and sh1.14 billion respectively while in 2020, they spent sh498 million and sh449 million respectively, indicating drastic reductions. Government had moved to suspend betting firms stating that some were evading taxes while others failed to comply with regulatory requirements. The measures were eventually implemented and the majority of the betting companies moved to other countries or closed shop including Sportpesa, Betin and Betika that were high advertising spenders.

Digital migration

Digital migration in 2014 and 2015 in Kenya saw the country move to a new regime upon which television content is distributed to the public. Before digital migration, television stations both created content and distributed it to audiences, giving them a monopoly of data on who is accessing their stations. The migration split these roles, leaving TV stations with content generation alone. The distribution function was taken up by other companies that won bids, also taking away the power to monopoly on audience data for TV. As a result, the cost of setting up television stations dramatically reduced, birthing a plethora of many TV stations, some taking very niche approaches like farming. This meant that advertisers have a broader pool of stations to consider who to award advertising and why. One of the respondents reported that:

> What happened was that when there was a digital migration, there was an expansion of digital TV stations. And how that affected radio is that advertisers now started spending their money across more channels. It also meant that more people can now watch TV, especially with the government's efforts to increase electricity coverage to communities. So over time we are seeing that the advertising revenue for radio has reduced.

Technological advancements for the good of the industry do have some unintended casualties. Digital migration is one such advancement and while there is little that could have been done to specifically cater for radio, it's about the general proactiveness that media entities should embrace to avoid often being caught unawares or crying foul.

In addition, the Total Advertising Industry Media Activities in Kenya by Ipsos published in July 2020 for data collected between half years of January to June 2019 and the same period in 2020 shows that television commanded 57.4 percent of ad spent in 2019 while radio was 35.2 percent. In 2020, television was 57.5 while radio was 34.9. Print was 7.4 percent in 2019 and 7.6 percent in 2020. The data indicates that television is not only dominating, as was argued by one of the respondents, but also radio is marginally losing. The data should however, been interpreted from the reality that television advertising is more expensive than radio and print, hence the share of the ad spent is more likely to be hire.

Digital migration was cited in the PwC 2019-2023 report as a driver to advertisers exploring new opportunities to target more niche segments of audiences. Moreover, forecasting ahead, fastest ad growth is expected to be in internet advertising which the report acknowledges has yet to be tapped better by advertisers.

4.2.2.2 Research Objective Two

The second research objective sought to find out the effect of digital disruptions on radio revenues. The study found out that the impact on revenues has been both positive and negative. On a positive note, it has seen them embracing new approaches and platforms of generating revenues to augment their other offline revenues. The reverse has similarly seen reduction in revenues in the media landscape in general and radio in particular, a focus area for the study. Radio stations are having digital advertisements only, recruitment informed by social media influence, content being provided for free by search engines and social media companies, Government Advertising Agency (GAA), rise of the influencer, technology, growth of digital brands and decline in listenership as the ways digital disruptions have impacted radio revenues.

Technology and the media.

Technology is playing a big role in how radio revenues are generated. At first, it disrupted access to information and news as it were. Radio stations and media in general were accustomed to being the go-to platforms for information on everything. For radio, news is for instance made at the top of the hour and often very brief. It means that someone must have tuned in to listen to updates, with the exception of major news christened breaking news, where normal programming is interrupted to communicate it. Then technology made all this information easily accessible at no cost. It broke many barriers reducing reliance of people on radio, especially those with access to the internet through their mobile phones. This then meant advertisers are taking their adverts away from radio to those platforms, where they can better determine the reach they want and cost to incur. In many instances, becoming cheaper than radio. One of the respondents mentioned that:

> The game is changing. Technology and technological applications have been eating into our profits for some time now. We just must join it, be part of it and learn how to make it work for us revenue wise.

Another respondent added that technological platforms form part of the package that radio stations sell to advertisers. The respondent argued that it is turning out to be a leap forward in diversification of revenue sources from digital avenues, including websites and social media platforms among others. The respondent highlighted that:

> What I see is that they (radio stations) selling their platforms as a package. So, they say, we'll give you some airtime and we'll also give you X number of spots on our digital platforms. In addition, we'll give you mentions on air.

In addition, there are learnings to be made from how competitors are capitalizing on digital platforms. Another respondent mentioned that:

> In terms of potential, its massive. Honestly, for example, I'm trying to get them out nation's strategy for nation Africa, simply by looking at them in terms of the things they prioritize on their social media and the content they're putting out on their sites, especially the ones that they are putting ads on. If you want to see, where in the media house books to make money, you just look at their social media and you will see it. It's all there to get. So, I would say, I think we have a massive potential to make, but it's a slow process, but I can definitely see it.

It is clear that radio stations are taking note of what competitors are doing and learning from them. They are now able to do it abled by technology since one is not restricted in observing how other players in the same market are strategizing and implementing their strategies. This can be progressive in ensuring more stations triumph as they try to compete.

The implication of this on revenue generation is that radio stations must think how to maximize on technology to grow their revenues. Technology should not just be about publishing content and distributing it or publishing. There needs to be deliberate efforts to learn how audiences are engaging and appreciating the content you are sharing. For instance, more audiences reading audio-visual content than text should inform how to maximize on them, rather than just publishing for the sake of it. The opportunities that lie ahead for revenue growth will importantly be shaped or informed by an element of technology. For example, Facebook and Twitter could be the main sources of revenues currently being employed, yet there are potentially untapped avenues in Instagram and websites. Those that grab the opportunities earlier will reap the fruits.

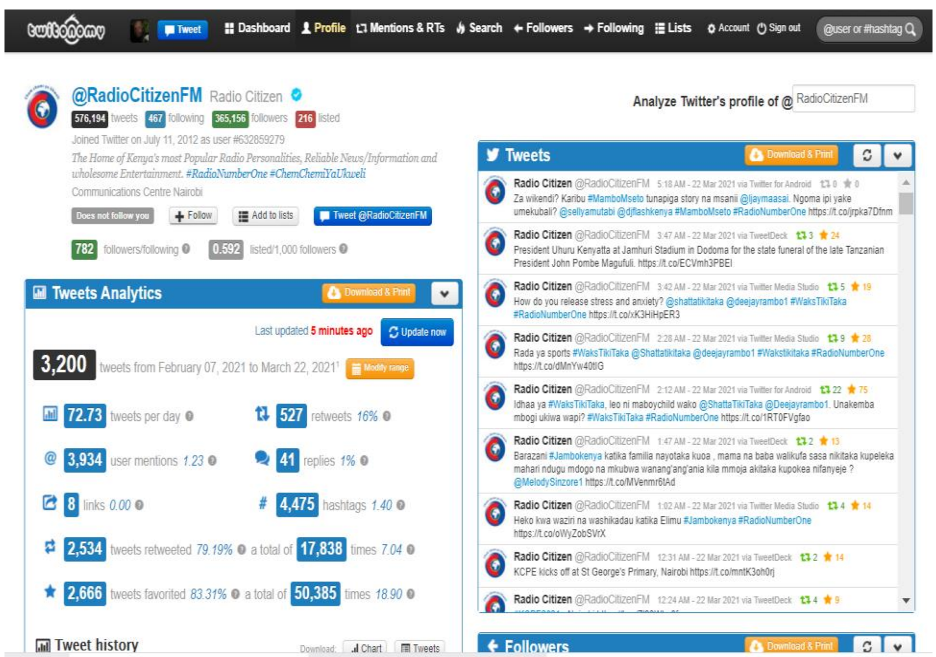
The Status of the Media Report (2020) by the Media Council of Kenya affirmed that there was a notable drop in radio listenership in the country from 84 percent in 2019 to 74 percent in 2020. The percentage of people who do not listen to radio also increased from 16 percent to 26 percent while those who listened for less than one hour decreased from 13 percent to 4 percent, indicating less interest in radio.

While the study did not mention the reasons behind the decline, consumption of social media had not only increased, but also breaking news and entertainment were among the top three reasons why people are on social media. These two are primary media roles, suggesting where audiences are getting their information. The two had combined 34 percent while networking was higher at 39 percent. In addition, the most preferred platforms for dissemination of information are WhatsApp, Facebook and Twitter in that order. The use of WhatsApp and Facebook increased slightly between 2019 and 2020 with Facebook being the most popular in 2019 at 32 percent and WhatsApp at 31 percent but in 2020, WhatsApp was the most popular at 36 percent followed by Facebook at 35 percent.

There is a decline in radio listenership which may not necessarily lead to a decline in revenues but with more interest in social media use, accessing to have knowledge that is media's raison d'etre, the trend is clear. Considering that most advertisers like numbers or higher reach, there could be a revenue correlation in terms of decline in revenues in radio stations and increase in advertisers using the internet.

Growth of digital brands

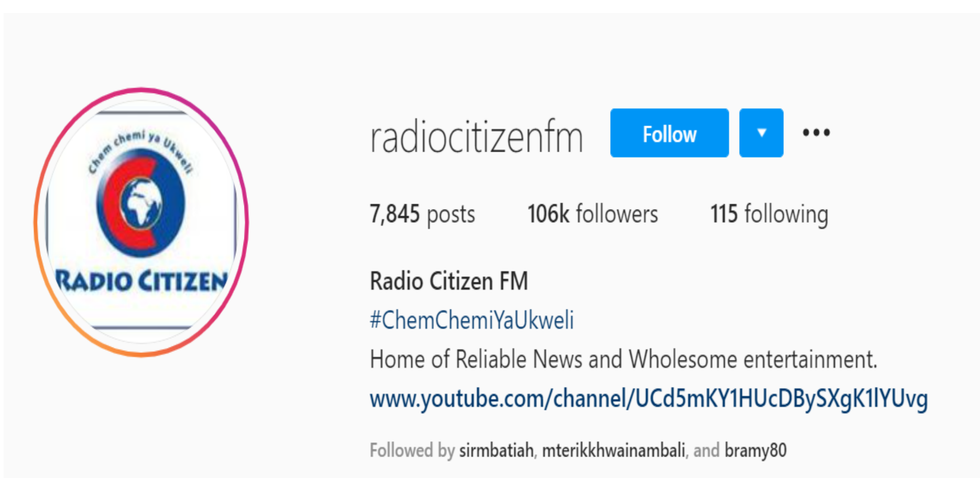
There is an indelible mark in how radio stations have created and are growing their digital brands through establishing websites, having social media accounts and creating applications as avenues for revenue generation. Almost all radio stations in Kenya have attempted to establish their digital footprints, especially having social media accounts, followed by websites. The difference is in how they use them to create content targeting revenues. Those that can be considered early adopters and agile at using them are already generating some revenues from these digital platforms. For instance, Capital FM and Radio Citizen have built their online brands, have vibrant websites and active social media accounts across board.



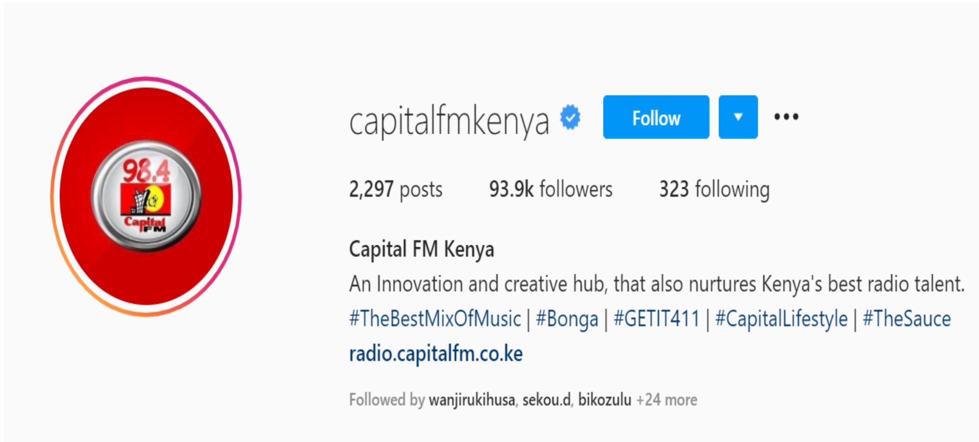
Screen grab 1: Twitonomy analysis of Radio Citizen's Twitter account

Screen grab 2: Twitonomy analysis of Capital FM's Twitter account

Screen grabs of analysis of Twitter profiles of Radio Citizen and Capital FM using Twitonomy. The analysis shows that both accounts are verified, a mark of authenticity, they are very active and have huge followings.

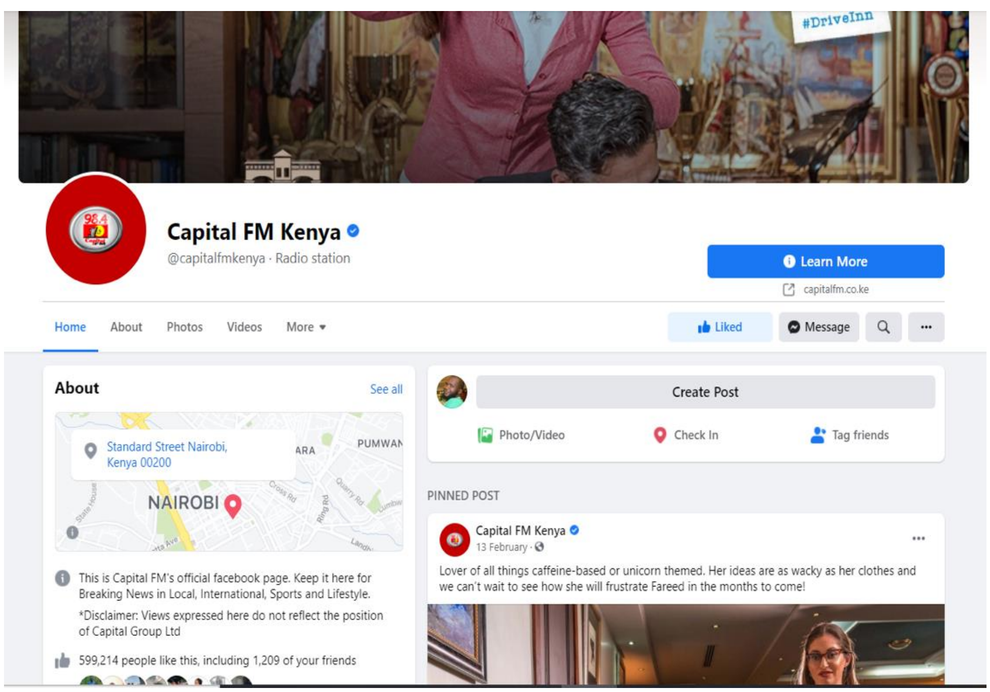


Screen grab 3: Radio Citizen Instagram account



Screen grab 4: Capital FM Instagram account

Screen grabs of Radio Citizen and Capital FMs Instagram accounts. The accounts are verified and have huge followings. The number of posts made is testament of how active they are.



Screen grab 5: Capital FM Facebook account

Screen grab 6: Radio Citizen Facebook account

Screen grabs of the Facebook pages of Capital FM and Radio Citizen. They are both also verified and both have more than half a million people who follow them. This has ensured that they have more digital activity beyond voice riding on the popularity of the original radio brand. On the same spirit, a respondent was of the opinion that:

> It is very evident that hardly any radio stations lack digital footprints. The difference is those who are able to generate some revenues and those who are yet to master the art.

Building on the popularity of existing radio brand is a natural progression that is commendable, amidst the ongoing disruption both in terms of content and reach but importantly revenues. The revenues only come by once platforms are more consistent with their content, have built a following online who they can then convert to revenues. It is encouraging that some radio stations are already leading the way in generating revenues from digital platforms, offering lessons for others to learn from them and even be better.

This builds into the Status of the Media Report 2020 by MCK that listed Facebook, Twitter, Instagram and YouTube as the second to fifth in that order for most preferred social media platforms for dissemination of information. It is no brainer then that radio stations are building their digital brands in these platforms to disseminate information, engage with audiences and in the process hope to generate revenues.

Digital advertisements

Digital advertisements only are now a feature in radio stations' quest to generate revenues. Some radio stations have used their profiles to build a huge digital presence that has seen them have followers and grow their pages on Facebook, Twitter, website and Instagram. The result is that they can now generate advertisements solely on these digital assets. When the marketing teams engage with a brand, they offer both on-air services as well as digital. An advertiser will then choose whether they will take on-air only, digital only or both. There are increasing cases where some advertisers only want digital ads, being banner placements or native advertising of their products in the digital assets owned by radio stations. Respondents highlighted that:

> Digital has become quite important for us. What we are doing at the moment is that digital is providing a very good value proposition in terms of maybe if I say I'm selling, maybe on-air sponsorships and activations, we will be able to put a banner on our website. You see, this is offering more value to the client. It also helps keep our website busy as we are redirecting all the traffic to the website. Since the pandemic, I have not seen a client placing both digital ads as well as on-air advertising and activations. But I have seen digital advertisements running on our radio stations' digital assets.

The media and entertainment reports by PwC for 2017-2021 and for 2019-2023 both projected increase in revenues for the industry. However, as at 2016, the Kenyan entertainment and media market was worth US$2.1 billion while in 2018 it was at US$1.8 billion. In addition, the 2017-2021 report tipped the internet to record high revenues. PwC report noted that:

> Internet access is the most established industry within the Kenyan market, boasting the largest revenues and one of the highest growth rates to 2021. It will also be the first subsegment in which revenues hit US$1.0 billion, which it will reach in 2020.

The report further notes that prior to 2016, Kenya's largest advertising market was radio. It has the largest radio advertising market in the Middle East and Africa region, and the 14th-largest in the world. In 2016, it forecasted that while advertising revenue is set to grow at an 8.0 percent over the next five years, this would be fueled by internet advertising. It also said that trend will only increase.

> Internet advertising is one of the fastest-growing sectors of the market. By 2021, revenue will hit US$227 million, making it the third largest advertising category in Kenya.

The report further cited TV, radio and the internet as key contributors of advertising but raised concern over legislative measures to restrict advertising of gambling, unless if it was during sports broadcasts. Indeed, there were not only legislative measures that came into place in 2020 increasing taxation on gambling, there was also other administrative measures that considerably reduced and even closed operations and advertising from betting companies.

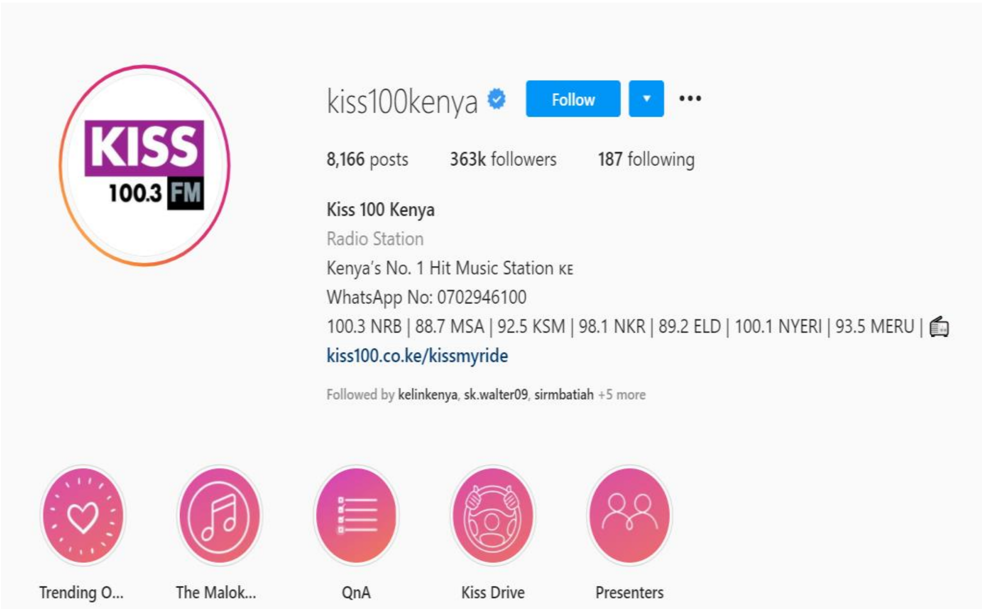
This is an avenue for revenue that can grow tremendously if radio stations make their web platforms as active as their stations are, milking the content they gather. They would just need to be packaging their otherwise audio format content to suit online audiences.

Recruitment based on social media influence

Recruitment based on social media influence is another effect in revenue generation for radio. The digital landscape has meant that institutions and individuals need to be online, creating, running and managing digital assets, to reach audiences online. Radio stations are capitalizing on the influence they can get online by maximizing on everyone within their circles of influence to get better reach of their content. They therefore also recruit people, mostly media personalities, by seeking to also establish their popularity online, to augment their numbers. The stations can then package their pitches to advertisers with these augmented digital numbers.

Screen grab 7: Radio Presenter Jalang'o Instagram account

A screen grab of Radio Personality Felix Odiwori aka Jalang'o was hired by KISS FM. He has a better following on Instagram than KISS Fm, his employers, although he also runs his own media house.



Screen grab 8: KISS 100 Instagram account

In addition, in July 2019, NRG Radio adopted a digital heavy approach in hiring presenters, Disk Jockeys and content creators. In the advert, applicants had to engage with their mobile application and once they fulfill the requirements, the end of the process had people voting for those who would give them higher traction online.

Screen grab 9: The NRG Radio online recruitment poster

It first started as value addition to advertisers, but today is an integral part of sales pitches made. While at the end of the day the talk show hosts, presenters and staff become competitors, seeking the same advertisers for their personal brands, the competition is still mutually beneficial for the station and the media personalities.

> Actually, the people that you hire, some of them, one of the metrics you're looking at is how influential are they online. So, you have them based on their numbers, but also the numbers you have. I won't give examples but go and find out for yourself, you look at their platforms and you look at them, the media houses platform that they work on. And this is like almost all radio and maybe some TV stations right now. And you'll find that they're reaping some of the same clients that the stations have. They are being paid, separately, but we got them because of that influence. So now we're in a double bind.

This is a double-edged sword. On the one hand they depend on the presenters and talk show hosts who have a huge following to help them grow and, in the process, attract advertising. On the other hand, they are building their individual profiles and will be holding private conversations with the advertisers on how they can be influencers for them.

It is perhaps about the struggle one choses. Indeed, the radio industry is replete with these examples including some media personalities who have gone ahead to start their own shows on YouTube and are providing content while still remaining show hosts.

Free content

Content being provided for free by search engines and social media companies was cited as a major way in which radio stations and media in general are suffering financially from digital disruption. The content that radio stations are generating is expensive, since there are staff to be paid, utilities to be costed and spent and other costs like travelling and airtime for calls. But once the content is published and available on search engines and social media platforms, they are available for free. These digital platforms aggregate the content, informed by algorithms which help them learn audience behaviors. They then mine the data to sell to advertisers, with no share of revenues generated being transferred to the media entities that originally created the content. This sees more people consume less of radio and media content in general, reducing the eyeballs that they 'sell' to advertisers to the digital platforms, who then make huge profits. A respondent noted that:

> Right now, we have Google as a client. They are offering the kinds of solutions, which honestly make you scared for the future, because you're like, if someone can just set this thing up and sell, this is much cheaper as a vendor, why do they need Jumia? I can literally see people taking food from Jumia, and the same thing that's happening to us because now advertisers are saying, I want to spend sh200 and on Facebook alone, you know, spend it in a more targeted way.

The ideal would have been for the local media industry to follow the footsteps of what other players are doing in countries like Australia and Europe but there seems to be limited interested and feelings that they can call out these platforms and compel them to contribute to journalism. These countries are legislating mechanisms to compel big tech like Facebook to share revenues with their media, since they are taking away a considerable amount of their revenues, failure to which they will not be allowed to operate in those countries. In addition, it remains unclear whether government could enact any legislations to compel these digital platforms to contribute to journalism. However adverse the availability of content from media is currently, this is more likely to remain the case for years to come.

Government Advertising Agency

In 2014, the government introduced the Government Advertising Agency (GAA), an institution that aggregates government adverts then determines who it will share with. While the decision making is opaque, GAA also established an online platform, that is to primarily publish advertisements from different government agencies. They then publish a newsletter in newspapers dubbed MyGov. The result is that broadcast media, especially radio is least considered. Government has historically been one of the largest advertisers for media houses and losing significant revenues from it has severely hurt media. This has been coupled with the reality that some of the adverts that have run have yet to be paid, several months and years down the line. The respondents reported that:

> Government is actually also one of the biggest advertisers in the media in Kenya. The introduction of the government advertising agency, the centralization of advertisement obviously had financial implications coupled by the government directives that most of the government adverts use their digital platforms and this have been devastating to stations.

GAA remains a thorn in the flesh of media in Kenya. They not only are opaque in how they give advertisements; they stay too long to pay but also often use the debts they owe media as a stick to negotiate for favorable coverage. There is laxity in the industry to call for its disbandment, leave alone need for transparency in how they allocate advertising. The result could be unless a new regime wins political power and decides to disband it or reform it, they will remain in place and continue to hurt the industry.

In fact, in December 2020, the Principal Secretary in charge of Broadcasting Jerome Ochieng' said that he is aware that pending bills are some of the key challenges facing media houses especially with the constricted revenue flow and promised to ensure sh1.5 billion government owes through GAA is settled (Obiero, 2020). In July 2019, the Cabinet Secretary for Information and Communication Joe Mucheru promised to start clearing debt owed to media worth sh2.5 billion, when he addressed the public at the launch of the Reelforge and TIFA Research Media Landscape Report (Mwangi, 2019).

Rise of the influencer

The rise of the influencer has seen people use Facebook, Twitter and Instagram to grow their personal accounts to be brands. They generate content that is appealing and increases shareability and engagements, which has seen their presence being tapped by advertisers. Considering that digital platforms are more interactive, with publishers getting feedback fast, learning habits and behaviors of audiences, they can also know the kinds of content their audiences like or prefer most, individuals have taken advantage of this to grow their platforms and compete for advertisements. Some brands are also growing their platforms internally, competing favorably for more eye balls, the same engine that inform advertising spend. Radio stations and media in general are therefore paying a financial price for loss of revenue to influencers, but which they are addressing it by growing their own digital assets. Respondents noted that:

> If you go to my Facebook account, you find that I have more numbers than a radio station somewhere. When you go to my Twitter account, the same thing. These are huge audiences, so clients look at it and see, there is some command here. There's an audience that individuals command and we can reach them. Often times, an advertiser will say, I'm going to give this radio station that has national reach an advert, but for this type of audience, I need to reach them through Twitter. This is where I get to them and then decide who it is, they want to work with and they contact them. This was not the case a decade ago as I was already in the practice.

The rise of the influencer is a good disruptor to radio and generally media in the country. They are a necessary thorn that should get radio to be agile and embrace digital in manner that they will also reach newer audiences and tap into opportunities that lie in it. All the reviewed reports attest to the increase in social media use, increase in internet advertising and reasons why people go to the platforms, instructing media to be vigilant.

4.2.2.3 Research Object Three

The third research objective was investigating the new revenue generation strategies that radio stations have adopted in Kenya today. The study found out that the strategies are varied informed by among other factors whether the station is part of a bigger media house or it is a single station as well as who the primary audience of the stations are. For instance, some radio stations have maintained their taste and content appeal since their beginning, to ensure they do not seek to appeal to everyone, but only those who they have always been and will continue with the same trajectory. The new revenue generation strategies include increasing direct marketing over Google ads, creating digital assets in diverse platforms like TikTok, own events, media agency, Banner ads on the website, call center and research for brands, home of sports, value addition mechanisms and government. Moreover, these new strategies are also informed with the reality that since competition is huge, one must deliver to stay afloat. A respondent noted that:

> You really need to know your audience and be unique. If I come to radio F and I advertise Safaricom bundles, it is really easy. As a presenter, I will tell you, you buy, bundles and press *4489# and get free bundles. Instantly Safaricom can tell how many people dial that number. So, its delivery.

Direct marketing

Radio stations are working harder to breathe life to direct marketing on their digital assets over Google adverts. This is because they can make more money directly from engaging with marketing executives of brands than from Google ads. Google aggregates content from publishers and uses complex and opaque formula to determine how people can earn revenues from their service. Publishers in Kenya do not know exactly how much traffic they need to generate what amount of revenue and this is the case for YouTube as well as publishers who have Google ad sense accounts. It is also instructive to note that Google requires very heavy traffic for anyone to earn some money from it. From a strategy perspective, radio stations through their digital assets have Google ads as one of the ways but not the primary mechanism.

> In fact, digital contributes to around 20 percent of our revenues. So, it is something that has been growing over time. I think it began at 5 percent about six years ago to now being at 20 percent, meaning that there's more room for growth.

This is a progressive thing to do that should be encouraged. There will hardly ever be reliable revenues from platforms like Google even if they ever consider to be transparent in how they allocate Google Ads across the world. In fact, media should consider not subscribing to the adverts at all, but work harder towards getting their own from direct marketing.

Diverse digital assets

Creating digital assets in diverse platforms like TikTok is increasingly becoming a strategy that radio stations are employing. At first, they join the platforms in order to secure an account and read what people are publishing and how they are engaging. Over time, they also start creating content as they learn the platform. While none of the interviewees said they have started generating revenues from the platform, one said they are seeing one of their clients advertising on the platform and therefore their work is to build a good presence to enable them entice the brand to also advertise on their account. The same client is advertising on their other digital assets as well on-air activations and advertising. A respondent noted that:

> We started seeing our client advertising on TikTok. Until then, while we had an account, it wasn't busy. We just registered it there for the sake of it. It sometimes could take days before we posted something. But then since content there is trendy and funny, people want such posts. Today, that account is growing and we are publishing there frequently. We want to capitalize on how we are growing and are an authority in Instagram to ensure we will one day convert the numbers on Tiktok.

Creating and managing digital platforms is not free. It requires time and learning to have some expertise. One needs to hire staff to create content and be there to respond to comments and questions, as engagement is what advertisers like. What is however needed is a strategy on what to embrace and how, to ensure a radio station does not spread itself too wide and poorly manages the digital assets.

In fact, the 2019 Reelforge and TIFA Research on the media landscape affirmed that advertisers perceive social media as the most successful channel to reach consumers. It listed the most successful platforms for audience reach as being Facebook, Twitter, LinkedIn, Instagram, YouTube, Podcast, WhatsApp and Email in that order. This shows why being on social media and having diverse platforms makes sense as a revenue generation strategy.

Livestreaming

Livestreaming and publishing talk shows on websites and other digital assets is also a trend witnessed by radio stations. Digital has been a breath of fresh air to broadcast media, helping bridge the gap from audio alone to audio-visual, where TV has been enjoying a monopoly. Radio stations like Homeboyz Radio, Spice FM, NRG Radio and Radio Citizen are some of the stations that livestream some of their shows. Many people find TV more popular than radio due to its visual appeal, but digital is bringing to life the visual aspect that radio can explore and radio stations in Kenya are exploring. Some talk shows are livestreamed throughout, giving a glimpse to audiences, and generating new audiences online. Respondents mentioned that:

> We do Facebook live and YouTube. So, if you missed my show, you'll find it on YouTube. You don't necessarily have to stay near a radio. When you are busy, you only need to come back and check what the show host had during an interview in the morning. It's on YouTube. You can listen to me, say am selling a product. I can easily tell a client that when I upload these talk shows online, I get 10 million views, so come partner with me. They can take that as a product to brand it and I get some money from them.

What the stations ensure is that they do not breach copyright concerns that can lead to their shows being pulled down. Under the Digital Millenium Copyright Act (DMCA), the US legislation that governs copyright on Over The Top Services (OTT), like YouTube for instance, content like music that is copyrighted is flagged and can be pulled down, with the publisher risking their accounts being suspended and deleted for repeated offences. The stations therefore do not play music or content that is not their original works, to ensure they not only comply with the provision, but also are seen to be ethically upright in society. The content, mostly talk shows are either livestreamed for people to follow them live on YouTube, website, Facebook, Instagram and Twitter. The shows can later also be published on the website and YouTube for future reference, giving an opportunity to people to learn what they missed. Advertisers are then taking advantage to be seen during these periods. For instance, when content is being livestreamed, an advertisement can be placed on the link, like a banner, or inside the studio. It means that product activations that entailed only listening can now be seen, making them more illustrative to people.

Livestreaming and publishing content on YouTube is a great way of going audio-visual. It is bridging the gap that TV enjoys over radio, hence a step in the right direction in being competitive in order to attract more advertisements. It should be encouraged and be a natural progression for many who want to increase engagements with audiences.

Own events

Hosting own events is another strategic approach that radio stations are employing. Some radio stations have their own events that they hold frequently, like monthly or quarterly. These are mostly music concerts, where diverse musicians are brought together to entertain revelers. From one event to another, they pick up lessons and improve on the next. In these events, they invite brands to advertise and sell their products. Members of the public buy tickets to attend. They also get into partnerships with other organizations like venue hires to reduce their costs. Some of the musicians who attend have international repute, which increases appeal to the public. The result is that the radio stations earn revenues from the different sources in the event or concert, they gain brand recognition and grow their sphere of influence. A respondent that:

> Today, many radio stations individually have their own events like, cultural nights. And they hold them in different areas where listeners do come out in huge numbers. They in turn invite brands to showcase their products, ensuring that they make money from ticket sales as well as selling space to brands who will advertise at the venues.

Having own events are a great way of diversifying revenue streams as well as having more interactions with audiences. It is laudable that a station can tangibly describe its audiences and one way to do it is through having events where the audiences attend. It can create some affinity to radio presenters and personnel which goes a long way to help the station grow.

Media agency

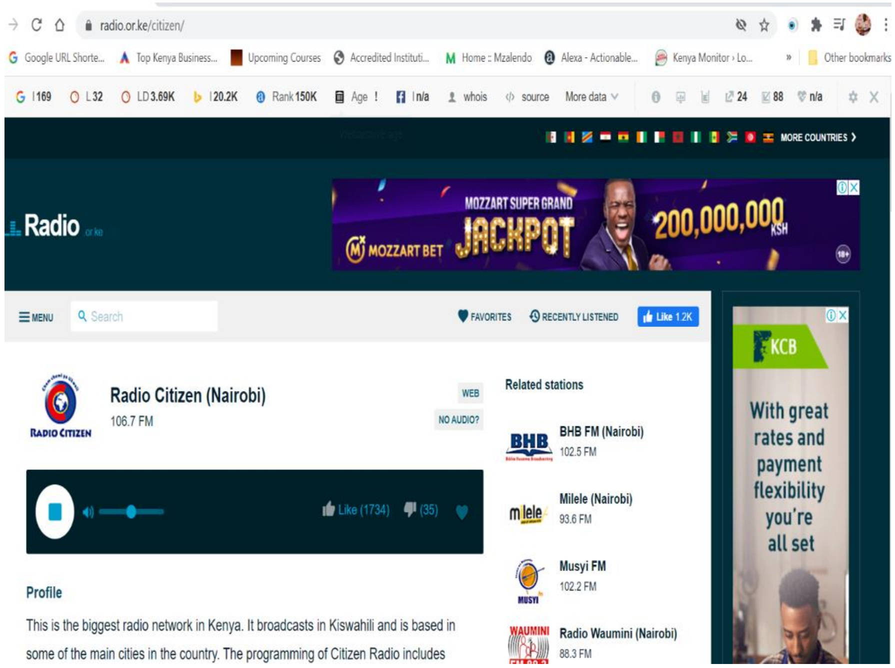
Media agency is also a strategy employed by some radio stations. Many brands engage media agencies to work on their creative needs including creating ads and determining who should be given to run, but also other creative assignments like logos and campaigns. However, media houses are now providing this solution internally. They are creating media agencies internally, to compete with other established firms for client brief. Sometimes they have an edge over other firms since they own and run a media enterprise. The agency then undertakes media assignment including running advertisements on influencer platforms, managing digital assets of clients, online reputation management and normal media responsibilities like running ads on radio. Respondents reported that:

> We have been able to list ourselves as an agency where we do handle production, graphic design, and outdoor advertising for various clients. This is in a bid to diversify our portfolio as a media house. When we approach a client, we're able to tell them we can do your graphics, your imaging, we can do your branding for your outdoor design, your events, plan your launches and cocktail parties, all of that we have under our roof, just so as to provide our clients the most value.

Competition is stiff and those that are not competitive will be crowded out of the industry. A media agency that helps do media production work for things that would eventually find themselves as adverts, like design, should be encouraged. They are progressive in providing an all-round solution to advertisers as well as charging an extra fee for the design work. Not all will be able to do this, but those who can should be encouraged to.

Banner ads

Banner ads on the websites of radio stations are another strategy that radio stations are employing. They first enable listeners to listen to them directly from their websites and in some stations, especially the big media houses, there are related hyperlinks to other stations one can listen to or watch. They then go out to look for advertisements either through Google ads or directly from brands. Often times, the adverts are made clickable, to make it easier for someone who comes across them to click on it and they are redirected to the brands website or information for further reading and understanding. When this happens, the stations' platform is seen to create engagement which may in future ensure more adverts.



Screen grab 10: Radio Citizen's website showing banner advertisements

A banner advertisement is natural to a media platform and should be promoted by all. Any media platform should endeavor to have good traffic that advertisers would want to reach their audiences through them. They can even go further to be clickable, for those that will want to learn more about the advertised product. This can create even more negotiation power to media if they have a high click through rate. This is generating leads, which proves a media outlet has quality readers of its platform.

Call and research center

Call center and research for brands are also a strategic approach some media houses are employing to rejuvenate their revenues. They have set up call centers and research hubs, some of who also undertake political research and make findings public, but then offer the service to brands at a cost. They give brands insights about their products and services and also suggest solutions. This service is separate from media airtime that they can provide to the brands. A respondent highlighted that:

> There is a media company, one of the big players, who have a call center and a research arm. They provide this as a service to brands, some of whom advertise with them, but also others who just want marketing insights. They can then discuss solutions and those that have reputational risks, they can offer airtime in some of their radio stations, based on the issue at hand and the niche of the station, since they are a couple.

This is an interesting approach to diversifying revenues. Providing research through gaining insights for advertisers is taking the next step from data that is resident in media platforms. There can also be a possibility of getting competitors' information at a fee, something that media should milk.

Government

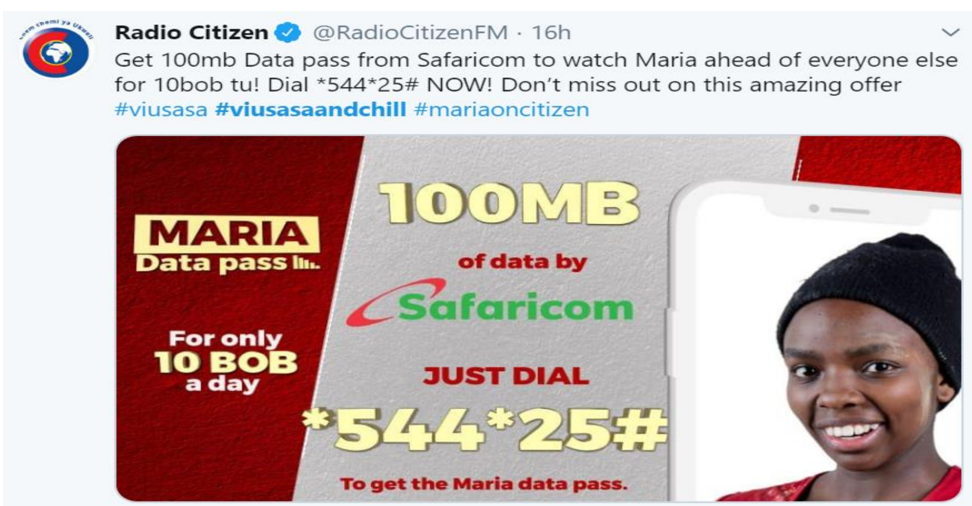
Government been a key revenue earner for media in general, outside of GAA. Conferences, Parliament and parastatals continue to provide financial lifeblood for media houses, especially radio. For instance, in this COVID-19 period, the Kenya Institute of Curriculum Development (KICD) that was providing one program on KBC English Service now has three programs on KBC Radio Taifa as well, ensuring that learners get educational material of the syllabus. This earned the state broadcaster more revenues that ever before. It was an important revenue source for them since other mechanisms like conferences were suspended. In addition, Parliamentary proceedings are aired on the state broadcaster's airwaves at a cost. Both the Senate and the National Assembly buy airtime to broadcast live proceedings on radio and TV, which helps them earn some extra revenues. A respondent argued that:

> Parliament, the National Assembly and Senate have been airing live broadcasts of their sessions on radio and TV and they pay us every quarter. This is something that was started by Speaker Kenneth Marende and it continues to this day.

Parliament and institutions that represent the public have a role to play to make the public see and understand their work. It is therefore encouraging that media charges for the airtime but they shouldn't be comfortable. Perhaps in future, the entire broadcast would be online, hence the need to be agile in seeking more revenue sources.

Adverts on social media assets

Adverts on social media assets that radio stations run is another strategy that they use. Since they have a good following on-air and have used it to grow their digital footprint, advertisers want to also use their numbers on social media, like Facebook, Twitter and Instagram to reach more audiences. In some instances, the radio stations reveal by tagging the post as 'sponsored' while in other times they do not.



Screen grab 11: Twitter account of Radio Citizen showing sponsored post

It is quite natural for media to maximize on their assets to generate revenues. Using their digital assets should also not be a value addition proposition, but a plan in diversifying where the assets can also solely look for adverts and independently generate as much revenue as possible.

Stations in Group of Companies

Radio stations that are part of group of media houses where there are other radio stations, TV and in some cases, newspapers have taken a broader approach to engage their different platforms to increase revenues. They have done this by branding stations as home of sports, opening niche radio stations, simulcasting, congregating web content in one website, and distributing content.

Home of sports

Home of sports is a strategy employed where some radio stations brand themselves as the media that you can get all the sports you need to know about. They do this by also leveraging on their other stations including TV that they maximize to capture audiences in the different channels. The football pundits will also share the broadcasting of the matches, like football on their personal Facebook pages to get more people to tune in and watch. In addition, some go to the length to secure international licenses to broadcast matches that Harambee Stars, the Kenyan national team are playing. Once the license is secured, they then engage advertisers to place adverts during the match which can be broadcasted on radio and TV.

> We normally bid for rights of specific sports events like Olympics, World Cup and other tournaments. We also do our own commentating during the sports events. Once we secure them, as they run in the stations, we

> also run adverts at strategic times, since advertisers love them because they know they can reach millions.

Kenyans love sports and key tournaments are attractions people will want to watch. A media house that decides to capitalize on this knows what it is doing. They should just do more to popularize that they will be showing the tournament so that more people can tune in and they can convert these eye balls to adverts.

Niche radio stations

Opening more niche stations for hyper-niche content and target audience is another strategy that some stations on group of media companies are employing. The idea is that people are different and have diverse interests. Through learnings over time in the industry, they have a good grasp on some of the niche subjects and audiences that are not well capitalized. They then launch radio stations to cater to these interests which they can then attract advertisements. This also stems from a growing practice by advertisers not to only target mass market, but specific niche to increase likelihood of conversion. For instance, NRG Radio that is already niche, targeting urban residents also opened FunX Radio and Choice Radio. Capital FM is also a nice station, targeting the middle-income urbanites. The Standard Group that has Radio Maisha opened Spice FM and Vybez Radio that are also very niche. Vybez targets Reggae music lovers while Spice FM is an entertainment and lifestyle station. A respondent noted that:

> Clients are not just looking for, two million people have seen my ad or, or 500,000 people in Nairobi, listen to my station. It's how many people can I reach and pull or can be converted and how many people would show up. We've been able to see that there's been a lot of targeted advertising and that’s why even the small media houses or new stations have some advertisements running. Why is this? Because they are reaching to a specific audience and they can quantify this audience.

This revenue stream shows growth and maturity. It indicates that the radio station is not interested in everyone. They want a specific audience they can satisfy. For instance, one can christen themselves as serving high spenders. It shows lack of fear and knowing what you want and doing it to your best. It should be the trend, so long as one chooses a sound, they are comfortable with, that they can effortlessly create content on.

Simulcasting

Simulcasting is another mechanism being used to grow audiences and generate revenues. Some talk shows of radio stations are broadcasted live to TV stations as well as their digital assets. This gives the content reach to different audiences and advertisers also have access to both TV and radio audiences. It helps answer the audio-visual needs of audiences. It means that an advertiser can potentially book an on-air activation, with their products and a banner placed in the radio station studio and consumers will listen to it and see it on TV and other platforms. Spice FM does simulcast with KTN Home on some of its shows. They are both part of the Standard Media Group. One of the respondents reported that:

> You're talking about being able to capture revenue from radio on TV. I just saw a special order that had both TV and my radio station on it. So, this client is spending both for the TV audience and for the radio audience, but, it's just the same show on radio, but because the TV audience is big and different, they also have to pay for, for TV. So that's how things are changed.

It is important to take advantage of all platforms one can access to make them more competitive. It should be the trend in also lifting platforms, giving radio the visual feel. For an advertiser, it is hitting two birds with one stone, with potential to have better negotiations. More media houses that are in a group should not shy aware from this approach.

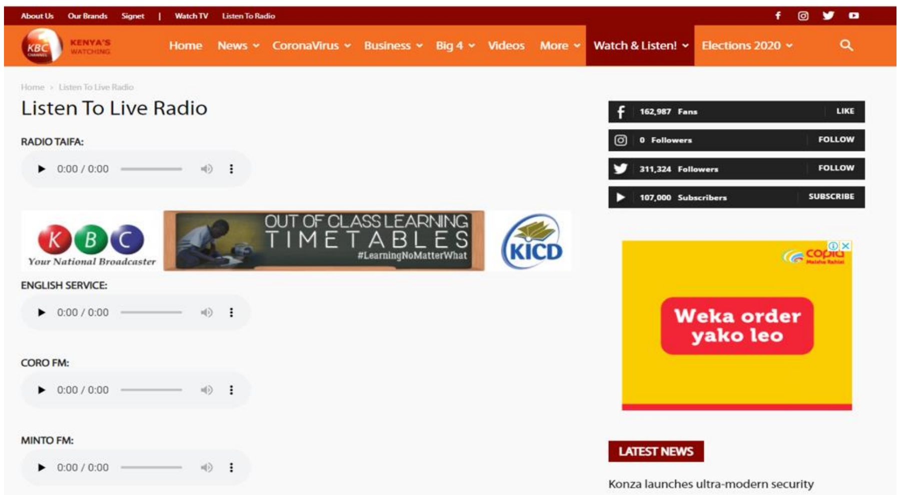
Congregating stations on one website

Congregating stations in one website is a strategy employed to maximize on traffic. The media company opens only one website and creates sub-domains of each of the radio stations they own and operate. If you search for it online, that is the website you open and once you access that specific website, the sub-domain retains you within the larger website. Hence traffic is not lost. This what an advertiser is urged to consider; the cumulative traffic generated. A respondent mentioned that:

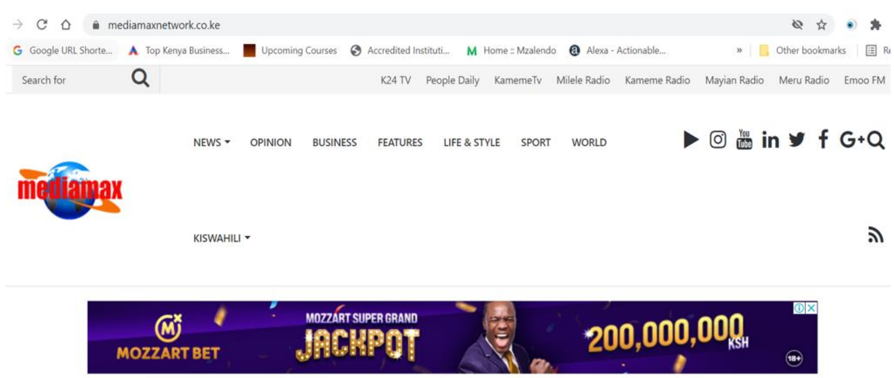
> I have seen some media houses congregating all their stations, TV and radio on one website. They then build content on each platform and since the domain is one, they benefit from traffic to the different stations. They can then sell the traffic to advertisers, who essentially are looking at all the traffic accumulated.

The state broadcaster KBC also has several TV and radio stations. Since they also have huge facilities, they maximize on them to generate revenues. For instance, they provide parking facilities at a cost and their headquarters in Nairobi, they lease part of their land to developers and other government agencies throughout the country and providing co-siting to other media houses. Radio stations require transmitters, which are very costly to set up and maintain. KBC leases their infrastructure to interested media houses where they pay to them monthly or yearly costs. Respondents noted that:

We also have parking facilities in Nairobi where we charge people to park there. It is just COVID-19 where people were directed to work from him that has disrupted it.



Screen grab 12: KBC website showing how you can listen to all their radio stations from the main KBC website



Screen grab 13: Mediamax website showing the different sub-domains of their media entities on one website

This is working smart. It is appreciating the reality that advertisers want traffic as a key consideration and deciding to approach it in a way you can. It can be the differentiating factor in the market. Any group of media companies that is looking to boost their revenues should consider this approach.

Overarching approach

Content cuts across the three objectives for the study. It is a strategy, a trend as well as an impact. Radio stations think of differentiating themselves on the basis of content they air and publish online. The originality of the content in terms of structure of the talk and music to be played is often similar but the idea is to use content as a hook for audiences which can then lead to advertisements. One of the key informants reported that:

> Content should be different. You need to speak to what's on people's mind like policy issues, not sexual content alone. Monetizing on content that is very differentiated from competitors is what makes the difference. You cannot monetize on sexual content, including on our platforms. Popularity doesn't equal monetization, remarked a participant from a radio station.

Another key informant stated that:

> The people who were making money five years ago are still making money today. They are able to maintain their revenues through content that is not only relevant, but they also have stuck to what they are known for. In the end, you maintain top positions, which means you will always make money which you use to maintain your higher ratings, remarked a key informant.

As a strategy, radio stations try to differentiate themselves in terms of content that plays in one station over the other. For instance, Spice FM has no music in its talk shows and this makes it easier for them to simulcast their shows on YouTube, Facebook, Twitter and their website. As a trend, there is a tendency to copy one another especially during talk shows and music segments. It is very popular to see radio stations playing reggae in the afternoon as well as having more sexualized content in their morning shows.

It is clear that radio stations see content as the bridge to increasing and sustaining their popularity which they can then sell to advertisers but there is little creativity in the content being different. There is considerable copy pasting, where they decide that since it is working on one station, they can as well just embrace it. This has certainly not been successful for everyone but those that have stuck to their sound from their inception have retained audiences and revenues.

4.3 Summary of Key Findings

The research has established that indeed radio revenues have been disrupted by the competitive nature of the industry with technological advancements and many radio stations struggling to compete for the same advertising market. The three research questions that guided the study have generated data as envisioned. The research questions touched on trends in radio revenues in a competitive media environment in Kenya, effect of digital disruption on radio revenue generation and strategies used in revenue generation in the radio industry in Kenya.

In terms of the trends in radio, decline in revenue, digital migration and decline in mass approach stood out. The findings indicate that decline in revenue is a trend that radio stations have experienced especially in the last decade. The decline was due to a multiplicity of factors including many radio stations in the industry competing for the same advertising basket that has not increased, the general economy not doing well nor growing leading to the corporate sector reducing their advertising budgets and preference to advertise in own platforms, like own digital accounts.

The findings also indicate that digital migration is playing a critical role in both reducing revenues for radio stations because it opened television for more channels, giving wider options for advertisers. Digital migration meant that advertisers had more options to consider including spreading the adverts to more people. Considering that people are generally more receptive to TV because of its visual abilities, radio lost out.

The study also established that there is a decline in mass market approach by advertisers. They want radio stations that know better their audiences, they satisfy their content needs and in turn can authoritatively speak about them. This leads to more engagement and when given an advert, can create a lead, a conversion or if an event, lead to them attending the event. This is distinctive from just wanting to reach everyone and you cannot establish possibilities for high leads or create engagement.

On the second research question on the effect of digital disruption on radio revenue generation, the rise of the influencer, free content and digital ads only can be cited. The rise of the influencer is about having people in their individual digital assets creating content hence attracting advertisements that radio stations would still want to secure. Digital landscape has created direct competitors of radio stations, some of who use less resources to create content and are not regulated, but compete for the same advertising cake.

The findings established that free content is now available more than ever on digital platforms without the radio stations earning revenues from these platforms. When radio stations publish their content, platforms like Google and Facebook among others publish them or share them. They then use the interest in people reading the published information to create profiles that they sell to advertisers without the original content creators getting anything. The digital platforms get the traffic and the advertisements and this is creating pain for media who have invested significantly in the content generation process.

The findings also indicate that radio stations are now generating ads from digital platforms. They are using their digital assets, being website and social media handles, which they have built through content and raising awareness on the airwaves to grow their numbers. They then first started by negotiating these digital ads as value proposition to advertisers but these has grown to a level that they can now stand on their own. It is very normal to see advertisements running on digital platforms that are not on the radio stations.

The third research question on strategies used in revenue generation in the radio industry in Kenya established that own events, media agency and home of sports as some of the mechanisms put in place. Radio stations are creating their own events, especially music concerts where they either bring in top musicians or have disk jockeys play music to entertain fans. These events sale tickets and they invite advertisers to set up tents and engage with audiences. Advertisers love them because they get to engage directly with people who consume their products and can get feedback. Radio stations love them since they are quick revenue generation mechanisms.

The findings also indicate that establishing a media agency within a media house, as a department is one of the strategies employed. Here, the agency bids for advertising work from clients and performs 360 degrees work which includes production and airing or publishing the adverts. In certain instances, they compete with other media agencies or get their media agency listed among providers of content in advertising companies in order to generate revenues. The approach ensures that instead of an advertiser hiring two or more firm to do production then giving it to media, they do this internally and can also charge for production.

Furthermore, some radio stations brand themselves as home of sports, so as to seen as the go-to media for all kinds of sports. They bid for sports extravaganza around the world and give commentary when the sport is taking place. They ensure some of the sports are broadcasted in their different platforms. They then sell space during intervals or during the sports, like football to advertisers who know that there are listeners who are following the sports and they can reach them.

4.5 Summary

This chapter has presented the findings of the study. It is a mixed bag in how digital disruption has affected revenue generation in the radio industry. The study also established that trends in radio revenues including decline in revenues, decline in mass approach and digital migration. The strategies being employed include being a media agency, having a call centre which also doubles as a research firm, events and native advertising among others. Content is an overarching approach used to increase audiences, thereby entice advertisers who want to also reach the same audiences. The next chapter will discuss the findings in relation to the research questions, literature review and the theoretical framework as well as offer a conclusion and recommendations.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This chapter discusses the major findings of the study; interpreting them in relation to the objectives that sought to establish the effects of digital disruption on radio revenues among urban radio stations in Kenya. The specific objectives were on trends in radio revenues in a competitive media environment in Kenya; effect of digital disruption on radio revenue generation; and strategies used in revenue generation in the radio industry in Kenya. This chapter offers conclusions and give recommendations arising from the findings as well as areas for further research.

5.2 Discussion of Key Findings

5.2.1 Trends in Radio Revenues in a Competitive Media Environment in Kenya

The first research objective sought to find out trends in radio revenues in a competitive media environment in Kenya. Some of the emergent trends in radio revenues generation are decline in revenue, digital migration, and decline in mass approach in advertising.

The findings indicate that decline in mass approach in advertising is taking root in the country. Advertisers are becoming more interested in reaching specific niche audiences, who they feel will have a better engagement and conversion rate than focusing on everyone who can be reached, without knowing the possibility for engagement and conversion. From review of literature, the State of News Media report (2011) by Pew Research affirmed that going forward, there will be more complex revenue sources than before. While the study brings out the need for quality content and diversification of revenue, it is a slight departure from a different study by the National Association of Broadcasters (2019) of South Africa which proclaimed that the current trends have a focus on higher quality content and niche advertising. There is an inclination towards targeted listeners with varied lifestyles both through traditional radio as well as digital radio. That study is in tandem with the findings of this research on the shift away from the masses being the target of advertising to niches.

Media economics theory underlines that since resources are finite, their utility is best to maximize on profits with the media in focus. It underlines that the value of media content lies in the messages, meanings, or stories that it offers hence this output needs to be one that will bring maximum benefits, to the media which will be audiences that can be converted to advertising revenue (Ozanich & Wirth 2004). The advertiser then makes their decisions based on what will also help them realize the objectives of the advertisement. It follows that their growing preference will be content and audiences that will align with their objectives, not just anyone that can be reached.

Resources require economic thinking when allocating them and generally making decisions about them. For instance, if a radio station decides they need to hire a digital strategist to help them reinvigorate revenues, they need much more than a salary to compensate them, in addition to looking at the rewards in future. It means they will accept some short-term pain for long term joy. Advertisers also consider short term pain of spending, for long term gain of increasing sales.

Audience segmentation, linked to decline to mass approach trend learnt in the study can equally be successful when learnt and implemented well. Albarran (2016) explains that the goal of segmentation is to "identify segments not currently served and develop products to meet their needs. To be effective, a segment must be measurable large enough to be profitable and reachable", (p. 194). It aligns to what a research by the World Association of Newspapers and News Publishers and Africa Media Initiative (2012) on financially viable media in emerging and developing markets which described Capital FM as an example of a successful niche model which has stuck to its roots since its inception. "Advertising is oriented toward a prosperous domestic market; it airs commercials for golf courses, mortgage companies, and vacation packages. The programming and advertising are designed to attract and maintain an audience among the Kenyan elite. This strategy leads to low ratings but a favorable business plan", the study explained, giving credence to the need to consider audience segmentation and deciding to focus on an audience that you can deliver, something the study agrees. It equally recognizes Radio Citizen as a mass market platform and has worked hard to deliver to the market by providing a combination of "music and personalities with news, business, and weather updates on the hour." This reflects the need to learn what you are good at and best in it in the market. As a learning opportunity, many that attempt to copy have little success, something that other stations need to follow keenly. The idea and practice of copy pasting or imagining they can replicate someone else's needs deeper interrogation, if starting and running radio station is a business.

Audiences are not always passive, they can react to external changes, especially through technologically powered tools. Roncallo-Dow and Arango-Forero (2017) explain the thinking that new media technologies empower audiences to take control and have a choice over what, where, when and how to consume media. These technologies equally monitor and measure audience behavior revealing characteristics of audiences not earlier established. It is these characteristics that media uses to secure advertising. As evidenced in the PwC report on entertainment and media for 2017-2021, internet advertising is growing tremendously and media houses will be looking to claim their stake. Fragmentation is caused by steady growth of media outlets, all competing for public attention, something that the Kenyan radio landscape is experiencing.

The result of fragmentation and technology that is taking away audiences but also helping media learn audiences better than before is decline in revenues. In Kenya, fragmentation of radio is seen by having many regionally based radios competing for same audiences, many national radios and as well vernacular radio. Language is one of the differentiating factors with national radios communicating in English and Kiswahili while regional and vernacular one's communicate in local dialects all seeking to have similar audiences listen to their frequencies. The ensuing competition means that advertising revenue is often split, albeit some players who are stronger may get a larger share, but often less than they used to get some years back.

Digital migration certainly also affected revenues that radio stations started to receive, because the reduction in distribution costs made it easier for other investors to join the broadcast market. Under digital migration, one frequency can accommodate eight channels as opposed to a single channel under the analog platform (Ochieng, 2015) and this saw more distribution of advertisements, something a respondent who was in the radio station, before, during and after can attest. By virtue of more broadcast channels being able to reach both niche and wider audiences, advertisers then have a wider pool from which to tap and reach consumers of their products.

The Kenya Media Landscape Report (2019) by Reelforge and Tifa Research explains that before digital migration, radio had the highest portion of audiences across media platforms in Kenya. While there was a decrease from 92 percent in 2017 to 66 percent in 2019, radio still commands media consumption in the country, a testament of its potential and viability. One factor that supports the demand for radio content is increased car ownership and traffic, that leads to people needing entertainment and news as they move from one place to another (PwC 2013).

Audiences in Kenya are interacting with multiple media platforms which sees increased competition coupled with declining advertising spends, according to The Kenya Media Landscape Report (2019) by Reelforge and Tifa Research which this study finds compelling. Certainly, radio is still the most utilized medium for advertising and this is attributed to the large audience it attracts. The majority of the radio stations being fragmented are also small and those that were dominant more than a decade ago have seen their share significantly reduced due to more players, alongside reduction of revenues.

A fragmented media leads to advertising that prioritizes the consumer's experience of products which creates value, Sankatsing (2007). On their part, consumers spread across wider options making advertising more difficult, but this reduces the overall advertising spend but also spreads it thinly to outlets that will ensure maximum consumer experience. It could be this phenomenon that is informing more interactivity of advertisements in broadcast media than ever before.

5.2.2 Effect of Digital Disruptions on Radio Revenues

There are different ways in which digital disruptions have affected radio revenues. They include digital advertisements only, recruitment informed by social media influence, content being provided for free by search engines and social media companies, GAA, rise of the influencer, and growth of the digital brand of the radio stations among others. These dynamics respond to the second research question.

There has been a growth of the digital brand of the radio stations evidenced by their digital footprints in having websites, social media accounts and applications, with some generating revenues from these digital platforms. It is true as Hayes & Graybeal (2011) put it that revenue drivers on digital platforms are determined by the number of users on a platform, the level of consumer trust and users' willingness to pay for content. The study found out that the first two are true in how the radio stations that are generating revenues from digital platforms have been able to achieve it. These users also increasing as they prefer social media platforms for news and entertainment as noted in the Status of Media Report 2020 while advertisers are also following suit, increasing their advertising on the internet. Willingness to pay for content has yet to be tested by radio stations in Kenya but they will be observing how the newspapers rolling these out will achieve it.

Technology has pushed media companies to resort to online advertising as a source of revenue, a finding in The Open Society Foundation (2013) report that the study agrees with. Young people are becoming highly techno-savvy and their increasingly stable financial base is becoming attractive to advertisers. Respondents were of the view that these are audiences which can be capitalized with the right strategy and content, hence radio stations must also be tech-savvy. Quality content comes as a cost but its rewards are worthy because that is what audiences want to read and interact with. "Many companies today have an online presence and they use this to market themselves. This is likely to be detrimental to traditional media houses, which for a long time have charged advertisers prohibitively. Radio, however, still remains the major avenue that companies opt for, partly due to its narrowcasting approach to broadcasting and also because it still remains a lot more affordable compared with print and television", the report adds.

Evidently, targeting newer audiences who do not consume radio as it is necessitates different marketing approaches. Wielki (2020) fuels this approach on the growing presence of Generation Z who spend a lot of time on social media and the study has revealed that the least approach for any radio station is to have a social media account. "They willingly follow the persons present in it who they trust. Therefore, in the new market situation, when promoting products, services or brands has never been so difficult, organizations have begun to look for alternative methods of influencing consumers" (p.15) he Wielki explains. This is informing the growing practice to learn their dynamics and appreciate dwindling financial fortunes that radio stations and media in general are facing. It equally informs the decision by radio stations and broadcast media to use social media presence as a key consideration in who they hire. They are looking to engaging those who can help them grow, increase influence and reach for the stations and their clients, being advertisers. Wielki (2020) adds that the influencer as a preferred choice for marketing has been growing since 2015 and today more advertisers are choosing to engage them more than ever before to reach and interact with consumers online.

The modes of media production, distribution and consumption have been affected as well as transformed by digital technologies (MCK 2016). One area that has been grossly affected is revenue. It is what West (2009) refers to as an economic crisis necessitating the need for alternative models for generating revenues. This is certainly true, albeit the majority of online audiences prefer to get content free, a reason why most media houses in Kenya have been reluctant to charge for their online content. It is an open secret that media organizations are considering different ways to generate money from their online platforms besides what they make from advertising" (p.23) they assert, reflecting the struggle that mainstream media have to grapple with. This is true of radio stations, where only a few are generating revenues from online sources with the majority still providing their content for free as they try to gather deeper knowledge of monetizing on digital.

One issue that did not come out clearly in the study is what Hollified (2016) discusses as the effect of competition in radio being positive as it improves quality. The study revealed quality, especially in terms of content is still wanting, since the majority have embraced a copying culture. What the study however revealed is that competition, including from digital platforms is pushing radio to consider diverse sources of revenues. Moreover, there is a learning culture in that those who are generating revenues online offer an opportunity for others to learn, something a respondent alluded to.

5.2.3 New Revenue Generation Strategies Adopted by Radio Stations in Kenya Today

Some of the new revenue generation strategies adopted by radio stations in Kenya include increasing direct marketing over Google ads, creating digital assets in diverse platforms like TikTok, media agency, call centre and research for brands, grants from the regulator, banner ads on the website, and value addition mechanisms among others. These new revenue generation strategies answer the third and last research question for the study.

Strategic management theory that the study engaged is about systemic thinking and approaches. Systemic means that approaches must also have a long-term outlook as changes sought can take time. Media enterprises in Kenya have often been considered to want make profits quickly with little long-term investments. There is innovation and adoptability in strategy formulation that rolls over to implementation and evaluation. The study roots for agility in being innovative because of the context and dynamics of radio and media in general. Considering that its survival is heavily dependent on existential factors and constant technological changes, the uniqueness of the media necessitated some level of dexterity and patience.

Digital platforms that help diversify revenues for media have the universal basis of pursuing an audience strategy to reach them and hopefully convert them to revenues. Hirschmeier, Tilly and Beule (2019) discuss the need to cultivate consumer interaction as a lifecycle of three elements: reach, engagement, and connection (Hirschmeier, Tilly & Beule, 2019). Hence when it is about banner advertising, increasing direct marketing over Google adverts, using platforms like TikTok and having digital platforms as value addition assets to give clients, the idea is to capitalize on audience numbers to generate revenues. When a media platform wants to start having Google ads on their platforms, they will need to have a Google AdSense account. The adverts from Google will start showing on their platforms based on their location and audience dynamics. Moreover, starting to earn revenues though requiring huge traffic is also dependent on the country someone is located.

Albarran (2016) lists Facebook and Twitter as some of the digital platforms that radio stations and media in general can generate revenues from. The explanation is that this can be through offer claims where customers can respond to business offers, events management where a platform is used to promote an event and track reservations, website conversion where customers are encouraged to click a website to make a purchase and web site click where a message directs customers to click on another website. Radio stations in Kenya and media in general all have digital platforms with Facebook and Twitter leading as the bare minimum, in addition to websites. However, data from the study highlights events management discussed as being the main way from the above they have been able to generate revenues, especially for their own events, like music concerts.

In discussing sources of funding in Kenya's media, the Open Society Foundation (2013) report terms the industry as having "financially sophisticated" mechanisms, a description that aptly captures the revenue generation mechanisms the study revealed. This includes sponsoring popular programs such as drive-time talk shows, interview programs, sports programs, news, weather updates, and traffic updates are other ways media generates revenues. One would also look at creating a media agency, sponsoring sports programs, call centre and research for brands, and grants from the regulator as contributing to the sophistication of revenue mechanisms.

Sports are often not over until an advertisement is broadcasted (Vogel, 2015). Sports is entertainment which attracts many different aspects including licensing rights, marketing and merchandising among others. It is a mutually benefiting process, where sports heavily depend on electronic media and the fees this generates to thrive, while the electronic media itself packages the sports and sells it to advertisers from the eyeballs they will generate, as evidenced in some radio stations using this approach. In sports, live transmissions are important for revenues, something that our local media and radio stations capitalize. They report live on various sports engagements including athletics, football, rugby, volleyball and boxing, where they augment the transmission with commentary. The commentary helps build content which audiences like and their continuous interest is what attracts advertisers.

Content is another issue that (Picard, 2011) discusses that while the internet creates opportunities for online content, its monetization capabilities are sometimes limited especially for news and general information providers. This is largely the case, but it is also dependent on how online content creators generate the content and explore different mechanisms of monetizing the content. Kenyan media has certainly proved, and many global media and online content creators that content can be monetized. But the number of radio stations that are making money on digital platforms and in diverse ways is limited in terms of content, partly due to lack of creativity among the stations. In addition, diverse and quality content remains a concern, which Hollifield (2006) shares, since the majority have a copycat mentality, which does not make them stand out, failing to be a critical enabler in the revenue generation agenda.

Diversification is an area that Ireri (2011) notes must be embedded in any media that wants to be competitive and in doing so, diligently performing competitor analysis to inform their value proposition to consumers and advertisers. This is true, reflecting on the experiences shared by participants and observation in the radio industry. Moreover, it is clearly coming out that those that embraced digital fully, with a clear content plan are increasing their revenues from digital platforms, as a share of overall revenues while those that are either new or lagging behind have yet to tap into this potential.

5.3 Conclusions and Implications for Practice

From a media economics perspective, which is about how a media entity works in its entirety, understanding the operating environment and market conditions that influence it, the competitive media environment is affecting all sectors of a radio station including human resource, production and finance. The study has brought out varied revenue generation approaches operating in a competitive media environment that is Kenya.

On the other hand, from a strategic management perspective, it is clear that the media industry is different and requires contextualization when examining decision making and strategy formulation. There is an increasing need for creativity, agility, innovation, and adaptation, when looking at radio revenues. Certainly, the findings of the study may not be heavily applicable to stations that are in areas not well covered by reliable internet.

On the trends in radio revenues, the study found out that there is decline in revenues, digital disruption, decline in mass market approach and stiff competition. However, there is a dearth in rich and diversified content. One key informant said the radio industry is one littered with “fair disappointment due to copycat practices.” There is hardly ingenuity and creativity as what many prefer is copy what is already being done. The copying is such whenever a station is airing reggae music during a certain show, other stations also copy to play reggae at the same time slot. There is equally an overreliance on sexualized content to grow popularity. There is therefore a need to invest in better content that is sustainable to guarantee returns.

Regarding how digital disruption has impacted on revenues, recruitment based on social media influence, the rise of the influencer, technology, the rise of the influencer and content being provided for free were noted. Radio stations have a task ahead not to be disrupted unchallenged. One way is how to better configure the distribution of content they are creating. Even though much of focus is often on creating and publishing content, how people can read about the content needs to form the next hurdle for the radio stations. What the majority have focused on is allowing access to the audio content through the website, but content of the station is hardly packaged for online audiences. There are rewards that stations like Capital FM are reaping for also having a reliable and informative website, where one can also actively listen to the station. Furthermore, distributing the content through diverse ways including SMS alerts to prompt people to visit the website, sharing on Facebook, Instagram, Twitter and WhatsApp while also ensuring the content ranks high on search engine platforms is important.

The strategies used to generate revenue reveal that the full potential of digital is still untapped. Some of these strategies are creating diverse digital platforms, establishing media agencies, banner advertising on websites, direct digital marketing and value addition mechanisms. Digital is not solely or mainly about being on social media and publishing on those platforms. There is a need to consider maximizing these platforms, for instance by producing and distributing multi-media content including viral content that is shared on WhatsApp and TikTok. There is also a need to better establish the sound and appeal of a station and replicate it on the digital landscape, without wanting to please everyone and be everywhere. For instance, Capital FM distinguishes itself as an urban station and produces content that is aimed at the middle class who have more spending power. That has been their sound since their establishment to this day. That is something to be emulated as they continue to generate revenues.

Based on the findings, the study concludes media houses are attempting various revenue models in order to stay competitive. Some cut across more than one station while others are only being implemented with one station. Furthermore, competition and fragmentation will continue and increase, only radio stations and organizations that develop a robust, diversified revenue strategy will survive.

The findings also indicate that radio stations have appreciated that they cannot compete with digital. They have joined and use digital platforms to help answer the revenue conundrum. Some of the revenue mechanisms that are unique to one station include having a media agency, home of sports and a call center and research firm. The avenues that have more than one approach include generating revenues from social media assets, hiring based on social media influence, and market-day activations. In addition, the avenues that have all the stations include having digital only adverts, events, on-air advertisement and on-air activations, sponsorship and content among others.

Franklin (2014) asserts that media is no longer heavily reliant on one or a few sources of revenues. There are multiple revenue streams that make it possible for media to stay afloat and compete. That is clearly how radio stations in Kenya are approaching the competitive media environment. One reality in the sector is that the close to 200 stations are depending on the same revenue pool and without the economy expanding to bring in new sources or drastically increase magnitude of existing sources, radio stations must continuously seek to be competitive, follow audiences where they are, learn their behaviors, adopt digital approaches and seek ways of generating revenues from them and create revenue strategies that are robust and sustainable.

Moreover, there is a greater need for positioning and branding for the radio stations to generate revenues that can sustain their stations. The radio stations that have done this are thriving, as evidenced with comments from respondents that stations that were making money five years ago as still doing it today due to their branding and positioning in the market. They have done well to understanding their audiences and only seek to make them happy, not everyone in the market or industry.

5.3 Recommendations

The study has identified gaps in the revenue generation approaches that radio stations are employing. One key informant said the radio industry is one littered with “fair disappointment due to copycat practices.” First is that there is a greater need to embrace audience segmentation to reinvigorate revenues as part of broad-based audience strategy. Many stations have shied away from learning their audiences and responding to them, choosing to wait from others then copy them, without interrogating the dynamics that are different. But as radio stations discuss this and consider it, the reality that some segments of the market, like ethnic communities are already flooded, bringing to question the viability of those stations. There could be other reasons that are not financial or public interest that led to the owners seeking licenses to operate them.

Secondly, even though competition in news media is often pegged on quality of content, that is missing in the Kenyan radio landscape, especially as a means to boosting revenues. Radio stations must reinvigorate their content generation, packaging and distribution for them to stand out and convert them to revenues.

Thirdly, diversification must be embedded in the revenue approaches to realize the full potential of digital. This includes growing key competences in staff on areas like analytics and digital marketing. A diversification approach and thinking should also include the whole staff of the stations to build common ground and understanding as each department plays their part in breathing life to the strategy.

Fourth, there is a need for institutions like the MCK that are running a media viability project to train and mentor radio stations on how to maximize on sources of revenue. Some of the areas of training and mentorship include basics of securing advertisements from government, content development and distribution, skills development, management and review of revenue targets and approaches.

Fifth, there is a need for institutions of higher learning that are teaching broadcast journalism to consider a module on revenue generation. It would be ideal for students of journalism to appreciate the dynamics of bread and butter before getting into the industry to challenge themselves how they can further contribute to helping reinvent the revenue conversation. Studying revenue generation including media viability, media sustainability and funding models that are already working in other countries, specific to radio and critiquing how some of them can be implemented in Kenya is essential to ensuring robust broadcast media in future.

Seventh is the reality that government advertisements, though dwindling, there should be some openness's in how to secure them. Radio stations and the media in general should consider engagements with GAA representatives to learn how they can qualify for consideration because public funds are being used and they can gain once well informed of the ropes they must cross.

5.5 Areas of Further Research

The study has shown that digital has had an effect on radio revenues in a competitive media environment. Future research can delve into the ethical issues of adopting some revenue diversification strategies that entail digital. There is also room for a study on the extent to which digital has tanked revenues and how radio stations have adjusted. In addition, looking at the digital only revenue sources and whether they can be sustainable to a radio station is worth studying. Also, investigating niche advertising for radio is useful in informing the fragmented and competitive radio industry in the country. Furthermore, future research should interrogate the scale in terms of financial or revenue loss that radio has experienced as a result of digital technologies and competition.

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APPENDICES

Appendix A: Interview Guides

AGA KHAN UNIVERSITY

GRADUATE SCHOOL OF COMMUNICATION AND MEDIA (GSMC)

A study on the effects of digital disruption on radio revenues among urban radio stations in Kenya by Baron Khamadi Shitemi – 543743

My name is Shitemi Khamadi. I am a Master's student at the Graduate School of Media and Communication (GSMC) at the Aga Khan University in Nairobi, Kenya.

This study is aimed at formulating an understanding of Kenya's media industry today, with a focus on revenue generation in the radio industry. The general objective of the study is to investigate the revenue generation approaches radio stations are employing in the competitive media environment.
The interview should take between 30-40 minutes to complete. Your responses will be greatly appreciated as the findings from the study will contribute to the development of Kenya's media industry. If you require more information about this study or would like to contact me with any issues, you can do so at: shitemi.khamadi@aku.edu or call me on 0720175808.

Please note:

- Your responses will be kept completely confidential and all the participants will remain anonymous.
- Only the final results of the interview will be published, based on the average responses from all interview sources that participate. No individual responses will be reported.
- Questions such as the name of your organization are asked only for purposes of sampling verification.
- Note that the data collected in this study will be analyzed by myself only for purposes of undertaking the Masters study. I shall also store it safely in my secure drive for reference.
- Your participation in this research is voluntary. You have the right to withdraw at any point during the interview, for any reason, and without any disadvantage to you.

Interview Guide – Owners, Editors and Media Managers

Basic Information

Please tell us the name of your radio station and your job title. If your media house is part of a larger company, use the name of the specific station, and name of the parent company.

____

____

How has radio revenues changed and what has influenced the changes in your stations in the past 5-10 years?

What are the trends you have noted in radio revenues in the past 5-10 years?

What factors have affected trends in the financial position of your radio station?

What new avenues and new opportunities for revenue generation is your station considering?

How would you describe the viability of your radio station?

How has your radio station adopted to the digital disruption?

How has digital disruption affected your revenue generation?

What are your sources of revenue and what are the key drivers of revenues for your radio?

How are digital platforms; website and social media, being employed to support revenue generation?

What strategies does your radio station employ to generate new revenues?

What strategies has your radio station employed to generate revenues from digital platforms?

What are the greatest challenges and threats to revenue generation for your radio station?

How does your station go about monetizing of content?

What is the place of innovation in identifying new revenue streams and how do you gather new ideas that could inform revenue strategies?

How does the radio station address competition in the radio industry with a view to increase revenues?

How has COVID-19 affected your financial performance and how have you adopted?

Interview Guide – Key Informants

Basic Information

Please tell me your name and the name of your organization and what it does!

How long have you worked in the organization and in what roles?

When inspired the formation of your organization?

Revenue Generation

How has revenue generation in the media industry in Kenya evolved in the past 5-10 years?

What trends have you noticed in the revenue generation mechanisms that radio stations are employing?

What are the driving factors in revenue generation for radio stations in Kenya?

What strategies have you seen radio stations employing to generate revenues?

How have digital platforms affected revenue generation in the media landscape and radio specifically in Kenya?

How have radio stations adopted to the digital disruption in Kenya?

What content strategies have radio stations put in place to inform their revenue generation?

How have audiences informed radio revenue generation?

How have radio stations addressed the media viability question?

As the regulator, how has revenue generation changed in the past 5-10 years?

As the regulator, how viable are the radio stations in the country?

Thank you for participating in the study exploring the effects of digital disruption on radio revenues among urban radio stations in Kenya

If you have questions or comments about this survey, please contact: Shitemi Khamadi at shitemi.khamadi@aku.edu

Appendix B: Document Review Guide

Document	**Details Reviewed**	**Process**
Audience Measurement and Industry Trends Report for Q1 2019-2020 by Communications Authority of Kenya	Radio listenership in the country, getting the reach data in numbers.	Reading the entire report, generating data on radio listenership. Fleshing out details on programming time.
Status of Media Report 2020 by Media Council of Kenya	Radio listenership reach in the country	Reading the whole report and teasing out the numbers in terms of reach, relevant to the study
Competition Study in the broadcasting industry in Kenya by Deloitte (2012).	Share in terms of percentages of Radio advertising revenue of media Groups in the country	Reading to understand the report and extracting the share of advertising revenue
Kenya Audience Measurement Survey – (Q3 2020) Ipsos – Kenya Audience Tracker (IKAT)	Data on radio trends in the country	Reading the report and teasing out data on radio trends, relevant to the study
Kenya Audience Research Foundation (KARF) Audience Tracker 2019	Data on radio reach in the country, with a focus on the study's sample size	Reading the report and teasing out data on radio trends, relevant to the study
Ipsos Media Audience Measurement Tracker Survey (2018)	Data on audience measurement of radio stations	Reading to understand the report and extracting the share of advertising revenue
Unpacking Betting in Kenya: A joint survey by Ipsos and GeoPoll (2019)	Data on the impact of betting on radio revenue.	Reading the whole report and teasing out the numbers in revenue loss of betting, relevant to the study
An Overview of the Total Advertising Industry Media Activities in Kenya (2020) by Ipsos	Data on advertising spends and share among different types of media.	Reading the report, understanding and interpreting the revenue data.

Appendix C: Radio Stations in Kenya per Categorization

Radio Stations in Kenya per categorization			
Local Language	Religious	Urban	National
1. ANGAF	ATG RADIO	BARAKA FM	KBC ENGLISH SERVICE
2. ANYOLE FM	HEKIMA FM	CAPITAL FM	KBC IDHAA YA TAIFA
3. ATHIANI FM	HOPE FM	CLASSIC 105	MILELE
4. AVIATION FM	IMANI RADIO	GHETTO RADIO	RADIO CITIZEN
5. BAHARI FM	JESUS IS LORD RADIO	HERO FM	RADIO JAMBO
6. BIFTU FM	KISIMA FM	HOMEBOYZ RADIO	RADIO MAISHA
7. BULALA FM	KUBAMBA RADIO	HOT 96	
8. CHAMGEI FM	LIGHT and LIFE FM	KISS 100	
9. CORO FM	MBCI RADIO	NATION FM	
10. COUNTY FM	RADIO 316	NRG RADIO	
11. DALA FM	RADIO AMANI	SPICE FM	
12. EGESA FM	RADIO INJILI	URBAN RADIO	
13. EMURIA FM	RADIO MARIA	VENUS FM	
14. ENE FM	SHEKI FM		
15. FRONTIER FM	THE JUST LIVETH		
16. GUKENA FM	THOME RADIO		
17. IFTIN	TRUTH FM		
18. INOORO FM	WIKWATYO		
19. IQRA FM			
20. ITHAGA FM			
21. KALYA FM			
22. KAMEME FM			
23. KANGEMA FM			
24. KASS FM			
25. KAYA FM			
26. KEGOCHO FM			
27. KITWEK FM			
28. KONG'ASIS			
29. MAIYAN			
30. MBAITU FM			
31. MERU FM			

32. MUGAMBO JWETU			
33. MUKWANO FM			
34. MULEMBE FM			
35. MUSYI FM			
36. MUUGA FM			
37. MWARIAMA FM			
38. MWATU FM			
39. NAMLOLWE			
40. NJATA FM			
41. NYOTA FM			
42. ONAGI			
43. PACHO			
44. PILIPILI FM			
45. PWANI FM			
46. RADIO AKICHA			
47. RADIO LAKE VICTORIA			
48. RADIO MAMBO			
49. RADIO MIDNIMO			
50. RADIO RAHMA			
51. RADIO SAHARA			
52. RADIO SALAAM			
53. RADIO SUNSET			
54. RAMOGI FM			
55. RISALA FM			
56. RWARE FM			
57. SAUTI YA KAJIADO			
58. SAUTI YA MWANANCHI			
59. SAYARE			
60. SIDAI FM			
61. SKY FM			
62. STAR FM			
63. SULWE			
64. SYOKIMAU FM			
65. THIIRI FM			
66. TOGOTANE			
67. TULIZA FM			
68. VIHIGA FM			
69. WAJIR RADIO			
70. WARSAN FM			

71. WEST FM			

Appendix D: Work Plan

Timeframe	**Activity**
May 2020	Development of Research Concept
	Approval by Supervisors
June2020	Writing chapter one
	Revisions from supervisors
	Writing chapter two and three
July and August 2020	Revisions from Supervisors
	Development of data collection tools
	Revisions from supervisors
September and October 2020	Proposal Defence
	Revisions from the defence panel
November 2020	ERB clearance, approval from GSMC and NACOSTI
November and December 2020	Data collection
	Data cleaning and analysis
	Consultations with supervisors
	Report writing (chapter four and five)
	Correction and fine tuning of the thesis
January 2021	Final thesis defence

Appendix E: Research Budget

Item	**Purpose**	**Cost**
Researcher costs	Researcher costs per hour (3000, 2 hours each for 14 interviews)	84,000
Transport and logistics	Facilitate movements to meet respondents	10,000
Cost of interviews	Potential for interviews in restaurants or others spaces	10,000
Printing	Printing of the interview guide	150
Airtime	To communicate with respondents including booking appoints	2000
Data	For research as well as potential online interviews	4000
Data cleaning and analysis	For cleaning the data and analysing	20,000
Total		**126,150**

Appendix F: Informed Consent Form

THE AGA KHAN UNIVERSITY

Graduate School of Media and Communications

MASTER OF ARTS IN DIGITAL JOURNALISM

AKU INFORMED CONSENT FORM (ICF) FOR SOCIAL SCIENCES, HUMANITIES AND ARTS-(SSHA)

A study on the effects of digital disruption on radio revenues among urban radio stations in Kenya

Introduction

Welcome to this study on the effects of digital disruption on radio revenues among urban radio stations in Kenya by The Aga Khan University Graduate School of Communication and Media (GSMC) student, Shitemi Khamadi. This study which is part of his Masters' Degree in Digital Journalism aims to generate information that will be stabling revenue generation in a competitive media environment in Kenya for his Masters' thesis.

Please note:

- Your responses will be kept completely confidential and all the participants will remain anonymous.
- The findings of the study will be published only in aggregated form, based on the average responses from all the participants.
- Questions such as the name or radio station are asked only for purposes of sampling verification and data management.
- Your participation in this research is voluntary. You have the right to withdraw at any point during the study, for any reason, and without any prejudice.
- The interview should take around 45 minutes to an hour to complete.

Consent to Continue

By signing below, you acknowledge that your participation in the study is voluntary, you are 18 years of age and above, and that you are aware that you may choose to terminate your participation in the study at any time and for any reason.

I consent to participate [   ]

Sign: ____   Date ______________

I do not consent; I do not wish to participate [   ]

Sign ____   Date _______________

Thank you for your time. If you have questions or comments about this survey, please contact: Shitemi Khamadi at shitemi.khamadi@aku.edu

Appendix G: AKU Ethics Review Committee Approval Letter

THE AGA KHAN UNIVERSITY

Graduate School of Media and Communications

REF: AKU-GSMC/ERC/2020/005

Date: November 05, 2020.

Dear Shitemi Khamadi (Student No. 543743)

RE: RADIO REVENUE GENERATION IN A COMPETITIVE MEDIA ENVIRONMENT IN KENYA

This is to inform you that Aga Khan University – Graduate School of Media and Communications Ethics Review Committee has reviewed and approved your above research proposal. Your approval period is November 1, 2020 to October 31, 2021 and your application's approval number is AKU-GSMC/ERC/2020/005.

This approval is subject to compliance with the following, under the supervision of your two supervisors:

1. Only the approved documents including the informed consent form and the data collection instruments will be used.
2. Any changes, made on the approved documents that may increase the risks or affect the welfare or safety of the participants or compromise the integrity of the study must be reported to GSMC within the shortest time possible. The amended documents will be taken through a fresh review and the due process of approval.
3. In the event that the research cannot be completed within the one year approved period, the researcher will request for renewal of approval 30 days prior to the end of the approved period.
4. The researcher will be required to submit a comprehensive progress report when applying for renewal of approval.
5. Submission of an executive summary report to the GSMC's Ethics Review Committee within 90 days of completion of the study.
6. Produce all the data collected using the approved tools as and when required by the Ethics Review Committee within the 90 days of completion of your study.

Prior to commencing your study, you will be required to obtain a research permit from National Commission for Science, Technology and Innovation (NACOSTI). You can access the application portal from the website on https://www.nacosti.go.ke/ .

Please feel free to contact me should you require any further information.

Yours sincerely

Dr Nancy Booker
Director- Academic Affairs
GRADUATE SCHOOL OF MEDIA AND COMMUNICATIONS

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Email Address: info.gsmc@aku.edu ; Website: www.aku.edu

Appendix H: Introductory Letter from AKU

THE AGA KHAN UNIVERSITY

Graduate School of Media and Communications

National Commission for Science, Technology and Innovation
P. O. Box 30623 – 00100
Nairobi

November 05, 2020

Dear Sir/Madam.

SHITEMI KHAMADI (STUDENT NO. 543743)

Shitemi Khamadi is a registered student at the Aga Khan University, Graduate School of Media and Communications. He is enrolled in the Master of Arts in Digital Journalism Programme and has completed his course work. He is now working on his Master's thesis. Mr. Khamadi's topic is **"Radio Revenue Generation in a Competitive Media Environment in Kenya."**

The purpose of my writing is to request you to assist Mr. Khamadi complete this important academic exercise. Any information collected will be used solely for academic purposes. Upon completion of the research, Mr. Khamadi's thesis will be available at our library. He will also submit two hard copies and one soft copy in pdf of his completed work to your department.

We appreciate your support to our student towards his successful completion of his thesis research.

Please feel free to contact me should you require any further information.

Yours sincerely.

Dr. Nancy Booker
Director – Academic Affairs

Appendix I: NACOSTI Research License

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 498004

Date of Issue: 24/November/2020

RESEARCH LICENSE

This is to Certify that Mr.. shitemi khamadi of Aga Khan University, has been licensed to conduct research in Nairobi on the topic: RADIO REVENUE GENERATION IN A COMPETITIVE MEDIA ENVIRONMENT IN KENYA for the period ending : 24/November/2021.

License No: NACOSTI/P/20/7898

498004

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION

Verification QR Code

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