



# WHAT'S NEW?

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## Markets for the taking

The idea of public service radio and television, in those countries that still have them, remains associated with public funding through licence fees. Revenue from advertising, if it is allowed, remains supplementary income. Is this the only viable financial model for these media?

The link between public service and public funding can be explained by the nature of the contract between the State and the media it subsidizes. The media in question has heavy obligations to serve the public interest, which no private media has. The State thus provides the means for it to respect these obligations.

In crisis or transition countries, the State generally does not have the same means or requirements. On the contrary. A private organization can therefore, by choice or as part of its mandate, assume a public service role. Is it then condemned to depend on donors, such as foreign governments, multilateral bodies or rich individuals?

If you say this, it means you do not have confidence in the capacity of such news media to carve a leading role in an advertising market which it largely helps create and develop. The appetite of big advertising groups is spreading to crisis zones, including in Africa. This confirms there is a potential market. There is no reason to leave it to them.

Jean-Marie Etter, CEO  
Fondation Hironnelle



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## Sustainable Media

Professional expertise, an institutional structure and an efficient business model are all essential to making a strong, independent radio station sustainable in a crisis zone. There are many ideas on how to generate revenue, but up to now the main source remains advertising.

Nowadays when Fondation Hironnelle creates a new media outlet in a crisis zone, it seeks straight away to make it sustainable and dedicates resources, for example, to setting up an advertising agency. The aim is twofold: to generate revenue for the new media outlet, but also to create a pool with other local radio stations.

This has not always been a concern. The first Fondation Hironnelle radio stations were set up in response to emergency situations of extreme gravity. In such cases, you do not think about the institutional sustainability of your media. But when you realize that listeners want it to last, the sustainability question arises.

For Fondation Hironnelle, the question first arose in Liberia in 2005 with Star Radio. In a context of economic and political reconstruction in the country, Fondation Hironnelle developed a commercial section within the radio. Its role was to get

advertising to broadcast for a fee. This hit various problems. With resources limited, the now autonomous management of Star Radio saw the recruitment of a sales person primarily as one journalist less. The line between the editorial and commercial departments was not clearly defined enough. And above all, the commercial department was not managed professionally enough.

This experience led Fondation Hironnelle to set up at Radio Ndeke Luka in the Central African Republic an advertising agency separate from the radio. It has separate offices and its aims are purely commercial. In an economy which is nevertheless weak, this advertising agency has for several years been meeting the challenge of creating financial autonomy for Radio Ndeke Luka. The process takes time. You need to create a market and set rates, in a context where this type of market hardly exists.

## Creating a Successful Advertising Agency

For an advertising agency in a crisis zone to generate revenue, several conditions are necessary, including the following:

- The radio station needs to have sufficient audience, confirmed if possible by audience surveys, or at least in terms of public recognition.
- There should be an Advertising Code to define what kind of advertising is allowed and what is not.
- Advertising slots need to be integrated into the radio's programming schedule and clearly defined as such.
- At least some type of record should be kept so that advertisers can verify that the slot they paid for has been broadcast according to contract.
- The advertiser must be made to feel that the adverts broadcast really support their activities.
- It is necessary to set up a fee structure and get it accepted by advertisers and institutional organizations.
- Professional ethics must be respected
- Strict financial controls must be put in place to build and maintain the trust of advertisers.



© Bangui, Central African Republic (Photo: Sophie Brändström/Fondation Hironnelle)

## Moving from Donors to Advertisers

In the Central African Republic, advertising generates one third of Radio Ndeke Luka's operating budget. The advertising agency was set up in 2010 and is a pioneer in the field. Dominique Jaccard spoke to Sonia Mackotoua, head of the advertising agency of Fondation Ndeke Luka in Bangui.

**Dominique Jaccard:** What is the advertising market in the Central African Republic?

**Sonia Mackotoua:** Few radio stations go to clients to get advertising. A few people wait in their offices for clients to come to them. But we go to find clients, because we have been trained in sales and marketing.

**DJ:** Are clients surprised to see you prospecting?

**SM:** Yes, sometimes people don't expect you to come and tell them that they can advertise on the radio to boost their sales. They are not familiar with that.

**DJ:** Who are the clients?

**SM:** All the local companies who want to boost their turnover. There are mobile phone and other big local firms, banks, big shops but also some small traders too.

**DJ:** How do you approach them?

**SM:** We do market research, we follow what's going on in the media, we try to see on our telephones when someone is starting a company. I work with all this information. As soon as there is a start up, I try to go and see these clients, I look at their company and the way they sell

before making them an offer that fits their business.

**DJ:** Do you manage to keep your advertisers?

**SM:** Yes, mostly they come back to us. It's up to us at the advertising agency to keep our clients loyal through the quality of our work. That means planning and being being punctual. If we tell a client that their advert will be broadcast at such and such a time, then we must make sure it is. And we have ways to monitor the broadcast of adverts. There's also the transparency and credibility of our fee structure, which we must make sure is respected.

**DJ:** What is the relationship between the advertising agency and Radio Ndeke Luka?

**SM:** We contribute to the radio. Every month, according to our rules, the advertising agency must transfer all the advertising revenue to the radio, except for our own operating budget.

**DJ:** Do you also sell institutional advertising spots?

**SM:** Yes, we also work with international bodies based in Bangui or elsewhere, with UN agencies, NGOs and local associations.



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## Media Entrepreneurs

NGOs give too much support to journalists and not enough to media management and marketing. That is the conclusion of Michel Colin, Fondation Hironnelle specialist consultant in revenue generation for radio stations. Interview by Dominique Jaccard.

**Dominique Jaccard:** How do small private and community radios in Africa generate revenue to operate?

**Michel Colin:** They expect a lot from international aid. For them, the aim is to find a donor. Apart from that, they don't make much effort. As a rule, they wait for money to arrive, either from donors or from local authorities who want their communiqués aired, or from listeners who also want their own communiqués broadcast on the radio. The radio stations try to set rates, but the fee structure is badly organized. In general, when there is money, they accept to do whatever is asked.

**DJ:** Do NGOs help these radio stations become more professional at management and marketing?

**MC:** Not very much. That's the conclusion I have drawn over a number of years. Few NGOs are involved on the ground in making radio stations sustainable. For a long time most NGOs have been putting a lot of support into journalist training, and almost nothing into development of sustainability. Community radio stations sometimes find themselves with more journalists than they really need and not enough people to go and generate

revenue. The other thing I find quite serious in some countries is that journalists who are sometimes forced by circumstance to do marketing make enormous ethical mistakes because they don't really draw a line between journalistic ethics and commercial activities.

**DJ:** What solutions do you suggest?

**MC:** The problem is that the commercial success of a radio depends on its management. The priority is to train managers, because as long as radio managers have not taken the decision to run the station like a company -- even if it's an association or a community radio -- not much will change. Sometimes advertising sales managers are trained who are really good on the ground but who cannot do what they want because of the radio management. They are not given any resources, no car, no telephone credit to call clients, and when they sell advertising space the ads are not broadcast. Sales and marketing is a new concept for many people in Africa, so you need to explain it. But once they have understood, things can move fast. The number one priority is to help managers decide to go that route and to give themselves the means to succeed.

## Sources of Revenue

In Africa, private and community radio stations are starting to organize and structure themselves to increase their financial autonomy and sustainability. They use many different sources of revenue at different levels, starting with announcements from listeners, such as deaths, marriages and family announcements. There are institutional communiqués about what is going on in the local area. Some revenue comes from NGOs which sometimes need the radio as part of a health, human rights or other campaign.

Some radio stations allow the public to use their Internet connection for a fee, and many generate revenue by providing office services. For example, they can use their computer to type letters, do translations, send Emails and photocopy documents for people. Some even open a small restaurant or bar next to the radio. Some also grow crops and keep livestock to raise money so the radio can operate.

*By Michel Colin, Fondation Hironnelle specialist consultant in revenue generation for radio stations.*

Find the whole interview in the original French on our website:

[www.hironnelle.org](http://www.hironnelle.org)

# Philippe Dahinden, a Man of Conviction

Philippe Dahinden, co-founder of Fondation Hironnelle, passed away on Saturday September 29 in Lausanne, Switzerland, following a short illness. He was 67. Here are some extracts from a speech he gave in Canada in 2004 about his experience with Fondation Hironnelle, his values and convictions.

Information is a weapon that can kill people when it's manipulated. It's a major issue in conflict and in totalitarian states, when belligerents try to control information. We know that information can also be an instrument of peace to counter propaganda, to counter incitement to violence and so help resolve or prevent conflict. The success of our projects -- mostly radio stations -- is proof of this. Their popularity is confirmed by what listeners say, by the support of local human rights and journalists' organizations, and by audience surveys.

Trust like that in a local media has to be deserved. The information it broadcasts must be what it says: professional, accurate, independent of course, and impartial. Then it becomes a powerful tool to fight propaganda and hatred.

Propaganda often feeds on real facts -- clashes, incidents, imprisonments -- but tends to blow them up and play on the emotions so that they become unacceptable for one of the involved parties. Accurate, balanced information, on the other hand, respects facts and conveys them to listeners in a reliable way. Such information also allows people to listen and talk to each other through testimonies and reports. So it can re-establish, without judgment and without playing on the emotions, a form of communication and humanity in war torn countries.

Restoring human dignity is one of the fundamental objectives of Fondation Hironnelle. And this is also one of the reasons why our radios are so popular.



© Philippe Dahinden at Radio Agatashya, 1995 (Photo: Anne-Marie Grobet/Fondation Hironnelle)

## Reporting on International Justice

The Hironnelle News Agency, which has for fifteen years covered trials at the International Criminal Tribunal for Rwanda, will close at the end of this year. But Fondation Hironnelle plans to continue covering international justice with a wider focus. By Julia Crawford, Project Manager of Hironnelle News Agency.

The Hironnelle News Agency has been reporting since 1997 on judicial developments linked to the Rwandan genocide. As trials at the International Criminal Tribunal for Rwanda (ICTR) in Arusha, Tanzania, come to an end, the Hironnelle News Agency will close at the end of 2012. Fondation Hironnelle plans to continue covering international justice with a wider focus and enriched content. It is building a coalition of partners, including Radio Netherlands and the Swiss association TRIAL, to provide an innovative

new platform on international justice.

By covering the trials at the ICTR in Arusha, the Hironnelle News Agency has helped keep people in Rwanda, in the wider Great Lakes region of Africa and in the rest of the world informed about justice in the wake of the 1994 Rwandan genocide. Since 2010, the Agency has also been reporting on the International Criminal Court. The unique, 15-year experience of the Hironnelle News Agency will continue to serve International Justice.

## Financial Overview

In 2012, Fondation Hironnelle had difficulty until late in the year finding funding for all its projects, except for the project in Tunisia. We also noticed a tendency for donors to cut "overheads", i.e. the contribution of certain donors to headquarters operations. At the same time donors want more controls, attaching their own conditions to the projects they fund, which means more constraints with regard to procedures and project monitoring in Lausanne.

Prospects for 2013 are mixed. Some projects such as Radio Okapi are seeking new funding to cover several years.

There is, however, an excellent piece of news: Fondation Hironnelle has been working for a year and a half with the institutional partnerships division of the Swiss Agency for Development and Cooperation (SDC) to establish an agreement with a funding contribution not linked to a specific project or activity. From 2012, Fondation Hironnelle also started accepting consultancy contracts, which constitutes a new source of funding. We especially need non-earmarked contributions -- such as is also the case with private donations -- in order to start new projects and continue projects that are not fully funded by institutional donors. CB

### What's New ?

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