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Foreign Participation in Media

Public discussion on whether foreign participation should be allowed in media enterprises, has quite overlooked the fact that increasingly, the pace and path of the media is being determined by advertising, and is influenced by market research and media planning strategies in which corporates, Indian and foreign, have invested heavily.

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The Indian media scene has gone through a dramatic shift recently both in terms of content and control. While media content is more and more market driven, control has now shifted although indirectly to 'foreign corporates'. And yet our political masters continue to revive irrelevant debates like the one of 1955 cabinet decision against foreign capital into Indian print media when in fact the 'foreign factor' is already moderating the priorities of most media in the country. The debate on foreign equity perhaps is meant to sideline the core of the issue – the direction of Indian media. Today advertising and market research in many ways determine the scope of media. Both these functions are in the hands of corporates controlled by foreign corporates.

Firstly, the share of advertising in total revenue of media has increased from 25-30 per cent some decades ago to 45-55 per cent today. In fact, in the case of television channels, advertising has largely determined the priorities and preoccupations. Even in the case of some big newspapers, revenue from advertising constitutes as much as 60 per cent of total revenue.

Secondly, advertising through newspapers and television today is mostly by multinationals and big corporates. In fact, the top 15 advertisers account for three-fourth of advertising revenue of newspapers and television channels. Except for Dabur, Tata, Bajaj and Videocon, all other top advertisers belong to multinational category. There has been a wave of foreign brands recently – all giving a big boost to media as well as consumerism.

Thirdly, the advertising agency business in the country has been getting concentrated in fewer hands in the last couple of years. The top five advertising agencies, with major holding from outside the country, account for well over half of

advertising business in the country and this has been on the increase. The entry of foreign advertising agencies has been going on parallelly with the entry of foreign brands and the increasing share of foreign corporates in the total advertising in the country. Now global conglomerates like WPP, TWT, O&M, BBDO, DDB-Needham, JWT have gained majority control in Indian advertising and the bulk of the market share too. A little over half of Indian advertising now is accounted for by overseas-based agencies, whose majority control in India is with foreigners. In fact, there may be two agencies in the top 20 which have no foreign partnership.

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

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

dilemma is causing concern of late even in the US at the highest policy levels.

Fifth, with media becoming complex and also specialised, two 'new' mediating functionaries have emerged in the last two years with serious consequences for the nature and character of the Fourth Estate. Both these functionaries of media planning and public relations in a way erode core prerogatives of the media functionaries and their editorial control. And the fact that both these functions have become corporatised with foreign agencies having managing control, should cause some concern in the country before it is too late.

Media planners are the ones involved these days in buying wholesale space and time for advertising and selling the same in retail on their terms. They are yet to expand nationally. Think of the implications – particularly because of the fact that some of these corporates are controlled by foreign agencies and they have been in business in a big way trying to determine the terms of advertising in India. This amounts in a way to undoing what Doordarshan initially did in terms of providing level playing opportunities to small and regional advertisers.

In the case of public relations, the functioning of these experts implies a certain interference with the functioning, particularly of reporters and editors. For, the function of PR is to ensure coverage for a particular viewpoint. Disinformation being talked about recently is a part of this new phenomena. Today majority control of these PR corporates in India, some six or seven leading ones operating nationally, is with foreign agencies. In fact, some of these have entered India as a part of one or other advertising agency having already a majority foreign equity. Most of these PR agencies mostly cater to the interests of foreign corporates or their collaborators in India. Many Indian concerns, including some public utilities, now avail these PR agencies to make their presence in the media.

Giving out the finding of their analysis in this regard, P N Vasanti, director of Centre for Media Studies, has said "Communication business has now moved into foreigners' control and this reflects on the scope of contents of newspapers, even more so in the case of television channels. Even Doordarshan's programming today is based on the guiding formula and criteria promoted by foreign-dominated agencies having their interest in big corporates". Against this background, a debate on the entry of foreign capital into print media is irrelevant. [EPW]