



**mda**

MEDIA DEVELOPMENT & DIVERSITY AGENCY



**THE RESEARCH AND DEVELOPMENT OF A  
SUSTAINABILITY MODEL FOR COMMUNITY AND  
SMALL COMMERCIAL MEDIA**

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MEDIA DEVELOPMENT & DIVERSITY AGENCY



## APPROVALS

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## LIST OF ACRONYMS

<b>AGM</b>	Annual General Meeting
<b>AIP</b>	Association of Independent Publishers
<b>APP</b>	Annual Performance Plan
<b>BRCSA</b>	Broadcast Research Council of South Africa
<b>CIS</b>	Country Investment Strategy
<b>CSCM</b>	Community and Small Commercial Media
<b>CSI</b>	Corporate Social Investment
<b>DSBD</b>	Department of Small Business Development
<b>DSTV</b>	Digital Satellite Television
<b>DTIC</b>	Department of Trade, Industry and Competition
<b>FET</b>	Further Education and Training
<b>FM</b>	Frequency Modulation
<b>FTE</b>	Full-Time Employee
<b>GBV</b>	Gender-Based Violence
<b>GCIS</b>	Government Communication and Information System
<b>ICASA</b>	Independent Communications Authority of South Africa
<b>IFTC</b>	Investment Fast Track Committee
<b>IT</b>	Information Technology
<b>MDDA</b>	Media Development and Diversity Agency
<b>MS</b>	Microsoft
<b>NAB</b>	National Association of Broadcasters
<b>NCRF</b>	National Community Radio Forum
<b>NED</b>	National Endowment for Democracy
<b>NDA</b>	National Development Agency
<b>NPO</b>	Non-Profit Organisation
<b>PBO</b>	Public Benefit Organisation
<b>PDF</b>	Portable Document Format
<b>RAM</b>	Radio Audience Measurement
<b>SAMRO</b>	South African Music Rights Organisation
<b>SANEF</b>	South African National Editors' Forum
<b>SARS</b>	South African Revenue Service
<b>SETA</b>	Sector Education and Training Authority
<b>SMS</b>	Short Message Sender
<b>TV</b>	Television
<b>TVET</b>	Technical and Vocational Education and Training
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>USAF</b>	Universal Service and Access Fund



# 1 EXECUTIVE SUMMARY

The Media Development and Diversity Agency (“MDDA”) was established to facilitate ownership, control, and access to information and content production of the community media by historically disadvantaged communities. Despite being in existence for more than 20 years, Community and Small Commercial Media (“CSCM”) organisations have struggled to position the CSCM sector as authorities on local content or as the platform to reach often-inaccessible audiences (NAB, 2019). This means that community media platforms have not yet been able to convince advertisers of their value for advertising – which is the lifeline for the community media’s sustainability in the long term. Over time and despite the MDDA’s interventions and support, the CSCM sector is not sustainable, and it continues to face a myriad of challenges (MDDA, 2021).

Given this context, the MDDA appointed Redflank to conduct research focused on identifying the underlying factors that influence the sustainability of the CSCM sector; identifying trends in ownership of CSCM organisations; and studying international sustainability models adopted in other countries for the CSCM sector, that South Africa can learn from. Ultimately, this research was focused on the development of a Sustainability Model for the CSCM sector.

## 1.1 RESEARCH METHODOLOGY

The approach adopted for this project was premised on assessing the current CSCM landscape in South Africa, in order to determine an improved ecosystem based on the key challenges currently being faced, the success of current CSCM business models and on best practices.<sup>1</sup> A key element of the approach involved the use of the United Nations Educational, Scientific and Cultural Organisation (“UNESCO”) Media Viability Indicators to determine the sustainability of specific CSCM organisations<sup>2</sup>. The UNESCO Media Viability Indicators measure sustainability using five societal dimensions, namely Economics, Politics, Content and Expertise, Technology and Community.

As part of the assessment, each CSCM organisation type was allocated a score out of 100 which served as an indication of the overall level of sustainability for that specific CSCM organisation type. Furthermore, in order to ensure that the specific issues facing the CSCM sector in the South African context were considered, six Sustainability Pillars, developed by the MDDA in order to identify and document specific issues believed to be impacting the sustainability of the CSCM sector, were used to supplement the framework provided by the UNESCO Media Viability Indicators. These Sustainability Pillars included:

- Technology, Digital Innovation and Signal Distribution;
- Corporate Governance and Compliance;
- Content Generation and Professionalising the Sector through skills and capacity;
- Transformation of the Print Media Sector;
- Consolidating Government Support; and
- Audience Measurement.

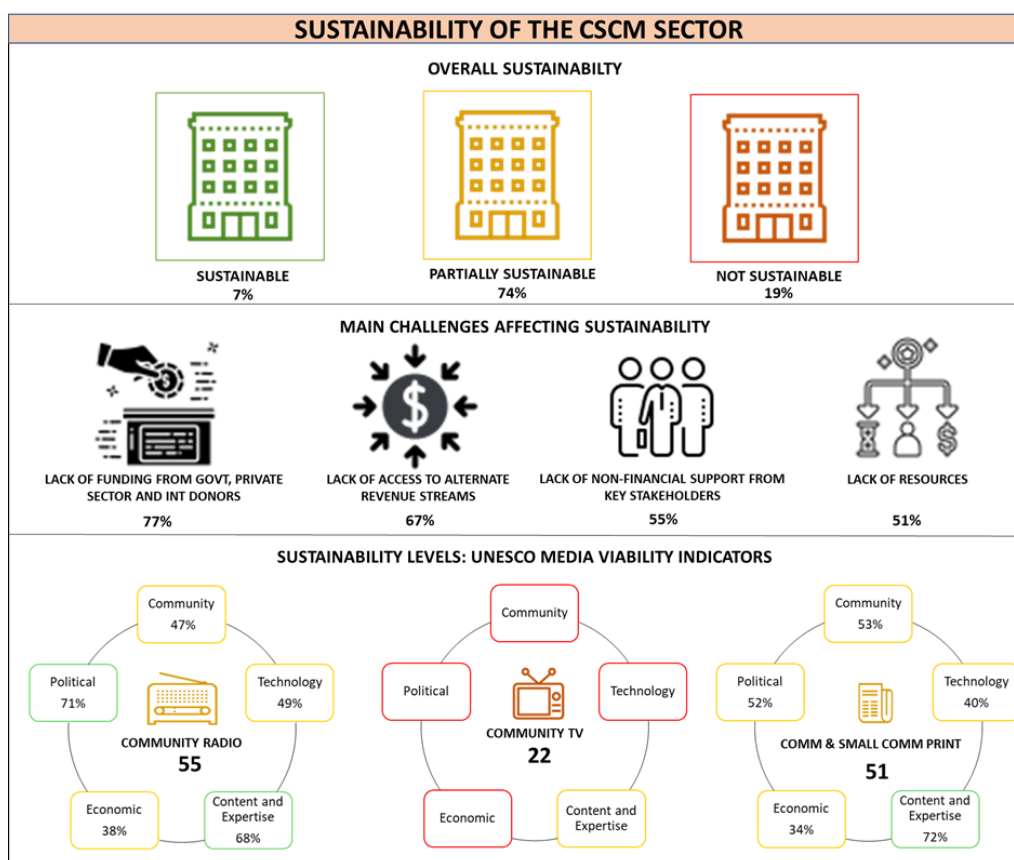
<sup>1</sup> Best practices were based on case studies of successful CSCM organisations, both locally and internationally.

<sup>2</sup> CSCM organisations assessed included community radio, community TV and community and small commercial print organisations.

## 1.2 KEY RESEARCH FINDINGS

The dashboard shown in **Figure 11** provides a summary view of the overall sustainability of the CSCM sector.

**Figure 11: Summary of the Sustainability of the CSCM Sector**



The dashboard shows that 74% of organisations indicated that they were partially sustainable. CSCM organisations cited key challenges impacting their sustainability as a lack of funding, a lack of access to alternative revenue streams, a lack of non-financial support and a lack of key skills and resources.

With regard to the UNESCO Media Viability Indicators, community television organisations appeared to be the least sustainable, receiving an overall score of 22, whilst community radio and community and small commercial print received scores of 55 and 51, respectively.

In order to develop a more detailed understanding of the challenges hampering the sustainability of CSCM organisations, a root cause analysis was conducted. This analysis assisted with providing a basis from which sustainable practices and strategies may be developed. In essence, in order to develop sound sustainability strategies, and inform a sustainability model for the CSCM sector, identifying the root causes of key issues was seen as a critical exercise.

At a high level, the root cause analysis revealed that the CSCM sector faces various challenges, which can be grouped into the following key themes.

- Lack of support from key stakeholders

*As a result of the socio-economic circumstances of their target communities, CSCM organisations do not receive adequate financial support from the communities within which they are located. CSCM organisations also appear not to be receiving adequate financial or non-financial support from local government. This is compounded by government’s decreasing ability to provide social benefit type grants and decreasing ability to provide financial support to CSCM organisations.*

- Insufficient revenue due to a lack of a secure revenue streams, or a lack of access to alternate sources of revenue

*The majority of CSCM organisations appear to be limited by a lack of sufficient revenue. This creates a multitude of other challenges, including the inability to operate effectively due to a lack of key skills and business functions; the inability to attract advertisers due to a lack of marketing and sales skills and the inability to afford skilled personnel and retain skilled staff, resulting in a high level of staff turnover and creating a perception of “instability” within the sector. CSCM organisations also face challenges with generating sufficient revenue through advertising. This may be as a result of a lack of market analytics capabilities, which are crucial to provide insight into their respective communities’ buying power and attract advertisers.*

- Lack of credibility

*High levels of staff turnover within CSCM organisations creates a perception that the sector is unstable, thus impacting the credibility of these organisations, which in turn impacts their ability to attract larger advertisers.*

- Lack of key skills

*There appear to be significant skills gaps within CSCM organisations, including skills such as business management, sales, marketing and market research. This is often as a result of the organisation’s inability to pay skilled staff. Furthermore, as a result of the ‘volunteer’ model, CSCM organisations often have to continuously capacitate and train new volunteers – using up time and resources.*

- Improper governance

*CSCM organisations experience challenges relating to inadequate governance. It was found that the improper formation of boards impacts the sustainability of the sector, as there have been instances whereby individuals have been voted onto the boards of CSCM organisations without adequate knowledge of the CSCM sector, leading to conflict between the board and management. Furthermore, there have been instances where political factors have influenced the formation of the board, with individuals being voted in based on popularity as opposed to their experience or level of skill.*

The challenges cited above lead to four fundamental observations as it relates to creating a sustainability model for the CSCM sector:

1. Economic development needs to occur for CSCM organisations to find long-term sustainability;
2. The role-players in the CSCM sector need to provide more support, financial or non-financial, to CSCM organisations to bolster sustainability;
3. CSCM organisations need to reduce their operating costs, especially where revenue is constrained; and
4. CSCM organisations need access to key skills to attract more advertising revenue (and to diversify their revenue streams).

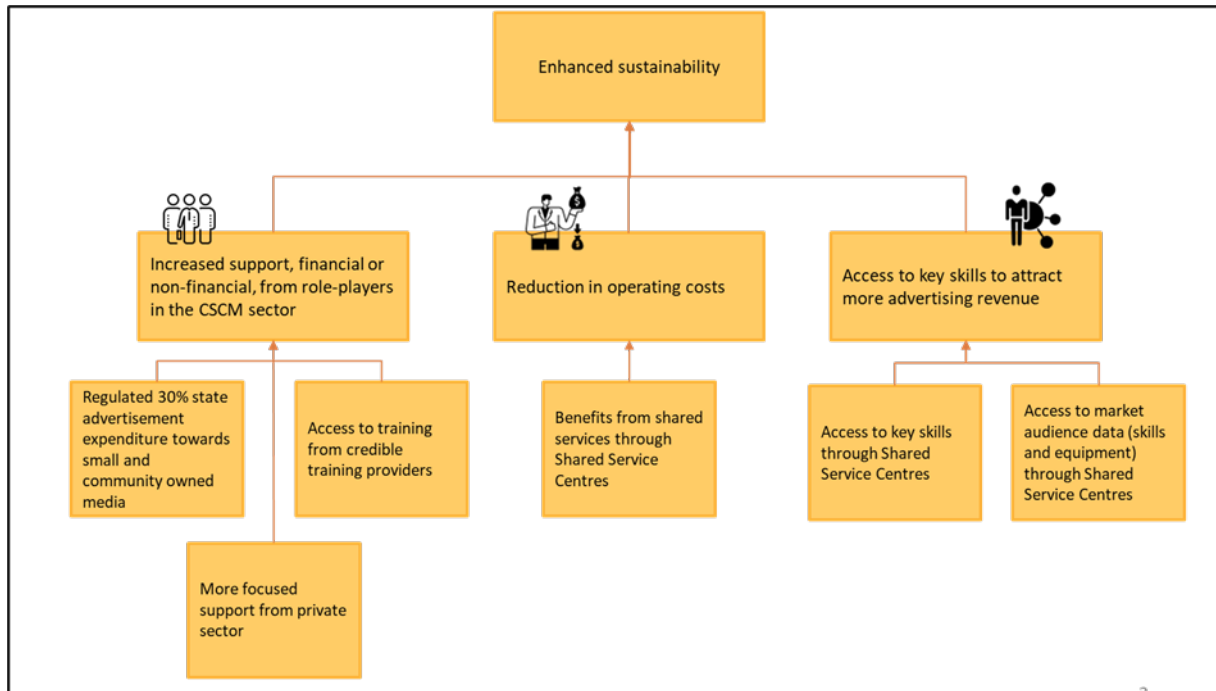
The sustainability model is discussed further in the section that follows.

### 1.3 THE SUSTAINABILITY MODEL

When depicting what a sustainable CSCM sector may look like it is important to note the complex and heterogeneous nature of the CSCM sector. This implies that the secrets to enhancing sustainability in the sector are many and varied. Therefore, in order to gain a complete understanding of what a sustainable sector may look like, one has to take into account the many factors at play and the levers available<sup>3</sup>. Taking this into account, **Figure 12** below provides a simplistic view of the Sustainability Model of the CSCM sector.

<sup>3</sup> These factors or levers include, but are not limited to, a conducive CSCM eco-system or enabling environment, establishing Shared Service Centres to facilitate access to increased advertising opportunities and skills through a ‘shared services’ model and increasing access to funding opportunities.

Figure 12: CSCM Sustainability Model



The Sustainability Model above indicates the key factors that need to be present in order to promote a sustainable sector, namely:

- Regulation of the 30% advertisement spend by government. i.e., 30% of government advertising expenditure needs to be directed toward CSCM organisations
- Access to training through credible training providers, facilitated by relevant Sector Education and Training Authorities (“SETA” or “SETAs”).
- More focused support from private sector. This may occur through Shared Service Centres funnelling work to CSCM organisations
- The establishment of said Shared Service Centres in order to:
  - Provide shared services, thus reducing operating costs
  - Providing access to key skills that are currently lacking, including professional marketing and data analytics skills.

## 2 INTRODUCTION

This report presents the findings from the research focused on the development of a Sustainability Model for the CSCM sector (“the Project” or “the Study”). This study was conducted by Redflank on behalf of the MDDA.

**Table 21** below provides an outline of the sections contained in this document.

**Table 21: Section Overview**

Section	Contents	Description
2	Introduction	This section introduces the project and provides an overview of the MDDA.
3	Project Background	This section provides the background to the project, outlines the project objectives and provides the key research questions that were addressed through the project.
4	Research Methodology	This section provides an overview of the field and desk-based research that was undertaken as part of the project, as well as the key limitations experienced. This section also provides a description of the UNESCO Media Viability Indicators, the framework used to assess the sustainability of the CSCM sector in South Africa. Additionally, an overview of the MDDA Sustainability Pillars is provided.
5	Analysis of Respondent Demographics	This section provides a demographic breakdown of the study’s survey respondents.
6	Overall Sustainability of the CSCM Sector	This section provides a high level overview of the current levels of sustainability of CSCM organisations, based on the UNESCO Media Viability Indicators, as well as the key challenges faced by organisations within the sector.
7	Root Cause Analysis	This section provides further detail regarding the challenges experienced by CSCM organisations as well as the root causes behind these challenges. Challenges provided in this section are aligned to the CSCM business model. This section also provides an overview of the minimum viable product required to enhance the sustainability of CSCM organisations, i.e. all the components that need to be in place in order for a CSCM organisation to be sustainable.
8	MDDA Sustainability Pillars	This section provides an overview of the key areas identified by the MDDA that were thought to be impacting on the sustainability of CSCM organisations (i.e. the “Sustainability Pillars) and illustrates the key challenges hampering the sustainability of CSCM organisations related to these pillars
9	The Road to Sustainability	This section provides the proposed solutions that may assist with increasing the sustainability of CSCM organisations
10	Conclusion	This section provides a conclusion to the findings and the report.

### 2.1 MDDA OVERVIEW

The MDDA was established through the MDDA Act of 2002 to facilitate ownership, control and access to information and content production of community media by historically disadvantaged communities. The entity has been at the forefront of pioneering community media development and the transformation of the mass media in South Africa. The MDDA is funded through annual government grants and from the commercial broadcaster’s USAF levies, imposed on them. In the past 17 years, the entity has funded approximately 160 community broadcasters (including four television broadcasters), as well as 33 community print and 45 small commercial print media.

## 3 PROJECT BACKGROUND

As previously mentioned, the MDDA was established to facilitate ownership, control, and access to information and content production of the community media by historically disadvantaged communities. However, despite its more than 20 years of existence and considerable growth, CSCM organisations have struggled to position the CSCM sector as authorities on local content or as the platform to reach often-inaccessible audiences (NAB, 2019). These audiences generally include, but are not limited to, communities who are historically disadvantaged and who speak historically diminished languages, which are often not catered for by the mainstream media. This means that the community media platforms have not yet been able to convince advertisers of their value for advertising – which is the lifeline for a community media’s sustainability in the long term. Over time and despite the MDDA’s interventions and support, the CSCM sector is not sustainable, and it continues to face a myriad of challenges (MDDA, 2021).

The purpose of this research was therefore, to identify the underlying factors that influence the sustainability and the unsustainability of the CSCM sector; identify the trends in ownership and control of CSCM organisations; and study international Sustainability Models adopted in other countries for the CSCM sector, that South Africa can learn from. This research was used to develop a South African Sustainability Model for the CSCM sector, which is presented in this report.

### 3.1.1 PROJECT OBJECTIVES

The main objective of the sustainability research was to develop a South African Sustainability Model for the CSCM sector which categorises the sector according to their ability to self-sustain, partially sustain; and the inability to self-sustain to allow for focused, responsive and proactive support.

Further research objectives included:

- To study the UNESCO defined Media Viability Indicators to gain a better understanding of the root causes for the lack of sustainability within the CSCM sectors; build on the strengths of the UNESCO defined Media Viability Indicators and develop sustainability strategies
- To propose alternative donor revenue streams beyond government funding
- To identify research gaps (e.g., missing variables) that may contribute to building a sectoral Sustainability Model
- To identify opportunities to secure funding and/or support from other sectors that have not been considered before, i.e., international donors, private sector and other related government departments like the Department of Small Business Development (“DSBD”), Department of Trade Industry and Competition (“DTIC”), etc.
- To propose alternative revenue streams and the tools and mechanisms required to access those alternative revenue streams, beyond government and donor funding, which may assist the South African CSCM organisations to achieve long term sustainability
- To understand and identify economic activities in the communities where the sectors operate and the relationship these have with the sector
- To build innovative and digital skills and capacity that will assist the sector embrace and prioritise the use of digital technologies to leverage data analytics, revenue generation and other benefits
- To establish how entrenched and inclusive the CSCM sector is, in the communities they serve.

### 3.1.2 KEY RESEARCH QUESTIONS

The key questions that were answered by this research included, but were not limited to:

- What are the current levels of organisational capacity among South African CSCM organisations that may influence the achievement of sustainability?
- What underlying factors influence the sustainability and the unsustainability of the CSCM sector?
- What are the available opportunities/resources that could be leveraged to strengthen the sustainability of CSCM organisations within and beyond their communities?
- What are the trends in ownership and control of CSCM organisations and how might this influence sustainability within the sector?
- What is the minimum viable economic model for achieving sustainable self-sufficient CSCM organisations?



## 4 RESEARCH METHODOLOGY

The sections below illustrate the process followed whilst collecting, capturing, and analysing data for the Project.

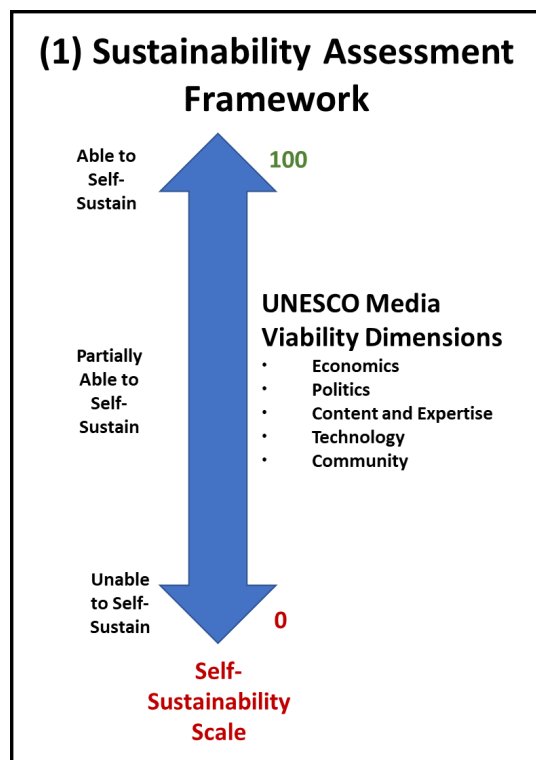
### 4.1 CONCEPTUAL APPROACH

The approach adopted for this project was premised on assessing the current CSCM landscape in South Africa, in order to determine an improved ecosystem based on the key challenges currently being faced as well as the success of current CSCM business models and best practices. Best practices were based on case studies of successful CSCM organisations, both locally and internationally.

Conceptually, a key element of the approach involved the using the UNESCO Media Viability Indicators to determine the sustainability of specific CSCM organisation types. The UNESCO Media Viability Indicators measure sustainability using five societal dimensions, namely Economics, Politics, Content and Expertise, Technology and Community. In general, the media covered by the UNESCO Media Viability Indicators can include print, radio and online media platforms, and span across a variety of ownership types, such as, private, community, public or government (UNESCO, 2015). While the concept of sustainability may differ across each of these organisation types and ownership structures, using the UNESCO Media Viability Indicators allows for the sustainability of media platforms across any country to be measured against a pre-defined, standardised set of indicators. Further details regarding the Media Viability Indicators may be found in Section 4.1.1.

In the context of this study, the UNESCO Media Viability Indicators were used to measure the sustainability of community radio stations, community TV stations, community newspapers and small commercial newspapers. The framework, shown in **Figure 41** below, provides a conceptual view of the approach adopted.

Figure 41: Conceptual Approach



Each CSCM organisation type (community radio, community television, community and small commercial print) received a score out of 100 which served as an indication of the overall level of sustainability for that specific CSCM organisation type.



### 4.1.1 UNESCO MEDIA VIABILITY INDICATORS

The Media Viability Indicators were developed by UNESCO in order to provide a tool for measuring the level of media sustainability in a particular country (UNESCO, 2015). The point of these indicators is to analyse the big picture, while simultaneously placing emphasis on the diverse components that make up media sustainability (UNESCO, 2015). A key assumption of these indicators is that domestic economic, social and political conditions must provide a supportive and enabling environment for the emergence and development of media, and that individual organisations must act in a manner which promotes their sustainability. Traditionally, media development strategies have focused solely on financial factors when attempting to measure media sustainability (Moore, et al., 2020). However, only considering financial factors ignores the other factors that impact the functioning and quality of media, such as the overall political, legal and economic context within which media organisations operate. It also ignores considerations regarding the quality of content being produced by media organisations, how this content is being published and whether media organisations have sufficient non-financial resources to serve as the ‘watchdogs’ of government, business and society.

As such, it is important to acknowledge that the sustainability of media goes far beyond the solvency and profitability of media outlets and measuring sustainability needs to consider a wide range of factors (Deselaers, et al., 2019). UNESCO’s Media Viability Indicators, informed by the Media Viability Model, takes a holistic approach to assessing media sustainability. This is because the concept of media viability or sustainability is complex and consists of many different dimensions. The Media Viability Indicators look at five societal dimensions that influence the functioning and quality of media, as illustrated in **Figure 42** below.

**Figure 42: UNESCO Media Viability Model**



Source: (Moore, et al., 2020)

These dimensions, and the associated indicators, are outlined in further detail below.

#### 4.1.1.1 ECONOMIC DIMENSION

The economic dimension relates to the financial and economic factors influencing the media market, media organisations and their audiences in a particular country. Media sustainability in the economic dimension is measured according to the following indicators (Moore, et al., 2020):

- **National Economy:** Is the national economy of a particular country strong and stable enough to make news organisations financially viable?

- **Financial Sustainability of Media Organisations:** Are media organisations financially stable?
- **Financial Independence of Media Organisation:** Do media organisations have diverse sources of revenue? If not, does this limit their editorial independence?
- **Competition:** Does fair competition exist amongst media organisations? Does the competition allow for quality journalism?
- **Audience Demand:** Does audience demand for quality journalism content support a strong media industry?

#### 4.1.1.2 POLITICAL DIMENSION

The political dimension relates to the political and legal environment within which a particular media organisation exists. This dimension focuses specifically on how the political and legal environment impacts the diversity of views represented in media content, as well as the extent to which media is influenced and controlled by the government. Media sustainability in the political dimension is measured against the following indicators (Moore, et al., 2020):

- **Rule of Law:** Are government actions determined by and in accordance with laws that are fairly applied and enforced?
- **Freedom of Expression:** Does the country have a strong legal framework supporting freedom of expression?
- **Access to Information:** Do citizens and journalists have access to public information?
- **Legal Equality:** Are laws and regulations that affect media organisations comparable to regulations applied in other industries?
- **Media within Society:** Are relations between government and media organisations mutually respectful and professional?

#### 4.1.1.3 CONTENT AND EXPERTISE DIMENSION

The content and expertise dimension relates to the ownership of media organisations in a particular country, the independence of these media organisations and the overall quality of journalism within a particular sector. Media sustainability in the content and expertise dimension is measured against the following indicators (Moore, et al., 2020):

- **Quality Content:** Do the public/consumers have access to quality media content?
- **Journalism Expertise:** Do media organisations have the necessary structures as well as professionally educated and trained journalists to produce high quality content that is in adherence to international standards?
- **Ownership of Media Organisations:** Is the ownership of media organisations' transparent? Does the ownership prevent diversity of perspectives or impact on the quality of journalism?
- **Business Structure:** Do media organisations have adequate structures in place in order to be viable?
- **Business Expertise:** Do media organisations have the personnel and expertise to be strategically and financially viable?

#### 4.1.1.4 TECHNOLOGY DIMENSION

The technology dimension relates to media's access to production and distribution resources and technologies, and their ability to optimise the use of said resources. Media sustainability in the technology dimension is measured against the following indicators (Moore, et al., 2020):

- **Production and Distribution Resources:** Do media organisations have access to the necessary production and distribution resources?
- **Media Organisations' Access to Technology:** Do media organisations have access to production and distribution technologies?
- **Audience Access to Technologies:** Can citizens access and afford the technologies through which media content is distributed?
- **Digital Expertise:** Do media organisations have access to sufficient technological expertise to optimise their use of digital production, distribution, and management technologies?
- **Citizens' Digital Rights:** Does the government, media organisations and private companies respect citizens' digital rights by allowing them to communicate freely and safely online?

#### 4.1.1.5 COMMUNITY DIMENSION

The community dimension relates to the relationship that exists between media organisations and the community which the organisation serves. This considers multiple factors, from the community's ability to evaluate the quality of content produced by media organisations to whether there is availability of reliable data about media organisations' audiences and their media uses. Media sustainability in the community dimension is measured against the following indicators (Moore, et al., 2020):

- **Citizen Education:** Do consumers of media content have the ability to evaluate the quality of news across multiple platforms?
- **Social Cohesion:** Is the society generally cohesive and peaceful, with the majority of citizens having shared political and social values across diverse ethnicities, political and religious affiliations?
- **Trust and Credibility:** Do consumers have a generally high level of confidence in the credibility of media organisations and the content that these organisations produce?
- **Participation:** Do consumers have the ability to contribute to the content produced and distributed by media organisations?
- **Audience Data:** Do media organisations have access to reliable data about their audiences and their media uses?

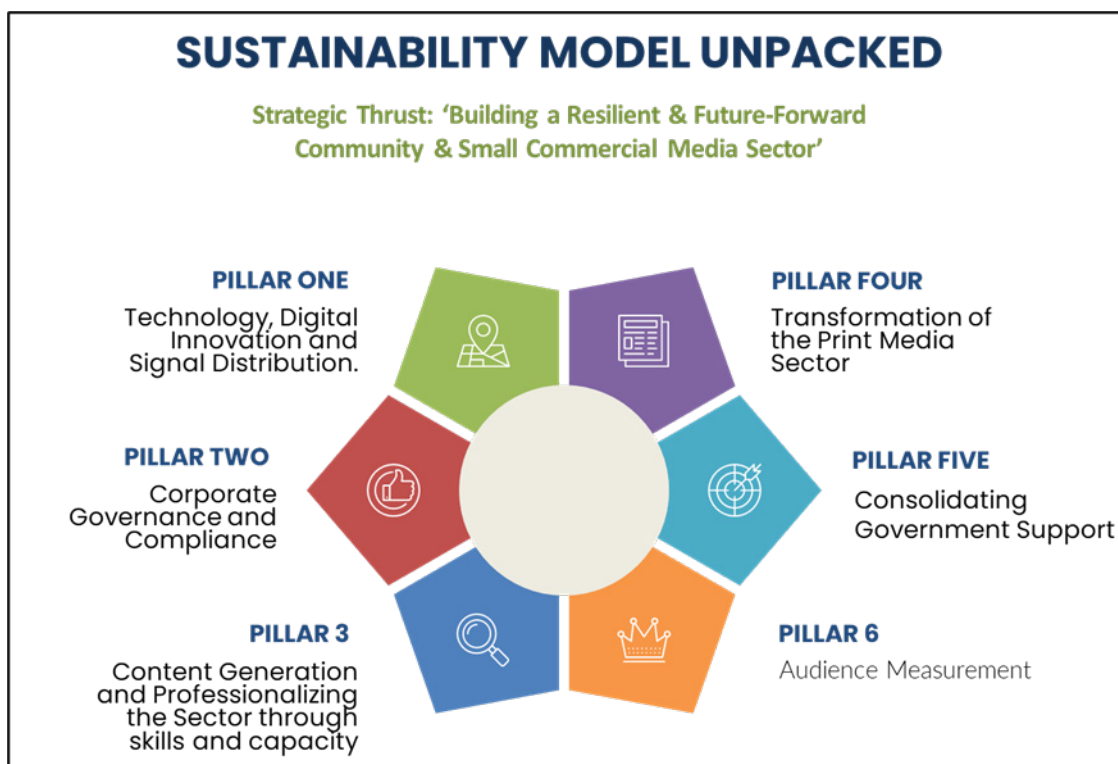
#### 4.1.1.6 MDDA SUSTAINABILITY PILLARS

The MDDA's Sustainability Pillars were developed by the MDDA in order to identify and document the specific issues that were believed to be impacting the sustainability of the CSCM sector. The model comprises six pillars, each relating to a specific issue in the CSCM sector.

In order to understand the impact of each pillar on the sustainability of the CSCM sector, the MDDA Sustainability Pillars were mapped to the UNESCO Viability Indicators. This exercise allowed for the identification of key issues impacting on the sustainability of the CSCM sector. Specific issues identified through this exercise are discussed further throughout Section 7 and 8 of this report.

Furthermore, the mapping exercise ensured alignment between the two frameworks. The MDDA's Sustainability Pillars are shown in **Figure 43** below:

Figure 43: MDDA Sustainability Pillars



As can be seen, the MDDA Sustainability Pillars consider six pillars as being critical to the sustainability of the community and small commercial media sector. Similar to the UNESCO Media Viability Indicators, the MDDA Sustainability Pillars acknowledge a variety of factors when unpacking the concept of sustainability.

## 4.2 SUMMARY OF RESEARCH UNDERTAKEN

The research undertaken for this project included desk-based research and field research. Field research undertaken included focus groups, telephonic interviews, and surveys.

### 4.2.1 DESK-BASED RESEARCH

The desk-based research included a review of relevant literature regarding the landscape of the CSCM sector in South Africa, including the regulatory framework governing the sector and the impact of legislation on the social sustainability of the sector. Additionally a review of the challenges faced by CSCM organisations; the state of transformation within the South African media industry; and international Sustainability Models from which best practices could be derived, was conducted. This included, but was not limited to, a review of the following documents:

- Media Development and Diversity Agency Act (2002)
- Challenges Facing the Community Broadcast Sector (2020)
- Impact of the MDDA on Community Media Development and Diversity in South Africa (2017)
- Future Proofing Community Radio (2019)
- The State of the Broadcasting Industry Report (2019)
- Formal Recognition of Community Broadcasting (2021)
- Regulatory Framework for Community Broadcasting Services (2017)

## 4.2.2 FIELDWORK UNDERTAKEN

A combination of quantitative and qualitative data collection methods were used to source information for this study. The following methods were used to collect primary data for the study:

- Surveys
- Interviews
- Focus Groups

Overall, a total of 201 consultations were conducted, including 125 surveys, 59 interviews and 4 focus groups. **Table 41** below provides a breakdown of the stakeholder consultations that were conducted during the course of the Project.

**Table 41: Stakeholder Consultations**

Stakeholder Type	Planned Consultations	Conducted Consultations
<b>Interviews</b>		
CSCM Organisations	36	39
Funders	3	3
MDDA Representatives, Industry Expert and Industry Bodies	12	12
Advertisers	5	5
<b>Total no. of Interviews</b>	<b>56</b>	<b>59</b>
<b>Focus Groups<sup>4</sup></b>		
Limpopo Focus Group	1 with up to 10 participants	7
Western Cape Focus Group	1 with up to 10 participants	4
Kwa-Zulu Natal Focus Group	1 with up to 10 participants	2
Other Focus Group <sup>5</sup>	1 with up to 10 participants	4
<b>Total no. of Focus Groups</b>	<b>4 with up to 40 participants</b>	<b>4 with 17 participants</b>
<b>Surveys</b>		
CSCM organisations (Supported by MDDA)	60	73
CSCM organisations (Not Supported by MDDA)	15	16
Advertisers	30	36
<b>Total no. of Surveys</b>	<b>105</b>	<b>125</b>
<b>Overall no. of Consultations</b>	<b>201</b>	<b>201</b>

A description of each consultation type is provided below.

### 4.2.2.1 SURVEYS

Quantitative data was obtained through online surveys. This method of survey distribution was chosen as it offers several advantages over telephonic surveys, namely lower costs, convenience for respondents, design flexibility, and automation and real time access to results (Gingery, 2011).

The surveys were designed based on the need to obtain specific information required by the study. The primary goal of the surveys was to gain insight on the causes behind the lack of sustainability amongst CSCM organisations. Additionally, the survey sought to understand the internal and external operating environment of CSCM organisations by assessing the various indicators relating to CSCM organisations' target market,

<sup>4</sup> It was discussed and agreed with the MDDA, that virtual focus groups would be conducted with CSCM organisations in the three main metropolitan areas where the MDDA had supported projects namely; Limpopo, KwaZulu Natal and the Western Cape. Furthermore, in order to ensure provincial representation, it was decided that the remaining focus group would consist of CSCM organisations from the remaining provinces.

<sup>5</sup> Including 2 participants from Gauteng, 1 participant from the Eastern Cape, and 1 participant from the North West.

the content these organisations produce, as well as the effectiveness of organisational functions within the CSCM sector, amongst others. With regard to the advertiser survey, the primary goal was to gain input on the factors that influence advertisers' decisions when choosing which platform to advertise their products and/or services with, as well as to gain an understanding of advertisers' general perception of the CSCM sector.

Overall, 125 survey responses were received from CSCM organisations and advertisers.

#### 4.2.2.2 INTERVIEWS

The purpose of the interviews was to generate qualitative data that would add depth to the quantitative data generated by the surveys. Interview questions were derived from preliminary research, the Project's objectives and through consultations with industry bodies and selected CSCM organisations (with varying levels of sustainability). The key stakeholder groups identified for interviews were CSCM organisations, existing funders, advertisers, MDDA representatives, industry experts and industry bodies. Interviews were conducted telephonically or via Microsoft Teams.

Overall, a total of 59 interviews were conducted across all stakeholder types.

#### 4.2.2.3 FOCUS GROUPS

Virtual focus groups were undertaken to source data and information from relevant stakeholders. The purpose of these focus groups was to gain an understanding of the key areas of interest and enhance the qualitative view of the data. Focus groups took the form of a facilitated session focused on key discussion points that allowed for better participation.

Overall, 4 focus groups, with a total of 17 participants, were conducted via Microsoft ("MS") Teams. In order to ensure provincial representation, 1 focus group was held with CSCM organisations from Limpopo, 1 with CSCM organisations from the Western Cape, 1 with CSCM organisations from Kwa-Zulu Natal and 1 with CSCM organisations from the remaining provinces i.e., Gauteng, Northern Cape, Eastern Cape, Free State, North West and Mpumalanga. Focus groups were conducted with the purpose of further exploring certain areas of the study in order to adequately address the objectives of the study.

Qualitative data, in the form of quotes and observations from interviews and focus groups were included in the root cause analysis section of this report in order to substantiate the survey findings. To protect the anonymity of stakeholders that participated in the study, names of individuals or the organisations that they represented were omitted from the comments included.

### 4.3 RESEARCH LIMITATIONS

A number of limitations were experienced during the data collection phase of the project. These included:

- Difficulty in sourcing secondary information for the literature review such as information pertaining to the Cost Management Strategies utilised by the CSCM sector, owing to a lack of research conducted and published, thus far. In an attempt to overcome this challenge, the literature review explored the cost management strategies that may be implemented by small businesses and outlined the relevance of these strategies to the CSCM sector.
- Difficulty in scheduling and conducting telephonic interviews and focus groups with stakeholders due to their reluctance to participate in the study. It was observed that obtaining the required number of consultations from the Northern Cape and Gauteng was particularly challenging due to limited contact details. In order to ensure adequate representation across all provinces, additional call attempts were made to stakeholders in the Northern Cape and Gauteng to invite them to participate in the study.
- Challenges in securing adequate survey responses for CSCM organisations that are/were not supported by MDDA. In an attempt to overcome this, up to 4 email prompts were distributed to remind stakeholders to complete the surveys. In addition, 3 bulk SMS prompts were distributed to stakeholders for whom mobile numbers were available. It is important to note that this challenge may have been due to organisations who had initially not received support from the MDDA (and were subsequently categorised as organisations not supported by the MDDA) having since received support from the MDDA.



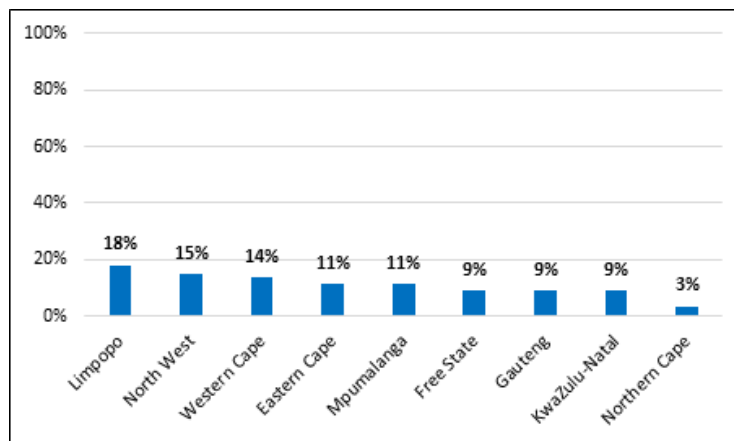
## 5 ANALYSIS OF RESPONDENT DEMOGRAPHICS

The key demographics explored in this study included the province within which respondents were located, the type of organisation that respondents were most closely aligned to, whether respondents were recipients of support from the MDDA or not, as well as the ownership demographics of organisations who participated in the study, amongst others. The demographics of respondents from the CSCM sector are presented in the section below.

### 5.1 PROVINCIAL REPRESENTATION

The study sought to obtain input from stakeholders across all nine provinces in South Africa. As such, survey respondents were requested to indicate the provinces within which their organisation is located. The results are shown in **Figure 51** below.

**Figure 51: Provincial Representation of Survey Respondents**



*Note: Percentages in the graph above may not add up to 100% due to rounding off*

As can be seen in **Figure 51** above, 18% of survey respondents were located in Limpopo, 15% were located in the North West and 14% were located in the Western Cape. A further 22% of respondents were located in the Eastern Cape (11%) and Mpumalanga (11%). The remaining respondents were located in the Free State (9%), Gauteng (9%), KwaZulu-Natal (9%) and the Northern Cape (3%). Table 5-1 below provides an overview of the number of responses received per province.

**Table 51: Provincial Representation**

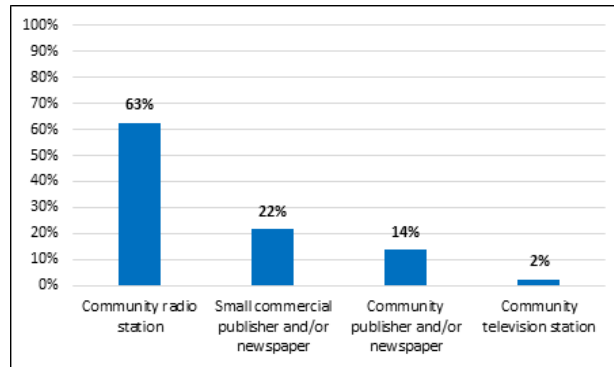
Province	CSCM Population in Province <sup>6</sup>	Survey Responses Received
Limpopo	26	17
North West	17	13
Western Cape	21	12
Eastern Cape	28	10
Mpumalanga	22	9
Gauteng	27	8
KZN	25	8
Free State	21	8
Northern Cape	10	3

<sup>6</sup> Population figures were based on CSCM sector databases received from the MDDA.

## 5.2 ORGANISATION TYPE

In addition to the above, survey respondents were requested to indicate the type of organisation that they represented. The respondents were classified according to four organisation types, namely community radio, small commercial publisher and/or newspaper, community publisher and/or newspaper and community television. The results are shown in **Figure 52** below.

**Figure 52: Respondents by Organisation Type**



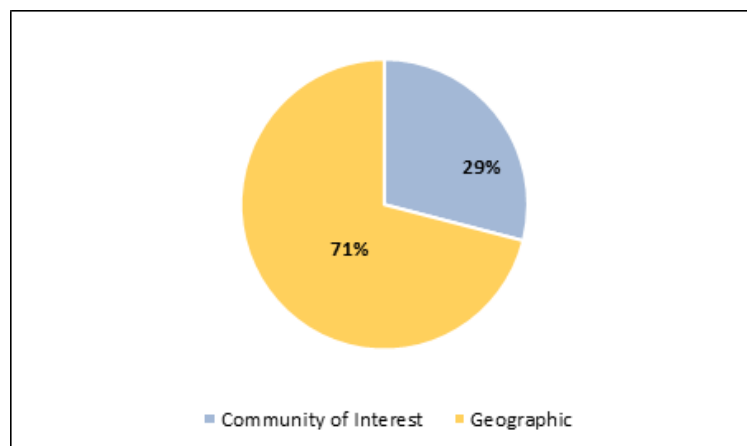
*Note: Percentages in the graph above may not add up to 100% due to rounding off*

As can be seen in **Figure 52** above, the majority of the survey respondents were from community radio stations (63%), while 22% of respondents were from small commercial publishers and/or newspapers. The remaining respondents formed part of community publishers and/or newspapers (14%) and community television stations (2%).

### 5.2.1 COMMUNITY RADIO TYPE

According to the Electronic Communications Act (2005), a ‘community’ can be defined as either a “geographically founded community, or any group of persons or sector of the public having a specific, ascertainable common interest.” As per the definition of ‘community’, a community radio station can, therefore, either be one that is focused on broadcasting to a specific geographical location (“Geographic Community Radio Station”) or, alternatively, one focused on broadcasting to a particular group with a common interest (“COI Radio Station”). In order to understand the demographic breakdown of Geographic Community Radio Station versus COI Radio Stations, a lower-level analysis was conducted. The result of this lower-level analysis is shown in **Figure 53** below.

**Figure 53: Percentage of Geographic vs. Community of Interest Radio Community Stations**



As can be seen in **Figure 53**, the majority (approximately 71%) of respondents were from Geographic

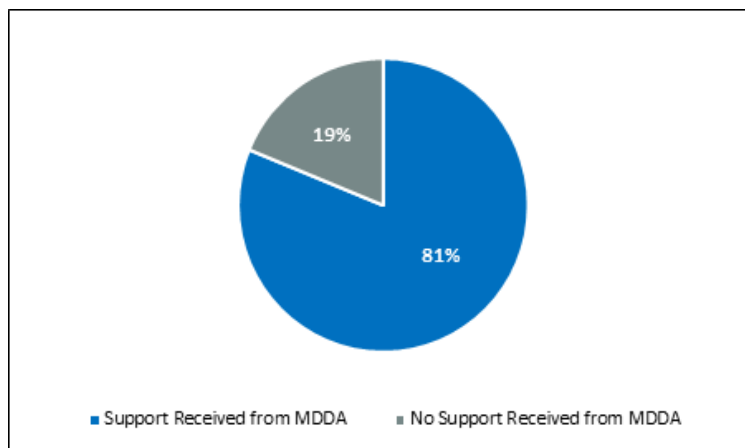


Community Radio Stations, with the remaining 29% of respondents being classified as forming part of COI Radio Stations.

### 5.3 PROPORTION OF ORGANISATIONS SUPPORTED BY THE MDDA

Consultations conducted during the study included both organisations that had received support from the MDDA as well as organisations that had not received support from the MDDA, at the time of the study. In order to determine the proportion of organisations that had received support from the MDDA, survey respondents were requested to indicate whether the organisation they represent had received support from the MDDA. The results are shown in **Figure 53** below.

**Figure 54: Support Received from MDDA**



As can be seen in **Figure 53** above, the majority of survey respondents indicated that they had received support from the MDDA (81%). It was noted by respondents that this support included financial support which assisted organisations cover their operational costs and develop their infrastructure, such as studios.

“We have received support from the MDDA. Our last contract with them ended last year August. The support received was for the printing of the newspaper; it was for the operational costs of the printing of the paper.”

*(CSCM Organisation Interview, 2022)*

“There was financial support. The support received was efficient and it was for community TV. It was for infrastructural development and broadcast costs.”

*(CSCM Organisation Interview, 2022)*

The remaining 19% of respondents indicated that they had not received support from the MDDA at the time of taking the survey. Respondents from CSCM organisations indicated that the main reason behind the lack of support received from the MDDA was due to their non-compliance with ICASA regulations.

Other respondents indicated that their organisation failed to submit the compliance documentation required in order to access funding, such as a tax clearance certificate. Issues with CSCM organisations’ compliance are further unpacked in the root cause analysis section.

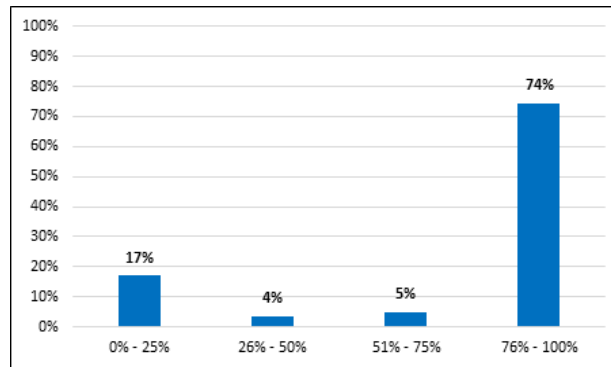
“We did not receive support because there were some requirements we could not meet and hence we could not get any grant or support. We had some conditions we could not meet so the limitation was on us rather than the MDDA. One of our challenges was with the tax clearance.”

(CSCM Organisation Interview, 2022)

## 5.4 OWNERSHIP DEMOGRAPHICS

A key aspect of the MDDA’s mandate (2002) entails “encouraging ownership and control of, and access to, media by historically disadvantaged communities as well as by historically diminished indigenous language and cultural groups”. In order to fulfil this aspect of its mandate, it is important for the MDDA to understand the current trends with regard to the ownership of CSCM organisations. Therefore, as part of the study, the trends in ownership and control of CSCM organisations were explored, in order to determine if these trends have an impact on the sustainability of the CSCM sector. As such, survey respondents were requested to indicate what percentage of their organisation is owned by previously disadvantaged individuals. These results are illustrated in **Figure 54** below.

**Figure 55: Percentage of Organisation Owned by Previously Disadvantaged Individuals**

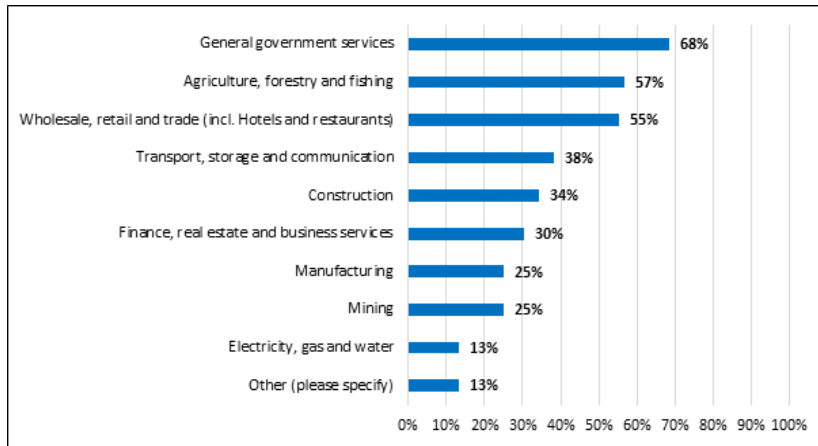


As can be seen in **Figure 54** above, 74% of respondents indicated that 76% to 100% of their organisation is owned by previously disadvantaged individuals. A further 5% indicated that 51% to 75% of their organisation is owned by previously disadvantaged individuals. This indicates that the majority of organisations were majority owned by previously disadvantaged individuals. Only 4% of respondents indicated that 26% to 50% of their organisation is owned by previously disadvantaged individuals, whilst 17% of respondents indicated that 0% to 25% of their organisation is owned by previously disadvantaged individuals.

## 5.5 KEY ECONOMIC SECTORS THAT SUPPORT CSCM ORGANISATIONS’ TARGET COMMUNITIES

In order to gain an understanding of the economic activities of the communities in which the CSCM organisations operate, survey respondents were requested to indicate the key economic sectors that support the communities which their audiences form part of. The results are presented in **Figure 55** below.

**Figure 56: Key Economic Sectors That Support CSCM Organisations’ Target Communities**



*Note: Percentages in the above graph may add up to more than 100% because respondents were allowed to select more than one option*

The main economic sectors that support the communities targeted by the CSCM organisations were general government services (68%); agriculture, forestry and fishing (57%); and wholesale, retail and trade (55%). These were followed by transport, storage, and communication; construction; and finance, real estate and business activities, with 38%, 34% and 30% of respondents indicating these, respectively.

Thirteen percent of respondents indicated that ‘other’ economic sectors supported their communities. When prompted to specify what these sectors were, respondents mentioned sectors such as tourism, health and the informal sector.

“[Key economic sectors that support the community that our target audience forms part of are] tourism and health.”

*(CSCM Organisation Survey, 2022)*

“[The key economic sector that support the community that our target audience forms part of is] the informal sector [sic].”

*(CSCM Organisation Survey, 2022)*

## 6 OVERALL SUSTAINABILITY OF THE CSCM SECTOR

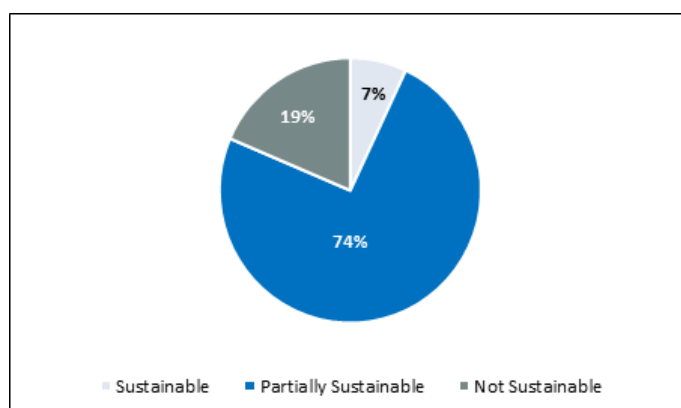
This section provides an overview of the levels of sustainability of organisations within the CSCM sector, including community radio, community television and community and small commercial print organisations. Levels of sustainability were assessed using the UNESCO Media Viability Indicators, as detailed in Section 4.1.1. Additionally, an overview of the challenges facing the sector is provided.

### 6.1 OVERALL SUSTAINABILITY

In a broad sense, sustainability refers to the ability to maintain or support a particular entity, or particular processes, continuously over a period of time (CIMA, 2014). Therefore, in the context of CSCM organisations, sustainability refers to the ability of a CSCM organisation to maintain and support itself over a period of time. The level of sustainability of a particular CSCM organisation depends on a variety of factors including access to key skills within the organisation, the level of support required by the organisation, the availability of relevant resources, and access to multiple revenue streams, amongst others.

The following section categorises CSCM organisations according to their level of sustainability, based on input received through primary research. This section also provides an overview of some of the key challenges impacting the sustainability of organisations within the sector.

**Figure 61: Overall Levels of Sustainability**



As can be seen in **Figure 61** above, 74% of survey respondents indicated that the organisation they represent is partially sustainable, meaning that their organisations have some of the necessary skills, resources and financial capacity to be self-sustainable, but may require a fair degree of support in order to become fully sustainable.

“We are partially sustainable. There are times [where] we are able to make ends meet and there are [other] times where we are unable to.”

*(CSCM Organisation Focus Group, 2022)*

Representatives from CSCM organisations indicated that a lack of income is a hindrance to their organisation reaching a stage whereby they are able to be self-sustainable.

“We [can] be self-sustainable, but it is hard if there is barely any source of income.”

*(CSCM Organisation Focus Group, 2022)*

While the majority of the organisations within the CSCM sector indicated that they are partially sustainable, 19% of respondents indicated that the organisation they represent is not sustainable at all. Representatives

from certain organisations noted that this is due to a lack of financial support from provincial and local government, emphasising that the support provided by local communities is not enough, particularly from a financial perspective.

“Government does not advertise [through] community platforms, even [the] municipalities. It is difficult to survive [through financial support] from local businesses because they complain that their businesses are not doing well. But [through] government support, we can sustain [our organisation].”

(CSCM Organisation Survey, 2022)

This was echoed in consultations with other CSCM organisations, whereby the lack of advertising revenue as well as a lack of support from local government was highlighted as being a challenge.

“No, we cannot sustain ourselves, because of the lack of adverts, and also because we do not get support from local government.”

(CSCM Organisation Focus Group, 2022)

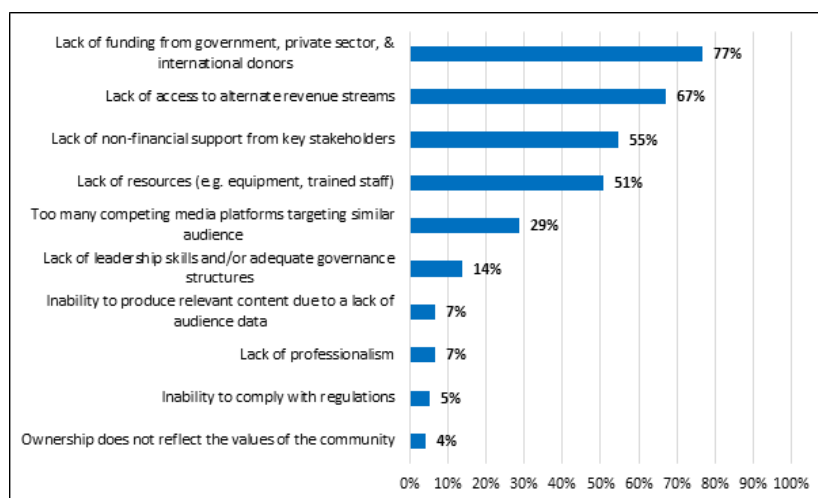
Only 7% of respondents indicated that the organisations they represent are sustainable. Certain sustainable CSCM organisations highlighted the importance of being closely aligned to their target audience and having management with the relevant expertise as key factors which influences their sustainability.

“The [organisations] biggest strength is that we know our audience, it is an isiZulu channel and out of the 65 people who work here most are isiZulu speakers. We are staffed by isiZulu speakers who are in tune with the culture. The staff is passionate and aware of Zulu culture, there is strong management, it is one of the strongest aspects. We have excellent expertise in management.”

(CSCM Organisation Interview, 2022)

In order to gain a deeper understanding of the key factors behind the lower levels of sustainability of CSCM organisations, a follow up question was posed to partially sustainable and non-sustainable CSCM organisations which sought to understand the challenges preventing these organisations from being sustainable. These results are illustrated in **Figure 62** below.

**Figure 62: Challenges Impacting the Sustainability of CSCM Organisations**



Note: Values in the graph above add up to more than 100%, as stakeholders were allowed to select more than one option.

As can be seen, the main challenges impacting on the sustainability of the CSCM sector include a lack of funding from government, the private sector and international donors (77%), lack of access to alternate revenue streams (67%), lack of non-financial support from key stakeholders (55%) and a lack of key resources such as equipment and trained staff (51%). Other challenges that also impact on the sustainability of CSCM organisations include too many competing media platforms targeting similar audiences (29%), lack of adequate leadership skills (14%) as well as challenges regarding the production of relevant content due to the lack of audience data (7%) and a lack of professionalism (7%).

Furthermore, 16% of respondents indicated that they face ‘other’ challenges. When prompted to expand on these other challenges, respondents cited challenges such as the relationship between CSCM organisations and the ‘untransformed’ advertising industry.

“The untransformed advertising industry in South Africa, which prevents black owned media companies from participating in the mainstream advertising landscape.”

*(CSCM Organisation Survey, 2022)*

In addition to the challenges influencing the sustainability of CSCM organisation discussed above, another factor to consider when considering the sustainability of CSCM organisations is the longevity of said organisation. Research conducted by Nnabuife and Onwuzuligbo (2015), which looked to analyse the relationship between organisational sustainability and longevity, found that there is a significant positive relationship between the longevity of the organisation and the level of sustainability within that organisation. According to the research, decisive, strategic and accountable leadership; financial and organisational adaptability; and the resources to deliver on the vision and mission of the NPO, are critical sustainable practices which contribute to organisational longevity (Nnabuife and Onwuzuligbo, 2015).

This is corroborated by other researchers, such as Okorley and Nkrumah (2012), who found that the that access to funds, having access to adequate human resources capacity, having supportive and competent leadership and effective management can have significant influence on the sustainability of non-profit organisations.

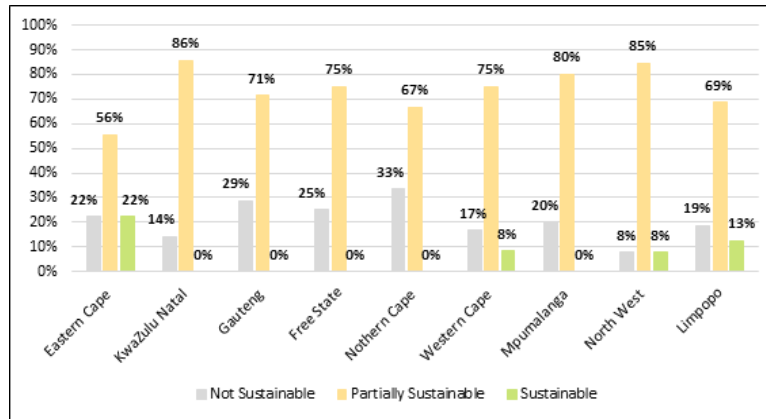
While this section provides an overview of some of the key challenges faced by the CSCM sector as well as the factors influencing sustainability of NPOs in general, there is a need to understand these factors further and also to unpack these challenges in order to understand the root causes resulting in said challenges. Understanding these root causes may allow for the understanding of how these challenges are impacting the sustainability of CSCM organisations and should thus, allow for more targeted responses. As such, a more detailed discussion around the challenges can be found in Section 7, with potential strategies aimed at addressing these challenges being discussed in Section 9.

However, before detailing the root causes of the challenges and the impact that these challenges have on the sustainability of the CSCM sector, it is important to measure the current levels of sustainability of CSCM organisations, as per the framework provided by the UNESCO Media Viability Indicators, which considers various aspects of media sustainability, to understand where the potential causes of unsustainability lie. As such, the section that follows provides a measurement of the sustainability of the CSCM sector according to the framework provided by the UNESCO Media Viability Indicators.

### 6.1.1 OVERALL SUSTAINABILITY BY PROVINCE

In order to identify specific geographies that may require targeted support from the MDDA, a lower-level analysis was conducted in order to understand the overall level of sustainability per province. The results are shown in **Figure 63**.

Figure 63: Overall Sustainability by Province



As can be seen in **Figure 63**, no survey respondents in KwaZulu Natal, Gauteng, Free State, Northern Cape and Mpumalanga considered their organisation to be sustainable. Approximately 22% of respondents in the Eastern Cape considered their organisation to be sustainable, while 13% of respondents from Limpopo considered their organisation to be sustainable. Only 8% of respondents from the North West and Western Cape indicated that their organisation was sustainable.

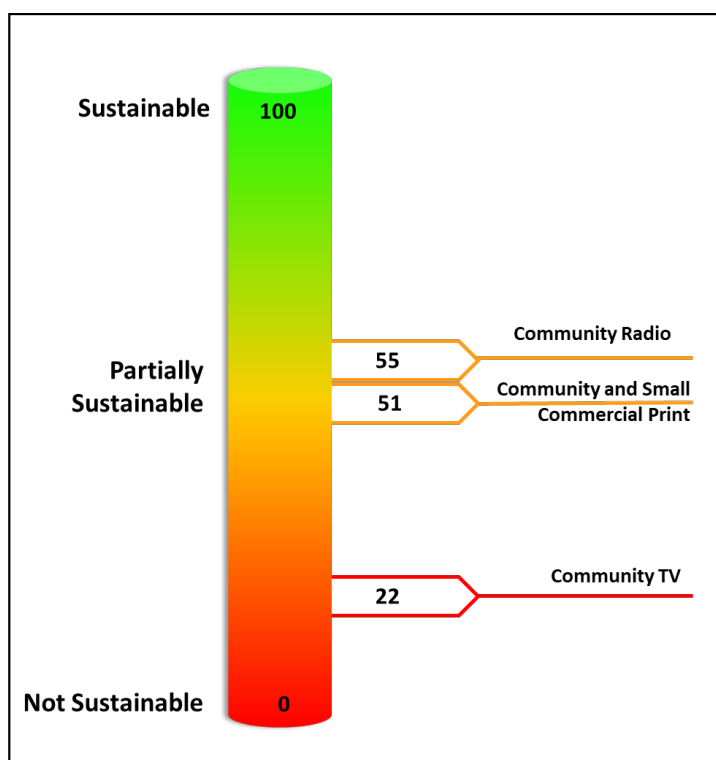
On the other hand, 33% of survey respondents from the Northern Cape indicated that their organisation is not sustainable, followed by 29% who indicated the same in Gauteng. Similarly, 25% of respondents from the Free State indicated that their organisation was not sustainable, while 20% of respondents from Mpumalanga indicated the same. These results indicate that the CSCM organisations most in need of targeted, focused support from the MDDA are located in the Northern Cape, Gauteng and Free State provinces. The provincial analysis indicated above is the lowest level of geographical analysis possible with the available data.

## 6.2 SUSTAINABILITY ANALYSIS OF THE SOUTH AFRICAN CSCM SECTOR

This section provides a high-level analysis of the sustainability of organisations' within the South African CSCM Sector, as per the UNESCO Media Viability Indicators. The key issues identified through this analysis are discussed in more detail in Section 7. The sustainability of each media type, namely community radio, community television, community and small commercial print, was assessed as per the framework discussed in Section 4.1.1.

Figure 64 below illustrates the overall sustainability scores achieved by each of the CSCM organisations.

Figure 64: Overall Sustainability Scores: CSCM Organisations



It can be seen from Figure 64 that community radio is the most sustainable of the three media platforms, achieving a sustainability score of 55. Community radio was, therefore, rated as partially sustainable. Community and small commercial print media received a similar rating of partially sustainable, achieving a sustainability score of 51, while community television achieved the lowest sustainability score of 22, and was, thus, rated as not sustainable.

Table 61 below provides an overview of the sustainability scores received for each dimension per organisation type.

Table 61: Overview of Sustainability Scores of CSCM Organisations

Indicator	Community Radio	Community & Small Commercial Print
<b>Economic</b>		
Audience Demand	64	55
Competition	51	46
National Economy	42	44
Financial Independence of Media Organisation	22	21
Financial Sustainability of Media Organisation	11	4
<b>Political</b>		
Access to Information	97	70
Media within Society	79	63
Freedom of Expression	76	59
Legal Equality	68	48
Rule of Law	34	22
<b>Content and Expertise<sup>7</sup></b>		
Ownership of Media Organisations	90	93
Business Structure	83	75
Business Expertise	74	75

<sup>7</sup> The indicators assessed within the Content and Expertise dimension assess institutional variables such as ownership, business structure, and business expertise.



Indicator	Community Radio	Community & Small Commercial Print
Quality Content	54	58
Journalism Expertise	38	60
<b>Technology</b>		
Audience Access to Technologies	66	48
Citizen Digital Rights	66	45
Media Organisations Access to Technology	49	43
Digital Expertise	42	45
Production and Distribution Resources	31	25
<b>Community<sup>8</sup></b>		
Participation	68	76
Trust and Credibility	57	59
Citizen Education	43	48
Audience Data	40	43
Social Cohesion	26	41

Due to limited data being available, the analysis for community television organisations differed when compared to the analysis conducted for community radio and community and small commercial print. As such, community television scores are not included in the table and are instead discussed in Section 6.2.3.

In order to develop a more thorough understanding of the key issues impacting the sustainability of CSCM organisations, and allow for more targeted solutions, it is important to conduct a lower-level analysis of each dimension. As such, the sections below provide further detail regarding the sustainability scores achieved by the three community media platforms per UNESCO Media Viability Indicator dimension and indicator.

### 6.2.1 SUSTAINABILITY OF COMMUNITY RADIO ORGANISATIONS

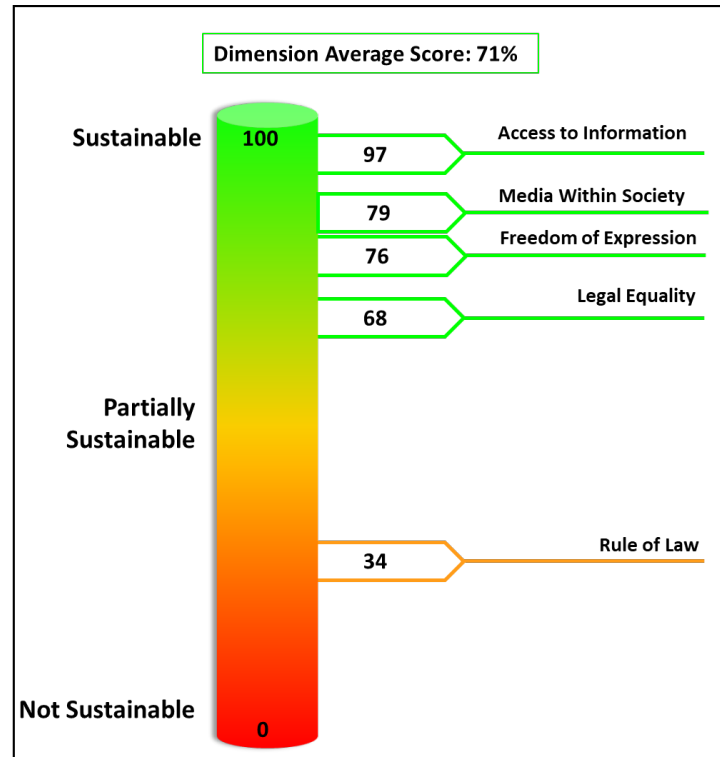
As seen in Section 6.2 above, the community radio sub- sector received a score of 55 and was therefore rated as partially sustainable. A lower-level analysis was conducted in order to further understand the key problem areas. **Figure 65** below illustrates the results per indicator for the Political Dimension.

#### Recap: Political Dimension Indicators

- **Access to Information:** Do citizens and journalists have access to public information?
- **Media within Society:** Are relations between government and media organisations mutually respectful and professional?
- **Freedom of Expression:** Does the country have a strong legal framework supporting freedom of expression?
- **Legal Equality:** Are laws and regulations that affect media organisations comparable to regulations applied in other industries?
- **Rule of Law:** Are government actions determined by and in accordance with laws that are fairly applied and enforced?

<sup>8</sup> The indicators assessed within the Community dimension assess community participation by asking CSCM organisations to indicate the level to which members of the community can contribute towards the content produced by said CSCM organisation.

Figure 65: Community Radio Sustainability Scores: Political Dimension

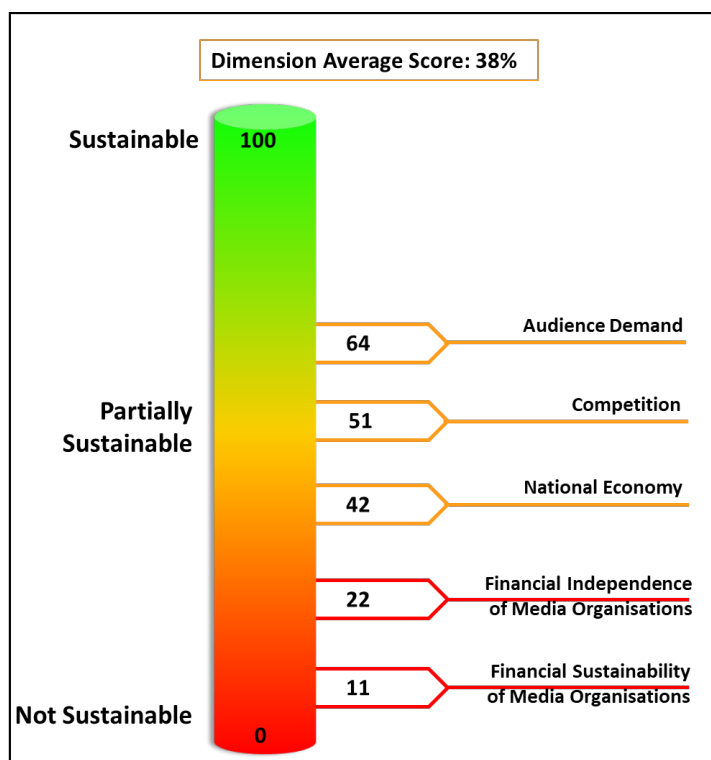


As can be seen above, the viability indicator that achieved the lowest score was Rule of Law, with only 34% of survey respondents agreeing that government actions are determined by and in accordance with laws that are fairly applied and enforced.

Analysis was also conducted to determine the sustainability scores for the viability indicators within the Economic Dimension. The results are illustrated in **Figure 66** below.

#### Recap: Economic Dimension Indicators

- **Audience Demand:** Does audience demand for quality journalism content support a strong media industry?
- **Competition:** Does fair competition exist amongst media organisations? Does the competition allow for quality journalism?
- **National Economy:** Is the national economy of a particular country strong and stable enough to make news organisations financially viable?
- **Financial Independence of Media Organisation:** Do media organisations have diverse sources of revenue? If not, does this limit their editorial independence?
- **Financial Sustainability of Media Organisations:** Are media organisations financially stable?

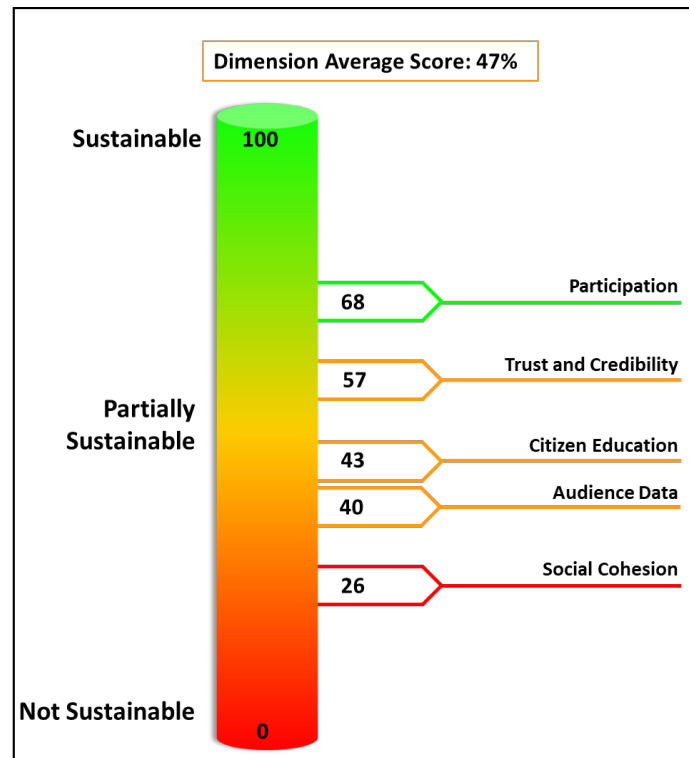
**Figure 66: Community Radio Sustainability Scores: Economic Dimension**

It can be seen from **Figure 66** that three viability indicators received sustainability scores of below 50%, namely the National Economy (42%), Financial Independence of Media Organisations (22%) and the Financial Sustainability of Media Organisations (11%). This implies that only 42% of respondents agreed that South Africa's national economy is strong and stable enough to make news organisations financially viable; while only 22% of community radio organisations indicated that they have diverse sources of revenue. Furthermore, only 11% of community radio organisations were of the view that their community radio station is financially stable.

Similar to the above, an analysis was conducted to determine the sustainability scores for the viability indicators within the Community Dimension. **Figure 67** below illustrates the results.

#### Recap: Community Dimension Indicators

- **Participation:** Do consumers have the ability to contribute to the content produced and distributed by media organisations?
- **Trust and Credibility:** Do consumers have a generally high level of confidence in the credibility of media organisations and the content that these organisations produce?
- **Citizen Education:** Do consumers of media content have the ability to evaluate the quality of news across multiple platforms?
- **Audience Data:** Do media organisations have access to reliable data about their audiences and their media uses?
- **Social Cohesion:** Is the society generally cohesive and peaceful, with the majority of citizens having shared political and social values across diverse ethnicities, political and religious affiliations?

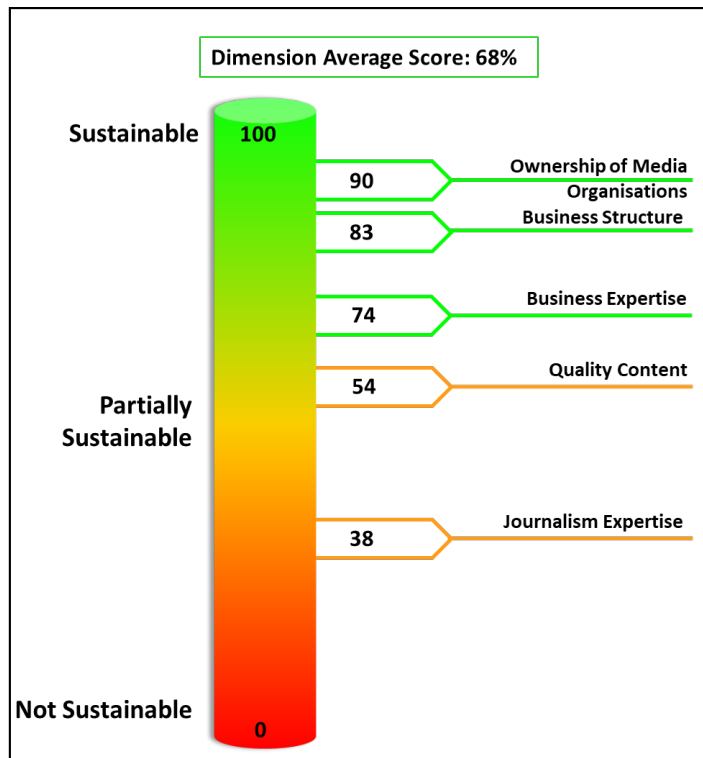
**Figure 67: Community Radio Sustainability Scores: Community Dimension**

As seen above, Social Cohesion achieved the lowest score (26%) of all the indicators in the Community Dimension. This implies that only 26% of respondents agreed that ‘society is generally cohesive and peaceful, with the majority of citizens having shared political and social values across diverse ethnicities, political and religious affiliations’. Similarly, Citizen Education (43%) and Audience Data (40%) achieved scores below 50%. This indicates that less than 50% of respondents agreed that consumers of media content have the ability to evaluate the quality of news across multiple platforms, and that media organisations have access to reliable data about their audiences and their media uses.

Analysis was further conducted to determine the sustainability scores for the viability indicators within the Content and Expertise dimension. The results are presented in **Figure 68** below.

#### Recap: Content and Expertise Dimension Indicators

- **Ownership of Media Organisations:** Is the ownership of media organisations’ transparent? Does the ownership prevent diversity of perspectives or impact on the quality of journalism?
- **Business Structure:** Do media organisations have adequate structures in place in order to be viable?
- **Business Expertise:** Do media organisations have the personnel and expertise to be strategically and financially viable?
- **Quality Content:** Do the public/consumers have access to quality media content?
- **Journalism Expertise:** Do media organisations have the necessary structures as well as professionally educated and trained journalists to produce high quality content that is in adherence to international standards?

**Figure 68: Community Radio Sustainability Scores: Content and Expertise Dimension**

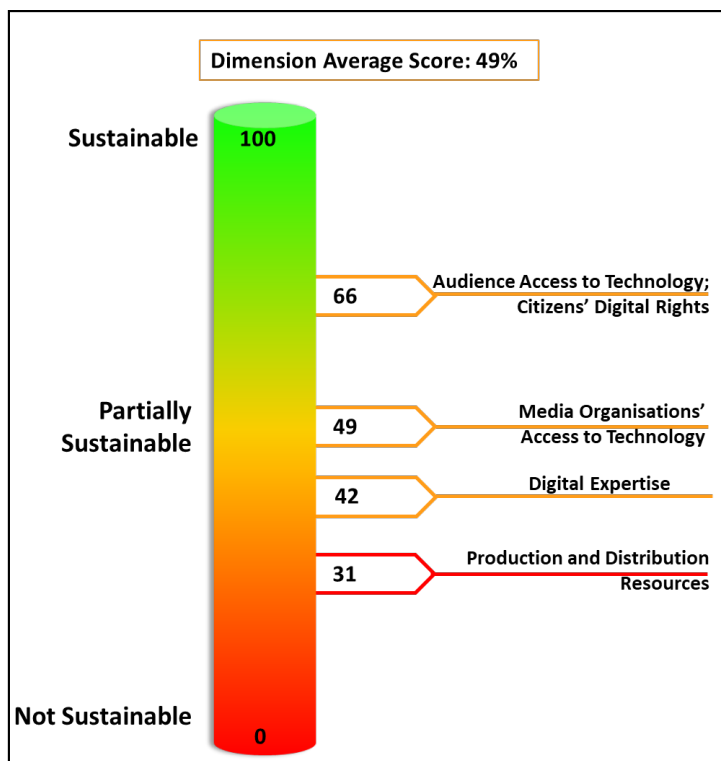
It can be seen above that the viability indicator 'Journalism Expertise' achieved the lowest sustainability score of 38%. This suggests that only 38% of respondents agreed that community radio media organisations have the necessary structures, as well as professionally educated and trained journalists to produce high quality content that is in adherence to international standards.

Further analysis was conducted to determine the sustainability scores for the viability indicators within the Technology dimension. The results are presented in **Figure 69** below.

#### Recap: Technology Dimension Indicators

- **Audience Access to Technologies:** Can citizens access and afford the technologies through which media content is distributed?
- **Citizens' Digital Rights:** Does the government, media organisations and private companies respect citizens' digital rights by allowing them to communicate freely and safely online?
- **Media Organisations' Access to Technology:** Do media organisations have access to production and distribution technologies?
- **Digital Expertise:** Do media organisations have access to sufficient technological expertise to optimise their use of digital production, distribution, and management technologies?
- **Production and Distribution Resources:** Do media organisations have access to the necessary production and

Figure 69: Community Radio Sustainability Scores: Technology Dimension



As seen above, Production and Distribution Resources achieved the lowest score (31%) of all the indicators in the Technology Dimension. This implies that 31% of respondents agreed that their organisation has access to the necessary production and distribution resources. Additionally, the Digital Expertise indicator achieved a score of 42%, indicating a lack of digital expertise within media organisations. The Media Organisations' Access to Technology indicator achieved a score of 49%, indicating that only half of the organisations that were consulted agreed that media organisations have access to adequate production and distribution technologies.

**6.2.1.1 SUSTAINABILITY OF GEOGRAPHIC COMMUNITY RADIO STATIONS VS. COMMUNITY OF INTEREST RADIO STATIONS**

Community radio stations, given their typically local nature, tend to be geographically focused (e.g., Alex FM). However, some radio stations, such as religious radio stations and campus radio stations, are focused on specific communities of interest. For ease of reference, we refer to the former as "Geographic Community Radio Stations" and the latter as "Community of Interest Radio Stations" or "COI Radio Stations".

This section compares the sustainability of COI Radio Stations to Geographic Community Radio Stations. For the purposes of this comparison, we have classified the sustainability data collected on radio stations into these two groupings.

Overall, as indicated in the figure below, COI Radio Stations are significantly more sustainable than Geographic Community Radio Stations.

Figure 610: Overall Sustainability: Geographic Community Radio Stations vs. COI Radio Stations

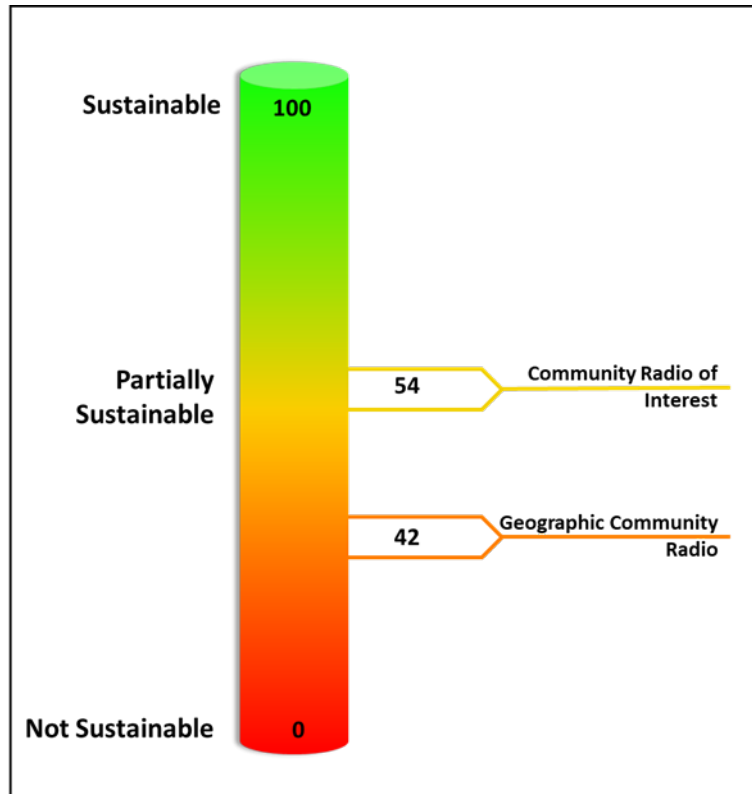
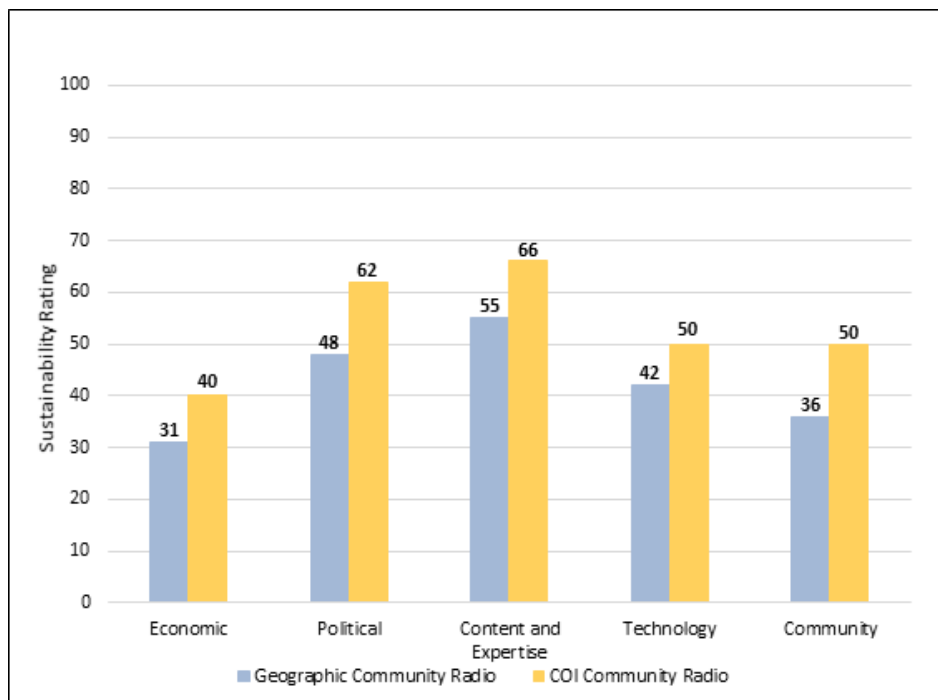


Figure 611 below provides an overview of the sustainability scores achieved for each UNESCO dimension. Differences with regard to particular sustainability indicators are discussed in the paragraphs that follow.

Figure 611: Geographic Community Radio Station vs. COI Radio Station - Overall Sustainability Scores per Dimension



As can be seen in Figure 611 above, COI Radio Stations have a higher level of sustainability across all UNESCO dimensions when compared to Geographic Radio Stations. The most notable differences can be seen in the Political and Community dimensions, with COI radio stations scoring 62 (as compared to 48 for Geographic Radio Stations) and 50 (as compared to 36 for Geographic Radio Stations) respectively.

In order to develop a deeper understanding of the overall scores achieved for each dimension, a lower-level analysis was conducted to reveal the specific indicators that had significant differences. This is shown in Figure 612 below.

**Figure 612: Geographic Community Radio Station vs. COI Radio Station – Overall Sustainability Scores per Dimension**

Indicator	Geographic Community Radio	COI Community Radio	Notable Differences (>10 points)
<b>Economic</b>	<b>31</b>	<b>40</b>	
Audience Demand	49	75	26
Competition	51	50	
National Economy	23	44	21
Financial Independence of Media Organisation	21	19	
Financial Sustainability of Media Organisation	10	13	
<b>Political</b>	<b>48</b>	<b>62</b>	<b>13,4</b>
Access to Information	95	94	
Media within Society	38	61	23
Freedom of Expression	49	60	11
Legal Equality	41	63	22
Rule of Law	18	30	12
<b>Content and Expertise</b>	<b>55</b>	<b>66</b>	<b>10,8</b>
Ownership of Media Organisations	64	75	11
Business Structure	64	65	
Business Expertise	67	71	
Quality Content	49	61	12
Journalism Expertise	31	57	26
<b>Technology</b>	<b>42</b>	<b>50</b>	
Audience Access to Technologies	52	69	17
Citizen Digital Rights	56	63	
Media Organisations Access to Technology	36	50	14
Digital Expertise	46	39	
Production and Distribution Resources	18	30	12
<b>Community</b>	<b>36</b>	<b>50</b>	<b>13,8</b>
Participation	51	72	21
Trust and Credibility	44	68	24
Citizen Education	38	30	
Audience Data	23	56	33
Social Cohesion	23	22	

As shown in **Figure 612** above, within the Economic dimension, the most significant difference was observed in the 'Audience Demand' indicator, with COI Radio Stations achieving a score of 75 as compared to the 49 achieved by Geographic Radio Stations. This is to be expected for a radio station serving a community of interest, as the station would naturally focus on content of particular interest to the community being served, e.g., a particular religious denomination, thereby enjoying greater demand.

For the Political dimension, significant differences were observed in the 'Media within Society' and 'Legal Equality' indicators. COI Radio Stations scored 61 (23 points more than Geographic Community Radio Stations) and 63 (22 points more than Geographic Community Radio Stations) respectively. This may relate to the belief and value systems relevant to the community of interest served by a COI Radio Station being less flexible than for the audience for a Geographic Community Radio Station.

Within the Content and Expertise dimension, significant differences were observed within the 'Quality Content' and 'Journalism Expertise' indicators. COI Radio Stations scored 61 (12 points more than Geographic Community Radio Stations) and 57 (26 points more than Geographic Community Radio Stations) for the 'Quality Content' and 'Journalism Expertise' indicators respectively. It may be that COI Radio Stations are able to secure superior content and journalism expertise through having greater pull through its community of interest, or perhaps through more having more resources.

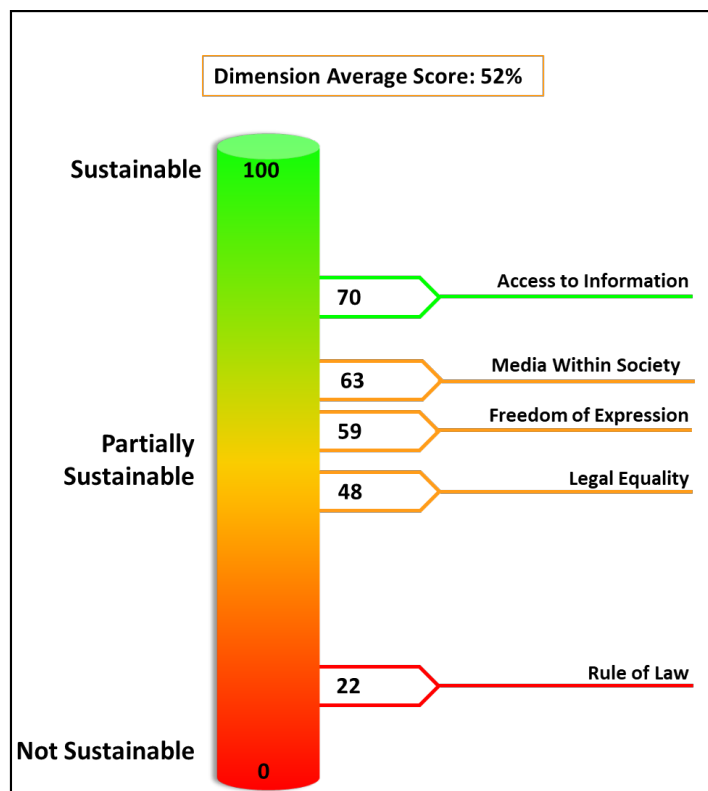


Finally, within the Community dimension, significant differences were observed within the 'Trust and Credibility' and 'Audience Data' indicators. COI Radio Stations achieved scores of 68 (24 points higher than Geographic Community Radio Stations) and 56 (33 points higher than Geographic Community Radio Stations) respectively. With regard to Trust and Credibility, it is possible that the higher score for COI Radio Stations stems from the common interests shared by the community served by the radio station.

### 6.2.2 SUSTAINABILITY OF COMMUNITY AND SMALL COMMERCIAL PRINT ORGANISATIONS

As per Section 6.2 above, community and small commercial print organisations received a score of 51 and was therefore rated as partially sustainable. Similar to the preceding section, this section provides the results from the analysis that was conducted in order to determine the sustainability scores per viability indicator for community and small commercial print organisations. **Figure 613** below illustrates the results for the Political Dimension.

**Figure 613: Community and Small Commercial Print Sustainability Scores: Political Dimension**



It can be seen in **Figure 613** above that Rule of Law achieved the lowest score (22%) among the other indicators in the Political Dimension. This indicates that only 22% of respondents representing community and small commercial print organisations agreed that government actions are determined by and in accordance with laws that are fairly applied and enforced. Legal Equality achieved a score of 48%, indicating that 48% of respondents agreed that the laws and regulations that affect media organisations are comparable to regulations applied in other industries.

Analysis was also conducted to determine the sustainability scores for the viability indicators within the Economic Dimension. **Figure 614** below illustrates the results.

**Figure 614: Community and Small Commercial Print Sustainability Scores: Economic Dimension**

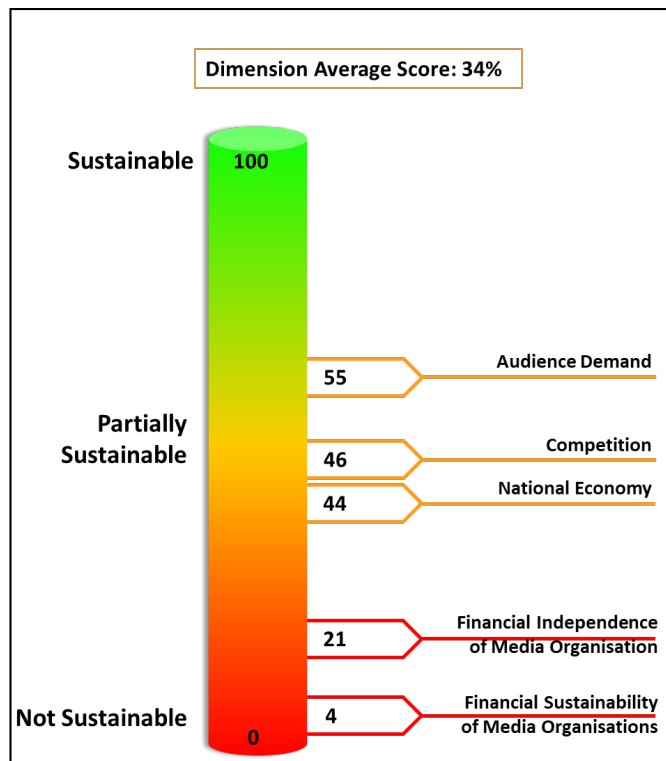
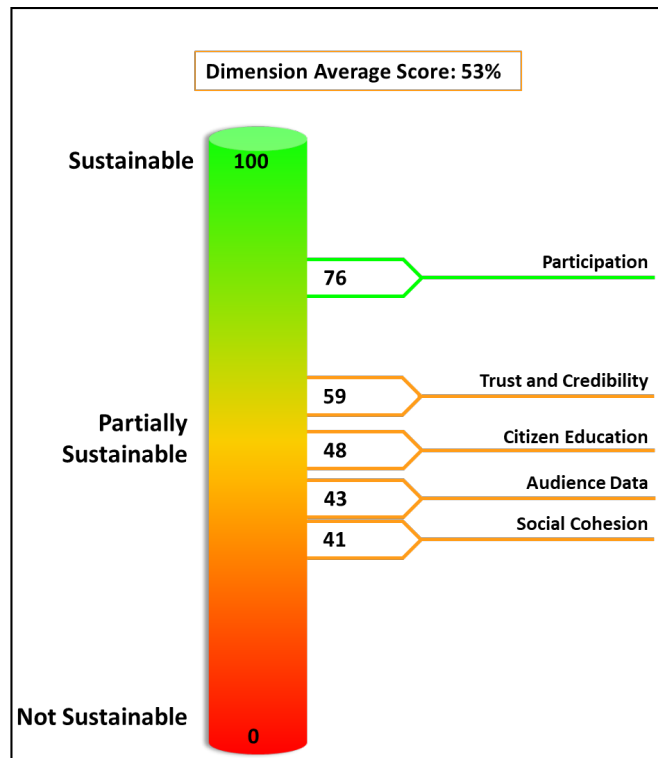


Figure 614 above illustrates that several indicators within the Economic Dimension achieved scores below 50%. The Financial Sustainability of Media Organisations achieved a score of 4%, implying that only 4% of respondents indicated that their community and small commercial print media organisation is financially stable. Additionally, only 21% of respondents agreed that their media organisation has diverse sources of revenue. This resulted in the indicator Financial Independence of Media Organisations achieving a score of 21%. Furthermore, National Economy and Competition achieved scores of 44% and 46%, respectively.

Analysis was further conducted to determine the sustainability scores for the viability indicators within the Community Dimension. **Figure 615** below illustrates the results.

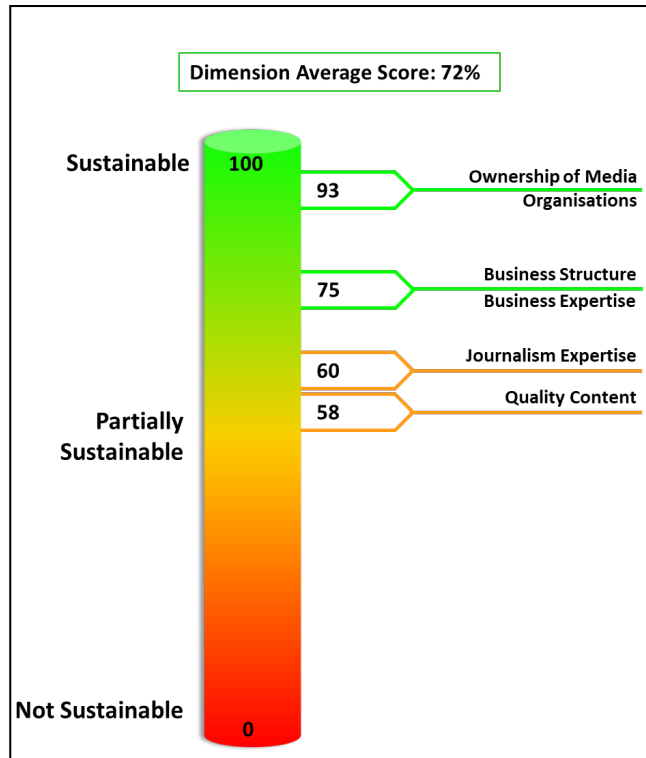
Figure 615: Community and Small Commercial Print Sustainability Scores: Community Dimension



Similar to the community radio organisations, the indicators that scored the lowest were Citizen Education, Audience Data and Social Cohesion, as can be seen above. Only 48% of respondents agreed that consumers of media content have the ability to evaluate the quality of news across multiple platforms, while only 43% agreed that community and small commercial print media organisations have access to reliable data about their audiences and their media uses. A further 41% of respondents were of the view that society is generally cohesive and peaceful, with the majority of citizens having shared political and social values across diverse ethnicities, political and religious affiliations.

Further analysis was conducted to determine the sustainability scores for the viability indicators within the Content and Expertise dimension. **Figure 616** below illustrates the results.

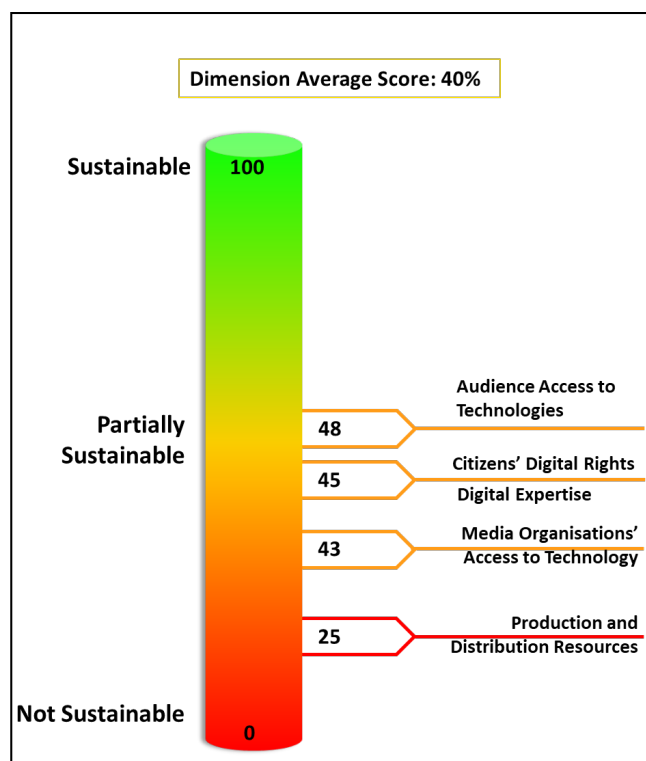
Figure 616: Community and Small Commercial Print Sustainability Scores: Content and Expertise Dimension



As can be seen above, the viability indicators with the Content and Expertise dimension achieved scores higher than 50%. The lowest score was achieved by Quality Content (58%) which was thus, rated as partially sustainable.

Further analysis was conducted to determine the sustainability scores for the viability indicators within the Technology Dimension. **Figure 617** below illustrates the results.

Figure 617: Community and Small Commercial Print Sustainability Scores: Technology Dimension



As can be seen, all of the indicators within the Technology Dimension achieved scores below 50%. Only 25% of respondents indicated that they have access to production and distribution resources, while 43% were of the view that they have access to the necessary production and distribution technologies. With regard to citizens digital rights, only 45% of respondents agreed that the government, media organisations and private companies respect citizens digital rights. Finally, with regard to audience access to technologies, only 48% of respondents believed that citizens could access and afford the technologies through which media content is distributed.

### 6.2.3 SUSTAINABILITY OF COMMUNITY TELEVISION ORGANISATIONS

Similar to the analysis that was conducted for community radio and community and small commercial print media in the previous sections, research was conducted to determine the sustainability scores for the viability indicators relating to each of the five dimensions for community television organisations (also referred to as “Community TV” in this report).

The analysis revealed that the sustainability score for Community TV (22, out of 100) is substantially lower than that for Community Radio (55). Each of the viability indicators in the Community Dimension, Political Dimension and Technology Dimension achieved low scores and were thus considered not sustainable. This included indicators such as Quality Content and Business Structure from the Content and Expertise Dimension; and Audience Demand, Competition, National Economy and Financial Sustainability of Media Organisations which all achieved low scores.

Many of the sustainability challenges faced by Community TV are similar to those for community media organisations (including Community TV); looked at holistically. Given that these common challenges are covered throughout this report, the remainder of this section focuses on sustainability issues and potential solutions more specific to Community TV.

#### 6.2.3.1 THE HIGH COSTS OF COMMUNITY TV

Consultations with community television stations, as well as research conducted by educational institutions such as Rhodes University (2012), underline the reality that the costs associated with running a community television station are much higher when compared to the operating costs of a community radio station. This is likely due to the costs of production and broadcasting, which is higher for television when compared to radio (Austin & Husted, 1998).

The intrinsically higher cost for Community TV is likely a key driver for the reduced instances and sustainability of Community TV when compared to Community Radio. With regard to the prevalence of Community TV in South Africa, it is noted that the seven or so Community TV stations in the country (which includes Cape Town TV, Tshwane TV, GAU TV, 1KZNTV, and Soweto TV) are significantly less in number than the nation’s 284 radio stations (EWN, 2022).

Aside from the general CSCM organisation funding enhancement strategies covered in Section 9.6, the following approaches to address funding of Community TV may be considered:

- **Funding Through Government or Regulatory Mechanisms**

A perusal of the literature on the nature of community television in countries across the globe indicates that a variety of approaches are adopted by government in order to ensure that community television is sustainable. For example, in France, a license fee or industry levy supports French public access channels, with the fee being collected as part of local taxes in specific regions of France (OFCOM, 2009). Similarly, in Sweden, the government heavily subsidises local and regional media (Wits Radio Academy, 2022).

In Germany, a portion of annual license fees, akin to the South African television license payable to the SABC, is allocated towards funding local community television channels (OFCOM, 2009). Regarding the use of this strategy in the South African context; it is important to note that TV licences may be discarded either completely or in favour of a household levy (Business Tech, 2022). As per

communication from the current administration, it has been suggested that a levy be collected from all households based on the possibility of access to the public broadcasters' services as opposed to the actual use of its services (Independent Online, 2022). While this development is still in the pipeline, it may be worthwhile monitoring the manner in which such a development is implemented, as it will involve the introduction of an 'industry levy'. This may be useful in terms of advocating for a similar levy for the Community TV sector, and it may provide precedent for such an intervention.

Another potential strategy that may serve to strengthen the Community TV sector may involve encouraging local government to use Community TV platforms to broadcast public service announcements, council meetings, and or related proceedings. This may serve to provide additional revenue to the Community TV sector, thereby increasing the likelihood of sustainability. This could also be extended to community radio stations, by coverage of council proceedings through live streaming via web-based platforms (e.g., YouTube), complemented with highlights being included in radio programming (Stakeholder Consultations, 2022).

Furthermore, another possible method of securing additional income through regulatory mechanisms may be for the MDDA to engage with ICASA and determine whether it would be willing to consider Community TV as being part of 'public service broadcasting'. This may prove to be beneficial given that, in the South African context, satellite and commercial broadcasters must 'carry' programmes of the public broadcasting service (i.e., SABC) (Tech Central, 2022). Furthermore, in addition to carrying public service broadcast programming, updated regulations now state that satellite and commercial broadcasters carrying these programmes will have to pay the public broadcaster a fee to do so (Tech Central, 2022). As such, re-classifying Community TV so that it forms part of public service broadcasting may prove to be an effective method of channelling more funds towards the sector, particularly in light of the updated 'must-carry' regulations.

- **Advertising Support from Local Businesses**

In Sweden, and other Nordic countries, community media organisations receive advertising revenue from a 'neighbourhood media registry', in which local businesses sign up to form part of an advertising registry (this registry also consists of community media outlets within the specific area) (Wits Radio Academy, 2022). As part of the signing up process, local businesses are required to pay annual fees, which are then distributed amongst the various community media outlets forming part of the registry. Thereafter, as and when local businesses want to advertise their services or products, the community media outlets in that specific area run advertisements for these businesses. This neighbourhood registry ensures that community media outlets within a specific area receive consistent advertising revenue, and also serves to provide collective bargaining strength, and may prove to be useful if introduced and adapted to the South African context.

- **Commercial Partnerships**

In the past, partnerships between commercial entities (e.g., Urban Brew) and local TV stations have enabled access to funding and other resources that Community TV would not have been able to access otherwise (Rhodes University, 2013). While, according to Biz Community (2016), legislation requires independence of Community TV organisations, re-imagined versions of such partnerships could assist with funding in the future.

### 6.2.3.2 THE COST OF CONTENT PRODUCTION<sup>9</sup>

As indicated above, Community TV has significantly higher content production costs than Community radio, which is a key constraint for sustainability. One way of mitigating these high costs is to crowdsource content. This has been accomplished successfully, for instance in the case of HMP Downview, a women's prison in the UK, by training prisoners to produce programs for a local channel, TIME (Television Information Media Education), which is broadcast over the prison's in-cell TV system (The Guardian, 2008). Additionally, in the case of Overton TV, a digital community TV channel, video content is produced by members of the community, for example, by using their phones, and uploaded via the channel website or via YouTube (Tech4Good, 2020).

While crowdsourcing may be an option that could be explored by the Community TV sector, it is important to consider this in light of local content regulations, which state that any community television broadcasting licensee has to broadcast 65% of local content as part of its programming with at least 30% of this content being produced from the licensee's coverage area. The regulations also state that community television broadcasting licensees must ensure that a minimum of 40% of their local television content programming consists of programmes that are independently produced (ICASA, 2016). Furthermore, with regard to programme syndication, which refers to "programmes produced at a central hub, distributed and broadcast simultaneously by broadcasting licensees"; the regulations indicate that no more than 20% of a particular community television's programming may be syndicated (ICASA, 2019). As such, attempts to crowdsource content needs to be considered within this context and should not prevent a particular community broadcaster from meeting its licensing obligations.

In the South African context, a Community TV station could have specific segments of programmes that are produced through the use of a cell phone and/or other recording technology. This will serve to reduce costs but also help ensure that local content requirements are met (i.e., given that the content will not be syndicated or produced outside of the station's coverage area).

### 6.2.3.3 THE COST OF BROADCASTING

The costs of broadcasting for a TV channel are significantly higher than that for radio; naturally also impacting sustainability. Community TV organisations can work around this cost by considering digital channels, e.g., the internet, as shown in the case of Overton TV, mentioned above.

<sup>9</sup> Regarding content production within Community TV, it is important to note that, in the South African context, one of the 'barriers' that may be preventing Community TV from receiving funding for content production is the fact that there appears to be a 'false border' that exists between the communications and audio-visual industries in South Africa. This 'silo mindset' may be impeding cooperation between two industries that are closely related, and consequently, may be preventing Community TV from getting the support that it requires for content production from organisations supporting the industry.

## 7 ROOT CAUSE ANALYSIS

In an organisational context, a root cause analysis refers to the systematic process used for the identification of 'root causes' of particular problems or events. A root cause analysis typically involves the following steps (Masterclass, 2020):

1. Defining the problems
2. Gathering data related to the identified problems
3. Identification of causal factors
4. Determination of the root causes
5. Recommendations and implementation of solutions

In the context of this project, the purpose of conducting a root cause analysis was to determine the root causes behind the challenges impeding the sustainability of organisations within the CSCM sector. This analysis assists with providing a basis from which sustainable practices and strategies may be developed. In essence, in order to develop sound sustainability strategies, identifying the root causes of key issues was seen as a critical exercise.

In order to define the problems, and to ensure the effective identification of key issues facing organisations within the sector, a literature review was conducted which sought to understand the context of organisations within the sector. Once a firm knowledge base was established in which key challenges were identified, initial consultations were conducted with a range of organisations within the sector, each with differing levels of sustainability. The purpose of these consultations was to develop an understanding of the manner in which these organisations are structured, as well as to validate the challenges identified through the literature review. The initial consultations conducted with organisations classified as sustainable were used to understand how an effective and sustainable community media organisation is structured at an organisational level. These consultations also provided insights into best practices, which are understood to be the practices or strategies that these organisations are using in order to be sustainable.

Conversely, consultations with organisations classified as partially or not sustainable were used to provide further input on the challenges facing these organisations, as well as for the identification of organisational deficiencies that may be preventing these organisations from being sustainable.

The input received from these initial consultations, as well as the literature review, was used to develop a proxy business model for a typical CSCM organisation, which, ultimately, can be viewed as the minimum viable product for an organisation in the CSCM sector (i.e., the minimum components that need to be in place for an organisation to be considered sustainable). This concept is discussed in further detail in the following section.

### 7.1 MINIMUM VIABLE PRODUCT

Broadly speaking, a minimum viable product refers to a version of a product that is introduced to a particular market with basic or minimum features, with the intention being that customers or end-users have the opportunity to provide feedback on said product, which is then developed further according to this feedback (IBM, 2020). In the context of this study, the minimum viable product refers to the basic or minimum features and/or components that need to be in place in order for a CSCM organisation to be considered sustainable. This section provides an overview of the minimum viable product, using the proxy business model as a base.

A business model can be defined as a representation of how a particular organisation aims to generate income or deliver value to its target market/audience (Harvard Business Review, 2015). A business model may comprise of various components and aims to identify the products or services that the organisation sells, its identified target market or audience as well as its key competitors, amongst other factors. As mentioned above, for the purposes of this study, a business model was developed for a typical CSCM organisation, according to the following core business model components:



**Table 71: Business Model Components**

No.	Item	Description
1	Market	This component refers to the individuals or entities which currently add to the demand for the organisations' products or services. In the context of a media platform, this component may be split into two distinct markets, namely, a CSCM organisation's 'target audience' which includes their listeners, viewers, or readers and the 'customer market' which includes advertisers.
2	Distribution	The distribution component includes the channel through which an organisation's product and/or service is delivered to the target market/audience. In the context of a media platform, this component can be split into two distinct distribution methods, namely, broadcasting (e.g., traditional methods vs. non-traditional methods) and non-broadcasting (e.g., marketing, brand awareness etc.). <sup>10</sup> The broadcasting sub-component refers to channels through which content is transmitted from a studio, for example, to the target audience, while the non-broadcasting refers to methods used by organisations to increase their brand awareness or to promote their product.
3	Value Proposition	This component involves the value proposition offered by a particular organisation. A company's value proposition provides a summative view of the factors that render a company's product or service attractive, the reasons why a customer should purchase it, and factors that differentiate the product or service from similar offerings. In the context of a media platform, the value proposition component can be split into two distinct elements, namely, the value offered to the target audience in terms of broadcast products (i.e., programmes broadcast to audiences) and pricing of content; and value proposition offered to advertisers in terms of products and advertising rates.
4	Organisations' Internal Structures and Functions	This component outlines the organisational structure and provides an overview of a particular organisation's core and support functions. In the context of a media platform, this can be divided into core functions (e.g., content production, sales, marketing, governance, and management) as well as support functions (e.g., corporate services such as finance, legal, human resources, and maintenance). This component also includes the key skills available within the organisation, as well as the technology required to function effectively, such as broadcasting equipment for a radio/television station or printing presses for a print platform.
5	Enabling Environment	This component outlines the key stakeholders that influence an organisation's ability to function effectively. In the context of a media platform, this includes service providers (e.g., internet services, signal distribution service providers, etc.); regulatory bodies in the broader environment (e.g., ICASA, AIP) and the government.
6	Industry (Competitors)	This component relates to an organisation's competitors. In the context of a media platform, this component includes other media platforms with similar target audiences or other organisations that provide a similar service.

Modelling a typical CSCM organisation according to the components described above provided a thorough understanding of the manner in which a typical CSCM organisation is structured. The primary purpose of developing this model was to allow for an understanding of the origin of the key challenges impacting the sustainability of CSCM organisations, from an organisational perspective, and to develop an understanding of what minimum requirements need to be in place in order for a CSCM organisation to function effectively. Understanding the origins of the key challenges allows for the development of more focused solutions to assist CSCM organisations address key inefficiencies/ areas for improvement. The business model of a typical CSCM organisation is shown in **Figure 71**.

The areas highlighted in red signify the key challenges or the "burning platforms" that appear to be impacting on the sustainability of organisations within the CSCM sector, as per the research conducted. Areas highlighted in orange signify challenges that are not significantly impacting on the sustainability of the CSCM sector but are still worth noting. The areas highlighted in green signify positive practices that other CSCM organisations may look to replicate in an attempt to enhance their sustainability. These positive practices were informed through consultations with sustainable CSCM organisations. The above explanation is depicted in the legend in **Table 72** below.

<sup>10</sup> Normal distribution and marketing for a newspaper platform.

Table 72: Legend

Legend	
	Positive Practices: These are best practices that are important to note in the context of this study. These practices were informed by the literature review, as well as consultations with sustainable CSCM organisations.
	Minor Challenge: These challenges, while important to note, are not significantly hindering or impacting on the sustainability of CSCM organisations.
	Major Challenge: These are challenges that are significantly impacting on the sustainability of CSCM organisations.

Figure 71: CSCM Organisation Business Model

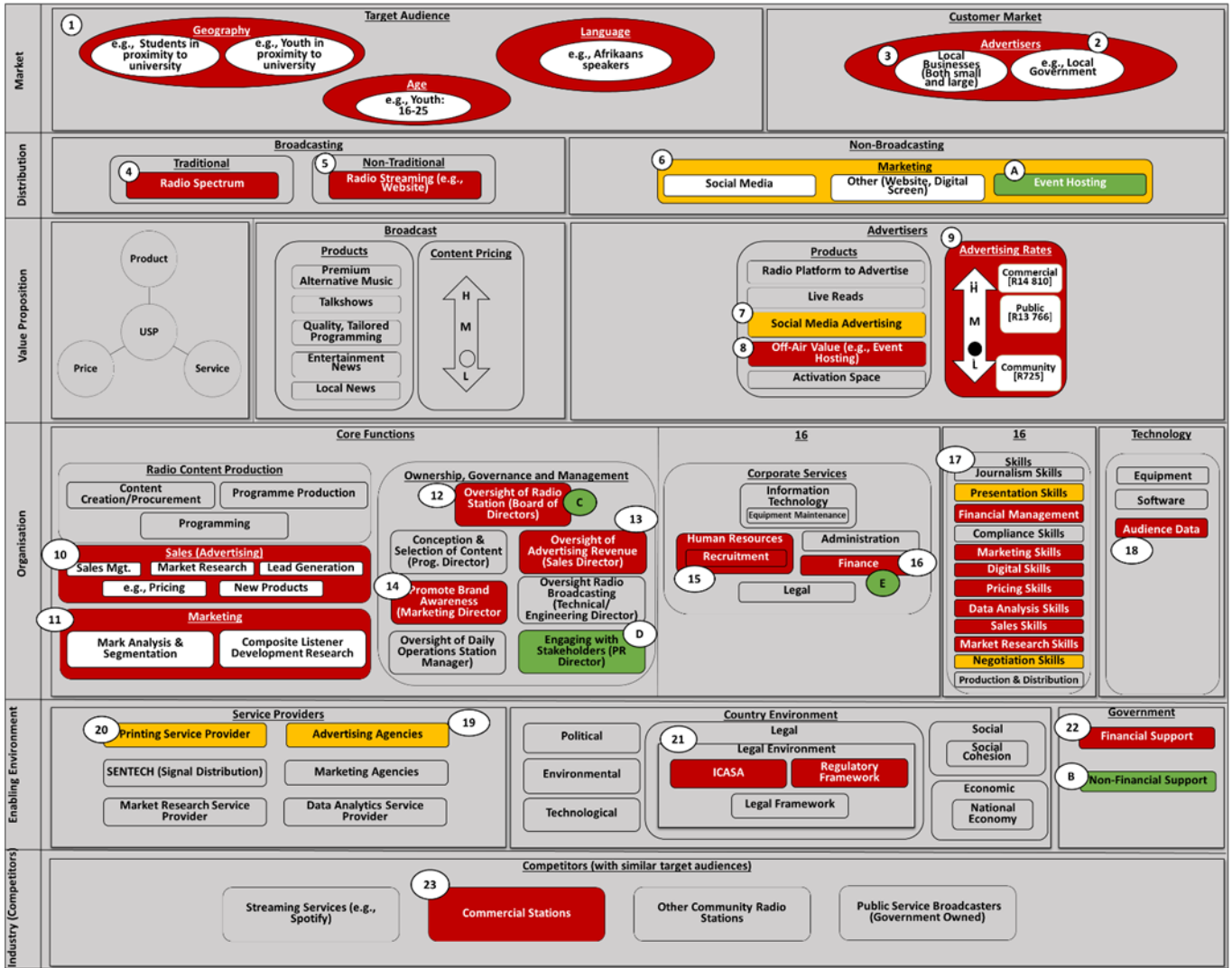


Table 73 below provides further detail on the challenges illustrated in the business model above. Numbers in the below table align to the numbers mapped to the business model.

**Table 73: Overview of Challenges Impacting the Sustainability of the CSCM Sector**

#	Business Model Component	Description of Challenge
1	Market	In many instances, the economic status of the communities in which CSCM organisations are located, limits their ability to contribute financially to these organisations, as the target communities cannot afford to purchase the product or are unable to afford the advertising rates offered.
2	Market	CSCM organisations have faced challenges related to receiving adequate financial support from local government, due to government's perceived unwillingness to utilise CSCM organisations to advertise, as well as political influences. It has been established, through the literature review, that government should be the main source of revenue in terms of advertising. However, due to a variety of factors, it appears that this is not the case for many CSCM organisations.
3	Market	CSCM organisations appear to struggle to obtain advertising support from larger businesses located within their communities. This may be due to a number of factors. There appear to be challenges with the procurement processes followed by larger organisations, whereby issues relating to advertising are dealt with at the provincial or national offices of said organisations, thus limiting the ability of CSCM organisations to approach these advertising departments. Furthermore, there have been instances where CSCM organisations have been told by larger organisations that their advertising is done through advertising agencies, that are often reluctant to do business with CSCM organisations. In instances whereby CSCM organisations do work with advertising agencies, challenges arise relating to delays in paying CSCM organisations, as well as not paying CSCM organisations according to their rate cards.
4	Distribution	In the broadcast space, SENTECH transmission fees are high. This is a significant contributor to the high operating costs faced by the community broadcast sector. In the print space, the cost of printing is generally high for CSCM organisations, which forms a significant portion of community and small commercial print organisations' expenses. <sup>11</sup>
5	Distribution	It was established that CSCM organisations lack knowledge regarding how to monetise digital platforms, which is recognized as being a potential source of revenue for the sector.
6	Distribution	CSCM organisations appear not to market their brand effectively, which, according to consultations with sustainable CSCM organisations, is an important factor that assists in attracting advertisers and convincing advertisers of the value of the organisation.
7	Value Proposition	Fieldwork research indicated that advertisers appear to value social media advertising. However, it appears that even if a CSCM organisation has the ability to offer social media advertising, it does not allow the CSCM organisation to charge higher rates. This might be linked to a lack of negotiation skills, or alternatively, might be due to CSCM organisations not using social media platforms effectively, i.e., having a social media page but not having a strong presence on said platform.
8	Value Proposition	While most CSCM organisations attempt to offer advertisers off-air value, which is a key motivating factor for advertisers when choosing which platform to advertise through, this has not allowed CSCM organisations to increase their advertising rates or attract more advertisers. This may be due to the lack of adequate negotiation skills to leverage the additional value offered. Alternatively, this may be due to, for example, a lack of skills related to the effective use of social media (given that social media is an attractive value add for advertisers).
9	Value Proposition	CSCM organisations face challenges with regard to charging advertisers appropriate advertising rates. This may be an indication that these organisations lack the necessary negotiation skills and/or industry knowledge regarding how to structure advertisement rates. <sup>12</sup>
10	Organisation	It was found that many CSCM organisations do not have dedicated sales functions, which is a critical component of any media organisation. Due to a lack of human resources, CSCM organisations often have employees performing multiple jobs across various functions.

11 In order to address this challenge, NPOs within the print space may consider registering as PBOs with SARS. Registering as PBOs would allow these organisations to leverage their PBO status when negotiating with printing service providers for the provision of printing services. The benefits to service providers with regard to providing these discounted services or 'donations' would include reductions in taxable income, ultimately resulting in less tax paid by these service providers. The topic of NPOs registering as a PBO with SARS, and the associated benefits, is further discussed in 7.2.1.

12 Emphasis should be placed on equipping CSCM organisation with negotiation and pricing skills in order to assist these organisation price their on-air space appropriately.

#	Business Model Component	Description of Challenge
11	Organisation	Similar to the lack of a sales function, many CSCM organisations do not have a marketing function, which limits their ability to attract advertisers. According to best practices, establishing a strong brand is considered key to attracting advertisers and can also be a potential source of revenue (as seen by the instances whereby sustainable CSCM organisations have sold branded merchandise).
12	Organisation	CSCM organisations face challenges regarding compliance, with most of these challenges surrounding the inability to form proper governance structures. This often leads to issues such as the electing of board members without the adequate skills and/or experience. This may lead to conflict between board and management, as the board is composed of individuals who do not understand the nature of the CSCM sector. There also appears to be instances whereby certain CSCM organisations do not understand the compliance requirements that are attached to being classified as a non-profit entity, such as the hosting of an AGM.
13	Organisation	Most CSCM organisations do not have a clearly defined oversight role relating to sales, which is primarily due to the lack of a dedicated sales functions within these organisations. This challenge links back to challenge (10).
14	Organisation	Most CSCM organisations do not have a clearly defined role for promoting their brand, similar to the challenge related to the lack of a clearly defined oversight role relating to sales. This is primarily due to the lack of a dedicated marketing function within these organisations. This challenge links back to challenge (11).
15	Organisation	It was found that the CSCM sector faces challenges with high staff turnover. This is due to financial constraints, whereby CSCM organisations cannot afford to pay skilled staff. As a result of this, CSCM organisations rely on volunteers, who require training in order to be effective employees within the organisation. However, once volunteers are capacitated with the adequate skills, the CSCM organisation is unable to pay these individuals, and are subsequently forced to replace the skilled employee with another volunteer. This feeds into the perception that the CSCM sector is unstable, as the human resources of a particular CSCM organisation are in a constant state of flux.
16	Organisation	Lack of funding, in addition to a lack of alternative revenue streams, means that CSCM organisations do not have adequate finances to pay employees, or establish dedicated functions such as sales and marketing. It appears that the inadequate amount of funds/revenue is a root cause of many of the issues facing CSCM organisations.
17	Organisation	It appears that presenters within CSCM organisations are not always properly trained, which serves as a deterrent for advertisers, as advertisements are not played on time. Additionally, there are skills shortages within CSCM organisations relating to financial management, marketing and sales, the use of digital technology, market research, and data analysis, amongst others.
18	Organisation	CSCM organisations do not seem to have access to audience data, which limits their ability to produce relevant content and to convince advertisers of their value.
19	Enabling Environment	There have been instances whereby advertising agencies do not adhere to CSCM organisations' rate cards when negotiating pricing with potential clients. This often leads to the CSCM organisations selling airspace below the rates on their rate cards.
20	Enabling Environment	For print organisations, many organisations have to outsource printing services, the cost of which is extremely high.
21	Enabling Environment	It appears that there are issues with the licensing process. CSCM organisations indicated that ICASA should play a more hands-on role and should treat CSCM organisations in the same way that commercial organisations are treated when it comes to licensing. It appears that there is a certain level of leniency given to commercial organisations that is not given to community media with regard to compliance.
22	Enabling Environment	It appears as though government, particularly at the local level, does not provide CSCM organisations with adequate financial support. This challenge links back to challenge relating to the lack of government support (2).
23	Industry (Competitors)	It appears that CSCM organisations cannot compete with commercial organisations targeting similar audiences. This is largely due to advertiser preference, whereby advertisers prefer to advertise through commercial media organisations.

Table 74 below highlights the positive practices emerging from the study.

**Table 74: Overview of Positive Practices Contributing Towards Sustainability of CSCM Organisations**

Business Model Component		Positive Practices
A	Distribution	Consultations with sustainable CSCM organisations revealed that these organisations often use event hosting as a value add, which allows them to attract advertisers.
B	Enabling Environment	There have been instances whereby local government has allowed CSCM organisations to use unoccupied government buildings as office space, thus reducing these organisation's operating expenses.
C	Organisation	Organisations who have effective relationships with their board noted that they have mechanisms and protocols in place to prevent abuse of power from board members.
D	Organisation	According to best practices identified through the literature review, the ability of a CSCM organisation to build and sustain relationships with key stakeholders is critical to the overall sustainability of the organisation.
E	Organisation	According to best practices, in order to ensure financial sustainability, it is critical that CSCM organisations operate with a strong commercial ethic in order to ensure that adequate revenue is generated for the organisation.

A key reason behind noting these positive practices is to understand behaviours that partially sustainable CSCM organisations can learn from sustainable CSCM organisations. As such, it is proposed that, in order to replicate these positive practices, the MDDA makes efforts to disseminate the information gathered from this study in workshops and/or stakeholder engagement forums. Furthermore, the MDDA may consider hosting seminars or workshops whereby sustainable CSCM organisations are invited to share success stories with the broader CSCM sector, in order to ensure that organisations within the sector can learn from each other.

Furthermore, the outcomes of the pilot programme funded by the RAITH Foundation aimed at developing a sustainability model for the community radio sector, in which various trainers were assigned to clusters of community radio organisations, should be closely monitored, in order to ensure that partially or non-sustainable community radio organisations can learn from sustainable CSCM organisations.

## 7.2 CHALLENGES FACING THE CSCM SECTOR

Further to the above, the section that follows provides further detail regarding the challenges facing the CSCM sector. In order to align with Section 7.1, these challenges are presented through the various business model components, namely market, distribution, value proposition, organisation, enabling environment and competitors.

At a high level, these challenges can be grouped into the following key themes.

- Lack of support from key stakeholders

*As a result of the socio-economic circumstances of their target communities, CSCM organisations do not receive adequate financial support from the communities within which they are located. In addition to this, CSCM organisations appear not to be receiving adequate financial or non-financial support from local government.*

- Insufficient revenue due to a lack of a secure revenue streams, or a lack of access to alternate sources of revenue

*The majority of CSCM organisations appear to be limited by a lack of sufficient revenue. This creates a multitude of other challenges, including; the inability to operate effectively due to a lack of key skills and business functions; the inability to attract advertisers due to a lack of marketing and sales skills and the inability to afford skilled personnel and retain skilled staff, resulting in a high level of staff turnover and creating a perception of "instability" within the sector. CSCM organisations also face challenges with generating sufficient revenue through advertising.*

- Lack of credibility

*High levels of staff turnover within CSCM organisations creates a perception that the sector is unstable, thus impacting the credibility of these organisations, which in turn impacts their ability to*



*attract larger advertisers*

- Lack of key skills

*There appear to be significant skills gaps within CSCM organisations, including skills such as business management, sales, marketing and market research. This is often as a result of the organisation's inability to pay skilled staff. Furthermore, as a result of the 'volunteer' model, CSCM organisations often have to continuously capacitate and train new volunteers – using up time and resources*

- Improper governance

*CSCM organisations experience challenges relating to inadequate governance. It was found that the improper formation of boards impacts on the sustainability of the sector, as there have been instances whereby individuals have been voted onto the boards of CSCM organisations without adequate knowledge of the CSCM sector, leading to conflict between the board and management. Furthermore, there have been instances where political factors have influenced the formation of the board, with individuals being voted in based on popularity as opposed to their experience or level of skill.*

Further detail on these challenges can be found in the sections that follow.

### 7.2.1 MARKET RELATED CHALLENGES

While there are slight variations across the three community media types (radio, television, and print), broadly speaking, the 'market' component of a business model refers to the individuals or entities which currently add to the demand for the organisation's products and/or services. In the context of a media platform, this component can be split into two distinct markets, namely, a CSCM organisation's target audience (e.g., listeners, viewers, or readers) and the customer market, which includes advertisers.

It is important to note the significant role played by community media for audiences within society today, according to Payne (2021) This includes the exposure of local communities to broader perspectives on issues of a social, political, or cultural nature in a democratic dispensation, thus helping to fight discrimination and encouraging inclusivity. According to Refugees Reporting (2017), community media also provides a platform for the integration and participation of under-represented groups in society, allowing them to bring their own content and language to the forefront, thus making content on media more relatable and interesting.

Community media embraces diversity and the diverse participation of individuals, an area where commercial media seems to lack. Youkongpun, citing Meadows (2007), explains that the micro-participation of individuals at community level enables broader participation and contribution in society. Essentially, community media fosters an understanding, not only amongst the community, but between them and the world around them. An example of this could be the delivery of news bulletins pertaining to national affairs in indigenous languages predominant in those communities, thus, because members are not excluded from access to information, they become fully aware of what is happening around them (Youkongpun, n.d.).

When consideration is given to the fact that community media deals with issues that are not adequately addressed by commercial media platforms, the important role that CSCM organisations have to play, particularly in providing disadvantaged communities with access to information, as well as news and content that is directly relevant to these communities' unique contexts is highlighted (Kruger, 2015). In order for a CSCM organisation to successfully fulfil its role of providing disadvantaged communities with access to information, it is important that the relationship between the CSCM organisation and the community is one that is mutually beneficial. In other words, the CSCM organisation needs to be able to rely on the community for support in terms of content generation (i.e., they need to have a good relationship with the people and organisations within the community so that these stakeholders can provide information on relevant stories and happenings within the community). The importance of this relationship was highlighted in qualitative consultations, with representatives from CSCM organisations noting that the community is central to the content that their platforms generate.

“Yes [we have a good relationship with our community]. Our viewership depends on our community. It is made specifically for the community; the content is from the community, and it is for the community. We also employ people from the community.”

(CSCM Organisation Interview, 2022)

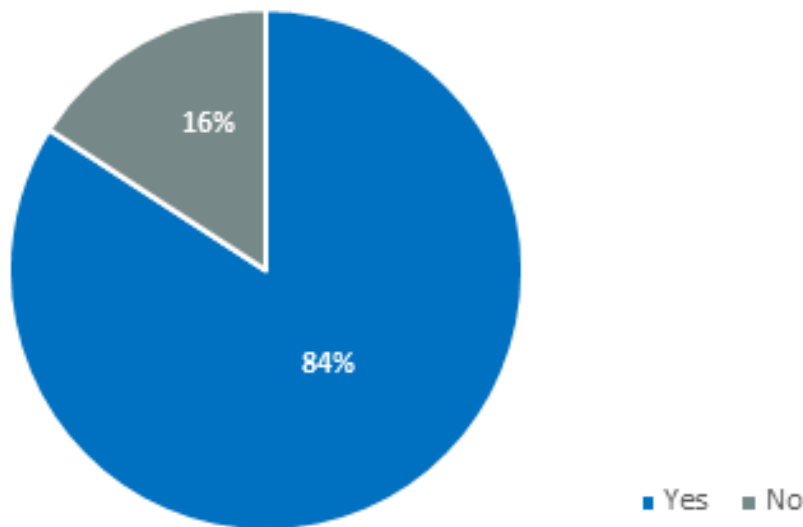
Representatives from other organisations reiterated this view, highlighting the role that key organisations within the community play in the sourcing and development of relevant content.

“We have a very good relationship with organisations within our community. Usually, this assists us with news coverage and content, so [in that way] we do not struggle to source content. We have established a relationship with schools, and they provide us with educational content, we have built relationships with other stakeholders as well who provide us with content.”

(CSCM Organisation Interview, 2022)

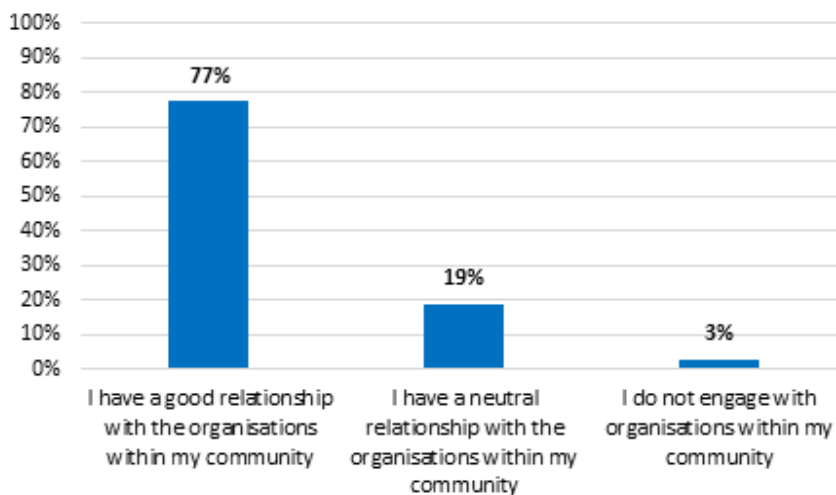
It is, therefore, clear that the relationship between a CSCM organisation and the community that it serves is of critical importance, specifically for the purposes of content development. As a result of this, it is important to understand whether the management teams of CSCM organisations actively work to ensure they have strong relationships with key stakeholders. As can be seen in **Figure 72**, the majority of CSCM organisations (84%) indicated that they have management teams that ensure that relationships with key stakeholders, such as the local community, are built and maintained.

**Figure 72: Management Works to Ensure that Relationships with Key Stakeholders are Built and Maintained**



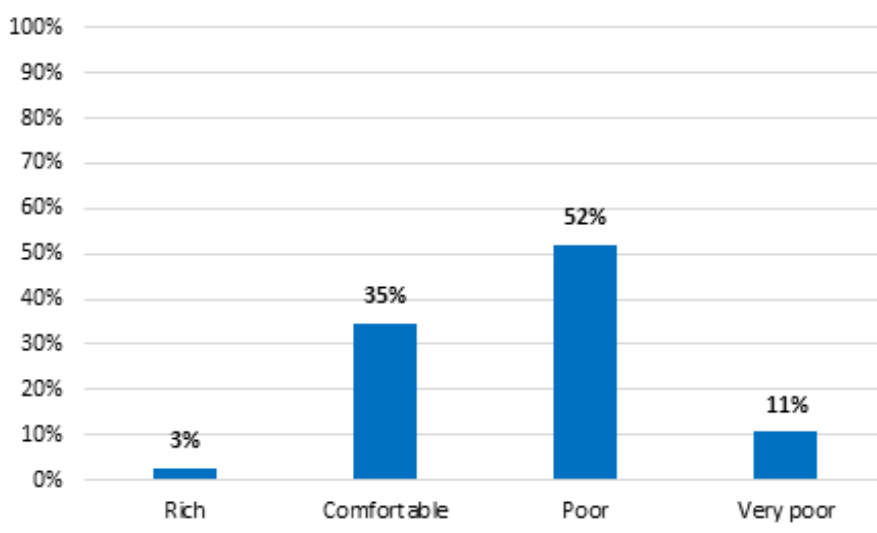
To further understand the relationships that CSCM organisations have with their communities, the nature of the relationship between CSCM organisations and their target communities was unpacked. **Figure 73** below illustrates that the majority of CSCM organisations have a good relationship with their target communities.

**Figure 73: Relationship between CSCM Platforms and Community Organisations**



Based on qualitative consultations, it appears that CSCM organisations can rely on their communities for the development of content. However, the benefits of this relationship for CSCM organisations appears to be limited mainly to content. This is largely due to the context within which the majority of CSCM organisations are located. In order to be financially sustainable, CSCM organisations need to receive adequate financial support from the community, either in the form of advertising revenue or through product sales. Thus, there is a need to understand whether there are economic opportunities for CSCM organisations to receive financial support from their communities, in addition to the content support they currently receive. In order to identify whether there are economic opportunities within the communities that CSCM organisations serve, it is important to first understand the nature of these communities, specifically the economic status of individuals and the size of organisations within these communities. As such, questions were posed to CSCM organisations in order to source this input. One of the main challenges relating to target audience that appears to impact CSCM organisations, is the economic status of their audiences. Based on the findings of the literature review, as well as the initial consultations, it was established that CSCM organisations typically target poor rural and urban communities. This can be seen **Figure 74** below, in which 63% of CSCM organisations indicated that their target audiences are either poor or very poor.

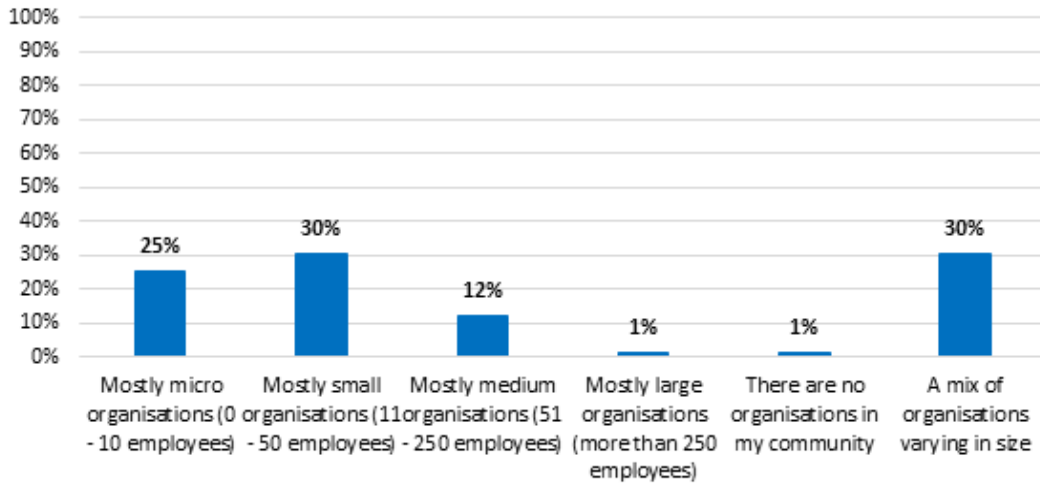
**Figure 74: Economic Status of Target Audience**



Furthermore, the majority of the organisations that form part of the communities that CSCM platforms serve are micro or small businesses, as **Figure 75** below shows.



Figure 75: Size of Organisations in Target Community



Note: Percentages in the graph above may not add up to 100% due to rounding off

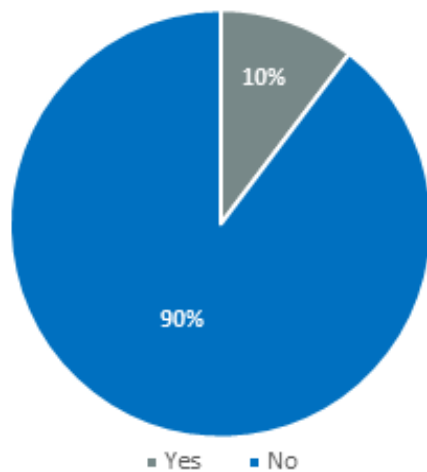
It is, therefore, evident that the communities that are served by CSCM organisations are predominantly poor in terms of economic status and are usually populated by micro and small businesses. The above figures illustrate that the context within which many CSCM organisations are situated limits their ability to gain sufficient revenue from their communities. This was echoed by a certain industry expert, who noted that the context of a CSCM organisation is of critical importance, citing this as an influential factor with regard to the overall sustainability of a CSCM organisation.

“[In terms of the key factors influencing sustainability], with community media, it has a lot to do with poverty, this is a major factor. The factors are clearly around the communities that are generally served. Where there is high unemployment and no money, it becomes much harder [to be sustainable].”

(Industry Expert Interview, 2022)

It is important to note these contextual factors, as it often means that the communities that CSCM organisations serve cannot provide a sufficient level of financial support to CSCM organisations in order to allow these organisations to be financially sustainable. This is as a result of, for example, individuals in the communities being unable to purchase the CSCM organisations’ product, as illustrated in **Figure 76** below.

Figure 76: Can your Target Audience Afford to Purchase your Newspaper?



As can be seen, only 10% of community and small commercial print organisations indicated that their audience could afford to purchase their newspaper, which limits the amount of revenue generated

from newspaper sales. In most cases, given the economic status and size of organisations within target communities, these communities are unable to provide sufficient levels of financial support to CSCM organisations due to factors such as poverty and unemployment. The organisations within the communities in which CSCM organisations operate also cannot afford to advertise in the newspapers, in addition to being unable to afford to purchase the papers. This presents a key challenge for small commercial and community newspapers. This sentiment was echoed by representatives of CSCM organisations who indicated that despite the organisations within their specific community being supportive with regard to providing a stream of advertising revenue, it is simply not enough to sustain their organisation from a financial point of view.

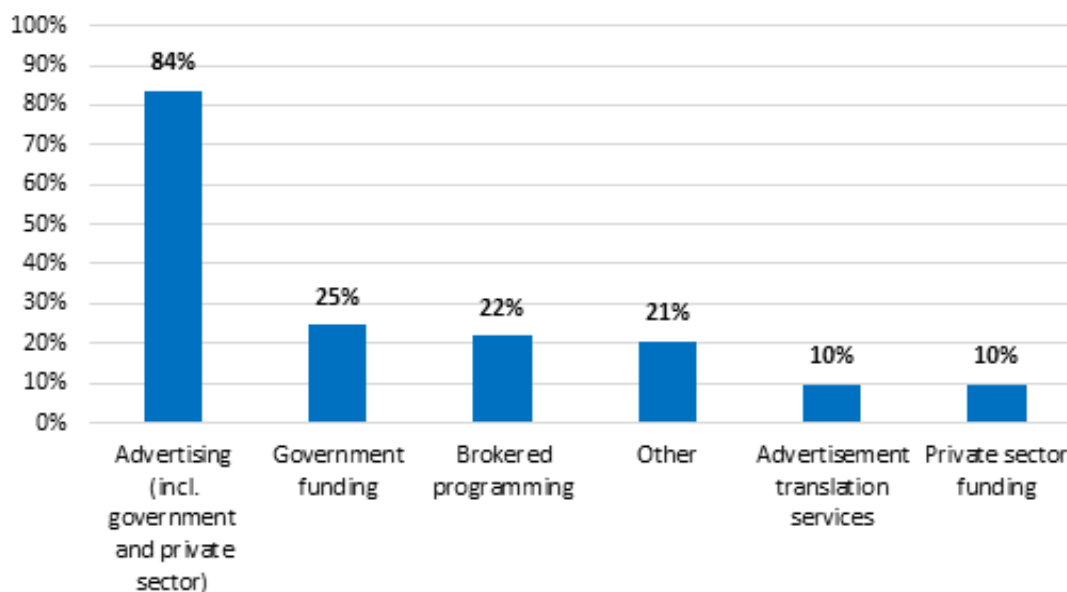
“We do have people [from the local community] that advertise on our platform, [although] I would say that it is not enough to [sustain] us.”

*(CSCM Organisation Interview, 2022)*

#### **Sustainability Challenge: Target Audience’s Economic Status**

While the relationship between communities and CSCM organisations are strong, and communities provide key support to CSCM organisations with regard to content development, CSCM organisations are often located within disadvantaged communities meaning that they cannot rely on these communities for adequate financial support due to socio-economic challenges such as poverty and unemployment. An organisation located in a rural area cannot rely on the same level of financial support that an organisation located in an urban area can rely on.

This context, in which target communities do not have the financial means to contribute towards CSCM organisations through advertising, exacerbates the challenges that CSCM organisations have with regard to attracting an adequate amounts of advertising revenue. This is a significant challenge impacting the sustainability of CSCM organisations, given that the advertising industry is of critical importance to the media sector as a whole, as it determines advertising spend which drives the media market (Maphiri, 2012). Unfortunately, in addition to local businesses not being in a position to provide adequate levels of financial support to the CSCM sector, the broader advertising industry has not responded well to the sector. According to Maphiri (2012) this is due to advertisers not understanding the nature of the organisations within the CSCM sector and their role in providing communities with access to information, as well as a general lack of transformation within the advertising industry. As a result of these challenges, it appears as though CSCM organisations, particularly those located in disadvantaged communities, need to find other sources of revenue. As such, in order to determine whether CSCM organisations currently have access to alternate revenue streams, a question was posed to these organisations which requested that they indicate their main sources of revenue. These results are presented in **Figure 77** below.

**Figure 77: CSCM Organisations' Sources of Revenue**

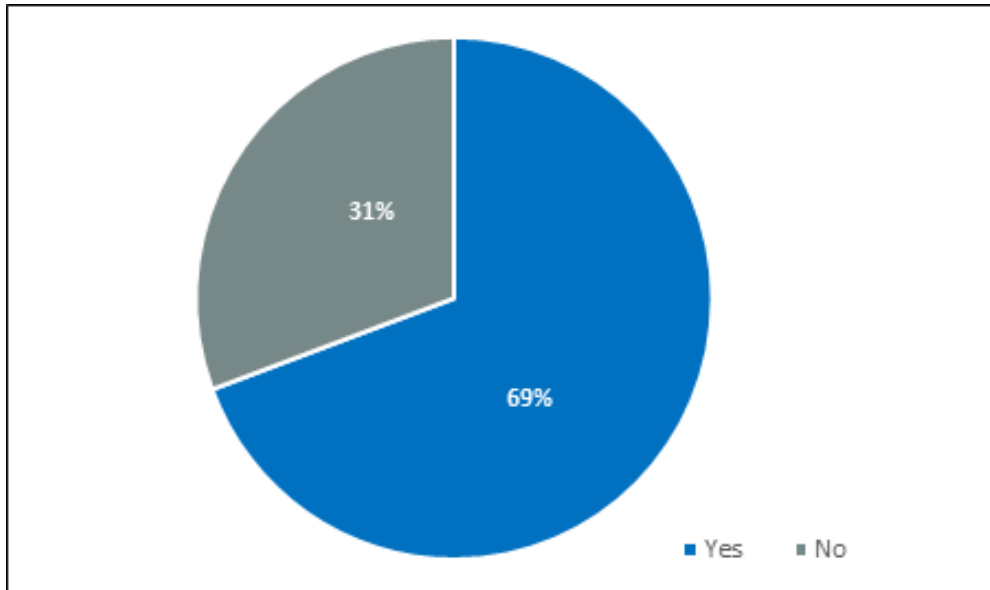
Note: Percentages in the above graph may add up to more than 100% because respondents were allowed to select more than one option

As can be seen in **Figure 77** above, the majority of CSCM organisations depend on advertising revenue (84%) followed by government funding (25%) and brokered programming (22%). The limited number of organisations that select funding as a source of revenue indicates that those organisations registered as NPOs may not have an adequate understanding of how to leverage their NPO status in order to attract funders. Furthermore, based on these results, it is clear that CSCM organisations are reliant on advertising as a source of revenue. This means that the challenges faced by CSCM organisations regarding attracting sufficient amounts of advertising revenue are particularly concerning, as advertising is often an unreliable stream of revenue.

The challenge related to CSCM organisations being reliant on advertising revenue can be linked to the financial independence indicator of the UNESCO Media Viability Indicators. This indicator assesses media organisations' access to diverse sources of revenue, and the impact a lack of this access has on the editorial independence of the organisations. This indicator received scores of 22% for community radio and 21% for community and small commercial print, further emphasising that CSCM organisations appear not to have access to diverse sources of revenue.

As such, there is a need for the CSCM sector to attract more advertisers, in order to strengthen the advertising revenue stream which these organisations are so heavily dependent on. The heavy reliance on advertising revenue, however, is further exacerbated by the CSCM sectors' challenges regarding attracting advertisers (NAB, 2019). In order to confirm whether CSCM organisations are still facing challenges related to attracting sufficient amounts of advertising revenue, a question was posed which asked these organisations whether they struggled to attract advertisers. The responses are reflected in **Figure 78** below, which shows that the majority of CSCM organisations (69%) still struggle to attract advertisers.

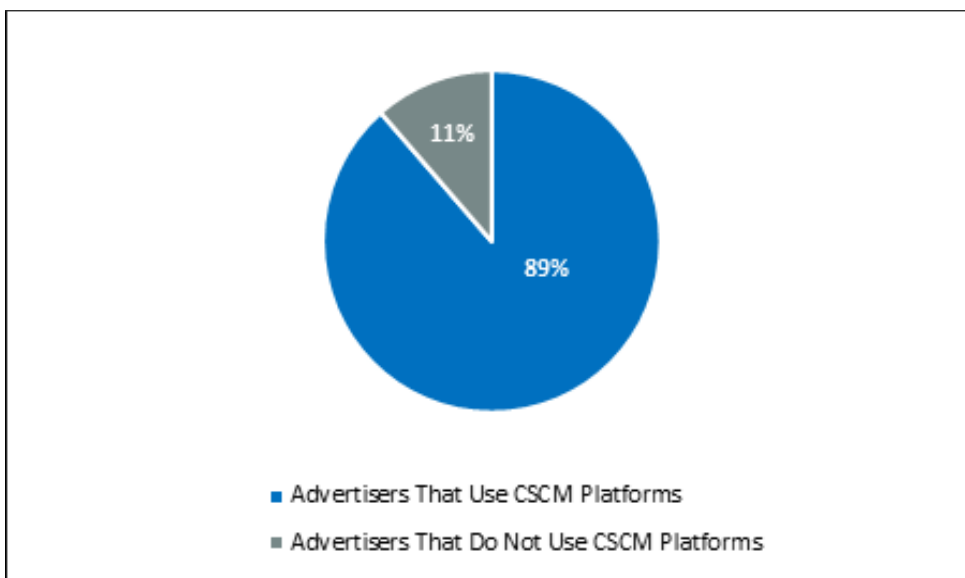
**Figure 78: Percentage of Organisations that Struggle to Attract Advertisers**



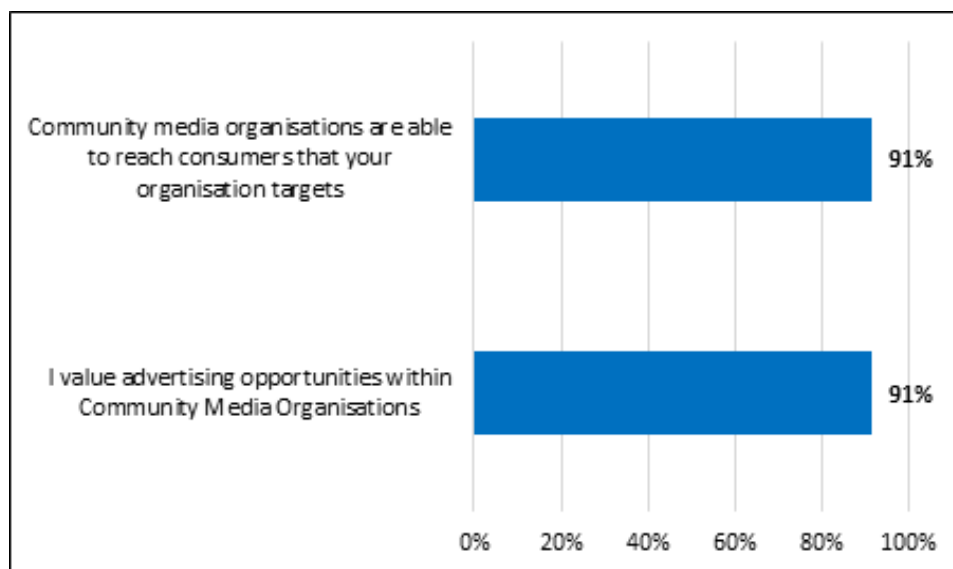
Due to the challenges that are faced by CSCM organisations in attracting advertisers, there appears to be a need for CSCM organisations to actively pursue alternative revenue generating opportunities so as to become less reliant on advertising as a source of revenue.

At this juncture, it is important to understand whether advertisers use CSCM platforms to advertise their product and services, in order to understand whether there are opportunities available for CSCM organisations to attract more advertisers. **Figure 79** below illustrates whether advertisers use CSCM platforms to advertise their products and services.

**Figure 79: Percentage of Advertisers that Use CSCM Organisations**



As can be seen in **Figure 79** above, 89% of respondents indicated that they make use of CSCM organisations to advertise their business. The use of CSCM platforms for advertising is further emphasised by **Figure 710** below, in which 91% of advertisers indicated that they valued opportunities to advertise with CSCM organisations and that they were of the view that CSCM organisations are able to reach their target audiences.

**Figure 710: Advertisers' Views on CSCM Organisation Reach and Opportunities to Advertise on CSCM Platform**

The above indicates that there appear to be further opportunities for CSCM organisations to attract more advertisers. However, it appears that the key issue is not only to attract more advertisers, but rather, to attract the right kind of advertisers who value opportunities with CSCM organisations and have the financial resources to make advertising a reliable source of revenue for CSCM organisations.

This was highlighted by representatives from the CSCM sector, who indicated that their challenge is not related to attracting advertisers, but rather relates to attracting advertisers from larger organisations who can afford their advertising rates.

“We are not struggling as such [to get advertising revenue], the issue is that our community is disadvantaged, and our rates are too high for them. Local businesses do advertise with us, but the income we generate from them is not enough. We go out and try to look for bigger businesses, this is the only way we maintain [our] sustainability.”

*(CSCM Organisation Interview, 2022)*

In order to assist CSCM organisations attract advertisers, CSCM organisations should be encouraged to be more proactive and innovative in securing advertisers. This may be done by introducing measures to make it easier for advertisers to engage with CSCM organisations by proposing innovative packages aimed at providing advertising services on a monthly or annual basis. Using local government as an example, CSCM organisations may approach a particular government office and propose that they pay a monthly or annual fee for advertising through the media platform, as opposed to individual payments for each advertisement that the government office wants to place. The government office can then indicate to the CSCM organisations when a particular advertisement(s) needs to air, within a specific month, with the CSCM organisation then airing the advertisement(s) for that specific period. Another example may be for the CSCM organisation to offer different advertising rates based on the size of the advertising client. For example, if the advertising client is a small business with only 2 employees, then this business would be charged less as compared to a larger business. This may prove to be effective in terms of attracting a higher number of local businesses as advertising clients, given that they would be charged a special rate based on the relative size of their organisation. The underlying point to note in both examples provided above is that CSCM organisations should always be innovative in the manner in which they engage with advertisers, so as to ensure that advertisers are more willing to engage with their organisation over other platforms.

In addition to being innovative in the manner in which CSCM organisations approach advertisers, these organisations also need to be innovative with regard to accessing alternate revenue streams. As discussed above, many CSCM organisations struggle to attract advertisers, despite advertising revenue being their main

source of revenue. As such, it is critical that a CSCM organisation is consistently seeking alternative avenues through which the organisation can generate revenue. Therefore, it is important to look at what 'sustainable' organisations are doing in order to generate revenue from other sources.

Consultations with sustainable CSCM organisations indicated that the ability to generate a sufficient amount of revenue is strongly linked to the brand of their CSCM platform. Some representatives highlighted the importance of their platform's brand, indicating that the key to attracting advertisers is creating a niche brand that advertisers have confidence in.

"You need to create a niche brand. Small brands are only valued if it is a niche brand. [In my view] we are lucky because we are a university radio station, which is a respected brand amongst students. Students understand what our brand is, and advertisers trust us to advertise their services to students as well."

*(CSCM Organisation Interview, 2022)*

Representatives from other sustainable organisations echoed this sentiment, highlighting the importance of having revenue-generating initiatives outside of the media platform, while also highlighting the importance of promoting the organisation's brand.

"[In order to establish other streams of income] you have to establish small initiatives that can help. [Small amounts] of money add up. The month-to-month running is always a challenge, but the money adds up. [To ensure that these initiatives are successful] we are always promoting our brand, you have to go out and [actively] promote it."

*(CSCM Organisation Interview, 2022)*

This representative also noted the importance of the organisation's management team having a clear plan with regard to generating revenue from alternate sources and highlighted the importance of partnering with other organisations within the community in a manner that benefits both organisations.

"In order for [community platforms] to establish other streams of income, management needs to sit down and come up with a proper plan. If you are going to partner with other organisations within the community, [organisations from the community] need to gain something out of it as well."

*(CSCM Organisation Interview, 2022)*

When asked for examples of how their organisation generated revenue from other sources, the representative indicated that the organisation has various initiatives that generate revenue for their CSCM platform, such as a coffee shop, tours of the town that the organisation is based in, as well as hosting fundraising events, amongst others.

"We have made alternate revenue streams for the station. We have a tour business; we organise tours with a difference. We take people to Cape Town, and we charge around R4000 per person. At the end of this, the radio station makes R10 000. We do these 3 to 4 times a year. When we announce the tour, it gets fully booked."

*(CSCM Organisation Interview, 2022)*

*“Outside of the radio we have a coffee shop, we have a platform and entertainment in the coffee shop. We sell coffee and something to eat, and out of those funds the radio station is able to function. We have a system where these other entities contribute 10% to the station. So, the person who runs the coffee shop pays rent to the station and also pays a 10% commission because [the coffee shop] is branded. We also have a clothing store and an online clothing store. When people are connected to the radio station, they want to wear the brand.”*

*(CSCM Organisation Interview, 2022)*

This representative also noted the importance of engaging with the community through local events such as local sports games, highlighting that engaging with the community through these initiatives is key to gaining the trust of the community.

*“We have a sports platform where [sports clubs] can apply to be part of. We go to sports facilities and record the local sports clubs. That’s how you win the hearts of the community. We also have events; we have two gala events a year and we charge people R200 per person.”*

*(CSCM Organisation Interview, 2022)*

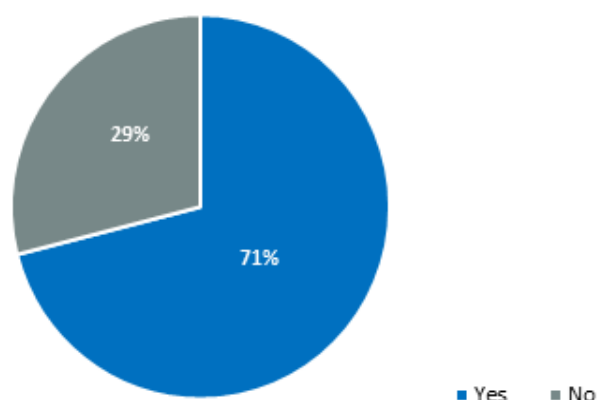
The insight provided above highlights the importance of CSCM organisations being innovative in identifying opportunities within the community that they are located in, with the abovementioned CSCM organisation being innovative to their approach and leveraging the available opportunities within their community in order to generate revenue.

#### **Positive Practice: Developing and Leveraging a Strong Brand**

Sustainable CSCM organisations appear to be able to leverage their brand in order to attract advertisers. The existence of a strong brand is important with regard to attracting advertisers, as advertisers become easier to attract if they are confident in the organisation’s brand. Enhancing a particular platform’s brand can also be important with regard to creating alternate revenue streams, such as selling merchandise. Furthermore, it is clear that CSCM organisations need to be innovative and have the ability to identify opportunities within their specific community that can be leveraged.

While it is important to note the context of the majority of CSCM organisations, whereby many organisations are located in rural communities and may not be able to leverage community support in the manner described above, the insights provided by sustainable CSCM organisations highlight the importance of innovative thinking and the importance of exploring alternative revenue streams. These, in turn, highlight the importance of a particular organisation’s management team placing emphasis on revenue generation, and having a clear revenue generation and partnership building strategy in order to assist the organisation generate revenue from other sources, factors which were identified as being best practices through consultations with sustainable CSCM organisations. This was further explored during primary research, with **Figure 711** below illustrating whether organisations within the CSCM sector have management that places emphasis on revenue generation.



**Figure 711: Does Management Place Emphasis on Revenue Generation?**

As can be seen in **Figure 711** above, 71% of CSCM organisations indicated that they have management teams that place emphasis on revenue generation. Despite this, the majority of CSCM organisations still appear to struggle to generate sufficient amounts of revenue. This is perhaps an indication that these organisations lack the skills to identify opportunities within their communities, or perhaps do not have the ability to successfully implement initiatives that generate sufficient amounts of revenue from alternate sources. This could also be an indication that CSCM organisations are placing emphasis on advertising as a revenue stream and are failing to explore alternative revenue generating options.

As such, it is proposed that CSCM organisations place emphasis on identifying and attempting to leverage other revenue generating opportunities within, or beyond, their communities. For example, a potential source of funding for the CSCM sector is from private sector donors. In order to access this funding, CSCM organisations may require training from the MDDA regarding how they can leverage their NPO status to access donor funds. In addition to access to training on how to leverage their NPO status, it is important to note that there may also be value in the MDDA facilitating the registration of CSCM organisations as Public Benefit Organisations (“PBOs”). An organisation being classified as a PBO is ultimately a status granted to the organisation by the South African Revenue Service (“SARS”) (Hogan Lovells, 2015). This status allows an organisation exemption from taxation (BVSA, 2022). In order to qualify for PBO status, an organisation must conduct one or more ‘public benefit activities’, which include (BVSA, 2022):

- Welfare
- Health care
- Land and housing
- Education and development
- Religion, belief or philosophy
- Cultural
- Conservation, environment and animal welfare
- Research and consumer rights
- Sport
- Providing of funds, assets or other resources

When applying to become a PBO, it is critical that CSCM organisations apply for ‘Section 18A’ status, which would allow the organisation to issue S18 certificates (BDO, 2018). This certificate allows donors to deduct their donations (subject to certain limitations) for tax purposes and, therefore, may be a method that serves to encourage higher levels of donor funding for the CSCM sector.

Another example of a potential revenue stream which may be drawn from outside of a particular community is the monetisation of social media platforms. This can be done in various ways, such as affiliate marketing or monetising videos posted on social media platforms such as YouTube, amongst other methods.



Furthermore, from consultations with sustainable CSCM organisations, it appears that an important factor regarding generating revenue from alternate sources is having a clearly defined plan. This plan would cover aspects such as identifying opportunities for revenue generation within communities, identifying key stakeholders to build relationships with within the community and developing strategies on how revenue can be generated based on the existing opportunities within target communities. It is important to note that a key factor which contributes to the success of this abovementioned plan is community buy in. In other words, a CSCM organisation needs to ensure that they are recognised as a trustworthy and reputable organisation within their communities and need to ensure that communities have confidence in their organisation as the ‘voice’ of the community in order to leverage any revenue generating opportunities within a particular community. CSCM organisations could attempt to obtain buy in from their communities by being a visible presence within their communities through participation in local community events, such as sports or cultural events, as well as making sure that the content they produce is relevant to and reflective of the key happenings in the community.

Another important factor related to generating revenue from alternate sources is ensuring that the CSCM organisation has a strong brand, which can also potentially assist with obtaining community buy-in. Consultations with sustainable CSCM organisations revealed that having a strong brand can be leveraged to create alternate revenue streams, with certain organisations selling branded merchandise, leveraging their brand to establish other revenue generating entities, as well as using the trust in their brand to receive donations from community members. CSCM organisations should, thus, focus on strengthening their brand by establishing a clear brand mission and vision, identifying and outlining the key qualities and benefits that distinguishes their brand from other organisations, as well as a developing a plan regarding how to leverage their brand in order to generate revenue from other sources.

While the identification of alternative revenue generation opportunities within particular communities is important to note, it is equally important that consideration is given to whether the government entities within a particular community are supportive of a particular CSCM platform. This is not always the case, given the challenges faced by the CSCM sector related to generating enough advertising revenue from the public sector, particularly at the local level.

The procurement of government advertising remains a significant challenge due to inadequate national and local government advertisement through CSCM organisations (MDDA, 2020). This is particularly concerning, given that government advertising is recognised as being the single most important potential revenue stream for the sector (Maphiri, 2012).

The issue relating to government support directly links to **Pillar 5** of the MDDA Sustainability Model, which concerns consolidating government support and the impact that this has on organisations’ sustainability. As such, it is of critical importance that the challenges relating to gaining this support are well defined and understood, given the impact that these factors have on the overall sustainability of the CSCM sector.

Ensuring adequate financial support from government is critical because, as mentioned previously, CSCM platforms generally target poor rural and urban communities, which form the largest constituency of government. Therefore, the effective functioning of CSCM organisations should be an important consideration for government, given that these platforms are disseminating information to governments largest constituency. Thus, based on the position of CSCM platforms, government should play a key role in supporting these platforms. However, in practice, this is not always the case.

Figure 712: Degree of Advertising Support Received

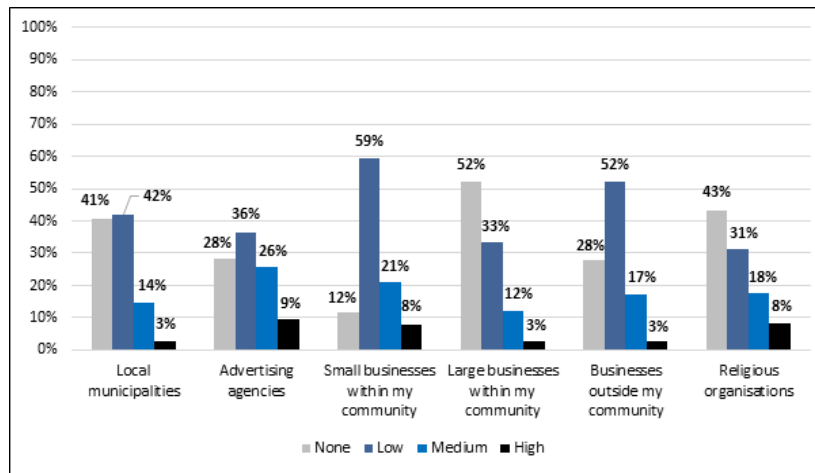


Figure 712 above provides a breakdown of the advertising support received from local municipalities, amongst other key stakeholders, such as advertising agencies and local businesses. As can be seen, local municipalities do not provide significant support to the CSCM sector with regard to advertising, with only 3% of CSCM organisations indicating that they receive a high level of support from local municipalities. Furthermore, 41% of CSCM organisations indicated that they receive no support from local municipalities at all, which further emphasises the lack of support from the public sector. The reasons for the lack of public sector support may be attributed to many different factors. Representatives from CSCM organisations indicated that certain government departments appear to be reluctant to advertise through CSCM organisations and prefer to use commercial platforms, due to the increased reach of commercial platforms.

“We struggle to attract [public sector] advertising. When you go the government departments, [it seems like] our leaders want to be known, they want to appear only on mainstream platforms.”

(CSCM Organisation Interview, 2022)

Representatives from the MDDA indicated that local government is not only reluctant to use community platforms, but rather appear to ignore CSCM organisations altogether.

“A general comment is that local government ignores community media, as if it is not significant. Community Media is just not on the radar of local government. These platforms are hardly invited to events, or discussions, or negotiations. It will take a clever station manager to identify such opportunities.”

(MDDA Representative Interview, 2022)

There also appears to be a challenge with budget constraints, with some organisations indicating that, despite government funds supposedly being available for advertising, in accordance with the 30% ad spend quota directive proposed by government, they are often told by municipal officials that budget constraints, as well as the preferences of key individuals are a hinderance to the municipality’s use of CSCM platforms for advertising.

“In municipalities, there are challenges such as misappropriation of funds. [There are funds available] but when approaching their communication departments, we are told about budget constraints, and also that they need approval from more senior officials regarding which community [platform] is of preference to municipal managers.”

(CSCM Organisation Interview, 2022)

Furthermore, political factors appear to influence whether local government uses a particular community organisation for advertising. Representatives from the MDDA noted that there are instances whereby local government appears to be reluctant to advertise on platforms that do not portray said government in a positive manner.

“I have been told that government monitors what community media platforms put out there and monitor stories that show government in a bad light, which they do not want to be published. We conducted an outside visit to Free State, and it was mentioned that one of the issues is that they are not free to report on any political issues or political misconduct either by the premier or the municipality because once they do, they are threatened.”

*(MDDA Representative Interview, 2022)*

One of the interventions proposed by government in order to increase advertising spend by the public sector is the advertising spend quota on government communication. This ‘quota’ proposed that a minimum of 30% of governments’ communication budget goes towards advertising through CSCM organisations (Polity, 2018). While this quota signified governments intention to channel government funds to the CSCM sector, it has not been effective in practice. This was discussed in consultations with CSCM organisations, who noted that there is a need for national intervention with regard to securing the support of government in terms of advertising.

“I do not know how many years [it has been] that government has failed to legislate the 30% from GCIS that is supposed to come to platforms like ours. For as long as there is no proper intervention from national level, we can have all the sustainability plans we want, but implementing them will be difficult.”

*(CSCM Organisation Focus Group, 2022)*

This was echoed by organisations who provide funding to CSCM organisations, who indicated that channelling advertising revenue towards the CSCM sector needs to be prioritised by government.

“While community media is the closest one can get to communities and acts as a pathway to communities, they do not receive support from those that have the media budget to spend, such as government and businesses. In fact, spending the community media budget should be a priority for any government department or entity.”

*(Funder Interview, 2022)*

### **Sustainability Challenge: Securing Local Government Support**

It appears as though government, particularly at the local level, are not supportive of CSCM platforms with regard to advertising. The reasons for this include a perceived lack of interest shown by government officials with regard to advertising through community media platforms, as well as political factors, whereby it appears that local government will not provide support to a platform that is critical of their activities. There, therefore, appears to be a need for a national intervention to assist CSCM organisations secure government support in the form of advertising. The current proposition, in which government has indicated that 30% of the communication budget be channelled towards community media platforms, has not been effectively implemented, and it seems as though only a few community media and small commercial organisations have reaped the benefits of this approach.

In order to address the challenges related to securing support from local government, it is proposed that the MDDA, and other relevant stakeholders, intensify lobbying efforts in order to ensure that the 30% advertising spend quota is legislated. This would require the MDDA and other stakeholders to engage with the GCIS in order to ensure that 30% of all government advertising in the form of public service announcements and other relevant government information is disseminated through CSCM platforms. Another potential approach aimed at addressing this challenge may be for the MDDA to engage with GCIS in order to facilitate discussions

with the heads of local government communications in each province in order to understand the factors influencing the lack of support provided to CSCM organisations.

In putting this suggestion forward, it is important to note that another potential factor that impacts on the relationship between government and CSCM organisations is the fact that, in most instances, government procurement of advertising space through CSCM organisations is often facilitated by advertising agencies. The use of these agencies come with a unique set of challenges. For example, it was revealed in consultations that when seeking a suitable organisation to advertise through, government frequently uses advertising agencies, who often pay CSCM organisations according to what the agencies can afford.

“Government departments use [advertisement] agencies. For example, the office of the premier is using a middleman who tells us what they can afford.”

*(CSCM Organisation Focus Group, 2022)*

This sentiment was echoed in other consultations, with representatives from CSCM organisations indicating that in most instances, advertising agencies do not stick to their organisations’ advertising rate cards. The representatives noted that the fees charged by the agencies amount to more than half of the total rate card, which they were not satisfied with.

“Government uses advertising agencies, and in most cases [advertising agencies] do not stick to our rate cards. If we were supposed to get R50 000, we end up getting R20 000 from advertising because they have to take their share along the way. We have long been complaining about it, it is a big problem. We need to solve it because the fees involved [that go to] the middleman is what makes it difficult to get money to be sustainable.”

*(CSCM Organisation Interview, 2022)*

In addition to receiving a fraction of the revenue generated from public sector advertising, other organisations indicated that they have experienced challenges around receiving payment on time from advertisement agencies.

“You often find that because government uses middlemen or third parties, community platforms do not get what is due to us, which is a problem. Advertising agencies are also a problem when it comes to receiving money on time.”

*(CSCM Organisation Focus Group, 2022)*

Other stakeholders indicated that if opportunities were available to CSCM organisations to advertise the products and or/services of larger businesses, then it would assist the sustainability of organisations within the sector. Furthermore, it was noted that there is a need for the regulation of advertising agencies, particularly when dealing with CSCM organisations.

“We need franchise owners to give opportunities to community media organisations, it will help make us sustainable. We also need an opportunity to operate in this space without needing advertising agencies, [currently] the middleman is not [adequately] regulated.”

*(CSCM Organisation Interview, 2022)*

### **Sustainability Challenges: Government's Use of Advertising Agencies**

- The use of advertising agencies by government appears to be affecting the financial sustainability of CSCM platforms. Advertising agencies play a 'middleman' role, and as a result of this, CSCM platforms do not always receive as much revenue from government advertising as they should, due to high commission fees from advertising agencies.
- There appears to be a need for measures which provide for stricter regulation of advertising agencies, particularly with regard to their relationship with CSCM organisations. CSCM organisations often face challenges with advertising agencies such as not being paid on time, as well as issues with regard to advertising agencies not keeping with the rate cards of community media platforms.

It should be noted, however, despite the challenges with advertising agencies, there are factors which prevent CSCM organisations from bypassing advertising agencies and approaching businesses directly. Certain representatives from CSCM organisations indicated that there is an issue concerning accessibility, stating that even if they were to approach a potential advertiser directly, there are other factors which serve as a barrier to securing advertising clients, such as the procurement processes followed by larger organisations.

"We need to look into the definition of local business. Enterprises such as Shoprite that are operating in our community should be seen as a local business. When we approach them for advertising business, they send us to the head office. What I have found is that people running franchises in our community do not have the authority to advertise with us, as things like that are handled at the provincial or national level."

*(CSCM Organisation Interview, 2022)*

There are also other considerations, such as advertisers being unwilling to engage with individual entities, and preferring to deal with a collective, or larger group of CSCM organisations.

"With proper partnerships, I believe that we can come up with campaigns that we can sell together to clients. I have learned over the years that agencies do not want to work with individual [organisations], and that is why they do not bother with small publications. They would rather opt to work with mainstream publications, where they get a group of publications under one stable organisation, which is covering all areas."

*(CSCM Organisation Interview, 2022)*

### **Sustainability Challenge: Approaching Advertisers**

There appear to be challenges which prevent CSCM organisations from approaching potential advertising clients directly, such as a lack of bargaining power, as well as the procurement processes adopted by larger organisations, in which matters relating to advertising are often addressed at the provincial or national level.

In order to address the sustainability challenge related to approaching advertisers, the MDDA may consider identifying large commercial organisations, particularly in the retail space, that have branches in local areas or regions and negotiating with these organisations to allocate a percentage of their advertising budget towards CSCM organisations. It should be noted, however, that this would require careful consideration from the MDDA, as large commercial organisations would need to have an explicit understanding of the benefits that this would have on their organisations.

Furthermore, it is important to note that one of the key interventions introduced aimed at addressing the challenge regarding collective bargaining, specifically in the community radio sub-sector, is the establishment of community radio hubs at the provincial level which is being implemented by the NCRF. While these hubs

have a range of benefits for community radio organisations, one of the key areas that it focuses on is the procurement of provincial advertising, which, as mentioned above, is critical to the financial sustainability of the community radio sector.

“There is a community radio hub in Mpumalanga, and we collectively share the income that we get from the government, which comes from advertising in bulk. We broadcast live events across 14 community radio stations and share the money that is accumulated through such initiatives. The hub has its own rate card, which also helps.”

*(CSCM Organisation Interview, 2022)*

Other organisations also highlighted the role of the radio hubs in providing the organisations with advertising revenue from provincial government, as well as other forms of assistance, such as assisting with compliance issues, resolving internal disputes and capacity building support.

“[The provincial hub] assists mainly on the issue of helping with the compliance for the organisation, and also skills development. Sometimes we visit community radio stations with problems, maybe the presenters do not want to go on air due to internal problems. So, we go to solve those.”

*(CSCM Organisation Interview, 2022)*

Some organisations highlighted the importance of community radio hubs with regard to removing the middleman, as well as ensuring that government funds are channelled towards all community radio organisations, regardless of their reach.

“The benefits of community radio hubs are to cut the middleman. When we approach the client, we present them with numbers with no markup [as the middleman requires a commission]. [In this way] it’s easier for the government to communicate with the community when using an organised structure. This structure also assists those who do not comply as we are all in one basket. The revenue generated by the hub is split equally, we don’t consider numbers or rate cards. Some stations operate in remote areas where they serve around 7000 listeners who are primarily farmers who do not advertise while, others serve over a million people in the cities, it wouldn’t be fair to divide the revenue based on rate cards.”

*(CSCM Organisation Interview, 2022)*

#### **Positive Practice: Community Radio Hubs**

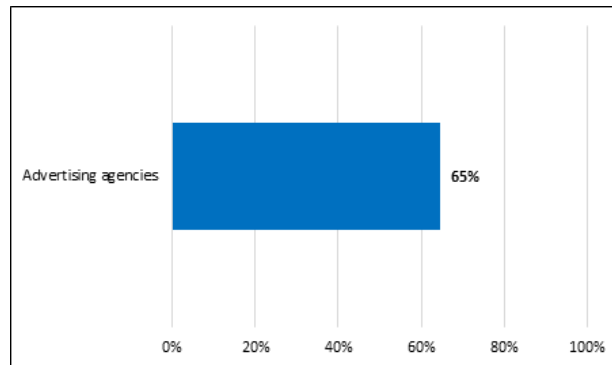
The community radio hub model appears to be an effective intervention with regard to increasing bargaining power whilst simultaneously reducing some of the challenges faced by community radio organisations when working with advertising agencies. These hubs also appear to be an effective method to ensure that government funds are channelled towards the CSCM sector. Strengthening the functioning of these hubs should be seen as a key priority, and the establishment of similar structures should be

In light of the above, in order to assist CSCM organisations obtain support from local government and overcome the challenges related to the use of advertising agencies, it is proposed that the procurement of local government advertising is facilitated through the NCRF’s provincial hubs, through proposed Shared Service Centres, or through the AIP provincial co-operatives. The procurement of local government advertising would mirror the manner in which the procurement of provincial advertising is currently sourced through these hubs. Given that political factors often influence local government support, this proposition may be an effective way to ensure that political influences do not impact on local governments’ decisions with regard to advertising through CSCM organisations and may assist in the effective implementation of the directive in which it was proposed that 30% of government’s communications budget is channelled towards CSCM organisations.



While the hub model is promising, particularly with regard to reducing some of the challenges faced by community radio organisations when engaging with advertising agencies (in the context of government procurement of advertising through CSCM organisations), it is important to note that there are unique challenges that are associated with the use of advertising agencies by CSCM organisations as service providers. These challenges are linked to the broader issues that the CSCM sector faces with regard to securing private sector advertising. It can be seen in Figure 7-14 that there is a lack of support from advertising agencies, with only 9% of these agencies providing a high level of support to CSCM organisations, as well as local businesses, with only 8% of these organisations providing support to CSCM organisations. Despite this, many CSCM organisations are still dependent on advertising agencies and the services they offer related to accessing clients, as **Figure 713** below indicates.

**Figure 713: Service Providers Used by CSCM Platforms**



Despite the CSCM sector making use of advertising agencies as service providers, this has not translated to sufficient amounts of advertising revenue, which perhaps suggests that potential advertising clients are not willing to spend funds on advertising through CSCM organisations. This is largely due to how CSCM organisations are perceived by advertisers. There is still a perception held by advertisers that CSCM organisations are not stable, and when one considers that many CSCM organisations are in communities that have limited consumer power, it appears as though the sector is simply not attractive enough to private sector advertisers. Furthermore, the lack of adequate financial and administrative systems within community radio stations are also cited as problems by advertisers. For example, many CSCM organisations do not produce recent financial statements or conduct regular audits, which leads to a lack of trust between the parties, and a perception that CSCM organisations are not professional (NAB, 2019).

This sentiment was echoed in consultations with advertising agencies, who indicated that community radio platforms are not perceived as being professional.

“[Community and small commercial platforms] struggle to attract advertisers because they are unreliable. They need to become more professional. For example, there are times where presenters and DJs forget to play the advertisements, which is why advertisers lack confidence in community radio stations.”

*(Advertiser Interview, 2022)*

A similar challenge was identified with community newspapers, whereby advertising agencies indicated that certain community newspapers only have print runs on condition that they have enough advertisements to cover the cost of production, which adds to the perception that these organisations are not reliable.

“A key problem with community newspapers is that they only have a print run on condition that they have enough money or enough adverts to cover the costs of publishing. There is an element of unreliability that comes up due to financial constraints. It is unlike mainstream newspapers which are forced to print every Monday to Friday.”

*(Advertiser Interview, 2022)*

Additionally, through initial consultations, it was established that CSCM organisations often do not have the ability to attract private sector advertisers, and even if they do attract these advertisers, these organisations struggle to sell broadcast space at competitive rates. This is primarily due to CSCM organisations being unable to provide the audience data to justify charging higher advertising rates, in addition to insufficient audience reach.

“I think that advertising, as much as it is a source of revenue, it is also problematic because a lot of stations are selling broadcast space quite cheaply. Of course, you need to justify charging those higher rates – most of the smaller stations do not have the reach to do this. I do not know a commercial station that would charge less than R1000 for a 30 second advert, yet there are community radio stations charging R150 for 30 seconds.”

*(Industry Body Interview, 2022)*

#### **Sustainability Challenges: Advertiser’ Perception of the CSCM Sector**

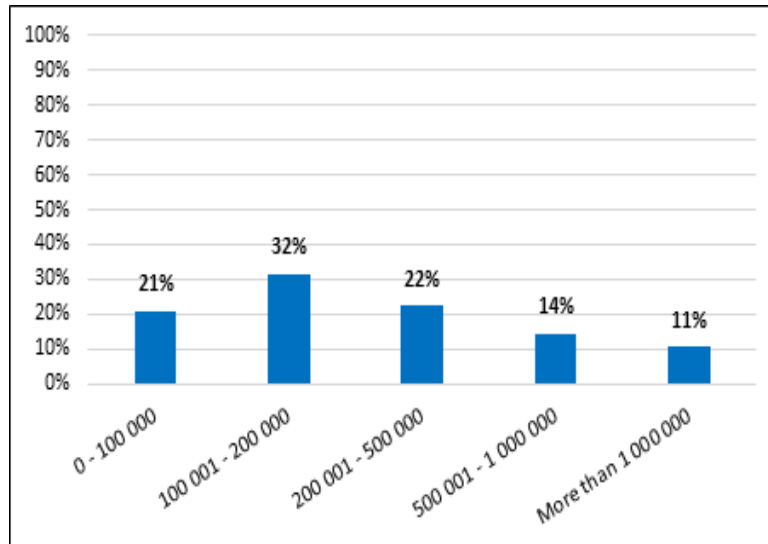
CSCM organisations appear to be perceived as unprofessional and unstable, which affects their ability to attract advertisers. Advertisers cited reasons such as presenters within community radio platforms not playing advertisements on time, as well as instances whereby community newspapers print infrequently, as

#### **Sustainability Challenges: Advertising Rates**

CSCM organisations appear to struggle to charge advertisers appropriate rates, with insufficient audience reach, as well as a lack of industry knowledge and/or pricing skills being cited as potential reasons for this.

At this juncture, it may be useful to understand what the current audience reach of CSCM organisations is, in order to validate the claims made by advertisers with regard to CSCM organisations having insufficient audience reach. As such, respondents to the survey were requested to indicate the size of their target audiences, in order to provide input on the reach of CSCM organisations. Audience reach is one of the key factors used by advertisers when deciding which organisation to advertise their product and/or service through. The results are illustrated in **Figure 714** below.



**Figure 714: Size of CSCM Organisations' Target Audiences**

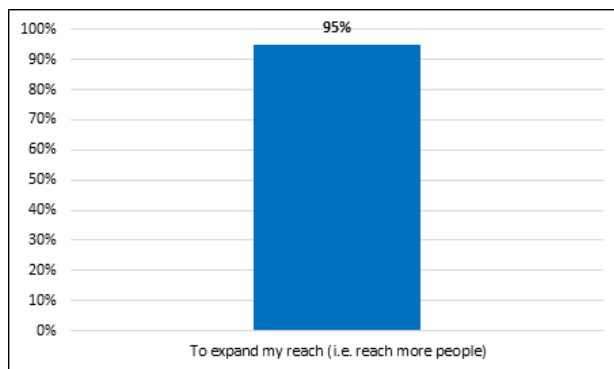
*Note: Percentages in the graph above may not add up to 100% due to rounding off*

As can be seen above, 32% of respondents had a target audience of 100 001 to 200 000 individuals. This was followed by 22% of respondents that indicated that their organisation had a target audience of 200 001 to 500 000 individuals. Furthermore, 21% of respondents indicated that their organisation had a target audience of up to 100 000 individuals, while 14% had a target audience of 500 001 to 1 000 000 individuals. Only 11% of respondents had a target audience of over 1 000 000 individuals. This indicates that the majority of the organisations (75%) that participated in the study have a target audience that consists of up to 500 000 individuals. When compared to commercial and public broadcasters, the audience reach numbers of CSCM organisations are particularly low. For example, according to the latest Broadcast Research Council Radio Audience Measurement ("RAMS") data, on average, commercial and public broadcasters have an audience reach of approximately 1.2 million individuals (BRCSA, 2022). As such, the relatively low potential audience reach of 500 000 individuals appears to be a key challenge for CSCM organisations. The insufficient reach of CSCM platforms is further exacerbated by the fact that there are now various platforms that can be used by businesses to advertise their products and/or services. The increase in the number of platforms through which businesses may advertise their products and/or services means more competition for the CSCM sector with regard to attracting advertising revenue. This sentiment was echoed by an advertiser, who noted that as an advertiser, the use of social media is a more attractive choice due to its increased reach.

"A lot of time people do not prefer community media these days. Nowadays people prefer social media. Because social media provides a greater reach, your advert can be seen by people far away. Whereas with community media, the focus is only on people nearby."

*(Advertiser Interview, 2022)*

In noting this challenge regarding insufficient reach, it is important to note that there are CSCM organisations who use platforms such as social media in an attempt to increase their audience reach.

**Figure 715: Use of Social Media by CSCM Organisations**

While **Figure 715** above shows that 95% of CSCM organisations use social media to expand their audience reach, it is evident that this attempt to reach more people has not yet translated to an increase in advertiser interest with regard to using CSCM organisations. This is perhaps indicative of a lack of key skills, particularly when it comes to negotiating with advertisers and leveraging the CSCM organisations extended reach through social media. This could also be an indication that CSCM organisations are not using social media platforms effectively. In other words, these organisations may have social media pages, but may not have the skills to use these platforms in a manner that attracts advertisers. This issue as to why social media usage has not equated to advertisers increasing their usage of CSCM platforms is further explored in Section 7.2.3.

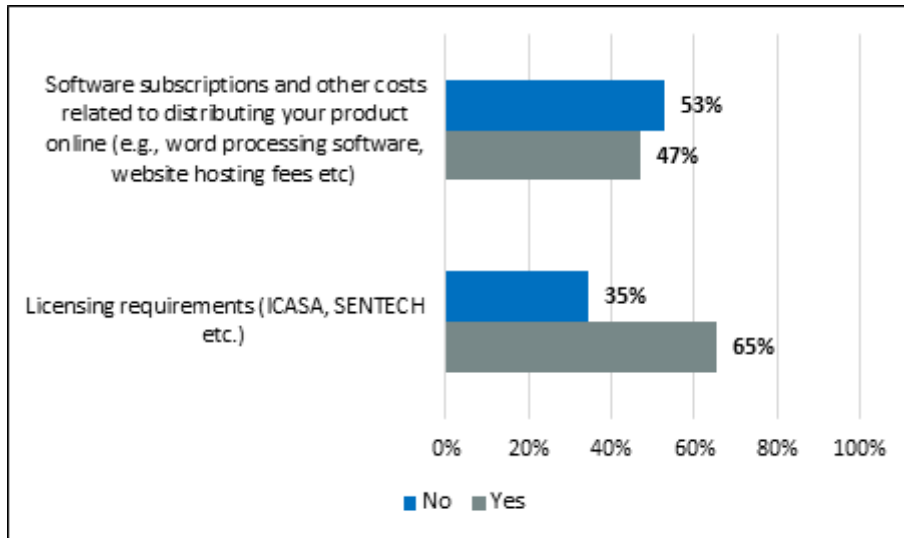
## 7.2.2 DISTRIBUTION RELATED CHALLENGES

As explained in Section 7.1, distribution refers to the channel through which an organisation's product and/or service is delivered to the target market/audience. In the context of broadcast media, this can be divided into two distinct methods, namely broadcasting and non-broadcasting. The broadcasting sub-component refers to channels through which content is transmitted, for example, from a studio to the target audience. This includes traditional radio and television distribution methods, such as the radio spectrum, while the non-traditional distribution methods include distribution through online platforms, such as websites or social media platforms, including YouTube and Facebook. Non-broadcasting on the other hand refers to the methods used by the organisation to increase brand awareness or promote their product, including marketing. For example, a radio station may use social media, an online website, or event hosting to increase their brand awareness, while a television station may use radio advertising, self-promotion through their own television station, or partnerships with other organisations in order to increase their brand awareness.

In the context of community and small commercial print organisations, the traditional sub-component includes both direct distribution methods, such as through community events, and indirect distribution which includes distribution through shops and supermarkets. The non-traditional sub-component generally refers to distributing the newspaper through social media platforms, such as WhatsApp or Facebook. Regarding brand awareness, similar methods to community radio and television may also be used for community and small commercial print platforms.

One of the most significant financial challenges facing the CSCM sector is the high operational costs associated with operating a successful media organisation, including those costs associated with distribution (MDDA, 2020). The distribution of broadcast media, in particular, takes place through transmission channels that transfer audio and video from one point to another through a transmission network (International Telecommunication Union, 2022). Currently, the CSCM sector is facing challenges with regard to being able to afford transmission costs. It is estimated that community radio stations in particular will be required to pay R2 million in distribution fees with SENTECH over a ten-year period (SACRO, 2022). The struggle to meet these costs is further highlighted by the R80 million distribution cost debt, currently owed to SENTECH by the sector (NCRF, 2022). This is despite the MDDA negotiating subsidies with SENTECH for signal distribution costs on behalf of CSCM organisations (MDDA, 2017). Stakeholder consultations found that 35% of CSCM organisations could not afford licencing requirements, as shown in **Figure 716** below.

**Figure 716: Percentage of Organisations that can Afford Software and Licencing Expenses**



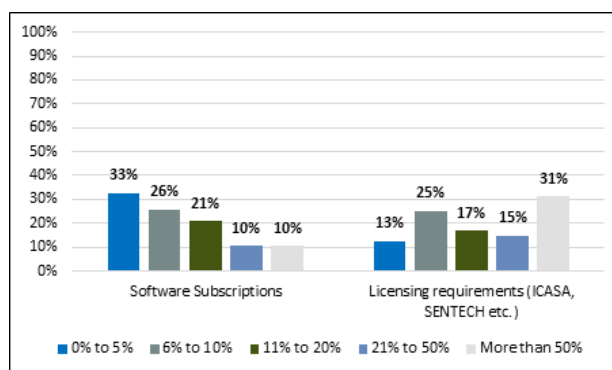
In addition to this, 53% of CSCM organisations indicated that they could not afford software subscriptions and other costs related to distribution. CSCM organisations are estimated to spend around R90 000 on software renewal fees per annum (SACRO, 2022). Some stakeholders indicated that the software they used had to be renewed periodically, but they could not afford the price of the renewals.

“The other issue that I raised recently is the issue of the software that we use at the station, the media play, that software is sourced outside the country just once-off, then the license would expire after 2 years, then you find that we are no longer able to use that particular software, and it is very expensive, we buy it in Dollars, and we can’t afford the price, the software is called Simian.”

*(CSCM Organisation Interview, 2022)*

As shown in **Figure 717** below, licencing requirements constituted more than 50% of the total expenditure for 31% of CSCM organisation, whilst software subscriptions constituted between 0% and 5% of the total expenditure of 33% of CSCM organisations.

**Figure 717: Proportion of Software and Licencing Fees of Total Expenditure**



*Note: Percentages in the graph above may not add up to 100% due to rounding off*

**Sustainability Challenge: Distribution Costs**

The high costs associated with the distribution of their product was found to be a challenge for community media organisations. This included the costs associated with licencing requirements, as well as software subscriptions.

The above challenge is related to **Pillar 1** of the MDDA Sustainability Pillars, which looks at the impact of Technology, Digital Innovation and Signal Distribution on the sustainability of CSCM organisations.

Research conducted by the South African Community Radio Organisation (“SACRO”) has been extended by the Project Team to shed light on how self-transmission by community radio stations may help address high distribution costs. The findings and recommendations from this exercise are outlined in Section 9.5.

In the community and small commercial print space, it was found that distribution costs are high due to the cost of printing, as well as a lack of accessibility to printing presses. It is therefore proposed that the MDDA consider conducting a study into the feasibility of establishing provincial or regional printing presses, which would be centred around the concept of shared services amongst community and small commercial print organisations. These printing presses may be structured as co-operatives and may be funded by government entities such as the National Development Agency (“NDA”) or the DTIC. Currently, it appears that the MDDA provides funding to community and small commercial print organisations in order to assist these organisations cover their printing costs. As such, these funds could potentially be redirected towards the establishment of these printing presses and may prove to be a more sustainable solution to high printing costs.

Furthermore, with regard to distribution challenges mentioned above, it is noted that the nature of the support provided by the MDDA may also be in the form of identifying, gathering and distributing resources for media development production and distribution, through agreements with strategic partners (2002). As such, the MDDA should consider placing emphasis on identifying and building relationships with suitable partners who may be able to assist both print and broadcast organisations with reducing their distribution costs. The MDDA board may also have an important part to play in this regard, given that one of the key functions of the board, as per the MDDA Act (2002), is to negotiate with public utilities, organisations and financial institutions to acquire indirect support for projects, including support in the form of discounts or subsidies in print and signal distribution costs and/or low interest loans. The process of identifying suitable partners may, therefore, also include the identification of relevant organisations, such as printing service providers, in particular provinces and/or districts. This would then allow the MDDA board to negotiate and engage with these organisations for discounts and/or subsidies for CSCM organisations as per its legislative mandate.

With regard to the non-broadcasting sub-component of distribution, it was found that marketing and increasing brand awareness elements are important factors to attract and retain advertisers, according to consultations with sustainable CSCM organisations. It is therefore proposed that CSCM organisations explore innovative ways to increase the awareness of their brand, such as the effective usage of social media platforms, as well as the hosting of events. The hosting of events was identified as being a best practice amongst sustainable CSCM organisations. The best practice related to the hosting of events is discussed in more detail in the Value Proposition section below.

### 7.2.3 VALUE PROPOSITION RELATED CHALLENGES

An organisation’s value proposition refers to a summative view of the factors that render a company’s product or service attractive, the reasons why a customer should purchase it, and factors that differentiate the product or service from similar offerings (Corporate Finance Institute, 2022). In the context of a media organisation, the value proposition component can be split into two distinct elements, namely, value proposition offered to the target audience in terms of broadcast products and pricing of content; and value proposition offered to advertisers in terms of products and advertising rates.

In the context of a radio organisation, the value proposition offered to target audiences can be in the form of a programme, music, or general information, such as news. The pricing of these products is generally free in the community radio space. With regard to advertisers, the type of product offered includes a platform for the advertiser to promote their product or service, additional value offerings such as live reads and social media advertising, as well as access to a particular market. In terms of pricing, the cost of advertising through

a radio platform is usually in line with that platforms' rate cards. In the community radio space, this amounts to approximately R725 for a 30 second pre-recorded advertisement.

In the context of a television organisation, the value proposition offered to the target audience can be in the form of content, such as educational shows, coverage of local events or talk shows. The pricing of these products is generally according to access to said platforms, with many community television stations being available on paid-for satellite television packages. With regard to advertisers, the type of product offered includes a platform for the advertiser to promote their product or service, or additional value offerings such as direct access to a specific group of people within a specific province. With regard to pricing, the cost of advertising through a television platform ranges from R53 000 for a 30 second pre-recorded advertisement on commercial platforms to approximately R4 500 for the same advertisement on a community television platform.

In the context of a newspaper platform, the value proposition offered to target audiences can be in the form of content, such as news, coverage of local events as well as health issues facing the community. The pricing of these products is generally at a low cost or, in most cases, free. With regard to advertisers, the type of product offered includes a platform for the advertiser to promote their product or service, or additional value offerings such as direct access to a specific group of people within a specific province, or advertisement translation services. With regard to pricing, the cost of advertising can range from R500 (on a community print platform) to R46 000 (on a commercial print platform) for a full-page advertisement.

One of the underpinning features, and key differentiating factors, of CSCM organisations is that they deal with issues and concerns that are not adequately addressed by commercial media platforms. Despite this, CSCM organisations have struggled to position the sector as authorities on local content (NAB, 2019). Contrary to the true meaning of local news, it was found that news on community platforms was often lifted from mainstream commercial newspapers and websites. Furthermore, a significant number of CSCM organisations did not have a news department of any kind, and fewer CSCM organisations participated in actual reporting (NAB, 2019).

Efforts to make content more 'local' through community member involvement via various engagement platforms, such as listeners' forums, are often stifled by a lack of commitment by the management teams of CSCM organisations. This is due to the idea that listeners' forums are not seen as effective platforms to engage with the local community, given that these platforms are abused by particular groups of individuals seeking to influence CSCM organisations based on the views of a minority (NAB, 2019).

ICASA noted that this is primarily due to misunderstanding of the meaning of 'local' (ICASA, 2017), with the perception amongst CSCM organisations being that 'local' news or music refers to anything that is South African. However, with regard to CSCM organisations, the term local refers to the actual geographic or coverage area. This means that local music and news should primarily come from the local area, and not only from national or provincial sources (NAB, 2019). Challenges with regard to producing relevant and adequate 'local' content can be attributed to several factors, such as a general lack of journalistic and/or content creation experience, or insufficient human resources.

Failure to understand the meaning of the term 'local', and the production of content that does not align with this idea, presents a significant stumbling block to the sustainability of the CSCM sector. This is because the creation of suitable content for the local community is one of the key defining features of community media, and a significant part of their value proposition. A core function of CSCM organisations is to provide local communities with news on relevant issues that directly relate to their context and circumstances. If a particular CSCM organisation is merely lifting news from other, mainstream sources, then the organisation is not developing suitable content for the local community. As such, the purpose of the CSCM organisation is no longer aligned to the concept of 'community media', resulting in a situation whereby the organisation only appears to be a CSCM organisation. This presents a threat to the sustainability of the CSCM sector because if 'community' media organisations continue to produce content that is not aligned to the meaning of 'local', then the sector as a whole will have fewer genuine CSCM outlets and will be populated by organisations who only appear to be community media outlets. Over time, this could result in a disconnect between the so-called community media organisations and the communities that they serve, a connection that is critical to the sustainability to the CSCM sector as a whole.

This was corroborated by initial consultations with representatives from industry bodies, in which the issue of the development of relevant content was highlighted as being one of the key reasons as to why CSCM organisations struggle to be sustainable. It was noted that CSCM organisations often do not consider whether the content that it is producing is relevant to the community which it serves.

“There are major issues around programme content – which needs to be sellable and relevant. You may find that there are community [platforms] that do not consider this. In other words, they do not ask themselves ‘Are we generating a programme that can sustain my radio station?’ The challenge is making sure that news and programming is relevant to local communities.”

*(Industry Body Interview, 2022)*

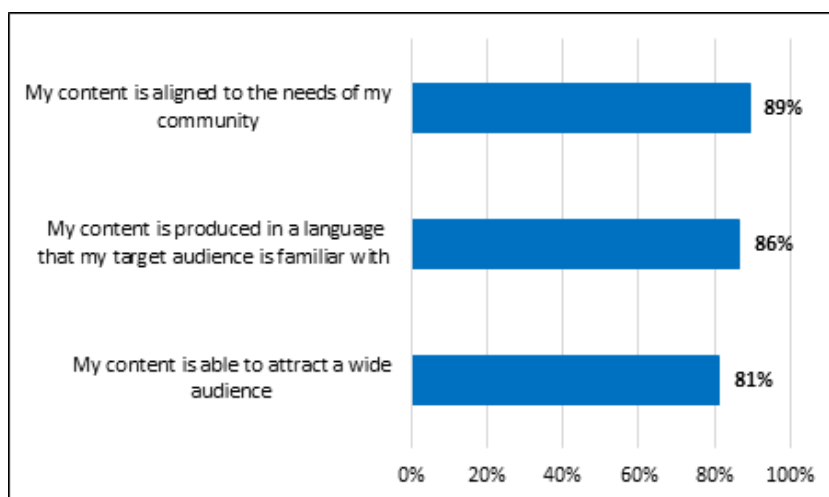
Other representatives from different industry bodies echoed this sentiment, highlighting the importance of working closely with local communities. Furthermore, it was noted that the key is to ensure that the content is always relevant. In other words, even if the content relates to something of national interest, it needs to be covered in a manner that considers how it will impact the community at the local level.

“When you are local, you must cover the local stories. Even if you are covering national stories, [it] needs to be from a local angle. You need to have the ability and skill to explain complex topics and communicate how this affects people at the local level. It falls back on being in touch with your community.”

*(Industry Body Interview, 2022)*

In order to further understand to what extent CSCM organisations tailored their content to their community, organisations were requested to indicate whether their content is relevant to their community, the results of which are illustrated in **Figure 718** below.

**Figure 718: Relevance of Content to Target Communities**



It can be seen above that the majority of respondents believed their content to be aligned to the needs of their communities (89%).

Stakeholders from community and small commercial print organisations indicated that they often published tutorials on matters affecting their communities, such as publishing teaching guidelines during the COVID-19 national lockdown, as schools were closed at the time.



“We also have content specifically targeted for children, such as educational games and exercises, which were very popular during the lockdown when schools were closed. The impoverished schools did not have access to information because of the digital inequalities. So, through our paper we had things like direct instructions on how to teach your child to read with actual resources that you can cut out. We also have free educational resources like classroom posters that you can cut and paste on the wall.”

*(CSCM Organisation Interview, 2022)*

Stakeholders from community radio stations expressed similar sentiments, indicating that they aired content that equipped their community with important skills and knowledge, such as the need to prepare wills, preparing healthy meals, gender-based violence (“GBV”) or even spirituality.

“For example, we aired content on how to write a will with a lawyer. We teach people how the importance of making a will. We have content with a chef where we teach people how to make healthy meals. We also have content on GBV, teaching men how to avoid committing GBV acts. We also have content on spirituality because our audience is spiritual.”

*(CSCM Organisation Interview, 2022)*

A further 86% of respondents indicated that their content is produced in a language that their target audience is familiar with. A stakeholder from community television indicated that a large portion of their content was delivered in the native Zulu language, with only a limited portion delivered in English.

“We are a family channel, and we provide everything that a family channel provides. Our content is 80% in isiZulu and 20% in English.”

*(CSCM Organisation Interview, 2022)*

### **Positive Practice: Relevant Content**

Community media organisations were able to deliver content that is relevant to their communities by focusing on key issues of interest for the communities, including teaching guidelines, the need to prepare wills, preparing healthy meals, GBV and spirituality. The organisations were also able to deliver content in

The discussion surrounding content production directly links to **Pillar 3** of the MDDA Sustainability Model, which concerns content generation and professionalising the sector through skills and capacity. As such, it is of critical importance that the challenges relating to content production and skills are well defined and understood, given the impact that these factors have on the overall sustainability of the CSCM sector.

Despite the largely positive responses, certain stakeholders indicated that they were unable to source local content due to a lack of required resources. The stakeholders indicated that this inability to source local content affected their revenue generation ability, as they could not attract advertisers.

“The biggest barrier for private companies to advertise with community radio stations is scarcity of resources which hampers our ability to go and source local content which is at the core of local businesses coming to advertise with us. Most of the content covered in community media is provincial and national. We do not have resources to source local content.”

*(CSCM Organisation Focus Group, 2022)*



While it is important to understand the challenges facing CSCM organisations with regard to the value offered to their target audiences, it is equally important to understand the factors that influence advertisers’ selection of which media organisations to advertise with, i.e., to understand the value offered to advertisers by the particular organisation. As mentioned previously, the broader advertising industry generally does not see the value of advertising through CSCM organisations (NAB, 2019). Therefore, understanding the factors that influence advertisers’ choices regarding who to advertise with may assist CSCM organisations promote their organisations more effectively.

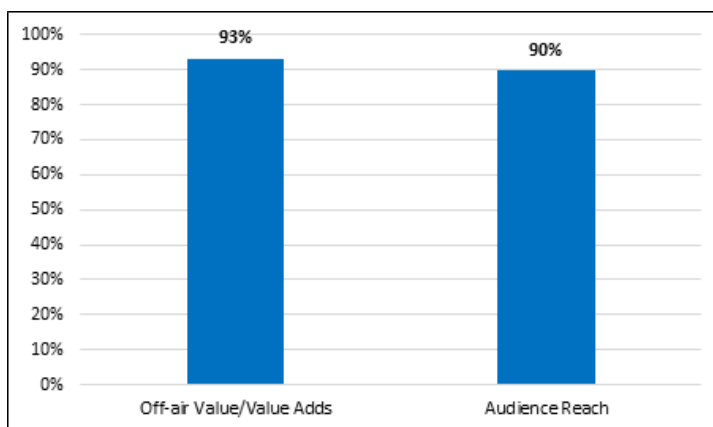
Initial consultations with sustainable CSCM organisations highlighted that these organisations often offered their clientele services beyond on-air advertising (i.e., “Value-adds”). Value-adds refer to enhancements made to products or services by the service providers, which may include the service provider offering additional services over what they would normally offer (Perisho, 2020). In the context of this study, off-air value adds refer to those additional services that CSCM organisations may potentially offer, other than just advertising on their platforms. An example was made of a commercial radio station that offered to organise an event for its client and a different company in order to attract larger audiences and thus, have a larger audience reach.

“[Redacted] FM offered their clients additional value at a cost. So, they said to their advertisers, ‘you can just advertise but that would not give you the mileage you need - let us have an event, which would allow you to partner with this company that compliments your brand which allows us to have a bigger event.’ Essentially, [this] is an ad campaign that is off air. Now with community radio, they do not take this step, they do not give a value add off air”

*(CSCM Organisation Initial Consultation, 2022)*

Further input gathered from initial consultations presented positive practices adopted by sustainable organisations within the media sector and gave insight into how these organisations engage with advertisers. In order to further understand factors that differentiate media organisations for advertisers, advertisers were asked to indicate how important audience reach and the ability of a CSCM organisation to offer additional value is when deciding who to advertise with. This is shown in **Figure 719** below.

**Figure 719: Important Factors for Advertisers**



As can be seen, the majority of advertisers view the ability (93% and 90%, respectively) of a particular CSCM organisation to offer additional value, as well as the reach of the organisation, as important motivating factors when deciding who to advertise with. This was apparent from consultations conducted with advertisers, in which it was noted that offering additional value, such as social media advertising, is important for advertisers to reach specific market segments.

“[Additional value] is very important. [Remember that] advertising [towards] the younger generation means using social media...”

(Advertiser Interview, 2022)

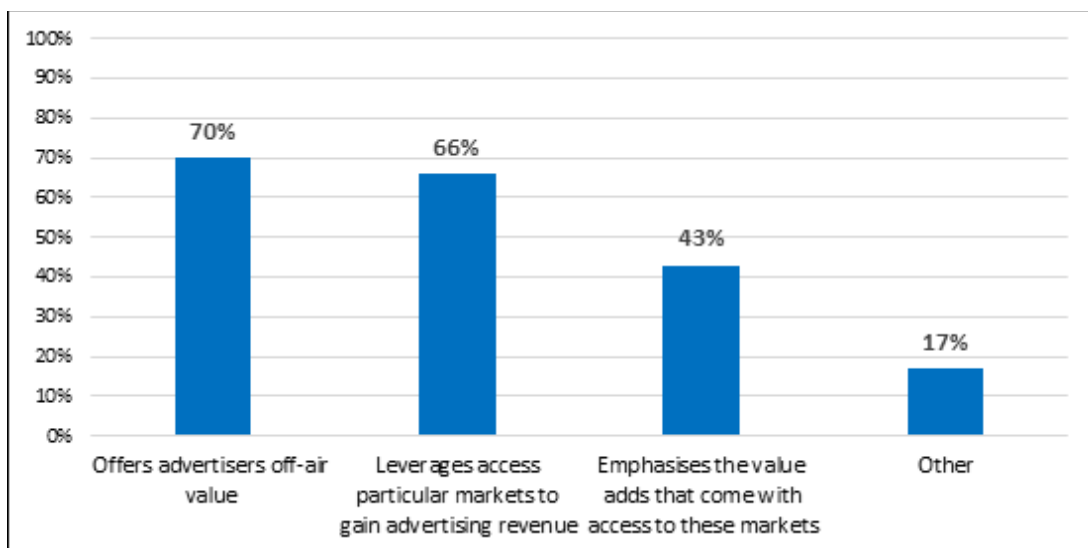
Other advertisers noted that advertising on social media platforms often equates to greater reach, which, as can be seen in the figure above, is also a critical motivating factor for advertisers when deciding which organisation to advertise through.

“Yes [additional value is important]. I know that advertising on social media [as well] means that it reaches more people.

(Advertiser Interview, 2022)

This indicates that the ability of a CSCM organisation to offer advertisers additional value is a critical motivating factor in advertisers’ choice of who to advertise with. Given the importance of additional value, it is important to understand whether CSCM organisations currently offer advertisers any additional value. As such, a question was posed to CSCM organisations which aimed to determine the methods used to attract advertisers. These results are shown in **Figure 720** below.

**Figure 720: How CSCM Organisations Attract Advertisers**



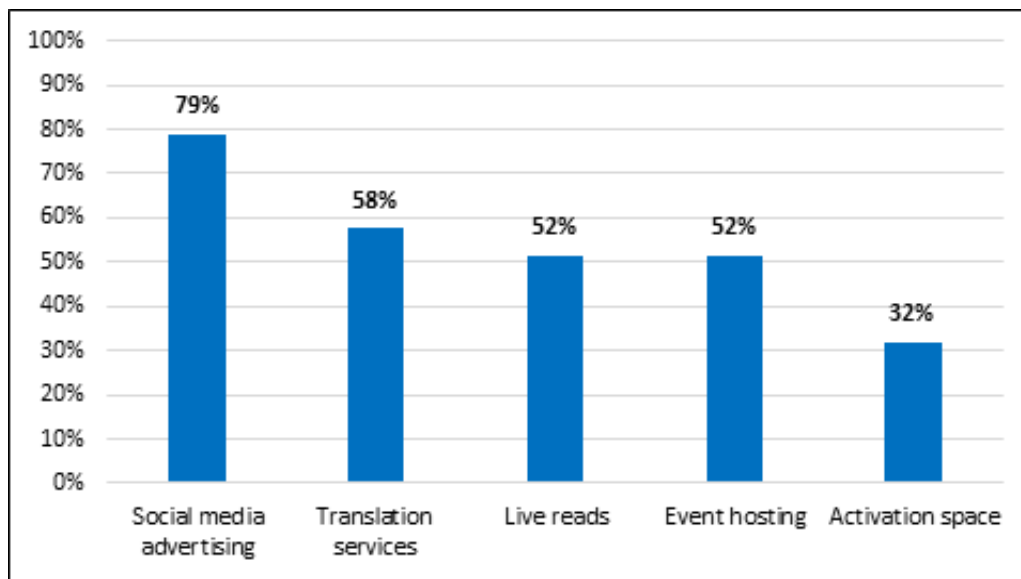
As can be seen in **Figure 720** above, 70% of CSCM organisations indicated that they offer advertisers off-air value, while 66% attempt to attract advertisers by leveraging access to a particular market. Seventeen percent of CSCM organisations indicated that they use ‘other’ methods to attract advertisers. When asked to specify, some CSCM organisations indicated that they use methods such as approaching businesses directly, given that they do not have the adequate resources to market their organisation. While these results indicate that CSCM organisations do offer advertisers the key services that advertisers are looking for in a media platform, it appears that this has not translated to advertisers seeing the value of CSCM organisations. This is perhaps an indication that CSCM organisations lack the adequate skills to leverage the value adds that they do have to offer, resulting in a situation whereby CSCM organisations are unable to attract more advertisers.

**Sustainability Challenges: Inability to Offer Advertisers Additional Value**

It appears that while CSCM organisations attempt to attract advertisers by offering additional value that advertisers are looking for, advertisers still do not value CSCM organisations, which is perhaps an indication that CSCM organisations do not have the skills to leverage the additional value that they can potentially offer to advertisers.

There are various potential value-adds that media organisations may offer to advertisers, including services such as brochure design ideas, social media advertising, creating blogs, or providing advertising message ideas (such as catchphrases). From this study it emerged that the main forms of additional value offered by CSCM organisations to advertisers include social media advertising, translation services and event hosting, as shown in **Figure 721** below.

**Figure 721: Additional Value Offered by Sustainable CSCM Organisations**



The importance of offering additional value to advertisers was confirmed in qualitative consultations, with representatives from sustainable CSCM organisations highlighting this.

“Yes, we definitely offer advertisers [off air value]. When we have an event, we invite advertisers for free. We also give them airtime in the form of an interview, which we have incorporated into our daily programmes. This makes advertisers feel as though they are part of the station.”

*(CSCM Organisation Interview, 2022)*

Other sustainable CSCM organisations indicated that they offered a variety of services to advertisers, highlighting the importance of being innovative in order to attract and retain advertisers.

“We have a wide range of services [aimed at advertisers]. We have had to expand [our services] due to COVID-19. We have general advertising, live reads, interviews, competitions, [advertising on] digital spaces and selling advertisements on social media. When possible, we sell activation space, and help to organise events. We also try and go to the client’s venue and broadcast from there.”

*(CSCM Organisation Interview, 2022)*

The importance of additional value was also highlighted by certain industry bodies, who noted that certain organisations offered additional value to advertising clients by hosting events and adopting an approach

whereby the event serves as an advertising campaign. Event hosting was identified as a best practice amongst sustainable CSCM organisations. This means that sustainable CSCM organisations used the hosting of events as a method to add value to their service offering to advertisers. The event served as a form of advertising ‘campaign’, whereby advertisers were invited to events which gave them additional exposure, beyond the traditional on-air advertisement. The events also exposed advertisers to other organisations and/or markets which could potentially complement their brand.

“[Certain organisations] host events to generate additional revenue. The key here is that clients occupy space at these events, and organisations offered their clients additional value at a cost. So, they said to their advertisers ‘[traditional] advertising will not give you the mileage you need, so come to our event, which will give you the opportunity to partner with X organisation which compliments your brand.’ It is essentially an [off-air] ad campaign.”

*(Industry Body Interview, 2022)*

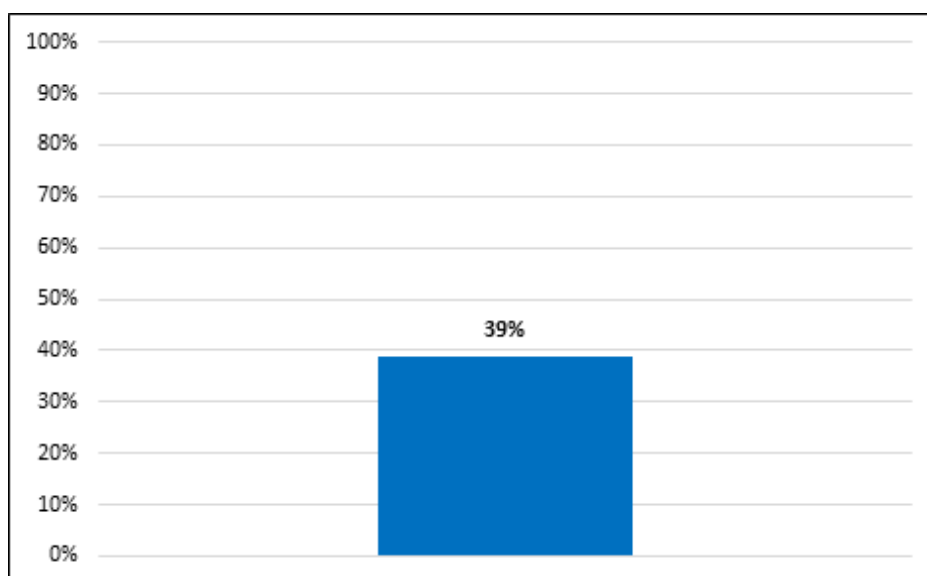
It is important to note, however, that merely offering value adds (for example social media advertising) will not automatically result in an upturn in advertising clients. The ability to attract advertisers is also dependent on the organisation having the necessary skills to offer this additional value, as was highlighted in stakeholder consultations.

“We are lucky that our staff are very creative and skilled, our technical production coordinator has the background to create video content as well.”

*(CSCM Organisation Interview, 2022)*

Offering value adds will also not automatically result in increased revenue generated. As illustrated in **Figure 720**, 70% of organisations indicated that they offered advertisers additional value, such as social media advertising, however, as illustrated in **Figure 722**, only 39% of organisations who offered social media advertising indicated that it allowed them to charge higher rates.

**Figure 722: Percentage of Organisations that Agree that Social Media Advertising Allows Them to Charge Higher Rates**



This may be indicative of two concerns. Firstly, it might be the case that CSCM organisations do not have the skills to leverage their ability to offer social media advertising, and thereby lack the ability to justify an increase in their rates. Secondly, it might be that in order for advertisers to view particular value adds as attractive, such as social media advertising, advertisers want to see that the organisation that they are advertising with has a social media presence, and that the organisation regularly updates the content on said platforms. This too, is dependent on the CSCM organisation having the adequate digital skills to ensure

that their organisation is using social media in an effective manner which in turn will allow social media advertising to be used as a negotiating tool when engaging with advertisers. It is important to note, however, that CSCM organisations do not always have these skills, given the challenges with regard to skills shortages in the digital space, which is discussed further in Section 7.2.4. below.

#### **Sustainability Challenge: Lack of Relevant Skills**

Community media organisations need adequate skills in order to make additional value services an attractive option for advertisers. For example, merely offering social media advertising does not appear to allow community media platforms to charge higher rates. Rather, the community media platform needs to have the adequate digital skills to ensure that the organisation is using social media platforms effectively in order to position social media advertising as an attractive additional value service.

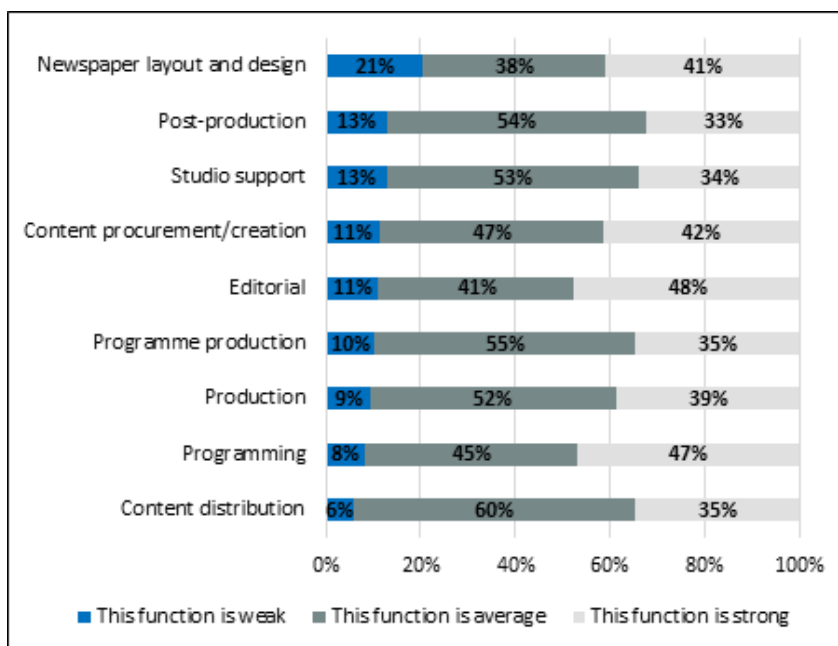
In an attempt to assist CSCM organisations overcome the challenge discussed above, it is proposed that the MDDA facilitate access to digital skills initiatives, with a particular focus on the effective use of social media, and the importance of having a strong social media presence. This may also include skills related to the ability to sell the additional value offered by the particular CSCM organisation i.e., the ability to align the clients' needs and the additional value offering of the station.

### **7.2.4 ORGANISATIONAL CHALLENGES**

An organisation's structure can be divided into two distinct functions, namely core and support functions. Core functions can be defined as processes that directly deliver value to external clients or intermediaries. Core functions are often referred to as 'primary' processes as they represent essential activities that a particular organisation performs to achieve its goals and objectives (Myers, 2020). In the context of a CSCM organisation, the core functions may include content production, content procurement, sales and advertising, marketing, governance and management. Support functions can be defined as enabling processes designed to assist the value-delivering core processes. In essence, the key distinction between the core and support functions are that support functions add value to internal stakeholders and do not directly deliver value to external clients/customers, whereas core functions do (Myers, 2020). In the context of a CSCM organisation, support functions include information technology and corporate services such as finance, legal, human resources and equipment maintenance. The type of technology required within typical CSCM organisations is also included within this component of a business model. This includes broadcasting equipment, software packages and access to audience data for community radio and television, while for community and small commercial print media it includes computers, software packages for graphic design and vehicles for distribution. Furthermore, this component includes the key skills required by the CSCM organisation, such as journalism skills, on-air presentation skills, financial management skills, data analysis skills as well as skills relating to the digital space.

#### **7.2.4.1 LACK OF KEY BUSINESS FUNCTIONS**

A key part of an organisation's ability to function effectively hinges on the existence of key business functions within that organisation. Business functions can be described as the high-level grouping of an organisation's capabilities and processes which ultimately contribute to the effective functioning of said organisation (Harvard Business Review, 2019). From an organisational perspective, it is critical that any organisation has adequate business functions in order to operate effectively. As such, it can be argued that effective business functions are a key component of sustainability. A key aspect of determining the sustainability of the CSCM sector was understanding the effectiveness of the business functions within particular CSCM organisations. The rationale behind developing this understanding was that it would provide an indication of the extent to which the lack, or weak functioning of, a particular business function impacts on the sustainability of the CSCM organisation as a whole. As such, CSCM organisations were asked to indicate the strength of particular business functions. These results are shown in **Figure 723** below.

**Figure 723: Effectiveness of CSCM Organisations' Business Functions**

Note: Percentages in the above graph may not add up to 100% due to rounding off

As can be seen above, the majority of respondents believed their organisations to be average as it pertains to functions related to the production of content. These include production (52% of respondents), programme production (55% of respondents) and post production (54% of respondents). Some stakeholders were of the view that the professional capacity of their personnel could be improved with regard to content production.

“Maybe [our organisation can enhance the professional capacity of our personnel in terms of] content production, but I am looking around and thinking about who can that person be? I am thinking that it should be someone who can come up with something better than we can come up with.”

(CSCM Organisation Interview, 2022)

Other stakeholders indicated that they relied on content from their municipality as it is a hub for information, noting that they lacked the skills to conduct research and develop content internally.

“We only rely on, in terms of statistics, research and information content from the municipality because it is also sort of a hub for information. But for daily activities and investigative journalism and such, where research must be done, we try to do that, but to a limited extent. If there is a service provider as well who can intervene with those skills training provisions, it will be appreciated as well because research is a critical and essential component in the media sector.”

(CSCM Organisation Focus Group, 2022)

Stakeholders were of the view that obtaining training in sourcing content, including being able to assess what content would be suitable for the particular media outlet, would benefit their organisations greatly.

“If we can get someone who can guide us in terms of content... If we can get people who can come and train people who deal with content, show them the type of content that will work for them, and guide them on the content to produce, [that would be beneficial].”

(CSCM Organisation Interview, 2022)

Furthermore, stakeholders believed that increased community involvement, through the contribution of content and news articles, would allow their content to be more relevant to their communities and thus allow them to generate more revenue.

“I think the contribution they can make towards our sustainability is continuing to give us the support they give in terms of content and assisting with news articles. The more we get relevant content for the community, is the more we will be able to generate more revenue through advertising...”

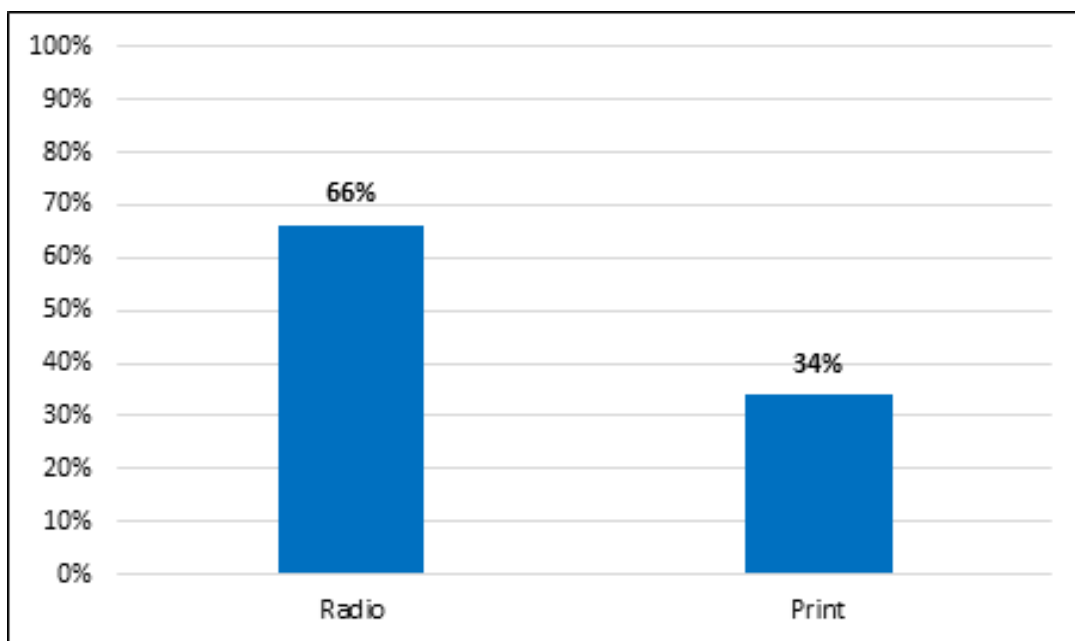
**Sustainability Challenges: Lack of Research Skills**

- Community radio stations lacked the necessary research skills to be able to source local content, and thus, relied on municipalities as their information hubs.
- It further emerged that the community media organisations require training in content sourcing and creation in order to deliver content that satisfies the interests of their communities.

The challenge relating to the production of relevant content can be linked to the access to production and distribution resources indicator of the UNESCO Media Viability Indicators, which assesses whether media organisations have access to the necessary resources to produce content. The indicator relating to access to production and distribution resources received a low score for community TV, 31% for community radio and 25% for community and small commercial print, which may be an indication that organisations within the CSCM sector require support in order to produce relevant content.

An important aspect to note with regard to improving the capacity of personnel within CSCM organisations is whether these individuals have the ability to use the required equipment to produce relevant content. As such, the ability to use the equipment required to produce content was also assessed per CSCM type. It emerged that the majority of community radio stations had the skills required to operate the equipment, with 66% of respondents indicating this. Contrastingly, only 34% of community and small commercial print organisations indicated that they had the necessary skills. This is illustrated in **Figure 724** below.

**Figure 724: Percentage of CSCM Organisations that have the Skills to use the Equipment Required to Produce Content**



Respondents who indicated that their employees did not have the skills to use the equipment required to produce content indicated that in order to equip their staff with the relevant skills, they had partnered with



an FET college and computer academy where staff were equipped with skills that would allow them to use technology more in processes that include production, distribution, and editing.

“We have partnered with a FET college and a computer academy, six of my staff members are attending as educators and the other 6 are doing IT. This skill will allow them to use technology more. I would like it to be used in production and data distribution as well as editing.”

*(CSCM Organisation Interview, 2022)*

In addition to having access to the adequate skills to use the equipment to produce relevant content, it is critical that a CSCM organisation has access to audience data. Access to audience data is a critical aspect of any media organisation, as it allows the particular organisation to determine the audiences’ preferences in terms of content, and thus allows the organisation to adapt their content according to the needs, views, and perspectives of the community (MDDA, 2020).

Stakeholders indicated that access to data allows them to assess the needs and interests of stakeholders and ensure that they disseminate information that is relevant to their audience.

“[To be able to develop content that is relevant to our audience], I would look at their needs and interests. What I also think is important is to be able to disseminate information that is relevant and is of benefit to your readers.”

*(CSCM Organisation Interview, 2022)*

The issue relating to access to audience data directly links to **Pillar 6** of the MDDA Sustainability Model, which concerns audience measurement and looks to understand the impact this has on the sustainability of CSCM organisations. As such, it is of critical importance that the challenges relating to audience measurement are well defined and understood.

The use of audience data and/or information to develop relevant content was highlighted by stakeholders during qualitative consultations, who indicated that data on their audience is used to develop relevant content.

“Sometimes we use the data and information we gather to develop our stories. We verify what we gather before use it, but we do use that information when developing our stories sometimes.”

*(CSCM Organisation Interview, 2022)*

This was corroborated by other stakeholders during consultations, with some organisations indicating that they target specific audiences at specific times.

“The content we offer is dependent on the type of audience that is listening at that particular time. For the morning drive we take into account school kids, people on their way to work, those who wake up early and so forth, then we create programs based on that.”

*(CSCM Organisation Interview, 2022)*

It was noted, however, that the CSCM sector currently faces challenges with regard to obtaining accurate and reliable audience figures, due to the lack of sufficient mechanisms which allow the sector to receive accurate audience data. This subsequently affects the type of content they produce (MDDA, 2020). As a result, CSCM organisations may be somewhat ‘disconnected’ from their audience as they do not have access to accurate data that informs them of the needs, views and perspectives of the communities that these CSCM outlets

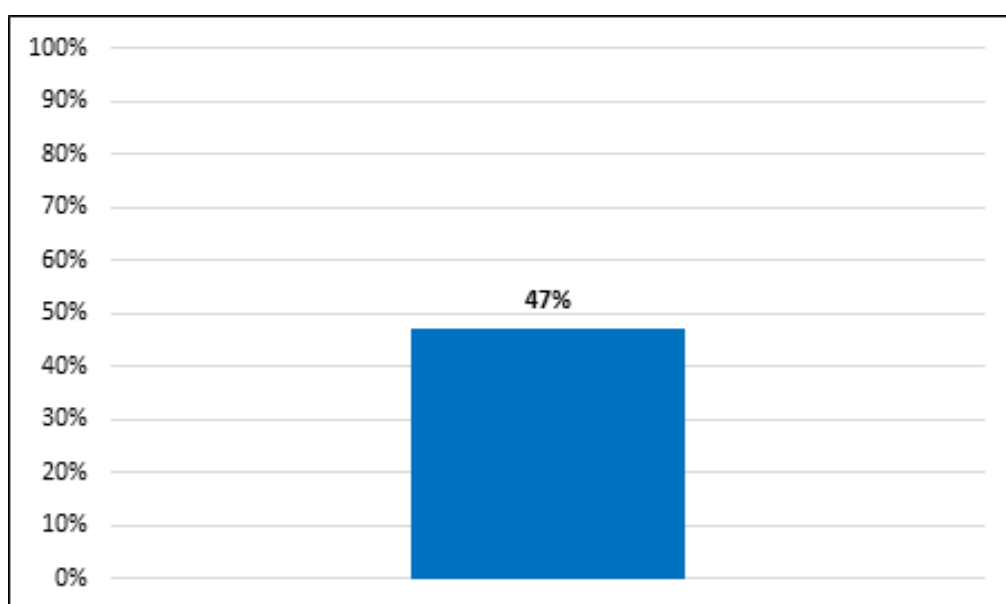
produce content for. Currently, it appears that CSCM organisations rely on generalised audience data, which lacks nuance, as well as manual methods of gathering data on their audience, such as distributing surveys at community events. This is in contrast to commercial organisations in the media space, who often invest a significant portion of financial resources into audience research. This is done through the hiring of market research companies, who are often able to provide critical psychographic information on target audiences (The Media Online, 2014). This information is often superior to the more generalised audience data which many CSCM organisations are forced to rely on and ensures that commercial organisations are able to cater to their target audience and keep abreast on changes occurring within their target audience in terms of audience preference or demographic shifts. The challenges relating to CSCM organisations and access to audience data are discussed in the paragraphs that follow.

The challenge regarding access to audience data can be linked to the access to audience data indicator of the UNESCO Media Viability Indicators, which assesses whether media organisations have access to audience data and the manner in which audiences engage with different types of media. This indicator received low scores for community TV, 40% for community radio and 43% for community and small commercial print.

The challenge relating to the production of relevant content can be linked to the quality of content indicator of the UNESCO Media Viability Indicators, which assesses whether media organisations are providing consumers with relevant and quality information through their content. This indicator received a

Given the importance of audience data and the impact that this has on producing relevant content, it is important that the challenges relating to accessing this data are addressed. Currently, it appears as though the CSCM sector faces various challenges with regard to accessing audience data, such as having to gather data manually as well as having to rely on audience data from other sources, such as the Broadcast Research Council of South Africa (“BRCSA”), which often provides generalised listenership figures, lacking in depth details on the audiences of CSCM organisations (NAB, 2019). Another challenge relating to the inability to gather audience data is access to the technology required to do so. From survey consultations, it was determined that 47% of CSCM organisations do not have access to the technology used for gathering audience data, as shown in **Figure 725** below.

**Figure 725: CSCM Organisations that do not have Access to Technology Used to Gather Audience Data**



Some CSCM organisations indicated that they relied on organisations such as the BRCSA for audience data.

*“On the ground we’ve got our forces where we get our information which helps us understand which platforms readers prefer and which groups are reading the newspaper itself.”*

*(CSCM Organisation Interview, 2022)*

Other CSCM organisations resorted to conducting their own audience research, through physical interactions with local community members at community events.

*“On the ground we’ve got our forces where we get our information which helps us understand which platforms readers prefer and which groups are reading the newspaper itself.”*

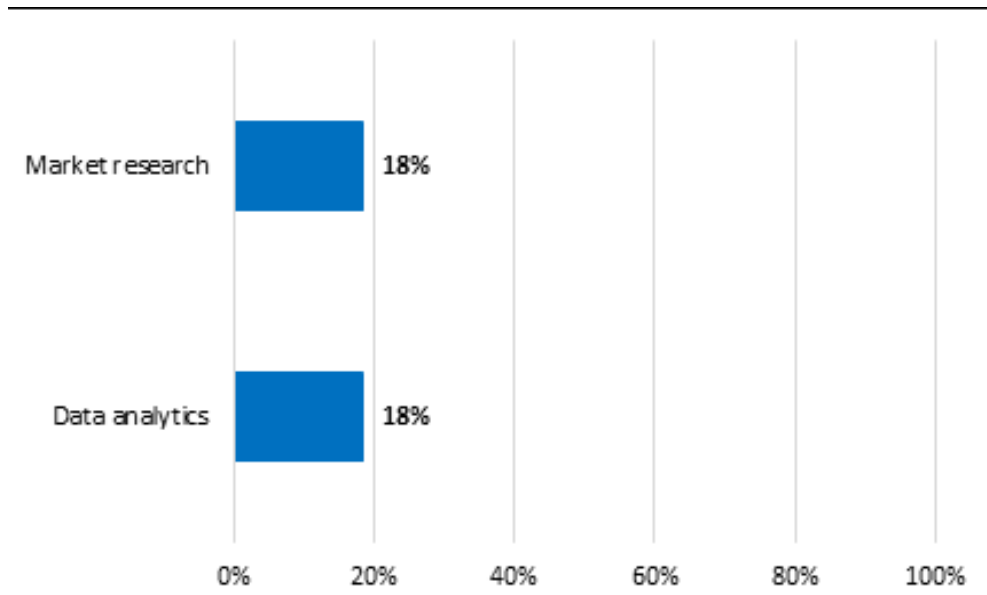
*(CSCM Organisation Interview, 2022)*

*“We usually go out to the field ourselves and we go to community events to gather data.”*

*(CSCM Organisation Interview, 2022)*

In addition to conducting field research to gather audience data, a fraction of CSCM organisations indicated that they have appointed service providers to assist with research activities such as market research and data analytic services, as seen in **Figure 726** below.

**Figure 726: Service Providers Used by CSCM Organisations**



As can be seen, 18% of organisations indicated that they outsource market research and data analytics services. Organisations noted that while they would be willing to outsource market research and data analytic services, their organisation is not in a financial position to do so.

*“I would like to do this but at the end of the day, I will have to pay the person doing the task and I am not in a position to [do so]. We are not stable financially, we cannot afford to pay those service providers.”*

*(CSCM Organisation Interview, 2022)*

This was corroborated in consultations with other organisations, in which it was found that the limited access to accurate data was attributed to CSCM organisations not being able to afford data analytic companies to conduct any research or analyse audience data on their behalf.

“...but when it comes to data analytics and things like that, we do not use that... But we do not have money to afford data analytic companies.”

(CSCM Organisation Interview, 2022)

“Due to financial constraints, we cannot hire a research company to do any work for us.”

(CSCM Organisation Interview, 2022)

Despite the financial constraints noted above, consultations with sustainable CSCM organisations indicated that although they do not have the funds to conduct their own audience research, they have adopted a bartering approach in order to gain access to audience research.

“We have a [service provider] who does market research. It is not something we pay for, [because] if we do anything externally, we do not really have the budget to do extravagant research. We fund it through a trade exchange [or barter] – we provide the company with broadcast advertising; in return they supply us with audience research.”

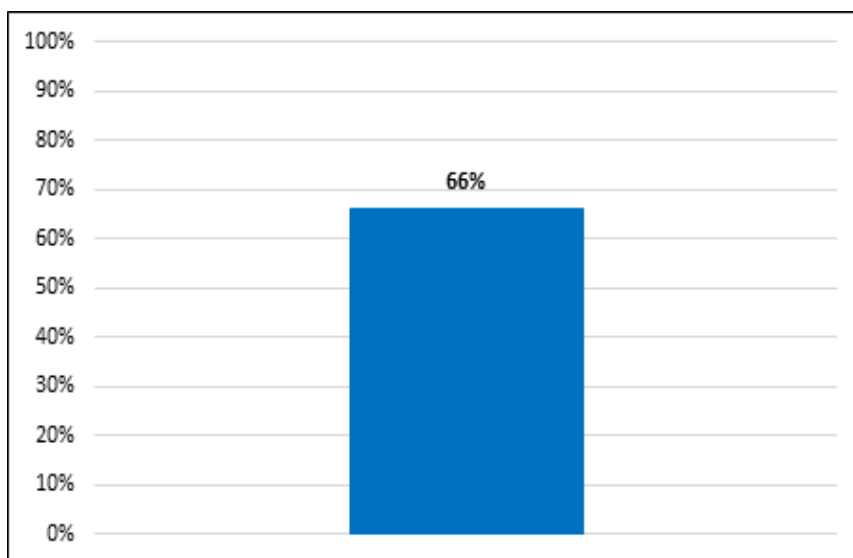
(CSCM Organisation Interview, 2022)

**Positive Practice: Barter Deals**

Some sustainable CSCM organisations have indicated that, despite not having access to funds to hire service providers to gather research on its audience, it has engaged in barter deals with service providers, exchanging broadcast space for research services.

While certain CSCM organisations relied on field research and service providers to gain access to data on their audiences, in the absence of formal mechanisms to gather audience data, many CSCM organisations (66%) used social media as a tool to gather data on their audiences, as shown in **Figure 727** below.

**Figure 727: Percentage of Community Media Organisations that use Social Media to Gather Audience Data**

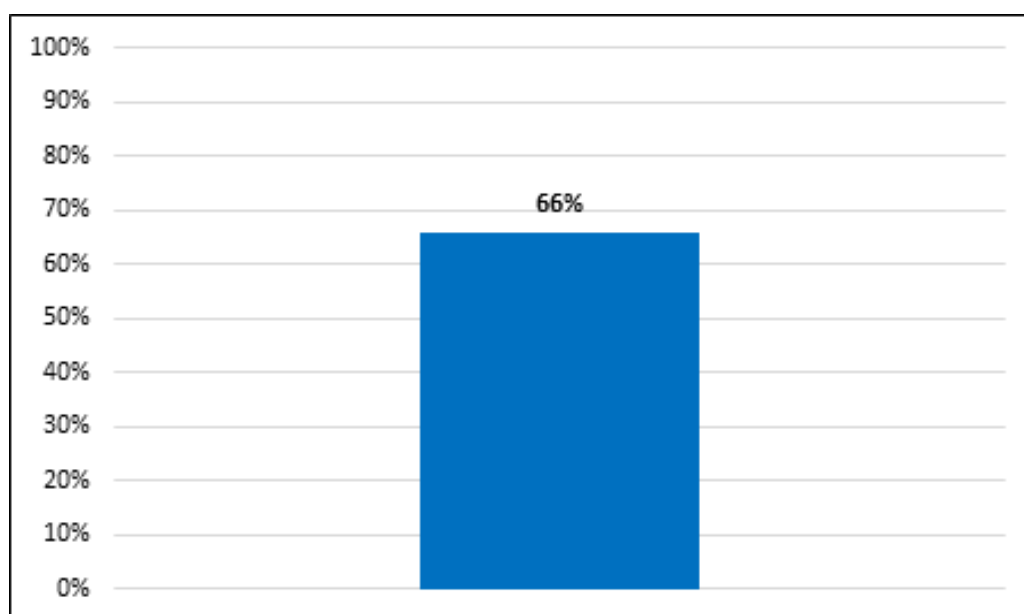


### Sustainability Challenge: Lack of Resources to Collect Audience Data

It was found that community media organisations lacked the resources to effectively collect data on their audiences. As a result, they often had to rely on data collected by organisations such as the BRCSA, hire service providers, use social media, or resort to conducting field research in order to collect audience data.

While gathering this data through social media is important, it is equally important that the organisation has the skills within it to ensure that audience data is used to convert the gathered information into effective content for their audience. **Figure 728** below illustrates the percentage of organisations who indicated that they believe they have the skills to convert information received from social media organisations into relevant content.

**Figure 728: Percentage of CSCM organisations that have the Skills to Ensure that Data Gathered from Social Media is used to Develop relevant Content**



As can be seen, 66% of respondents indicated that their organisation has the skills available to ensure that data gathered from social media is converted into relevant content for their audience. Qualitative consultations, however, indicated that some organisations noted that the ability to use data from social media is a special skill, citing affordability as the reason why this skill is lacking within the organisation.

“No [we do not have the skills to ensure that audience data gathered from social media is used to develop relevant content], that is a specialised skill. We cannot afford to train people or to pay someone with this skill.”

*(CSCM Organisation Interview, 2022)*

Other organisations indicated that while they do have access to data on their audience gathered through social media, they do not have the skills to utilise this information in a manner that benefits their organisation.

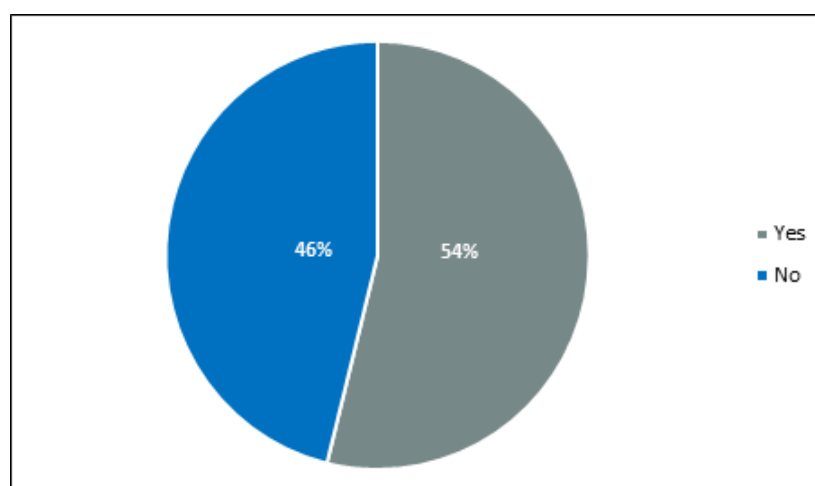
“I think organisationally, we do have data, the challenge is about how we can use it, especially from a profiling point of view. When it comes to this, we lack skills and knowledge on how to utilise that information, perhaps the MDDA can assist in that regard.”

*(CSCM Organisation Interview, 2022)*

The issue relating to media organisations having the relevant digital skills can be linked to the level of digital expertise indicator of the UNESCO Media Viability Indicators, which assesses whether media organisations have access to sufficient digital skills relating to digital production and distribution. This indicator received a low score for community TV, 42% for community radio and 45% for community and small commercial print.

The importance of equipping CSCM organisations with the adequate digital skills, including those related to social media, is linked to the broader media environment and its shift towards an increasingly digitalised landscape. The MDDA has noted that the global media environment has been steadily shifting towards exploring and leveraging opportunities within the digital landscape. The fourth industrial revolution (“4IR”) has accelerated this shift. For example, breaking news, which was once spread through traditional media platforms such as radio, newspaper and television is now digital (MDDA, 2019). Given the rapid rise of 4IR, the increasing trend is for breaking news stories to be distributed on social media platforms first, before being spread on traditional media platforms. This shift from traditional platforms to digital ultimately means that the manner in which news is gathered and reported will need to change, and the CSCM sector will have to adapt to ever-changing media technologies in order to ensure that they stay relevant (MDDA, 2019). As such, it is important to explore the current level of digital skills within the CSCM sector, in order to determine if CSCM organisations are equipped with the adequate skills to adapt to the ever-changing media landscape. Therefore, respondents were asked to indicate whether they were currently participating in any digital skills initiatives, either within or outside of their organisation.

**Figure 729: Percentage of CSCM Organisations Currently Participating in Digital Skills Initiatives**



As can be seen in **Figure 729**, just over half of the respondents indicated that they were participating in digital skills initiatives, at the time of the survey. While this indicates that organisations are being exposed to digital skills, there appears to be a need for more in-depth training on digital skills, as indicated by organisations in qualitative consultations.

“I attended a virtual workshop for five days where they assisted us with IT and we will receive a certification for attending the workshop. There were some things that I learned there, but it was just the tip of the iceberg. There is a lot that you need to know in the digital space. So, it is still new, and I have not been able to apply these skills yet. It takes time.”

*(CSCM Organisation Interview, 2022)*

Other organisations indicated that while they were engaged in digital skills training initiatives, the type of digital training received did not have much relevance to their organisation as a radio platform.

“We are participating in such programmes. We have a TVET college around here which provides certain skills, but it does not address our specific area in media, it only addressed communication, which is not that relevant for us.”

*(CSCM Organisation Interview, 2022)*

On the other hand, there were organisations who were not participating in any digital skills initiatives. These organisations indicated that while they do have opportunities to access said initiatives, they do not have the resources to participate.

“No [we are not participating in any digital skills initiatives] at the moment. We are short staffed and most of the trainings are offered online. We do not have the resources to access these training sessions. Sometimes, training will take 4 hours and it does not help us because we cannot sit on a call for 4 hours when we have other work to do like covering stories and sourcing advertising.”

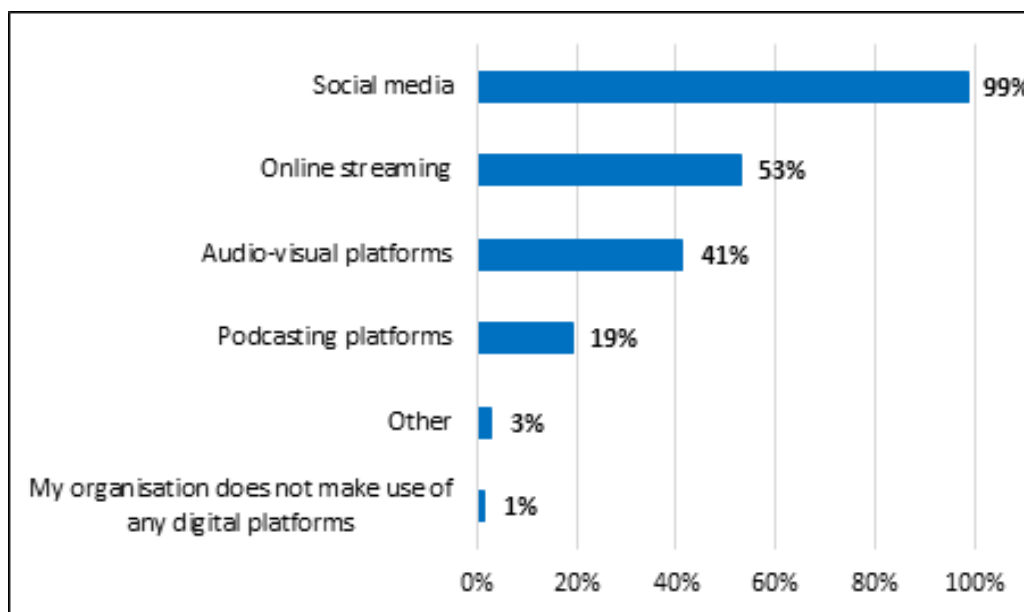
*(CSCM Organisation Interview, 2022)*

#### Sustainability Challenge: Need for In-Depth Training

Just over half of community media organisations are engaged in digital skills initiatives, however, some stakeholders indicated that there is a need for more in-depth training on digital platforms, given the time taken to learn said skills. Other organisations, who are not engaged in any digital skills initiatives indicated that a lack of resources prevents them from attending training initiatives, given that they are short-staffed and cannot afford to spend time in extensive training initiatives.

As mentioned above, it is important that organisations undergo digital skills training in order to allow them to leverage the opportunities that are arising from the rapid rise of technology. A key role that community stations can play is to enhance their communities’ ability to engage with new technology through digital and media literacy to ensure that the digital divide does not widen even further. CSCM stations can also harness technology and the emergence of new platforms to strengthen dialogue and debate by increasing their presence on these new platforms (NAB, 2019). Some CSCM outlets have, however, already increased their presence on new platforms, as confirmed by the majority of survey respondents who indicated that their organisations are active on multiple platforms including social media (99%) and online streaming (53%). This is illustrated in **Figure 730** below.



**Figure 730: Digital Platforms Used by CSCM Organisations**

Note: Percentages in the above graph may add up to more than 100% because respondents were allowed to select more than one option

It was found that stakeholders sometimes used social media, including Facebook, Twitter, and Instagram, to either post current affairs, or conduct interactive live sessions.

“We sometimes publish exclusive content on current affairs on Facebook in instances where the next edition of the newspaper will only be published at a later date, or we share a PDF file of our current edition of the newspaper for those who are not able to access the print edition.”

(CSCM Organisation Interview, 2022)

“Yes, we even launched [redacted] TV, we also do Facebook and Instagram Lives, and now we are working on having Podcasts.”

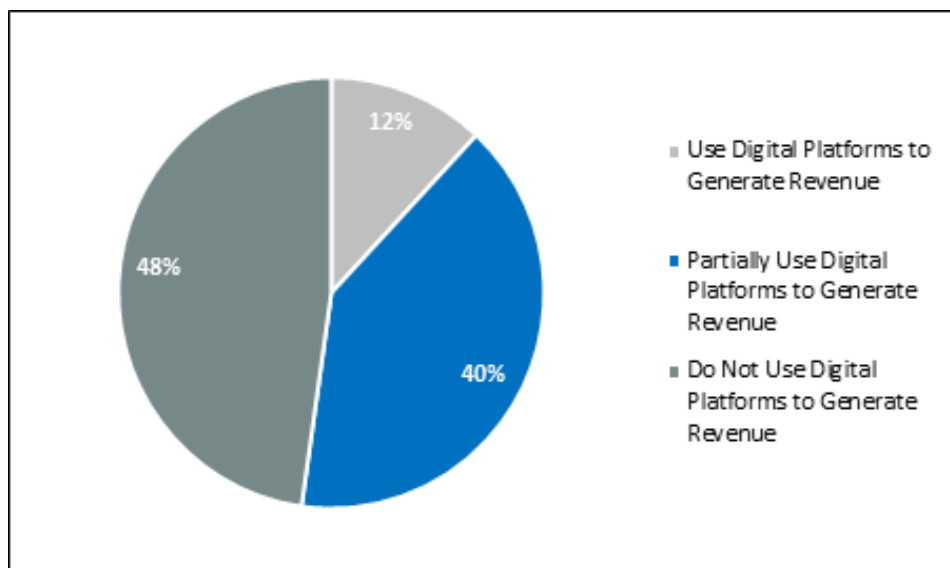
(CSCM Organisation Interview, 2022)

Furthermore, some CSCM organisations noted that they have a presence on satellite television, in addition to streaming on YouTube. These media outlets were also planning to expand to other streaming services.

“Our channel is on different platforms. Our channel is on DSTV, we put some of our news on YouTube, and we have plans to go on other streaming services.”

(CSCM Organisation Interview, 2022)

Despite media organisations being active on these platforms, it was determined that the majority of these organisations (88%) are unable to generate sufficient revenue from these digital platforms, as shown in **Figure 731**. The challenge related to monetising digital platforms is particularly important to note, given the importance of identifying alternate revenue streams for the CSCM sector. The importance of monetising digital platforms is further highlighted by the fact that CSCM organisations cannot rely on their current revenue stream – advertising.

**Figure 731: Proportion of Revenue Generated from Digital Platforms**

It was found from consultations with stakeholders that various reasons were behind these organisations not being able to generate revenue from digital platforms, including a lack of skills and a lack of awareness.

“We are not generating revenue from these platforms because we didn’t know that we can generate money from these platforms, we are from the villages, we don’t know how these things work.”

*(CSCM Organisation Interview, 2022)*

“No, there are no necessary skills. I’ve never heard of success stories where an entity is able to use analytics to capitalise on monetising digital platforms. What our digital coordinator is grappling with is introducing training with the likes of Facebook to teach entities to monetise digital platforms. They aren’t able to capitalise on alternative revenue streams because of that.”

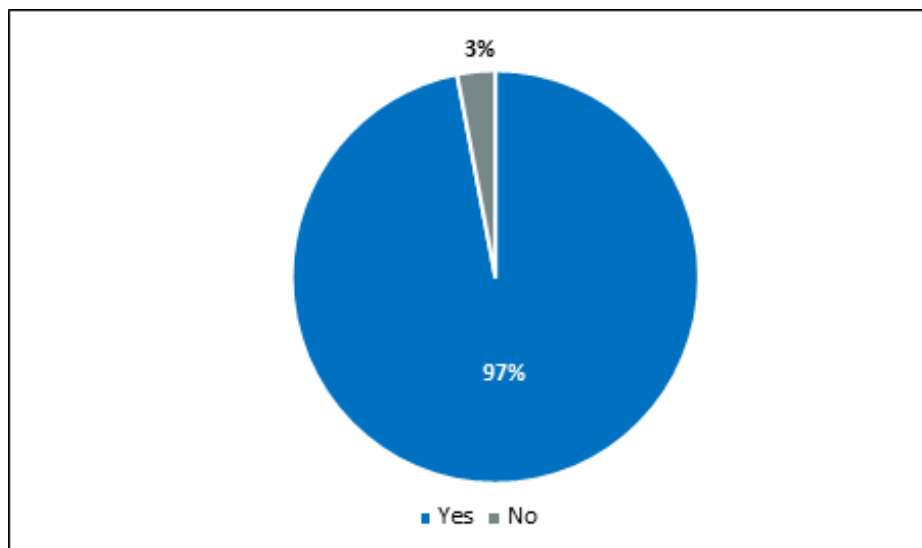
*(MDDA Representative Interview, 2022)*

The findings also highlighted the lack of human capacity as a factor limiting the ability of these organisations to generate revenue from digital platforms. Stakeholders were of the view that attempts to develop and monetise digital platforms would divert human resources from their core responsibilities.

“In our engagements with them, there appears to be an appetite for understanding how to monetise online however, the human resource element of it is just very limited.”

*(MDDA Representative Interview, 2022)*

Given the current landscape, whereby CSCM organisations are not aware of how they can monetise digital platforms to generate revenue, it was important to determine whether CSCM organisations felt they required training in order to understand how to monetise digital platforms. The results shown in **Figure 732** below indicate that the majority of stakeholders (97%) require training in order to effectively utilise digital platforms to generate revenue.

**Figure 732: Proportion of Respondents who Require Training to Generate Revenue from Digital Platforms**

Stakeholders expressed their eagerness to learn how to monetise digital platforms.

“Yes, that is what we are looking for, we want to learn how to monetise these platforms.”

*(CSCM Organisation Interview, 2022)*

The stakeholders further indicated that they always needed more information on the monetisation of digital platforms, as that is the latest trend in growth.

“We always need more information [on monetising digital platforms] because that is where growth is and that is where everything is heading.”

*(CSCM Organisation Interview, 2022)*

Other stakeholders were of the view that continuous training would allow them to remain updated on the latest emerging trends within the digital space. They added that this would also allow them to identify areas in which their approaches may be incorrect and get better direction in this regard.

“Yes. We cannot say we are experts on online newspapers, so you never know. We can always get better insights or better information from someone who has been there, especially on the e-marketing side. We might think we are doing the right things only for someone with a better perspective to give us better direction. We might even find that something we thought was not possible was actually possible.”

*(CSCM Organisation Interview, 2022)*

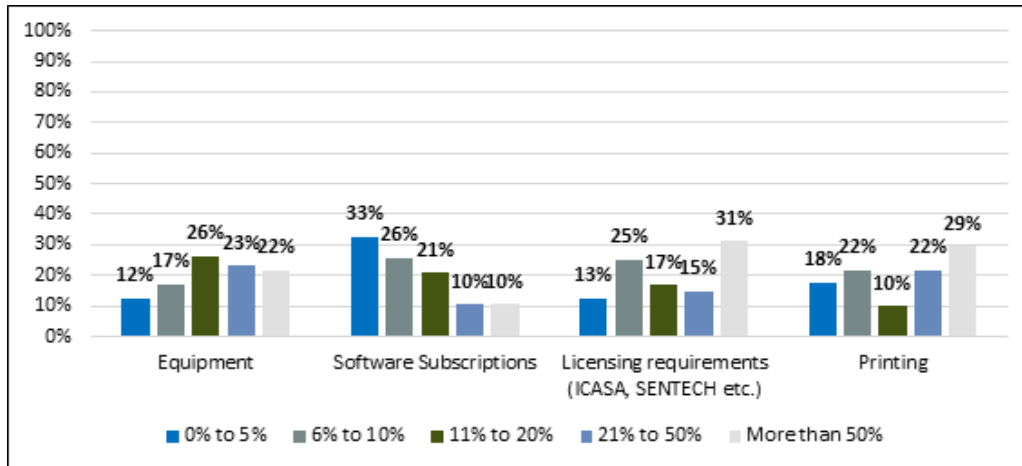
#### **Sustainability Challenges: Lack of Digital Skills**

It was found that the majority of enterprises lacked the skills to generate revenue from social media and online streaming platforms, despite being active on these platforms. Training is, thus, required in order to equip the organisations with the necessary skills.

7.2.4.2 HIGH OPERATING COSTS

One of the main challenges currently facing CSCM organisations relates to the high operating costs faced by these organisations (MDDA, 2020). In order to further understand the main expenses of these organisations, a question was posed to CSCM organisations, requesting them to indicate the breakdown of their expenses. These results are illustrated in **Figure 733** below.

**Figure 733: Breakdown of CSCM Organisation Expenditure**

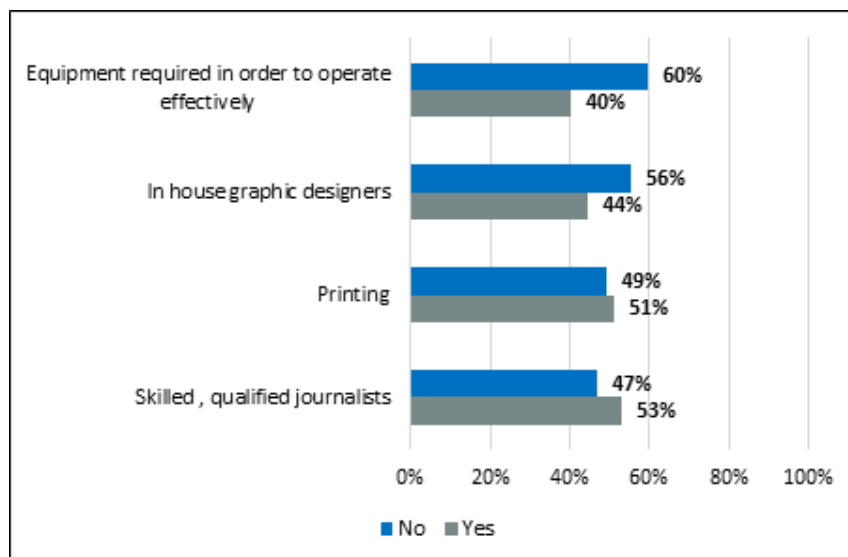


Note: Percentages in the graph above may not add up to 100% due to rounding off

As can be seen in **Figure 733** above, licensing requirements made up the highest proportion of expenses (more than 50%) for 31% of community media organisations. This was followed by printing for community and small commercial print organisations, and equipment.

To further unpack the challenges surrounding the costs faced by CSCM organisations, respondents were requested to indicate whether they were able to afford certain expenses, as illustrated in **Figure 734** below.

**Figure 734: Extent to which CSCM Organisations can Afford Expenses**



Note: Percentages in the graph above may not add up to 100% due to rounding off

It was found that CSCM outlets encountered challenges in being able to afford critical expenses.

The challenge relating to the affordability of operational expenses can be linked to the financial sustainability indicator of the UNESCO Media Viability Indicators, which assess whether media organisations have stable internal finances to ensure that they remain operational. This indicator received low scores for community TV, 11% for community radio and 4% for community and small commercial print.

As can be seen, 47% of outlets could not afford skilled, qualified journalists or personnel, whilst 56% indicated that they could not afford in-house graphic designers. As a result, it emerged that there was high staff turnover, particularly within community radio stations, where experienced personnel would often leave the stations without transferring any skills to the remaining staff.

“...community radio stations cannot afford staff. There is a very high turnover at community media in general. People leave, although they have the knowledge, they do not do skills transfer or educate incoming staff about support from MDDA.”

*(Funders Interview, 2022)*

### **Sustainability Challenges: Inability to Afford Operating Costs**

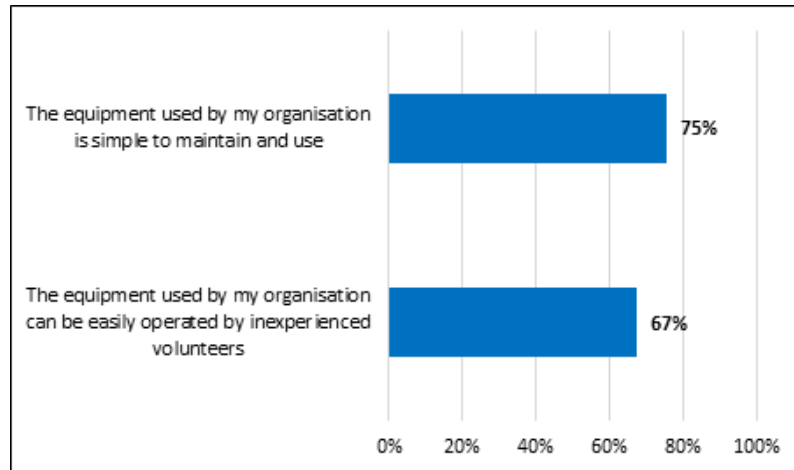
It appears as though CSCM organisations cannot afford to pay key expenses which are critical to their operations, such as printing and staff salaries. For example, it was found that some print media organisations could not afford printing costs and often only published when they had accumulated enough funds to do so.

Furthermore 60% of organisations indicated that they were unable to afford the equipment required to operate effectively. This challenge was confirmed through initial consultations, where it was noted that community radio organisations often lack suitable equipment to broadcast effectively.

“[In terms of challenges with equipment] if you go to some community radio stations, they do not have air conditioners to cool down the computers, which means that computers get overheated. This affects your output, meaning that the quality of your broadcast is affected. There is also an issue with maintenance. These stations cannot afford to maintain their equipment.”

*(Industry Body Interview, 2022)*

This is particularly concerning given that one of the most significant differences between the technical requirements of community radio when compared to the commercial sector is the unique stress that the equipment is under. For example, a commercial radio station may use a studio and equipment for a limited time, usually around 6 to 9 hours per day. A community radio station, however, would require the studio and equipment for close to 24 hours. With different individuals operating the equipment, often with varying degrees of technical skill, the added wear and tear will impact on the quality of the equipment (NAB, 2019). This increases the need for equipment maintenance, and highlights the importance of other factors, such as the ease with which the equipment used by CSCM organisations can be operated. It is therefore important to understand whether the equipment currently used by CSCM organisations can be easily maintained, as well as whether the equipment can be operated by individuals with limited skills, such as inexperienced volunteers. As such, CSCM organisations were posed a question that aimed to source this input. As can be seen in **Figure 735** below, the current view of the majority of organisations in the CSCM sector is that the equipment used is simple to maintain and use and can be easily operated by inexperienced volunteers.

**Figure 735: CSCM Organisation Equipment – Ease of Use**

While it is a positive that equipment is simple to maintain, and that equipment can be easily operated by volunteers, which reduces the amount of maintenance that the equipment requires (given that there is less likelihood of damaging said equipment), the challenges with regard to high operating costs are still prevalent, given that said equipment still requires maintenance, which comes at a cost. The ability to afford maintenance of said equipment is, therefore, critical. The issue relating to the affordability of equipment maintenance is discussed in further detail in Section 7.2.4.5.

#### 7.2.4.3 LACK OF KEY SKILLS

From an organisational perspective, it is critical that a particular organisation has access to the relevant skills in order to operate effectively. In the context of a CSCM organisation for example, these critical skills would most likely include journalism skills, business management skills, financial management skills, research skills and technical skills, amongst others. While it is important that CSCM organisations have most of the abovementioned skills, the current CSCM landscape indicates that this is not always the case, with many CSCM organisations highlighting skills gaps that exist within their organisations.

The issues relating to skills and skills development directly link to **Pillar 3** of the MDDA Sustainability Model, which concerns content generation and professionalising the sector through skills and capacity.

The key skills shortages within CSCM organisations can be seen in **Figure 736** below. As shown below, the main skills shortages are related to data analysis and marketing skills, with 57% of respondents indicating that they are lacking these skills.

**Figure 736: Skills Gaps within CSCM Organisations**

In addition to data analysis and marketing skills, it was established that many CSCM organisations do not have the adequate business or financial management skills to function effectively from an organisational perspective. This is a key issue as individuals who decide to start a CSCM organisation, are often of the view that only journalism skills are required in order to be successful. This view is ignorant of the other, broader elements required for effective organisational functioning such as having the necessary business management skills. This view was corroborated by funders within the CSCM sector, who highlighted that many CSCM organisations do not have the adequate business acumen in order to be successful.

“My perception is that publishers lack business acumen, and they are not skilled to run business. [Running a business] is different from being a journalist.”

*(CSCM Funder Interview, 2022)*

Furthermore, critical skills such as financial literacy, marketing, management and leadership skills are lacking, in addition to a lack of digital skills (i.e., computer literacy and technical skills). This was confirmed in consultations with industry bodies.

“[The key skills] that I think [are needed] are sustainability skills, [which are critical], so [in other words], skills related to finances, management skills, compliance skills are all important. And then you also need digital skills as well.”

*(Industry Body Interview, 2022)*

#### **Sustainability Challenge: Lack of Key Skills**

Key skills related to business management and the skills required to ensure the effective and sustainable organisational functioning appear to be lacking. This includes skills relating to financial management, marketing skills, digital skills, and leadership and management skills.

Furthermore, important skills, such as market research and data analysis skills, are also lacking. This is exacerbated by the fact that these organisations often cannot afford to outsource these skills, given their financial constraints.



“When it comes to data analytics, we do not use that. I have been in some training that has included marketing before, but we do not have money to afford data analytic service providers.”

*(CSCM Organisation Interview, 2022)*

Other organisations reiterated this sentiment, indicating that they are unable to afford the costs of outsourcing market research services.

“Due to our financial constraints, we cannot hire a market research company to do any work for us.”

*(CSCM Organisation Interview, 2022)*

Journalism skills also emerged as a skills gap from consultations, with 46% of stakeholders indicating that there is a lack of journalism skills within their organisations. Some stakeholders indicated that, while they do conduct their own investigative journalism, this was often to a limited extent as they required the relevant skills.

“But for daily activities and investigative journalism and such, where research must be done, we try to do that, but to a limited extent. If there is a service provider as well who can intervene with those skills training provisions, it will be appreciated as well because research is a critical and essential component in the media sector.”

*(CSCM Organisation Focus Group, 2022)*

The challenge relating to a lack of journalism skills can be linked to the journalism expertise indicator of the UNESCO Media Viability Indicators, which assesses whether media organisations have professionally educated and trained journalists in order to be considered viable. This indicator received a score of 38% for community radio.

#### **Sustainability Challenge: Lack of Market Research and Data Analysis Skills**

CSCM organisations do not have the skills to conduct effective market research and the subsequent analysis of said research. In the absence of these skills, these organisations also do not have the financial means to outsource these services. This is a concern as access to market research, as well as the ability to interpret said research, is a key component of attracting advertisers.

In addition to a lack of journalism skills, other critical skills, such as sales skills, are lacking. These skills shortages could be due to multiple reasons. Some organisations indicated that a lack of finances limited their organisations’ ability to recruit a skilled sales team, which is a critical function of a media organisation, given the importance of a sales function with regard to attracting advertisers.

“It is difficult to attract advertisers because we need more trained staff who are specifically focusing on business development, advertising, and sales. Our budget does not include advertising and sales staff, so we end up taking on those responsibilities ourselves, where it would be best to have a dedicated staff for that.”

*(CSCM Organisation Interview, 2022)*

### **Sustainability Challenge: Financial Constraints**

Key skills shortages, such as those relating to sales and marketing, appear to be the result of a lack of adequate finances. Many community media organisations noted that they do not have the financial resources to hire dedicated sales staff, thus limiting their ability to attract advertisers.

Other organisations reiterated this concern, indicating that it is difficult to attract advertisers due to a lack of skilled sales staff.

In order to address the challenge whereby CSCM organisations do not have adequate financial resources to hire dedicated sales and marketing staff with the relevant expertise, skills that are critical for the effective functioning of any media organisation, the MDDA may consider ring-fencing funds in future grants in order to ensure that CSCM organisations have the ability to hire individuals that have these key skills

Another potential solution to the shortage of skills within CSCM organisations is the establishment of Shared Service Centres or hubs, similar to the NCRF provincial hubs, or, in the print space, similar to the provincial co-operatives formed by the AIP. Alternatively, it may prove to be more feasible to equip the NCRF provincial hubs or AIP co-operatives with the resources to provide a similar form of support. These hubs may form a key part of a broader 'shared services' model. In essence, it is proposed that, in a case whereby a particular CSCM organisation needs particular skills that it does not have access to, the CSCM organisations will have the opportunity to approach the hub and submit a request for these skills to be made available, either from another CSCM organisation who has said skills or through the hiring of a service provider who can provide the particular skills required. This proposed approach may also be an effective method to address the challenges related to the absence of core functions such as sales and marketing – which is primarily caused by a lack of key skills related to these functions. Thus, through this shared services hub, CSCM organisations who do not have access to particular skills within their organisation will be able to access said skills through other means, which may subsequently lead to more effective functions.

While this may prove to be effective in addressing the skills shortages related to specific key functions, such as sales and marketing, it is important to note that the inability to afford skilled staff expands beyond the sales and marketing functions and relates to other organisational functions. As a result of organisations being unable to afford skilled staff CSCM organisations need to rely on volunteers to form part of their human resources. In order to operate effectively, these organisations need to ensure that volunteers are equipped with the adequate skills to be effective within the media organisation, and, therefore, often have to train and capacitate these volunteers. However, once these volunteers are equipped with the relevant skills, the community media organisation is in a position whereby they cannot afford to pay a skilled individual at the rate that said skill commands.

“We work with volunteers, and most of them do not want to stay with our station because of the situation in South Africa. A person who is well equipped to handle the marketing department for example will find it hard to stay with us because of the financial issues we are facing, we cannot pay them. We have a very high turnover rate as a result.”

*(CSCM Organisation Interview, 2022)*

CSCM organisations are thus in a unique position whereby they have to consistently train and develop volunteers, and simultaneously deal with replacing these volunteers once they become equipped with the adequate skills. As a result of this, staff turnover within the CSCM sector is consistently high, which, to an extent, feeds into advertisers' perception that organisations within the sector are 'unstable', as discussed in Section 7.2.1 above. Furthermore, the high turnover rate is indicative of a broader, often financial, challenge that the sector has with regard to the retention of skilled staff. This is particularly concerning from a viability perspective, especially when considering that the ability to retain skilled staff is a key indicator as per the UNESCO Media Viability Indicators.

“With this sector, in most cases we are unable to retain qualified people because of the issue of salary. We are currently conducting interviews, and the main issue is salary.”

*(CSCM Organisation Interview, 2022)*

This perceived instability, as well as the inability to retain staff, has an impact on the image of the sector, specifically with regard to professionalism. This, in turn, impacts other crucial aspects related to the effective functioning of these organisations, such as their ability to attract advertisers.

“I think the professionalism of the sector is affected by the high staff turnover, which is [as a result of] the volunteer model. Every person that comes in, training providers have to retrain continuously, [and also] people who leave do not often do a skills transfer. So, you find that people who take over lack skills, and this affects the image of the sector within the business community that is expected to advertise with the station.”

While it is noted that there are some challenges, particularly in terms of the impact that high turnover of staff has on the image of a particular organisation, the overall view regarding the high levels of turnover from the sector is not solely a negative one, with some organisations noting that they value the role that CSCM organisations play in skills development.

“People get skills at a community medium, then they move on to greener pastures. We need to look at how we recruit staff, we usually get unemployed people with no skills. So how can we complain after developing someone. If someone has to move on, it’s a good thing because it means we have capacitated the person.”

*(CSCM Organisation Interview, 2022)*

Other organisations echoed this sentiment, indicating that while losing skilled personnel does impact on the sustainability of the organisation, capacitating volunteers is a key part of empowering the community. The organisation also highlighted the influence of financial factors.

“Losing skilled people does negatively impact our sustainability, but it’s part of empowering the community. It is also a matter of wages, the wages paid in the sector do not satisfy people.”

*(CSCM Organisation Interview, 2022)*

**Sustainability Challenges: High Staff Turnover**

- The high rate of staff turnover is a challenge within the CSCM sector, due to the usage of a ‘volunteer model’. The use of this model can often contribute to the perception that the sector is not stable, which affects organisations’ ability to attract advertisers. Despite the challenges that come with the use of a volunteer model by the sector, there are some organisations who value the role that the CSCM sector plays with regard to skills development. Key is therefore, for these organisations to manage the impact that high staff turnover has in a manner that does not replace the volunteer model entirely.
- Financial challenges, specifically an inability to pay salaries, often means that CSCM organisations are unable to retain skilled staff, which causes skills gaps in the organisation. The inability to retain skilled staff is further exacerbated by the fact that CSCM organisations often have to engage in continuous development and training, given that departing skilled staff often do not transfer their skills to incoming volunteers. This creates a situation whereby CSCM organisations have to continuously train and replace employees, which feeds into the perception that community media organisations are unstable, and also impacts on the platforms ability to attract advertisers.

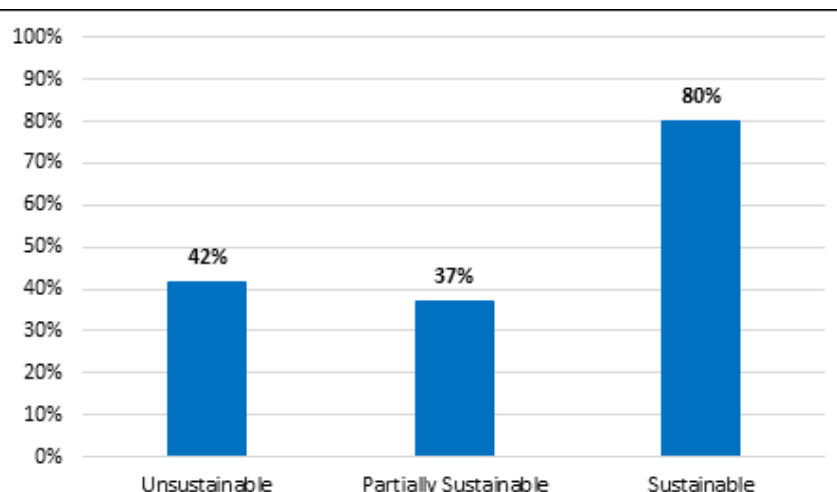
Challenges related to high staff turnover, that many CSCM organisations appear to face, highlight the critical need for planning skills, particularly as it relates to succession planning. It was noted, however, that these planning skills were also identified as a challenge in the sector, with representatives from industry bodies noting that many organisations within the sector are operating on a month-to-month basis.

“There seems to be a big issue with planning [within the sector]. It seems that many community stations are working month to month on a survival basis rather than planning long term. There are no development or succession plans, or even plans on programming. This lack of planning is especially within the smaller stations.”

*(Industry Body Interview, 2022)*

In order to unpack the importance of having succession plans in place, a lower-level analysis was conducted which sought to determine whether CSCM organisations who indicated that they were sustainable had these plans in place. The rationale behind this analysis was to understand whether having succession plans in place may be linked to the sustainability of a particular CSCM organisation. As **Figure 737** below shows, 80% of CSCM organisations who indicated that their organisation is sustainable have succession plans in place. This is contrary to the 42% of unsustainable organisations that indicated that they have successions plans in place.

**Figure 737: Percentage of CSCM Organisations that have Succession Plans in Place per Sustainability Level**



**Sustainability Challenge: Lack of Succession Planning**

There appears to be a lack of skills related to succession planning, which is of critical importance, as illustrated by the 80% of sustainable organisations who indicated that they have succession plans in place.

This challenge related to the lack of planning skills can be linked to the business expertise indicator of the UNESCO Media Viability Indicators, which assesses whether media organisations have the expertise to be strategically and financially viable. This indicator received a low score for community TV.

Given that the inability to retain skilled employees, high levels of staff turnover and lack of succession planning skills are contributing to the perception that the CSCM sector is unstable, it is important that efforts are made to manage the disruptions caused by these factors. The implementation of a structured recruitment process may assist in managing this disruption, as it will ensure that organisations have measures in place to regulate high staff turnover, and ensure that the organisation has adequate human resources, despite frequent employee departures. For example, this could be in the form of a basic employment contract with a notice period, which departing employees will be required to serve before departing, thereby giving the CSCM organisation time to find a replacement and, potentially, induct the new employee in terms of their new role and responsibilities.

Another method that may be used by CSCM organisations to combat the challenges related to high staff turnover is to design training programmes that align with the goals of the organisation so that staff members can see a clear progression pathway within the organisation, thereby reducing the likelihood of staff members leaving. Having noted this, it may prove useful to note the best practices for training and developing staff in the NPO context. Best practice research indicates the following (Mission Box, 2020):

- The training offered by the NPO needs to align with and support the goals of the organisation. This would require alignment between the learning outcomes of a particular training programme and the goals of the organisation.
- Volunteer training needs to be linked to well defined and clearly articulated job descriptions and work processes. This is to ensure that volunteers are trained to fulfil specific organisational functions and will ensure that the success of any given training exercise can be measured against the clearly defined job description and/or work process.
- NPOs need to 'train to engage'; which essentially means that NPOs should vary the type of training offered to volunteers. While instructor led training works for certain skills, other skills are best transferred or gained through on-the-job experience.
- NPOs should also have career paths and ladders that are accessible to staff members, so as to encourage and incentivise training and development within the organisation. This may involve encouraging employees to enhance their current skills and knowledge in preparation for promotions and or transfers to new positions within the organisation.

CSCM organisations may look to learn from the abovementioned NPO training and development best practices, in order to ensure that their internal training initiatives are as effective as possible, and staff are aware of the career paths available to them.

In addition to the above, in order to reduce the need for continuous training, it is proposed that CSCM organisations ensure that skills transfer becomes a key part of the manner in which they approach training and development. CSCM organisations should have mechanisms in place to ensure that if a particular employee participates in a skills initiative, this employee prioritises transferring these skills to other individuals within the organisation that do not have said skills. This could potentially be done through internal mentorship programmes, implemented by the CSCM organisation.

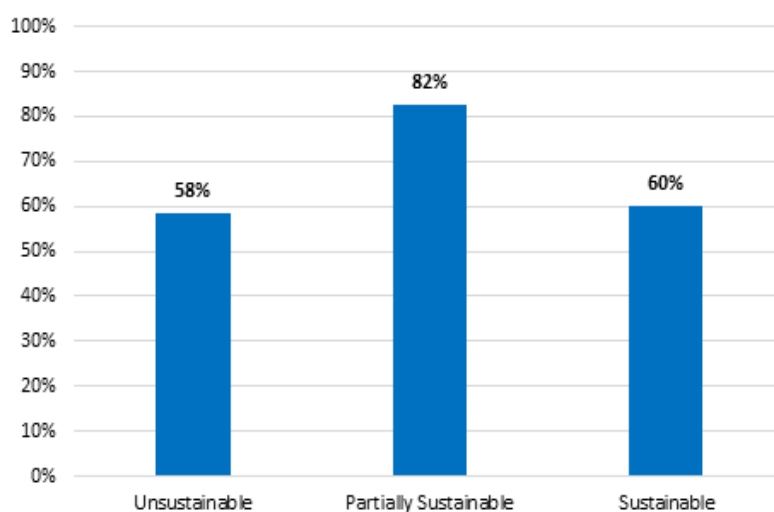
#### 7.2.4.4 INADEQUATE GOVERNANCE OF CSCM ORGANISATIONS

In an organisational context, governance refers to the system by which an organisation is controlled and operates, and the mechanisms by which it holds individuals within the organisation accountable. Governance encompasses critical aspects of effective organisational functioning such as ethics, risk management,

compliance and administration (GIA, 2022). Governance generally involves a set of relationships between an organisation's management, its board, shareholders and other stakeholders (GIA, 2022). In the context of the CSCM sector, CSCM organisations are generally community owned. This means that a CSCM organisation should be overseen by a board of directors, elected by the community (Kruger, 2015). The success of the CSCM organisation is thus dependent on how functional and effective the community elected board of directors of said organisation is.

As mentioned above, compliance is a key part of governance. Ensuring that organisations within the sector are compliant is of critical importance to the sustainability of the sector, particularly from a financial perspective, as this is often a prerequisite to receiving government advertising or applying for most forms of support or funding. As can be seen in **Figure 738** below, the majority of CSCM organisations across varying levels of sustainability are compliant with all of the necessary regulations.

**Figure 738: Percentage of CSCM Organisations that are Compliant with All Necessary Regulations**



Understanding compliance through the lens of the sustainability levels of CSCM organisations is useful as it helps to understand whether a lack of compliance may be linked to a lack of sustainability. In other words, if most unsustainable organisations indicated that they are not compliant, then it can be argued that compliance is one of the factors that is contributing to this unsustainability. However, as the figure shows, the majority of CSCM organisations appear to be compliant. Despite this, ICASA has noted that there are significant compliance challenges within the CSCM sector. According to ICASA, some of the most significant compliance challenges associated with the CSCM sector relate to governance (NAB, 2019).

The issues relating to governance directly link to **Pillar 2** of the MDDA Sustainability Model, which concerns corporate governance and compliance and its impact on sustainability. As such, it is of critical importance that the challenges relating to corporate governance and compliance are well defined and understood.

ICASA notes that the CSCM sector faces compliance issues such as the lack of separation between board and management, political interference (e.g., politically affiliated individuals forming part of the boards of community radio stations – despite being prohibited by legislation), poor financial management, a lack of balance between commercial versus community interest, infrequent hosting of annual general meetings (“AGMs”) and issues with the processes related to the election of board members (NAB, 2019).

These issues relating to governance were somewhat corroborated by qualitative consultations, with stakeholders noting issues such as a lack of understanding by CSCM organisations of compliance requirements, challenges with the processes followed to elect board members, a lack of training at board level, challenges relating to nepotism (i.e. individuals without the adequate expertise being elected into positions within CSCM organisations), political influences impacting the board election process, as well as instances whereby individuals without the relevant knowledge of the CSCM sector are elected onto the



board. These challenges are discussed further below.

A lack of understanding by CSCM organisation of compliance regulations was cited in initial consultations with industry bodies.

*“What we have noticed is that when people apply for an NPO certificate, they do not understand the compliance requirements. They are not aware that they need to host an AGM for example. Another issue is that they do not know how to run an AGM. You cannot allow anyone to join an AGM, but it does happen. At the board level, there are some people who do not want to get voted out – they want to remain in power.”*

*(Industry Body Interview, 2022)*

Additionally, certain industry bodies noted that the current model of constituting boards contributed to poor governance structures, as the model allows for the electing of individuals who do not have adequate leadership or governance-related skills and/or capacity to hold such positions (NAB, 2019). This was confirmed in qualitative consultations with MDDA representatives, who indicated that the boards of CSCM organisations often lack understanding of their role, specifically with regard to resource mobilisation.

*“Areas where capacity building is required is on governance and understanding governance. What is the role of a journalist or the role of the board? Board members are getting involved in day-to-day activities, rather than provide direction. Board [members] do not understand the role of resource mobilisation.”*

*(MDDA Representative Interview, 2022)*

The representative from the MDDA also noted the importance of training related to governance and resource mobilisation, while also highlighting the importance of training focused on interacting and building relationships with funders. The importance of having adequate management expertise, beyond journalism skills, was also highlighted.

*“MDDA could provide training in governance and resource mobilisation. [Training could include] how do I approach funders; how do I interact with funders and build a relationship? With community media organisations, people [may] understand journalism but very few understand the management and sustainability [aspects of the organisations].”*

*(MDDA Representative Interview, 2022)*

Representatives of organisations from the CSCM sector further supported the need for training and development at the board level.

*“Our governance structure is okay. The board is okay, they just need to be more capacitated. Most of the board members probably require some training and development.”*

*(CSCM Organisation Interview, 2022)*

Other representatives noted challenges with board members not considering CSCM organisations as community owned entities, but rather viewing these organisations as their own personal property.

*“The success of the station lies in governance. People who [are on the board] tend to take them as their own property, the board needs to understand their role.”*

*(CSCM Organisation Interview, 2022)*



This representative also noted challenges with nepotism, whereby board members appeared to recruit people based on their relationship with individuals, rather than considering the interests of the station. It was also highlighted that such practices are still continuing despite board members being inducted according to the standard procedures.

“The board tends to recruit people close to them. The people they recruit [often] do not understand their jobs. I do not know what education is needed as they undergo induction when they are first voted in. The induction is facilitated by an external partner, but they come back, and they do not implement what they have learned.”

*(CSCM Organisation Interview, 2022)*

Further to the above, it was noted that political factors appear to influence the board election process, a process which is seen as a critical tool to ensure that the community organisation is representative of the community.

“In addition to lack of skills, the board is voted in by the community and the votes work [according to] numbers. When you have more numbers, you win the votes. But that creates another challenge in a lack of skills – people have the numbers [in terms of votes] but not the skills. When votes are based [purely] on numbers then the results are that you will have unskilled people becoming board members.”

*(CSCM Organisation Interview, 2022)*

Representatives from other organisations cited similar concerns, labelling the process of electing the board as being ‘haphazard’, and indicating that there is need for stronger monitoring of the governance in the CSCM sector.

“The board needs to understand the nature of the business as well as the regulatory environment. The appointment of the board happens haphazardly because of the stations’ situation. We need a uniform approach of how to appoint boards, and it should be monitored by the authorities to see if the board is functional; the current monitoring is not effective.”

*(CSCM Organisation Interview, 2022)*

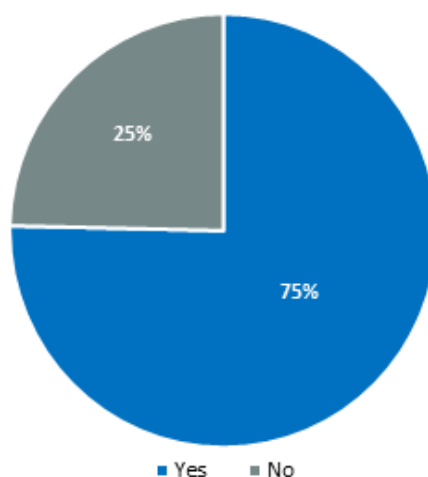
#### **Sustainability Challenges: Knowledge of Compliance Requirements and Governance Structures**

- There appears to be instances whereby certain CSCM organisations do not understand the compliance requirements that are attached to being classified as a non-profit entity, such as the hosting of an AGM.
- There appears to be a need for training with regard to the role and functions of the board. Specifically, training is required for aspects relating to resource mobilisation and effective governance.
- It was noted that there appears to be a challenge regarding how boards are constituted, given that there are no mechanisms in place to ensure that individuals with the correct expertise are elected to position on the board of a particular organisation. The current process of electing board members appears to be prone to nepotism as well as political factors, which seem to influence board member elections, resulting in individuals being voted into positions of power based on popularity as opposed to their skills.

Currently, it appears as though most CSCM organisations do not have the relevant verification mechanisms in place to ensure that individuals elected to the board have the necessary expertise. As a result of this, board members are appointed without the relevant expertise. This leads to poor management of CSCM organisations, given that the board often appoints a management team, and often results in issues relating to financial management and the lack of adequate and relevant content aligned to the concerns of the local community (NAB, 2019). Further issues related to governance were highlighted as being a concern in

a recent report published by the MDDA (2021). The report, which was an annual assessment of the MDDA's funded projects, found that leadership, management, and governance challenges impact on the sustainability of the CSCM sector. For example, it was found that of the monitored CSCM projects in 2020/2021, at least 30 projects experienced governance challenges such as conflict between management and board members (MDDA, 2021). This conflict between board and management may be due to multiple reasons. For example, CSCM organisations may not have the relevant management expertise within their organisations, and as such, there is conflict between management and the board. Alternatively, it may be as a result of the board of CSCM organisations being improperly elected, resulting in individuals without the adequate sector expertise being elected to positions on the board. As **Figure 739** below shows, 75% of CSCM organisations indicated that their management team has adequate experience, which perhaps indicates that the challenges related to governance may be more as a result of improper formation of the board, as opposed to a lack of experience at management level.

**Figure 739: Does the Management of your Organisation have Adequate Experience?**



Representatives from CSCM organisations cited issues where board members display a lack of understanding of the broader CSCM sector, indicating that board members often do not understand the need for training and development within the organisation, leading to conflict between the board and management. This may also indicate that the abovementioned board members are not qualified to undertake the roles they are in.

“The board is not willing to take advice from management. They are not informed about this sector. If we propose to pay for staff to go to training, they will object to that and ask why the trainer is not giving us funds instead. They need to be educated on how station governance works.”

*(CSCM Organisation Interview, 2022)*

The issue of the board not understanding the broader CSCM sector is particularly concerning, as it might result in cases whereby even an effective management team may be hindered by an ineffective board structure.

While the majority of CSCM organisations cited challenges with governance, such as conflict between the board and management, there were some organisations who indicated that they have a successful working relationship with their board, due to the existence of mechanisms which regulate board member behaviour.

“I know that community radio stations experience problems, but we have quarterly reports submitted by the station management to the board. We have protocols in place to eliminate room for people to do as they please and to ensure that there is proper governance structure in place.”

*(CSCM Organisation Interview, 2022)*

**Positive Practice: Governance Protocols**

Organisations who have effective relationships with their board noted that they have mechanisms and protocols in place to prevent abuse of power from board members.

As mentioned above, addressing the issues relating to a lack of compliance in the CSCM sector is of critical importance, as the lack of compliance often has negative implications for the sustainability of the sector as a whole. One of the most significant challenges that occurs as a result of a lack of compliance is the fact that it limits the ability of a particular CSCM organisation to apply for financial assistance from either the MDDA or an alternative source, such as the government. Furthermore, a lack of compliance could prevent businesses from using CSCM organisations as vehicles to advertise their products and services, which has a negative impact on the CSCM's ability to generate revenue (NAB, 2019).

The challenge relating to governance and, more specifically, the challenges relating to the composition of the board can be linked to the business structure indicator of the UNESCO Media Viability Indicators. The indicator relating to media organisations having adequate business structures in order to be viable

**Sustainability Challenges: Board Structure and Governance**

- Board members appear to lack the required knowledge of the media industry, resulting in instances where, due to a lack of understanding, board members disagree with the management team of community media organisations over critical aspects related to the effective organisational functioning, such as the training of employees.
- There is a need for more effective monitoring processes with regard to various aspects of effective governance, particularly with regard to the composition and effective functioning of the board. It appears as though currently, the approach to constituting boards is not consistent, and the composition of the board is done in a haphazard manner and is not effectively regulated.

In order to address the challenges related to governance in the CSCM sector, it is proposed that regulatory bodies, such as ICASA or the Press Council, ensure that there is a standardised process for the election of boards, which ensures that individuals with the right expertise are voted in. This may be done by introducing eligibility criteria which indicate which individuals within a particular community can form part of the board of a particular CSCM organisation. In order to ensure that this measure does not impact the nature of CSCM organisations, in which it is critical that the organisation is owned and controlled by the community, it may be useful to stipulate that a certain percentage of potential board members need to meet the specific criteria, as opposed to the entire board. While it is important that the board of CSCM organisations is reflective of the community that it serves, it is equally important that the board provides relevant guidance to the organisation. Furthermore, it is important that incoming board members understand the nature of the CSCM sector, in order to provide adequate guidance.

Another potential strategy to address governance related challenges may be for the MDDA to consider hosting regular governance workshops with CSCM organisations, aimed at disseminating information regarding governance best practices and the effective functioning of the board. These workshops should be compulsory for a specified number of board members from CSCM organisations to attend. In order to ensure attendance at these workshops, it may prove useful for the MDDA to incorporate attendance as a compulsory grant requirement, and ensure that sufficient notice is provided.

**7.2.4.5 CHALLENGES RELATED TO TECHNOLOGY**

Technology in media refers to any hardware, software or tool used to create, compose, produce, deliver and manage media (Spacey, 2019). This media may include, but is not limited to, audio, video, images, and information, which, in the context of the CSCM sector, constitutes the content of CSCM organisations.

Technology, thus, plays an important role in the daily operations of any media organisation as it allows the media organisations to process and disseminate content to audiences quicker. It is integral for the sustainability of CSCM organisations that they remain abreast of technological developments as this will ensure that the organisations are consistently able to deliver content to their audiences.

One of the most significant ‘threats’ to sustainability can be attributed to the rapid convergence of technology that has occurred as a result of increased access to internet (NAB, 2019). This has ultimately resulted in reduced advertising spend and a gradual shift away from traditional community broadcasting.

While the rapid development of technology enables new platforms, and presents possible opportunities for the CSCM sector, it is important to note that the rise of technology also presents the sector with a variety of challenges, for example (NAB, 2019):

- The rise of technology and diverse platforms can lead to the fragmentation of audiences and increased competition for listeners;
- Globally, advertising is shifting from traditional media such as print, radio, and television, to online platforms such as Facebook, Amazon and Google.

The issue relating to the effective use of technology directly links to **Pillar 1** of the MDDA Sustainability Model, which concerns technology, digital innovation and signal distribution and the impact this has on the sustainability of CSCM organisations.

The rapid development of technology and addressing the challenges associated with these developments has been noted by the MDDA as being a key area of focus, as per the latest Annual Performance Plan (“APP”) (MDDA, 2021). However, the MDDA recognises that the challenge is not technology itself, but rather, considering how to harness the advantages of the digital era while simultaneously lessening the impact of what is termed the ‘digital dividend’, in which a large portion of CSCM organisations are not situated in communities that have the ability to afford data costs, or have adequate technological infrastructure to allow CSCM organisations to migrate to digital platforms and experience the associated benefits. Having noted this, the MDDA has attempted to ensure that CSCM organisations have access to the latest equipment, which, to an extent, assists CSCM organisation keep abreast with new developments, specifically in terms of equipment. This was further noted in stakeholder consultations.

“We have just received funding for the year 2022 for the equipment studio update.”

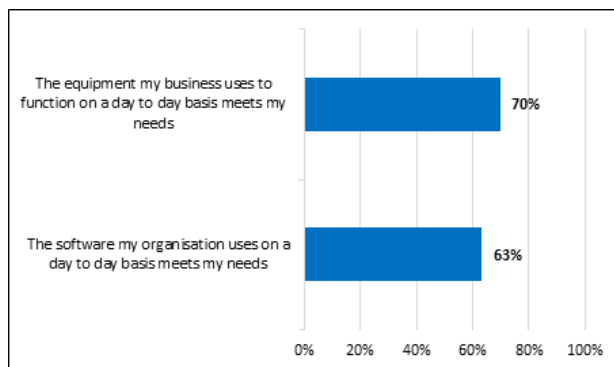
*(CSCM Focus Group, 2022)*

“The MDDA gave us funding for operations and equipment.”

*(CSCM Focus Group, 2022)*

While it can be seen that the MDDA has invested in attempting to assist organisations keep up with the developments in technology, it is important that the impact of this investment on CSCM organisations is assessed. Additionally, while providing CSCM organisations with equipment is important in terms of ensuring that these organisations are keeping abreast with the rapid development of technology, it is equally important that the equipment provided meets the needs of the CSCM organisations. As such, respondents from CSCM organisations were requested to indicate whether the equipment and software their organisations currently use to function on a day-to-day basis meet the needs of their organisations. The results are illustrated in **Figure 740** below.

**Figure 740: Extent to Which Available Equipment and Software Meet the Needs of CSCM Organisations**

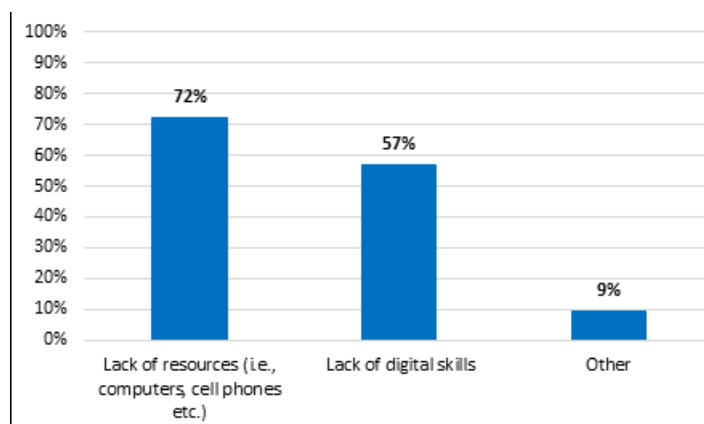


As can be seen in **Figure 740** above, 70% of respondents indicated that the equipment used by their organisation meets their organisations’ needs. This view was corroborated by stakeholders.

“Yes, it met our expectations, we really needed the studios. As we are talking, we have two state studios.”  
 (CSCM Focus Group, 2022)

However, while the majority of CSCM organisations indicated that the equipment used by their organisation meets their organisation’s needs, it also emerged from stakeholder consultations that some CSCM organisations still lack the necessary resources required in order to effectively adopt the use of the latest technology, as shown in **Figure 741** below.

**Figure 741: Challenges Faced when using Technology**



*Note: Percentages in the above graph may add up to more than 100% because respondents were allowed to select more than one option*

It was found that the lack of adoption of technology within CSCM organisations may be attributed to a lack of infrastructure and resources to access the internet.

“But like I said, the problem is that we do not have infrastructure or resources for internet accessibility.”  
 (CSCM Focus Group, 2022)

Lack of financial means was found to be another factor resulting in a lack of resources for CSCM organisations as the media organisations could not afford to budget for the acquisition of digital equipment that would allow them to keep up with the rapid technological advancement. This view was corroborated by stakeholders during consultations.

“Lack of budget means we cannot afford digital cameras for photography or video shoots.”

(CSCM Organisation Survey, 2022)

While certain stakeholders had challenges with resources for technological advancements, others had the necessary equipment for the adoption of technology but were hindered by limitations within their communities instead, as well as the inability to maintain said equipment. It was found that limited network infrastructure in some areas, in addition to the inability to maintain equipment, prevented CSCM organisations from effectively utilising their equipment, thus preventing their adoption of technology.

“We have state of the art equipment, but we do not have the means to maintain ourselves and to maintain the equipment. There are major issues of infrastructure - there is no network and internet infrastructure in the area, so that is also an issue...”

(CSCM Focus Group, 2022)

The challenge relating to equipment maintenance can be linked to the digital expertise indicator within the Technology Dimension of the UNESCO Media Viability Indicators. The indicator relating to media organisations having adequate digital expertise in order to be viable received a low score for community TV, 42% for community radio and 45% for community and small commercial print.

#### **Sustainability Challenge: Technological Limitations**

It was found that community media organisations could not keep up with the rapid development in technology. One of the reasons for this was a lack of infrastructure in these organisations, owing to

#### **Sustainability Challenge: Technological Limitations**

It was found that community media organisations could not keep up with the rapid development in technology. One of the reasons for this was a lack of infrastructure in these organisations, owing to limited funds.

### **7.2.5 ENABLING ENVIRONMENT RELATED CHALLENGES**

The enabling environment outlines the key stakeholders that influence the organisations’ ability to function effectively. This component also includes broader factors that may impact on the effective functioning of a particular media organisation, such as the economic context of the country, political factors, as well as the relationship between the media organisation and the community.

In the context of a broadcast organisation, this includes service providers (e.g., internet services, signal distribution service providers such as SENTECH etc.); as well as regulatory bodies in the broader environment (e.g., ICASA, SAMRO). Similarly, in the context of a print organisation, this includes service providers (e.g., internet services, advertising agencies, freelancers, printing service providers etc.); as well as industry bodies in the broader environment (e.g., SANEF, AIP, press council etc.).

As outlined above, ICASA is a key stakeholder in the enabling environment of broadcast media organisations and is the body responsible for regulating the telecommunications, broadcasting, and postal industry in South Africa (ICASA, 2000). As such, ICASA is the body responsible for assessing the levels of compliance in the CSCM sector. This is rightly seen as a critical role in terms of ensuring that organisations within the sector are complying with the laws and regulations imposed on them. It was noted, however, in qualitative consultations with representatives from CSCM organisations that regulatory bodies, such as ICASA, need to adopt a more hands-on approach to compliance.



Additionally, industry bodies, such as the NCRF, noted that there are various challenges related to licensing which impact on CSCM organisations' ability to function effectively. For example, it was noted in the Wits Radio Academy Sustainability for Community Radio Workshop (2022) that there are challenges in relation to the licensing process that have an impact on community radio stations. These included delays in the processing of applications, as well as the lack of a mechanism for community radio stations to appeal decisions (i.e., rejected applications). According to the NCRF (2022), ICASA as a regulatory body appears to display a lack of responsiveness to community radio organisations when compared to their commercial counterparts. For example, the NCRF noted that commercial radio stations are given leeway in complying with the statutory requirements as applications that contain incomplete information may still be approved. In other words, if a particular commercial station does not submit their tax certificate, ICASA engages with the organisation and requests that it sends the relevant documents to ICASA. However, with community radio stations, it appears as though these organisations do not receive the same leniency.

The challenges relating to disparities in the licensing process for CSCM organisations can be linked to the rule of law indicator of the UNESCO Media Viability Indicators. The indicator assesses whether the actions of government and government institutions are in accordance with laws and regulations that are fairly applied and enforced. This indicator received low scores for community TV, 34% for community radio and

It was added that ICASA will reject the application without following up to request that the community radio station submit their documents. This links back to the concern that ICASA needs to adopt a more hands-on approach to compliance within the sector and attempt to engage with the people within the organisation, as opposed to merely engaging with the documentation provided by the organisation.

#### **Sustainability Challenge: Compliance of CSCM Organisations**

Regulatory bodies, such as ICASA, appear to need to adopt a more hands-on role when engaging with organisations from the community radio sector. This is as a result of the perception that ICASA does not engage with organisations within the community radio sector beyond the documents submitted to them by said organisation and that community radio organisations are unable to appeal decisions made by ICASA.

Addressing the challenges related to regulatory bodies is a key part of the MDDA's mandate, given that, as per the preamble of the MDDA Act (2002), the MDDA is tasked with creating an enabling environment for media development and diversity, and, in accordance with Section 3 (b) (vii) of the MDDA Act (2002), the MDDA has a legislative duty to liaise with other statutory bodies such as ICASA. While the nature of these engagements with statutory bodies is not specified by the MDDA Act, it can be argued that the MDDA has a legislative duty to engage with ICASA on matters which may be impacting on the sustainability of community radio organisations. It is, therefore, proposed that organisations such as the MDDA and/or NCRF hubs assist CSCM organisations with applications for licensing or the renewal of licensing, in order to ensure that these organisations submit all of the relevant documentation and are able to remain compliant. This may be in the form of workshops that offer the management teams of CSCM organisations training on how to complete monthly, quarterly, bi-annual and annual compliance forms, how to meet licensing conditions (including aspects related to programming meetings and AGMs) as well as the role of the board and the importance of the relationship between the board and the station manager.

### **7.2.6 COMPETITOR CHALLENGES**

Competitors in the context of an organisation's business model relates to the organisations against which they compete. In the case of a media organisation, this component concerns other media organisations within the same geographical location, those with similar target audiences, or those that offer similar services. This may include other community radio, television or print organisations or commercial media organisations.

In a report outlining the profile of the printing, print media and publishing sub-sector by IQ Business (2014), it was highlighted that the print media in South Africa is a highly concentrated sector. Additionally, according to



Media Update (2021) there are currently over 200 community radio stations across South Africa. One of the factors potentially contributing to this over-saturation is the class licensing system that governs the sector, implemented by ICASA. One of the unintended consequences of the class licensing system for community radio is an over concentration, or overlap, of CSCM organisations in specific areas (NAB, 2019). In some areas, there are up to four stations with no clear differentiation in terms of format, which leads to a fragmented audience and market (MDDA, 2020). This was confirmed by the NCRF (2022), in which it was noted that there does not seem to be a process in place that limits the number of CSCM organisations within a specific geographic area. This was further supported through qualitative consultations, with stakeholders noting that barriers to entry for community newspapers appear to be very low which has led to an influx of organisation entering the market.

“[The biggest issues hampering community newspapers are that] the barriers to entry is very low, there is usually a lot of entrepreneurs entering this sector. There was a time when we used to deal with 7-8 new publishers every month, these are people who have identified an opportunity in the sector.”

*(CSCM Organisation Interview, 2022)*

The above-mentioned factors often result in unnecessary competition amongst CSCM outlets, as similar outlets are most likely in competition for similar advertising opportunities (MDDA, 2020). As such, the concentration and overlap of similar CSCM organisations in specific geographic areas presents a challenge to the sustainability of the sector as a whole. While a certain degree of competition is welcome, the creation of unnecessary competition only serves to hinder the overall development of the CSCM sector, given that it often impacts on the ability of the CSCM organisation to generate sufficient amounts of revenue (NAB, 2019). The Media Innovation Centre (2021) expounds that enough competition among media organisations must exist to encourage and stimulate journalistic excellence, however, not to an extent where audiences for individual media houses become too small to be financially sustainable.

#### **Sustainability Challenge: Over Concentration of CSCM Media Organisations**

There appear to be instances whereby there is an over concentration of CSCM organisations within a particular geographical area, which subsequently leads to unnecessary competition amongst CSCM organisations, fragmented target audiences and a decrease in the opportunities for CSCM organisations to receive adequate advertising revenue. It was noted that this may be due to the licensing process, regulated by ICASA, in which there are no mechanisms in place to limit the number of CSCM organisations in a

The challenge relating to competition, in which there is an over concentration of CSCM organisations within a particular geographic area, can be linked to the competition indicator of the UNESCO Media Viability Indicators. The indicator assesses the level of competition facing media organisations, and whether this competition is fair and allows for quality journalism. This indicator received low scores for community TV

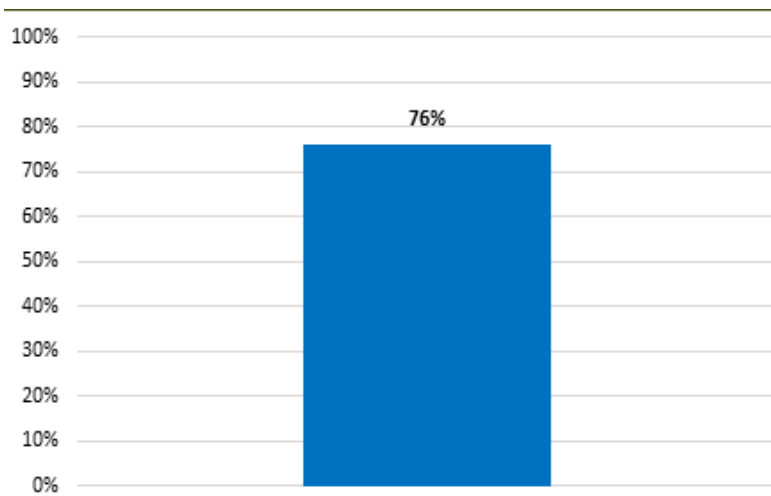
From initial consultations with CSCM organisations, it was found that another challenge that CSCM organisations face in terms of competition, is the lack of funding to enable them to compete with other media organisations that are, in contrast, well resourced.

“Our competitors are very efficient, they have municipality buy-in, they are able to print, able to cover costs, and have in house designers and journalists because of they are bigger companies.”

*(CSCM Organisation Interview, 2022)*

This challenge was further explored in surveys whereby the majority of CSCM organisations (76%) agreed that their media organisations are unable to compete with other organisations due to a lack of funding. This is illustrated in **Figure 742** below.

**Figure 742: Inability to Compete Due to Lack of Funding**



In addition to the findings above, the lack of funding as an obstruction to the ability of CSCM organisations to compete was highlighted by a representative from a community and small commercial print organisation, who was of the view that in order to allow their organisation to compete with other media organisations, they would require not only funding, but consistent advertising revenue. Advertising revenue is vital in securing the independence, financial viability and sustainability of the CSCM organisations.

“Besides funding, if we have a consistent advertising revenue from the corporate sector and the government, then we will not need as much funding as we are applying for because we will have enough revenue to employ the staff members that we need. This will help us to compete with commercial publications.”

*(CSCM Organisation Interview, 2022)*

Given the importance of advertising revenue, it is important that CSCM organisations identify the manners through which they can distinguish their product offering when compared to commercial media organisations’ products, in order to increase their chances of attracting advertisers. It is therefore, proposed that CSCM organisations ensure they have a strong understanding of their target audience and produce relevant content aimed at their target audience that distinguishes their product offering from that of commercial organisations, who usually focus on mainstream issues. This may require training on how to source and develop relevant content, as well as initiatives focused on research skills, and data analytic skills.

### **Sustainability Challenge: Inability to Compete**

A lack of funding, in addition to a lack of consistent advertising revenue, seem to be key factors limiting the ability of CSCM organisations to compete with larger organisations in the media landscape.

## 8 MDDA SUSTAINABILITY PILLARS

A key focus of this study was to understand the impact certain factors or “pillars” have on the sustainability of CSCM organisations. These pillars include:

- Technology, Digital Innovation and Signal Distribution;
- Corporate Governance and Compliance;
- Content Generation and Professionalising the Sector through Skills and Capacity;
- Transformation of the Print Media Sector;
- Consolidating Government Support; and
- Audience Measurement.

**Table 81** unpacks the key challenges impacting the sustainability of CSCM organisations underneath each of these pillars.

**Table 81: Challenges Faced by CSCM Organisations Relating to MDDA Sustainability Pillars**

#	MDDA Sustainability Pillar	Challenges
1	Technology, Digital Innovation and Signal Distribution	<ul style="list-style-type: none"> <li>• CSCM organisations were experiencing challenges keeping abreast with the rapid development in technology, due to a lack of relevant infrastructure in their communities as well as a lack of equipment. For example, community and small commercial print media organisations often did not have access to printing equipment and relied on service providers to print their newspapers.</li> <li>• The lack of access to adequate printing equipment may be attributed to the lack of printing presses within specific provinces and/or communities as well as a lack of funding, despite the support provided by the MDDA to CSCM organisations in the form of funding for the acquisition of equipment.</li> <li>• The costs of signal distribution and other software required for distribution in the broadcast space were also found to be an area of concern, as these organisations found licencing and distribution costs to be unaffordable. This was corroborated by the community radio sector’s current outstanding debt to SENTECH for signal distribution fees, which stands at approximately R80 million.</li> </ul>
2	Corporate Governance and Compliance	<ul style="list-style-type: none"> <li>• It was found that board members of CSCM organisations seem to lack the necessary knowledge of the media industry and the manner in which it operates, which often translates to internal disagreements between boards and their management teams. This appeared to be due to members of the board being elected on the basis of popularity rather than skills, resulting in a situation whereby power is given to individuals who might not have the adequate expertise to provide relevant guidance to the organisation. Organisations who have effective relationships with their board noted that they have mechanisms and protocols in place to prevent abuse of power from board members.</li> <li>• With regard to compliance, it appears that there is a need for regulatory bodies, such as ICASA, to adopt a more hands on role when engaging with organisations from the community radio sector, with CSCM organisations noting that ICASA does not engage them if there are changes required to be made to their licencing application documents. Additionally, it was noted that these organisations appear to be unable to appeal decisions made. This results in a lack of compliance amongst CSCM organisations.</li> </ul>

#	MDDA Sustainability Pillar	Challenges
3	Content Generation and Professionalising the Sector through Skills and Capacity	<ul style="list-style-type: none"> <li>• CSCM organisations were found to experience challenges with sourcing local community content and also appeared to be unable to create relevant content due to a lack of research skills required to source information. While CSCM organisations made attempts to deliver relevant content to their communities by focusing on key issues of interest and delivering content in familiar languages, these organisations often resorted to delivering provincial and national content to their audiences. CSCM organisations, thus, require training in content sourcing and creation in order to deliver relevant content.</li> <li>• In an attempt to address the concerns relating to the production of relevant content, it was noted that the MDDA had previously provided support to community media organisations aimed at improving the relevance of the content produced. However, according to input from stakeholders, such as the NCRF, these initiatives have since stopped. It is, therefore, proposed that, in an attempt to ensure that community media organisations are producing relevant content, the MDDA consider re-establishing these initiatives.</li> <li>• Shortages in skills were also identified in critical areas including business management, financial management, marketing, sales, digital, and leadership and management skills. The lack of marketing and sales skills in particular appear to be as a result of a lack of adequate finances as many CSCM organisations noted that they do not have the financial resources to hire dedicated marketing and sales staff, limiting their ability to attract advertisers.</li> <li>• Further shortages were identified in areas such as digital skills. Digital skills are important as they allow employees to effectively operate technological equipment required in CSCM organisations, including computers and broadcast equipment. These skills are critical as they allow CSCM organisations to successfully disseminate content to audiences. This challenge is further compounded by the adoption of social media and online streaming platforms for publishing content by CSCM organisations, as it emerged through consultations.</li> <li>• In addition to the above, there is a perceived instability within the CSCM sector. This may be due to CSCM organisations not having succession plans in place. This is despite the high rate of staff turnover that was identified within CSCM organisations, which may be linked to the usage of a 'volunteer model' by these organisations. This model is heavily relied upon given that many CSCM organisations cannot afford to pay salaries to retain skilled staff. Despite this, it appears as though there are no measures put in place to ensure that skills are transferred from departing staff members to the volunteers and/or employees replacing them.</li> </ul>
4	Transformation of the Print Media Sector	<ul style="list-style-type: none"> <li>• The print media sector seems to largely be dominated by a select group of media companies, including Media24, Caxton, Independent News Media and Times Media, organisations which have limited ownership by historically disadvantaged population groups. This greatly inhibits the potential for success for CSCM organisations as they are not seen as effective revenue generation platforms in comparison to commercial organisations.</li> <li>• Furthermore, there is a lack of diversity in the management and control of print media organisations. For example, the management structure of Caxton did not comprise any members from the black population in 2018, while only 10% of the management at Media 24 was classified as black (Mail&amp;Guardian, 2019).</li> </ul>
5	Consolidating Government Support	<ul style="list-style-type: none"> <li>• Government support is seen as a critical aspect to the sustainability of CSCM organisations. In addition to financial support through advertising or grants, government support also includes non-financial support such as the availing of equipment and/or unoccupied government premises to CSCM organisations to allow them to lower their costs of operation.</li> <li>• However, based on the findings of the research, it appears that both financial and non-financial support from the government is lacking, which could be attributed to various factors. Firstly, there is a perceived lack of interest shown by government officials regarding advertising through CSCM organisations. Representatives from CSCM organisations indicated that, in order to ensure that government is supportive of CSCM organisations, a national intervention may be required in order to secure government support for CSCM organisations through advertising. It is worth noting that government has already proposed a solution to this challenge by instructing that 30% of the communication budget be channelled towards CSCM organisations. However, it appears that this has not been effectively implemented, as only a few CSCM organisations have benefitted from this approach.</li> <li>• Secondly, political factors appeared to influence governments' support of CSCM organisations, with certain representatives noting that there is a perceived reluctance from local government to provide support to an organisation that is not politically aligned to said government.</li> </ul>
6	Audience Measurement	<ul style="list-style-type: none"> <li>• High audience numbers are an important factor for attracting advertisers, as advertisers will look to ensure that their products are advertised to a wide audience of potential customers. As such, it is imperative for CSCM organisations are able to measure the sizes of their audiences</li> <li>• CSCM organisations were found to lack the necessary skills and resources to effectively collect data on their audiences, and often relied on data collected by organisations such as the BRCSA, used social media platforms or resorted to conducting field research in order to collect data on their audiences. Furthermore, even in instances whereby CSCM organisations were able to collect data on their audience, it was found that CSCM organisations lacked the necessary skills required to analyse the data. This impacted the organisations' ability to develop content relevant to their audiences, as well as the ability to provide accurate audience data to advertisers when attempting to secure advertising clients.</li> </ul>

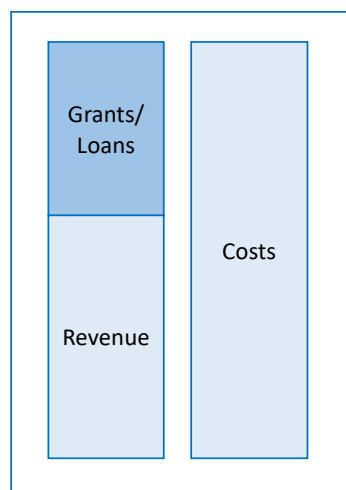
## 9 THE ROAD TO SUSTAINABILITY

Following the above sections in which the root causes behind the lack of sustainable CSCM organisations were unpacked, this section provides an overview of what a sustainable CSMC sector may look like. This is done through a step-by-step process where the following is detailed:

- The broader CSCM ecosystem, including the role of key stakeholders within the sector
- Funding flow for the sector, including the identification and description of potential international and local donors, and other governmental agencies
- Potential revenue generation strategies for CSCM organisations
- Detailed analysis of the role of a potential hub, cascaded down to provincial level, in increasing the levels of sustainability for CSCM organisations

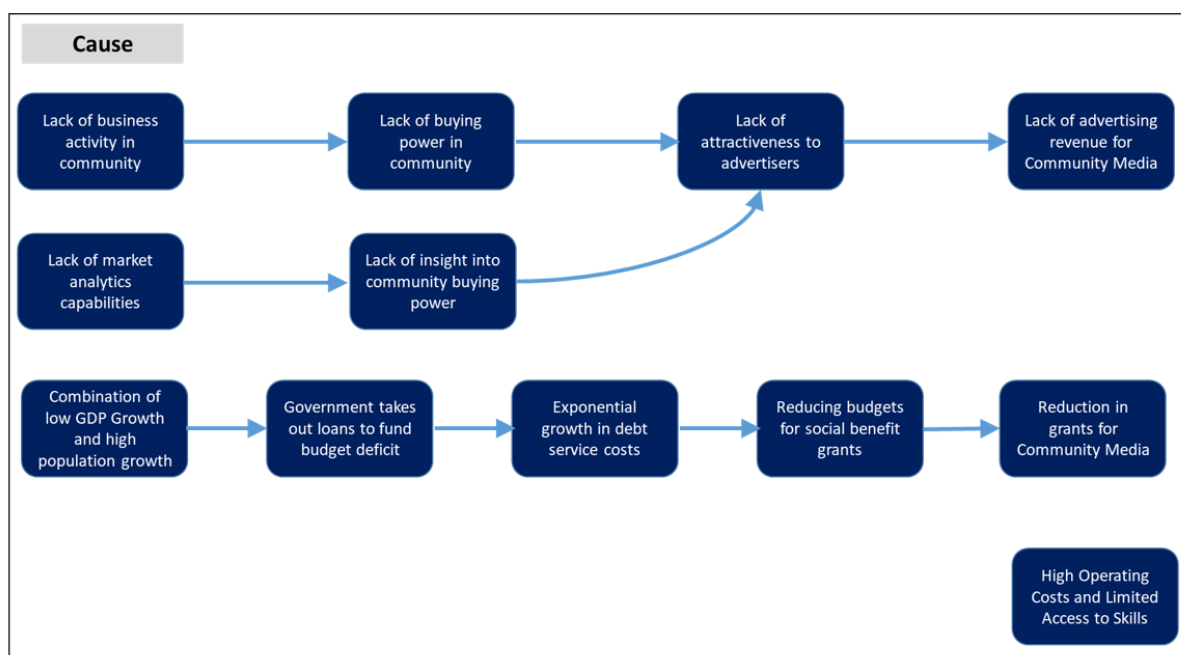
At the most fundamental level, an organisation achieves sustainability when its revenue at a minimum, equals its costs. Analysis of the CSCM sector indicates that, for a large number of CSCM organisations, this is not the case. As a result, there is a large reliance on grant funding (and loans) to make up this deficit. This is described conceptually in **Figure 91** below.

**Figure 91: Revenue, Grants and Costs**



**Figure 91** above is at the most fundamentally basic level and warrants further exploration. The following diagram, therefore, depicts the core issues that the CSCM sector faces, together with the related implications for the sector, and explores the circumstances that lead to the situation where organisations are not generating enough revenue to meet their costs, as illustrated in **Figure 91** above.

Figure 92: Causes of Unsustainability



An important characteristic of CSCM organisations is that they are often based in and serve communities where there is a lack of business activity, as can be seen in the root cause analysis. A clear consequence of this is a lack of buying power within these communities (from the perspective of individual community members as well as businesses that are part of the community). These factors lead to low attractiveness to advertisers, who elect not to spend money advertising on CSCM platforms.

Furthermore, many CSCM organisations lack market analytics capabilities. These capabilities are crucial for CSCMs to garner insight into their respective community's buying power. Without these insights, advertisers will not be attracted. These factors contribute to the lack of advertising revenue that many CSCMs are currently struggling with.

The above-mentioned factors are compounded by government's decreasing ability to provide social benefit type grants, as explained in Section 9.1 below.

The above leads to four fundamental observations as it relates to creating a sustainability model for the CSCM sector:

1. Economic development needs to occur for CSCM organisations to find long-term sustainability;
2. The role-players in the CSCM sector need to provide more support, financial or non-financial, to CSCM organisations to bolster sustainability;
3. CSCM organisations need to reduce their operating costs, especially where revenue is constrained; and
4. CSCM organisations need access to key skills to attract more advertising revenue (and to diversify their revenue streams).

The following sections detail potential solutions to assist in increasing the sustainability levels of organisations in the CSCM sector. These solutions take into account the CSCM environment, the potential role of Shared Service Centres, other revenue generation strategies and the funding environment. In defining this solution, regard must be had to certain guiding principles, as informed by the root-cause analysis, namely:

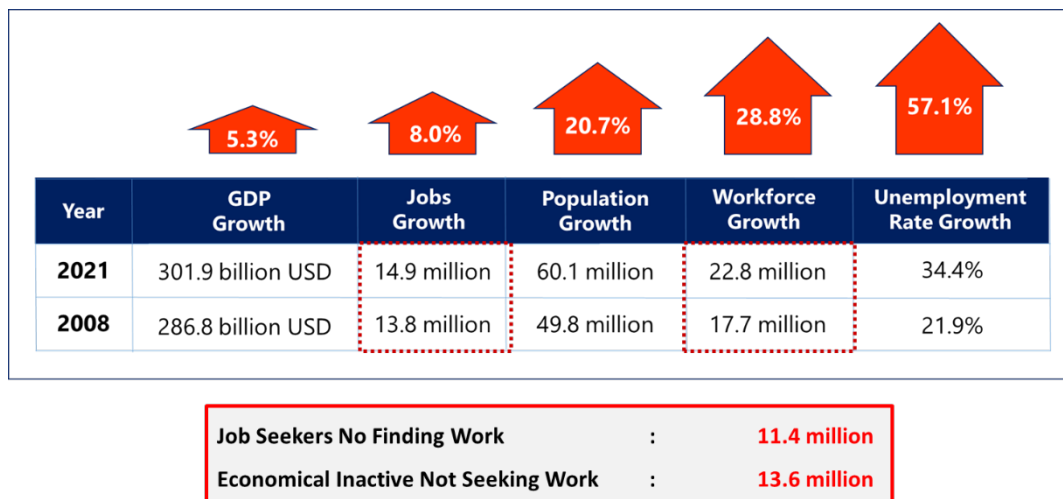
- The market size for radio, print media and television is finite, therefore, not all CSCM organisations will find sustainability if there are more organisations than what the market will allow

- Funding, access to skills and accessing diverse revenue streams remain the core challenges for many CSCM organisations
- Revenue will remain constrained in communities that are financially distressed
- Grant funding is likely to decrease in the light of a persistently constrained public fiscus, as explained above
- Many CSCM organisations lack the required scale to attract and retain talent
- Economic development remains the ultimate goal to achieve sustainability; CSCM organisations have a role to play in this regard

## 9.1 ECONOMIC CONTEXT AND THE ROLE OF THE CSCM SECTOR

South Africa is in the midst of an unprecedented economic crises. A dangerous combination of aggressive population growth and flat GDP growth in the period since 2009 has resulted in record high unemployment and debilitating poverty, as illustrated in **Figure 93** below. This situation has been exacerbated by load-shedding, public service collapse and rampant petrol and food price inflation.

**Figure 93: Jobs Growth vs Workforce Growth Between 2009 and 2021**



Source: (VisionActiv; 2022)

For many of the communities who have been impacted the most by the economic deterioration of the last 13 years, community media is the only media that they have access to. These communities report government and social services as their main sources of economic activity, meaning that there is no real economic activity at all.

These communities and the media organisations that serve them have, in the past, looked towards government to fund them, with many organisations appearing to believe that funding could be provided indefinitely, which is unfortunately, not feasible.

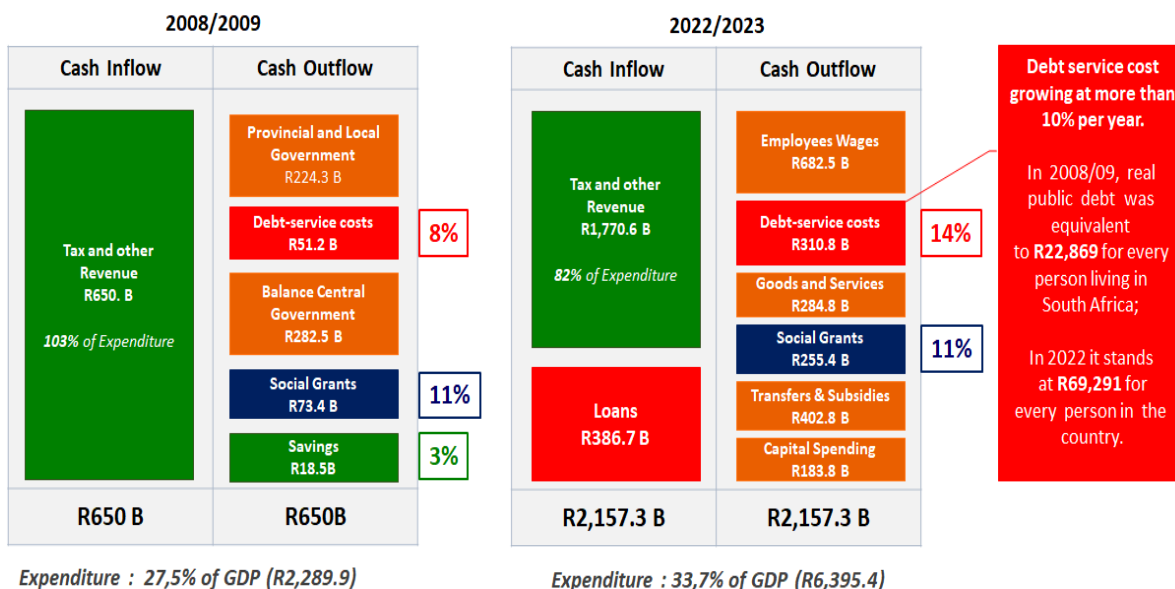
As the population grew, it can be seen that there was an increase in demand for social spending across a range of public services. In order to fund this growth, the government was required to grow the GDP at an equal rate, in order to ensure sufficient tax revenue was generated. As can be seen in the figure above, this was not the case. While the population grew by 20.7% over the last 13 years, GDP only grew by 5.3% in Dollar terms. As a result of this, government was required to take out loans in order to fund the tax revenue shortfall, which ultimately lead to a debt obligation of R4,2 Trillion, almost 80% of GDP.

The ultimate impact of this high level of debt is the debt service cost becoming the fastest growing cost line item in the national budget. This results in a situation whereby government is required to make up these



expenses. As a result of the country’s credit rating having reached sub-investment grade, or “junk status”, the government will be unable to account for these additional expenses by seeking further loans, as institutional investors are forbidden to lend to the South African government. What this means practically is that other types of government spending will need to be reduced to service these loans, as illustrated in **Figure 94** below. As a result of this, it is anticipated that community media grants from government will be reduced, thus limiting the ability of community media to rely on government for funding.

**Figure 94: Government’s Diminishing Ability to Provide Social Spending**



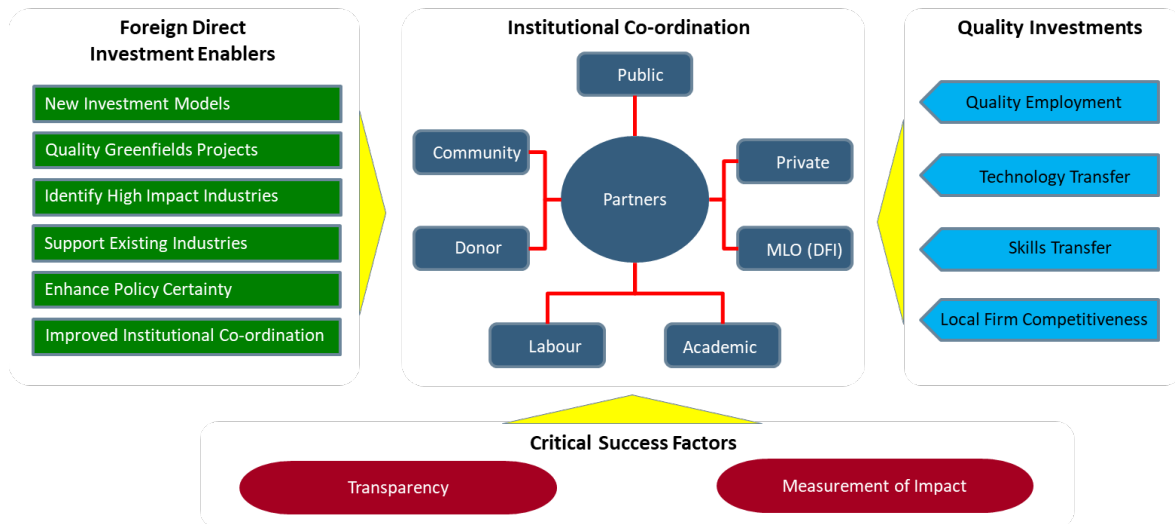
Source: (VisionActiv; 2022)

In order to rescue impoverished communities and their local media from the loss of grant funding, global capital markets will need to be convinced to invest trillions of Rands to build thousands of factories, farms, mines and tourist facilities to create millions of jobs in and around those communities. These jobs will inject consumer buying power into these communities and make it possible for community media to earn advertising revenues in order to off-set shrinking government grants.

The Presidency acknowledged the need for this investment by publishing the Country Investment Strategy (“CIS”) in the Government Gazette on the 27<sup>th</sup> of May 2022. The CIS will be further augmented by a number of Industry Master Plans, with the goal of attracting the afore-mentioned investments.

A key part of the CIS is its acknowledgment of the fact that communities need to be included in the investment process, and that the government, the private sector and civil society need to work as a team to attract investments, create jobs and eventually eradicate poverty, as illustrated below. While this may be seen as unrealistic by a number of individuals, case studies of other countries with higher levels of poverty than South Africa illustrate that these countries were able to reverse their dire situations by successfully integrating with global consumer markets, capital markets and supply chains. Advancements in technology and global integration means that in many respects, it’s never been easier.

Figure 95: Country Investment Strategy



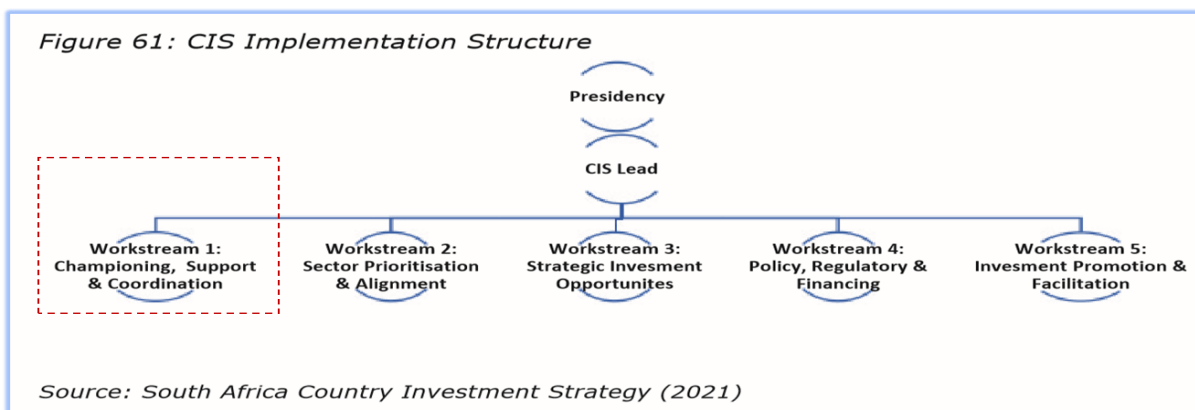
Source: (BeyondCOVID; 2022)

While the release of the CIS, the Industry Master Plans and interest from major global investors suggest the potential of a great economic recovery, it is also going to be down to every community to ensure that it is part of the economic recovery and known to the investment community. It is in promoting and representing their communities that media organisations have an important role to play as they can give a voice to their community’s ambitions and willingness to directly engage with the investor community and invite them into their communities.

This approach will require a new paradigm, where communities and their media organisations’ “sell” themselves to the global investment community rather than “requesting” financial assistance from their government. While this is an unavoidable reality of the tightly integrated global economic system, and a responsibility no community can avoid, the upside is that impoverished communities should be able to lift themselves out of economic hardship faster than any other period in history.

In order to assist with the implementation of this approach, GCIS will need to engage with the Presidency and the NDA to help shape and implement the institutional infrastructure required for impoverished communities, CSCM organisations and local civil society organisation to reach out to and integrate with the global capital markets, consumer markets and supply chain. The Presidency is currently drafting a view of the workstreams required to implement the CIS, as indicated in **Figure 96** below:

Figure 96: CIS Implementation Structure



Source: (South Africa Country Investment Strategy; 2021)

The key workstream for GCIS to integrate with is **Workstream 1: Championing, Support & Coordination**. The Investment Fast Track Committee (“IFTCC”) will also fall under Workstream 1. This workstream is the custodian

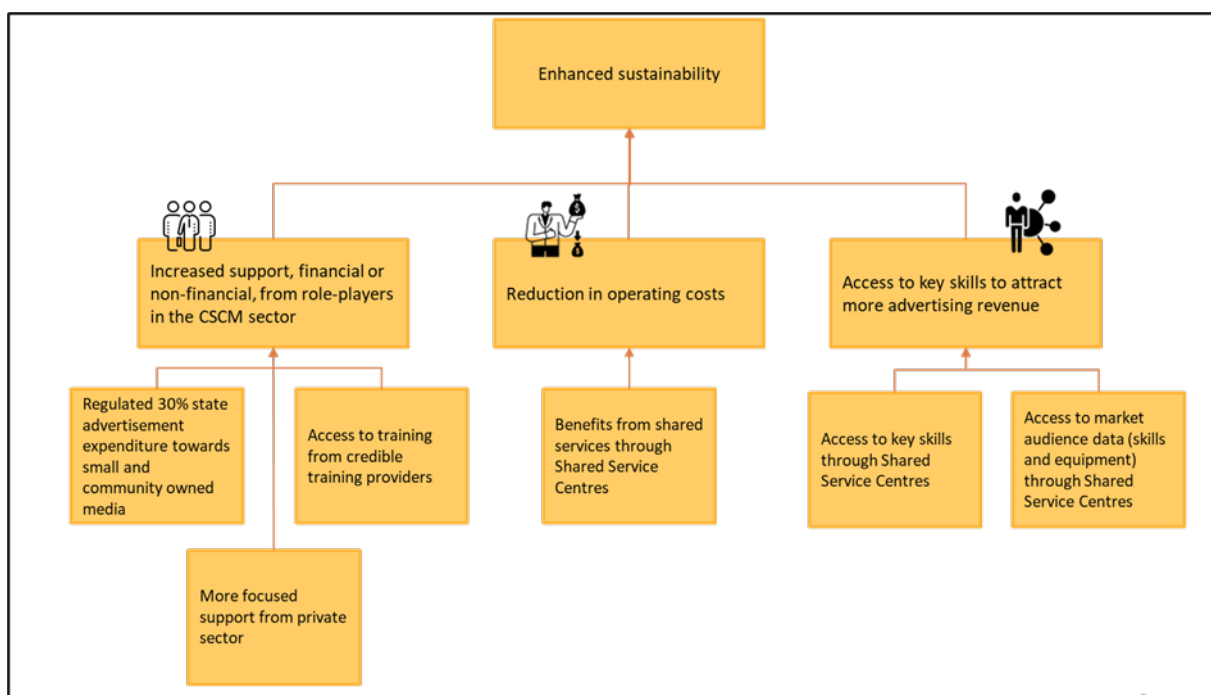
of the CIS and ensures its adoption across various spheres of government and society. The custodians of the CIS are at the highest level of government i.e., Presidential level, through the Investment and Infrastructure Office.

GCIS will have the opportunity to ensure that deprived communities and their CSCM organisations are part of the implementation of the CIS. While the most feasible way to engage and organise CSCM organisations has not yet been determined, it is clear that the very survival of many community media organisations will depend on whether their communities benefit from foreign and local investment. A key motivator which should encourage CSCM organisations to participate in the process.

## 9.2 CSCM SUSTAINABILITY MODEL

When depicting what a sustainable CSCM sector may look like it is important to note the complex and heterogeneous nature of the CSCM sector. This implies that the secrets to enhancing sustainability in the sector are many and varied. Therefore, in order to gain a complete understanding of what a sustainable sector may look like, one has to take into account the many factors at play and the levers available, detailed in the sub-sections that follow. That being said, **Figure 97** below provides a simplistic view of the Sustainability Model of the CSCM sector.

**Figure 97: CSCM Sector Sustainability Model**



The Sustainability Model above indicates the key factors that need to be present in order to promote a sustainable sector, namely:

- Regulation of the 30% advertisement spend by government. i.e., 30% of government advertising expenditure needs to be directed towards small and community media.
- Access to training through credible training providers, facilitated by the SETAs.
- More focused support from private sector. This may occur through Shared Service Centres or hubs funnelling work to small and commercial media.
- The establishment of said Shared Service Centres in order to:
  - Provide shared services, thus reducing operating costs

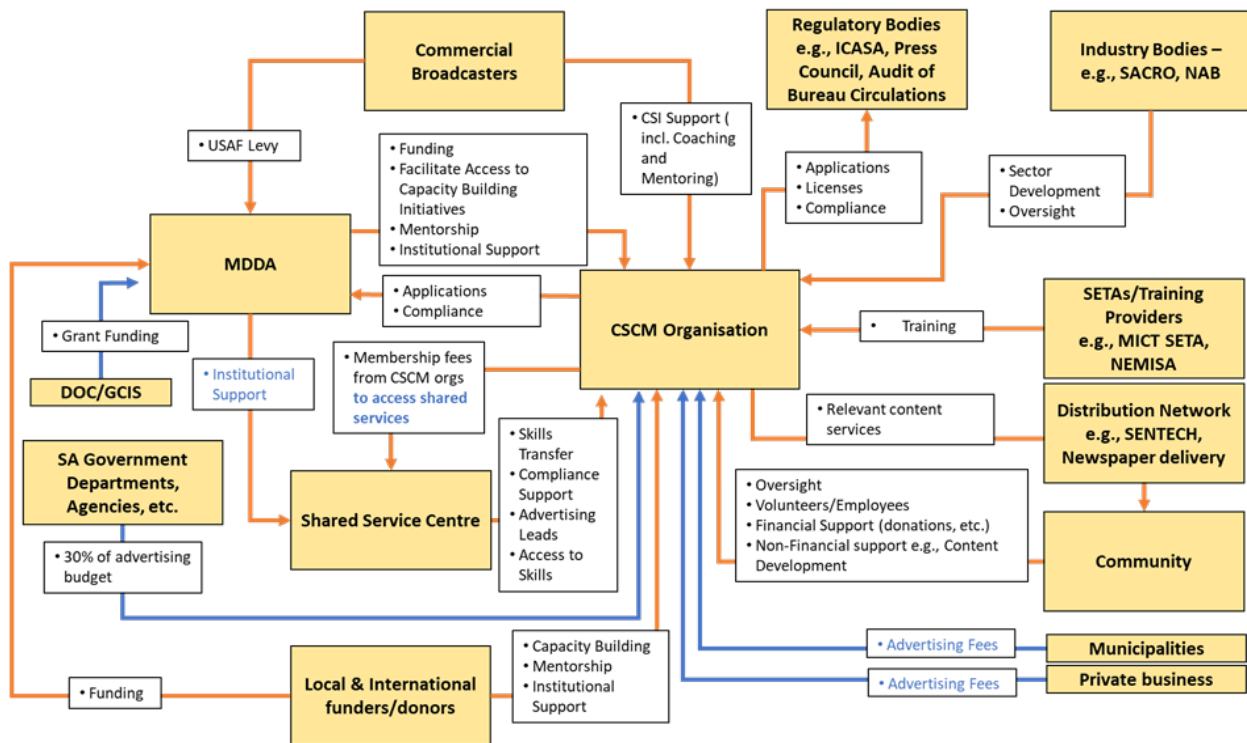
- Providing access to key skills that are currently lacking, including professional marketing and data analytics skills.

The sub-sections that follow describe each of the elements of this Sustainability Model in more detail.

### 9.3 CSCM ENVIRONMENT

A key factor in enhancing the sustainability of CSCM organisations is to ensure that key role players in the CSCM ecosystem are providing the correct, and adequate levels, of support. **Figure 98** below illustrates the potential CSCM environment (or “ecosystem”) and shows the roles that each stakeholder could play. This ecosystem depicts the ideal community media environment where CSCM organisations are likely to be more sustainable.

**Figure 98: Key Stakeholders in the CSCM Sector Model**



**Figure 98** above depicts the ideal relationships between various stakeholders in the environment in which CSCM organisations operate. **Table 91** elaborates on the figure above and outlines the key stakeholders and what role they play in the above ecosystem.

**Table 91: Key Stakeholders and their Proposed Functions in the CSCM Sector**

Stakeholder	Roles and Functions
CSCM Organisations	<ul style="list-style-type: none"> <li>• CSCM organisations provide the community with information and entertainment. They uplift the community and enable communication within the community.</li> <li>• CSCM organisations receive funding from the MDDA and international funders/donors.</li> <li>• The CSCM organisations will receive revenue not only from advertising but from their diverse revenue streams such as monetising social media, memberships, community events, etc.</li> <li>• CSCM organisations receive non-financial support such as skills support, shared resources and compliance support from Shared Service Centres, commercial broadcasters, industry bodies, training providers and the community they serve</li> <li>• Crucially, CSCM organisations will get access to skills through Shared Service Centres, should a shared service model be adopted. CSCM organisations may gain access (should they elect to do so) to said skills by paying a membership fee to the Shared Service Centres.</li> </ul>
Community	<ul style="list-style-type: none"> <li>• The community includes all individuals and institutions that operate in the environment that the CSCM organisation serves.</li> <li>• The community receives relevant information and entertainment from CSCM organisations and provides them with oversight in the form of the board, volunteers as employees, non-financial support and in certain circumstances financial support in the form of donations or through the purchasing of the product.</li> </ul>
Municipalities	<ul style="list-style-type: none"> <li>• Municipalities provide revenue to CSCM organisations through advertising.</li> <li>• These advertising opportunities are distributed by the Shared Service Centres to the most relevant CSCM organisations and/or the CSCM organisations most in need of support.</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• CSCM organisations approach municipalities and receive advertising revenue directly from local government.</li> </ul>
Private Businesses	<ul style="list-style-type: none"> <li>• Private businesses provide revenue to CSCM organisations through advertising.</li> <li>• This could be done directly, where a CSCM organisation approaches a private business and offers to advertise for them or where a CSCM organisation is approached by a private business</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• This could be done indirectly, where the Shared Service Centres play the role of a conduit and offer the advertising opportunities to the most relevant CSCM organisations and/or CSCM organisations most in need of support.</li> </ul>
Distribution Networks	<ul style="list-style-type: none"> <li>• Distribution networks are service providers who assist in the delivery of products or services from CSCM organisations to the community/their target audience.</li> <li>• In the community radio and television space Sentech provides electronic communications network services.</li> <li>• In the community and small commercial print media space, printing service providers and delivery companies aid in the distribution of products.</li> </ul>

Stakeholder	Roles and Functions
MDDA	<ul style="list-style-type: none"> <li>The MDDA facilitates ownership, control and access to information and content production of community media by historically disadvantaged communities.</li> <li>The MDDA is funded through annual government grants, commercial broadcasters' USAF levies and interest on investments.</li> <li>It is noted that, within the CSCM environment, the MDDA's ability to fund the community print sector is somewhat limited due to the fact that the MDDA receives limited levies from the commercial print sector. Therefore, it is proposed that, in the absence of the ability to provide financial support, the MDDA provides increased non-financial support to community print organisations. This could take the form of, for example, facilitating access to alternate revenue generating opportunities for these organisations, or assisting community print organisations by sharing practical information on how these organisations can monetise social media.</li> <li>The MDDA provides institutional support to specific Shared Service Centres based on the MDDA's evaluation of which areas require the most support. This is purely to assist the operational elements of the Shared Service Centre; and is separate from funding provided to CSCM organisations.</li> <li>The MDDA will continue to provide support directly to CSCMs where appropriate.</li> </ul>
Commercial Broadcasters	<ul style="list-style-type: none"> <li>Commercial broadcasters are private organisations and contribute to the MDDA's funds through USAF levies.</li> <li>Commercial broadcasters use their skills and success to assist CSCM with skills capacitation and other non-financial support as part of their CSI initiatives. This could also be made a requirement of licenses granted by ICASA.</li> <li>A potential means to encourage this behaviour is by accounting for it within B-BBEE scorecards.</li> <li>It is important to note that while training is provided by training providers and facilitated by SETAs, related activities/training initiatives may also include coaching and mentoring included in CSI support.</li> </ul>
Shared Service Centres <sup>13</sup>	<ul style="list-style-type: none"> <li>Shared Service Centres are proposed for each CSCM sector – print, TV and radio.</li> <li>These Shared Service Centres could provide assistance in the form of compliance support, governance support, advertising leads and contracting, and access to skills.</li> <li>It is expected Shared Service Centres will have a relationship with the MDDA and <b>collaborate</b> to ensure sustainability of CSCM organisations.</li> <li>Shared Service Centres will assist with securing advertising contracts, but revenue will still accrue to the CSCM organisations directly.</li> <li>Shared Service Centres could advise on the sharing of capital between different CSCM organisations.</li> <li>Shared Service Centres will allow for the aggregation of services demand and supply.</li> </ul>
SA Government Departments, Agencies etc.	<ul style="list-style-type: none"> <li>SA Government provides funding to the MDDA through annual government grants.</li> <li>Ideally, thirty percent of government advertising should be carried out through CSCM organisations.</li> </ul>
Local and International Funders/Donors	<ul style="list-style-type: none"> <li>Local and International Funders/Donors transfer funds directly to CSCM organisations that directly apply or to the MDDA.</li> </ul>
Regulatory Bodies	<ul style="list-style-type: none"> <li>The regulatory bodies in the community and small commercial media sector establish and strengthen standards and ensure consistent compliance with them.</li> <li>ICASA regulates the electronic communications, broadcasting, and postal industries in the public interest.</li> <li>The Press Council regulates print publications in South Africa and has adopted the South African Press Code to guide journalists in their daily practice of gathering and distributing news and opinion. Member publications subscribe to the Press Council's Code of Ethics and Conduct for SA Print and Online Media.</li> </ul>

<sup>13</sup> It is important to specify that the Shared Service Centre's role in the model shown above is intended to be to help secure advertising contracts for CSCM organisations, but that the advertising revenue will be paid directly to CSCM organisations by advertisers. The MDDA will still play a key role in funding CSCM organisations directly. Furthermore, it is important to note that the MDDA could provide the Shared Service Centre with institutional support; this means that the Shared Service Centre will work together with the MDDA to ensure the sustainability of the CSCM sector and will not take over or replace any of the MDDA's current functions.



Stakeholder	Roles and Functions
Industry Bodies	<ul style="list-style-type: none"> <li>The industry representative bodies in the community and small commercial media sector aim to improve the service the CSCM industry provides.</li> <li>Industry bodies play a significant role in lobbying for legislative changes among other things.</li> <li>Industry bodies include the NCRF and SACRO in the broadcast space, and the AIP in the print space.</li> </ul>
SETAs and Training Providers	<ul style="list-style-type: none"> <li>Relevant SETAs can play a critical role in facilitating access to and providing funding for training and skills development opportunities and should be seen as key role-players in terms of enhancing the skills available within CSCM organisations.</li> <li>Training providers transfer skills and capacitation. The skills learnt from training providers assist CSCMs in becoming sustainable, well-functioning organisations.</li> </ul>

## 9.4 SHARED SERVICE CENTRES

This section examines the option of utilising shared services amongst Community Media Organisations, to enable more effective and efficient service delivery, with attendant cost savings.

### Shared Service Centre: Assumptions

- The Shared Service Centre will be funded through (a) membership fees from CSCM organisations who elect to form part of said centres, as well as (b) fees that may be charged for shared services provided
- Regarding shared services, this will likely need to be limited to non-competitive functions within the context of a CSCM organisation. Functions that would be viewed as competitive may include functions that distinguish a community media organisation from others, functions that provide that organisation with an advantage relative to similar organisations. Including these functions in a shared service could weaken a community organisations competitive position. An example of such a competitive function could be programming, another content generation. An example of a potentially good candidate for inclusion as part of a shared service model could be office administration, in which several CSCM organisations have a shared reception or, equipment maintenance – these functions are not expected to be seen as functions underpinning competitive advantage. The determination of which functions to include in a Shared Service Centre will depend heavily on the circumstances for each of the community media organisations that are to be served by the Centre.
- To re-iterate, the successful functioning of a Shared Service Centre is, to a large extent, dependent on willingness from CSCM organisations to cooperate and work together. In this sense, it is critical that the services to be shared are limited to non-competitive functions to ensure that competitive considerations are accounted for.
- The Shared Service Centre is not intended to replace any of the MDDA's functions. Rather, the Shared Service Centre is a structure which aims to strengthen the CSCM sector by assisting CSCM organisations with the challenges preventing the sector from being sustainable; achieved through the CSCM organisations pooling their resources and collaborating on meeting common services needs.

Shared services relate to the consolidation of support functions to better serve an organisation, utilizing a well-defined infrastructure to enable higher value service delivery. Typically, this includes services such as human resources, finance and accounting, information technology, supply chain, and other front and back-office services. Key benefits from shared services are cost reduction and improved service delivery (ScottMadden Management Consultants, 2022).



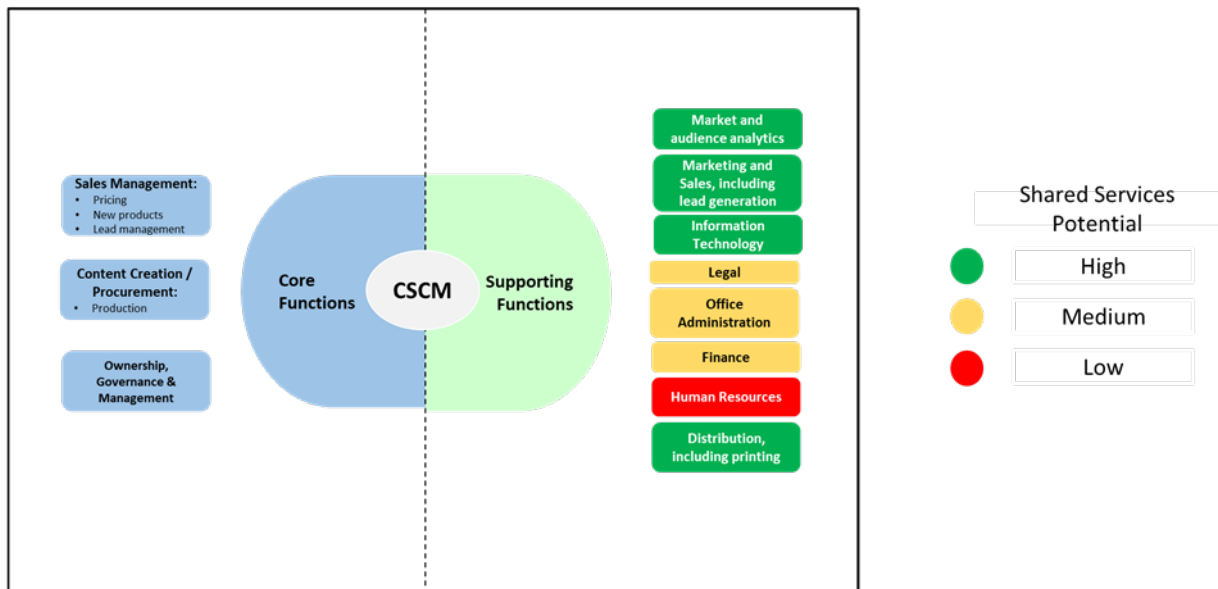
By consolidating shared services into a centrally managed organization (“Shared Service Centres”), organisations can achieve efficiencies and cost savings that would otherwise be difficult to achieve through decentralized operations. In addition to benefiting the organization as a whole, shared services also provide employees with valuable career opportunities and training.

These Shared Service Centres may play a pivotal role in:

- Reducing and managing the operating costs of CSCM organisations;
- Improving access to required skills and capabilities for CSCM organisations, e.g., access to market data analytics and increasing revenues; and
- Generating more advertising revenue for CSCM organisations.

A key element of facilitating the sustainability of CSCM organisations will be for these organisations to manage their operating costs down whilst getting access to key skills. Shared Service Centres may play a key role in this. **Figure 99** indicates which CSCM functions are suitable to be ‘shared’, with this role being played by the Shared Service Centres. **Figure 99** also indicates the degree of amenability of each function to being established as a shared service, in light of the unique context of CSCM organisations.<sup>14</sup>

**Figure 99: Core Functions and Shared Services**



At its essence, the above diagram advises CSCM organisations to remain in control of their core functions. Core functions include content generation, production, governance and sales management (distinguished from strategic marketing and sales which includes lead generation).

The indicated supporting functions, which are those functions that may be *considered* for inclusion in a Share Service Centre, include some of the traditional “support” functions, such as legal, finance, or for example, in the broadcast space, access to maintenance functions, which may include access to technicians for equipment maintenance related services. In the print space, shared service functions could potentially be in the form of access to printers, through the purchase and provision of this equipment as well as access to digital expertise, such as website developers, social media marketing expertise etc.

<sup>14</sup> High shared service potential refers to those functions that may be easily provided by the Shared Service Centre whereas Medium shared service potential refers to those functions whereby only a portion of the function can be provided by the Shared Service Centre. For example, finance has medium shared service potential given that certain activities can be provided by shared service centres, however other finance related activities or sub-functions will need to be located within the CSCM organisation, such as bookkeeping. Similarly, using the legal function as an example, specific legal activities such as compliance monitoring and adherence will need to be located within the station however legal opinions can be obtained through the shared service centre. Low shared service potential signify those functions whereby shared services are not feasible. For example, an HR function located within a shared service centre for a CSCM organisation is not feasible given the high employee turnover rate as well as the need for consistent recruitment of volunteers, as well as competitive considerations.

Furthermore, Shared Service Centres can crucially assist CSCM organisations in getting access to the skills and technology required to conduct marketing and audience analytics, thus making the organisation more marketable towards potential advertisers. In terms of the accessibility, it is noted that many CSCM organisations are located in deep rural areas and, as such, may not be able to travel to the Centre to access the skills and technology that it has to offer. Therefore, in order to facilitate accessibility certain services offered by the hub may be accessed virtually. Alternatively, individuals with specific skills can travel to the specific CSCM organisations.

The Centres could also assist in generating leads, especially from various governmental institutions. In addition to generating leads, the Shared Service Centres could improve the bargaining power of CSCM organisations, particularly in terms of ensuring that CSCM organisations have the ability to bargain and negotiate with provincial and national offices of larger businesses, advertising agencies and government institutions and departments in a fair and equitable manner, and from a position of collective strength.

Figure 910 provides an overview of the critical role that Shared Service Centres should play in the sustainable development of the CSCM sector.

Figure 910: Proposed Role of Shared Service Centres

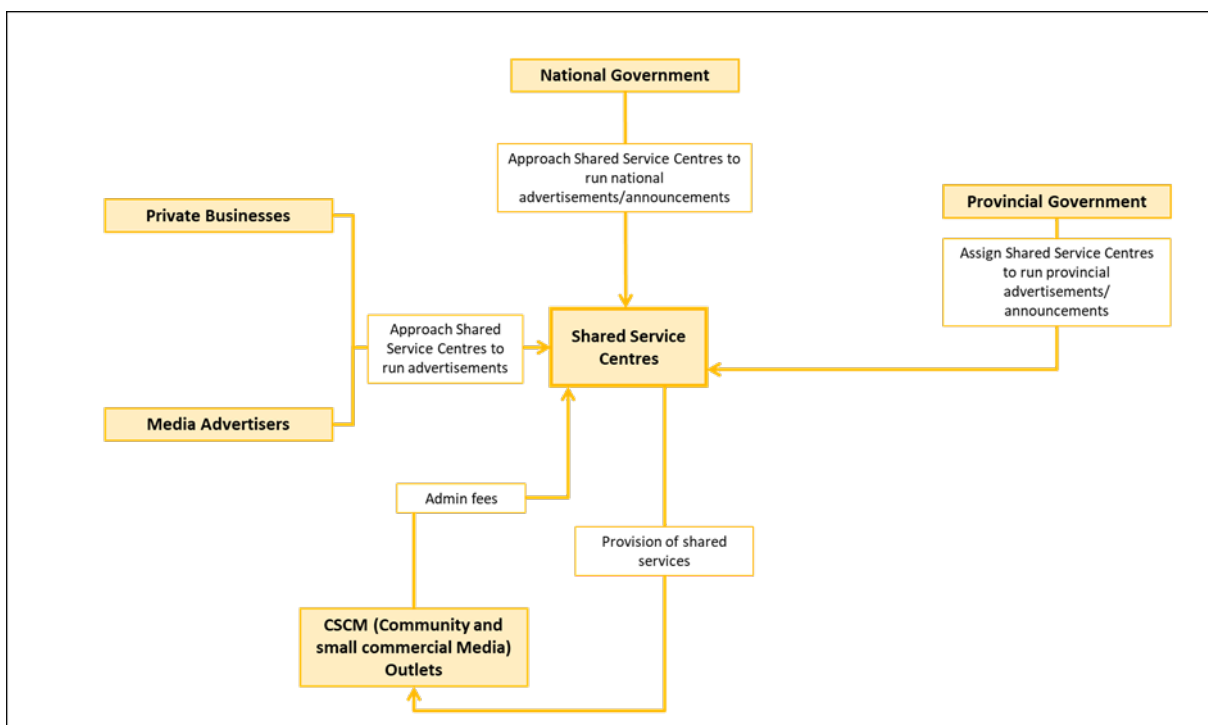


Table 92 provides further detail regarding the key stakeholders and their envisioned roles and functions, as illustrated in the figure above.

Table 92: Proposed Role of Shared Service Centres

Stakeholder	Roles and Functions
National Government	<ul style="list-style-type: none"> <li>Approaches Shared Service Centres to run national advertisements/ announcements</li> </ul>
Shared Service Centres	<ul style="list-style-type: none"> <li>Offers shared services to CSCM organisations that are members of Shared Service Centres. These services may include those “support” functions that CSCM organisations are not able to effectively undertake themselves. These services could include:               <ul style="list-style-type: none"> <li>➤ Market and customer analytics, so that CSCM organisations will have insights regarding their consumer base, thus being better able to attract advertisers</li> <li>➤ Marketing and sales specialist skills</li> </ul> </li> </ul>

Stakeholder	Roles and Functions
Provincial Government	<ul style="list-style-type: none"> <li>Approaches the Shared Service Centres to run provincial advertisements/ announcements.</li> </ul>
Private Businesses & Media Advertisers	<ul style="list-style-type: none"> <li>Approaches the Shared Service Centres to run advertisements.</li> </ul>
CSCM Organisations	<ul style="list-style-type: none"> <li>Operates on a sustainable business model while making use of assistance from the Shared Service Centres.</li> <li>Broadcast media and content relevant to not only the nation but also to matters relating to the community.</li> </ul>

### Access to Market

A key constraint that many SMMEs face, across sectors, is access to market. This challenge is often mitigated against through “collectives” (which could take a variety of forms, for example, a cooperative) assisting SMMEs by connecting them with relevant markets. This is the model being proposed regarding private businesses and media advertisers approaching a shared service structure to place advertisements with CSCMs. This will not prevent private business from approaching CSCMs directly, rather, it will assist those CSCMs who are not known in the market to generate more support.

It should be noted that one has to guard against the shared service structures from favouring one CSCM over another. This could be done through a transparent reporting process where the shared service centre reports who has received support, type of support and reason for support.

## 9.5 SELF-TRANSMISSION

This section examines the option of community radio stations assuming responsibility for their signal distribution in an effort to reduce costs and increase control, as opposed to distribution services being provided by Sentech. Within the sector this is referred to as “Self-Transmission”, “Self-Distribution”, or “Self-Provisioning”.

The analysis included in this section is informed by input provided by Sentech, an alternate radio transmission implementation and maintenance services company, as well as community radio stations that are currently self transmitting and ones that are planning to switch to Self-Transmission.

### 9.5.1 BACKGROUND AND CONTEXT

During the course of the Project, the Project Team became aware of cost figures quoted by SACRO that indicated the potential to reduce distribution costs for community radio stations through Self Transmission. This possibility was documented in the draft version of this report. In its review of the draft report, MDDA requested this possibility be further explored by the Project Team. As such, this section of the report documents the findings and recommendations from this exercise.

The costs quoted in this section are based on input provided by the stakeholders consulted, as indicated above. These costs are thus anecdotal; and given that they are likely to vary from radio station to radio station, need to be interpreted in context.

### 9.5.2 STATUS QUO FOR COMMUNITY RADIO STATION TRANSMISSION

Community radio stations in South Africa typically transmit their signal through distribution infrastructure that has been established and is maintained by Sentech. This section provides further information on this typical status quo; to establish a point of reference from which Self-Transmission may be considered.

### 9.5.2.1 TYPICAL APPROACH IN ESTABLISHING AND MAINTAINING SIGNAL TRANSMISSION

With the inception of a new community radio station, signal distribution infrastructure needs to be set up, and arrangements for its ongoing maintenance need to be put in place. To date, Sentech has been the service provider that works with radio stations to confirm requirements and define technical specifications for signal distribution infrastructure. Signal distribution infrastructure would typically include a radio transmitter dedicated to the signal distribution for the particular radio station.

Sentech provides the radio station with a quotation for the capital investment. Provision of the requisite signal distribution equipment is put out to tender by Sentech. Sentech purchases the equipment on behalf of the radio station and undertakes its implementation.

The radio station would then enter into a maintenance and support arrangement with Sentech, within which service would be provided by Sentech at a fixed monthly cost.

It is the understanding of the Project Team, based on stakeholder consultations, that MDDA may cover part or all of the capital investment. It may also contribute to some of initial maintenance and support costs. This is based on an expectation that the radio station will cover the monthly payment to Sentech as it grows its revenues and becomes self-sufficient over time.

### 9.5.2.2 TYPICAL CONSIDERATIONS FOR TRANSMISSION REQUIREMENTS

It is understood that the identification and selection of appropriate signal infrastructure is a complex process, which will produce different specifications depending on the circumstances relevant to each radio station. For instance, two different radio stations could both be using a 1000-Watt FM transmitter, however, one radio station may be using a 30-meter tower on flat terrain, which will cover 20 kilometres, while the other may be using an antenna on a 500-meter hill, which will cover 80 kilometres (Teko Broadcast, 2020).

Viewed more broadly, FM radio transmission range is impacted by various factors, e.g., presence of hills, mountains, valleys, height of antennas above ground and above sea level, assigned ERP/power limits, line of sight/non-line of sight considerations, directional or omni-directional antenna radiation pattern etc. (Stakeholder Consultations, 2022).

### 9.5.2.3 AFFORDABILITY CONSIDERATIONS FOR SIGNAL DISTRIBUTION

The capital and maintenance and support costs for transmission depend on the particular requirements and configuration for the signal distribution infrastructure that applies to each community radio station.

As indicated in this Report, distribution costs for community media tend to be relatively high<sup>15</sup>. To illustrate, it was mentioned by one of the radio stations consulted that a small community radio station may be paying in the region of R10,000 per month to Sentech for maintenance and support on its signal distribution infrastructure; a significant proportion (16% to 33%) of its likely total costs of R30,000 to R60,000 per month.

Payment of what may be considered as high signal distribution costs to Sentech appears to be a sore point between Sentech and community radio stations. Payment tends to be late or short or simply not forthcoming. Sentech points out the financial pressure this puts them under. Sentech has also pointed out that while they do employ debt collection agencies, they allow the community radio stations significant leeway, not suspending service even when payments are outstanding. Difficulty in meeting payments to Sentech appears to be an ongoing frustration for community radio stations, as illustrated by the comment from one of the radio stations consulted when asked to comment on signal distribution costs: “The expenses just keep piling up!”.

### 9.5.2.4 TYPICAL CIRCUMSTANCES SURROUNDING SELF TRANSMISSION

This section outlines the typical triggers for considering Self-Transmission and typical setup and operations arrangements and costs.

<sup>15</sup> Relative to total costs and affordability.

### 9.5.2.5 TRIGGERS FOR CONSIDERING SELF TRANSMISSION

Based on input from stakeholder consultations, community radio stations may be forced by necessity to consider Self-Transmission. For instance, signal distribution services may have been suspended by Sentech<sup>16</sup>. In this case Self-Transmission becomes the default signal distribution option. However, for the radio station to access Self-Transmission it would first need to secure an Electronic Communications Network Service (“ECNS”) license from ICASA, and it would need to be able to afford the startup costs.

One of community radio stations consulted indicated that it was planning to switch to Self-Transmission as a more affordable option to expand its coverage, to include 2 additional towns. In this case, the radio station indicated that it expects to spend 50% less in capital costs for Self-Transmission than for Sentech signal distribution. It expects its monthly maintenance and support costs for signal distribution to be 41% cheaper for Self-Transmission compared to Sentech distribution.

Figures quoted by SACRO indicate that a particular community radio stations’ 10-year signal distribution cost for Self-Distribution is 66% cheaper than the related Sentech cost.

Other reasons mentioned by stakeholders for preferring Self-Distribution is that it removes the dependency on Sentech; ostensibly freeing up community radio stations from what is considered to be high monthly costs while allowing them flexibility to decide on the nature and cost of ongoing maintenance - “They [Sentech] have you in your grip” (Stakeholder Consultations, 2022).

### 9.5.2.6 TYPICAL SETUP AND OPERATIONS ARRANGEMENTS

Should a community radio station pursue Self-Transmission, it would either source and implement its signal infrastructure itself or employ an alternative service provider to Sentech. Ongoing maintenance would be accomplished either solely by its own staff, or with second level support provided by an alternative service provider.

The infrastructure required for signal distribution includes transmitters, antennae, power connections, backup power, an STL link etc. As in the case of assistance provided by Sentech, signal distribution requirements would need to be determined, geographical and other factors would need to be considered, a specification put together, as well as relevant products and services procured from third parties. Once all of this is completed, the chosen infrastructure would need to be implemented.

Maintenance of the signal infrastructure may be undertaken by staff at the radio station, depending on how technical the issue is. For instance, it has been mentioned that switchover to backup systems can be accomplished by a non-technical person. Alternative service providers to Sentech (e.g., Digital Media) offer second level support, as well as repair services.

Use of existing radio station staff for maintenance of signal infrastructure has been mentioned by community radio stations as a benefit of Self-Transmission. This allows for existing resources to be leveraged, with attendant cost savings. However, it is critical that those staff appointed to perform maintenance services have the required capabilities to do so.

### 9.5.2.7 ILLUSTRATIVE SETUP AND OPERATIONS COSTS; AND POTENTIAL SAVINGS

Given that very few community radio stations are likely to have exactly the same signal distribution requirements, it is not possible to determine a standard cost for Self-Transmission; either for capital or operations costs.

However, input from research and stakeholder consultations provides an illustrative indication of what this may be. It must be stressed that the below figures relate to community radio stations that either decided to, or are deciding to, move from Sentech signal distribution to Self-Distribution, so would naturally have lower costs for Self-Transmission.

Given that the figures quoted are anecdotal, their veracity (which would require a technical review of  
<sup>16</sup> It is noted that while some stakeholders have claimed that Sentech may cut off a community radio station if it has long outstanding bills, Sentech itself has indicated that this is not their current practice.

the acceptability of the signal infrastructure implemented, or to be implemented, and maintenance arrangements) has not been confirmed. For instance, the extent of redundancy accounted for by the Self Transmission scenarios mentioned below compared to that for Sentech signal infrastructure is not known.

Research conducted by the South African Community Radio Organisation (“SACRO”) indicated that, over a 10-year period, the costs of self-transmission for a particular community radio station amounted to approximately R857,000, which accounted for expenses such as the fees for the ECNS Licence, a 500-Watt transmitter, an audio processor, a studio transmitter link, electricity, and maintenance. When compared to the R2,5m cost of transmitting through SENTECH over the period, it would appear, through the research conducted by SACRO, that self-transmission is the cheaper option, for this particular radio station, in the long term (SACRO, 2022).

The costs outlined by SACRO for the above-mentioned radio station are detailed in **Table 93** below:

**Table 93: Indicative Self-Provider Signal Distribution Costs over 10 years**

Cost Item <sup>17</sup>	SELF (R)	Sentech (R)	Comment
ECNS licence	15 000	-	Amortised over 10 years
500-Watt Transmitter etc.	120 000	-	Amortised over 10 years
Audio Processor	50 000	-	Amortised over 10 years
STL	115 000	-	Amortised over 10 years
Electricity	101 697	-	Escalation 10% p/a
Maintenance/support	455 804	-	Sentech R15 k/mth 5% annual escalation Self R3k/mnth 5% annual escalation
<b>Total</b>	<b>857 501</b>	<b>2 548 533</b>	

Source: (SACRO, 2022)

### **Capital Costs**

In the case of a community radio station based in the Western Cape, a figure of R400,000 was mentioned by Sentech for the capital costs to extend its coverage to include two additional towns. Capital costs for alternative infrastructure that the radio station sourced an estimate for independently amounted to R200,000, half the cost indicated by Sentech.

To illustrate typical setup cost, stakeholders have mentioned a baseline capital cost of around R250,000 to set up Self-Transmission, for a radio station whose requirements would be supported by a 100-Watt radio transmitter. This would typically include the FM transmitter, antennas, audio processor, IP codecs, PtP dish link, and RF cable & connectors.

### **Ongoing Maintenance Costs**

With regard to ongoing maintenance of the signal infrastructure, figures quoted by stakeholders suggest that ongoing maintenance costs for Self-Transmission are lower than the monthly charge from Sentech. To illustrate:

- The above-mentioned Western Cape community radio station’s expectation of maintenance costs for Self-Transmission was in the region of R2,000 to R3,000 per month; compared to its current monthly fee of R12,000 paid to Sentech, and future projected cost (including maintenance for additional signal infrastructure) of R22,000 – a potential saving of 41% for maintenance for Self-Transmission;
- The 10-year cost for the maintenance for the community radio station quoted by SACRO (see above) of roughly R456,000 is 91% lower than the roughly R2.5m for Sentech; and
- An Eastern Cape community radio station, which has been on Self-Transmission for a number of years, indicated that it spends around R3,000 per month on maintenance of its signal distribution

<sup>17</sup> Note: the table above does not include costs for the site for the radio mast, which in the above case was accessed through a barter arrangement.



infrastructure, whereas it would have been paying Sentech around R30,000 by comparison, a 90% saving.

Based on figures provided by stakeholders, Sentech costs for signal distribution maintenance and support for community radio stations appear to vary from around R10,000 to in excess of R20,000 per month.

### 9.5.3 WAY FORWARD ON SELF TRANSMISSION

The analysis of Self Transmission undertaken within this Project indicates that there appears to be a case for community radio stations to consider Self-Transmission; under appropriate circumstances. The anecdotal evidence from radio stations either currently Self Transmitting or considering Self Transmission certainly supports this.

#### 9.5.3.1 RECOMMENDATIONS FOR COMMUNITY RADIO STATIONS

Community radio stations considering Self-Transmission are advised to do a proper analysis of Self Transmission versus Sentech provided signal distribution before making a final decision. They are advised to consider the following:

- If a community radio station considering Self-Transmission is currently transmitting through Sentech, then it will first need to exit its contract with Sentech before it can consider Self-Transmission;
- The radio station will need to apply for an ECNS licence, providing authorisation for it to self-transmit, from ICASA. It will need to incur significant capital expenditure, in the region of R250,000 or more, to establish the signal infrastructure. Given the limited resources available to community radio stations, funding for the required investment may not be easily forthcoming;
- In the case of *new* community radio stations, and for *expansion* of coverage by an existing radio station, the case of Self-Transmission is likely to be stronger;
- In any of the above cases, it is recommended that an assessment and a quote for both capital costs and ongoing maintenance and support be obtained from Sentech, as well as for the alternative of Self-Transmission. An alternative service provider, such as Digital Media, may be able to assist with planning, requirements definition, technical design, the ICASA ECNS application, implementation, post go-live support and training of maintenance staff; and
- It is imperative that options are considered on a like-for-like basis, and that they are tested individually for robustness. For instance, consideration should be given to whether one option includes transmission redundancy while the other does not, whether the options include periodic upgrades and/or replacement of infrastructure as required, as well as whether sufficient proactive maintenance is accounted for.

#### 9.5.3.2 RECOMMENDATIONS FOR MDDA

It is recommended that MDDA support Self-Transmission, in those instances where this allows for robust and reliable signal distribution at a lower cost. This is anticipated to make more economic sense for new community radio stations, and potentially for expansion of coverage for existing radio stations; given the significant capital costs required for the alternative signal infrastructure that would need to replace existing infrastructure for a current Sentech client.

Should MDDA be considering providing funding to a community radio station for capital infrastructure for Self-Distribution, as an investor, it is recommended that MDDA assess the alternative quotations secured by the community radio station, for Sentech and Self Distribution, to confirm the adequacy of the signal infrastructure and maintenance arrangements.



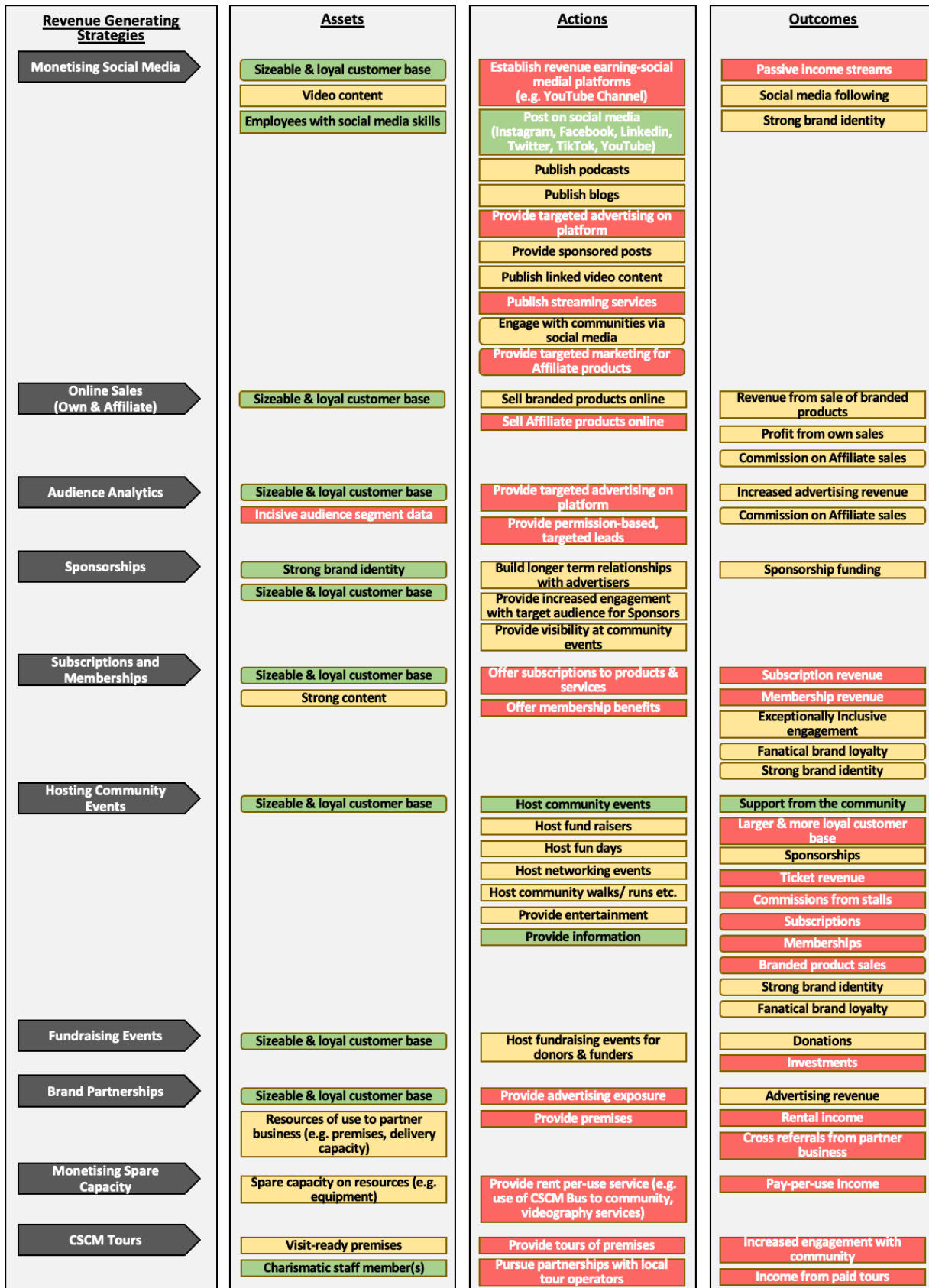
## 9.6 REVENUE GENERATION STRATEGIES

Diversifying revenue streams is related to reducing risk (as the organisation is not dependent on one stream of revenue) and making an organisation more robust. In order for CSCM organisations to become sustainable, it is necessary that they become less reliant on grant funding or on advertising revenue. This can be done by creating different or enhanced revenue streams such as monetising social media, e-commerce, community events, etc.

The diagram below provides a blueprint for CSCM organisations to increase and diversify their revenue. By articulating the actions (e.g., *establish revenue earning social media platforms*) that should be undertaken for each revenue generation strategy (e.g., *monetising social media*), and linking this to underlying assets (e.g., *employees with social media skills*) for the CSCM, it provides a playbook by which specific revenue generation outcomes (e.g., *passive income streams*) can be realised.

The Revenue Generation Blueprint below serves as a practical tool for CSCM organisations to diversify and increase their revenue. The colours employed in the figure indicate current prevalence, with green indicating high prevalence, yellow medium, and red low. While not all revenue generating strategies may be new, as should be clear from the figure, there is massive opportunity for implementation of these strategies to be increased, to the point where much of the Blueprint appears green – high prevalence.

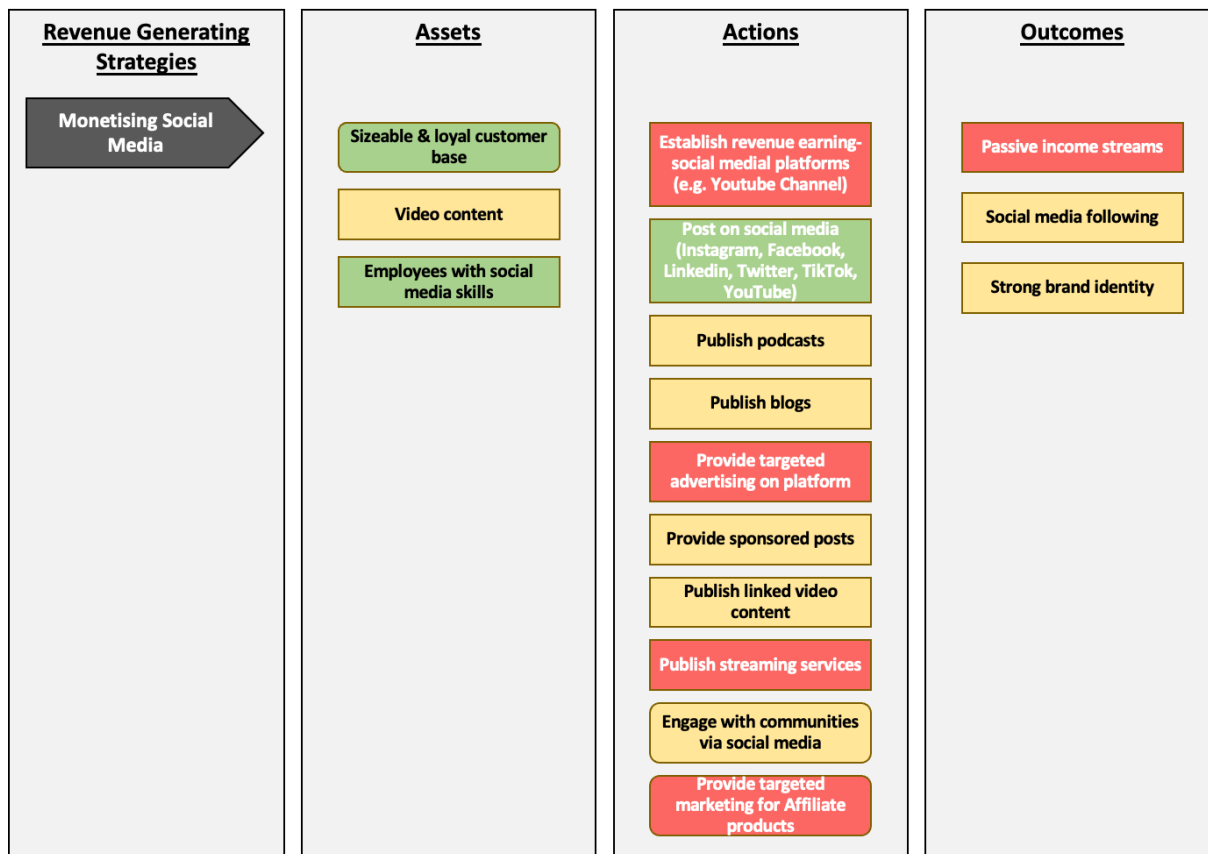
Figure 911: Blueprint for Proposed Revenue Generating Strategies



The detail in the figure above underlines the complexity involved in increasing and diversifying revenue. This detail is unpacked in the following sections, so that each revenue generating strategy can be practically implemented by CSCM organisations reviewing this report.

9.6.1 MONETISING SOCIAL MEDIA

Figure 912: Monetising Social Media



One of the most relevant revenue streams for CSCM organisations in the contemporary economic environment is the use of social media platforms and tools to generate revenue.

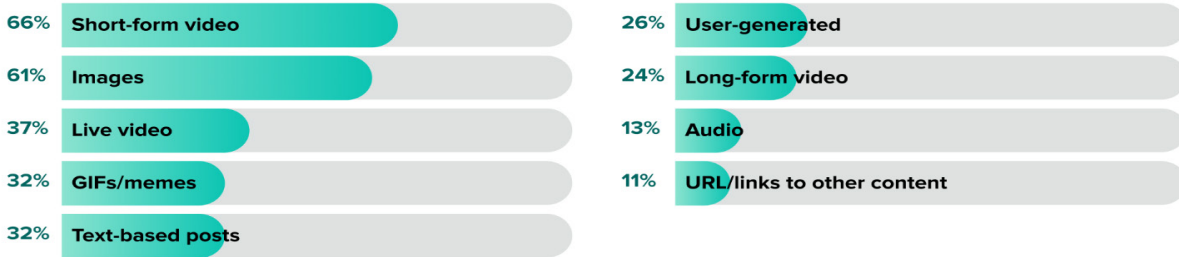
It is key to bear in mind that a CSCM being active on social media does not equate to it deriving revenue from social media. Uploading a video to YouTube is very different from setting up a YouTube channel that generates subscription fees and sizeable advertising revenue.

Some of the ways in which social media platforms can be used to generate income include affiliate marketing, monetising videos, creating pay-for-entry membership groups and brand partnerships. As of January 2022, there were 41.19 million active internet users in South Africa; 28 million of whom used social media. This represented around 46% of the total population (Johnson, 2022). Social media is an effective, low-cost way for CSCM organisations to engage with their community and enhance their brand identity. Additionally, social media can assist CSCM organisations in attracting a larger audience, creating a communication channel to receive audience feedback, and build customer loyalty.

The use of social media platforms also has the potential to create indirect forms of revenue, as the organisation can gain more listeners/viewers/readers, through these platforms. This aids in organisational growth, greater audience engagement, an expansion of audience demographics and other factors that could lead to an increase in revenue. For a more direct approach, CSCM organisations can look at monetising social media in various ways namely, advertising, sponsored posts, selling services, and affiliate marketing (KAJABI, 2022). To generate revenue through these activities CSCM organisations must build a good social media following by posting regularly, engaging with customers and staying up to date with trends. **Figure 913** below indicates the most engaging types of social content; this is an example of the type of information social media managers in CSCM organisations should incorporate into their social media strategies.

Figure 913: The Most Engaging Types of Social Content

The most engaging types of in-feed social content



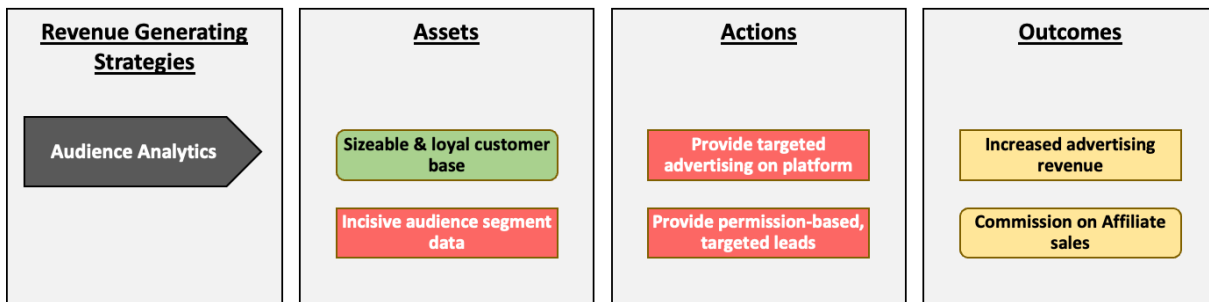
Source: (SproutSocial, 2022)

Including social media as part of an organisation’s revenue generation strategy creates an efficient low-cost solution that can reach a wide audience through many different free platforms such as Instagram, Facebook, LinkedIn, Twitter and Tik Tok. In order to properly exploit the opportunities presented by these social media platforms, CSCM organisation employees should have, or be taught, the necessary social media skills. These skills include understanding of how the various platforms work, copywriting skills, design skills, analytics, etc.

Social media also creates opportunities for passive income. Using content to create a continuous stream of income is very rewarding due to the low effort required. Some ways CSCM organisations could make passive streams of income include YouTube, affiliate marketing, podcasts, and streaming services.<sup>18</sup> Community radio stations could create podcasts with material from their most popular segments, community television stations could allow the most popular shows to be streamed or community and small commercial newspapers could create blogs, including adverts or affiliate marketing links, from their most popular articles.

9.6.2 AUDIENCE ANALYTICS

Figure 914: Audience Analytics

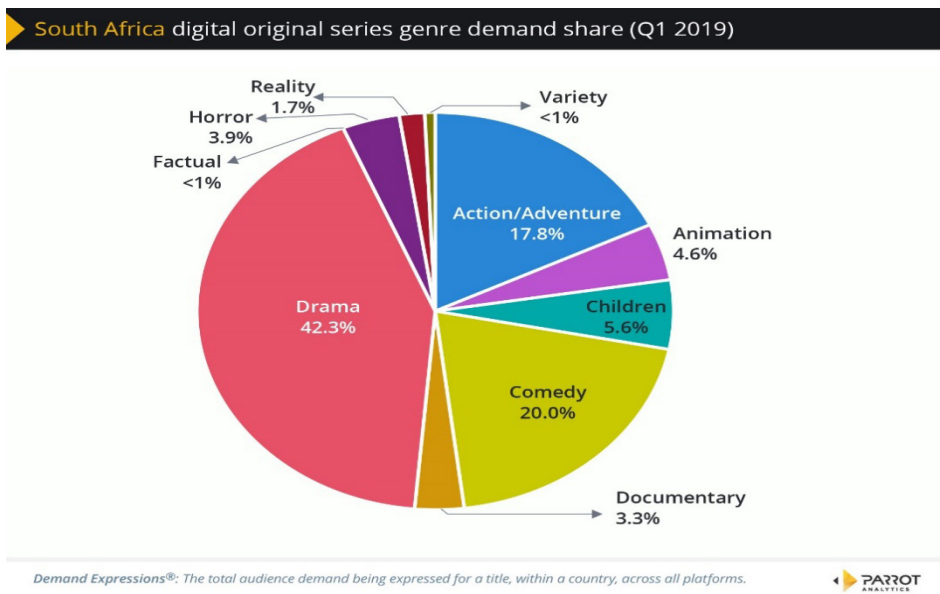


Employing audience analytics to generate insights on a CSCM’s customer base provides opportunities for targeted advertising (which will increase advertising revenue) and affiliate sales (generating commissions).

Collecting audience data is very helpful to CSCM organisations; this data includes audience demographics, the most successful types of audience engagement, the amount of community members engaging with the CSCM organisation’s content as well as the times at which individuals view/listen to/read the content. This information aids in attracting advertisers. Audience data can be collected in-house or outsourced. There are companies that will collect audience data and analyse it for at a cost or there are platforms like Google Analytics that are free but require specific skills to use. Collecting audience data means that CSCM organisations can create more targeted content and increase the value of their content for their audience. A community radio station, for example, might identify that there is an increase in listeners in the morning during the time people are commuting to school and work. They would then create a segment about the traffic during that time or advertise products that parents or professionals might buy. **Figure 915** below is an example of the type of analytics CSCM organisations can use to better understand and target their audience.

18 It is noted that this would require a stable internet connection and the associated infrastructure.

Figure 915: The Most Popular TV Genres in South Africa

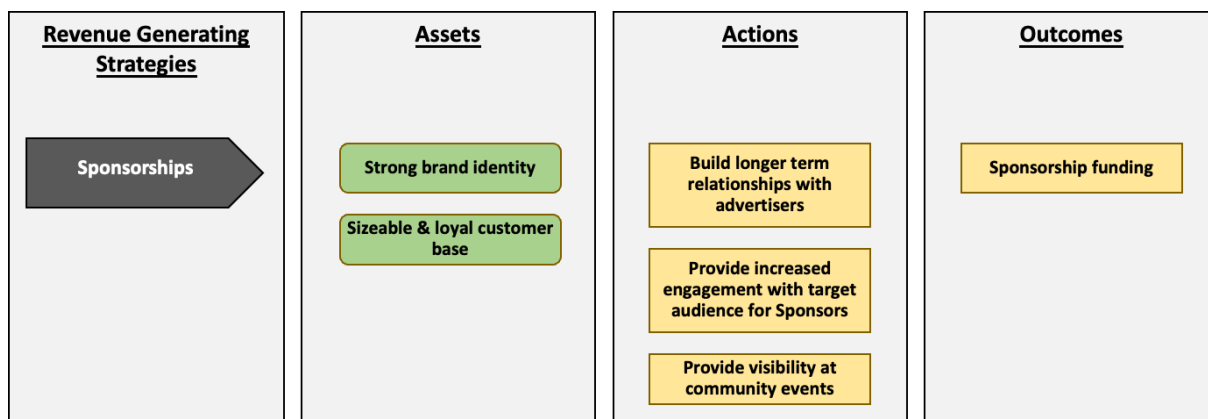


Source: (Parrot Analytics, 2019)

The collection of audience data can be monetised by selling leads.<sup>19</sup> Leads are details of people who might be interested in buying a particular product or service (KAJABI, 2022). For example, if a CSCM organisation has posted tips on healthy eating on social media, leads of all those who click on the post could be sold to a company selling healthy frozen meals. Collection of audience data also means that CSCM organisations can improve their advertising offering by showing particular advertisers that their audience matches the advertisers target audience.

### 9.6.3 SPONSORSHIPS

Figure 916: Sponsorships



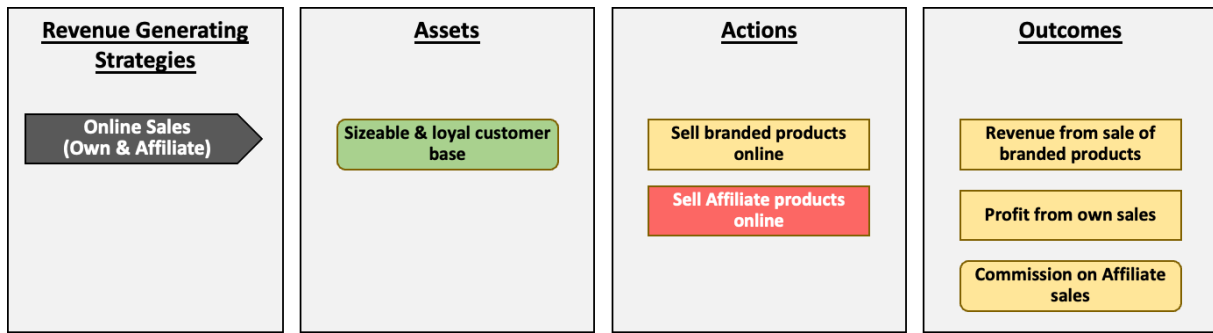
While advertising is often short-term or once off, sponsorships involve a longer-term relationship between businesses and CSCM organisations. Sponsorship funding is made possible by leveraging a CSCM’s strong brand identity and customer base to strengthen a sponsor’s brand.

CSCM organisations can leverage the above-mentioned audience analytics to create an alignment with another business’ target audience. That business could then sponsor the CSCM organisation for a certain period of time and receive benefits such as increased advertising content, increased engagement with their target audience, visibility at community events, etc. Sponsors can also be businesses who support a CSCM organisation’s vision, which is why it is important for CSCM organisations to have a brand identity, as it is easier to support a brand when their mission and values are known (Breiner, 2021).

<sup>19</sup> It is important to note that monetising the collection of audience data will need to be managed and regulated carefully, in order to ensure that the right to privacy is preserved.

### 9.6.4 ECOMMERCE/AFFILIATE MARKETING

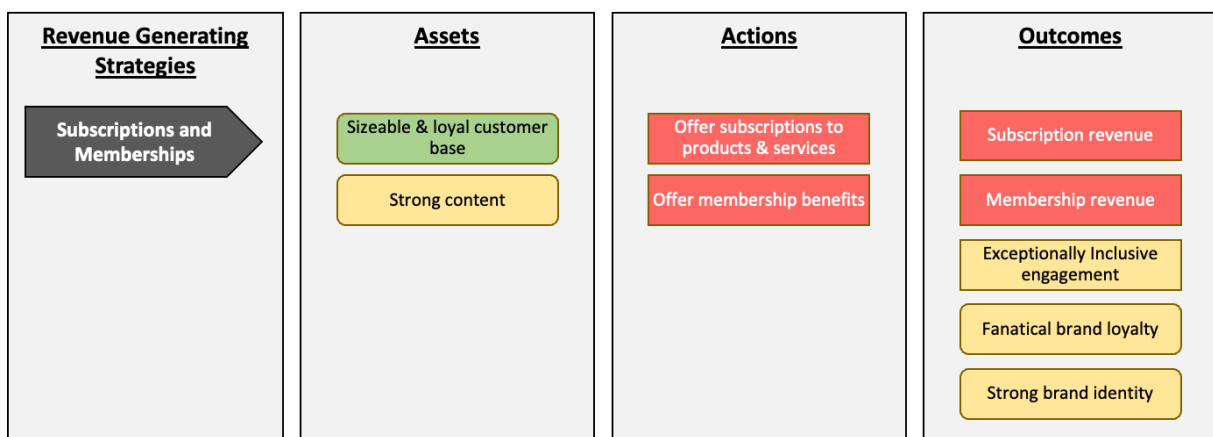
Figure 917: Online Sales (Own & Affiliate)



Instead of solely being an advertising platform, CSCM organisations can offer products themselves. CSCM organisations can open online shops where they could sell branded merchandise or possibly receive commission from selling items that are mentioned in their sponsored media in an online store. Through social media platforms CSCM organisations could engage in affiliate marketing. This is where products can be promoted by the CSCM organisation on various platforms and commission would be received for each product bought through the link provided by the CSCM organisation (Pearson & Warren, 2020).

### 9.6.5 SUBSCRIPTIONS AND MEMBERSHIPS

Figure 918: Subscriptions and Memberships



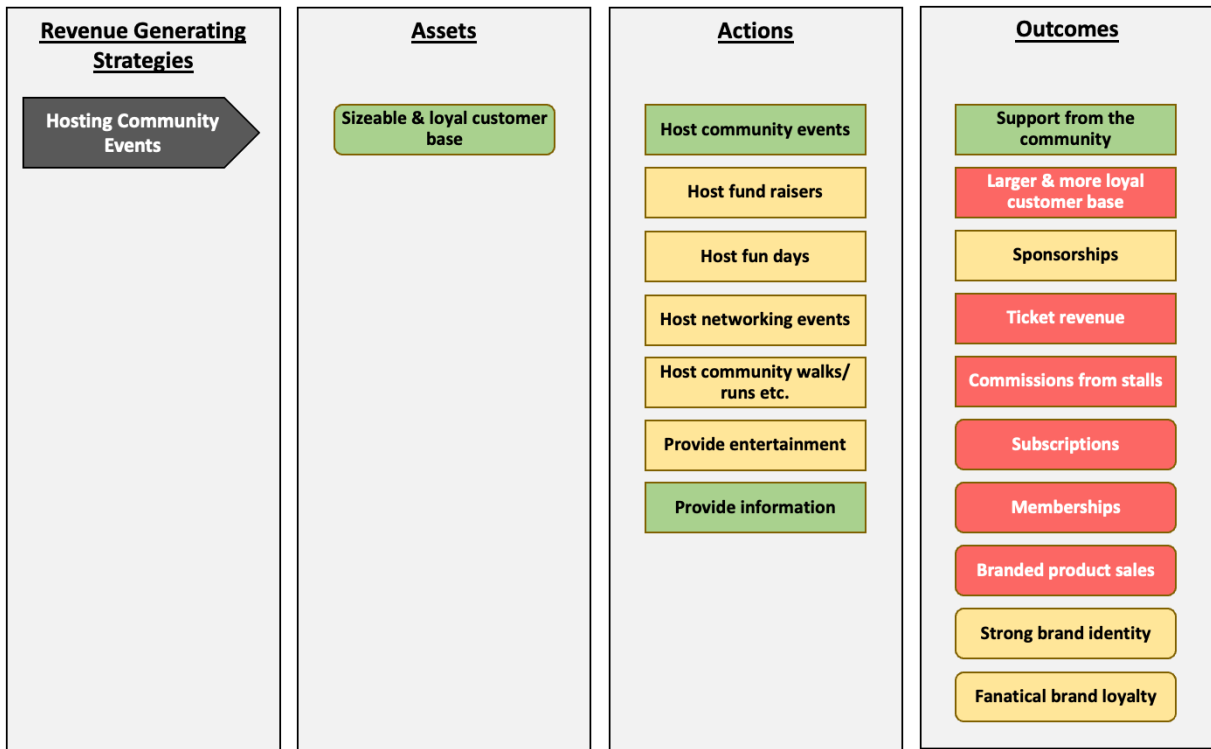
Subscriptions and memberships offered by CSCM’s package offerings in a way that allows for annuity income through subscription and membership fees. Annuity income plays a key role in stabilising cashflow and fostering financial sustainability.

Ten years ago, subscriptions made up only 7% of digital publisher revenue, data now shows that this has increased to 22% of total revenue (Pearson & Warren, 2020). Subscriptions are most common in the print media space and could be enhanced by ease of access through digital versions of newspapers. Subscriptions and memberships bring in a steadier income stream than a once off customer as the recurring fee creates a more consistent revenue stream.

Subscriptions and memberships are often used interchangeably, however, there is a difference in these two offerings. When a CSCM organisation offers subscriptions, it is selling its product or service however, when it offers memberships, it’s encouraging customers to have more inclusive contact. Therefore, a subscription can be seen as more transactional, whilst a membership can be seen as more of a relationship. Both revenue streams are beneficial and will increase profits, however a membership could offer more potential for brand loyalty and greater revenue (MEDILL, 2019).

### 9.6.6 HOSTING COMMUNITY EVENTS

Figure 919: Hosting Community Events

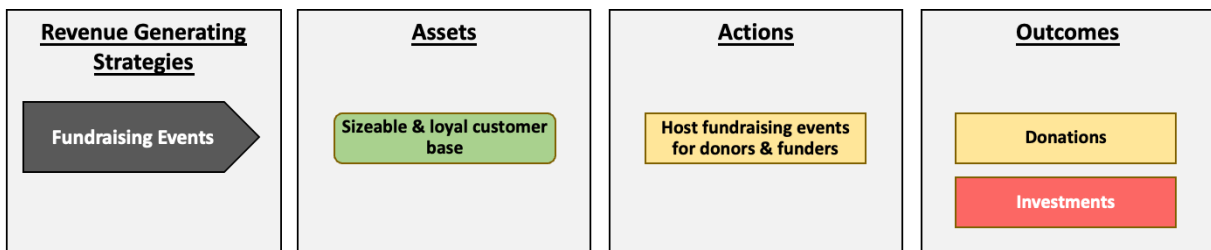


Community events foster close relationships with the communities served by CSCMs, while creating a channel for the distribution of existing (e.g., subscriptions) and new (e.g., stall rental) offerings.

CSCM organisations are created to serve the community and provide them with a source of information and entertainment. The success of each CSCM organisation relies heavily on the amount of engagement and support from the community. Engaging with the community means that community members will recognise and connect with the brand name, which could increase the CSCM organisation’s audience. A great way for a CSCM organisation to increase revenue is to host or participate in community events. These events could be community fund raisers, fun days, networking events, community walks/runs, local school events, etc. There are many different ways to generate revenue from these events including sponsorships, tickets, booths, and product sales (publications, subscriptions, branded merchandise) (Breiner, 2021). Hosting these events may help attract more sponsors, as sponsors who want to connect with the community should be willing to pay to be visible at these events. The events may also help reinforce an organisation’s brand and improve the trust and loyalty of the target audience.

### 9.6.7 FUNDRAISING EVENTS

Figure 920: Fundraising Events



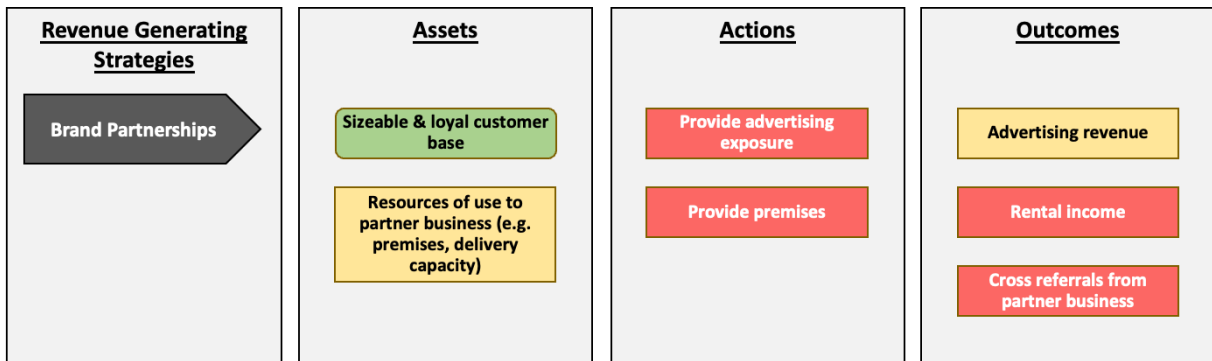
Given the nature of CSCM organisations, many of which are primarily registered as NPOs, fundraising initiatives may be a useful way to network with and engage potential donors and funders and may prove useful in attracting and retaining potential donors and/or funders.



### 9.6.8 BRAND PARTNERSHIPS

Brand partnerships relate to creative commercial relationships between a CSCM and local businesses that are mutually beneficial to the parties.

Figure 921: Brand Partnerships

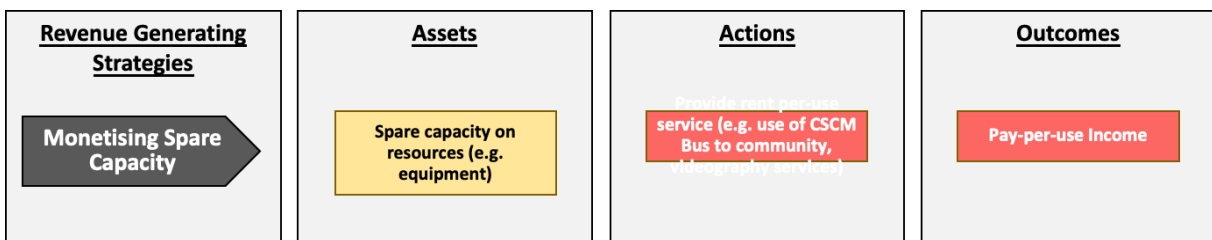


An example of a brand partnership is a particular community radio station which partnered with a coffee shop where the coffee shop used the radio station’s premises and brand name to attract customers whilst the radio station received rent and funds for use of the brand name.

### 9.6.9 MONETISING SPARE CAPACITY

CSCMs may have spare capacity that could be monetised.

Figure 922: Monetising Spare Capacity

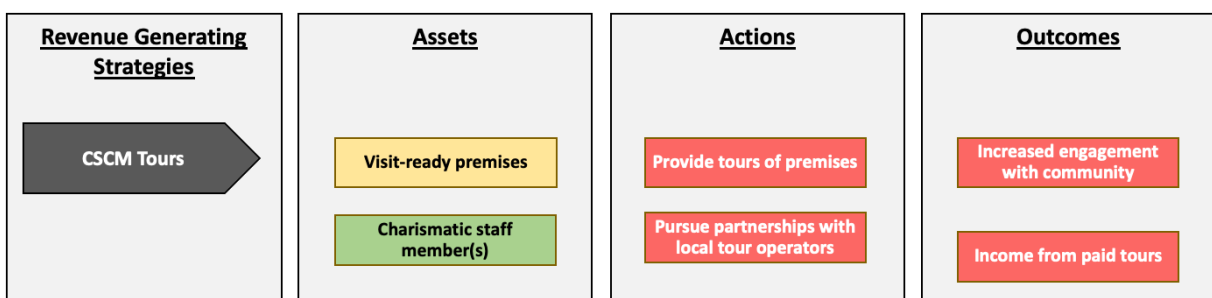


An example of monetising of spare capacity is a CSCM organisation that rented out their bus to community members who needed to use a bigger vehicle. Another example is a CSCM organisation that sold their videography services at community sports games.

### 9.6.10 CSCM TOURS

A community radio station could offer its listeners guided tours of its facilities and a walkthrough of its programming. This would be a way of generating interest in the CSCM from the community and also create a potential additional revenue stream from school tours and tourists.

Figure 923: CSCM Tours



## 9.7 FUNDING ENVIRONMENT

When one considers the sustainability of any business or organisation, the expression “cash is king” is significant. Many organisations consulted expressed the importance of funding, or the lack thereof, in impacting their ability to remain sustainable. Whilst a significant portion of this funding needs to be generated through effective revenue generation, some of this funding needs to come from donors and investors, inclusive of other government departments. It is important to note here the crucial role that the MDDA has to play in terms of encouraging the channelling of resources to the CSCM sector, as per Section 3 (b) (iii) of the MDDA Act, a role which may include engaging with and encouraging funders to channel financial and non-financial resources to the CSCM sector. As such, **Table 94** below details other potential funding sources for CSCM organisations, which may prove useful to the MDDA.

**Table 94: Other Funders**

International Funder/ Donor	Type of Funding	Who is Funded	Eligibility
South Africa Media Innovation Program (SAMIP)	<ul style="list-style-type: none"> <li>• Debt and equity financing</li> <li>• Project grants of USD \$5,000 – \$15,000 per organisation.</li> <li>• Technical assistance grants of up to \$1,000 USD per organisation.</li> <li>• Capacity-building through mentorship, coaching, workshops, and training.</li> </ul>	<p>Funding focus areas include:</p> <ul style="list-style-type: none"> <li>• Developing new approaches to reporting and storytelling that embrace the possibilities of technology.</li> <li>• Serving underserved audiences, especially along the lines of race, gender, age, income or location.</li> <li>• Supporting new models for distributing news that save costs, add value, or reach new audiences.</li> <li>• Creating new sources of revenue that can support media sustainability and independence.</li> </ul>	<ul style="list-style-type: none"> <li>• Applications are open to existing independent media companies and non-profit organisations, as well as new ventures that are less than a year old.</li> </ul>
WAN-IFRA African Media Grants Program	<ul style="list-style-type: none"> <li>• Grants equalling \$10,000 USD.</li> </ul>	<ul style="list-style-type: none"> <li>• Any professional news media outlet may apply for a grant to support their efforts to bring climate change and environmental reporting to their audiences.</li> </ul>	<ul style="list-style-type: none"> <li>• Propose a project that seeks to address an issue/series of issues related to climate change</li> <li>• The project should include a series of stories, reports, or features that will be published by the organisation in any format: e.g. written, audio, podcast, video, graphic, data, etc. Multi-format submissions are also accepted.</li> <li>• Projects should be focused on the climate crisis and/or environmental reporting.</li> <li>• Projects may also focus on economic, environmental, health, political, science and/or social-related effects of the climate crisis at a local, regional, or national level.</li> </ul>
Taco Kuiper Grants	<ul style="list-style-type: none"> <li>• A grant of up to R350,000</li> </ul>	<ul style="list-style-type: none"> <li>• Taco Kuiper Grants are made to encourage investigative journalism in South African print media.</li> <li>• Grants are available for print journalists or print publications seeking pre-publication help for investigative reporting of public interest. Any amount will be considered.</li> </ul>	<ul style="list-style-type: none"> <li>• The fund only accepts projects, including book projects, dealing with contemporary issues that affect South Africa.</li> <li>• The fund will not award educational scholarships or grants for professional training.</li> <li>• Applications can be from individuals, teams of individuals or a publication.</li> </ul>

International Funder/ Donor	Type of Funding	Who is Funded	Eligibility
The Open Society Foundation for South Africa	<ul style="list-style-type: none"> <li>• Grant funding</li> </ul>	<p>Key criteria when assessing projects:</p> <ul style="list-style-type: none"> <li>• Is the project relevant to OSF-SA's strategic priorities (Environmental Rights, Civil and Political Rights, Social and Economic Rights or Media Freedom and Digital Rights)?</li> <li>• Is the project sufficiently innovative in its approach and sound in its strategy to have an impact on public opinion, policies, and/or reform activities at the national, regional, or local level?</li> <li>• Are the project goals and timeline realistic and manageable?</li> <li>• Is the project's budget sufficient to achieve the anticipated objectives?</li> </ul>	<ul style="list-style-type: none"> <li>• Legally registered/hosted in South Africa.</li> <li>• Demonstrated record of strategic effectiveness.</li> <li>• Ability to strengthen, support, and defend institutions that safeguard democracy.</li> <li>• Possess organisational practices that are rooted in ethical and non-violent principles.</li> <li>• Check the exercise of all forms of power.</li> <li>• Willingness to learn from both South African and foreign projects/ organisations.</li> <li>• The ability to account for funds.</li> </ul>
The Bloomberg Media Initiative Africa (BMIA) – Community Media Fund (CMF)	<ul style="list-style-type: none"> <li>• Minimum grant award of USD \$10,000.</li> </ul>	<ul style="list-style-type: none"> <li>• Civil society organisations /non-governmental organisations supporting community media or media training institution</li> <li>• Provide funding to select organisations supporting community media;</li> <li>• Promote transparency, accountability and governance through media and/or the financial literacy of less privileged or marginalised communities;</li> <li>• Fund initiatives to increase visibility of emerging non-traditional reporters (e.g. citizen reporters);</li> <li>• Drive the creation and delivery of new media content; and make localised data available about public resources allocation and statistical information (e.g., demographics, employment, health, education).</li> </ul>	<ul style="list-style-type: none"> <li>• Be registered in good standing in accordance with their national and local laws.</li> <li>• Be directly responsible for the preparation, implementation and management of the proposed project.</li> <li>• Have a bank account and be willing to open a separate account for the grant</li> <li>• Have certified financial audit reports.</li> </ul>

International Funder/ Donor	Type of Funding	Who is Funded	Eligibility
Google -Journalism Emergency Relief Fund	<ul style="list-style-type: none"> <li>• Grant funding</li> </ul>	<ul style="list-style-type: none"> <li>• Small and medium-sized news organisations producing original news for local communities.</li> <li>• The Fund aims to support the production of original journalism for local communities in the face of the COVID-19 pandemic.</li> <li>• Operating globally, it provides an easily-accessible route to financial assistance at this critical time.</li> </ul>	<ul style="list-style-type: none"> <li>• Small and medium-sized news organisations producing original news for local communities during this time of crisis.</li> <li>• Eligible applicants must have a digital presence and have been in operation for at least 12 months.</li> <li>• The Fund is targeted at newsrooms employing between 2 – 100 full-time employee (“FTE”) journalists.</li> <li>• Local publishers employing more than 100 FTE journalists can still apply and will be considered subject to Google’s discretion, based mainly on differing needs in different countries/regions.</li> <li>• Organisations must be incorporated or registered in one of the eligible geographies. Unincorporated organisations must be based in one of the eligible geographies.</li> <li>• Eligible applicants need to have a focus on core news provision, i.e. not lifestyle, sports, business-to-business.</li> <li>• Eligible applicants can include for-profit or no-profit traditional news organisations, digital natives, radio and/or TV broadcasters.</li> <li>• Government-owned entities and individuals are not eligible to apply.</li> </ul>
The Indigenous Community Media Fund	<ul style="list-style-type: none"> <li>• Amount requested (\$6,000 USD maximum).</li> </ul>	<ul style="list-style-type: none"> <li>• The Indigenous Community Media Fund supports community radio and other media platforms run by Indigenous Peoples as tools to strengthen their broadcast infrastructure and systems, and provide training opportunities in journalism, broadcasting, audio editing, technical skills, and more to Indigenous community radio journalists and media producers around the world.</li> </ul>	<ul style="list-style-type: none"> <li>• Indigenous community radio stations</li> <li>• Network of Indigenous Communicators or group of women communicators</li> <li>• Media managed by Indigenous peoples and leadership of Indigenous women.</li> <li>• Application must include a proposal, either an audio recording (3-5 min), video (3-5 min) or a written document (2 pages)</li> </ul>

International Funder/ Donor	Type of Funding	Who is Funded	Eligibility
The International Fund for Public Interest Media (IFPIM)	<ul style="list-style-type: none"> <li>•Funding will generally be long term and structural and be designed to meet the gap between what the market or other sources of funding can provide and what the institution needs to generate public interest journalism.</li> </ul>	<p>The Fund’s capital will be allocated to a broad range of public interest media organisations and journalists around the world. These include those that:</p> <ul style="list-style-type: none"> <li>•Are independent of vested – political, corporate or criminal – interests</li> <li>•Publish reporting that informs the public, objectively and accurately, on the issues that shape their lives</li> <li>•Strive to be balanced and representative in a way that allows public debate and dialogue across society</li> <li>•Work to hold power to account on behalf of the public independent public interest media especially in low and middle income settings and to support long term systemic solutions to the current conditions that prevent independent media financing themselves.</li> </ul>	<ul style="list-style-type: none"> <li>•The Fund will support public interest media institutions in low- and middle-income countries. It will also fund investigative journalism both nationally and internationally and other efforts (such as citizen journalism) networks where alternative viable business models don’t exist and which require funding to sustain their public interest media output.</li> <li>•The specific institutions to be funded will be determined principally by regional offices on the basis of an outstanding knowledge of national media dynamics, the political economy of the media and founded in a long term approach.</li> </ul>
Africa No Filter	<ul style="list-style-type: none"> <li>•Grants</li> <li>•The maximum amount that can be applied for is \$25,000 for project support grants, capacity building grants and operational support grants, \$15,000 for convening grants and \$2,500 for Kekere grants.</li> </ul>	<ul style="list-style-type: none"> <li>•Africa No Filter is committed to supporting storytellers within the Media, Research, Arts &amp; Culture sectors who are presenting contemporary, nuanced and empowering narratives about Africa and/or challenging stereotypical narratives about Africa through their work.</li> <li>•Grants are not awarded to projects just because they are good, popular or creative.</li> <li>•Successful applicants must be able to demonstrate how their work potentially shifts perceptions of Africa and/or a country on the continent</li> </ul>	<ul style="list-style-type: none"> <li>•Not-for-profit organisations aligned to the mission. Applicants must be based in Africa and the Diaspora.</li> <li>•Media houses, festivals, galleries, digital platforms etc., that support individual storytellers. This can be through program delivery, job creation, residences, networking opportunities, training and capacity building creatives, artists, journalists etc.</li> </ul>
National Endowment for Democracy (“NED”)	<ul style="list-style-type: none"> <li>•Grant Funding</li> </ul>	<ul style="list-style-type: none"> <li>•NED funds only nongovernmental organisations, which may include civic organisations, associations, independent media, and other similar organisations.</li> <li>•NED encourages applications from organisations working in diverse environments including newly established democracies, semi-authoritarian countries, highly repressive societies and countries undergoing democratic transitions.</li> </ul>	<p>Decisions are made on a quarterly basis by the NED Board of Directors. The Board considers the following factors:</p> <ul style="list-style-type: none"> <li>•How a program fits within the Endowment’s overall priorities, its relevance to specific needs and conditions in a particular country, the democratic commitment and experience of the applicant.</li> </ul>

International Funder/ Donor	Type of Funding	Who is Funded	Eligibility
The Canada Fund for Local Initiatives ("CFLI")	<ul style="list-style-type: none"> <li>The CFLI has an annual programming budget of \$26.8 million, with projects averaging \$31,000 each.</li> </ul>	CFLI projects focus on issues such as: <ul style="list-style-type: none"> <li>Inclusive governance, including diversity, democracy, human rights, LGBTQ2+rights and the rule of law.</li> <li>Gender equality and the empowerment of women and girls.</li> <li>Peace &amp; security, with a focus on conflict prevention and building peace.</li> <li>Growth that works for everyone, including women's economic rights, decent jobs and entrepreneurship, investing in the poorest and most vulnerable, and safeguarding economic gains.</li> <li>Environment &amp; climate action, focusing on adaptation and mitigation, as well as on water management.</li> <li>Human dignity, covering health, education and nutrition.</li> </ul>	<ul style="list-style-type: none"> <li>Organizations eligible to apply for CFLI funding include local non-governmental, community and not-for profit organizations.</li> <li>Local civil society organizations will receive most of the CFLI funding. Nevertheless, other organizations and institutions listed may also apply for funding if they are working with local partners on local projects that meet CFLI objectives.</li> <li>The CFLI is always looking to fund innovative projects that support meaningful change in communities abroad.</li> </ul>
UNESCO: The International Fund for Cultural Diversity ("IFCD")	<ul style="list-style-type: none"> <li>Maximum 100,000 USD</li> </ul>	<ul style="list-style-type: none"> <li>Public authorities and institutions from eligible countries (developing countries, Parties to the 2005 Convention).</li> <li>NGOs from eligible countries (developing countries, Parties to the 2005 Convention)</li> <li>International non-governmental organizations (INGOs) registered in countries Parties to the 2005 Convention</li> </ul>	The IFCD invests in projects that lead to structural change through: <ul style="list-style-type: none"> <li>the introduction and/or elaboration of policies and strategies that have a direct effect on the creation, production, distribution of and access to a diversity of cultural expressions, including cultural goods, services and activities;</li> <li>the reinforcement of human and institutional capacities of public sector and civil society organisations, deemed necessary to support viable local and regional cultural industries and markets in developing countries.</li> </ul>
The Ford Foundation	<ul style="list-style-type: none"> <li>Grant amounts range from \$50,000 to \$1.25 million.</li> </ul>	<ul style="list-style-type: none"> <li>The Ford Foundation supports investigative journalism that holds leaders and institutions accountable, storytelling that seeks to give a voice to marginalised or silenced sections of society, and innovative projects aiming to connect and reach as many people as possible.</li> </ul>	<ul style="list-style-type: none"> <li>Ford accepts unsolicited proposals, and their grant deadlines are rolling.</li> </ul>
The Government of Ireland's official international development aid program	<ul style="list-style-type: none"> <li>A minimum of 30% and a maximum of 70% of annual project costs will be funded.</li> </ul>	<ul style="list-style-type: none"> <li>Provides funding to media NGOs as part of its efforts to promote better governance, human rights, and accountability</li> </ul>	<ul style="list-style-type: none"> <li>The NGOs must promote better governance, human rights, and accountability.</li> <li>The NGO must be in one of the following countries: Ethiopia, Malawi, Kenya, Mozambique, Sierra Leone, Uganda, Tanzania, Zambia, Liberia, South Africa, and Zimbabwe.</li> </ul>

International Funder/ Donor	Type of Funding	Who is Funded	Eligibility
German Embassy	<ul style="list-style-type: none"> <li>• Maximum of 20 000 Euro per project</li> </ul>	<ul style="list-style-type: none"> <li>• Financial support is given to NGOs widening the scope of the German Embassy's area of intervention in South Africa.</li> </ul>	<ul style="list-style-type: none"> <li>• This depends on the SA German Embassy</li> <li>• Each Embassy will provide detailed information in regards of expected outcomes and goals of projects to be implemented.</li> </ul>
British High Commission Small Grant Scheme	<ul style="list-style-type: none"> <li>• The maximum grant amount obtainable per project is US\$ 30,000.</li> </ul>	<ul style="list-style-type: none"> <li>• The United Kingdom gives financial support to small-scale community-based projects through the Small Grant Scheme (SGS)</li> </ul>	<ul style="list-style-type: none"> <li>• Projects shall address issues linked to the respective country's business plan and policy priority. The main aim of this Fund is to deliver transformational policy change, and strengthening governance and institutions.</li> </ul>



## 10 CONCLUSION

The purpose of this study was to assess the current levels of sustainability of organisations within the CSCM sector, as well as to identify the underlying factors and challenges that impact on the sustainability of these organisations. The sustainability of the CSCM sector was assessed according to the UNESCO Media Viability indicators, which provide a comprehensive framework through which the level of sustainability of media organisations can be assessed. Understanding the current levels of sustainability, as well as identifying the factors and/or challenges facing the CSCM sector, allowed for sustainability models to be developed that may prove valuable in assisting CSCM organisations in improving their sustainability.

It was found through the study that, overall, the majority of CSCM organisations (74%) are partially sustainable. While partial sustainability indicates that CSCM organisations currently have access to some of the necessary skills, resources and financial capacity to be self-sustainable, it also highlights that there are some challenges currently being faced by CSCM organisations that need to be overcome in order for these organisations to be fully sustainable. The challenges faced were found to be both internal, i.e., within the business models of CSCM organisations, as well as external i.e., relating to the broader socio-economic environment that CSCM organisations exist within.

The study revealed that the main challenges faced by CSCM organisations are the lack of financial resources, the lack of effective governance structures, the lack of an enabling environment, as well as a lack of skills. The lack of finances was caused by various factors, including difficulties in attracting advertisers. This was particularly concerning, given that the majority of organisations within the CSCM sector rely on advertising revenue. It was found that private sector advertisers are seemingly reluctant to advertise with CSCM organisations due to the perception that CSCM organisations are unstable and unprofessional, in addition to these organisations having limited audience reach which is seen to limit the potential exposure of the advertiser's product to target audiences. The economic status of the communities in which CSCM organisations operate was another factor impacting on their ability to generate revenue from private sector advertising. It was found that the majority of these communities (63%) were classified as poor to very poor. As a result, the communities were unable to offer financial support to the CSCM organisations, either in the form of advertising spend or product sales.

The challenge in attracting advertisers also extended to government advertising, with representatives from CSCM organisations, as well as representatives from the MDDA, noting that local government appeared to be reluctant to advertise with CSCM platforms. This was despite the directive issued by government related to government advertising, which proposed that a minimum of 30% of governments' communication budget be allocated to advertising through CSCM organisations. Competition within the communities was seen as also impacting on the ability to generate advertising revenue, where it was noted that it appears that multiple organisations are issued with broadcasting licences by ICASA within the same geographic area. This was seen to fragment the target audience and decrease the chances of either organisation receiving adequate advertising revenue. It is, thus, evident that CSCM organisations need to identify alternate revenue streams in order to ensure their sustainability, given the challenges faced with regard to attracting both private sector and government advertising.

It was found that the inability to attract advertisers may also be linked to challenges relating to the offering advertisers off-air value, such as social media advertising. Even in instances whereby CSCM organisations had the ability to offer additional value, it was found that this did not allow CSCM organisations to charge advertisers higher rates. This may be due to a lack of skills within CSCM organisations regarding how to use social media effectively. As a result, CSCM organisations need access to opportunities to acquire adequate digital skills so that they are able to effectively position social media advertising as an attractive additional value service.

It is important to note that the lack of access to adequate finances also has an impact on other aspects of CSCM organisations. This includes the ability to afford key expenses, such as distribution costs, where it was found that 53% of CSCM organisations could not afford software and other distribution related expenses, while a further 35% could not afford licencing fees. This is particularly critical to the sustainability of CSCM organisations, as distribution is a core part of their operations. Furthermore, CSCM organisations lacked the

necessary infrastructure to keep abreast with the rapid development of technology which further impeded their distribution capabilities, particularly with regard to distributing content on digital platforms. Other areas key to sustainability that were impacted by the lack of access to funding include the ability to afford critical expenses such as printing for community and small commercial print organisations (49% of organisations) and equipment required to operate effectively (60% of organisations). It is imperative to the sustainability of CSCM organisations that they are able to afford these expenses to ensure that they operate efficiently.

A further challenge impacting on the sustainability of CSCM organisations are the lack of key skills, such as business management, financial management, sales and marketing skills. These skills are critical to the sustainability of organisations within the CSCM sector, as they relate to key functions which are closely related to the ability of the CSCM organisation to generate revenue. The Shared Service Centres proposed in Section 9, through which CSCM organisations will have access to key skills through a shared services model, may prove to be useful in addressing these skills shortages.

Challenges relating to high staff turnover were also identified in the study. Key skill shortages were exacerbated by the fact that CSCM organisations were unable to retain skilled staff due to the inability to pay for said staff, resulting in high staff turnover. As a result of this, the CSCM sector is often reliant on volunteers to replace outgoing employees, and these volunteers require training in order to perform effectively within CSCM organisations. This feeds into the perception of the CSCM sector being unstable and unprofessional, as the human resources within a particular CSCM organisation are consistently in a state of flux. As such, it is critical that CSCM organisations adopt measures to manage the disruption caused by high staff turnover. Possible measures include adopting a structured recruitment process, which may ensure that a particular CSCM organisation always has adequate human resources to remain operational and stable.

A lack of effective governance structures was found to be another challenge impacting on the sustainability of CSCM organisations. It was noted there were no formal mechanisms put in place to ensure that members elected to boards of CSCM organisations have the relevant expertise to occupy these positions. As such, there appears to be a need for more effective monitoring processes with regard to various aspects of effective governance, particularly with regard to the composition and effective functioning of the board. The improper formation of the boards of CSCM organisations was found to create various challenges which impacted on the sustainability of CSCM organisations, as ineffective governance structures sometimes resulted in conflict between the board and management, given that board members did not understand the nature of the CSCM sector. It is, therefore, critical that effective measures are implemented in order to ensure that individuals with the relevant experience and skills are voted on to the boards of CSCM organisations. This may include the introduction of eligibility criteria.

In conclusion, it was determined that the sustainability of the CSCM is impacted by various factors. In order for the CSCM sector to become sustainable, it is evident that these issues need to be addressed. While the strategies and solutions proposed in this report may prove to be useful in addressing some of the challenges faced by the sector, it is important to note that the sustainability of the CSCM sector is heavily dependent on a CSCM organisations generating increased revenue, from multiple sources, as well as a strong enabling environment, which is only possible through collaboration between relevant role-players, such as government, the MDDA, industry bodies and regulatory bodies.

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