

# ZBC feels the heat of competition

By [Justin Tamisai Makombe](#)

30 Oct 2012

State run Zimbabwe Broadcasting Corporation (ZBC) has reduced its advertising rates by 40%, in an apparent indication which confirms that the national broadcaster is feeling the heat of competition and struggling to attract advertisers.

In a promotion named the Advertising Budget Boost Promotion presently being advertised on ZBC television, the broadcaster has invited advertisers to do business with them and in return enjoy free advertising slots and discounts of up to 25 % for television commercials while radio ads have been slashed by an incredible 40 %. The promotion runs until the end of December this year.

Until the recent licensing of two new radio stations, the ZBC which runs four radio stations and two television channels was a virtual monopoly which often dictated the price of its commercials and bullied advertisers into accepting huge rates in the absence of options for both radio and television advertising.

## A strategic step

A representative of the company's marketing department who spoke on condition of anonymity described the reduction in advertising rates as a strategic step by the broadcaster aimed at reclaiming lost advertising revenue, most of which has gone to new competition and is being lost to apathy motivated by perceptions that regard ZBC as a propaganda mouthpiece for the Zanu PF government.

ZBC is purportedly in the throes of a deepening financial crisis and is struggling to pay its obligations that include workers' salaries. At the time of writing this article, the state broadcaster was reportedly yet to pay its workers their September salaries.

Early this month, ZBC management attracted the ire of workers who alleged management was living in a lap of luxury - earning hefty salaries and benefits in addition to giving each other huge loans when the rest of the workers are earning derisory salaries and working without adequate equipment required for effective execution of their duties.

## Advertising marketing share lost

Results of the Zimbabwe All Media Products Survey (ZAMPS) seem to confirm that ZBC has lost a chunk of the advertising marketing share it used to dominate for many years and two new radio stations Star FM and Zi-FM Stereo who are all barely a year old have claimed much of the advertising that used to go to ZBC by default.

Between them, the two radio stations have a listenership of 9% compared to ZBC's flagship radio Power FM at 17% although the latter has been in existence for many, many years, and the stakes are rising in favour of the new stations.

In an effort to shore up its precarious balance sheet, ZBC has been using brutal revenue collection mechanisms such as door-to-door police aided inspections and roadblocks.

A radio license costs \$30 and a television license is pegged at \$50 - fees which viewers deem too high in light of the broadcaster's poor programming and partisanship coverage of issues.

Harare resident, Kennedy Nyamayaro believes that ZBC will keep losing valuable advertisers for as long as the broadcaster does not transform itself into a credible, public broadcaster.

"If you look at the Zimbabwe All Media Products Survey (ZAMPS) findings for the last quarter of 2011, you will find that satellite television viewership has increased to an estimated 50% meaning many people are now watching satellite television. Advertisers worth their salt are likely to follow such trends. It should then be predictable that ZBC is losing advertising revenue to competition.

"They should clean up their image first because clearly they lack public trust, improve and provide quality programming if they are serious about attracting advertising or garnering new clientele," said Nyamayaro.

Late last year, the Zimbabwe government controversially awarded two radio licenses to Zimbabwe Newspapers' Star FM and Supa Mandiwanzira's Zi-FM Stereo, a development which attracted a barrage of criticism from media freedom advocates who regard the two new players as pro-government. The new players are seen as nothing but a perpetuation of the state's dominance of the media market share and the continued suppression of alternative voices.

Independent audits of the media market indicate that Zimbabwe still has space for more radio stations. Despite repeated and deafening demands for the opening of airwaves, Southern African continues to operate with a single government controlled and politically manipulated television station.

ZBC is the holding company for four radio stations namely Power FM, Radio Zimbabwe, SFM and National FM and operates ZTV and another channel known just as Channel 2

## ABOUT THE AUTHOR

Justin Tamsai Makombe is a Harare based editor, business, financial and mining writer with 16 years working experience spanning journalism, corporate communications and business development. He has worked for Thomson Publications, the Business Tribune and the Zimbabwe Broadcasting Corporation. Contact him on [[zimbalooba@hotmail.com]]

For more, visit: <https://www.bizcommunity.com>