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AN INVESTIGATION INTO THE ECONOMIC ACTIVITIES OF RADIO STATIONS
IN WA

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DECLARATION

I declare that this dissertation is a result of my own research conducted at the Department of Communication Studies, University of Ghana, Legon. All works consulted in the course of the study have been duly acknowledged. This study was supervised by Prof. Audrey Gadzekpo.

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(Student)

Prof. Audrey Gadzekpo
(Supervisor)
DEDICATION

If I could I would bring William Shakespeare back to life just to write a panegyric in honour of the rare breed called Saeed Abdul Shakur. I have come this far in my academic journey because this rare breed has been with me every step of the way. For impacting my life and so many other lives so positively, Mr. Saeed Abdul Shakur, the State Attorney of the Upper West Region, deserves to have this work dedicated to him. I hereby dedicate my dissertation to him and to him only.
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The blessed verse “Then which of the Blessings of your Lord will you both [jinn and men] deny?” is reiterated thirty three times in Surah al-Rahman, chapter 55 of the Holy Quran to enjoin us to show gratitude to Allah for His countless blessings. I thank the Almighty Allah for the gift of my life and for guarding and guiding me through this work.

Next, I will like to appreciate the surgical precision with which my supervisor, Professor Audrey Gadzekpo corrected my uncountable mistakes and gave focus to my work. I am grateful for her gracious provision of relevant literature which enriched my work. I also wish to thank Dr. Abena Animwaa Yeboah-Banin for helping me to shape my research topic and for helping me understand some finer nuances of Research Methods.

The managers and programme managers of Bugli FM, Sungmaale FM, Radio Progress, Ultimate FM, Radio Waa, Radio Upper West and WFM, who granted me the interviews that constituted my data, deserve mention in this space for their invaluable contribution to this research. My special thanks go to Mr. Seidu Bomanjo of Radio Upper West for arranging some of these interviews for me.

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ABSTRACT

The liberalization of the airwaves in the early 1990s and the promulgation of the National Communications Authority Act of 1996 (Act 524) resulted in broadcast pluralism in Ghana. The resultant increase in the number of radio stations has spawned a very competitive radio market in which radio stations compete for audiences to sell to advertisers. This study was done to find out how radio stations in the Wa Municipality of the Upper West Region of Ghana generated revenue to sustain themselves. The study sought to find out the challenges radio stations faced in trying to achieve financial sustainability and how advertisers and audiences influenced the content of the stations.

Data for this study were collected through in-depth interviews with the managers/programmes managers of the radio stations.

The findings indicated that advertising was the main source of revenue for Wa radio stations. Other revenue streams for some of the stations were project implementation, subventions from shareholders, renting of masts to telecommunication companies. The study also revealed the radio stations were largely struggling to sustain themselves financially. Among the reasons for this struggle were, the large number of stations operating in Wa, the refusal of some big businesses to advertise on radio, the high utility bills and the huge amounts charged by the NCA for renewal of licenses.

The study recommended among other things that radio stations should be much more proactive and innovative in their marketing drive so as to improve their capacity to achieve financial sustainability.
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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter introduces the study and provides a brief profile of Wa, the site of the study. The chapter also presents the problem the study seeks to investigate, the objectives and the research questions. Furthermore, the chapter spells out the significance of this study and provides the operational definitions of key terms used.

1.1 Background to the study

The media are big businesses and like all businesses, they are influenced by economic factors such as profitability, cost containment and evolving ownership (Croteau & Hoynes, 2014). They operate as economic institutions in the business of cultural production (McChesney, 2003). This market model dominates the media landscape of liberal democracies where profit-seeking companies commodify media and communication resources for sale to buyers and consumers (Wasko, 2005). The commodification of media products is seen in various ways. For example, according to Wasko (2005), the increasing number of commercial messages in the US media exemplifies media commodification or commercialization.

As a liberal democratic country, Ghana’s media also operate as a commercial industry that turns media content into commodities for sale to target audiences. Prior to the coming into effect of the 1992 Constitution the mass media were largely controlled by the state and were largely non-commercial. However, with the transition to democracy and the coming into effect of the 1992
Constitution which prohibited restrictions to the establishment of media, the state monopoly of the media was broken and many newspapers sprang up (Gadzekpo, 2007).

In spite of the constitutional guarantee of the freedom and the independence of the media and the right of individuals to establish and operate media without interference or a licence, GBC continued to be the only broadcast entity authorised to operate until 1995.

According to Ghana Broadcasting Study (2005), the need for radio stations to be assigned frequencies for independent use was only realized after a test case by Radio Eye, Ghana’s first private radio station, which took to the airwaves in 1994 without authorization. The following year the Ghana Frequency Registration and Control Board (GFRCB) announced the first invitation for applicants to operate broadcasting services independent of the Ghana Broadcasting Corporation. The first frequencies were assigned in July 1995 for ten commercial radio services to operate in Accra, Kumasi and Sekondi-Takoradi. Also, Joy FM went into a deal with GBC. In 1996 the GFRCB was replaced by the National Communications Authority (NCA), which has since been the body in charge of assigning frequencies to private commercial broadcasting services.

The liberalization of the airwaves and the promulgation of the National Communications Authority Legislation (Act 524) ushered in broadcast pluralism in Ghana.
The National Media Policy of 2000 provides for a three-tier system of public, commercial and community radio and TV broadcasting. So radio stations in Ghana could be broadly categorized into public service, commercial and community radios.

However, the National Communications Authority classifies radio stations in Ghana according to three criteria: by purpose, coverage classification and classification by location. By purpose, the NCA has classified radio stations into public (all stations owned and operated by the Ghana Broadcasting Corporation and/or any other stations established by the government of Ghana by a statutory enactment), public foreign (stations established by foreign governments through diplomatic arrangements to rebroadcast/relay content from foreign countries e.g. BBC, RFI), commercial (those that are privately owned and operated for profit and controlled privately by independent commercial groups or individuals), community (a non-profit broadcasting service provided for a specific marginalized community by a radio or television station whose ownership and management are representative of the community for which the service is provided) and campus (a station operated within the ambit of educational institutions). According to the NCA, there were 505 authorised radio stations in the country as of the second quarter of 2017 (NCA, 2017). Out of this number, 392 were in operation.

The Upper West Region has 22 authorised radio stations. Out of the 22 authorised radio stations in the region, 14 are in operation with nine located in Wa the regional capital. These nine stations which are made up of a public service radio, three community radios, three commercial radios and two campus radios are classified by the NCA as Urban Type 2 which refers to radio stations
located in metropolitan cities and regional capitals that are not as economically viable as the major metropolitan assemblies like Accra, Kumasi and Takoradi which are classified as Urban Type 1.

The nine operational radio stations located in Wa are GBC Radio Upper West (Public service), Sungmaale Community FM, Radio Progress and Bugli Sesew Duoho (Community), W FM, Poupeli FM and Radio Waa (Commercial), Radio WAP and Ultimate Radio (Campus radio). Though Wa is a Municipality, its relatively low economic viability (NCA, 2017) suggests that the town faces challenges associated with rural media financing. This therefore means that for the nine radio stations located in Wa, financial sustainability could be a continuous struggle. This study therefore seeks to find out the economic activities radio stations in Wa, in the Wa Municipality undertake to generate revenue to fund their operations.

1.2 Profile of Wa Municipality

The Wa Municipality is one of the 11 District/Municipal Assemblies that make up the Upper West Region of Ghana. It was created in 2004 when the then Wa District was upgraded to a municipality, with Legislative Instrument (LI) 1800 pursuant to the policy of decentralization started in 1988. Under section 10 of the Local Government Act 1993(Act 426), the Assembly exercises deliberative, legislative and executive functions in the Municipality. The Assembly is also empowered to act as the highest political and administrative body in the Municipality tasked with the responsibility of facilitating the implementation of national policies (Wa Municipal Assembly, 2016).
The Wa Municipality has its capital as Wa, which is also the capital of the Upper West Region. It shares administrative boundaries with the Wa East District to the East and South, the Wa West District to the West and South and the Nadowli District to the North. It has a land area of approximately 579.86 square kilometres, which is about 6.4 percent of the region.

According to the 2010 Population and Housing Census (PHC), the Wa Municipality has a total population of 107,214 (52,996 male and 54,218 female), which is 15.3 percent of the population of the Upper West Region (Ghana Statistical Service, 2010). The current population of the Municipality is 127,284 (male 61,826/female 65,458).

The structure of the economy of the Wa Municipality was previously dominated by the agriculture sector but the 2010 Population and Housing Census indicated that the service sector is now the dominant sector, employing 51.3 percent of the working population, with the agriculture and industrial sectors employing 30.2 percent and 18.4 percent respectively. Other major sectors in the economy of the Municipality are transport, tourism, communication and energy. Under the agriculture sector, most of the farmers are peasant farmers and mainly cultivate maize, millet, cowpea, sorghum and groundnuts and rice. Economic trees grown in the Municipality are Shea trees, mango, dawadawa, baobab and teak (Wa Municipal Assembly, 2016).

1.3 Problem Statement

In communities where most people can neither read nor write, radio is a particularly effective means of communication (AMARC, 1998). Therefore it enjoys more listenership than TV enjoys viewership and newspapers enjoy readership, particularly in developing countries such as Ghana.
According to the Media Ownership Monitor Ghana (2017), radio is the most prevalent medium in Ghana with almost 63 percent of people turning to it as their prime news source. The liberalized and competitive media regime provided for in Article 162(3) of the 1992 Constitution has also resulted in a more pluralistic media landscape in the country, with radio stations across all ten regions as indicated earlier in this study. The improved radio penetration has helped to consolidate the country’s democracy and promote good governance (Gadzekpo, 2007).

Despite the importance of the mass media, especially radio to the development of Africa, the literature has generally overlooked the issue of what makes the media viable (Cage, 2014). The viability of the media depends on their ability to generate enough revenue to fund their activities. Maliehe (2007) argued that a radio station is a business like any other business which is concerned with providing customers what they need at a price to make profits.

Yordy (2008) however asserted that very little is known about the economics of rural radio programmes and projects in Africa. He attributed this to the fact that start-up and operating costs have been difficult to measure for radio stations of different sizes operating under different models (that is public stations, commercial/private stations and community-based stations). There also appears to be limited knowledge on the ways through which the different tiers of radio stations in Ghana located in rural areas and municipalities that are not very economically viable, generate income to sustain themselves.
These different tiers of broadcasting are different in terms of ownership, purpose and audience relationships (UNESCO, 2015) and the differences suggest that there are different revenue streams available to these typologies of radio.

In markets where there are varieties of radio stations viability becomes an issue since the level of competition for revenue increases. What this suggests is that since the nine radio stations based in Wa belong to different typologies of broadcasting (one public service radio, three commercial radio stations, three community radio stations and two campus radio stations) they would engage in different economic activities to generate revenue for their sustainability. Wa is classified by the National Communications Authority under the Metropolitan cities that are not as economically viable as Accra, Kumasi and Takoradi and so nine radio stations operating in the town could be regarded as a big number. This large number of radio stations operating in the Wa radio market could lead to a fierce competition for the advertising revenue of business people, organisations, institutions and companies.

The purpose of this study therefore is to investigate the economic activities these different radio stations located in Wa undertake in order to ensure their financial sustainability.

1.4 Objectives of the Study

The general aim of the study was to investigate nine radio stations in the Wa Municipality of the Upper West Region, to find out the economic activities they engage in to generate revenue to sustain their operations. The specific objectives were to:

- find out how Wa radio stations generate revenue to sustain themselves
identify the challenges radio stations in Wa face in trying to generate financial resources;

establish how the quest for financial sustainability influences the content of these radios;

establish how audiences influence the content of radio stations

compare and contrast the methods employed by Wa radio stations to generate financial resources.

1.5 Research Questions

How do radio stations in Wa generate revenue to sustain themselves?

What factors militate against the attempts by the Wa radio stations to generate revenue to sustain themselves?

In what ways does the quest for financial sustainability influence what programmes radio stations in Wa air?

How do audiences influence the content of Wa radio stations?

In what ways are the revenue generation methods of the different typologies of radio similar or different?

1.6 Significance of the Study

The liberalized and competitive media regime provided for in Article 162(3) of the 1992 Constitution has resulted in a more pluralistic media landscape in Ghana, with FM radio stations across the country. Radio stations have continued to strive to generate revenue to fund their operations and therefore ensure their survival. What appears to have received very little scholarly attention is how the different tiers of radio operating in relatively less economically viable markets generate revenue to sustain themselves.
The fierce competition engendered by the capitalist media market system makes it imperative for industry players to be familiar with how the media can achieve sustainability, especially financial sustainability. This study will therefore serve as an invaluable resource for radio station owners and other industry players in Wa, in terms of their quest to generate revenue to sustain their stations in the fiercely competitive but relatively less economically viable Wa radio market. It also contributes to the pool of scholarship on the sustainability of radio in Ghana.

1.7 Operationalisation of Concepts

The following glossary explains the contextual use of certain concepts and words in the study.

**Economic Activity:**
Any activity that is undertaken to generate revenue for the financial sustainability of radio stations in Wa.

**Typology:**
This study adopted the classification of radio by purpose, by the National Communications Authority which classified radio under public, public foreign, commercial, community and campus radio stations.

**Market:**
The economy within which Wa radio stations operate

**Sustainability:**
This study adopted the definition by Lush and Urgoiti (2012) who defined sustainability as the ability to keep something going on continuously or for a long time. In this study financial sustainability was the focus.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter discusses the theoretical framework underpinning this study. The study was guided by the economic theory of media. This theory is essential to study of the economic activities undertaken by the media to achieve financial sustainability. The chapter also reviews available scholarly materials related to the study.

2.1 Theoretical Framework

2.1.1 Economic Theory of the Media

The economic theory of the media springs from the *Four Theories of the Press* proposed by Fred. S. Siebert, Theodore Peterson and Wilbur Schramm in 1956, which expressed certain normative views on the way the mass media operate in different societies. The dominant idea behind the *Four Theories of the Press* is that “the press always takes on the form and coloration of the social and political structures within which it operates” (Siebert, *et al.*, 1956:1). In other words the political system of a society determines how its media operate. The four theories of the press are the Authoritarian, the Soviet-Communist, the Libertarian and the Social Responsibility theories.

Under the authoritarian theory the state or the elite that runs the state controls the mass media, which are largely educators and propagandists by which the ruling elite exercises social control. This suggests that in countries that operate this media system there can be no media pluralism since the mass media would only have as much freedom as the ruling elite is willing to permit.
Another theory of the press mentioned by Siebert et al (1956) is the Soviet-Communist theory. Here the control of the media is in the hands of a few party leaders. The role of the media in countries that apply this theory is to be the social glue that unites the citizens and make them loyal to the state. This implies that there is no room for media pluralism and the state-controlled media survives through state support.

Another theory of the press is the libertarian theory which rose from the philosophy that man is a rational being with inherent natural rights. The media system it builds allows for media pluralism. Closely related to this theory is the social responsibility theory which places more emphasis on the press’ responsibility to society than on press freedom. In countries where these two theories influence the media system, there often operates a free market for the media to compete for the needed resources to survive. The case of Ghana could provide a useful example to illustrate this argument. As a liberal democratic country, Ghana’s media operate freely and compete for resources to survive.

The Siebert-Peterson-Schramm theory was primarily focused on the political and social dynamics underpinning the power relations between the media and the society within which it operated. However, it is not out of place to argue that the political system of a nation determines the economic system under which the nation seeks to provide the social system with goods and services. Since the mass media are part of the goods and services a nation provides its citizens, Tietaah (2000: 45) argued that “there are logical grounds for us to draw out the Siebert, et al., (1956) hypothesis, and to suggest that a nation’s media system (or the path towards meeting the citizens’ media needs) closely mirrors the contemporary economic order.” Such arguments
suggest that the economic system in which the media operate helps to comprehend the activities
the media undertake to generate revenue for their sustainability.

The government’s overall economic policies and how some non-media industries are structured
significantly influences the media’s independence and their ability to survive. In countries where
state-owned industries dominate the economy, even the private media will need state support to
survive (Islam, 2002).

Christians et al (2009) expound the market economic role of the media in a democracy to include
the notion that competition for advertising and sponsorship revenues tend to affect decisions
about both the location and the determination of content considerations. Citing Schudson’s three
models of journalism namely advocacy, market and trustee, Christians et al (2009) explain that
commercial imperatives often tend to drive populist content with the effect that media decisions
are underpinned by their implications on the bottom line of economic prospects. This suggests
that in a liberal democracy the media operate as businesses that must make profits to survive. At
the heart of this market-driven media practice is the logic of the market place which suggests that
a person will only engage in an exchange if he or she is persuaded that what will be gained will
be more than what will be given out (McManus, 1994). Under the free-market system, media
firms sell audience attention to advertisers in order to generate revenue.

In the radio industry, the advertiser’s interest lies in the number and quality of audiences that the
station is able to use its programmes to attract (Tietaah, 2000). This suggests that the advertiser
will only advertise with the radio station that will yield him/her the most returns on his/her
investment. The potential advertisers will only pay advertising cash to a station if they believe that their potential customers will be listening to that station.

Like all other competitive market forces, media industries can be affected by regulatory actions. For instance, U.S. media industries benefitted from deregulatory actions in the 1980s and 1990s which culminated in an increase in the ownership limits of media (Albarran, 2004). That enabled more media firms to expand their operations through mergers with and acquisitions of other media firms. In Ghana, section 2 of the Electronic Communications Act 2008, Act 755 mandates the National Communications Authority to regulate the radio spectrum allocated to radio stations to use (National Communications Authority, 2017). So it accordingly determines the coverage radius of radio stations in the country. This greatly influences the economic activities each radio station can engage in to generate revenue.

Aside from the regulatory structure, media industries are also witnessing a fundamental power shift in the communication process. Where before the media firms controlled the media space and always determined content, consumers are increasingly gaining control of the media space as the media market is increasingly becoming a buyer’s market (Kumar, 2014). Audiences are no longer content with being passive receivers of information but many of them are actively involved in content production through various forms of user-generated and interactive content.

In the nutshell the economic theory of media suggests that the economic system under which the media operate closely mirrors the economic activities they undertake to generate revenue. This suggests that the media in Ghana mostly operate as businesses in a free-market system and are
driven by the profit motive even as they play their watchdog role of protecting the public interest. The highly competitive nature of the market means even the public service broadcaster and community radio stations have to solicit advertisements in order to survive. Therefore the economic theory of the media is useful for this study.

2.2 Related Studies

The available related literature was reviewed and arranged according to some themes that were identified.

2.2.1 The Radio Market

Radio is the oldest form of electronic media and has undergone significant changes since it began in the early 20th century. According to Albarran (2004), radio only became a commercially viable medium when advertising was introduced in 1922. Radio was the most important source of entertainment and information until the invention of television in the 1940s. It then began a transformation that has continued to the present era where digital radio transmission is now possible.

The passage of the 1996 Telecommunication Act in the United States that removed national ownership restrictions resulted in massive structural changes in the country’s contemporary radio industry (Albarran, 2004). The removal of the national ownership limit which had been capped at 40 stations led to concentration of radio ownership allowing companies to grow in terms of their radio holdings. Similarly, the lifting of restrictions on Ghana’s media in 1993 which was a prerequisite for the country’s transition back to democracy and a dividend of economic and
political liberalization (Gadzekpo, 2007) broke the stranglehold the state broadcaster GBC had on the radio industry thereby opening the airwaves to private radio stations. As of the second quarter of 2017, there were 505 authorized radio stations out of which 392 were in operation. In the Upper West Region, authorised radio stations there were 22 with 14 in operation (National Communications Authority, 2017). What this means is that there is fierce competition among these radio stations for audiences so as to attract advertisers.

This intra-radio competition, however, is not the only reason the radio market is highly competitive. Radio also contends with television, magazines, newspapers and the internet in local and international markets for audiences and advertising revenues (Albarran, 2004).

The radio industry also functions like many other media industries because it operates in a dual product market (Albarran 2002; Johansen 2010). The dual market participation means radio stations create one product but participate in two separate goods and services markets (Picard, 1989). The content, which is the product, is made for both the audience and the advertisers. The first market is the audience which is a scarce resource the radio tries to use its content to get. The second market is created when the station tries to sell the audience to advertisers. The way each market performs has a direct effect on the performance of the other market (Picard, 1989).

The highly competitive nature of the radio market would suggest that radio stations necessarily have to compete for audiences to sell to advertisers and that requires them to raise revenue through some means.
2.2.2 Media Ownership in Ghana

Media sociologists and political economists have contended the owners of media influence the content and form of media products. This influence can be seen in the decision of media owners to employ or sack certain personnel, to give media platforms to certain speakers, to fund certain projects and to develop or support certain technologies (Croteau & Hoynes, 2014:33). This position is backed by Islam (2002) who said that owning the media gives one control over the nature of information disseminated.

Despite the considerable power media owners have to influence content, not all content results from the idiosyncrasies and economic interests of these owners. Indeed the financial interests of large corporate sponsors, public pressure and the legal environment within which the media operate collectively are usually more decisive in determining what is printed or broadcast (Tietaah, 2000). In a competitive capitalist media market, audiences are very influential in the determination of content. If listeners do not like a radio programme for instance, they will not listen to it. If a radio station cannot attract high listenership it would struggle to attract advertisers.

In Ghana the media ownership structure could be broadly categorized into public media and private media. The public media are the state-owned Ghana Broadcasting Corporation, the Graphic Communications Group Limited and the New Times Corporation. The private media are the privately-owned newspapers, FM radio stations and TV stations across the country. While they are known to be privately-owned, detailed information on their ownership is largely difficult to find.
A media ownership study by Reporters Without Borders and the Media Foundation for West Africa (2017) revealed that Ghana faced a number of issues regarding media ownership transparency. For this study, the two organisations retrieved publicly available data from the online register of the National Communications Authority (NCA) as well as from hard-copy company profiles at the Registrar General’s Department (RGD), where all businesses are supposed to be registered. All media outlets and companies were also contacted with a list of follow-up questions which they had over two months to answer.

While the state-owned media outlets were found to be proactive and comprehensive in the provision of their ownership information and constantly updated data on their websites, only one private company Media General Ghana Limited (owners of TV3, 3FM and Onua FM) published that kind of information on their website. The report indicated that 32.4% of the 37 media outlets analysed had no data at the Registrar General’s Department, though it is obligatory for all companies to be registered there. Some media companies were found to have no company profile at the RGD. This implied that actual owners of those companies could not be held responsible if a complaint or case was filed against the company. Another major finding was the difficulty in establishing the legal relations between some companies. Some media outlets were registered at the NCA under a particular company, but their public information place them under much larger media companies. The Multimedia Broadcasting Limited (which owns Joy FM) was cited as a clear example. Their website indicated that they operated a number of media outlets such as Adom TV, Nhyira FM, Asempa FM and Adom FM. But the NCA records indicated that Adom TV and Adom FM were registered in the name of Aero Communications Ltd; Asempa FM to Bell Communications Ltd and Nhyira FM to Nhyira Media Ltd. The researchers could not
establish the legal relation between any of these groups and Multimedia Broadcasting Limited. The implication of this unclear legal relationship is that it complicates regulation of media concentration. If one were to consider only outlets directly registered to Multimedia Broadcasting Ltd, then he or she would underestimate the overall influence of this company.

The lack of detailed media ownership information does not provide for an effective evaluation of market concentration and monopolization. The report concluded that when owners are able to hide behind complex corporate structures, assessing their overall influence on the media market becomes difficult or even impossible.

Ownership is a significant factor in the survival of media outlets since the economic interests of the owners or financiers of those outlets contributes significantly to the content and format of the media.

2.2.3 Sustainability of Radio

According to Lush and Urgoiti (2012), sustainability is the ability to keep something going either continuously or for a period of time. Radio stations like other organisations face sustainability challenges especially in developing countries.

According to UNESCO (2015), the challenges to the sustainability of community radio can occur in the four critical areas of legal, financial, technical and human resource-related issues. Busola & Ngigi (2016) also argued that the sustainability of community radio is in three ways: financial, institutional and social. This suggests that the challenges facing community radio go beyond
finance. However, financial sustainability would seem to be the biggest challenge for community radios in developing countries where these stations mostly survive on donor support. Mefalopulos (2008) contended that the financial sustainability of community radio depends on the management skills of the director. External agencies and donors have been contributing to the development of community radio and most of the stations rely on donor support. However, the challenges arise when donors withdraw support. This therefore calls for more lasting means of achieving financial sustainability.

Busola and Ngigi (2016) used Radio Mangalete as a case study to assess the sustainability of community radio in Kenya. The study was conducted through in-depth interviews and focus group discussions (FGD’s). On income generation, the study revealed that Radio Mangalete relied on advertisements, programme sponsorship, sale of greeting cards, funeral announcements, phone-ins and SMS’s, donations, grants, fundraising and well-wishers. Though the station was generating income to activities, its income was low and it was therefore being unable to sustain itself.

The study also revealed that Radio Mangalete’s poor equipment prevented it from reaching many people within its catchment area. The station had a low quality transmitter and had no standby generator. Another major sustainability challenge identified was poor management skills which resulted from the high level of illiteracy in the management team of the station. This affected its ability to do quality programming and to attract and maintain quality staff.
Also to assess the sustainability challenges facing community radio, Tavhiso (2009) did a comparative study of three community radio stations in Limpopo Province, South Africa. The comparative study of Radio Botloka, Radio Mohodi and Radio Turf explored their social acceptance to their target communities, their marketing and fundraising strategies and evaluated their governance and management policies. It adopted focused group discussion, in-depth interviews, and analyses of archival and institutional records as research methods. The study revealed that all three had functioning marketing departments headed by either a marketing manager or officer but Radio Turf’s marketing manager lacked the requisite experience and so part-time marketers had to be engaged to help him. Of the three stations, only Radio Turf had no marketing plan. The study also highlighted the challenges of stations operating on survival budgets instead of ideal budgets which affected their ability to achieve their goals. It recommended innovative marketing and fundraising approaches, good financial accountability and human resource management policies.

To analyse how community radios in the West struggle for survival, Cammaerts (2009) used case studies from the US, the UK and Belgium to illustrate the legacy of a struggle for survival in a state and capitalist-controlled media environment. This study revealed that though some influence of distinct regulatory paradigms could be for community radios in each of these countries could be observed community radio stations there had a legacy of struggle for their existence and survival. The study also revealed that community radios in those countries had a difficulty legitimating their existence on the FM-band together with public service and commercial broadcasters. Community radio stations had little lobbying power and so were always positioned among unprofessional players within the broadcasting community. So the
study recommended that Western media policies should create a more enabling environment for greater participatory community radio initiatives.

In response to Congress’ request for a report on alternative sources of funding for public broadcasting stations in America following the reduction in federal budgetary support for the public broadcasters after the 2008 economic recession, the Corporation for Public Broadcasting (2012) engaged the management consulting firm Booz & Company to do an in-depth exploration of possible alternatives to the federal appropriation, to identify existing sources of funding that could yield any significant new revenue and to assess the impact of the loss of federal government support on the public broadcasting system.

The Corporation of Public Broadcasters (CPB) and Booz & Company consulted with leaders of the national public broadcasting corporations, officials from public radio and TV stations across the country and financial and media experts. From these consultations, CPB and Booz & Company came out with five new or alternative funding sources for public broadcasting stations. These were television advertising, radio advertising, retransmission consent fees, paid digital subscriptions and digital game publishing. The 14 existing sources which public broadcasting stations generated revenue were merchandise licensing, tower leasing, events, renting donor lists to direct marketers, digital online advertising, DVD/CD sales, book publishing, production services, on-demand distribution, retail product sales, content licensing, mobile device applications, education and state government fee-for-service arrangements, and magazine publishing. The CPB also found out that there was no substitute for federal support when it came
to public service broadcasters accomplishing the public service mission that Congress had assigned to them.

In another study on funding of public service broadcasting, Asare (2016) explored the sources of funding of the Ghana Broadcasting Corporation (GBC) to determine whether the way it was funded reflected that of a Public Service Broadcaster (PBS) or some other broadcasting systems.

He used two qualitative approaches for the study, namely focus group discussion and in-depth interview.

The results indicated that GBC lacked the financial strength to be called a Public Service Broadcaster since about fifty percent of its funding sources was from government sources and an average of eighty percent of its internally-generated funds came mainly from commercial proceeds.

In an exploratory study to find out whether rural commercial radio could be economically viable to the investor, Tietaah (2000) studied two rural-based commercial radio stations ASTA FM and Classic FM in the Techiman District. For his data collection he used a semi-structured interview schedule.

The findings revealed that the rural environment in which the two commercial radio stations were located was not the gloomy economic environment that it was perceived to be. This suggested that rural commercial radio could be an economically viable option.
The study suggested that government and non-governmental organisations could exploit the territorial and language flexibility and selectivity of rural commercial radios to address particular messages to selected audiences so that radio’s potential as a tool for development and as an economically viable enterprise could be realized.

2.2.4 Advertising

Advertising is the main source of revenue for many media organisations. All over the world it is one of the largest facets and catalysts of the media industry (McQuail, 2010). The relatively cheaper nature of radio and its ability to target specific audiences make it preferable to some advertisers.

Though there are a number of ways of financing community radio, advertising remains key vis-à-vis sustainability. For many community radios the local business community is the main source of money raised through advertising (Tavhiso, 2009). The potential of community radio to generate a lot of money from advertising is largely dependent on where the station is located, the perceived size of the audience and the station’s ability to produce and secure local advertisements. However commercial advertising has the potential to unduly influence the programming of community radio since he who pays the piper would want to call the tune. Tavhiso (2009) argued that internal policies guiding programming should be able to balance this concern so that community radio stations can continue to generate money from advertising.

Tietaah (2000: 73) described advertising revenues as “…every commercial radio stations benefactor and bailsmen.” This lays emphasis on the crucial role advertising plays in the
operations of commercial radio. The reason why anyone would decide to establish a commercial radio station is advertising revenue. It is with this money the station does everything: funding of operational costs, sponsoring of research, payment of salaries and payment for programming that generates profits.

According to the Broadcasting Policy and Practice in Africa (2003), advertising was becoming a major source of revenue for public broadcasters in Ghana and many other countries and this directly influenced the nature of programming. The report also indicated that people had been known to pay to become part of news bulletins or to secure coverage of some events.

2.2.5 Audiences Influence on Content

Though the big corporate advertisers wield enormous influence over the content of radio stations they are not the only influencers of content. In a highly competitive capitalist media market audiences are very influential in the determination of content (Tietaah, 2000). If the audiences do not like a programme they will not listen to it. And if a radio station cannot attract high listenership then it would struggle to attract advertisements.

For that matter radio stations go out of their way to attract and maintain listeners. They do this through local content programming and tailoring programmes to the specific needs of the target audience. To know their audiences very well, radio stations need to do audience measure which is simply a study of the media usage patterns of the audiences.
According to Mwaura (2007), audience measurement provides all the necessary data for all the players in the industry. The media owner would use it for rate card setting, programming and content scheduling while the advertiser would need it to assess how efficient and cost effective the media expenditure would be.
CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the methodology used in the study. It provides details on the research design, method of data collection, data collection instrument and method of data analyses. The study was designed as a qualitative study and so concentrated on the depth, not the width, of the issue under study.

3.2 Research Design

The qualitative research design was used for this study. Qualitative research is an approach to empirical inquiry in which data are collected, analysed and displayed in narrative rather than in figures. Data are typically collected in the participant’s setting and cannot be generalized.

The case study was the specific qualitative research method employed for the study. According to Wimmer and Dominick (2011), the case study is a common qualitative research technique which uses as many data sources as possible to systematically investigate individuals, groups, organisations, or events. The case study was used for this study because it allowed for an in-depth understanding of the activities radio stations engage in to generate revenue for their sustainability.

In-depth interviews were used to collect data. An in-depth interview is an extensive one-on-one personal interaction which can produce much information (Wimmer & Dominick, 2011). The in-depth interview was adopted for this study because it allowed for a lengthy observation of
respondents’ nonverbal responses and also allowed the researcher to ask follow-up questions where necessary. The station managers/programme managers for seven of the nine radio stations in Wa were interviewed.

3.3 Population and Sampling Techniques

The study consisted of all radio stations that were physically located in the Wa Municipality of the Upper West Region. Even though Wa had nine radio stations in operation, seven stations were selected for the study. This was because the manager of Radio Poupeli indicated that his station had just ended test transmission and so he was not well placed to accurately answer the researcher’s questions while the manager of Radio WAP also said the station had not started operating fully and so he could not answer the researcher’s questions. Since Radio Poupeli and Radio WAP could not provide the needed data for analysis they had to be excluded from the study. So in all seven(7) respondents were interviewed. The answers of the managers/programmes managers of the seven participating stations were used to represent the views of their radio stations.

The seven respondents were selected using purposive sampling. This is a technique which includes respondents, subjects or elements selected for specific characteristics or qualities, and which eliminates those who fail to meet these requirements (Wimmer & Dominick, 2011: 94). That is to say the respondents are chosen deliberately because of their knowledge of the phenomenon being studied. Purposive sampling was used to select the manager/programmes manager of each of the seven radio stations in the sample because of their knowledge of the operations of their stations.
3.4 Data Collection Instrument

An interview guide was constructed to guide the interviews (See appendix B). It was arranged in four broad categories namely introduction (which covered the ownership structure, coverage radius and length of transmission), advertising (which centered on the kind of ads, policies governing the ads and how advertisers sought to influence the programmes of radio stations), audiences (which covered the target audiences, how the stations attracted them and what they did if audiences did not like certain programmes) and sustainability (which showed how the stations tried to achieve financial sustainability and what challenges they encountered in their quest for financial sustainability). The interviews were conducted in September, 2017. The researcher interviewed the manager of WFM on 6th September. On 7th September he interviewed the managers of Sungmaale FM & Bugli FM. Then on 8th September the researcher interviewed the manager of Radio Progress. He interviewed the managers of Ultimate FM and Radio Waa and the director of Radio Upper West on 12th September. All the interviews were conducted in English because the respondents understood English and agreed to use it. The researcher took down notes while recording them.

3.5 Data Analysis and Presentation

After in-depth interviews were used to get various perspectives on the research questions, the data obtained from the in-depth interviews were manually transcribed. The thematic analysis was done by using aspects of the approach proposed by Braun and Clark (2006). They contend that thematic analysis is a method used for “identifying, analysing and reporting patterns (themes) within the data” (2006, p79). This method was chosen because it provided the basis for an insightful analyses to answer the research questions.
According to Braun and Clark (2006), patterns are identified through data familiarisation, data coding and theme development and revision. First of all, the research did the familiarisation of data by transcribing the interviews, which were all done in English. The researcher listened to the audio recordings of all seven respondents three times each to ensure the accuracy of the transcriptions. Secondly, the researcher identified and developed themes from the responses given to the interview questions (which were based on the research questions), by the seven respondents. The researcher then analysed the themes in order to provide answers to the research questions.

3.6 Quality Assurance
To ensure that the data collected were credible and of good quality, the researcher frequently contacted the participants to seek clarifications on some answers they gave during the in-depth interviews. Their responses were incorporated into the analysis of the data.

3.7 Ethical Considerations
The researcher explained the purpose of this study to all the participants to let them understand the requirements of the study so that they could decline to participate in it if they did not want to take part in it. It also enabled them to offer alternative viewpoints and to question certain positions of the researcher. They were also assured of anonymity.
CHAPTER FOUR
FINDINGS OF THE STUDY

4.0 Introduction

The general objective of this study was to investigate the economic activities of radio stations in Wa, which is in the Wa Municipality of the Upper West Region. Data for this study was collected through in-depth interviews. This chapter presents the findings from the interviews conducted with the managers/programme managers of radio stations in Wa.

4.1 Revenue Generation among Radio Stations in Wa

One of the major objectives of this study was to find out how radio stations in Wa generated revenue to sustain themselves. Accordingly, questions on revenue generation were posed to the managers/programme managers. The findings revealed that there were many ways in which the radio stations generated revenue. These were advertising, project implementation, shareholder contributions, sale of airtime, sponsorships and renting of masts.

4.1.1 Advertising

The findings revealed that advertising was the mainstay of the radio stations in Wa. The ads they aired were from local businesses, faith-based organisations, educational institutions, government agencies and political parties. Social announcements were also a major source of advertisements. Funeral announcements in particular were made on air on a daily basis. Radio had become a quicker and relatively more cost effective way of announcing funerals or thanking mourners for attending funerals. The manager of a campus radio indicated that their station went in for ads from small scale business owners and provisions store owners within the nearby communities.
They also got ads from landlords looking to rent rooms to students and from student clubs associations which sought to attract new members or announce upcoming events.

The findings also indicated that averagely the stations aired between 10 and 30 advertisements a day. The hours per day dedicated to advertisements differed from station to station depending on the number a station got.

Despite the need for advertisements, most of the radio stations did not accept just any ad that was brought in. There were internal policies that regulated the acceptance of advertisements. For instance any advertiser that wanted to advertise medicine had to produce a certificate from the FDA indicating that the particular product could be advertised. Most of the stations indicated that they always insisted on this particular requirement. Some of these internal policies appeared to reflect the personal philosophies of the owner of the station. For example, the manager of a community radio explained that:

The radio station is for the Muslim community and the Muslim community is guided by the principles of Islam. So certain adverts that seem to go contrary to the doctrines of Islam we may not be able to air them even if they bring us cash in bulk. But that doesn’t mean we don’t entertain other religions. We have pastors coming here to preach. We are very accommodating but we won’t do alcohol adverts.

The programmes manager of another community radio station indicated his station would never air any advert that sought to promote immorality. However the manager of another community radio station said that they had no policy document to guide their advertising so they used their discretion to decide which ads to air and which to reject.
On what proportion of revenue streams advertisements contributed, none of the respondents could readily provide accurate information. They were either not sure of or they did not just know how much advertising brought into their coffers. The findings indicated that the radio stations had other sources of generating revenue besides advertising. Apart from a commercial station whose manager indicated that they had not yet started generating revenue from any other source apart from advertising, the rest mentioned some other revenue streams that were available to them.

4.1.2 Project Implementation

One major source of revenue to two of the stations was project implementation. The two stations had some sort of partnerships with certain NGOs and other international organisations which gave them projects to implement. These programmes were mainly on livelihood improvement, disease control, and improved farming methods and women empowerment. The programmes manager of a community radio that did project implementation explained that:

We are a community radio station and because of our local content programmes we implement a lot of programmes. Like UNICEF Ghana will bring us a programme to implement on children, Plan Ghana will come to us to implement a project. Currently we are implementing a project on Media Foundation for West Africa. For Farm Radio, we have finished implementing that project. So that is another source of income for our radio station.

He added that project implementation accounted for 60% of the revenue generated by the station yearly which was more than the revenue generated from all other sources combined.

The manager of a commercial radio also indicated that his station had recently done programmes for USAID, ADVANCE and Plan International Ghana and that the station was looking to partner
more organisations for programme implementation. He added that the station got Gh 19,000 cedis from PLAN International Ghana in 2017 to implement a social intervention programme on child protection.

4.1.3 Shareholder Contributions

Some respondents also indicated that their stations got money from their shareholders and directors. A commercial radio manager indicated his station had an internal arrangement where directors put in some money in the form of equity. This money was mostly given to the station when they had an important piece of equipment to purchase. He added that in 2014 shareholder contribution accounted for 80 percent of the station’s revenue, in 2015 it dropped to 50 percent, it dropped further in 2016 to 25 percent and remained at that percentage in 2017.

The manager of a campus station said that the station always got money through the SRC which billed students for the upkeep of the station. He also added that for the first time ever the station had been given a budgetary allocation by the management of the University. This was necessary to keep the station running since the little money they got from advertising could not sustain them.

4.1.4 Sale of Airtime

The manager of a community radio station indicated that the station sold an hour of airtime for educational/commercial/religious programmes Gh 150 cedis while an hour of corporate and political programmes went for Gh200. A commercial radio station manager said his station sold 15 minutes of educational/social programmes for Gh 100 cedis, 30 minutes for Gh180 cedis and
an hour for Gh340 cedis. Commercial programmes went for Gh120 cedis (15 minutes), Gh220 cedis (30 minutes) and Gh400 cedis (an hour). Corporate/political/religious programmes that aired for 15 minutes cost Gh 140 cedis, 30 minutes Gh 240 cedis and an hour Gh440 cedis.

Some other respondents pointed out that the political season always brought them a lot of money because politicians would come and buy airtime to reach out to their target audiences with key political messages. This was described by most of the stations as the “cocoa season” just to emphasise the revenue it brought to them which they did not get in the political “offseason”.

“During these periods the stations sometimes need to readjust their programme lines to accommodate the huge demands for airtime by politicians and political groupings”, said the manager of a community radio station.

4.1.5 Sponsorship

Another source of revenue mentioned by some of the stations is sponsorship. Some indicated that they got sponsorship from companies such as Nestle Ghana, Plan Ghana, ADVANCE and the Road Safety Commission, for some of their programmes. The manager of a commercial radio station said the Road Safety Commission found his station very effective in helping propagate the road safety requirements. This was why the commission sponsored some of their programmes. Other stations indicated that they got sponsorships from some of the local businesses who wanted more publicity.
4.1.6 Renting of Masts

The manager of the public service station said that his station generated revenue from renting spaces on their masts to the telecommunication companies. The deal between the main station at Accra and the telecommunication company was signed at the headquarters and the company was issued a covering letter to bring to Wa but the rent was paid directly to the headquarters and not the station in Wa. So it was difficult to indicate how much the station generated through renting of masts.

4.2 Challenges Wa Radio Stations Face in Revenue Generation

A key objective of this study was to identify the factors that militated against the efforts of Wa radio stations to generate revenue to sustain themselves. The findings revealed that a number of challenges affected the ability of these radio stations to achieve financial sustainability. These challenges included the small nature of the Wa radio market, the refusal of some major businesses to advertise, high utility bills, high license renewal fees, inappropriate broadcast language policy, inability to pay workers and refusal of some stations to operate within their limits.

4.2.1 The Limited Wa Radio Market

The large number of radio stations operating in the limited Wa radio market, was identified as a serious challenge to revenue generation. With nine stations operating in the relatively economically less viable town of Wa, the competition for advertising revenue was indeed fierce. The community radio stations seemed to be the hardest hit by this crowded field. When asked how many advertisements his station aired in a day, the manager of community radio said:
You mean adverts? Maybe you should have asked how many in a month. We are operating almost three years now but if you listen to our station right now we have four adverts or four jingles. The number of jingles we have you can then imagine how much we will be earning in a month. I feel Wa is not a small town but the number of radios there is too much. We have almost 9 radio stations and there are more on the way.

The manager of a commercial radio argued that four radio stations would have been perfect for Wa in view of its small radio market. Another manager revealed that when his station had just one other station to compete with for advertising revenue, his station made a lot of money. The entry of more stations into the market brought the revenues down considerably and that signaled fierce competition.

**4.2.2 The Refusal of some Major Businesses to Advertise**

The findings also revealed that though advertising was the major source of revenue for all the radio stations many major businesses in Wa were not interested in advertising. Some of the business people preferred to seek help from spiritualists to boost their businesses. A manager claimed that you would find charms, amulets and other spiritual artifacts hanging in the shops of such people. Some other business people felt they did not need to advertise to attract customers. A manager pointed out that:

The local people, I mean the chiefs, opinion leaders, businesspeople and others still need some education on the need to advertise. You will go to FOKA (A popular provisions shop in Wa) and the owner tells you he doesn’t need any adverts. People will come to his shop anyway. There are certain things that can only be gotten from FOKA. You will go to TEE PEE (A well-known businessman
in Wa) and he will tell you he has got his customer base. So our people need more information about the need to advertise their products.

As a result of the refusal of many major businesses to advertise, the competition for advertising revenue had become fiercer and so the radio stations formed marketing teams to go out into the market and prospect for advertisements. These teams mostly fail to persuade the recalcitrant businesspeople to embrace advertising. On the rare occasions they succeeded, the businesspeople dictated the advertising rates and other terms instead of following the stations’ standard rates.

4.2.3 High Utility Bills

The high cost of utilities was identified as a serious impediment to the revenue generation drive of radio stations. Some of the managers revealed that a great deal of their revenue went into the payment of utility bills. Electricity constituted much of the operational costs of the radio stations. The manager of a commercial radio station indicated that his station spent about Gh4,500 cedis monthly on electricity. Those stations that had stand-by power plants still had to spend so much money on fuel to power the plants.

4.2.4 High License Renewal Fees

Another major challenge identified was the exorbitant license renewal fees the stations had to pay to the National Communications Authority. One manager of a commercial radio explained that the statutory fees kept increasing every year and was therefore a huge drain in the coffers of radio stations operating in a sub-urban location like Wa whose level of economic activity was relatively low as compared to those of Accra and Kumasi. He added that his station paid a licence renewal fee of Gh 8,850 cedis the previous year. The manager of a community radio said
that his station paid Gh 600 cedis as licence renewal fee the previous year and added that they pay Gh 500 cedis every five years for frequency authorisation.

4.2.5 Inappropriate Broadcast Language Policy

This challenge was specific to the public service broadcaster. The broadcast language policy required the station to broadcast in English, Dagaari and Sisali. However, the Wa Municipality was dominated by the Waalas who mostly preferred content produced in Waali. Since Waali was the predominant language of the target market the station was losing out on advertisements. This was because advertisers wanted value for their money.

The other stations which were unencumbered by any language policy had no such problems and so stood to benefit from the public broadcaster’s peculiar challenge.

4.2.6 Inability to Pay Workers

The inability of radio stations to pay their workers was also identified as a challenge. Workers kept changing stations in the hope of getting paid salaries or allowances. Those who stayed were mostly not motivated enough to give of their best. This affected productivity at the stations. A campus radio manager said all their workers were students who had volunteered to work free to keep the radio running. So the station was not required to pay any salaries. The other stations all indicated that they were supposed to be paying their workers but could not afford to do that. The manager of a commercial radio explained that:

Our operational cost is so high that whatever we generate is used to keep the station running. A few top members of staff are given something small at the end of the month. But we are unable to pay our reporters, presenters, marketers and
others. However, when any of them brings in an account we give him or her some commission.

The manager of a community station said their situation was so dire that even he was not paid anything at all. They sometimes had to borrow money to pay their electricity bills and other operational costs. For that matter they had to lay off some workers and operate with a very small staff.

4.2.7 Refusal of Some Stations to Operate Within Limits

Some managers accused other stations of operating way beyond the limits set by the National Communications Authority in terms of coverage radius. The commercial stations complained that some community radio stations appeared to be even more commercial than they. Some commercial activities that they should have been doing to generate revenue were exactly what some community radio stations were doing and since they could not do those programmes they were losing out on some commercial ventures their mandate allowed them but did not allow community radios. Besides the commercial stations still paid higher licenses renewal fees than the community radios. So they argued that the failure of the community radio stations to stick to the mandate and stop doing commercial activities was costing them a lot of money. A commercial radio manager said:

We think that if these organisations are directly in charge of monitoring our operations try as much as possible to let us all follow the right procedures and stick to our various mandates it would help us. We see community radios engaging in so much commercial activity which is not right. It is not up my station or any other media house to go and counter that. It is up to the NMC and NCA to let them know their jurisdictions and stick to it. In terms of payment of
licensing fees the commercial stations are billed much higher than community stations though they are known to be engaging in commercial activities. They have a way of sustaining themselves through social activities, social announcements and all that.

Another commercial radio manager also said community radios should not be organizing music awards and other big events because they were not mandated to do commercial activities of such magnitude. He added that if the laws were applied strictly they the commercial stations would take over such events and profit from them.

4.3 How the Quest for Financial Sustainability Influences Content

The study also sought to establish how the attempts to achieve financial sustainability influenced the content of radio stations in Wa. All the stations indicated that they gave their major advertisers/sponsors discounts to maintain the business relationships. But only two of the stations said their content was influenced by advertising. This influence resulted from the need for the stations to keep hold of their major advertisers and to get new ones. The manager of a commercial station revealed that:

Sometimes when you don’t have the will to do things independently it does affect your content. The reason being if we were setting the pace, we know what content is good and where to place what. An example is we get most of our advertisements from the alcoholic beverages. These alcoholic beverage people sometimes want you to advertise at places that you know you are not supposed to be advertising at. So it puts some pressure on you. For instance we know that during the early morning period you are not supposed to advertise alcohol. But a client comes in and wants you to do alcoholic ads at those times. Some of these things are quite disturbing but at the long run because you also want some accounts from them you would have to accept their demands.
The remaining stations indicated that their major sponsors did not attempt to influence their content or they the radio stations had internal mechanisms to protect their content from being influenced by these advertisers and sponsors. A commercial radio manager said that they always inserted a clause in any deal they were signing with an advertiser/sponsor which forbade them from attempting to influence the content of the station.

A community radio programmes manager indicated that their advertisers/sponsors influenced their content positively because the station had to improve their content to keep getting projects from them.

4.4 The Influence of Audiences on Content

Since radio stations need to have audiences in order to sell to advertisers, all the radio stations indicated that they had ways of attracting and maintaining audiences. While some concentrated on local language programming others focused on making their programmes much more responsive to the needs of their target audience. Yet others relied on their coverage radii to get more listeners.

The community radio stations broadcast mostly in the local languages to attract and maintain listeners. One of them indicated it did 5 percent English and 95 percent Waali programming because Waali was the predominant language of the Wa Municipality.

The commercial stations indicated that they focused on tailoring their programmes to the everyday needs of the average listener. Two examples were “Community Agenda” which
focused on a particular community at a time and told listeners all they needed to know about that community and “Yeli ka a baahi” (Have the final say) which allowed listeners to contribute to discussions that were meant to assess the performance of key public institutions in the municipality. The manager of a commercial radio station explained that:

We don’t take any external feed especially at 6pm. We do our own news at 12 and at 6 whereas other stations take feed from Accra. Now we tell you what is happening behind your backyard and we give you the opportunity to even contribute. So once people know that we air what concerns them they become interested in it and listen to our station.

The findings also showed that the stations with wider coverage radius had an advantage over those with shorter coverage radius in terms of reaching audiences. The commercial radio stations and the public service broadcaster reached much farther than the community and campus radios and so the former had bigger markets than the latter.

The managers the commercial radio stations and the public service radio all said their wider coverage radius provided them access to more audiences which enhanced their revenue generation abilities. The manager of a commercial radio indicated that:

While the community radio is limited to 5km, commercial radio can operate way beyond that. You can listen to us in Bole (In the Northern Region) and even in Leo (Burkina Faso). That’s how far our coverage goes. So we are able to advertise to the people there. That is one reason why an advertiser will prefer us to the community radios.
On the other hand the campus and community radio managers pointed out that their coverage radii were limiting their ability to reach more audiences and so limited their ability to generate more revenue.

4.5 Comparison of Revenue Generation Methods

The study also aimed at comparing the various methods the radio stations used to generate revenue to sustain their operations. The findings indicated that they were similar in some cases and different in others.

In terms of revenue generation all the community/campus, commercial and public service radio stations in Wa engaged in advertising. All of them also sent marketing teams to prospect for advertisements for their stations. But in terms of their internal policies on advertising they differed. However, they did not differ on the basis of their typology. For instance while one commercial station indicated that it would not air alcohol adverts, another said the alcoholic beverage people were a major source of advertising revenue for them. While one community radio said its advertising policy was grounded in Islamic teachings which forbade it from advertising alcohol, another community station said it had no advertising policy at all.

In terms of other revenue streams, the differences were mostly not along the lines of typology of radio. For example, the two stations which were into project implementation were a community radio and a commercial radio. The two radios which also got some sort of subvention from their owners were a commercial radio and a community radio. This clearly showed that the typology of the station did not necessarily limit it to some particular revenue streams.
CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter has been organized to first discuss the research questions posed in chapter one. The chapter also discusses the findings of the study in relation to the research questions, theoretical framework and related literature on how radio stations strive to achieve financial sustainability in a fiercely competitive radio market. The chapter then highlights the conclusion of the study and offers some recommendations based on the interpretations of the findings.

5.1 How do the Radio Stations in Wa Generate Revenue to Sustain Themselves?

The findings of the study identified advertising as the main source of revenue for all the radio stations in Wa. The importance of advertising revenue to the financial sustainability of the radio stations was perhaps underscored by the fact that every one of them had a marketing team which went out to look for advertisements for the station. This finding supports the argument that the media in Ghana mostly operate as businesses. This is because every radio station regardless of typology was found to have advertising as its main source of revenue generation. Even the public service broadcaster was actively looking for advertisements and always dispatched a marketing team to scout for advertisements for the station.

The finding also supports Albarrán’s (2002) and Johansen’s (2010) assertion that the radio industry operates in a dual product market and so creates one product for two separate goods and services market. The first market is the audience which is the scarce resource the radio tries to get with its content. The second market is created when the radio tries to sell the audience to
the advertisers. Most of the radio stations had the local businesses as their major sources of advertising revenue. This also confirms Tavhiso’s (2009) argument that for many community radio stations the local business community is the main source of money raised through advertising. Although not all the stations in Wa were community radios they still got their advertising revenue from the petty businesses in town.

Apart from advertising the radio stations had other revenue streams from which they generated money to fund their operations. This finding confirms the economic theory of media which says the economic system under which the media operate closely mirrors the economic activities they undertake to generate revenue. Since Ghana’s media operate under the Western commercial model they operate as businesses that have the profit motive even as they play their watchdog role of protecting the public interest.

5.2 What Factors Militate against the Attempts by the Radio Stations to Generate Revenue to sustain themselves?

The findings revealed that the radio stations faced a number of obstacles in trying to generate revenue to fund their own operations. One of the major challenges was the small nature of the Wa radio market which had nine stations in operation. For a town that is less economically viable (NCA, 2017) and has 45.2 percent of its population aged 15 and above, being economically inactive (PHC, 2010), the radio market is arguably too small for nine radio stations. The high number of radio stations in the relatively small market of Wa lends credence to Gadzekpo’s (2007) argument that the lifting of restrictions on Ghana’s media in 1993 broke open the airwaves to private radio stations which are spread all over the country. The increase in number
of radio stations has resulted in a fiercely competitive market in which some of the stations are struggling to remain in operation. Of the nine stations operating in Wa eight of them are privately-owned. This large number of radio stations in Wa also had implications for the survival of the community and campus radio stations which had limited reach and some of which had poor equipment. It therefore required the directors or owners of these stations to have sound management skills as argued by Mefalopulos (2008) for the stations to have financial sustainability. Without sound management skills, many of the community and campus radio stations would continue to struggle especially since many more radio stations will join the already congested Wa radio market and make it much more competitive.

Another obstacle to revenue generation identified in the study was the refusal of some major businesses to advertise which made the advertising revenue market much smaller for the radio stations in Wa. While this showed a lack of appreciation on the part of the businesspeople of the imperative need to advertise their goods and services, it also signaled a lack of innovative marketing and fundraising approaches, as suggested by Tavhiso (2009), on the part of the radio station owners and managers. This study revealed that many businesspeople did not believe in advertising their businesses on radio. In some cases their belief system influenced their decision to prefer spiritual prescriptions to patronising the mass media (radio). In other cases the businesspeople believed that their businesses could flourish without advertising. The onus was therefore on the radio station owners and managers to devise innovative ways of encouraging businesses to advertise.
The high cost of utilities was also found as a challenge to revenue generation. The study revealed that the cost of electricity to power the radio stations was astronomical. The high competition meant every radio station had to remain on air. And remaining on air required a constant source of electricity, which was a huge drain on the coffers of all the radio stations studied. Some of the community radio stations revealed that they did not have stand-by generators to continue operating when there were power outages. So while their competitors were still on air during power outages, they had to go off air. This supports Busola and Ngigi’s (2016) finding that Radio Mangalate’s lack of a standby generator and its poor equipment prevented it from reaching many people within its catchment area. The study revealed that some community radio stations devoted all their revenue electricity supply and so could not do much else. Consequently, they struggled to attract highly trained presenters who are needed to attract more audiences to those stations. Also, in the highly competitive Wa radio market a station that kept going off air risked losing many of its audiences.

5.3 In What Ways does the Quest for Financial Sustainability Influence the Content of Wa Radio Stations?

The findings of the study indicated that all the stations gave their major advertisers/sponsors discounts in order to maintain them and to get businesses and organisations to do business with. Two stations indicated that their major advertisers sometimes influenced the content of their programmes. A commercial radio manager indicated that the substantial advertising revenue his station got from the alcoholic beverage sellers meant that the station was sometimes compelled to advertise alcohol at unapproved hours. This supports the assertion by Tietaah (2000) that the financial interests of large corporate advertisers is a crucial factor in determining what gets
printed or broadcast. However some of the other radio stations indicated that their content was not influenced by major advertisers/sponsors. That would indicate that the big corporate sponsors do not always have their way. In spite of the substantial advertising revenue that they have, these big businesses were sometimes denied the spots on some stations to advertise their products and services. For instance, a commercial radio manager and a community radio manager both cited religion as the reason they would not allow alcohol adverts on their stations. The huge advertising revenue from the alcohol industry was not persuasive enough to these managers who said they were rejecting the alcohol advertisements with the blessings of the station owners. This lends credence to the media ownership theory which says that owners of media influence content and format of media products.

5.4 How Do Audiences Influence the Content of Wa Radio Stations?

Radio stations need audiences in order to attract advertisers. So radio stations necessarily have to have ways of getting more people to listen in. All the Wa radio stations indicated that they had ways of attracting and maintaining audiences. The community radio stations concentrated more on local language programming while the commercial radios focused on programmes that they believed were much more responsive to the needs of their target audiences. The public service broadcaster relied on its wide coverage and some special programmes to attract and maintain audiences. In all these cases the stations aimed at getting listeners to use to attract companies, businesses, organisations and individuals to come and advertise their products and services at their station.
This is in line with Tietaah’s (2000) argument that in a highly competitive capitalist media market audiences are very influential in the determination of content. If audiences are not interested in a programme they will not listen to it. And if a radio station cannot attract high listenership then it would struggle to attract advertisers.

5.5 In what Ways are the Revenue Generation Methods of the Radio Stations Similar or Different?

The findings indicated that the revenue generation methods used by the radio stations in Wa were similar in some cases and different in others. But even where they differed the differences were not strictly based on the typology of radio. In terms of revenue generation all the community/campus, commercial and public service radio stations in Wa engaged in advertising. They also sent marketing teams to prospect for advertisements from businesspeople, organisations, companies, individuals and so on. They differed on their internal policies on advertising but not on the basis of typology. For example two commercial radios differed on the attitude towards alcohol ads.

What this meant was that the typology of a station did not necessarily limit it to some specific revenue generation streams.

5.6 Conclusion

The purpose of this study was to investigate the economic activities of radio stations in Wa. The specific objectives were to find out how radio stations in Wa generated resources for their financial sustainability, the challenges these radio stations encountered in trying to achieve
financial sustainability, how their quest for financial sustainability influenced their content and what similarities and differences could be found in the ways by which these radio stations tried to achieve financial sustainability. To achieve this purpose, the study adopted the qualitative research methodology. It also used the economics theory of media. A review of related studies was conducted to lay the ground for the study. The empirical findings of the study were then compared to the literature review in order to draw conclusions on the economic activities of radio stations in Wa.

The findings indicated that advertising was the major source of revenue for radio stations in Wa. Other revenue streams were shareholder subventions (Ultimate FM and WFM), renting of masts to telecommunication companies (Radio Upper West), TV license (Radio Upper West), project implementation (Radio Progress and WFM).

The major challenge to the generation of revenue by radio stations in Wa was the small nature of the radio market which engendered a fierce competition for advertisements from businesses, organisations, individuals and institutions. Other obstacles to the revenue generation efforts of these stations were the refusal of many businesses and organisations to advertise their goods and services, the high cost of power and the high license renewal fees imposed by the NCA.

The study also revealed that some big corporate advertisers wielded enormous influence over the content of some of the radio stations because of the fact that their advertising cash was the major source of revenue for the radio stations. Besides these big businesses, the audiences were also identified as very influential in shaping the content of radio stations since the stations had to
shape their content to appeal to their audiences so as to enable them (radio stations) attract large listenership to sell to advertisers.

Then again the study showed that the typology of a station did not necessarily limit it to some specific ways of revenue generation. In terms of maintaining their major advertisers/sponsors, all the stations gave the sponsors/advertisers discounts on their advertisements. They all sent out marketing teams to look for advertisements for their stations. In terms of their internal policies on advertising alcohol, two commercial radios differed. While one said it was a major source of income the other said it was never going to air an alcohol advertisement.

5.7 Limitations of the Study

Certain limitations were encountered in the course of this study which affected the quality of the research. Notable among them was that arranging interviews with some of the respondents was unnecessarily bureaucratic. This slowed down the data collection for the study. Access to financial documents of the various radio stations would have enriched the study with more data. Also, interviews with some advertisers about what informs their media buying habits would have thrown more light on advertising as the major source of revenue for the radio stations. Lastly, resource and time constraints also limited the pace and quality of this study.

5.8 Recommendations

The researcher recommends that radio stations in Wa step up their marketing drive so as to encourage more businesspeople to embrace advertising, which is the main source of revenue for the stations.
Secondly, many radio stations in Wa should consider project implementation as an alternative source of revenue generation to sustain themselves.

The researcher also recommends that radio stations conduct periodic surveys to measure their audiences so as to improve their programming and to enhance their ability to attract advertisers. Then again, the researcher recommends this study as a basis for further research on the Wa radio market which appears to have received very little scholarly attention.

Lastly, the National Communications Authority should ensure that radio stations operate within the permitted boundaries.
BIBLIOGRAPHY


APPENDIX A: INTERVIEWER SELF DISCLOSURE

UNIVERSITY OF GHANA

DEPARTMENT OF COMMUNICATION STUDIES

Hello,

I am an M.A Communication Studies student from the Department of Communication Studies, University of Ghana, Legon, and I am conducting a study on how radio stations in Ghana achieve financial sustainability.

The aim is to study the economic activities of Wa radio stations for the purpose of forming general conclusions about how the different typologies of radio in Ghana operating in the same media market generate revenue to sustain themselves.

I would like to record this interview so that no valuable information is lost. You may, if you so wish, refuse to answer any of the questions asked. Rest assured that your answers are for research purposes only and so will be treated with strict confidentiality.

Thank you for your time and for agreeing to participate in this very important exercise.
APPENDIX.B: INTERVIEW GUIDE FOR THE MANAGER/ PROGRAMMES

MANAGER

Introduction

1. What is the ownership type of your station?

2. What is the coverage radius of the station?

3. For how long does the station transmit in a day?

Advertising

4. Does your station advertise?

5. What kind of ads do you do?

6. How many advertisements do you air in a day?

7. Does your station have a policy on advertising? Please explain further.

8. Do you get sponsorships for some of your programmes?

9. Who are your major advertisers/sponsors?

10. What do you do to maintain them?

11. Do they make any demands of your station?

12. Apart from advertising and sponsorships how else does your station generate revenue?

Audiences

13. Who are your target audiences?

14. What specific measures do you adopt to attract and maintain them?

15. How do you know if your audience likes your programmes?

16. What do you if a particular programme is not getting listenership?
Sustainability

17. Do you consider your station as financially stable?

18. Are you able to pay your workers regularly?

19. How easy or difficult is it for your station to achieve financial sustainability?

20. Please elaborate on the nature of the challenges you encounter in trying to achieve financial sustainability.

THANK YOU FOR YOUR TIME AND YOUR ASSISTANCE.