

Primedia Broadcasting denies ‘duopoly’

Primedia Broadcasting executive chairman Dan Moyane has taken broadcasting analyst Sei Mukoma to task over an article published on Bizcommunity.com last week, ‘Why Primedia stake in Kaya is controversial’. In his right of reply, Moyane denies that Primedia and Kagiso Media have created a “duopoly” in the broadcasting environment.

Mukoma, a competition, media and broadcasting policy analyst and, until recently, council advisor at ICASA, was writing in his personal capacity when he asserted that the Primedia stake in Kaya FM could have serious implications for the competitiveness of the Gauteng commercial radio market.

Moyane undertook to highlight and deal with what he called, Mukoma’s “five factual inaccuracies”, one by one:

1. Moyane disputed Mukoma’s statement that: “...Gauteng is dominated by Primedia and Kagiso Media which creates a duopoly in the broadcasting environment”.

Wrote Moyane: “Primedia and Kagiso stations are not the only players in the Gauteng commercial market as there are other private commercial radio stations such as Classic FM and Yfm which are not owned by either Primedia or Kagiso. This is not taking into account the commercial stations of the public broadcaster which the author himself later in the paper mentions and states that the acquisition in question ‘must also be analysed against how it will affect the likes of 5FM and Metro FM’. The latter statement by the author clearly shows that he also realises that the Gauteng market is not a duopoly and has other commercial broadcasters whether public or private broadcasters. Consequently, his statement that in Gauteng Primedia and Kagiso Media creates a duopoly is factually incorrect.”

2. Mukoma had stated that “Primedia also has an outdoor advertising business which gives it access to lucrative advertisers and competitive advantage in terms of promoting its stations via the outdoor advertising business...”.

Moyane says that all that Primedia Outdoor does is place its clients’ advertisements on Primedia Outdoor’s own platform which is not radio. “Therefore, the decision on where various ‘lucrative’ advertisers spend their money does not lie with Primedia Outdoor but in fact lies with the individual ‘lucrative’ advertiser and Primedia Outdoor does not have any power or even discretion to channel clients’ advertisements to Primedia Broadcasting.

Moyane adds: “In addition, while Primedia Broadcasting and Primedia Outdoor both fall within the Primedia Group, Primedia Broadcasting has not from about four years ago to date advertised either Talk Radio 702 or 94.7 Highveld Stereo on any of Primedia Outdoor’s billboards. In the years that it advertised on the billboards, each of the two stations paid what was then the going rate for the billboards similar to all other clients. With regard to 567 Cape Talk and 94.5 KFM, the two brands are still advertised on a few billboards in Cape Town but similar to all other Primedia Outdoor clients, they pay the current billboards rates. Therefore, the statement that Primedia Outdoor gives Primedia

Broadcasting a competitive advantage in terms of promoting its stations is incorrect.”

3. Moyane also corrected a statement by Mukoma that Primedia had delisted from the JSE, saying that Primedia was still listed on the JSE.
4. The latest RAMS: December 2006, which were released to the industry on 7 February 2007 in fact show a decline in 94.7 Highveld Stereo’s listeners from the previous release which had 1,340m listeners to 1,287m listeners. Therefore, it was also factually incorrect., said Moyane, for Mukoma to state that the latest RAMS figures show an increase in Highveld Stereo’s listenership.

“Furthermore, RAMS is only an audience measure survey and does not indicate or even attempt to indicate the individual radio stations revenues, thus the statement that ‘the latest RAMS figures indicate that Highveld listeners and advertising revenues are on the increase’ is also factually incorrect,” Moyane said.

5. “The author (Mukoma) also incorrectly states that Primedia has two FM stations while Primedia in fact also has control of 94.5KFM a commercial radio station broadcasting in the Western Cape, thereby making the number of FM stations over which Primedia has control three instead of two as incorrectly stated in the article. Clearly, the article is based on statements that as I have shown above are factually incorrect, and it is the factual errors that Primedia corrects above. All these factual errors could have been easily avoided had the author checked the facts before publishing the article as the correct version thereof is easily accessible from the relevant authorities whose documents are open to members of the public,” Moyane concluded.

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