



## Content

Events

Media on Media

Press Releases

Vacancies

Incoming Events

Free Media Help Line

**Advertising in Bosnia and Herzegovina: A small pond full of crocodiles**

By: Ekrem Dupanovic

**Who shall „carry the flag“?**

By: Samra Luckin

**Country at a loss due to the disorganization of the advertising market**

By: Aleksandra Cuk

**Demolished advertising market makes the media operate at the expense of professionalism**

By: Elvir Svrakic

**Drop in the value of the advertising market in BiH continues**

By: Adnan Bilal

## Editorial

*Advertising industry in Bosnia and Herzegovina has been in chaos for years. Unsettled and messy market, too many media houses and subordination to advertisers and lack of legislative altogether resulted in drastic decrease in market values which consequently made an impact on media houses with some media houses facing full blackout.*

*Marketing agency managers are convinced that the greatest problem was actually lack of legislative in the field of advertising in BiH from abroad, that is, from neighboring countries which, through printed press and cable TV advertise in BiH. By this way, an advertisement is seen in BiH, but BiH agencies and media houses cannot make even minimum benefit and participate in advertising process. Large amount of money from this kind of advertising stays in neighboring countries and BiH market is thus covered and media houses in BiH are thus in a very awkward and dangerous position in terms of their financial sustainability and survival.*

*Unsettled market and large number of media house struggling to survive and sustain are ruthlessly used by advertisers that set their advertising conditions.*

*On one hand, agencies, in order to be awarded with contracts, bias their works according to conditions set up by the advertisers and have no liberty in terms of creating the commercials and media houses, on the other hand, in their struggle to receive money deriving from commercials decrease their advertising prices thus jeopardizing entire media market.*

*There are many more reasons because of which the passing of new legislative is necessary that would eventually bring some order into the advertising industry in BiH. On the other hand, BiH is the only country in the region with no association of advertising industry. It is clear thus that this situation is beneficial to certain economical centers of power in BiH. The question is: how do these centers influence the politics and decision bringing and to what extent would these regards (or rather disregards) by the state officials, towards local/domestic media and marketing industry be tolerable which again would slowly result in an acceptance and diminishing of pluralism in media that would consequently vanish from the media field in BiH.*

*Institutional concerns, care and protection of local market does not exist and not even minimum of millions on BAM that Communication Regulatory Agency (CRA) receives, is re-funded back to media industry in order to support and encourage media industry, thus creating programs with better quality, education, standard improvement and after all new jobs. State institutions should finally be useful and find ways in order to protect and contribute in the development of local/domestic media and commercial market. **Samra Luckin**, director of Boram Agency, **Ekrem Dupanovic**, Media Marketing chief-in-editor, **Elvir Svrakic**, Hayat TV general manager and **Aleksandra Cuk**, "Direct Media" director, and **Adnan Bilal**, Marketing CEO of FTV give their opinion in this E-Bulletin edition.*

Adis Šušnjar, BH Journalists Association

## Events

15 Mar 2016

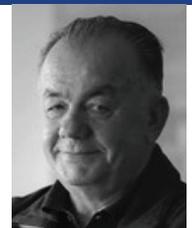
**Journalists warn: We do need Union**

“While we have an explosion of media projects on one hand, on the other hand, the position of journalists has reached its bottom”. This was the message during the meeting session regarding the possible joint union organizing by media staff.

[Details](#)

## Advertising in Bosnia and Herzegovina: A small pond full of crocodiles

**Why is Bosnia and Herzegovina the only country in the Adriatic region that has no advertising industry association? Because it doesn't suit some of the strongest players in the market. The only thing that suits them is the current reign of chaos**



By: Ekrem Dupanovic

I've been in the advertising industry for a full 45 years. During this time many things have changed. The name of the profession has changed, technologies have changed, communication channels have changed ... and everything was going forward; but it seems that it has never been harder or worse to work in advertising in Bosnia and Herzegovina than it is now. Everything has been brought almost to an absurdity.

## Events

11 Mar 2016

### Union joining and mutual work has no alternative

Journalists in Canton 10 must demonstrate more desire and courage to speak up about their problems and to fight for better working conditions in their media houses, stated the participants during the workshop regarding the protection of labor and professional rights, held in Livno. Workshop participants agreed that the position of journalists is exceptionally poor and that the relationship of local authorities and their conduct towards the media houses is inappropriate and arrogant. Stjepana Ivanus from the Center for Civil Cooperation stated that Canton 10 has five public radio stations with not one of them having Union.

[Details](#)

7 Mar 2016

### Comparative Report present in Brussels regarding the state of clientelism in media in regional countries

Clientelism index in media (MCI) – first interstate index, comparative report regarding the state of clientelism and political impact in media in regional countries, specific for each country and based on empirical data, was presented today in Brussels. Experimental survey, that was, Index zero level measuring point was conducted in six countries of South – East Europe, including Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Romania.

[Details](#)

26 Feb 2016

### Mutual cooperation and operations of media Unions agreed during the round table meeting held in Sarajevo

Media Union representatives in BiH and Association of BiH Journalists reached an agreement, during the meeting held in Sarajevo, and formed an operational unit that should coordinate mutual activities and operations of media Unions. During the round table meeting session titled “Revival of credibility of media unions and sustainability of dignity of journalism”, organized by the Association of BiH Journalists, the focus was on more intensive cooperation and activities by representatives of media Union, including mutual activities, in order to create better conditions for Union operations and protection of journalists by the same Unions, including associated media staff. Meeting participants passed the Memorandum Recommendation obliging and defining the cooperation and mutual activities of media Unions and final draft of this Memorandum is expected to be signed during the forthcoming meeting session.

[Details](#)

17 Feb 2016

### Turkish Consul visits Mostar Journalist Club

During the visit of Mostar Journalist Club, Ajse Selcan Sanli, Turkish Consul, spoke with Faruk Kajtaz, club's president and Vera Soldo, a general secretary of the Club. The focus was on the possibility of mutual cooperation of Journalists' club and Republic of Turkey Consulate, particularly on the implementation of concrete programs and projects.

[Details](#)

The advertising industry rests on the three pillars: advertisers, agencies and the media. Advertisers invest their money in campaigns, agencies tackle the creative and media part of the work (making media plans) and, in the end, everything ends up in the media. And on all three sides there are problems that, as things stand, are almost impossible to solve.

I'll start with the agencies because I believe that it all started with them.

Creative agencies play a completely submissive role in their relationship with advertisers. They are gripped with fear, especially since the financial crisis of 2008 when the budget cuts started. Fearful of losing clients, they started accepting any and all conditions, giving up on good creative ideas because their clients were also in fear and not willing to risk. Unusual creative ideas are a no-go with them. They play safe and seek only creative ideas that do not make them stand out from the average. Thus, in fear of losing clients, agencies accept the dictates of advertisers. Budgets are getting smaller and agencies fight from year to year for a piece of the shrinking pie. This is a situation that leads to unfair competition and very bad relations between agencies. And everyone only wants to work for the largest advertisers. Everyone would like at least part, if not the entire budget of BH Telecom, m:tel, Eronet, L'Oreal, Coca-Cola, etc. They completely ignore SMEs. As if they never heard that even Bill Gates and Steve Jobs started out in a garage, and Coca-Cola from a small pharmacy. Agencies do not want to invest in market development. I'm certain that among the entrepreneurs in BiH there must be many smart people who would like to invest in their communications and grow through the years. They just need help to get started. This would create a whole new generation of advertisers, but agencies want everything, now, immediately. Well, it doesn't work that way.

Pitches are a particular problem. Agencies accept all the conditions that clients cite in the pitch, and usually these are not terms and conditions consistent with the basic postulates of advertising industry. In addition, agencies often offer their services at very low prices in pitches, aiming to get the media budget along with the creative, and then they press the media and squeeze from them that which they so graciously ceded to the clients. The combined forces of clients and agencies are 'strangling' the media, getting discounts of up to a staggering 70-75 percent, and are thus cutting the branch on which they sit. When they destroy the media industry, they will have nowhere else to advertise.



## Press Releases

14 Mar 2016

### Condemning assault on NI and FTV journalists teams

BoD of BiH Journalists Association considers intolerable physical assault of journalists and disallowing them from filming public event considered significant for BiH public. The event itself was considered highly risky and its participants had been wearing pro – fascists' symbols and chetnik soldiers had also been glorified during this rally. All governing officials in charge with the protection of freedom of expression, safety and journalists' rights have been asked to launch firm and uncompromised legal reaction after the assault in Visegrad and increased reaction and legal actions regarding any assaults and attacks on media were also requested.

[Details](#)

08 Mar 2016

### Condemning the open assault against the freedom of press in Turkey

Association of BiH Journalists joined the Association of European Journalists in public condemning of open assault against the freedom of media in Turkey.

Association of European Journalists (AEJ) officials stated that "Arbitrary actions by the Turkish government forces, resulting in arresting and imprisoning of tens of journalists, including the interference and supervision of editing policy of media organizations were clearly in contrast with the international duties and obligations that Turkish Government had accepted". Warnings and protests were also directed by the officials of the Council of Europe, OSCE Free Media and European Journalists Federation.

[Details](#)

18 Feb 2016

### Supporting Dinko Gruhonjic, president of the NDNV

Board of Directors of Association of BiH Journalists expressed full solidarity with Gruhonjic, president of the Independent Journalists' Association of Vojvodina and strongly condemned all attempts of degrading and discrediting his professional work and personality by Informer and PINK TV, Serbian TV media houses.

Allusion to Gruhonjic ethnic background and use of imaginary name "Sabahudin" in media programs broadcasted by Informer and PINK TV, represented bright sample of hate speech and violation of ethical code that, consequentially may question his personal and professional safety.

[Details](#)

11 Feb 2016

### Request to the Council of Ministers of BiH and Ministry of Communications and Transport of BiH demanding the withdrawal of the recommendation and amendments of the Law on Public Broadcasting System in BiH

Board of Directors of Association of BiH Journalists requested the Council of Ministers of BiH and Ministry of Communications and Transport of BiH demanding them to make legal and clear distinction between the payment system of RTX tax fees and securing stable and long – term financing of public services in Bosnia and Herzegovina from perennial political discussions on forming ethnic channels as part of the public information system.

[Details](#)

Domestic advertisers are in a completely subordinate position in relation to imported brands, simply because they don't communicate, they don't create advertising campaigns. Almost since the very beginning of my time in this business I've been hearing the same story from our managers: "We're doing well even without advertising, so why should we spend money on that?" Or "We can't afford to pay salaries, let alone advertising." With such a passive attitude towards advertising, the domestic economy opens the door to imported products which are starting to dominate the market. A very good example is the 'awakening' of Sarajevo Brewery.

The media are on their dying breath. The only media outlet that has had a principled attitude towards advertising from the beginning is Dnevni Avaz. The media commission at Avaz is 15% and is same for everyone, there is no increase, no falling on the knees before agencies and advertisers. All other media are groggy. They give their inventory for next to nothing just to get their hands on a pittance. Negotiations between agencies and the media are hard and exhausting. One must barter the hell out of media commissions.

On the other hand, the media have suffered terrible loss of quality. Here we have a vicious circle. Since they are moneyless (mostly), the media don't have enough money to pay their journalists fairly. A poorly paid journalist is dissatisfied and inclined to write only about the bad and negative things and this is the mood that then rubs off on a public that becomes frightened and also negatively oriented. Such an audience does not spend and invest. The economy is lagging behind in development. There are no new jobs, and there the vicious circle closes.

All my life I've been working in the media industry and I simply can't put my finger on the exact moment when the media lost their power, when they fell to their knees and allowed themselves to be trampled on by everyone (agencies and advertisers). The media should sit together and agree on the conditions below which they will not go, at the same time preventing the media owned by those outside BiH to do whatever they please. Particularly irresponsible in this sense are the advertisers. They are irresponsible to themselves. More investment in the media would strengthen the media financially. They would become truly independent and dedicated to development and the future. This would affect an increase in the quality of life of the people of Bosnia and Herzegovina, which in turn would be reflected in an increase in spending, the creation of new workplaces, and the overall prosperity of society.

So where lies the solution? In the establishment of an association of the advertising industry, which will unite agencies, media and advertisers in the common interest to bring order to the market. Two months ago Academy 387 hosted Saša Savić, a Sarajevan, who lives and works in New York. Last year Saša was named the Media Director of the Year in the US, and the agency media.com, which is led by Saša, was declared Agency of the Year. After the lecture he was asked four questions to which he had the same response: "Get organized, set rules and insist on their implementation!" Simple, isn't it? Why is Bosnia and Herzegovina the only country in the Adriatic region that has no advertising industry association? Because it doesn't suit some of the strongest players in the market. The only thing that suits them is the current reign of chaos.

BiH is a small pond full of crocodiles.

## Press Releases

03 Feb 2016

### Protest against the Council of Ministers of BiH and Ministry of Communications and Transport of BiH

Board of Directors of Association of BiH Journalists directed an open protest against the Council of Ministers of BiH and officials of the Ministry of Communications and Transport of BiH due to political manipulations and irresponsible conduct during the process of passing the legal solutions in order to solve the problem of RTV tax fee payment and creating thus stable financial way for BHRT and the entire Public Broadcasting System in BiH.

[Details](#)

## Who shall „carry the flag“?

By: *Samra Lučkin*

So far, a serious analysis has not been done regarding media and marketing market in Bosnia and Herzegovina. Problems being there have been identified but never solved. Yet no one seems to speak about industrial advantages we have. We appear to lament over the destiny of market whose value is decreasing from year to year with very weak attempts to highlight advantages and impose pressure upon institutions in order to provide help in this particular field.

What do these advantages include? There are indeed creative people living in BiH and working in various agencies, media and outside media field, in art workshops. These include young generations that have meanwhile matured, learn their trades with BiH degrees, but also with prestige

degrees of world universities. Our sense of humor is well – known and recognized, including ideas etc, that is, everything necessary to develop excellent creative industry that may export its “knowledge”. Many agencies in BiH indeed show this potential from day to day by crating campaigns that often exceed above the average level in the regions.

Also, we cannot say that the situation in media, in terms of media liberties, but also including financial media status, is significantly different from the situation in surrounding and regional countries.

Why is then our media and commercial/advertising market so different from regional average and why is decreasing and devaluating faster that media and advertising market in neighboring countries?

There are several reasons to this. One of the most notable reasons is lack of adequate legislative, above all, lack of the Law on Marketing and Advertising on state level, that is, lack of any law on advertising that may provide an answer to pre-settled samples in reality. The Law on advertising would, above many other things, define the rules. One of the zones that should be included is definitely non – regulated advertising from the outside BiH that leaves local media houses completely legally unprotected.

Also, there is a complete absence of institutional support to development of media infrastructure and advertising industry, including media potentials in BiH. BiH media houses and agencies are left on their own and manage themselves, since there is neither protection nor encouragement for local/domestic industry. Every year Regulator refunds millions of BAM. Although media houses contribute in these amounts, so far, there have been no investments of these means allocated for the development of media industry, including standard advancement, research, investigation or survey or any other encouraging aspect for media development. The only exception, as far as these means are concerned, was the re-direction of these means for the development of the digitalization process few years ago. No one wants to support the initiative in order to impose amendments or book of regulations in aimed to direct at least 5% of these means to be refunded for media development on an annual basis.

Weakening of public broadcasters is yet another special problem. The situation in public broadcasters vastly determines general situation in the market, financial situation of media houses and media liberties as well. In most worldwide countries, powerful public broadcasters “carry the flag” and set the trends on media market field. Weak broadcasters represent ballast for the development of the very same market, including commercial sector. There are many parties in BiH which destroy the core of public services due to various reasons and unfortunately the forces that support the media are getting weaker and weaker. This shall eventually result in decline of BiH market and have negative impact on all its parties.

With the above mentioned disordered systems of media field, anyone brings his/her own standards and proposes forms pricelists and rules. Everyone is trying to survive, sustain and mange as much as they possibly can in any way given. Printed media were amongst the first to experience this practice and along with this problem; they had to face the decreasing purchasing power of their clients/customers. The decline also occurred in other media segments as well.

During the battle with less and less money, the editing offices first had to watch weakening of the quality of media reporting and production. “Blanks don’t fire”; however, it did fire where it shouldn’t have.

However, this was an opportunity to set the problem of weakening of advertising/marketing market from another perspective. Media houses cannot solve this problem on their own; eventually they didn’t create this problem in the first place. But, consolidation of media houses and larger media pressure on solving these problems is certainly a turning – point that may switch things from dead point. Media however must not be left alone in this process and advertising agencies must share responsibility as well. Civil society should be encouraged to take part, particularly professional associations but also institutions and they should join in solving these problems and this time, on long term basis.

So far, this was rather difficult process due to vast segregations and different



## Media on Media

13 Mar 2016

### Assault on N1 and FTV teams during the anniversary of Draza Mihailovic arresting

Visegrad – Supporters of Ravnagora Movement and members of war – veteran organizations from RS assaulted on Sunday two journalist media teams with head offices in Sarajevo during the rally marking the 70th anniversary of chetnik duke Draza Mihailovic arresting in Visegrad.

[Details](#)

09 Mar 2016

### MP's rolling up their sleeves: Full attack against RTV service

Appointing and Election Committee of the House of Representatives of Parliamentary Assembly of the Federation of BiH opened its session meeting on Monday regarding the necessity for the implementation of amendments of the Law on Public RTV Service in FBiH with focus on the part covering the process of the election of members of the Board of Directors. The opposition fears that these amendments could emerge quickly and result in political influence imposed against this service and similar warnings arrived from the RTVFBiH. EU Delegation and USA Embassy officials expressed their opinions regarding this issue in "Oslobodjenje".

*Oslobodjenje, 9 Mar 2016*

08 Mar 2016

### Women in media: Threats, violence and low wages

Regarding the International Women's Day, journalists' associations reminded about the conditions and dangers that female journalists around the world are faced with. Problems including violence, safety and harassment and bullying are ever –present and follow women working in media in many regions around the world.

[Details](#)

4 Mar 2016

### Communication Regulatory Agency of BiH self - efficiency and independence jeopardized

Communication Regulatory Agency of BiH and its Council self - efficiency and independence are jeopardized and this is a raising issue. During the meeting session held on 3 March 2016 covering the election of Agency's director, participants demanded the meeting with Denis Zvizdic, president of the Council of Ministers of BiH for the umpteenth time or a meeting with the Collegiums' Council of Ministers where members of the CRA would express their opinions and says, particularly about their independent work.

*Dnevni list, 4 Mar 2016*

interests. But this situation is changing. The application for EU admission for EU membership and all attempts and efforts that all segments of BiH community must undertake in order to raise standards and conform with European ones, shall defiantly reflect the media work and activities, agencies and advertisers that altogether must get engaged into this trend. Once this space is put in order, those that survived shall find life easier.

## Country at a loss due to the disorganization of the advertising market

By: Aleksandra Ćuk

Advertising and commercial market of any state has been determined by numerous factors including its size, surface, population, political stability, legislative, technological and IT development, public purchasing power and similar factors.



Bearing in mind that Bosnia and Herzegovina is a county of 51 129 km<sup>2</sup> with a population of some 3.7 million and over 40% of unemployed, is quite politically unstable country with many questions and issues not being regulated legally, it becomes clear that possibilities provided by Bosnia and Herzegovinian advertising and commercial market are significantly limited.

Although the years after 1998 seemed promising in BiH, because certain investments did come to our country through privatization and also through foreign companies that had been opening their representative companies in BiH or offering their goods in our market, due to all of the above listed negative circumstances after 2009 and definitely as a result of world economic crisis, the enormous decline of advertising and commercial market stroke our country estimated to approximately EUR 25.000.000.00, while this figure in neighboring countries, such as Serbia or Croatia reached almost EUR 100.000.000.00 for instance.

Entity segregation in BiH and all other associated divisions in our society produced a vast number of media houses on both, local and state level. Therefore, most media houses in BiH have been struggling financially, they have been in debts, having high costs and expenses in comparison with real incomes. As a result of all of the above mentioned factors, the quality of program contents has become very poor with limited quality. This is exactly why we have the situation where the public are mostly provided with poor quality sitcoms including reality shows as well.

We must mention public broadcasters whose primary task should include broadcasting of culture and education based program, but while the system of RTV tax fee payment is still in chaos in our country we have a situation where public broadcasters must compete with commercial TV stations both with program schemes and in terms of prices in order to protect their business sustainability which is considered necessary for their survival. Because of the decline of market, all TV houses have been forced to reduce money investments into program content and one could notice that local and domestic production program is decreasing and broadcasting of Turkish or Indian poor – quality sitcoms are increasing. Naturally, domestic and local production program is much expensive than foreign poor – quality sitcoms, but it is obvious that the domestic and local production program is



## Media on Media

22 Feb 2016

### Održana Međunarodna konferencija „Sloboda izražavanja i odgovornost medija“ u Budvi

“Freedom of expression and Media accountability“, international conference held in Budva

As part of this international conference, Belmin Karamehmedović, general manager of the RTV BiH stated that the fundamental problem of public service he came from was its financial sustainability. He stated that he had to be fair and admit that while he had been general manager, some 7 to 8 months, there was no political pressure in terms of demanding from the BHRT to be biased towards particular political party.

[Details](#)

16 Feb 2016

### RTRS and FTV against ethnic segregation of Public Service in BiH, including BHRT

Radio television of the Republic of Srpska and Radio television of the Federation of BiH issued mutual press release emphasizing their clear determination against ethnic division of Public Service in BiH, including BHRT. This attempt to install this segregation is best seen through the official recommendation by the Ministry of Communications and Transport of BiH which was related to the formation of ethnic TV channels on BHRT.

[Details](#)

## Vacancies

### EU award for investigative journalism in BiH

All applicants have been encouraged to apply for the contest for the Award Prize by the European Union for investigative journalism in BiH **until 1 Apr 2016**. Prize award for BiH contestants (for achievements in 2015) is EUR 10.000.00.

[Details](#)

### Male / Female Journalist

News Blic online magazine announced a post vacancy for the position of male / female journalist (2 posts). Application **deadline is 20 Mar 2016**.

[Details](#)

slowly vanishing. This is exactly where a complete ignorance by governing structures is apparent regarding the significance of the protection of local media houses, local / domestic market and local / domestic cultural heritage, although I would say that this occurs due to elementary ignorance and lack of knowledge of the entire perspective and importance of advertising market for the country, demonstrated by the governing officials and authorities.

Taking into consideration that any action is followed by reaction, this economic situation which may be considered as chain – based resulted in the occurrence of dumping prices. On one hand, foreign media houses derogate the value of their advertising space offering their commercial services to their client below any reasonable price. On the other hand, certain marketing agencies, in an attempt to acquire new clients offer advertising space below any reasonable price as well. Both situations consequently result in decreased incomes of finances to BiH advertising market.

We have a problem with cable operators as well. The program they broadcast from neighboring countries and viewers watch adds paid in Serbia for instance, that is, marketing agencies clients from Serbia are thus provided with advertising space in BiH free of charge. Naturally, clients would in such situations decrease budgets planned for advertising on our market and the state official authorities in BiH make no charges and impose no taxes for advertisements of neighboring countries being broadcasted in BiH through cable operators and their programs.

While the developing countries increase their investments particularly with online marketing, in Bosnia and Herzegovina, according to information provided by UNESCO, there are still around 15% of elementary illiterate people that cannot write or read. The state of BiH still has no accepted strategy of increasing literacy rate in BiH.

2016 census was implemented after 1991 and official results have still not been publically announced so BiH advertising market mostly operates on the basis of statistics and information from 1991 and many agencies dealing with market investigation and whose information and data we purchase and which represents our fundamental work tool, use old information and data upon which we may conclude that the entire picture is rather irrelevant considering all migrations that had been taking place from 1991 till 2013.

I mentioned some problems of advertising market in BiH but there are many things that seem unordered and it is simply to conclude that the ruling and governing structures are to blame for this situation. They are also unaware of the amount of money that is dispersed outside BiH as a result of this situation. Lack of knowledge, ignorance and corruption by many state services, as well as political influence produced an alarming situation, including more important social segments such as health care system, reaching the lowest possible level. What can we then expect for other segments of our lives?

The only way to change this is to change or to pass adequate and appropriate legislations. There must be a way to solve the problem of RTV tax fee collection in order to have proper public broadcasters by all means. Key positions must be appointed to professionals instead of politically biased amateurs. The question of the agency for investigation implementation must also be solved creating thus acceptable business environment that may eventually attract foreign investors to our market.

As a result of all destabilizing political and business factors in our factors, many serious media houses of world known networks



that deal with marketing and businesses tied with marketing show no interest in investing to our country or establish their businesses here, because business environment is very poor and unattractive, unprofessional, unstable and above all complicated. It is clear that before our politicians change their attitudes and realize that they should focus on improving the lives of people in BiH and the state they represent, rather than focus on personal interests, we cannot expect any improvement in either segment in our society, including marketing field.

## Demolished advertising market makes the media operate at the expense of professionalism

By: *Elvir Švrakić*

I have been active participant, since 1996, of the growth and decline of media market in Bosnia and Herzegovina, also including neighboring countries. During the period of last 20 years, immediately after the end of war, we had amateur views about this work and were not even familiar with parameters upon which prices were formed. Part of media had then, supported by the international instructors, upgraded their knowledge and skills and at the beginning of this century we could say that we reach professionalism. During that time, we were in much better position in BiH than media houses in neighboring countries. I recall the period when commercial TV houses in Croatia compensated over 70% of their services for goods or services.



Just as in any large and significant markets, including BiH, biggest budgets were aimed to televisions and that would mean that they would dictate the market and all other media houses as well.

There are more reasons that led media houses in BiH to where they are now and in my opinion they are definitely in worst position since the war end in 1996.

The initial problem that caused present alarming situation on BiH marketing and commercial market can be seen in the liberalization of media registration. Media houses have been granted with permits with no fundamental control for the credibility of it, training and experience by their staff, technology, program justification, financial construction etc. This problem simply must be regulated and solved by the state authorities. Naturally, in this case, there is fear that governing authorities may favor biased media houses and this issue must be taken into serious consideration. By this way some media and TV houses have been created with absolutely no visions or missions by the incriminating persons and also with very suspicious initial assets. Some of these houses have clear goal – racketeering public enterprises, that is, political parties or individuals. Many media houses have been under political party influences and some of them tend to alter prior to every election period.

Another problem is world economic crisis that commenced in our local/domestic media industry in 2009 when multinational companies reduced their budget means and some of them transferred their complete financial means to “more serious” markets. Simultaneously, local companies did the same thing. Unfortunately, many still believe that the promotion represents expense.

This is the introduction to the next reason because in the above situation, when we had a large number of media houses and very limited marketing budget, the entrepreneurs had been facing the situation whether they should close down their business or sell their services below real marketing price. The business operation costs, for instance are approx. 100 and we have to sell it for maximum 65 and by doing so we deliberately make losses or even violating the laws.



Federal TV, until 2010, was considered most powerful “commercial” media houses and today they take first or second position. They would receive over BAM 15.0 million on annual basis from RTV Tax fee collection. Additionally, they had biggest incomes from marketing comparing with all media houses in BiH and almost held monopole and were used as reference point upon which we, other media houses, would determine our prices and business commercial terms and conditions. We would wait for their pricelist and then, we would form our own pricelists. At the beginning of 2010, they decreased their marketing prices and their business conditions by over 45% and until today I could not understand why they did it!

Furthermore, according to Rules set up by Communication Regulatory Agency, TV stations must, during the prime time, dispose of minimum 75 minutes of their own program. Unfortunately, this provision failed to distinct quality program from program quantity. If you were to produce this amount of program on a daily basis, but professionally produce, you should have at least 150 employees, editors, journalists, TV hosts, producers, cameramen, montage engineers, light engineers, scenographers, set designers, make up specialists, drivers, assisting staff etc ...

## Incoming Events

- Association of BiH Journalists [Assembly](#)
- Survey as part of the [Media Circle project](#)

In BiH, there are great TV houses with less than 30 employees, such as “phantom” OBN, and PINK TV with around 60 employees and these two stations have over 40% of total marketing BiH budget.

An important fact outlining this situation includes certain marketing agencies that used such situation to make enormous profit. Some of them would pay certain media houses in local currency (BAM) and would additionally charge their clients with same amounts, only in EUROS this time!!

We face the situation that certain employees in agencies have much better living standard that most famous TV hosts, editors etc. Of course, directors and entrepreneurs of such agencies could afford everything that directors and media entrepreneurs could only dream of. I repeat that this is not the case with all agencies.

All of the above mentioned caused the “war” between media houses in BiH, including the survival fight, which is, dumping pricing in order to survive and sustain. Electronics media houses, outdoor, print and many other dropped their prices and clients vastly made use of this. Nowadays, no one chooses media house where their commercial would make sense; instead everyone seems to go take their businesses to cheapest media houses.

Business operation that media houses conduct is in contrast with professionalism and all rules of real and objective professionalism. They have been forced to reduce operational costs and expenses failing to employ professionals, also refuse to legally register their staff and thus not paying legal contributions (social security, superannuation etc), do not develop new technologies, work with losses, sell their services below every reliable business and operational prices etc.

This resulted in total decline of marketing and advertising market and it will take years to make some affirmative and positive changes

State authorities and officials are to blame for this because of the two following reasons. They either do this deliberately and intentionally thus indirectly suffocating media liberties and lack of knowledge. I personally experienced several times that the latter is the main reason because any governing officials, when it comes to discussion regarding media, expressed that the market should determine which media houses was capable of surviving and sustaining.

Regulators in these fields do not exist and in this situation an individual expectation, that this commercial game would produce a self – regulation of the market / closing down of many media houses seems unreal. Once you reduce the prices and drop them overnight, clients expect even better condition next year. Years of serious work are necessary to revive the market.

For how long can this situation last?

In my opinion, the only way out of this is to have more media houses, including mixed (combined media), electronic media, printed media, outdoor media, new media etc, joining forces together, including changes of their prices, business and commercial terms and conditions and attempt to make mutual and joined sales, even if that means that they may face a great risk and complete failure and eventually close their business down. Somebody must make clear cut regarding this issue and say ENOUGH is ENOUGH, because, if this situation continues and preserves, we may end up with semi – amateur situation in media field and in this case, it would be better not to have media houses in BiH at all.

This may, on the other hand, be somebody’s interest.

## Drop in the value of the advertising market in BiH continues

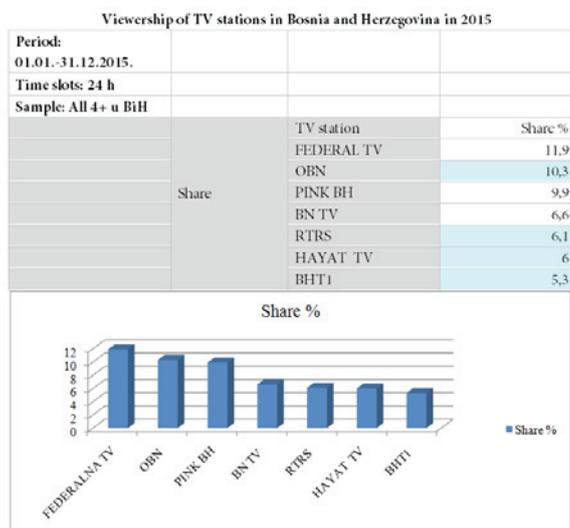


By: Adnan Bilal

In comparison with advertising markets in neighboring countries, advertising market in BiH is still undeveloped. Taking into consideration that there is a significant number of media houses in BiH that compete with very limited budget funds, many define BiH advertising market in BiH as “too many cooks spoil the broth”. Specific state of transitional countries include poor structure development of advertising market with TV media still dominating in this particular field which is exactly the case in BiH.

According to audience measurement polls of TV viewership in BiH, the third of the total share of viewership in BiH is taken by the TV channels that are not BiH terrestrial TV stations. Decline of advertising market value in BiH continued last year as well.

In 2015, (source: Audience Measurement, licensed by The Nielsen Company), Federal TV was most viewed and watched TV station in Bosnia and Herzegovina with average share in viewership by



Source: Audience Measurement (do licensed by The Nielsen Company)  
Investigative/survey method: People Meter – continuous electronic measurement of viewership of TV stations.

## Free Media Help Line

### Actual cases:

**Srdjan Puhalo** - Banjaluka Elementary Court issued defamation charges on 29 Feb 2016. Puhalo was charged by Marinko Umicevic, a member of City Assembly in Banjaluka because of blog content marking Umicevic as fascist. Preoperational hearing date is to be announced.

**Cases of threats against media representatives by Amir Selimovic** - Amar Selimovic, during his speech on YouTube channel threatened the head of Islamic Society in BiH, Husein efendija Kavazovic and media in BiH. FMHL sent notices to SIPA and Federal Police Administration. SIPA replied on 3 March 2016 stating that all activities regarding this case are being under supervision and monitored and recommended the party to contact Prosecutor's Office for further information required. FPA officials also stated that they have been taking adequate actions regarding this case.

**Dinko Gruhonjic** - Board of Directors of BiH Journalists' Association issued a press release stating that they did respond to attempts of professional and personal degradation of their colleague and President of Vojvodina Independent Association of Journalists by Informer and TV PONK, Serbian media houses.

**Media in Turkey** - On Friday 4 March 2016, Turkish governing officials took over the head office of ZAMAN in Istanbul. ZEMAN was the most notable critical voice out of all Turkish media houses. Actions taken had been based on court decision which failed to provide a single proof that would have justified their actions whilst taking over and occupying this newspaper media house by the use of excessive force. BiH journalists joined the Association of European journalists in public condemnation of this, rather open assault against the freedom of press in Turkey.

11.9% period during the 24 hours (entire day). Second place, right after Federal TV in 2015 was taken by OBN TV with average share in viewership by 10.3% during the 24 hours (entire day) and the third place was taken by PINK TV BiH with average share in viewership by 9.9% during the 24 hours (entire day).

Regarding the public RTV services in BiH, a disputable decision passed by the Communication Regulatory Agency, passed in September 2013, still have consequences at present. This decision limited public broadcasters' (RTV FBiH, RTRS and BHRT) advertising time and decreased it from 6 to 4 minutes per hour (the decision was in force until 1 May 2014).

Due to disputable decision by the CRA Council, commercial TV houses had in 2014, bearing in mind that at the time, their advertising time had tripled in comparison with the public broadcasters' advertising time, been offering even lower advertising prices to their advertising. Therefore, few large and significant advertisers that allocated largest amounts of their funds for advertising on TV until 2014 had been investing on FTV as most viewed TV station, decided to change their budgets and as result of rapid decrease in prices and redirect them to commercial TV stations that had by the way agitated the decision brought by the CRA council members.

Being that the issue concerns international advertisers that make long - term plans regarding their strategies and taking lower prices into consideration (dumping prices) they got from some commercial TV stations, the amount of damage at the end of 2013 to public broadcasting services, in terms of advertising incomes, but also the damage to entire BiH market from the deflation aspect and due to lack of regulative in the market, can only be estimated in millions.

Due to the fact that TV services in BiH are the only services that provide their pricelists publically on an annual basis, including business commercial terms and conditions applicable, commercial TV stations with signal coverage throughout BiH and considering viewership and double the commercial time they dispose of, are still inserting dumping prices on the market. The fact that Federal TV is still most viewed TV station in BiH still attracts a number of advertisers and most significant amount of budget is still invested to Federal TV by their clients (advertisers) is the only comforting truth, regardless to the fact that commercial TV stations get still provide the same advertisers with much lower prices for commercials and adds through dumping prices.

Finally, it is important to outline that the advertising prices on televisions are influenced by raising fragmentation of TV market in BiH taking into consideration the IPTV and cable TV penetration (the expansion of Telemach as dominating cable operator) that provide great offers of television channels (around 200 channels) through this platform. Due to increasing offer of specialized sport, film/movie, children/kids, entertaining and other associated TV channels on television market in BiH, advertisers reduce their budgets on terrestrial TV stations.

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E-journalist is published with the financial support of the Norwegian Embassy