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(Un) available media income sources in BiH

Allocation of public financial funds to media houses, that is, media financing by public institutions, including public enterprises, has been carried out through several segments. These segments include direct public budget allocations required for functional work of public services, including press agencies and local media houses established and formed by public institutions, including public financing budget allocation to media houses (both private and public), through different supporting projects, grants and projects; allocations through commercial advertising by the institutions themselves and public enterprises and also through procurements of provided media services and leasing of media space.

Although public budgets represent a group of miscellaneous possibilities, opportunities and sources for media financing, which, on one hand is acceptable form, in terms of strengthening of financial sustainability of private and public organs, it is rather uncommon to detect the amounts granted to media houses by governing institutions and media using those financial means still remain unknown, as this has all been confirmed by vast survey and research, implemented through the “Media and Public Credibility” project (origin., „Mediji i javni uglied“).¹

Locally based web sites, whose main financial sources derive from public financial budget allocation, mostly operate as service providers (in terms of sharing and releasing official releases issued by local governing levels), which once again, only proves the damage this occurrence may cause to local communities, because the official governing levels are thus excluded from receiving public critics. At the same time, media with commercial advertisements of certain public enterprise are often subject to critics directed by those media entrepreneurs (owners) with limited access to public financial means. This kind of so called “non – productive rivalry” questions the public media reputation, its credibility and public trust in program contents they post, publish or broadcast.

There is no adequate supervision regarding spending and execution of these projects for which certain financial means (money amounts) have been allocated and there is no sufficient information about what media houses (having been granted with financial aims), have delivered in reality. Apart from this, there are no clearly defined criteria concerning the allocation of financial means which results in a selective money allocation where several media houses end up deprived of this particular financial source. With the above mentioned marginalization, media houses have been forced to seek income sources elsewhere on the marketing field, which again, has its disadvantages and discrepancies too.

Lack and absence of clearly defined legislative, no trade and professional media associations that would eventually (in its most qualified way) defend and protect the interests of advertising industry, disloyal advertising competition from regional countries, financial crisis which commenced in 2009 and hit the BiH advertising market, are just some of many and aggravating factors that media agencies, media houses and advertisers have been facing constantly.

What are the chances for the subsistence and survival of media formats in BiH, what are the future forecasts regarding media market if the access to money flows allocated to media houses becomes a reality through law passing, concerning advertising and transparency of ownership and financing? These and many other issues in this E – Bulletin edition will be discussed by **Ivana Korajlić**, Acting Executive Director of Transparency International u BiH, **Elvir Švrakić**, owner and general manager of TV Hayat, **Berislav Jurić**, a journalist from Mostar, **Ivan Vidović**, officer of the marketing department with the Information Sector at Klix.ba (BiH web site), **Luko Musladin**, marketing manager at RTV BN.

Arman Fazlić, E-journalist editor

¹ [Report: „In search for better regulation regarding transparency of media ownership and media financing from public budgets”](#), the result of vast survey and research implemented by the member of the Consortium, BH Journalists Association, Media Center Foundation, Press Council in BiH and JaBiHEU, a BiH based NGO.



Allocation of public budget funds: Non – transparent and preferential - based relationship between public institutions and enterprises/companies towards media houses in BiH

By: Ivana Korajlić

Allocation of public budget funds for media houses, that is, media financing by public institutions and public enterprises (companies), has been carried out through several segments: direct budget allocation for the work of public services, news agencies and local media houses established and founded by public institutions; budget allocation for media (both private and public) through different project support, grants and projects and finally, allocation through commercial advertising of the institutions themselves, including public enterprises (companies) that is, through purchasing of media services and through leasing of available media space.

Transparency International in BiH has, through different types of researching and surveying, focused mostly on transparency and rational allocation of public funds, which included allocation to media houses, because of the opportunity that had, due to lack of transparency, lead to eventual misuse of public funds with the purpose of financing certain election campaigns, promotion of individuals and political parties too, including the protection of selected media houses that have had close ties with these political parties.

TI in BiH, as other civil society organisations, has outlined the non – transparency of public funds allocation and lack of criteria during the process of money allocation to media houses, even in situations with multi millions being subject to these allocations. Let us remind the audience about the allocation by the government of the Republic of Srpska to public and private media houses where, during the period of last 5 years, they allocated almost BAM 18, 9 million without clear criteria and there were also cases where certain financial funds were allocated even prior to deadlines for public bids, which only indicated that these public bids were actually used as “smoked screens” and that funds were targeted in advance to particular and selected media houses, mostly in order to get their affection during the pre – election period. What appeared as even more problematic is the fact that there has been no adequate monitoring, that is, following of spending and executions of these projects for which significant funds had been allocated, since these funds have mostly been related to the promotion of particular tourist, developing and similar projects or the promotion of culture and without any feedback or information regarding what media houses, that had been allocated the above mentioned money amount, delivered or what kind of services they in fact provided. Additionally, there were cases where certain productions required for making documentaries had been paid for to implement some projects, including associated promotional material, and these projects (documentaries) have never been publically released, which bring us to conclusion that financial means planed for such

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Events

17 July 2018
Ethical standards bound journalists to professional and human reporting regarding the issue of refugees and migrants in BiH

13 July 2018
Refugees and migrants are entitled to have their say and have their voices heard

Press releases

20 July 2018
Reaction by the Coalition for the Fight against Hate Speech and Hate Crime as a result of two incidents occurring in Tuzla and Sarajevo

14 July 2018
BoD BH Journalists: Strongly condemning the safety jeopardizing and threats directed against Marko Radoja

3 July 2018
Protest against the Ljubuski Police official authorities after the assault against Bljesak web site female journalists

Media on media

16 July 2018
BoD BHRT discuss “Srebrenica Flower” case

12 July 2018
BHRT Syndicate (Union) demands dismissing of Marko Radoja, IP BHT1 editor

6 July 2018
OSCE Media Freedoms Representative: Being a journalist means doing one of the most dangerous jobs

Vacancies

Media Centre Foundation seeks journalists / associates to work for diskriminacija.ba (local web site). Deadline for application: 30 July 2018.

Običan radio from Mostar seeks for a journalist. Deadline for application: 19 August 2018.



The reality practice proved that this was actually done with the purpose of protecting and biasing certain media houses, that is, with several attempts to provide them with additional public budget funds, through miscellaneous projects or campaigns, and these public budget funds have actually been used for indirect financing of election campaign, that is, used for the promotion of particular political parties. Best illustration confirming the above listed situation can be seen through increased allocation of public budget funds allocated by public enterprises (companies) for commercial advertising and representation purposes during the election years.

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Local government units operate and function in almost identical way, where, days prior to elections, an increasing number of projects suddenly emerges, including the activities launched and taken by municipalities and these are usually all advertised through media sources. Consequently, allocated financial funds and means deriving from media services, increase during this particular period. This anomaly goes as far as making contracts that, for instance, concern "following the work of municipal mayor and municipal administration" or even following the activities of certain municipal department. During the 2016, over BAM 1, 1 million was allocated by the 48 local government units in the RS, with the purpose of commercial advertising for these particular municipalities. City of Bijeljina which in 2018 concluded two contracts valuing almost BAM 140.000, 00 with RTV BN, with one of these contracts aimed for commercial advertising and following the activities of City Council, city mayor and president of City Assembly, while the other was aimed for the promotion of investments, tourist, cultural and other potentials of Bijeljina city. City of Doboj signed a contract in very similar way, with the amount of almost BAM 85.000, 00 also aimed to follow the activities of City Council, city mayor and City Assembly. This case also seemed unique since they concerned the purchasing the promotion of individuals, public function holders during the election year, although city administration and assemblies have their own employees and offices that should make sure that media houses and general public were provided with information regarding the activities of city mayor and his/her administration (Council, Assembly etc.). Therefore, this issue here has not been about public campaigns, where general public should be provided with required and specific information; instead it has been about financing certain and selected media houses, so they could be completely biased and they could report about the above mentioned individuals and the work conducted by local institutions.

TI of BiH has, through the research and survey regarding the business activities of public enterprises (companies), focused on allocation by these companies with the purpose of representation and commercial advertising and the question of rationality of commercial advertising of public companies that have often controlled the market in terms of having a monopoly related to the field of their business scope (such us electrical distribution, water and sewage systems, utility companies etc.). On one hand, we have here had, allocation by public enterprises (companies), used for commercial advertising in media, aimed for announcing public bids or vacancy announcements or used for the promotion of certain specific services and programs, which could actually be considered as justified commercial advertising. However, the reality practice proved that this was actually done with the purpose of protecting and biasing certain media houses, that is, with several attempts to provide them with additional public budget funds, through miscellaneous projects or campaigns, and these public budget funds have actually been used for indirect financing of election campaign, that is, used for the promotion of particular political parties. Best illustration confirming the above listed situation can be seen through increased allocation of public budget funds allocated by public enterprises (companies) for commercial advertising and representation purposes during the election years.

TI and business web site Capitol have during 2017, analysed the information regarding the commercial advertising and representation of public enterprises (companies) and the analysis showed that 12 public companies in the Republic of Srpska had, during the period between 2014 and 2016, spent around BAM 2,5 million on commercial advertising, as their financial books confirmed this information, whereas their replies upon enquiries regarding this question, included significantly smaller amounts (around BAM 1,1 in total). Mostly, these companies came from energy sector (electrical distribution, hydro – electric power plants, mines and thermal power plants), as these certainly have had the monopoly in this sector, that is, their business have not been orientated towards foreign market and have not need to advertise and invest in additional media promotion of their products and services to potential buyers. This research also showed that there were outstanding differences (up to 50% in amounts that are used for these purposes during election and non – election years). Naturally, this only represented insignificant number of public enterprises (companies) with available information, which means that if we were to observe all public enterprises, we would most definitely concluded with significantly greater amounts than those indicated in the above mentioned cases.



Free Media Help Line

Actual cases:

Jasna Nikšić Božić – 8 June 2018
BHRT female journalist received personal threats while she was working and performing her duties. Free Media Help Line sent a notice letter to BHRT general manager and female chief – in – editor demanding their actions and to state why there were no actions taken in regard with these threats even though this female journalists had reported them regularly.

Marko Radoja – 14 July 2018 –
Information Desk editor received many treats after he had requested from informative and news program editors at BHT not to wear Srebrenica Flower on 11 July during the news programs. BH Journalists and Free Media Help Line issued a press release accordingly.

Kvaka.ba, a local web site – 3 July 2018 – Life threatening messages were e – mailed to Kvaka.ba inbox and these were directed against Kvaka.ba chief – in – editor. Free Media Help Line provided legal aid and sent a notice letter to Federal Police Authorities demanding investigation regarding these threats.

As far as criteria for selecting and appointing media houses where public institutions or enterprises shall advertise, should it be necessary, although they should comprehend specific criteria as requirement, including viewership figures, price and other requirements, having in mind that this would lead to direct contracts and other less transparent procedures, then they do not follow any criteria but instead they make contracts about commercial advertising by their own will or even when open bids do take place, they (public institutions or public companies) require specific demands that only biased and certain media house can meet and fulfil. Because of the above mentioned, our practice and reality conforms that public enterprises or institutions make business and co-

operate with these media houses only and they advertise in media houses that are close to the political party which is in charge with public institution or public enterprise. There are cases where, even during the process of public procurement the name of media that shall be awarded with the contract appear in public and this often occurs as part of promotional financing at special manifestations organized by certain media houses. One of these cases occurred during the selection of Person of the Year organized by Nezavisne novine (Independent Newspaper), where public enterprises regularly allocate financial means in order to promote themselves at this manifestations. Furthermore, Elektroprivreda RS (Public enterprise for electrical distribution) and its subsidiaries have been, during last several years, allocating around BAM 40.000,00 for the Selection of the Person of the Year and Sportsperson of the Year.

There were many cases like this, one should only “go through” the public procurement official web site and look which media house was allocated certain amount of money on annual level through this particular type of advertising and what the subjects of this kind of special contract were. However, even this information seemed insufficient, while for the information regarding the allocation for other purposes, one should really need to deep thoroughly in order to find them out, because we still do not have data base that would make access to these information easy or universal data base that would cover this specific area.

What must be outlined and emphasized here is that the commercial advertising itself or allocation of financial means for media does not have to necessary be considered and treated as key problem; instead it is criteria, transparency and allocation process that presents the problem, including the fact that there is no adequate and appropriate legislative that would regulate this particular field, especially when we talk about some kind of fundament and basis required for the prevention of misuses of public budget means for election campaign financing. As fa as the need for the introduction of limits during election year is concerned, in relation with commercial advertising of public institutions, bodies and enterprises, TI of BiH has indeed been advocating for their introduction and, alluding to international standards and guidelines that deal with the prevention of misuses of public resources during election campaign. On the other hand, there is a need for more detailed defining of the way and type of commercial advertising for public institutions. However, there is no political will to accomplish this system not even when there is a question of advancing election legislative, including public procurement segment. Unfortunately, instead of that, there have even been certain recommendations and proposals that media services should be excluded from the Law on Public Procurement and provision directed to the prevention of public resources during election campaigns should not be taken into consideration, because no political party has interests to denounce the opportunity that legal gaps enable them and provide them with, in terms of this specific issue.



If you have marketing budgets for Serbia and Croatia – BiH market is free of charge

By: Elvir Švrakić

Bosnia and Herzegovina, as one of the smallest European countries, has (relatively used) tourist potentials, export of goods and services in several branches (fields), relatively solid but unfortunately, due to low value of labor force, food industry whose potentials are limitless, and, above other things, media industry, but it has no possibility to use their full potentials.

As far as media industry is concerned, Bosnia and Herzegovina, is considered as most liberal country in, many would say, Europe.

What kind of elements made me think like this?

In Bosnia and Herzegovina, as far as this particular issue is concerned, you could pretty much do whatever you want.

I shall make a division list according media segments:

Print houses

I do not want to talk about print houses too much. Basic problem is that the figures, concerning edition quantities, have for a long time been considered as unreliable and non – transparent. On the other hand, readers are convinced that most print houses are “dying off”. Because of this, potential clients’ interest in commercial advertising is rapidly decreasing. It is obvious that print houses bear the greatest and biggest responsibility for this particular situation. The situation in Europe, in terms of print houses, is not as dramatic as here in Bosnia and Herzegovina. At certain point of time, budgets in the world also experienced evident decline, but the general trust managed to return to their readers. Of course, print houses shall never have budgets that they used to have during the last century.

Web sites and other digital media sources

Present situation, state and development seem as great enigma not only to users (consumers), but also to those that create information, that is, to digital media sources. Possibilities are countless and unused, ideas that big creative teams can implement can be seen and we cannot see the end of this specific type of communication with users (consumers). But the problems in BiH are just the same with any other sector. You cannot register web sites anywhere because you can register your domain anywhere in the world. You can register your company and issue invoices for marketing services on the same web site. Therefore, this web site is not registered under the name of this company, instead, it is virtually registered somewhere in the world. You cannot see the impressum and hence cannot see the details regarding entrepreneurs (owners) of this web site including editors, news editors and those responsible for posting news and details about who shall be held responsible pursuant to BiH legislative provisions and who shall, if necessary, be accused of defamation (libel) etc. Therefore, the web site is operating in completely illegal way; they can do whatever they like, as they mostly post and copy fake news, but still, they do benefit from the media cake in BiH.

Clients are above anything else, mostly interested in whether the public talks about the above mentioned web site and whether this web site can be considered as “in trend”. They have no real view of the actual situation, real rating and according to this and pursuant to discount rates, they decide where they shall direct their financial means for commercial advertising and marketing purposes. Tens of web sites indeed do obey professional journalism, including obeying of present legal provisions, respecting market rules and to some extent, they do obey copyrights and these can surely have bright future.

As far as commercial advertising on other digital media sources in BiH is concerned, clients in BiH face the problem with general ignorance and unprofessional approach to financial budget allocations. Certain clients are convinced that digital sources are good enough to create communication with consumers and that registering your face book page is sufficient as well, in order to complete the business campaign. However, what they do not know is that the work actually begins at this point.

Outdoor

There are very few entities that operate and work pursuant to BiH legal provisions. Those that on one hand register their companies, obeying entire BiH legislative,

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You can do business in BiH as you like without any problems. You can register an off shore company anywhere in the world and once you get a license to broadcast the program in this country, although you actually produce the program in BiH with known address and familiar employees, that is, BiH citizens with local guests in program. Therefore, everything is actually targeted to BiH market, but from legal point of view, you have absolutely nothing to do with BiH. Additionally, you could come in handy to cable systems in BiH since these cable operators do not obey BiH legal provisions. The above mentioned media houses on the other hand, have the opportunity to sell their marketing space and room and accordingly, expand in terms of taking over the marketing share in BiH media market.

mostly obey legal regulations related to setting the positions on the other hand. Besides, in BiH there is no legislation as in most European Union countries, because outdoor positions can be set anywhere you like. Hence, we have countless number of these commercial advertisements attached by the road signs in urban areas, but also outside urban areas too and these sites can be seen only in the Balkan region and nowhere else.

Unfortunately, clients are not interested whether you dispose of required documents for advertising position concerning its illegal point of view; instead, clients are mostly interested where their signs are set and posted, including the prices.

Electronic media

BiH radio stations managed to survive first “assaults” launched by alternative media houses and there are many reasons for this. In this particular part of media industry, you have no possibility of illegal registration and illegal work. The CRA issues a permit, monitors and supervises technical conditions and also controls program contents. In regard with marketing budgets, anyone is entitled to their own budget part and almost all parties involved are eventually satisfied to a certain extent and level.

Television has remained the strongest media source in BiH and in the world too, by both the impact and influence it has on the audience and by the consuming time, but also according to the budget rate.

However, the toughest competition in BiH is in this particular business sphere, which includes enormous damping prices, most unsuitable business atmosphere, comes from illegal marketing strikes launched from neighboring states etc. Some decided to start this kind of business mainly for profit making, some did it because of political goals, and I have a feeling that third group decided to launch TV business because they had nothing better to do. You can do business in BiH as you like without any problems. You can register an off shore company anywhere in the world and once you get a license to broadcast the program in this country, although you actually produce the program in BiH with known address and familiar employees, that is, BiH citizens with local guests in program. Therefore, everything is actually targeted to BiH market, but from legal point of view, you have absolutely nothing to do with BiH. Additionally, you could come in handy to cable systems in BiH since these cable operators do not obey BiH legal provisions. The above mentioned media houses on the other hand, have the opportunity to sell their marketing space and room and accordingly, expand in terms of taking over the marketing share in BiH media market.

These cable channels, apart from marketing incomes, also have additional incomes in BiH, deriving from the sales of rights to cable operators. This is referred to as the sale of contents. The presumption is that there is around BAM 80, 0 million included in this business segment.

If you add marketing budgets that flows away or amounts that has (because of this anomaly significantly decreased in BiH), TV media market in BiH loses over BAM 100, 00 million as a result.

On the other hand, public services, particularly Federal Television which is considered as the biggest “commercial” media house in BiH, and which dictates the market rules, is the leader as far as “damping” prices are concerned, ravaging down the BiH market. Recently, one email message reached most significant media houses in BiH, where one BiH agency was sending reports about its international client. From this message it was clear that the GRP price at Federal TV was disgracing EUR 20, 00. The prices provided by OBN and PINK BH were higher than EUR 30, 00. FTV began with this particular policy in 2010 which could be marked as the beginning of prices distorting with all media houses, not just on TV.

When client see the price provided by most viewed media house, according to research and survey conducted in BiH by Nielsen/Audience measurement, then international clients with other media houses, including radio, printed media, web sites, outdoor, etc. decrease their budgets and media are hence forced to lower their prices.

Prices in GRP in neighboring countries range over EUR 80, 00. The question is why FTV sells the services they provide for such low prices? They do not pay taxes and legal contributions (pension and retirement funds), they do not pay their duties towards BHRT; their debts reach tens of millions of BAM. They only pay their employees monthly salaries and wages and pay for foreign programs and no special intelligence is required in order to be “successful” in this sense. The worst thing is

Commercial media have permanently been controlled by inspection official authorities and you cannot get away with paying for your duties (taxes included), as oppose to public service broadcasters. Therefore, not all media houses in BiH are working under equal conditions.

Media houses operate detrimentally to professionalism and all rules set by objective professionalism.



Malo je novinara koji danas osjete profit koji njihov rad ustvari donosi njihovim kućama, ali im taj profit donosi sigurnost, a danas je kakva-takva sigurnost jedini privid slobode u svim segmentima društva pa tako i među onima koji to društvo drže na oku i prate sve promjene u njemu.

that state institutions, by remaining silent to this problem and turning their blind eye, omit to control this problem and thus support illegal actions, including disloyal competition presented to other media houses.

By having this completely liberal way, mostly in television contents, the point is that we failed to protect domestic and local culture, art, political and economic life, because the influence deriving from foreign media has changed the consciousness and public views and it is changing the language on daily basis, especially with younger generations.

It is well known that when clients negotiate about terrestrial and cable TV stations in Belgrade and Zagreb, and if they agree mutually about satisfactory budget, they get BiH market for free.

All in all, media service prices in BiH are settled in such way so anyone making and drafting plans for the forthcoming year is certain that they will not reach their business plans and incomes, and incomes plan cannot be decreased. At the beginning you are almost certain that you won't be able to pay your employees their monthly wages and salaries or that you won't be able to pay taxes and legal contributions (pension and retirement funds).

Commercial media have permanently been controlled by inspection official authorities and you cannot get away with paying for your duties (taxes included), as oppose to public service broadcasters. Therefore, not all media houses in BiH are working under equal conditions.

Media houses operate detrimentally to professionalism and all rules set by objective professionalism.

For how long can this situation last?

The only solution I see is that we have more media (including oriented media houses, electronic media, outdoor media, new media, associations etc.) that would eventually change their prices and business conditions and to try to make certain joint – based sales, even if it means taking a risk of having complete failure. Someone has to make cuts and say ENOUGH is ENOUGH.

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Media and profit as liberty semblance

By: Berislav Jurić

The omniscient Google has, upon search for the subject titled: “There is no journalism without” has launched, on top of its list, completely different results, but also equally true definitions that have, ever since, been subject to discussion, as far as professional journalism is concerned (although professional journalism in its genuine forms is slightly vanishing).

“There is no professional journalism without non – profit media” and “No profit – no professional journalism”, were the two subjects (titles) appearing on Google search result list and these two titles interfered, in terms of defining what seemed to be considered as journalism and what journalism should actually represent.

One text outlined that “non – profit web sites have been the oasis of professional journalism”. Another text, on the other hand, stated that “newspapers and journalists do need profit”, “does not impact the quality of news broadcasted, posted, released or published” and that “we do need profit in order to protect liberty”

Work recognition

Although there are very few professional journalists left (at present) that are capable of recognizing the amount of profit which their work brings to media houses they are engaged with. This profit provides them with security, safety and during the current times, the profit (to some extent) does provide them with liberty semblance in all social segments, including liberty in relation to those that keep their eyes on society affairs and follow all social changes accordingly.

Two of the above mentioned definitions are the sole truth that media houses flounder within. Those claiming that their work is not recognized and appreciated, have been struggling with those that, on the other hand, claim that profit making displays the reward for the work conducted by the former group. Both claims seem to be correct and true. It is indeed the truth that “old – fashioned”



Herzegovinian media, for instance, have full rights to state that they struggle with the distance from eventual financial sources hiding in Sarajevo. All great companies are seated in Sarajevo and all decisions brought by great companies need commercial advertising or should advertise, are far away from Herzegovinian small places, and additionally, non – governmental organization and associations, including international parties in this particular field that support, encourage, abet and financially support media, are physically distant and far away.

journalism, regardless to what extent it should be regarded and considered as constituent part of all types of journalisms today, does not attract general audience. On the other hand, the truth is that journalism based on quick actions, exclusivity, equipped and decorated with all disposable items required for the text, unfortunately, often attracts more people. Consequently, these figures withdraw other figures along, so we could conclude that today there can be no journalism without figures.

Looking at countless number of web sites, and having in mind that web sites are indeed the most simple way to launch business in Bosnia and Hercegovina, everybody is fighting with numbers or figures and it is pretty difficult to remain and sustain such specific market, because of the unsettled rules allowing someone to exist and operate and someone who would favour the sustainability of professional journalism, rather than making personal profit instead. Media incitement has been narrowed down to tactical and pre-election “charging” and also serving to finance suitable and biased web sites that would, upon requests, either share or spread political messages through the limitless internet space, or they would also serve as polygon for money withdrawing and rewarding those that have taken part during the money withdrawing process.

Instant salvation

Local web sites that should stand on the first defence line, thus protecting genuine democracy values and that should criticise the governing structures and society anomalies, have presently been mostly covered by municipal budgets and they instead mostly serve to announce press releases copied from official municipal web sites to yet another addresses, possibly with better photos attached to the subject text or article.

Accordingly, local communities are unintentionally damaged because the governing official authorities are not exposed to public critics and large scale media houses use them only as a source for copy – paste principle and some kind of patchwork.

These media house find their instant salvation in advertising local companies, if there were any, and in commercial advertisements, despite the fact that local population do not recognize general community – orientated benefits of these commercial advertising. People in such communities do not have enough space and room for choosing and selecting certain types of offers provided.

Regional web sites that managed to rise up from the scope of news and make one step forward into some other types of journalism tranches, have found themselves on the crossroad of “local” marketing and some even greater, but yet never the greatest cakes.

They float in some kind of space of mid – level governance so their survival is narrowed down to good will of certain ministries or ministers, so marketing cakes often consist of annual order of greeting cards and messages for holidays, including eventual contracts with public enterprises (companies) that operate in the territory covered by these web sites or territories that these web sites try to cover.

Marketing of such, let’s call it mid – level of online media, operating far away from Sarajevo where the information concerning large – scale companies with significant amounts planned for commercial advertising campaigns, are kept away from them, also including greater need for commercial advertising, rely on the ability of convincing the owners (entrepreneurs) and editors that having commercial advertisement within their web sites could also prove to be beneficiary for public companies.

Interspace and intermedia affrayment

Although, it is, from present perspective, ungrateful to speak about geographic frames of certain web sites, because the Net of all nets makes all parties involved ever present. Herzegovinian media, for instance, have full rights to state that they struggle with the distance from eventual financial sources hiding in Sarajevo. All great companies are seated in Sarajevo and all decisions brought by great companies need commercial advertising or should advertise, are far away from Herzegovinian small places, and additionally, non – governmental organization and associations, including international parties in this particular field that support, encourage, abet and financially support media, are physically distant and far away.

And, as they say, what is far away from sights, is far away from marketing.

It is clear that everything relies on figures and numbers today. Those with more visits shall be granted with more commercial advertisement space and room, because the purpose of commercial advertisements is after all, to be presented to greater number of people. But, it's a shame that, in large space of our own shiftless, there is no way which those that advocate professional journalism, and they are still too little to have significant figures and numbers that may eventually attract commercial advertisements, have the opportunity to be remain and sustain on the marketing surface. Turning blind eye by the state and media community regarding financial donations, often appearing commercial advertisements, shall (to those not willing to become media), eliminate both journalism and figures as well.

From certain point of level, which, as it existed in some kind of marketing inter - space, we could hear many speculations, regarding numbers, figures and accusations that some local webs sites, having advertised public company, actually works something in favour of political party that has impact on that public company.

Furthermore, the already intoxicated media space is additionally intoxicated with inter - media confrontations regarding to who owns whom, and recently, certain researches and surveys proved that media entrepreneurs (owners), poorly biting marketing cakes, accuse other media houses for being loyal to someone just by seeing the commercial advertisement. This creates a non - productive rivalry that proved and confirmed how money could and will literally spoil media, including journalists. Those lower media levels, (lower in terms of number of viewers), vertical and horizontal from the head offices and seats of big public companies and decisions bringing - are unfortunately being avoided and ignored in marketing plans. Commercial advertising campaign thus covers strongest regional entities and most of them are still hungry for marketing mouths in the capital, so media sometimes rely on advertisements of large - scale internet services and local ministries, pointless local campaigns and rely on project writings as well.

Far away from the source

Even big projects do not go to lower levels, so media houses, tagged as parties or entities being subjects to political influence and imposed impact and due to "imposed" commercial marketing, and are not on the lists of those advocating and cherishing independent journalism.

And then we come to the definition that without money there can be no independent journalism and close magic circle of figures and numbers placed between journalism letters.

It is clear that everything relies on figures and numbers today. Those with more visits shall be granted with more commercial advertisement space and room, because the purpose of commercial advertisements is after all, to be presented to greater number of people. But, it's a shame that, in large space of our own shiftless, there is no way which those that advocate professional journalism, and they are still too little to have significant figures and numbers that may eventually attract commercial advertisements, have the opportunity to be remain and sustain on the marketing surface. Turning blind eye by the state and media community regarding financial donations, often appearing commercial advertisements, shall (to those not willing to become media), eliminate both journalism and figures as well.

Media that are far off from money sources, just as it once was deleterious to be far off from the information sources, shall have no bright future. Non - profitable media house can hardly survive and provide existence to their authors, so they consequently tear apart between the desire for professional journalism and desire for profit making with journalism almost always getting damaged at the end and with journalists ending up with no profit made either.

Profit in media still chases away journalists from professional journalism and instead it turns them into figures and numbers hunters, although both figures and numbers often do not match letters either.

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West is western, but East is western from BiH too

By: Ivan Vidović

While IAB Serbia (Interactive Advertising Bureau) during Digital Days 2018 released the information that online market in Serbia had achieved EUR 29.5 million in 2017 with serious growth in all segments, on the other hand, marketing agencies in Bosna and Herzegovina gabbled intact and thought about providing their international clients with answers regarding the ongoing and current questions about results, post – analysis campaigns, audience demography, attained and potential reach, monetary market value, including specific segments of the market. There is not enough available information regarding quality – based analysis and regarding planning either.

There are many causes for the unsettled digital market and responsibility equally represents the burden for both media houses and marketing agencies.

In simple terms, due to lack of transparent market, any analysis is based on presumptions, approximate evaluations and summing of those. While IAB operates in Serbia and this body was formed pursuant to mutual agreement between marketing agencies and media houses in 2011 and this body has also monitored the standardization of digital commercial advertising, promotion and education of advertisers, media houses and media agencies, on the other hand, this kind of body has never been formed in BiH nor anyone has been able to manage to organize adequate and competent association of online media houses, let alone association of all parties involved in digital marketing market.

Affairs like “Gibraltar” confirmed enormous gaps of marketing agencies that should have operated as services and associated constituent parts of international and local (domestic) companies, instead, they managed to shake the trust of the advertisers into the BiH market. Apart from the fact that all accused parties were set free and exempt, direct results caused massive financial budget withdrawal from BiH and its re-directing to Croatian and Serbian market that, to some extent, could reach audience in BiH, including global media such as face book, Google and YouTube.

Market without quality measuring is a potential without implementation

Frankly speaking, media houses have not yet put in enough effort to make the market better than it is at present. While there are around 60 web sites in Serbia, co – financing the work of Gemius Audience, the tool used to measure the traffic on web sites and audience demography functioning and operating in most parts of Mid Europe and Eastern Europe, in Bosnia and Herzegovina only three web sites have shown interests and expressed willingness to make their financial contribution, as far as this type of measuring issue was concerned. Also, particular media houses have continually imposed pressure on Gemius, in terms of signing in and signing out, deriving from conducted research and survey process, including measuring codes removal, because the outcome results proved different to what certain online media house entrepreneurs (owners) expected them to be and what they thought they should have been. With the emerging of clickbait, the domination of face book traffic, posting and sharing of fake news, along with the above mentioned financial gains, Gemius operation became pointless and it gradually withdrew from the market.

Dotmetrics came as a substitute; an ambitious project that should have provided quality – targeted research and survey of the market affairs on daily basis, but the paying scenario has once again emerged as obstacle, including continuous effort by particular web sites to make influence on research and survey results and present their statistics better than they in fact were.

How to make progress and reach market growth?

According to the above mentioned, rather pessimistic market review, we could conclude that fundamental problems in the market concerning digital marketing in BiH, are lack of necessary information required for analysis and planning of media plans, non – transparency of media, corruption and bribery among marketing agencies, and absence and lack of education level of advertisers that with the level of their ignorance allow and enable “fog hunting”.

In order to take a pounce which we have all been waiting for (for years), and pounce which has already been launched in Croatian market, (and Serbian market is going through its initial stage), few steps are necessary and required for its emerging in BiH market:

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The fundamental problems in the market concerning digital marketing in BiH, are lack of necessary information required for analysis and planning of media plans, non – transparency of media, corruption and bribery among marketing agencies, and absence and lack of education level of advertisers that with the level of their ignorance allow and enable “fog hunting”.

One of the first steps that should be accomplished is market standardization. Unifying of commercial advertising formats with international standards and equal or similar prices based on realistic and actual indicators and results. In order to accomplish that, it is necessary to have formal organization and measuring process, but we shall discuss this later on. BiH market definitely needs formal organization such as IAB, which would be authorized by both, media houses and media agencies to release public bids for market measuring results. They should also organize education programs for media houses and market agencies, including advertisers and familiarize them with trends, technical specifications, tools and rules required for data and information analysis.

When we talk about measuring process, we must take one thing

into serious consideration and that is: Quality aimed measuring is expensive process. Undeveloped market, in its initial stage (as in BiH at this moment), is surely not yet ready to pay full price to some of the leading researching and surveying agencies, but it should still use the opportunity provided, in terms of relatively affordable, but also quality – based, researching tools targeted for central and East European market, such as Gemius Audience and Dotmetrics. Having in mind that almost all web sites at present have (more or less) incomes deriving from Google ads, perhaps the market is ready to apply and implement the model of charging for research and surveys, including financing of association like other regional markets are practicing.

Internal change and alteration of business operating policy is yet one of the most serious steps that parties and entities involved in digital marketing should do. Despite the fact that internet advertising is indeed subject to most adequate measuring and potentially it provides best possible feedback, since online advertising is considered as side by side with television advertising in the world, according to estimates provided by analysts, digital marketing market in BiH takes place in this process with merely 6% to 7% of its share, while television absolutely dominates with around 60% of its share. There are many reasons for such range gap, with three of them being considered as most important reasons: 1. Television houses take part in (more or less) formal association and have official measurer which is accepted by all participating members. 2. Television represents a traditional media source, so media planners already have certain pre – knowledge, in terms of creating their plans, and, although digital media sources should take part with more significant share ratio than what they currently have, lack of education of planners is favoring television houses. 3. Personal interests and agreements (deals) between agency entrepreneurs (owners) and television houses.

Web sites should also replace short term strategies with mid-term and long-term strategies. From my own personal experience, I know that large part of media houses think that instant earning of BAM 1.000.00 is better, than earning the amount of BAM 10.000.00 in six month time, as they are ready to provide dumping prices as well, in order to accomplish their short – term goals. Equalization of measuring units with the international standards, including equalization of commercial advertisement format in both, shape and technical sense – all of this would make significant contribution as far as preparing advertisers for entire market in most simple way is concerned. We are often presented with the opportunity to see media plans prepared by our colleges from agencies and how they, to some extent, must prepare same format in ten different dimensions. Therefore, for billboards format we often encounter different varieties: 970x250, 960x250, 980x250, 970x200, 960x 240 etc. Certain media houses require click tag script; others demand third party script, and some even must upload directly the creative version to their own server. Advertiser that is preparing regional or global campaign will experience significant problems if creative agency is located some-

where on the other part of the planet, as this can present advertisers with enormous cost and expense, especially if we take into consideration the ratio between required plotting and producing costs with the amount of total budget available.

Transparent pricelists, respecting the discount scale and getting paid through invoices, should represent fundamental business principles. Once we sweep the floor in our own house and settle internal factors, we could then expect bigger amount of trust, more investments and at the same time, we could expect better results.

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Media Agencies – Beginning, structure, benefits and challenges in TV commercial advertising in the market of Bosnia and Herzegovina

By: Luko Musladin

Roman agentaries (Latin: agentarium) were first attempts of professionally paid corresponding role in business activities. In this text, we shall deal with commercial/media agencies as mediators in big business of TV commercial advertising. We are interested in their beginning, structure, role and significance they have in this growing commercial advertising market. An average viewer and in fact, any viewer is not actually concerned with how commercial advertisement reaches them, whether the client forward it directly through media or whether there is a mediator in this business, authorised to represent media agency. This is how things are shaped with average viewers. We, the people that professionally follow and do this business, are much more interested in details of this issue.

Beginning or market as one of quite perfect mechanism:

Marketing agencies, at least in the shape known to wide public, could be considered as new – age companies. Their beginnings may be tied with mass media development during the second half of the last century. Mediating consists of taking the responsibility, burden of establishing and forming the company, risk of failure but it also consists of keeping the part of profit to themselves.

First media agencies emerged as clients' need to lease advertising space more efficiently, cheaper and faster than before. As commercial advertising field was developing, media agencies managed to develop tools that included planning, better comprehension of requirements, habits, behaviour and payment affordability of their clients (consumers). Looking at present, rather complex media field, the role of media agencies has become crucial for more efficient communications. By understanding clients' intentions to change their behaviour and habits in time and that it emerges in the market during particular, often irregular, time intervals, particular intensity, which additionally strengthen the action of commercial marketing message, media agencies consequently appear as important and inevitable factor in complex and developed marketing cosmos.

Structure and organization or how diversities attract:

Any serious media agency is divided according to following sections:

- Account represents the heart of every media agency. This agency part is directly aimed towards the client. It is in charge with budget "boosting". It mediates on behalf of the client towards other organizational segments and works by the rule imposed by special marketing experts considered as superior entities in this particular field, namely respectable psychologists.

Looking at present, rather complex media field, the role of media agencies has become crucial for more efficient communications. By understanding clients' intentions to change their behaviour and habits in time and that it emerges in the market during particular, often irregular, time intervals, particular intensity, which additionally strengthen the action of commercial marketing message, media agencies consequently appear as important and inevitable factor in complex and developed marketing cosmos.

The absence of clearly defined legislative, lack of structural association that would, in most qualified way, protect the interests of commercial advertising industry, disloyal commercial advertising competition form regional countries, financial crisis which hit the BiH market, since 2009, altogether represent just many of aggravating factors that media agencies, media houses and commercial advertiser have been facing.

- Creativity. The core of this division consists of designers and copy writers. There are also arrangers, cameramen, editors, photographers, architects etc. Experts are divided into teams. Clients should by default, become familiar with creative capacities of their teams.

- Planning. This division is dealing with conceptual fate of the company.

- Marketing. In short terms it means planning + researching/surveying.

- Media. In case that the above mentioned divisions completed their work fully, "media" shall follow. 80% of means (funds) goes to media leasing space. Divisions make sure that the message reaches all consumers in most appropriate moment.

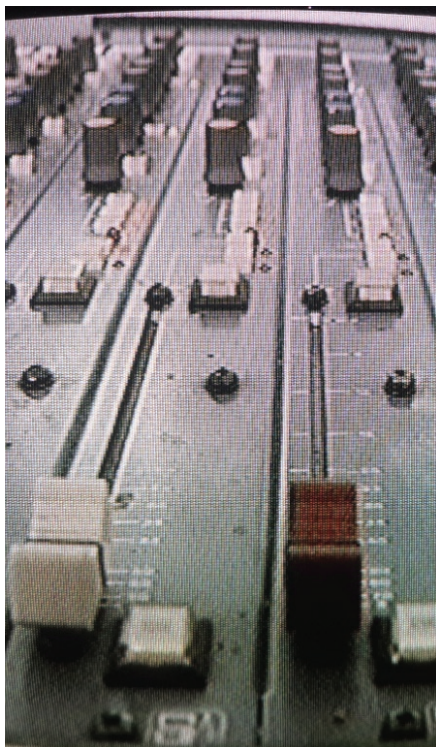
- Financing and common human resources issues. This division is in charge with identical activities as in any business entity deriving from tertiary sector.

We can see that this is about heterogeneous group of experts with different profiles whose task is to successfully complete the business, mutually and with the purpose of fulfilling and meeting clients' marketing needs with multidisciplinary approach included.

What gains may we expect from media agency? Benefits, benefits and more benefits

Basically, media agencies should be looked at as marketing information bank. The information concerns the following entities: (1) Clients - their business affinities (target groups, budgets, willingness and time interval where funds (means) are to be allocated etc.). (2) Market - it finally anticipates wishes, desires and necessities of end users, that is, consumers. We should not forget here the dynamics and changes, including their structure as well as frequency of adopting to these changes. And finally (3) Media - structural analysis of viewership and listening audience of program, following and analysis of program





contents and schemes.

Media agencies act as channels between the advertiser and buyer from one hand, and channels between the advertiser and media on the other hand. In this way, agencies provide their clients with required information regarding the habits of end users and provide their own clients with best possible leasing media space and using of best quality commercial advertising platform.

Taking into consideration that agencies in the market respond and reply as media buyers, they often, are capable of providing clients with more affordable financial terms and conditions, because they buy significant amount of media space so therefore the client ends up with direct financial benefit.

What kind of challenges do media agencies encounter? Adapt or disappear!

Media agencies are experts who understand the changes emerging within media environment. They, along with their clients have constantly been facing changes and adapting to media field. During the period of last ten years these kind of changes have been intensified with the tendency of acceleration and enlargement. Close ties and cooperation with technology orientated companies (Google, Twitter and Facebook etc.) make messages imposed by marketing companies become clear.

Aiming directed groups, understanding messages, their beforehand delivery to users (consumers) are some questions to which successful media agency must respond and reply by providing thorough and detail – tailored answers. We should also mention the existence of competitive, better and larger companies.

Short review of advertising reality in BiH market

The absence of clearly defined legislative, lack of structural association that would, in most qualified way, protect the interests of commercial advertising industry, disloyal commercial advertising competition from regional countries, financial crisis which hit the BiH market, since 2009, altogether represent just many of aggravating factors that media agencies, media houses and commercial advertiser have been facing.

Legislative that relates to commercial advertising is mostly a constituent part of set of documents that was once released by the CRA of BiH. However, these documents consisted guidelines that concerned certain ethical principles which again have been part of markets in developed countries. Modern and comprehensive law on advertising is not in use though and the reason for this is the fact that there is no principle – based pressure which should be imposed by experts onto legislative bodies. Even the period of twenty years was not enough for representatives of this particular industry to sit and have a discussion so they could articulate their own interest and appear as legitimate partners in bringing and passing legislative framework that would eventually regulate the business in commercial advertising industry.

Even apart from the above mentioned facts, the amount of invested means into advertising field has, since 2013, increased by some 2,8% on an annual level, although retail price rates of commercial advertising TV space has decreased. This is a result of common financial crisis, including pressure imposed by particular large – scale advertisers to get more for less.

These anomalies shall continue to grow and increase until clear rules of this game in advertising market on one hand, and, on the other hand, business in this particular field reaches its maximum liberty.

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