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RE: RESPONSE TO 'NOTICE OF RECEIVED FTA APPLICATIONS 13 MARCH 2018'

Following the Application made by Tshwaranang Media (Pty) Ltd for a commercial Free to Air Television license, ICASA has acknowledged receipt of our application and issued a Notice of Received FTA Applications on 13 March 2018, inviting the public to comment on Applications received by 16 April 2018. Please find below Tshwaranang Media's representations having studied all of the other Applicants submissions.

1. Diversity of 20 shareholders representative of the South African population

Consistent with ICASA's goal of transforming the media industry and making way for new entrants in the FTA television media space, Tshwaranang Media Pty Ltd has the broadest representation of ownership amongst all of the FTA applicants, which includes 20 shareholders (Kwese TV has 3 private shareholders; Infinity Media has 3 effective shareholders and Free to Air TV has 4 primary shareholders). Shareholders include civil society stakeholders which represent African traditional leaders (United Royals and Kingdoms of SA Holdings); women, children, youth and people with disabilities (Mama Africa Investments, B-Squared Foundation). Furthermore, the majority shareholder and financial supporter (AEEI) is a publicly listed company on the JSE with good corporate governance in compliance with King III commission. It is also noteworthy that AEEI was also the 2017 Winner of Empowerdex 100 Most Empowered Companies in 2016.

2. Partnership approach to local and institutional content

Congruent with ICASA's function as a Chapter 9 institution supporting democracy, Tshwaranang has a unique specialised content strategy to achieve its explicit goal of transforming the South African broadcasting media landscape and give all South Africans the opportunity to participate in the media. This includes having a more grassroots and community based approach to the narrative to ensure the people's voices are heard. Our approach entails content partnerships with South African tertiary institutions for good quality undergraduate, Honours, Masters and PhD student content (e.g University of Cape Town Film School and UCT TV), township cinema (e.g. Snapshot mobile cinema in Khayelitsha)



and local producers and filmmakers with good quality content, who don't usually have the opportunity or the platform for distributing their content. Not only is this approach based on the principle of partnership and Tshwaranang's 'joining hands' approach, but it is also based on the business principle of marginal cost of content production (MCC), ensuring that both the content producer, filmmaker or institution and the broadcaster benefit. This will ensure a sustainable broadcast media business in the long term.

This local, specialised and partnership-based content approach to our programming clearly differentiates us from other FTA Applicants.

3. Development approach to programming that facilitates African and South-South regional integration

Whilst fiercely committed to editorial integrity and content that is balanced, Tshwaranang has a uniquely development approach to its content and programming, inspired by the belief that the media has an important development role to perform in any country. For example, the proposed channel **T-Success** is intended to be an edutainment vehicle to promote entrepreneurship and education amongst South African youth, including e-learning partnerships with educational institutions and African success stories with young, successful thought leaders in the context of the African business entrepreneurs, the digital economy and the 4th Industrial Revolution. This is how we believe we will attract young audiences and help to solve unemployment amongst South African youth. The documentaries we wish to showcase are produced by the young people and the tertiary institutions of our land. Whilst many of these documentaries and films are screened at international and continental film festivals, most never reach the TV screens of the ordinary masses.

Furthermore, that which promotes African regional integration (e.g. AU/SADC), the goals of the National Development Plan and UN's Sustainable Development goals in Africa, we are passionately committed to. This also encompasses a south-south approach to our programming with BRICS television content, with BRICS TV having expressed a strong interest in a content exchange, and discussions at an advanced level. This is consistent with South Africa's foreign policy of south-south cooperation, and will promote intercultural exchange amongst BRICS countries. For instance, the Russians have expressed an interest in showcasing a documentary film about the role of Russia in bringing about change to apartheid South Africa. Similar such programming which shares the history and culture of the respective BRICS countries will be made available. Finally, this will further facilitate 'international and regional cooperation' for ICASA, as one of its explicit functions.

This development, regional and South-South integration approach also clearly differentiates Tshwaranang from other FTA Applicants.



4. Young, digitally savvy management team supported by seasoned local and international broadcast TV professionals

If we are to succeed at acquiring a youth audience on FTA television, the convergence of FTA television and digital is imperative in achieving this goal. Younger leaders are inherently more digitally savvy which will allow us to maximise shareholder value from the digital spectrum, incorporating programmatic advertising and data revenue streams. Furthermore, it is pivotal that the leadership and programming content speaks to the needs, and is in sync with young audiences, not excluding other important South African audience segments. Tshwaranang has a young management team with strong digital content, multimedia storytelling, content partnership, video and film production experience with good support from local TV production companies (such as Voices of Africa Media linked to Okuhle, UCT TV) and international TV content producers, public broadcasters and/or their advisors such as BRICS TV, RTL, Sinclair Broadcast Group, TV1, WYES and Sony TV, committed to mentoring, supporting and advising us to ensure our sustainability and success. Furthermore, our majority JSE-listed shareholder AEEI is also committed to supporting our growth and success.

5. Evidence-based approach to Programming informed by robust, nationally representative marketing research sample and methodology

Tshwaranang's approach to programming is evidenced based and directly informed by the marketing research findings.

The sampling procedure employed by independent market research firm Ipsos through their KhayaBus was the most robust and effective from all of the applicants research for the following reasons:

- 1) **Research Methodology:** Ipsos's KhayaBus employed a Face to Face survey research methodology (Computer Assisted Personal Interviews) in people's houses which elicited much richer responses from South African respondents in comparison with those applicants that employed SMS-based research methodology.
- 2) **Language:** The surveys were translated into 6 local languages to ensure that the most accurate responses are attained, and that respondents are comfortable in answering the questions in their home language. It is not evident that any of the other applicants administered their marketing research survey in local languages.
- 3) **Sampling:** The effective sample size attained was the largest (n=3598 compared with Kwese TV n=1000 and Tsarona Free to Air n=900) and most representative from



Joining hands in African entertainment

all of the applicants. Furthermore, the sampling procedure was the most effective with participants randomly selected using a stratified multistage probability sample.

- 4) **Geographic Distribution:** The national representation of the sample includes metropolitan areas (250,000 + people); cities and large towns (40,000 - 249,999); small towns and villages (500 - 39,999) and rural areas (up to 500 people). Whilst other applicants may have included non-metropolitan and townships in their sample, Tshwaranang is the only applicant that incorporated rural areas.
- 5) **Age of Respondents:** The sample was also wider compared with other applicants and included persons above the age of 16, which is permitted and advocated by the South African Marketing Research Association (SAMRA). This ensures a more inclusive representation of young people's views.
- 6) **Interviewer Training and Procedure:** Prior to the execution of the research, interviewers are briefed extensively on the questionnaire, and it is tested for faults before the actual research begins amongst the sample.
- 7) **Quality:** Supporting the robustness of the marketing research process, Ipsos is also the only research house in South Africa with ISO accreditation: ISO 9001:2008, ISO 20252:2006, ISO 27001:2006.

This commitment to a comprehensive and more interactive marketing research methodology has a material impact as it elicited richer and more reliable responses from audiences including their preferences for specific content.

In conclusion, we would like to thank ICASA for the opportunity to comment on the FTA Applications received, and we look forward to hearing the next step in this FTA Television License Application process.

Yours Sincerely,

Amit Makan
CEO: Tshwaranang Media