

ARMENIAN REGIONAL TELEVISION – 1997

History and current situation

The first regional television companies appeared in Armenia at the end of the 1980s. At that time, most of these companies were studios specializing in entertainment, mainly pirated movies and music clips. The audiences, tired of the "ideologized" broadcasts of the soviet era, weren't very demanding. It was easy to captivate them, simply by showing western programming -- unfortunately, often of arguable quality. During this period of transition, private studios in the regions of Armenia became popular and soon began to realize the potential for television.

Over time, audiences did become more demanding, and studios felt the pressure to change and develop. They responded by creating in-house production for news, children programs, and talk shows. Gradually, regional television, particularly non-governmental television, started to become relevant for society.

Soon, the popularity of these studios attracted the attention of local authorities. Some studios, although private companies, sought patronage from local government and, in some cases, became their mouthpieces. Other studios preferred to remain independent, a principle that sometimes led to conflict.

Eventually, the era of spontaneous studio development, chaotic use of unused frequencies, and home-made transmitters came to an end. Television studios faced the problem of legalizing and formalizing their activities. Parallel to this trend, state regulatory bodies responsible for the field of television were no longer as tolerant as in the past. Therefore, the sector transformed and actors became legalized entities.

Non-governmental television stations were registering and finding ways to legalize their broadcasting. Until recently this was done by entering into an agreement with the Ministry of Communications, in order to receive the rights for broadcasting on certain frequencies in their respective regions (Tsayg in Gyumri; Hrazdan TV in Hrasdan; Artsakh in Goris, etc.). However, technical dependency on limited channels and broadcast equipment, the high price for its use, and the desire to use the broadcasting equipment without interference have pushed owners of many studios to think about receiving a license, instead of signing a contract. As there are no laws regarding television broadcasting in Armenia and no independent regulatory body specializing in this field, the allocation of frequencies and license distribution is de facto regulated by the Ministry of Communications.

However, the process of receiving a UHF license is quite complex, and significant amounts of documentation must be submitted, including the technical characteristics of the station, certification of broadcasting equipment etc. Since licenses are awarded exclusively for UHF channels, (whereas the conventional range is the unwritten monopoly of the state), additional problems are created, such as having to find new transmitters, or adjusting existing ones for the UHF range. Of course, this results in additional expenses for studios that already face financial problems. These problems are aggravated by the bureaucratic complexities of the licensing process, and the relatively

small number of suitable frequencies available due to the small size of Armenia.

Many of the regional channels ceased to exist during the past year because they were using radio frequencies illegally in their regions. They could not obtain a license or acquire new transmitters (including Areg, Stepanavan; Noy-Hayastan, Armavir, etc.). Switching to UHF has another risk, the potential of losing an audience already watching the channel on the conventional channels.

Geography

Naturally, the need for an alternative sources of information is particularly important for residents of small towns and in the areas outside of Yerevan. Regional broadcasters are often the only media that inform residents about local events.

Regional studios are situated not only in regional centers and larger towns of Armenia, but also in certain villages (Nor-Hajin, Tashir, etc.). In addition, the closer one is to the capital city, the greater the concentration of broadcasters. A high number of broadcasting stations are situated within a 50 km radius of Yerevan (Echmiadzin, Armavir, Ashtarak, Nor-Hajin, Hrazdan, Abovian, etc.). In addition, there is also a concentration of broadcasters in northern Armenia. In southern Armenia, the situation is quite different, with only a few stations located on a rather large territory, and an even fewer number of stations regularly scheduled broadcasts. Often, stations in the south are on the air from one hour a day to one hour a week (Yeghegnadzor, Kapan).

A boom in the sector was reported in Yerevan during the past year as the number of TV stations increased from one to six (A1+, Lotos, MTB-44, Mayr-Hayrenik, Business-TV, AR). Except for AR and Business-TV, these studios are broadcasting in the UHF range. The presence of so many broadcasters is already creating competition. However, in such a tight and undeveloped market there may be potential problems. Stations broadcasting on conventional frequencies will enjoy certain advantages as they are able to cover a larger audience. Stations in the UHF range will have to think about expanding their audiences, either by improving their technical capabilities, studying the capacity of television sets to receive their signals, or by improved marketing.

Audience

When talking about the potential audience of a television station, broadcast corporations usually provide the figures for the surrounding population. Yet it is difficult to speak about a real audience for television stations in Armenia. Although the potential audience of stations broadcasting in the conventional range can be estimated based on the number of television sets in the area, it is much more difficult to estimate the potential audiences when speaking of the UHF range. Presently, the technical capability of receivers to adequately receive UHF broadcasts is unknown.

So far, market research of the audience has been successfully carried out only in Gyumri, by the broadcasters themselves, while certain attempts have also been made in Yerevan. At this point, figures on the actual audiences cannot be considered accurate nor verifiable. Thus, we attempt to approach this issue a bit differently. Firstly, it is important to restate that regional audiences mainly watch local stations as these are the only stations that report on and present local news. Secondly, based on the below table,

we can calculate the approximate populations in the range of independent broadcasters. According to approaches applied in western countries, fifteen percent of the total population can serve as an estimate of the real audience. Consequently, we arrive at a figure of between 350,000 and 400,000 persons who watch non-government television. To determine the estimated audiences for each channel, we can carry out the same estimates for each region and town.

It is important to note that the following, therefore, are only approximate figures.

City	Name of the station	Surrounding Population
Armavir	ALT-TV	750,000
Artashat	ANNA	35,000
Ashtarak	Ashtarak TV	30,000
Alaverdi	Alaverdi	27,000
Vanadzor	Interkap	200,000
Goris	Artsakh	25,000
Gyumri	Shant , Tsayg	350,000
Dilijan	RTV	40,000
Yeghegnadzor	Arpa	18,000
Yerevan	Meltex - A1+, AR, Lotos, MTB-44	130,000
Nor Hajin	Achin	20,000
Tashir		25,000
Martuni	Zangak	30,000
Hrazdan	Hrazdan	75,000
Stepanavan	Aper	25,000
Echmiadzin	Echmiadzin	80,000

Sources of financing

The main source of income for commercial television around the world is usually revenues from advertising. As well, if we are talking about non-governmental television in Armenia, we must talk about it as strictly a commercial venture. In opposition to the United States or Europe, where television can be public or commercial, in Armenia non-governmental television is a mixture of both, combining both commercial objectives and public service.

Therefore, in order to satisfy their public service function, many stations produce expensive broadcasts, carry special programs for children and interview public officials

and politicians. However, at the same time, stations recognize that they need to get advertising revenues by attracting audiences. So, they also broadcast popular broadcasts, for example soap operas, movies etc.

In the beginning, stations directors (who were often the founders of their stations) did not think very professionally about television, preferring to regard it as a prestigious activity, or an opportunity for self-expression. Yet television, especially private television, is above all a business, requiring investments and, ideally, bringing in significant revenues. Recognition of this reality came to the owners of television stations only after two or three years of operations. To aggravate the situation, many studios face problems in that the basic market is weak, with an undeveloped economy and almost complete absence of opportunities for advertising revenue in the outlying regions, where many stations are situated.

Regional television stations are thus facing significant difficulties in solving their financial problems. Advertisers rarely come to them, and there are few potential advertisers in some of the smaller markets. In Yerevan as well, it is difficult to solicit advertisers, as they do not fully appreciate the importance of national marketing, and because of an absence of interest by advertisers in Yerevan in the small markets of the regions. The exceptions are stations with rather large audiences (Shant of Gyumri; Interkap of Vanadzor; ALT-TV of Armavir, etc.).

As a result, many stations are forced to look for sponsors in the local market. If they manage to find one, and this is quite rare, these are at best local producers (of which there are quite a few) or, at worse, tied to local authorities. In both cases, such financing imposes a certain constraint on the broadcasters. In addition, due to this serious financial situation, television studios have almost no capacity to spend on development - both for programming and for technical improvements. These studios air their broadcasts without coding their signals, meaning that they cannot get subscribers to pay for programming. In those rare cases when owners are trying to arrange the collection of "user fees", these are usually nominal fees, and cannot be considered a serious source of income. (Cable TV channels are the exceptions).

Yet advertising business is gradually becoming more and more active. The price for air time is becoming clearer as a market develops. Presently, air time is worth only a few dozens of dollars per minute, but these prices are expected to increase significantly in the future, even in the smaller markets.

Regional studios play a special role during the periods of serious public and political events - such as during elections. Yet, as opposed to television channels in Russia, Ukraine, or Belorussia, Armenian studios have not earned much money. This is due to the same market forces, the dependency by studios on local authorities, and the decision of political forces not to pay for services provided.

Technical situation

The technical situation is one of the most serious problems affecting regional television. The studios use mainly non-professional VHS format or, at best, SVHS format.

Professional Betacam format is available only to one non-governmental studio (AR, Yerevan).

Regional television studios, at best, have 2-3 sets of shooting and montage equipment available: 2 video tape recorders for montage, 1-2 for broadcasting, a mixing desk for broadcasting and 1 or 2 video cameras. Although the need is great, the studios are unable to buy new equipment.

Staff

Employees of non-governmental studios have usually not received any professional or vocational training in the field of television or broadcasting. This lack of professional training of course affects not only non-governmental television, but also state television. Therefore, broadcasts from non-governmental studios often appear unprofessional, as directors, journalists, and camera operators are improving their professional skills and experience by trial and error, on the job.

Program policy

The problem of developing quality programming is becoming more and more important for television studios. The time when studio directors could solely live on rented video cassettes is gradually passing away, and studios are seriously thinking about broadcasting, and most importantly, about showing licensed productions. Production at the studio themselves are only between 30 minutes to 2 hours daily, whereas the studios are actually broadcasting from between 5 to 12 hours daily. Therefore, most of the air time is filled with outside production, coming from various sources such as independent Russian networks (for example, as a result of the contract between the Independent Broadcasting Network of Armenia, with 7 studios, and the Russian NVS-REN-TV), or Russian broadcasters interested in the development of networks (Lotos-TV-6).

Of course, despite attempts to ensure the legalized broadcast of materials, studios continue to use non-licensed, pirated products in their broadcasts. This situation will probably continue until, on the one hand, the Law on Copyrights will start to be applied and, on the other, studios will be able to buy television programming corresponding to their broadcasting ideas and the demands of their audiences (movies, series, concerts, documentary programs, etc.)

The language of broadcasting is mixed - with local production prepared in Armenian, while the rest of the air-time is filled mainly with Russian-language programs. No translation is provided, not in order to violate legislation about language, but rather because of material and technical reasons (translation of 3-8 hours of airing time would be sufficient to bring the studios to financial collapse).

Possibilities for development

Years of energy and economic crisis resulted in the extremely slow development of private television. In fact, it can still be considered to be in the stage of development. Still, there is a certain potential for development, compared with five years ago. The economy is gradually improving, and the market becoming stronger. In this competitive environment, studios are becoming more informed about new approaches to business,

and about the training that is needed in this field. This same competitive environment has also forced the directors of television studios to try to balance air time between in-house and outside production.

In addition, there have been attempts to organize and cooperate. A good example is the Independent Broadcasting Network of Armenia, which was established by six studios, in order to jointly solve problems of airing programs and advertising policy. (The principle of the network is - one broadcaster from every market). The network allows creation of a unified program with free "windows" for local production from every studio. In the future this principle will permit them to acquire licensed TV production at a price every studio will be able to afford. For now, the network receives programs from the Independent Broadcasting Studio of Russia - REN-TV, providing in exchange air-time for advertising. Thus acquired, programs are allowed to be shown only on the territory of Armenia.

In the future, similar unions, associations, and networks may be created, making the work of individual broadcasters easier. Still, some studios will have difficulties in surviving in the market. Those that will survive, will be in a better position to satisfy the demands of the audiences on the one hand, and attract advertisers, on the other. The experience in the west demonstrates that there is nonetheless certain potential dangers as a result of the unfettered development of commercial television: extreme commercialization may lead to serious social-ethical consequences. Therefore, many European countries and the United States are now taking care to ensure the strength of public television, one that would satisfy not only the audience, but also perform a useful public service, for example in terms of education. Considering this experience, we may want to prevent such trends, and stimulate private television studios to continue the creation of public service programming, by tax benefits or other means. However, these steps are tied to the general national strategy and goal of assuring an adequate legal basis and environment for broadcasting.