

#### 4. FOCUS ON COMMERCIAL AREAS

**a. Find a good agency in foreign country**

Make a consignment contract with a good agency in the foreign country like India so they can make advertisement for BBS. As BBS would go satellite there would be lot of production on advertisements, hence it would be time consuming for BBS since any advertisement/production would be carried out by the foreign agency.

**b. Participate in a big advertisement fair and so on**

Meet people related to advertising industry and create good impression and develop relationship with them. Promote BBS & BBS programs for overseas market, produce documentary programs on Buddhist culture & pristine nature. Contact foreign Buddhist broadcasting company to sell the Buddhist programs, as they may be interested in doing so. Also contact foreign professional documentary channel to sell the documentary programs produced.

**c. Establish the agency**

Re-enforce Phuentsholing Bureau for extensive marketing since this place is the main commercial area in the country. For aggressive sales, the office needs an additional employee.

#### 5. MAKE AN OBJECTIVE AND ESSENTIAL DATA OF ADVERTISEMENT

**a. Media survey**

After conducting the media survey the organization should maintain record of viewers and affect of the advertisement etc and the data to be analyzed showing the interrelation between advertisement, sales and popularity.

**b. Utilize the data**

Utilize data to develop new strategies for advertisement, marketing and to attract customers (eg. showing the coverage, calculate the cost per person, and so on). Obtain feedback on the programs & clients and use all sorts of data for in-depth news or other program.

**c. Make profit with research activities**

Some business companies and people are keen in knowing the feedback of their clients; hence the organization could sell the research data obtained from media survey to interested business companies and people.

#### 6. UTILIZE REGIONAL BUREAUS

**a. Present**

There are three established Regional Bureaus at Phuentsholing, Bumthang and Kanglung. To extend news and programme coverage, reporter with camera has been posted at important Dzongkhags such as; Wangduephodrang, Tsirang, Mongar, Gelephu and Samdrupjongkha. These centers not only can feed BBS TV and Radio with variety of programme and news, but can also work as business center as well. This process will also develop self-sustainability of each center and provide business to the Head quarter.

**b. Commercial activities for regional Bureaus**

- Services for Producers

The producer could provide services in areas like: producing local program, shooting, editing, copyrighting, dubbing, recording, translation and can work as cameraman, editor etc.

They can also be responsible for renting out equipments and manpower such as camera, cameraman, editing machine, VCR, etc.

- **Services for Business / Institute**

The Regional Bureaus can offer similar types of services to local business communities and enterprises of the local area and generate sufficient revenue to sustain them selves.

- **Services for local people**

The Regional Bureaus could also provide services of editing, copyrighting, dubbing, and producing video of private ceremonies such as marriage, birthdays and religious ceremonies.

## 7. EXPLORE ADDITIONAL WAYS OF MAKING REVENUES

### a. Provide training services in broadcasting

Trainings could be provided to the interested candidates for camera operation, editing, narration and lectures or talks could be arranged for interested candidates or group either through internal or external sources. Such courses provided should be less than a month.

### b. Broadcasting in Druk air

Provide TV services inside the national airline for the benefit of the visitor and thereby create market for advertisement.

### c. Publish TV Magazine

By publishing TV Magazine, BBS will be able to inform the audiences about its news, programs, advertisements, hiring of equipments, etc. The magazine could be used to attract audiences to watch the BBS programs. During the introductory phase the magazine could be placed at public places to advertise BBS to the readers. At later stage these magazines could be sold. Contents of the magazine can slot in on the BBS home page as a PDF file.

## 8. EXPLORE NEW REVENUES BASED ON MSO PLAN13

### a. Provide overseas channels to LCO

- Collect commissions from the service providers for providing the overseas channels. The cost collected should be at a price less than the current price range.

- Launch BBS at foreign countries such as India, Nepal, etc as a cable channel using the satellite services.

As a cable channel to the foreign countries BBS could broadcast programs, Bhutanese movies, by Local Cable Service for 24hours a day. For the foreign cable operators BBS channel would be for free, but the revenue generated by advertisement aired through BBS channel would be shared.

### b. Internet Services

BBS could provide high speed Internet services, however it needs to upgrade the server and increase the bandwidth.

### c. Video on Demand Services

With the high-speed Internet services and the cable network, Video on demand services (VOD), visual radio and web/pod broadcasting services could be also implemented.

**d. Cable TV Service**

Through cable TV BBS can screen superior quality pictures, sound and lights nationwide. Through MSO services, BBS can also establish its own cable network in populated metropolitan areas like; Thimphu, Paro, Phuentsholing, Gelephu and Samtse.

**e. With the development of technology BBS could venture into a new way of broadcasting Services**

• **Delivery Television Home Services**

DTH is a package for getting access to a particular channel; DTH services will benefit those sectors of people who cannot afford to pay to watch the cable TV.

• **Mobile Broadcasting Services**

Broadcast news can be played and heard through the BBS homepage likewise it can perform the same through mobile phone, where people who have missed the news can retrieve from their phones.

• **HDTV Broadcasting Services.**

With the introduction of the HDTV services BBS would be able to produce movies.

**9. INTRODUCE LICENSE FEE**

**a. Create permanent revenue source**

Introduce license fee system for the development of Public Broadcasting Industry- a regulation by the Government. Levy 20% as license fee from the Cable Operators, the revenue collected should be used for the public broadcasting company to make programs on preservation of Bhutanese culture and tradition, also for developing broadcasting industry in Bhutan, this would lead BBS towards financial independence from government sector.

**b. Benefits of license fee**

• **Government**

Government can save annual budget expenditure allocated to BBS, having saved the annual budget expenditure on BBS. Government could afford to divert the fund to other media industries. The license fee will increase the audience ratio of BBS and decline the audience ratio of other foreign channels.

• **CATV operator**

CATV operator will have the bargaining power to negotiate with foreign channels. They can increase the market share & net revenue by providing free channels without fee for the foreign channels. They will be able to provide good quality programs and increase the sale of advertisements.

• **BBS**

BBS would get steady public revenue, a revenue system of the public broadcasting company would be acquired (eg.BBC/ NHK/ KBS). BBS could focus on production of good quality programs and BBS will become an independent organization generating revenue from the audiences.

**c. License fee from the CATV**

• **Benefits**

There are benefits for CATV from BBS channel and the fee is not from the CATV, but from the audiences.

- **Number of audiences**  
CATV operators can afford license fee, as the number of audiences are large. Free service can be provided to the lower levels.
- **Investment in the broadcasting industry**  
BBS being a broadcasting company, CATV also has responsibility in development of the public broadcasting company.
- **Hard tasks in the implementation of license fee system**  
Since it is hard to persuade all the people in Bhutan, the organization needs to persuade the CATV operators.

d. **Partnership with CATV Company**

- **BBS was appointed as a MSO in 2004**  
BBS should be responsible for developing media industry and represent all cable operators, to lead & help them. BBS should negotiate with foreign channels to support program production. Moreover, BBS can make local stations and nation wide network using the CATV operator.

10. **ESTABLISH PUBLIC BROADCASTER DEVELOPMENT FUND**

- **Basic concept**  
At present entertainment tax is charged on CATV companies and filming royalties on foreign producers and productions. BBS being the only public broadcasting with the responsibility to promote the tradition and the culture and also play a vital role in Good Governance should be entitled to entertainment tax and filming royalties. The Public Broadcasting Development Fund could be used for maintenance cost of the BBS and thereby save the government from providing yearly budget.

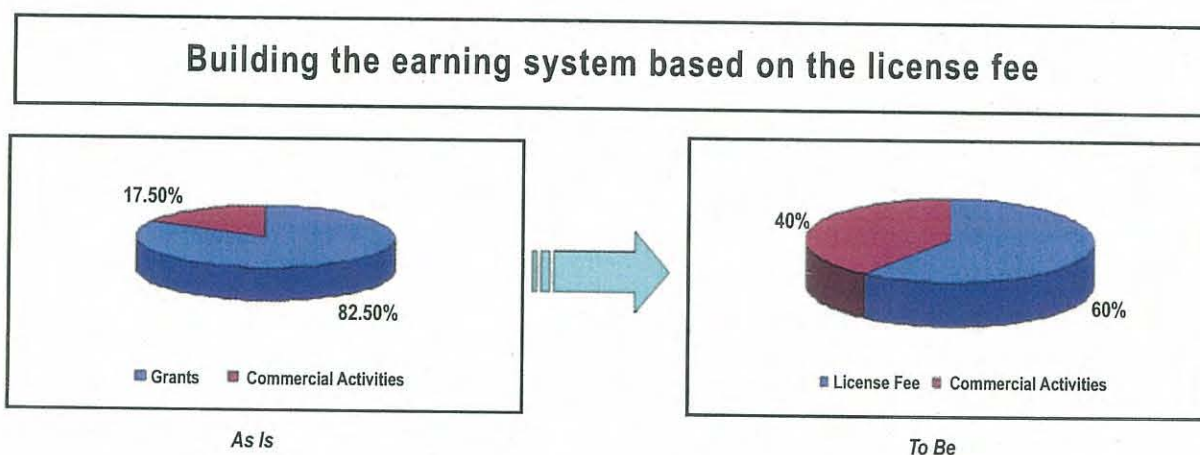
11. **OTHERS**

- **Telephone Business**  
Use interactive broadcasting program (eg. Quiz, Poll and others), callers should pay extra to participate in the program and BBS could arrange gifts for the participants through lottery.
- **Education Business**  
Producers can produce educational programs; such programs could be sold in CDs, tapes and other formats.
- **Partnership with popular Internet portal site**  
With partnership with other international portal site BBS could generate revenues by selling news, video programs and audio data.
- **Translation and dubbing service**  
BBS can provide translation and dubbing services of languages from English to Dzongkha and vice versa.
- **Open indoor shops in the buildings for the visitors and employees**  
Indoors restaurant and shops for selling beverages, snacks, souvenirs, CDs and tapes can be opened in the buildings for the visitors and employees to generate revenue.
- **Newsletter service**  
Newsletter service can be introduced through e-mail / SMS.

## V. ANNUAL PLANS

- |      |  |
|------|--|
| 2006 | <ul style="list-style-type: none"> <li>• Implement MBO system, compensation system and adopt the new process</li> <li>• Reinforce commercial division &amp; regional office (Phuentsholing)</li> <li>• Design and distribute brochures</li> <li>• Start nationwide broadcasting, rental &amp; installation to extend BBS coverage</li> <li>• Make new regulation for license fee or public broadcaster development fund</li> <li>• Proceed with local cable operators for the implementation of MSO project</li> <li>• Media Survey</li> <li>• Promote advertisement</li> <li>• Install TV/ Radio in public places</li> <li>• Develop training manual &amp; BBS magazine</li> <li>• Establish agency in the Indian advertising market</li> </ul> |
| 2007 | <ul style="list-style-type: none"> <li>• Develop plan to launch BBS in foreign countries (India, Nepal)</li> <li>• Form audience committee to advice BBS on program &amp; other activities</li> <li>• Launch BBS in foreign countries (India, Nepal)</li> <li>• Increase the revenue to 25% of the total income</li> <li>• Publish BBS magazine</li> <li>• Open the broadcasting training course</li> <li>• Organize events such as music concert</li> <li>• Prepare daily research on audience ratio</li> <li>• Start cable TV service in Thimphu &amp; Phuntsholing</li> </ul>   |
| 2008 | <ul style="list-style-type: none"> <li>• Increase revenue to 30% of the total income</li> <li>• Launch daily research on audience ratio</li> <li>• Start high-speed internet service with cable network</li> <li>• Start added internet services such as web broadcasting, VOD etc.</li> </ul>   |
| 2009 | <ul style="list-style-type: none"> <li>• Increase revenue to 35% of the total income</li> <li>• Introduce computerized work system</li> <li>• Prepare the Digital production system</li> </ul>   |
| 2010 | <ul style="list-style-type: none"> <li>• Increase the revenue to 40% of the total income</li> <li>• Expand TV coverage to more than 80%</li> <li>• Prepare HDTV broadcasting and mobile TV</li> <li>• Start producing movie with the digital and HD production system</li> <li>• Prepare DTH, Interactive TV services</li> </ul>   |

## VI. THE FUTURE



## BROADCASTING ADVERTISEMENT

**a. Definition**

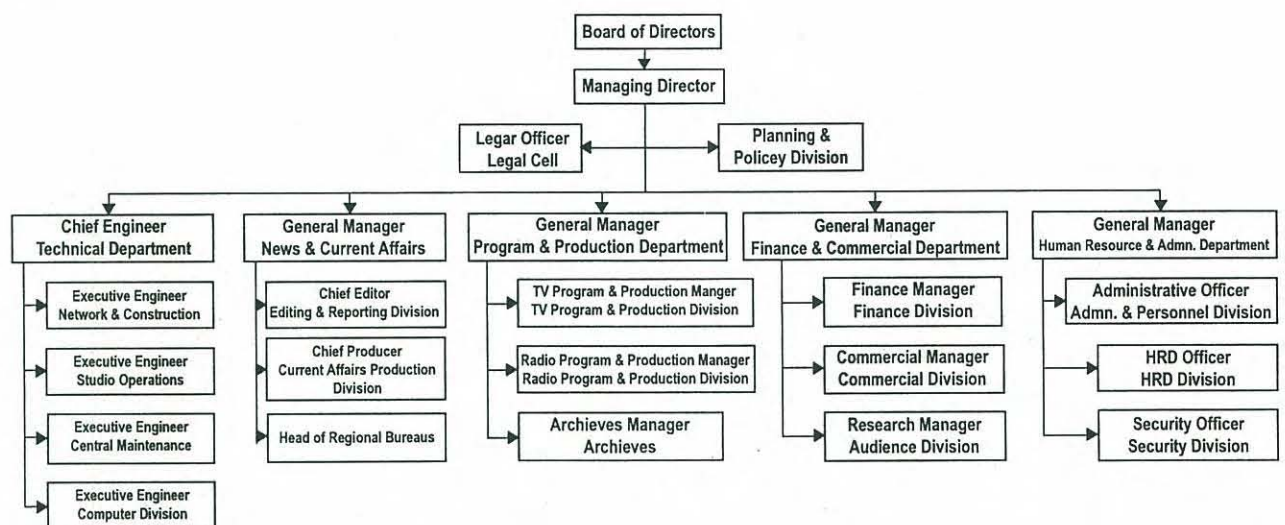
It is different for Radio and TV. Generally, It is called CM (Commercial Message). But for TV, it is called CF (Commercial Film). There are two types of CM, Commercial advertisement and Public advertisement.

**b. Feature**

The broadcasting advertisement can appeal to the customer strongly because it has various ways of expressing itself and approaches the audience in different ways than to the printed advertisement. It penetrates deeply into the audience's feeling and consciousness, so it greatly affects the desire and lifestyle of people. It is an effective way of advertising with its nationwide network and repetition. Advertising is effective as it reaches the audience repeatedly; this also helps to strengthen the brand identity, eventually leading to high sales.

The advertisement on TV creates image and is more persuasive than any other media by delivering the message vividly through stimulating the audience's sense of sight and hearing simultaneously. The broadcasting advertisement leads the trend in new fashion in songs, words and clothes, so it reflects the present condition of the society and also creates social issues.

**c. Recommended Organizational Structure**



- Note**
1. Expand Plan cell to Policy & Strategy division for strict and balanced management
  2. Transfer audience research division to Commercial Division to strengthen its activities

## BBS - NATIONAL RADIO AND TELEVISION

### CURRENT SCENARIO

There are over 40 foreign TV channels available in the country, thereby totally inundating with numerous foreign programmes, advertisements and news. In order to counter some of these materials, there is demand for the BBS not only to produce local programmes of mass appeal, but also to reach the available programmes to all sections of the society.

### TIMELINE

- 1973 - The humble beginning - youth volunteers launched the first radio NYAB
- 1979 - NYAB merged with Information Department and renamed BBS
- 1991 - Acquired first professional radio broadcast set up
- 1992 - De-linked from Information Department through a Royal Decree
- 1999 - Introduced first 1hr TV broadcast in Thimphu
- 2002 - Introduced Commercial Accounting System
- 2003 - Major organizational re-structuring exercises initiated to function as a corporation.
  - Radio service increased from 9 to 15 hours [5 hrs of Dzongkha added]
- 2004 - Regional bureaus strengthened
  - BBS appointed as MSO
- 2005 - Finalized HRD Master Plan
  - Finalized Business Master Plan
  - TV expanded to P/ling and Paro
  - FM radio service launched in all 20 Dzongkhags
  - Finalized designs and drawings for the construction of national TV Center
  - TV broadcast increased to 5 hours
- 2006 - Launch nationwide expansion of TV through satellite service
  - TV broadcast increased to 10hrs
  - Construction of National TV Center [NTVC] & purchase of TV equipment for NTVC
  - Finalized MSO Business Plan by March
  - Carry out national Audience Research Survey
  - Install 100 KW SW transmitter at Sangaygang TX

Currently, BBS Broadcasts 16 hrs of radio news and programming in Dzongkha, Sharchopkha, Lhotshamkha and English and 10 hrs of live telecast in Dzongkha and English.

### CONSTRAINTS

- Lack of experienced and qualified journalists
- Lack of adequate funds for audio-visual equipments and infrastructure development

## REFERENCES

### Other Meetings & Visits

1. Tshering Yonten, Department of Information and Technology, MOIC
2. Jigme Wangdi, Bhutan Information, Communication and Media Authority, MOIC
3. Chencho Tshering (A&C), Pushpa Chhetri, Thinley Dorji, Kuensel Corporation
4. Pushpa Pradhan, Development Bhutan Telecom
5. Tenzin Rigden, Bhutan Media Services, Thimphu
6. Wangchuk, Norling Cable Services, Thimphu
7. Partha Sarathi Basu, Tashi Commercial Corporation, Phuentsholing
8. K. Koti Reddy, Bhutan Carbide Chemicals Limited, Phuentsholing
9. Kesang Wangdi, Chamber of Commerce and Industry, Phuentsholing
10. Dasho Dorji Namgyel, State Trading Corporation of Bhutan, Phuentsholing
11. Sangay Wangdi, Food Corporation of Bhutan, Phuentsholing
12. Pema Tobgay, BBS Bureau, Phuentsholing

### Documents Referred

1. Royal Edict of 1992
2. Company Act of Bhutan 2001
3. Editorial Policy of BBS
4. 9<sup>th</sup> Five Year Plan of BBS 2002-2007
5. Media Survey Report of BBS - 2002
6. HRD Master Plan of BBS 2005
7. Code for Commercial Advertising for BBS
8. Functions of Finance & Commercial Department, BBS
9. Debtor Management Policy, BBS
10. SWOT Analysis, BBS
11. Rate Card for TV & Radio Services of BBS
12. CATV of BICMA 2005
13. MSO Plan of BBS 2004
14. Overview of Business Plan of Kuensel
15. Financial Manual of BBS
16. Terms & Conditions for operation of commercial CaTV system
17. TV program schedule of BBS
18. Profit and Loss Account Balance Sheet of BBS 2004
19. Business Plans of KBS
20. Annual Reports 2005 - KBS [KOBACO]
21. Broadcasting Statistics 2004 [KOBACO]
22. Broadcasting Law - KBC
23. Total GDP 2003, 2004 - World Bank
24. Corporation Guidelines: Rules & Regulations - 2005