

# Hromadske.tv

A new type of broadcaster in Ukraine

# Ukraine. Two years after Euromaidan Revolution

## History

- Independent since 1991
- Population: 45 million people
- High level of education → i.e. robust IT sector
- A country with ever-growing potential → i.e. massive agroindustry, and growing

## Present

- Corruption remains the key challenge for the government and Ukrainian citizens
- Positive legislative changes → but they do not guarantee systematic advance of reforms; implementation often lags
- On-going military conflict in East Ukraine, Crimea remains under Russian control
- Civil society and independent watchdogs are crucial to foster development →

**Role of media is crucial, and growing**

# Ukraine. The media context

Media coverage in Ukraine has historically been subject to political or business bias.



The majority of mass media represent interests of financial or political groups. Oligarch-owned media dominate the market.

The society of Ukraine is underserved with honest, pluralistic news.

News from Ukraine is scarce in occupied East and annexed Crimea.

Ethical, responsible journalism has greatest ever challenges in a polarized society.

**Reform of public broadcasting service is underway:** government - owned national TV channel UA:First is undergoing transformation – Its viewership is 12% of population, while coverage is 97% of territory\*

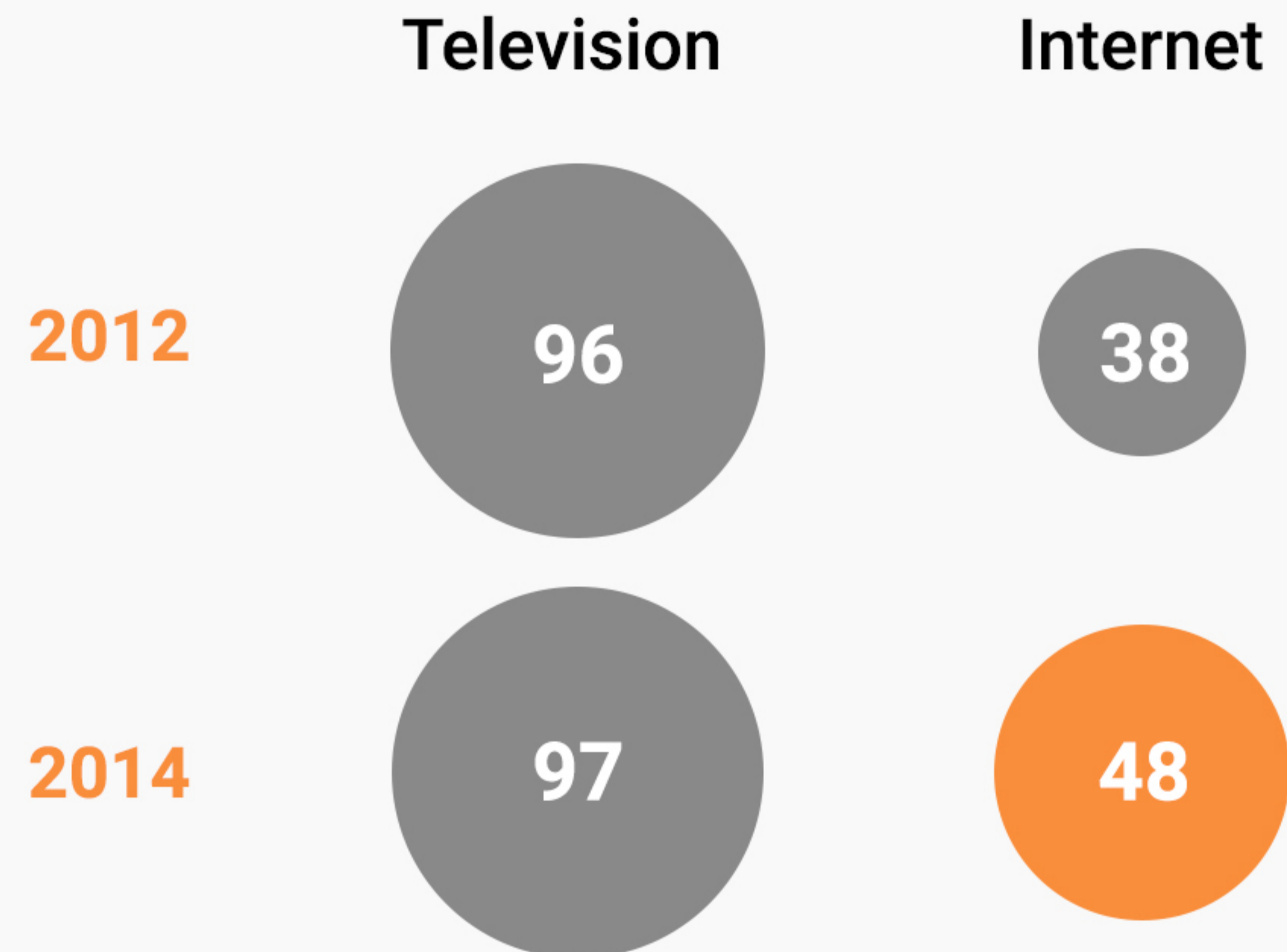
\*Source: UA:First

# Ukraine. News consumption habits

**33 mln+** watch news weekly  
(about 85% of the population)

**23.6 mln** watch news daily  
(about 60% of the population)

Ukrainians' trust in the media's positive influence in the country has declined significantly in the last 5 years



For each one of the sources I mention, please tell me whether you use that source to get news daily or most days per week, at least once a week

Television remains the main source of news for most. Internet is growing in popularity

Source: AKAS study, Feb 2016

# Hromadske TV. Independent media in Ukraine

**Mission:** Creating informational environment for the development of sustainable society and active individual

## **Background:**

- **June 2013** – Hromadske TV was set up by a group of 8 journalists with the aim of changing the media landscape dominated by oligarchs and government-owned media
- **Hromadske** wanted to provide truly unbiased news and become the new gold standard for journalism in Ukraine
- **November 2013** – Hromadske TV becomes a crucial source of streams and information about Euromaidan
- **2015-2016** – Hromadske TV transforms from a group of volunteers into a modern multimedia company with a goal to become a national broadcaster, and design a more detailed and sustainable growth strategy

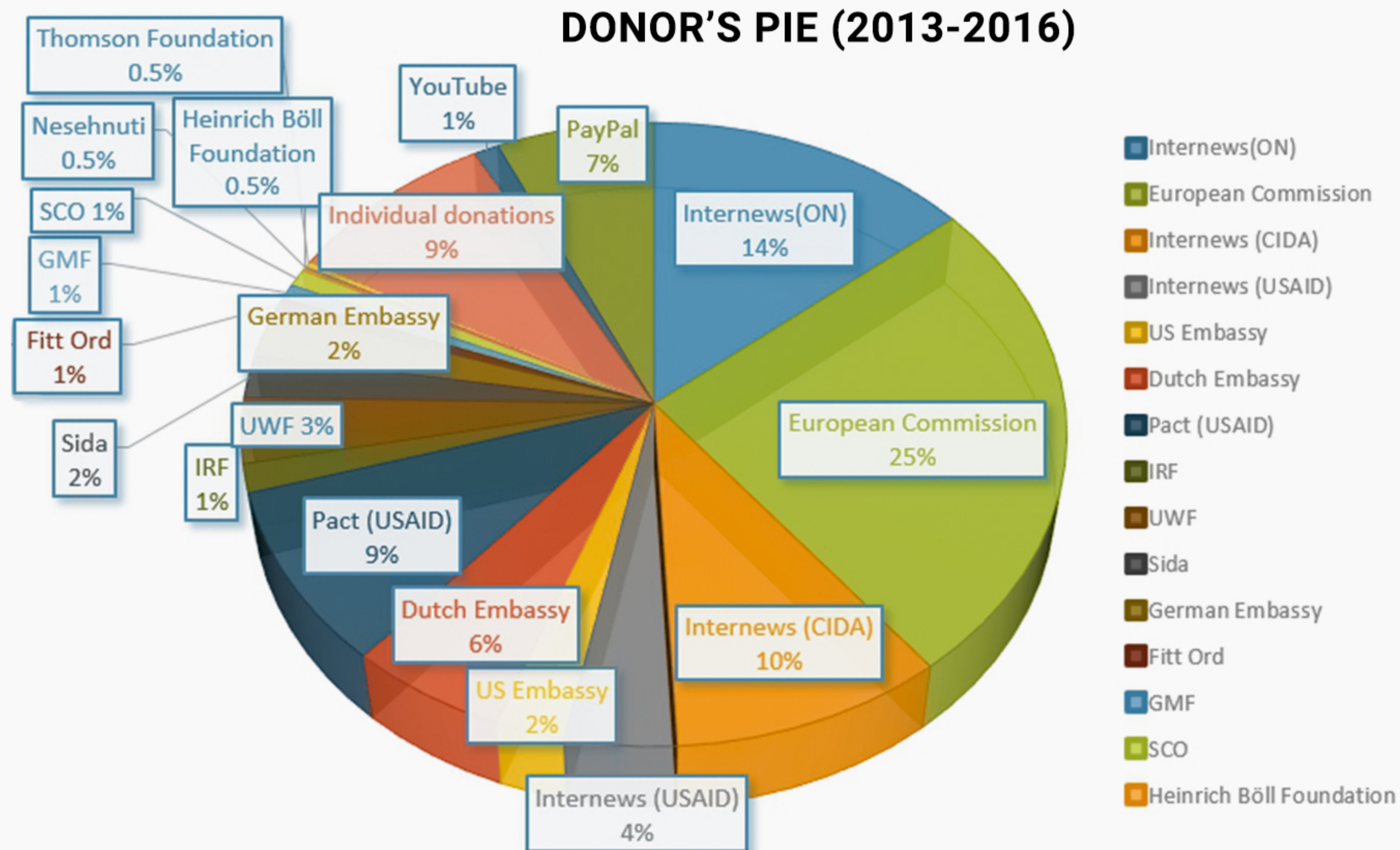
# Hromadske TV. Accomplishments

## Since 2013

- Hromadske has evolved from a group of volunteers – to a professional media organization
- Matured as an institution, designed and implemented procedures and improved management team
- Hromadske undergoes transformation into a true multimedia company
- Hromadske plugs major information gaps in English and Russian for Ukraine and the region
- It has implemented 21 grant projects worth \$1,853,068, and received in excess of \$321,800 in individual donations
- In 2015 alone, the channel produced more than 9,000 unique stories, including those from conflict zones and those that have a lot of social value but represent no commercial interest for bigger media players
- Produces hard-hitting investigations, most recently exposing the President's offshore companies as part of Panama Papers project

Indicator	March 2016
Website: unique visits	966 985
Page views	2 843 336
Sessions	2 001 153
Facebook page fans	521 194
Reach (28 days)	5 139 609
Engagements	980 470
VK Subscribers	95 100
YouTube Subscribers	328 817
YouTube Channel Views	3 166 855
Twitter page followers	714 333
Google+ Subscribers	91 730

# Hromadske TV. Donors



**Agencies we have approached for future funding in 2016-2018**

EED  
 James Temerty foundation  
 Canadian government/CIDA  
 NED  
 NDI  
 Hironnelle Fondacion  
 PACT  
 Embassy of Netherlands

# Cooperation with ON in 2014-2016

**ON 2014 grant of USD 500,000** (and *USD 50 000* as a commission for Internews) → allowed Hromadske to establish a core operation to produce independent news 24/7

**AKAS study funded** → helped to understand the audience needs and improve commercial plan towards more sustainability

**AKAS data shows\*** that Hromadske current monthly reach is *2% (0.8 million)* of the population via website and *10% (3.8 million)* via social media.

\*Source: AKAS study, Jan.2016

## Immediate potential Hromadske.tv audience



**17% or  
6.7 min  
of the  
Ukrainian  
population**

**Yes, I have seen the  
Hromadske.tv logo  
and I'm well informed  
about this initiative,  
I know its goals\***



# Hromadske TV. Impact

## Past. What we have done

- Hromadske has raised expectations for independence, pluralism and agility in news reporting in Ukraine
- It has created a budget TV format that has never existed before
- Set nationwide expectations for reporting socially important, but commercially unattractive stories
- Hromadske has served as a major media watchdog for corruption and reform

## Present. What we are doing

- Deliver truly impartial, socially important and up-to-date news and programming
- Serve as an open communication platform that generates senses
- Serve as an actor ensuring pluralism in the media market of Ukraine
- Become the gold standard for journalism quality

Hromadske wants to make Ukraine recognized on the global scale as a country with quality, impactful journalism

# Hromadske TV. Key Learnings

## 1. Institutional weakness results in conflict

Hromadske was created by journalists, whose priority was to report the news rather than create policies. Exponential growth of the company has inevitably brought about a number of management crises, which peaked in late 2015-early 2016 with the exit of Roman Skrypin from the organization.

**Lesson learned:** the management team strengthened governance procedures, so that one person can no longer control access to finances, or digital access. A number of new policies were set, both on the management, and the editorial side.

## 2. Content needs to be audience-driven

Hromadske audience declined sharply after the Maidan revolution times.

In 2016 ON funded for Hromadske TV an audience research by London-based AKAS. This study identified a gap in Hromadske's understanding of the audience and its needs.

**Lesson learned:** we are bridging the gap in programming through its redesign fine-tuning priorities. We are about to launch a brand new website that will also cover a greater range of issues.

## 3. Business Model Challenges – crowdfunding should not be counted on as a source of income

After the EuroMaidan revolution, crowd-sourced funds available to Hromadske dwindled along with people's hunger for news. At the time of inception Hromadske saw crowdfunding as a reliable source of income, but in reality it proved to be the opposite.

**Lesson learned:** The management started developing a new, more sustainable business model that will counter in other sources, including commercial income.

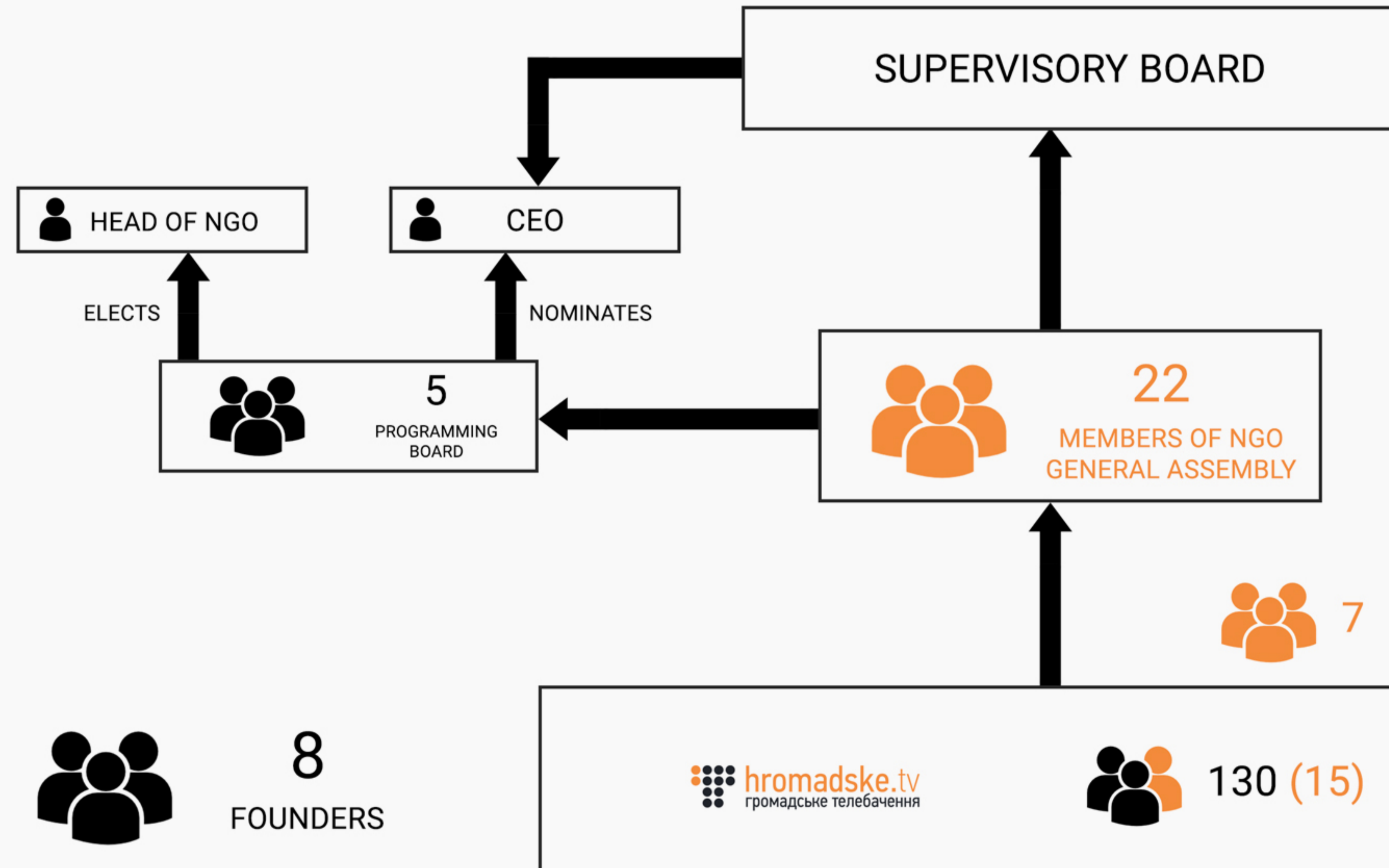
# Hromadske TV. Governance and team

**Katya Gorchinskaya – CEO**  
with broad functions

**Nataliya Gumenyuk – Head of NGO**  
with functions of non-executive director

**Programming Board** – decides on programming and approves policies

**Supervisory Board** – external supervisory body with broad advisory functions



# Products and projects

During 2014-2015 Hromadske TV dramatically developed its programming and other services for the audience. Some of its successful products include:

## Hromadske Online

Core project of **Hromadske.tv**, live studio discussions about social, political and economic matters with key experts, politicians, activists, opinion leaders and decision-makers, inter-changed with streams, reportages, infographic and analytical materials.

## Slidstvo.info

A project of journalistic investigations with one weekly program of 3-4 investigations each, broadcast on **Hromadske's** own platform, as well as **UA:First** and partner channels.

Slidstvo.info is the Ukrainian partner of OCCRP, which recently investigated Panama Papers related to Ukraine.

# Products and projects

## Hromadske.East

A weekly summary news show from and about the conflict military zone.

A team of up to five people totally aired 492 episodes, reports, and interviews.

## Hromadske International

English and Russian newsrooms that provide unbiased news via live weekly summary TV shows, news updates on our website and in social networks, special reports in English and Russian, focusing on Ukraine, CIS region and Eastern Europe.

## Hromadske.Crimea

A weekly summary news show about the current situation in Crimea.

A team of up to four people aired 203 episodes, reports, and interviews.

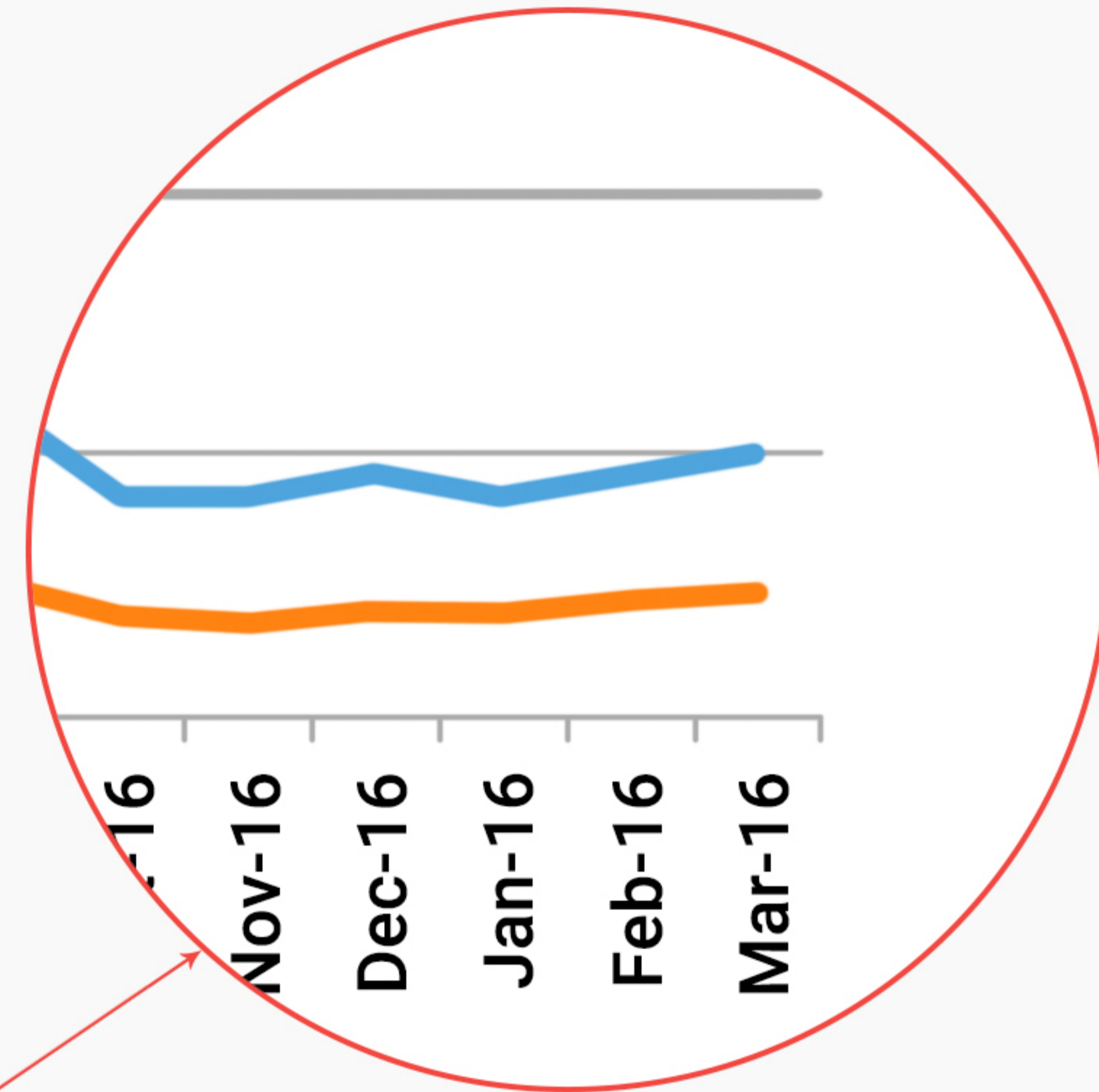
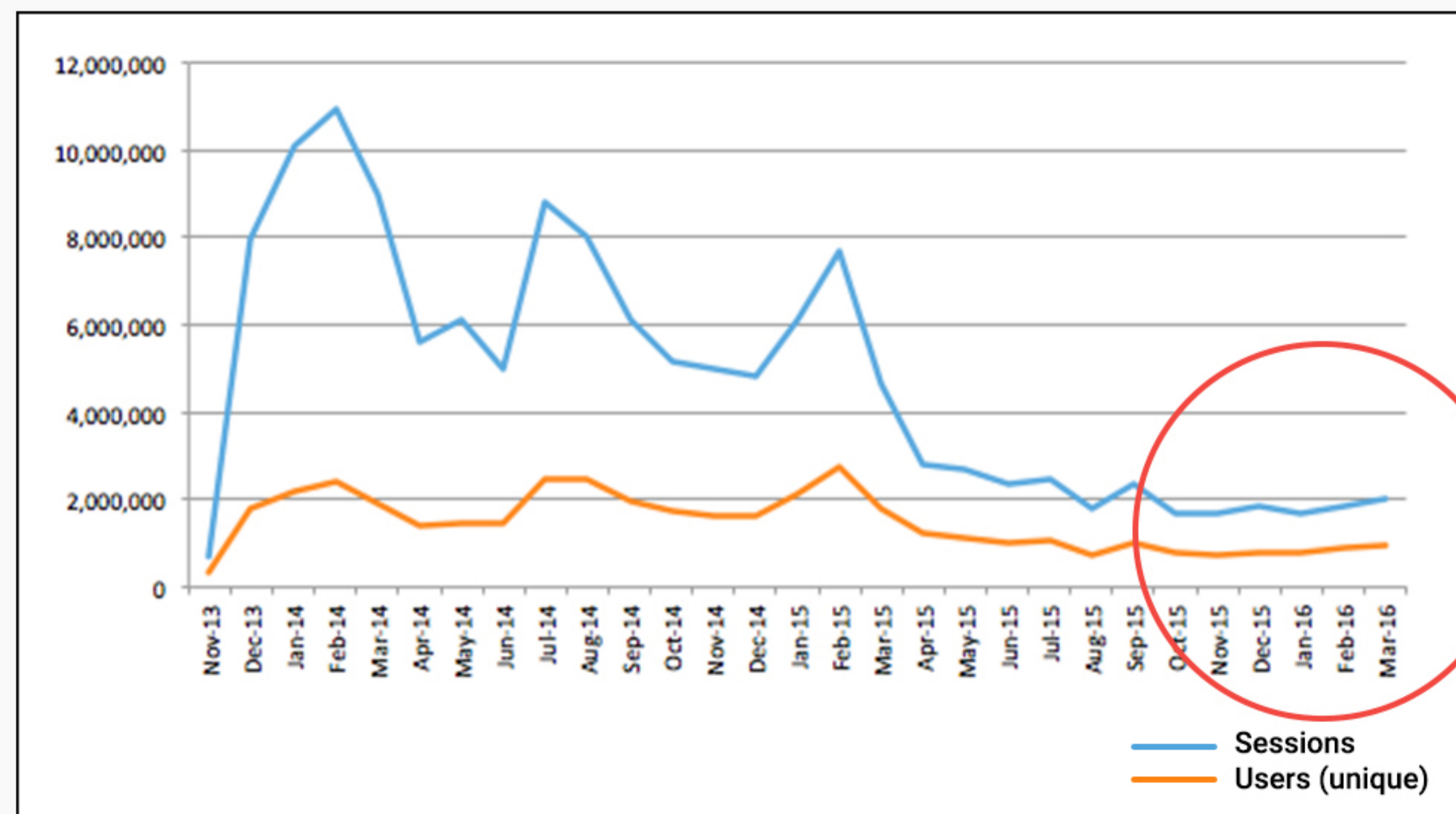
## Re:FORMA

A project that keeps track of reforms in Ukraine and their effect of people's daily lives. It's broadcast on Hromadske's platforms as well as UA:First.

# Hromadske TV. Website performance

Hromadske's audience peaked and declined in line with major events in the country, such as the revolution, Crimea annexation and start of war in the east of Ukraine.

The trend has been negative, but appears to be reversing with the arrival of new management in Feb. 2016.



# Hromadske TV. Competitors

## Hromadske's competitive strategy includes

- delivering socially important stories
- delivering news in short supply (such as popular economy)
- strengthening capacity for repackaging information for new genres/varied platforms
- supplying market with unique documentaries, investigative reporting and other in-depth content

## Hromadske competes with commercial TV

According to AKAS study\*, the main competitors are commercial national TV channels: 1+1, Inter and Espresso TV.

\*Source: AKAS study, part 3, Feb. 2016

The audience is partly shared with online media, for example, Ukrainska Pravda, Weekly Mirror, Censor.net, Obozrevatel, Apostroph etc. But this group of competitors lacks multimedia content, and lags in use of social media.

\*Source: AKAS study, part 2, Jan. 2016

# Why is Hromadske TV unique?

- it reaches a wide audience online and it will expand
- it places product with **UA:First**, the national broadcaster
- it has a partnership with **RFE/RL's** Russian satellite channel for content placement
- it delivers content in user-friendly manner, adapted to many platforms  
(YouTube, apps, social media, website, video, written etc.)
- it produces impactful content in three languages
- it provides content based on study of audience needs
- it sets a standard for journalism by reporting important, but unpopular stories

The organization aims to set a precedent for creating a prototype of public broadcaster from grassroots using multiple platforms for a global reach, making a global case study.



# Hromadske TV. Sustainability model

## Present

- Currently funded with donor support → efforts towards a new, longer-range cycle of fund-raising
- Developing sustainable model with potential new streams of income from non-donor and non-crowdfunded sources
- For the budget 2016-2018 the following commercial income is planned:

Year 1: **\$7,505** = 0.3% of the annual budget 2016

Year 2: **\$75,000** = about 2% of the annual budget

Year 3: **\$175,000** = about 3.8% of the annual budget

## Future

Hromadske TV is already making some money through YouTube (i.e. **\$2500** for the Q4 2015) → this income has a lot of potential for increase, when video content improves in quality and is marketed better

### Other potential sources of revenue include

- Content placement and partnership agreements with different channels
- Sale of documentaries/other content to foreign and Ukrainian channels
- Sale of video from archives
- Ethical sponsorships of individual programs
- Monetizing the brand by the sale of side products
- Sale of advertising after Hromadske moves to broadcast via satellite and cable
- Monetization from other social media: V Kontakte and others

# Financial plan 2016-2018. Expenses

	2016	2017	2018
Administrative expenses	602,855	639,000	710,000
Material expenses	1,000	1,500	2,500
Maintaining basic means	1,000	2,500	2,500
Staff	306,685	320,000	350,000
Other indirect costs	57,541	65,000	75,000
Services	236,629	250,000	280,000
Marketing costs (incl. staff)	163,114	187,000	238,500

Website	222,563	265,000	317,000
Staff	200,604	250,000	300,000
Other indirect costs	6,959	8,000	10,000
Services	15,000	7,000	7,000
Hromadske Online	879,750	1,104,000	1,306,000
Material expenses	50,000	100,000	100,000
Maintaining basic means	200,000	250,000	300,000
Staff	627,267	750,000	900,000
Other indirect costs	984	1,500	2,500
Services	1,500	2,500	3,500
<b>Total Core Costs</b>	<b>1,868,283</b>	<b>2,195,000</b>	<b>2,571,500</b>

<b>Total Project Costs</b>	<b>1,108,591</b>	<b>1,535,642</b>	<b>1,939,040</b>
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Including:

Slidstvo.info	330,252	330,242	330,240
Material expenses	259	250	250
Maintaining basic means	11,775	11,775	11,775
Staff	312,082	312,082	312,080
Other indirect costs	5,635	5,635	5,635
Services	500	500	500

Hromadske International	322,435	361,90	396,500
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Hromadske Network	345,724	720,500	1,060,800
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Hromadske Culture	71,965	83,000	101,500
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<b>TOTAL</b>	<b>2,976,874</b>	<b>3,730,642</b>	<b>4,510,540</b>
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# Financial plan 2016-2018. Revenues

## Major donors:

European Commission  
EED  
Internews-Network  
SIDA  
USAID  
CIDA  
Thomson Foundation  
Pact Inc.  
Ukrainian World Foundation  
German MFA

Total committed for 2016: **\$1 553 365,00**

Total committed for 2017: **\$586 550,00**

Total committed for 2018: **\$240 000,00**

All committed funds for 2016-2018:

**\$2,379, 915**

New negotiations in process for 2016-2018:

**\$416,000**

Planned commercial income 2016-2018: \$ 257,505

# What we want to achieve in 3-7 years

As Hromadske TV scales, it aims to achieve the following goals within 3-7 years:

**Hromadske as a multimedia company:** We want to be a multimedia company with a range of products on its web platform, cable TV channel, social networks and apps. We want to also successfully place information products at UA:First. We want to sell programs to other companies in Ukraine and abroad.

**News production:** We want to produce up-to-date quality news on an hourly basis, matching audience needs and fulfilling our mission. Other programming would be managed on a project-by-project basis.

**Website:** We want to reach an audience of 3.5-4 million people monthly. Its profile would be more in line with the target set in the strategy: they are the doers who drive the country.

**Cooperation and integration with UA:First (Public TV):** We want to have a clear road map for cooperation and integration with UA:First by the end of 2016, and successfully implement it in future years.

**Hromadske.Network and other partnerships:** We want to become a part of a larger ecosystem of businesses in Ukraine and abroad that strengthens its individual members' capacity for producing high quality information in line with their missions.

# What we want to achieve long-term

**Hromadske** aims to become the core of news and current affairs multimedia platform within national public broadcasting system.

At the same time – **Hromadske** wants to potentially maintain the website and part of other broadcasting and marketing infrastructure to ensure that its own core audience remains loyal.

**Hromadske** is the role model and benchmark for responsible and accountable media with highest journalistic standards in the post-Soviet region and other countries in transition, and provides unbiased, quality information.

We would continue raising money from donors, but would also aim to get a commercial income. We hope to be able to cover up to a third of our financial needs from commercial proceeds by *2020-2021*.



**Q&A**

**Thank you  
for your attention!**