



ORIGINAL RESEARCH PAPER

Management

IMPACT OF DIGITAL MEDIA ON NEWSPAPER INDUSTRY

KEY WORDS:

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ABSTRACT

The objective of this research paper is to explore and discuss the future of newspaper industry. A typical Indian newspaper , apart from its other purposes also functions as a medium for advertisers to promote their products and services as the reach of these papers are nationwide The future newspaper will have to move away from its tag of 'general newspaper 'In to a more specialized format by creating a portfolio of exclusive print and digital products gratifying an audience base on the basis of age,gender,demographics,socio-economic status ,ethnicity and interest group.

Newspaper can reach and influence readers through following innovative value added tactics—

- 1) Putting web first and reporting from multiple platform
- 2) Go niche
- 3) Offer unique content in print
- 4) Investing in Mobile-E readers or Smartphones
- 5) Communicating with readers

They need to develop a broad array of targeted content and advertising solutions to serve diverse audiences across the web, mobile and social media. "Newspaper unshackle themselves from their old advertising-and-circulation model and start serious pursuit of the dozens of ideas already presented for developing new revenue sources. Here are some ideas (not all mine and not new here, but not yet in wide use, at least by newspaper companies): i.e. Daily deals, direct transaction, Local search, Mobile application. I hope to provide a survival formula for newspaper industry in the age of digitization through this paper. Newspaper industry will remain optimistic.

Introduction-

"A good newspaper, I suppose nation talking to itself "

Newspapers are not just about journalism printed with ink on paper anymore. They are expanding their reliable and sought –after branded content to a variety of media, including web, mobile, WebTV, Interactive TV,online video, podcasting, vodcasting,radio, magazines, citizen journalism and more in an effort to meet the needs of the audience-not just to sustain ,but to increase market share.

A newspaper is a unique product. Unlike packaged products or hard goods, it must continually change its appearance. Newspapers have grown to be the oldest and most reliable source of news on the daily happening .General interest newspapers publish stories on local, national, international, sports, crime, business, entertainment, editorials, cartoons listings, announcements and television listings. The publication on newspapers may be scheduled on daily or weekly basis or at other regular intervals. It is regarded as the most conventional method in informing the public about what is happening around them from a local and global perspective. Technological progressions may have changed the scenario with the arrival of computers but newspapers still hold an important place in the everyday life of an individual. The future of newspapers has gained paramount importance as it needs to be seen how the rapid increase of the online media has affected the print media .Pointing out that an increasing number of people today read their news online, and in real time, Ram observed that both television and print media markets (2010).

The future newspaper will have to move away from its tag of 'general newspaper 'In to a more specialized format by creating a portfolio of exclusive print and digital products gratifying an audience base on the basis of age ,gender,demographics,socio-economic status ,ethnicity and interest group. On the basis of that portfolio, the future of newspaper will see the rise of a more personalized publication which would be touted as being more practical and impelling in its approach. In order to reach out to a more advanced audience base, the newspaper agencies will be compelled to develop diverse print and digital publishing products.Perhaps not,but trends in circulation and advertising – the rise of the internet, which has made the daily newspaper look slow and unresponsive; the advent of craigslist, which is wiping out classified advertising – have created a palpable sense of doom,

observed Eric Alter man (2008) .As revenue is one of the driving forces for a newspaper, they are under constant pressure to deliver results and also to demonstrate that their medium is more profitable than any others in the segment. The newspaper has to supplement their advertising packages with complementary services such as sales promotion, sponsorship, customer service and direct marketing to drive in more results and greater value for the advertiser. As far as advertisers are concerned, it's business that matters in retaining the print media as its platform. In the recent years, newspapers have faced major economic and technological challenges. They have been waging a war with the new media which seem to have taken a major share of the audience. The strategy which is adopted by publishing houses now a day is to offer new targeted advertising vehicles for reach and thereby deliver the best.Online news sites are moving in to the realm of electronic commerce. One study found that 65% of online newspaper users were involved in some type of electronic commerce .While it is not yet as popular as electronic mail, reading news online and searching for information ,online news users are also involved in online shopping and making purchases, remarked Wendy Dibeau.

The Indian newspaper industry is known for providing the most number of newspapers to the readers at both national and regional levels. The statesman, the old newspaper in India started functioning from 1818 and still continues its operation in the country enjoying the same statues that it used to command. In the two centuries that have passed since the birth of the first newspaper, the industry has grown by leaps and bounds—a fact that is validated by the success of a number of newspaper which are published and circulated in the country in various languages besides Hindi and English. Indian newspapers are the lowest priced ones in the world. They may not stay that way as publishers have started announcing price increases to neutralize the higher costs. These are testing times for an industry that has seen rapid growth in the last few years, but is now forced to consider cutbacks of various kinds, says Shushi Bansal (2008).

Among the newspaper circulation in the county, the English sector has been the most published and circulated. As the newspaper had transformed in to being one of the most feasible platforms for both advertising and marketing of public relations , an extraordinary explosion of the medium has been put on show at all levels.

A typical Indian newspaper, apart from its other purposes also

functions as a medium for advertisers to promote their products and services as the reach of these papers are nationwide.

REVIEW of LITURATURE

History of the Newspaper Industry

The newspaper industry has been around for over four centuries, and it has experienced a tumultuous run. Although the first official newspaper was published in 1605 in Strasburg, it was only during the Industrial Revolution, in the early 19th century, when the steam printing press and telegraph developed. This allowed inexpensive papers to be sold by street vendors to a larger audience. Between 1890 and 1920, the industry grew and newspapers enjoyed the focal attention of being society's primary source of information.

This was known as the 'Golden Age' for print media. However, the Great Depression disrupted this and in the 1930s newspapers were severely hurt, hundreds of companies halted or ended operations. This was escalated with the emerging broadcast radio, offering lower priced alternative news and as a result capturing a large portion of advertising revenues from newspapers.

Television was the next technology that disrupted the newspaper business. It was a more powerful medium to distribute information and it overtook the newspaper and majority of national advertising in the 1960s. In response, newspapers consolidated. Family owned papers were taken over by parent companies, for example Gannett Co. purchased over 50 newspapers between 1960 and 1980. There were also a few, like the New York Times Co. and the Washington Post Co. that went public at this time. This led to a decrease in number of competing daily papers and by 1971 only 2% of U.S. cities had more than one newspaper. While this eradicated competition and made it harder to regulate the role of the press, it also gave those existing newspapers an opportunity to enjoy a semi-monopolistic position in their city. However, the early 1990s was the last time newspapers enjoyed profit margins of 20% to 25%. In 1995, the Internet was introduced to the public and by the millennium the Internet as a worldwide platform became evident. The Internet reached more people than any newspaper had or ever could and profits margins, if any, have dropped to an average of 5%. The mere ability to access information and receive instant update threatened the purpose of newspaper, and evidently the Internet has been a growing source of competition and contention for the newspaper publishers.

Impact of the Internet

The Internet first opened to commercial interests in 1988, but it took a few years for the network to gain public recognition and it was only in the late 1990's when the Internet began to take shape as the 'World Wide Web' we know it to be. Ever since, the impact it has had on newspapers is twofold. Directly, the Internet has increased competition for the newspaper and revised the way news is distributed. Indirectly, the Internet has influenced advertising trends, consumer behavior and the rise of disruptive technologies. As a result, newspapers have been forced to integrate with the Web and now approximately 80% of newspaper publishers have integrated web and print operations.

i) Increasing Competition

The Internet has removed all geographical boundaries and as a worldwide platform, it has extensive global reach. This is facilitated by the zero marginal cost associated with digital news content, unlike a broadsheet that has to account for additional printing and delivery costs when expanding reach. As a result, local newspapers are now forced to compete with national newspapers.

The Internet has also removed any barriers to entry. Initially, entry costs were very high because large investments were needed to set-up a publishing house, and so the number of players was restricted. However, the Internet gives anyone with a computer an opportunity to publish information.
Objectives

- 1) To compare print media with Digital Media
- 2) To know how best a newspaper can deliver reach and

influence the readers through advertisements and innovation of value added services.

3) To examine the outlook for newspaper publishing in the digital age delivering the right reaches to mass audiences.

Paper is still alive and kicking. The deliberation between print and digital is ongoing battle amongst marketers. Mainstream media has most of the population believing that if you are not connected digitally, then you are missing the boat.

Print publishing offers a vital tactical experience. Folding page corners to earmark favorite articles, cutting out newspaper clippings, flipping from page to page.

We love our glossy paper but our reality is digital.so lets look at some consideration when deciding how to address the print vs digital media dilemma at your organization

Print Media-

Print media refers to paper publications circulated in the form of physical editions of books, magazines, journals and newsletters. One thing is certain about print media that they are yours forever. You can keep these media documents wherever you want. Studies showed that we retain knowledge and experience better through physical interaction. We still buy and impulse in the supermarket or on the street, or while shopping grabbing a print magazine is a simple, low commitment purchase when you are out and about.

Print Media advantage ---

Print media is a form of advertising that uses physically printed media. The print media is composed of newspapers, community newsletters , wire services, magazines and other publications.

- 1) Can't keep up
- 2) Readers now expect a full picture
- 3) Scaling is difficult
- 4) Limited Feedback

Print media is one of the oldest forms of information distribution .The 24 –hours news cycle turned in to the 24 second media, making it impossible for even legendary print publication to keep up with breaking news. Publishing print magazines requires overhead, production and material cost that digital publishing obligated when you publish a print magazine you will never really know what your readers think about it.

2) Digital Media---

Digital media is a blend of technology and content, and building media products require teams of professionals with diverse skills, including technical, artistic, analytical, production and co-ordination skills. Digital media can be created viewed, modified and preserved on digital electronics devices.

Digital media is a media that is encoded in a machine readable Digital media can be created, viewed, distributed, modified and preserved on a digital electronics devices.

Digital Media advantage –

- 1) Interactivity
- 2) Higher reader engagement
- 3) Access to free marketing channels

Give a man a print magazines and he will read it once, give a man an iPad app and he will read it every day. When you enter the world of digital publishing you open the door to digital advertising. Digital advertising enables readers to engage with ads.Wheather banner ads or more intensive sponsored content. Digital marketing provides access to Facebook, Twitter, google, LinkedIn and more.

Digital Media Disadvantage —

- 1) Online Plagiarism
- 2) Shorter attention spans
- 3) Optimization costs

Digital Publishers need to take additional steps to protect their

written content, videos, and other original works.

Digital media has to work extra hard to keep its attention deficit reader engaged. The cost of digital publishing can rack up depending on your organization rates a low cost digital strategy using.

Innovative value added tactics to influence newspaper readers —

1) Putting web first and reporting from multiple platform -

Newspaper are often still treating their websites as an afterthought because their advertisement revenue is largely still coming from the print. At the same time, the shift to getting more revenue from website won't happen until the websites are the first priority so, now the word "print" needs to be removed from the role of print journalism. Reporters needs to focus on primarily gathering information and how to present that information in multiple formats i.e. Social networking sites, Mobiles.

2) Go Niche—

The mass broadcasting model just doesn't seem to work as well on the web. More and more people are finding value in the specific subjects or areas they find most interesting or that impact them directly.

In short newspaper industry should move towards customize newspaper. Senior lecturer Paul Brandshaw (Birmingham City University) Said newspaper needs to go more niche and perhaps start publishing less frequently and changing more. He expects newspapers to move in to the direction of magazines with higher quality news, while using their websites for high turnover news.

3) Offer unique content in print—

Newspaper need to stop treating their websites as a dumping ground for print stories and treat each somewhat independently, carefully selecting the stories better suited for each media. Physical newspaper focus on less time sensitive news and instead more analytical stories. This means adding content to news that has been posted, shared online.

4) Investing in Mobile – E readers or Smartphones—

Aside from the fact that more people are getting smartphones and using them to stay connected to the news, there is also some potential survivors for newspapers i.e. senior citizens, people from rural area etc.

There are plenty of people willing to pay for the mobile app and some news organizations are kicking themselves for not thinking of charging to download from the beginning. Ingram from globe and mail said weather it's on smart phone or an e-reader like the kindle, each technology has the potential of bringing value to newspapers.

5) Communicating with readers ---

It doesn't make sense for readers to not be able to comment on news stories online but yet many newspaper still don't have feature on the site, so, newspaper industry should develop this platform for readers. Newspaper sales continue to slide; while online revenues are not making up the shortfall it's easy to understand why today's young people are more inclined to check the latest headlines on their mobiles than to pick up a newspaper. Meanwhile, more than a million 50 to 65 years olds read an online newspaper each day. Print sales have steadily tumbled and advertisers have followed readers online. Over the past two decades, the way most of us consume news has changed dramatically. We are now more likely to read news online, either on our laptops, tablets or more likely on phones. Publishers have responded to this change in behavior by cutting operating costs and beefing up their website and mobile operations. Newspaper face stiff competition to attract online advertisement spending beyond the growing number of free online only news websites and blogs. The biggest challenge for newspaper is coming from internet giants like google and Facebook. Newspaper have responded by looking to earn more of their revenue directly from readers. A number of newspaper in India now impose some kind of

paywall on their digital editions, asking readers to sign up to a regular subscription for free access.

Research Methodology

The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information. By far the most widely used method for collecting data is through secondary data collection, commonly called secondary research. This process involves collecting data from either the originator or a distributor of primary research (see Primary Research discussion below). In other words, accessing information already gathered.

My research is based on secondary data collection method.

Secondary research involves the summary, collation and/or synthesis of existing research rather than primary research, in which data are collected from, for example, research subjects or experiments.

In most cases this means finding information from third-party sources such as marketing research reports, company websites, magazine articles, and other sources. But in actuality any information previously gathered, whether from sources external to the marketer or from internal sources, such as accessing material from previous market research carried out by the marketer's organization, old sales reports, accounting records and many others, Secondary Research is a common research method; it involves using information that others have gathered through primary research.

Advantages

- The information already exists and is readily available -> quick & low cost
- Helps guide the focus of any subsequent primary research being conducted
- Internal secondary data uses categories and breakdowns that reflect a corporation's preferred way of structuring the world
- Secondary research may be the only available source of specific pieces of information (i.e. government data) all under the heading of secondary research.

Sometimes, secondary research is required in the preliminary stages of research to determine what is known already and what new data is required or else to inform research design. At other times, it may be the only research technique used.

A key performance area in secondary research is the full citation of original sources, usually in the form of a complete listing or annotated listing.

Secondary sources could include previous research reports, newspapers, magazines and journals

Conclusion / Recommendation

It's time ditch hobbits that don't translate in to the digital world. T.V. , Print and billboard ads were once the gold standard for marketing. The telephone took four decades to reach 50 million people. The internet has managed this within four years as digital technologies provide such sufficient channels for business and consumer interaction channels. The internet has created a new set of rules in many ways with greater transparency, cost efficiencies, more consumer power and choice, changing strategic alliances and new partnerships.

Newspaper comes at a time when the economy has been growing for nearly two years, turning around declines in broadcast, magazine and online advertising. Mutter closes: "Clearly, newspapers need new ideas. They need to develop a broad array of targeted content and advertising solutions to serve diverse audiences across the web, mobile and social media." Newspaper unshackle themselves from their old advertising-and-circulation model and start serious pursuit of the dozens of ideas

already presented for developing new revenue sources. Here are some ideas (not all mine and not new here, but not yet in wide use, at least by newspaper companies):

Innovative Idea -

Daily deals. Newspapers are belatedly getting into the daily deal game. This is a classic case of an opportunity missed because of newspapers' relentless focus on declining forms of revenue. It will be interesting to see how newspapers' efforts work here and Living are far ahead in developing this opportunity, though I think we are early in the history of daily deals.

(Note that I don't generally refer in this post to newspapers. Media organizations seeking a prosperous future need to stop thinking of themselves as newspapers and start thinking of themselves as digital-first media companies reaching consumers and serving businesses through a variety of tools. I used "newspapers" in the paragraph above because the failure to explore new models such as daily deals is an example of where the limited newspaper vision is holding companies back from pursuit of digital opportunities.)

Direct transactions. This will be more challenging than daily deals, because it will require developing ways to fulfill orders and interface with business customers' inventory systems. But I believe community businesses are more interested over the long haul in selling their merchandise and services regularly than in the huge discounts and brief spikes involved in daily deals. The rewards here will be worth the time and money it will take to meet the challenges. Newspaper executives (using the N-word deliberately again here) like to talk about the difficulty of shifting from the dollars they used to get in print advertising for the dimes they can charge for online ads. While I think we should pursue the possibilities of stacking digital dollars (sometimes hundred-dollar bills) through direct transactions.

Local Search -Some news organizations are making headway here. But every community news organization should offer a directory that offers businesses without websites (amazingly, still a lot of businesses) a de facto website with a multi-faceted entry in your directory, offering photos, videos, coupons, menus, maps, user reviews, reservations, direct-sales and archival content about the business. Even for many businesses with websites, this can offer a better place to showcase their products and services, and a place that will show up higher in search results. That's the key to mastering local search. Don't think of it as taking on Google, though you will develop a place where some people will turn first when they are searching for local answers and businesses.

Social Media- Community news organizations can help local merchants develop social connections in the community. News websites using ads (check out the possibilities offered by Now Spots) that feature social media content can offer more meaningful ads to businesses — timely, easily updated ads that build a business customer's social media connections.ded nationally from its Oklahoma City start).Mobile Application-As I've noted before, newspapers have a long history of helping businesses make ads. The smallest newspapers I worked for routinely made up "spec" ads for local merchants who were better at baking bread or selling tires than they were at making ads. A news organization today needs a strong mobile app. Once you have developed that ability (whether the ability is on your staff or with a contractor or a vendor such as Verve Wireless), you have a valuable service you can offer to businesses, helping them develop and market their own mobile apps.Mobile apps and websites offer other possibilities for media companies. Can you partner with local businesses and individuals who develop apps, selling ads on their apps and helping them promote the apps? Can you help provide members of your local blog network with apps or better mobile sites and sell ads and coupons on their apps and sites

Location -I think location-based ads, coupons and transactions present tremendous opportunities. Community news companies may be in the best position to develop those possibilities. Or they may watch someone else beat them to another revenue stream.

I hope to provide a survival formula for newspaper industry in the

age of digitization through this paper. Newspaper industry will remain optimistic.

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