To Evaluate the Impact of Internet Technology on the Print Media and to Recommend Strategies to Independent Newspapers on the Road going Forward.

By

Khadija Kharsany
Student number: 202 519 347

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Graduate School of Business, Faculty of Management
University of KWAZULU-NATAL

Supervisor: William Harrison

CONFIDENTIALITY CLAUSE

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TO WHOM IT MAY CONCERN

RE: CONFIDENTIALITY CLAUSE

Due to the strategic importance of this research it would be appreciated if the contents remain confidential and not to be circulated for a period of five years

Sincerely

[signature]

K Kharsany

DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.

Signed: .... *Kthasay* ....

Date: .... *21 September 2004* ....

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ACKNOWLEDGEMENTS

ABSTRACT

The advent of globalisation and technology has had a profound effect on the business environment. This has changed both the manner and speed with which business is conducted globally.

Technology has facilitated the expediency and closure of major business deals at the click of a mouse, to comply with the shift in consumer tastes, values and preferences.

This paper will focus specifically on the impact that the World Wide Web, the Internet has had on the print media, the latter being narrowed down to newspapers generally and that specifically published by the Independent Newspaper Holdings stable.

The literature review will expound the debates of various acclaimed academics. The works of Michael Porter on competitive advantage, Hamel and Prahalad on core competence, issues of leadership and change management by Kotter will be reviewed and the data collected by way of interviews and surveys will be evaluated in support of the findings.

Strategic management tools (SWOT, PEST and Porter's Five Forces) will used to examine the strategic and operational environments in which Independent Newspapers is operating.
This will be supported by the research findings, which will attempt to make recommendations of the strategies that must be implemented for the sustainability of the Group.

Furthermore, since 1994, South Africa has experienced a change in government and its laws have changed causing global and local competition to intensify. Businesses also have to contend with a service quality revolution between consumers and service providers.

Following the introduction of new labour laws, the workplace has become diverse in its composition and culture, resulting in workers, shareholders and customers demanding to be included in the decision – making process.

Ethics is another key factor, which pervades almost every aspect of business. This code of ethics evolves with changing societal values. This is a primary dimension, which must be taken into account in charting the way forward. The existing code of ethics must be revisited, given the changes that have taken place. It is imperative that this framework be continuously evaluated.

Management of all types of organisations has to rethink their approach with regard to their operations, human resources, marketing and the physical environment. This paradigm shift is causing new organisations to emerge, which are more responsive to both their internal and external environments. (Kasimoglu 2000).

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CHAPTER 1

INTRODUCTORY OVERVIEW

1.1 INTRODUCTION

Technology has affected the manner in which communities are accessing knowledge and information both locally and abroad. At Independent Newspaper Holdings Ltd it has been no different. Worldwide, there is a perception that technological growth and development has impacted upon the print media by the introduction of radio, television and since the mid 1990s, electronic billboards, the Internet, satellite, cable network to name a few. Despite this, newspapers have survived the digital onslaught – but for how long?

This dissertation sets out to analyse, evaluate and recommend strategies, to Independent Newspapers Holdings Limited, who has to base its response on the dynamic change in environmental conditions, to sustain present and future profitability. Independent Newspapers has witnessed dramatic reshaping of its business landscape and business models, the latter comprising advertising, circulation and print contracts.

The global advertising industry has suffered as a result of the major-media industry. This contraction must be looked at in relation to world recession because advertising expenditure or adspend tends to mirror wider economic activity in an exaggerated manner.
(Internet: www.icasa.org.za)

Hitherto having enjoyed a monopoly of the print media, Independent Newspapers has, due to its complacent attitude, allowed on-line and community newspapers, other newspapers like This Day and Natal Witness and other competitors to encroach upon its turf and to nibble away at its market share. The print industry has experienced a decline in adspend- 27% of newspaper advertising has been lost to electronic billboard since 2001. (Marketing Magazine 2001).

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In addition to technological changes, the organisation has had to contend with the emergence of trade union movements, socio-economic and political changes, the latter bringing along stricter labour laws, productivity issues and globalisation. This resulted in the business environment becoming more complex and consequently in the creation of a new knowledge need by the management in the decision-making process.

Factors, which impact on the strategic decision-making process, are:

- The variables, which must be taken into account in every aspect of the decision– making process;
- The trends which have emerged as a result of changing consumer preferences;
- The vast arena of knowledge that has surfaced because of the globalisation and trade liberalisation;
- Making delivery of this knowledge /content affordable and accessible to the South African populace and extend this process throughout the African continent;
- Addressing issues of literacy and alliteracy;
- Global and domestic competition has become more vigorous, thus encouraging the implementation of cost-cutting strategies to make competitive gains;
- Convergence – whether or not we have the infrastructure to go that route;
- Rigorous implementation of government policies in all aspects of the workplace to ensure that every stakeholder benefits.

In response to these dynamics, unless organisations also change, they risk stagnation, decline and even death.

"Every company encounters occasions in which it needs to adopt its strategy to shifting industry and competitive conditions, newly emerging buyer preferences and requirements, the initiatives of rival firms to grab increased market share, the appearance of fresh opportunities and threats, advancing technology, and other significant events which affects its business".
(Thompson and Strickland, 2003:16).

1.2 BACKGROUND TO THE STUDY

The survival of the print media has, since the inception of a strong technological presence, been threatened by the prevalence of on-line publications and other substitutes, such as radio, television, the Internet, electronic media and outdoor advertising and the cell phone over the past two decades. This paper, whilst having mentioned other technologies, makes specific reference to the Internet as a technological device, which has eroded part of the print media's market share.

Independent Newspaper Holdings Limited has its own on-line publication, namely Independent On Line (IOL) and a trend has developed to access information from the Internet rather than doing a literature research from books. In the newspaper industry, this difficult period has been exemplified by the reduction in circulation and readership figures locally. The circulation trend shows in the long-term that most of the larger English dailies are experiencing softening circulation whilst most small niche titles are holding or increasing circulation. The readership trend shows that many of the larger English dailies are showing a Black readership in excess of 50%, blurring the traditional lines between 'Black' and 'White' categories. The circulation trend for the community newspapers has increased in line with the increase in urbanisation. (Marketing Mix M2 – OMD Media :17 -19.)

The problem has been exacerbated by a reduction in consumer demand, and a change in consumer preferences on account of the increased presence of both community newspapers, which have been circulating gratis, and on-line publications. This trend of local news has emerged by way of the knock and drop freebies. Langmead, (2002) CEO of Print Media South Africa (PMSA) says that *"newspaper publishing is not a beauty competition and the spoils don't go to the purists. You publish for your readers, you rush to get it out, and if you can, give it to them free as the Metros abroad are doing, you can close a huge gap that has opened in the marketplace."*

Another threat of the Internet is that information is delivered speedily and it is updated frequently throughout the day. The printed word is only available when the next edition is published, by which time the radio, TV and the Internet has rendered its newsworthiness obsolete. The writing style of the web is more "withit" than that of the dailies.

The revision of the Labour Relations Act and the long overdue introduction and implementation of the Employment Equity Act has brought about new challenges such as diversity management, the problem the company faces with regard to contract workers and outsourcing, ongoing disciplinary hearings – all of which hugely impact on productivity. The newspaper industry, by its very nature operates 24-hours a day. The payment of overtime becomes problematic on account of the limited overtime hours permitted by the Act.

Absenteeism resulting from illness and other problems requires employees in the print or "works" to work time in addition to those permitted by law. The Employment Equity Act tries to remedy unfairness brought about by race, gender and disability.

Based on these industry conditions, the management of Independent Newspapers is faced with the following challenges:

- Minimise resignation of long standing and trusting staff who has to adjust to technological change and refuse to make this adjustment out of fear or cynicism. On the other hand, organisations wish to invest in intellectual capital that can come with innovative resources;
- Improving productivity;
- Creating employment in compliance with legislation;
- Improvement of national and international competitiveness; Improving future profitability and sustainability in a dynamic environment;
- Deal with the changing face of readership –where the increase in literacy and per capita incomes, population growth, sport frenzy, and the confidence born of a new democracy have given birth to the New Reader; (Langmead, 2002)
- Change management and minimising the resistance to change;
- The probable shift in media ownership – a process driven by the political economy; internationally, there is some evidence to support the contention that ownership concentration across local markets and regions appeals to advertisers and the agencies alike. (Internet: www.icasa.org.za/Repository/Resources/Whats%20)
- Closing or narrowing the gap caused by the "digital divide".

1.3 PROBLEM STATEMENT AND HYPOTHESIS

To qualify and quantify the impact of information access from various media sources over time in order to develop strategies towards the future survival of the Independent Newspaper group.

The problem statement therefore is:

- Does the Internet impact on newspapers?
- Will the Internet replace the print media and render newspapers obsolete?
- What strategies must Independent Newspaper Holdings implement to gain a competitive advantage and sustain it?

The hypothesis is that the Internet will replace the newspaper. The null hypothesis is that the Internet will not replace the newspaper.

1.4 PURPOSE OF THE STUDY

The purpose of this study is to develop a strategic and operating framework for Independent Newspapers with the aim of increasing productivity, growing market share, redefine its business models, aligning them to the organisation's mission, vision and objectives and also maintain a competitive advantage in both the local market and globally.

This study will assist in determining how existing strategies are able to co-exist with novel ways of doing business. An appropriate response posed by the challenges of the firm's immediate and remote external environments will be examined using the appropriate strategic tools. The myriad of articles that have been accessed for this study shows that this topic has been researched globally. The findings may however indicate aspects that are unique to the South African context.

1.5 RESEARCH OBJECTIVES

The objective of the research report is to ascertain the strategy that the management of Independent Newspapers must implement for its survival amidst tough industry conditions, brought about by the changing business environment. The formulation and implementation of the requisite strategies can meet these challenges by developing a strategic fit between

Independent Newspapers' internal resources and its external situation, based on the Gap Analysis, which will be further discussed in the Literature Review.

The aim is to match likely external environmental changes with internal capabilities, to test these out and challenge how an organisation can capitalise on new opportunities or defend itself against future threats (Ambrosini 1998:123).

The hypothesis will be proved or refuted based on the qualitative research and the results of the surveys and the results analysed in chapter 4. The objective is also:

- To qualify the measuring instrument:
- To quantify the perceptual impact of information access from various media sources over time.
- To test if any of the results obtained produced significant changes in people's perceptions.

The first sub-problem is whether the printed copy of the newspaper will survive amidst on-line publications.

The second sub-problem is whether there is a link between content and the delivery of the content? That is, are newspapers delivering what they have set out to deliver?
Is the content being adequately delivered in this age of technology?

The third sub-problem is the development of strategies to sustain future profitability of the organisation. Are the strategies adequate to sustain the organisation's future profitability or must new strategies be developed?

1.6 SCOPE OF THE STUDY

The study will look at various components of the print media's industry environment.
Also crucial to the study are the components within the organisation's internal environment (micro) and the strategic practices of the Independent Newspaper Group.
The threat, which competitors pose, must be reviewed to enable one to see how well, if at all, the current strategy is working and also which strategies must be developed and implemented

to make the organisation sustainable in light of the threats. The study must review the company's resources – by the use of the SWOT analysis.

"The organisation's situation analysis, like good industry and competitive analysis, is a crucial pre-requisite to good strategy making. The organisation's competencies and resources expose strong and weak points in the present strategy, whatever capabilities and vulnerabilities the company may have, and the organisation's ability to protect itself from the competitive pressures and strength of its rivals." (Thompson and Strickland, 2003:147).

1.7 RESEARCH DESIGN

The research design dealt with the sampling frame that the researcher used to support or refute the hypothesis. The sampling frame was a cross section of employees at Independent Newspapers Holding Ltd, students from Damelin, scholars from Crawford College and New West Secondary School, a government school.

The research technique was both qualitative and quantitative. The qualitative element was conducted by way of literature reviews, the examination of secondary data and by semi-structured interviews of the staff of Independent newspapers and people in the industry and academia. For the quantitative method, structured questionnaires were used to conduct the surveys.

	CATEGORY	RESEARCH DESIGN
1.	Degree to which the research question has been crystallised	Exploratory Study
2.	The methods of data collection	Interrogation / Communication study
3.	Power of the researcher to produce effects in the variables under study	Ex post facto
4.	The purpose of the study	Descriptive
5.	The time dimension	Cross- sectional
6.	The topical scope – breadth and depth of the study	Case Study
7.	The research environment	Field setting
8.	The participants' perceptions of Research activity	Actual routine

Table 1.1 Description of research design used in study (Cooper & Schindler, 2003:146).

1.8 DATA ANALYSIS

A questionnaire will be used to measure how consumers perceive the organisation's capability to deliver information and whether the organisation is delivering what is expected from them. Interviews will be conducted and data collected, together with the data from the questionnaire. This will be analysed and the responses measured using a statistical package like SPSS to avoid errors in casting.

1.9 NATURE AND FORM OF THE RESULTS

The results that will emerge from this study will hopefully be guidelines for the leadership of Independent Newspapers to develop appropriate and workable strategies for its sustainability in the future.

Chapter two on the literature review will demarcate the literature covered and will also contain the theoretical framework. Journals, books and articles of acclaimed authors and academics like Hamel and Prahalad will be discussed, Kotter on Change Management and Leadership, Porter on matters of competitive advantage, Berger on aspects of the digital divide.

Chapter three will document the design and methodology followed during the fieldwork. This chapter will discuss the instruments used to conduct interviews and surveys, the sampling, data collection and its reliability, credibility and therefore its interpretability.

Chapter four will document the results in the form of pie charts and tables; the trends and the findings will be analysed and discussed.

Chapter five will, based on the results revealed in chapter four, discuss the main findings and salient points.
From this and the previous chapter conclusions will be drawn and recommendations will be made.
Chapter six will be the concluding statements pertaining to this study.

1.10 SUMMARY

The newspapers are under serious threat from the Internet along with other competitors. For its sustainability the management has to re-affirm its core competence as providers of news and entertainment. The Internet is able to deliver both. Unless strategies are devised for its sustainability, the demise of the newspaper is well nigh. Issues such as literacy, affordability and accessibility of technology will be discussed – it is abundantly clear that these aspects are important. The issue of convergence will also be discussed. The literature review will indicate what the benefits and disadvantages are of going online or sticking with the traditional media – the newspaper. The research technique – both quantitative and qualitative methods will reveal the necessary information and assist with the strategy formulation and implementation.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The landscape of the business world has been reshaped by environmental factors, least of which are technology and the ubiquitous presence of the Internet. This paper seeks to evaluate the impact that Internet technology has on the print industry, and particularly how it has impacted on Independent Newspapers Ltd.

Consumer tastes and preferences also change constantly. The Internet is changing more than our tastes and habits. It is transforming the economy too. (Bernasek, 2002:20). Unless organisations such as Independent Newspapers Limited scan the environment and "restructure" their operations, they are bound to miss out on critical issues upon which organisations depend for not only growth, but also for their sustainability.

Since the advent of radio and television, the print media has been faced with the threat of obsolescence. Despite this, the "New Media" has thus far complemented rather than eroded printed newspapers, by creating an awareness of its existence by its on-line offering, lest it be forgotten. The focus on e-business, fuelled by developments in Internet technology also continues. Information and Communication Technology (ICT) is an integral part of every aspect of society, including the provision of water, health and sanitation. Every competitive business must use ICT effectively.

At the World Summit on Sustainable Development in South Africa in 2002, the then director-general of the Department of Communications, Andile Ngcaba said, *"ICT should not be seen as a luxury that must come after the basics. Sustainable integrated development must close the digital divide."* He says communities have no chance of survival if they are on the wrong side of the divide, especially because modern societies are knowledge based. (SABC Intercom, 2002: 15)

South Africa with its population of 45 million is still plagued with issues of poverty and illiteracy, with 27 % of these indigents in metropolitan areas and up to 50 % in the rural areas where they do not even have access to basic requirements such as clean running water and education. In light of this the radio and later on the TV filled the void that existed and connected the illiterate, the alliterate, the poor and the uneducated – these media connected the deprived populace with the rest of the world. (South Africa: A Case Study in Development through Information Literacy. Peter G. Underwood)

In trying to find a solution to the problem statement of this research topic, based on perceptions that the Internet will replace newspapers, the researcher has done a literary search and examined debates from various writers and acclaimed academics and conducted interviews with media workers as part of the qualitative research.

In order to quantify the impact of the different media on print, surveys were conducted. These surveys also measured the level of the respondents' accessibility and affordability. The surveys further revealed and confirmed emerging trends, such as readership and circulation, driven by changing consumer tastes and preferences.

It appears that, after conducting an extensive search at Independent Newspapers for relevant material, that this issue of the Internet was conducted very "loosely". In this chapter there will a discussion on key issues that will assist with providing an answer to the problem statement among which are the following:

- Media trends
- Strategic tools to analyse the environments in which Independent Newspapers operates – namely a Gap analysis, SWOT and PEST
- Sustainable competitive advantage
- The tools to examine the competitive industry environment – Porter's Five Forces model
- The Value Chain Analysis
- The Internet as a tool to entrench a competitive advantage
- Leadership
- Innovation.
- Change Management

- Core Competence of Independent Newspapers
- The "New Media"
- The digital divide brought about by levels of literacy, affordability and accessibility in South Africa.
- Media Convergence

Hopefully it will be possible to establish where newspapers are heading in relation to its electronic offering and make recommendations, which will align itself to the organisation's vision.

2.2 MEDIA TRENDS

The trends that have emerged over the last decade has brought about change and with it innovation.

These industry trends are:

- Technology has had a significant impact on the distribution and production processes in the newspaper industry;
- New competition has emerged – electronic classifieds, web banner advertising, desktop publishing;
- The proliferation of media choices has decreased the reading time that is available to a newspaper reader;
- The demographics of a changing readership is impacting on circulation;
- Digital migration – the distribution of content through electronic channels is growing;
- Reduced pricing – in an effort to maintain and expand the readership base, the cover price of a newspaper has been driven down.

(Price Waterhouse Coopers – INKZN E-Business meeting report 2002)

In fact at the World Summit of the Information Society, Berger (2002) said that in dealing with the issue of digital divide one has take into account all the existing trends and emphases – technological, economic, cultural and so forth, and declare them to be reshapable. In this way one can build an Information Society in which *"everyone can create access, utilise and share information and knowledge, enabling individuals, communities and peoples to achieve their full potential in promoting their sustainable development and improving their quality of life"*. (Internet: www.wacc.org.uk/modules.php? WSIS misses. But media could make it a hit).

These changing trends cannot be discounted and strategy is important to implement change. *"Strategy and change management involve exactly the same steps. To see them as separate activities is to set yourself up for failure in both"* (Manning, 2001:46).

Change is never easy to manage and unless the leadership that drives this process is able to detect what aspects of change will add to the organisation's competitive advantage, sustainability will be difficult amidst tough industry conditions. Leadership, change management and innovation will be discussed in greater detail later.

2.3 STRATEGIC ANALYTICAL TOOLS

The key aspects that will be examined are the Gap analysis, the firm's immediate and remote external environments, using the appropriate strategic tools:

2.3.1 Gap Analysis

The formulation and implementation of the requisite strategies can meet the challenges facing Independent Newspapers Holdings Ltd by developing a strategic fit between the organisation's internal resources and its external situation, based on the Gap Analysis, illustrated by the following model.

```
┌─────────────────────────────┐
│  Recognise there is a gap    │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│  Develop strategies to close │
│           the gap            │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│  Manage the process of change│
│              │               │
│              ▼               │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│   Monitor and widen the      │
│  advantage over competitors  │
│                              │
└─────────────────────────────┘
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**A MODEL OF THE GAP ANALYSIS
ADAPTED FROM AMBROSINI (1998: 221).**
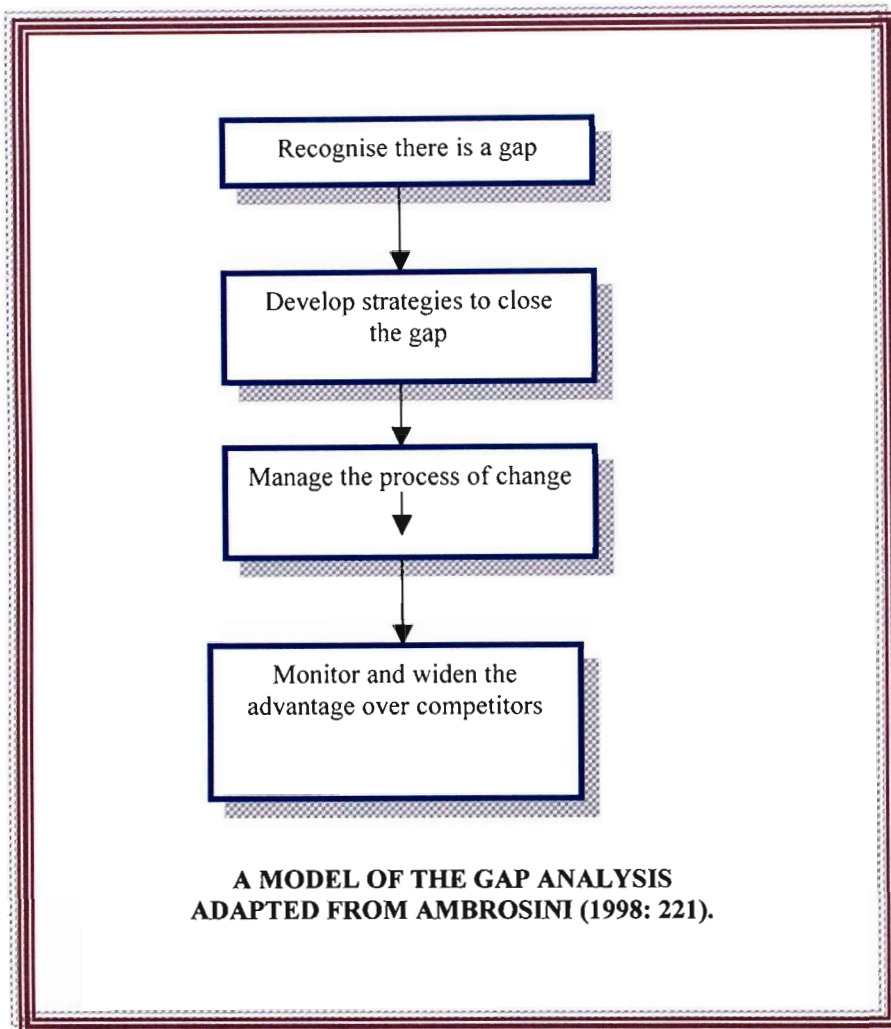
Figure 2.1: A Model of the Gap Analysis Adapted from Ambrosini (1998: 221)

The gap analysis is the first stage technique that gives the manager a feel for the size and nature of the strategic problem. Gap analysis frames the problem and informs the manager about the directions in which to look for solutions. Once this direction has been established, other techniques can come into play. (Ambrosini, 1998:228)

A simple, yet powerful approach centres around three questions:

Where are we now?

Where do we want to be?

How can we get there?

These questions are portrayed graphically using the Performance Gap Analysis:
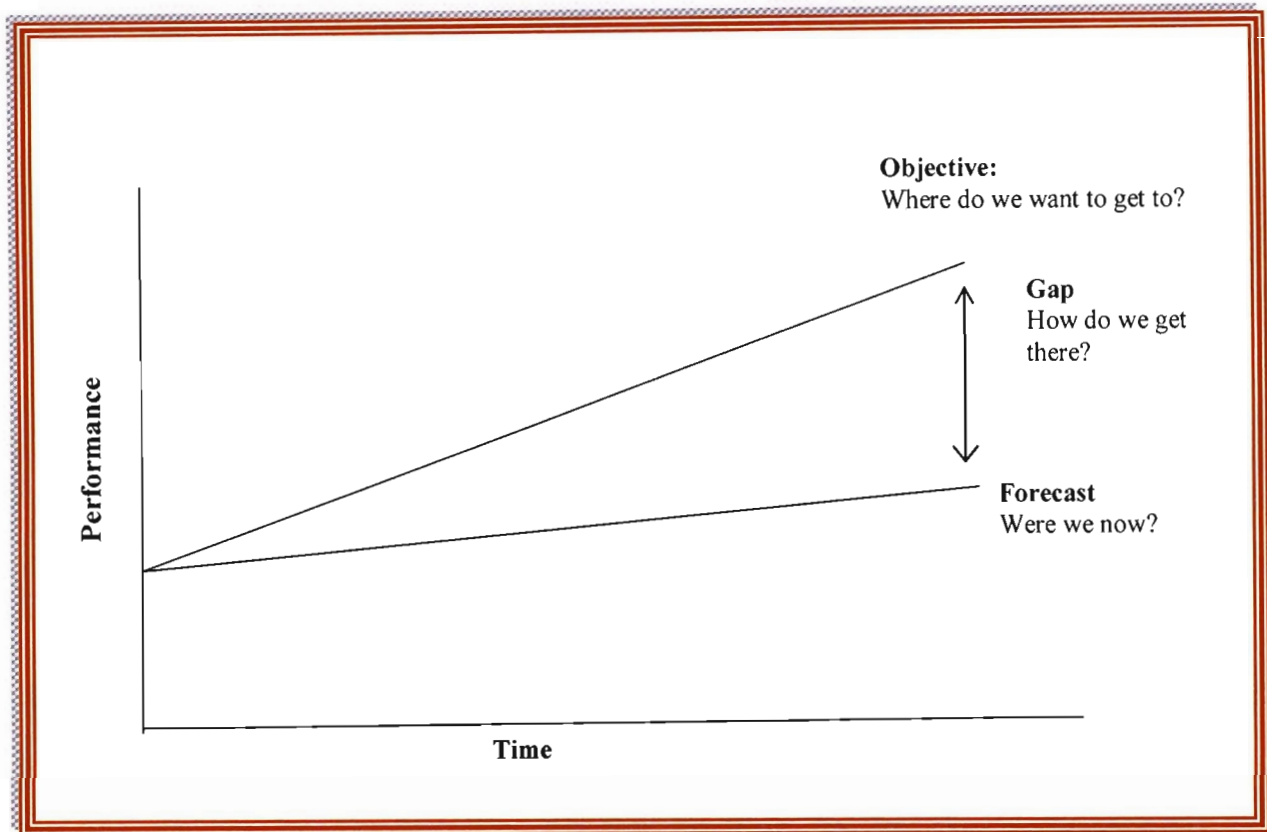
Figure 2.2: Performance Gap Analysis (Ambrosini, 1998:221)

The gap performance analysis frames the nature of a planning and forecasting scenario. Where there are gaps, three courses of action can be undertaken:

- Redefine the objectives. If the organisation's objectives are unrealistic and unachievable, they must be reviewed.
- "A newspaper in every home". This can only happens if adequate literacy and affordability levels have been achieved.
- Do nothing. Staff becomes change weary and sometimes it is advisable to do nothing. In doing so, however the competitors can creep up and take away market share.
- Changing the strategy – when there is a gap between what has been forecast and what the objectives are, then it is time to change the strategy.
- There is a gap and management must use the other strategic tools to apply other available options.

- Performance gaps have segments of which expansion and diversification gaps can be used to grow market share. (Ambrosini, 1998: 221-223)

Weber proposes an alternative model of Gap Analysis from a marketing perspective. Its relevance stems from rather than analysing the gap between objectives and forecasts, Weber is interested in the gap between the potential in the market and the firm's current sales.

Weber contends that the market can be enlarged by innovative product differentiation. (Weber, 1977:34)

To narrow the gap, the following steps can be followed:

- A SWOT analysis will be used to scan the environment and enable one to see what the competitors, suppliers, consumers and government agencies are doing to accommodate the changing consumer preferences.
- The remote environment will be examined, using the PEST model, where all the environmental aspects will be examined, assessed and incorporated into the decision-making process.
- The competitiveness of the organisation will be examined using Porter's Five Forces model and the value chain analysis.

2.3.2 SWOT Analysis

The print media is characterised by numerous strengths and opportunities, weaknesses and threats depicted by the SWOT analysis.

The aim is to match likely external environmental changes with internal capabilities, to test these out and challenge how an organisation can capitalise on new opportunities or defend itself against future threats. The exercise therefore seeks to challenge the robustness of an organization's current strategy and highlight areas that might need to change in order to sustain or develop its competitive position (Ambrosini, 1998:123).

Strengths

- Strong portfolio of interdependent but differentiated titles.
- Unique reader profiles and advertiser base accompanying it.
- Highly skilled editorial, advertising, and production expertise.
- Unique printing competency and capacity.
- Unique distribution network and capacity.
- Access to global pool of credible news.

- Economies of scale.
- State-of -the-art storage and archival electronic library.
- IsiZulu title, Isolezwe, gaining momentum and strength.

The circulation manager very proudly revealed that there has been an increase in circulation from 28 895 in April 2002 when the paper was launched, to 43 563 in April 2003 and 60 782 for April 2004.

Weaknesses

- Lack of a proper marketing strategy for titles and products.
- Advertising rates too high.
- Bottlenecks in technology.
- Newspaper penetration is low.
- Culture of leaving things till the last minute.
- False sense of security due to being the monopoly.
- Poor organisational culture.

Opportunities

- New technology to optimise press capacity, IT processes and systems.
- Fostering a culture of innovation will lead to cost and work efficiency, new markets, products and services.
- In trying to understand communities due to editorial content focus, INKZN will also have an opportunity to build relationships with them and gain new and lost ground.
- Marketing initiatives could strengthen title and product positioning.

Threats

- Free-sheets major factor in eroding the advertising base.
- Market has increased in size yet INKZN share of it has not.
- Inability to continuously scan the environment and strategise.
- Electronic advertising perceived as more value for money.

2.3.3 Appraisal of External Environment

PEST Analysis:

The PEST analysis revealed the following about the external environment of Independent Newspapers.

Political Issues

- INKZN had identified that the state was also an advertiser, and that it had to contend with the sensitivity of balancing state relations in its objective coverage of the news in South Africa. While INKZN would be a key player in assisting government to build the nation, it also had an obligation to the people of KZN in objective coverage of the news and propagating truth.

- The second tier of government in the provincial sector was also flagged as a problem area due to poor service delivery as well as poor relations with INKZN.

- The company also had to be mindful of the moves throughout the country to form unicities, which saw the emergence of large and powerful metropolitan councils, with whom strategic alliances would need to be forged.

Economic Issues

- Declining value of the Rand. World events affect South African citizens, economy, and business perceptions of our country impact on the exchange rate and investor confidence.
- Lack of foreign investment in SA.
- Economic growth and lack of development within the KZN region has been disappointing.
- Discretionary income in KZN is shrinking.
- High unemployment.

Socio-cultural Issues

- Changing attitudes and lifestyles.
- Increase in HIV Aids.
- Crime, violence and corruption.
- Low literacy and education levels.
- Rural poverty and shortages in housing.
- Mass emigration – brain drain.
- Poor service delivery and health problems.
- Race, culture and diversity – South Africans still coming out of the legacy of apartheid.

Technology Issues

- New developments in electronic media and ongoing improvements to efficiency, quality and responsiveness.
- Advances in IT speeding up business processes and advanced communication.

- Growing demand and interest in the Internet. For example classified advertising has moved online.

Certain management concerns arose in light of the aforesaid environmental changes. These will have to be critically examined and recommendations made to meet these challenges. The procedure will be to:

- Analyse and evaluate Independent Newspapers current strategy in relation to the above.
- Analyse the leadership and succession planning after the change of strategy and organisational structure.
- Recognise any weaknesses in Independent Newspapers current strategy, which is linked to its mission, vision and objectives.
- Recommend strategies, which Independent Newspapers can implement to overcome the weaknesses.

An examination of future strategy for its survival must be critically examined. For instance:

- What content are the readers currently being supplied with?
- What content do the readers require from the newspapers?
- Does the content delivery adequately satisfy the needs of the readers?
- Is there a strategic fit between the content and the delivery?
- If not, will technology create this fit?

Recommendations must be made with regard to the strategies that must be formulated to accommodate the changes, which have arisen.

- What implications do these changes have for the direction in which the organisation needs to move?
- What new or different customer needs should the organisation be moving to satisfy?
- What new or different buyer segments should the organisation be concentrating on?
- What new geographic or product markets should the organisation be pursuing?

- What should the company's business make up look like in five years?
- What kind of company should Independent Newspapers be trying to become?

There will be an attempt to answers these questions later when the recommendations are made.

2.4 SUSTAINABLE COMPETITIVE ADVANTAGE

There are three tests for sustainable competitive advantage.

The advantage should be:

- Sufficiently significant to make a difference.
- Sustainable against environmental change and competitor attack.
- Recognisable and linked to customer benefits.

(Lynch, 2000:156)

If these are present, it will be difficult to imitate the organisation's activities and barriers to entry will be high. The ubiquitous nature of the Internet has turned it into an extremely important new technology. In the process it has received a great deal of attention from entrepreneurs, executives, investors and big business. Porter (2001:64) in his article titled Strategy and the Internet said,

"That may be a natural reaction, but it is a dangerous one. It has led many companies, dot-coms alike to make bad decisions – decisions which have eroded their industries and undermined their own competitive advantage".

One must take a clearer view of the Internet by moving away from the rhetoric about Internet Industries, e-business strategies and new economy and see the Internet for what it is – an enabling technology. Porter (2001:64)

The Internet is an enabling technology and often companies that have deployed the Internet have been confused by distorted market signals. The Internet submits Porter, erodes organisational structure. It is therefore appropriate to look at the structure of Independent Newspapers Holdings Ltd.

2.5 INDEPENDENT NEWSPAPER'S BUSINESS MODEL

2.5.1 What is the organisation's – Independent Newspaper's current model?

The organisational model is based on strategy, policies and procedures, structure, systems, climate and culture. (Rue and Holland 1989). Independent Newspaper Holdings Limited are printers, publishers and distributors of six newspaper titles, namely, The Mercury, Daily News, Post, Independent on Saturday, Sunday Tribune and Isolezwe. In addition to these, the KwaZulu Natal region also has several commercial printing contracts as well as a large printing and distribution contract for an opposition newspaper media group. The current business model is sustained by the fact that it has the monopoly of publishing daily

newspapers. Independent Newspaper's core business thrusts are based on the organisation's business model made up of editorial, advertising and circulation.
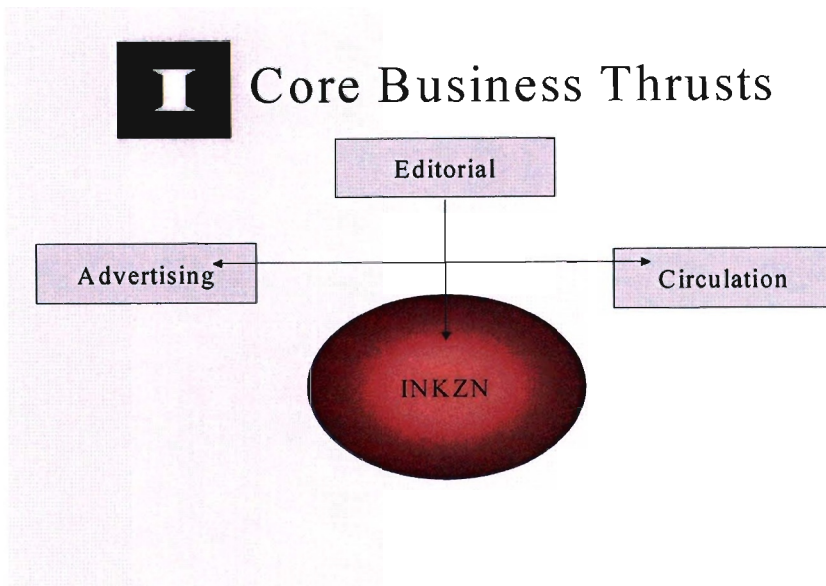
Figure2.3: INKZN Core Business Thrust

2.5.2 What is a business model?

Business models can be described as the architecture for products or service, and their various business activities and roles. A business model involves the conception of how the business operates, its underlying foundations, and the exchange of activities and roles.

In terms of modern communications, full business models account for the vital resources of production and distribution technologies, content creation or acquisition, and recovery of costs for creating, assembling and presenting the content. In other words, it is the blueprint for doing business. (Picard, 2004:9).

2.5.3 What models exist in industry?

The media industry consists comprises several TV networks and radio stations, which have successfully converged under the umbrella of SABC where ICASA and international news are monitoring it digitally communicated by satellite.

Market signals to implement a new technology (Internet) may indicate high profitability because there is the excitement by both companies and consumers alike to experiment with this novel concept – the Internet. But in the long term this may not be an economically viable proposition for the following reasons:

- Firstly, many companies may have heavily discounted prices or even given the consumers goods for free. This aggressive low-cost pricing strategy unrealistically and artificially increases the demand, thus making a tangible presence as an Internet consumer and also increasing the consumer base.
- Secondly, many buyers have been drawn to the Internet out of curiosity; they have been willing to conduct transactions on-line even when the benefits have been uncertain or limited. Sooner or later, though, some customers can be expected to return to more traditional modes of commerce.
- Finally, some "revenues" from on-line commerce have been received in the form of stock rather than cash.

For example the latest SAARF figures released show an increase in the 2004 circulation figures. (SAARF 2004). This is not surprising as Independent Newspapers offer the retailers bulk purchases at huge discounts in return for advertising for which they do not pay. The question that arises is whether this revenue that is generated should go towards the advertising budget or the circulation figures?

"Many companies doing business on-line have enjoyed subsidised inputs.

Their suppliers, eager to affiliate themselves with and learn from dot-com leaders, have provided products, services, and content at heavily discounted prices. Such supplier practices have artificially depressed the costs of doing business on the Internet, making it appear more attractive than it really is." (Porter, 2001:64)

There is a misconception that the capital investment to start an online business is minimal, thus distorting start-up costs. This in itself signalled that barriers to entry were low. In doing so, market signals about its profitability were further distorted.

Other signals which contributed to this false sense of security was the number of click-through and expansive revenues; they downplayed the traditional methods of doing business.

"One might argue that the simple proliferation of dot-coms is a sign of economic value of the Internet. Such a conclusion is premature at best. Dot – coms multiplied rapidly for one reason: they were able to raise capital without having to display viability." (Porter: 65).

The Internet brings with it innovation, but strategies which will reposition the organisation and its product must be implemented. An innovative business model can be used to provide a solution. Many have argued that the Internet renders strategy obsolete. In reality, the opposite is true. Because the Internet tends to weaken industry profitability without providing proprietary operational advantages, it is more important than ever for companies to distinguish

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themselves through strategy. The winners will be those that view the Internet as a complement to, not a cannibal of, traditional ways of competing. (Porter: 63).

2.6 FACTORS WHICH CREATE ECONOMIC VALUE

One needs to look beyond the immediate market signals to the two fundamental factors that determine profitability:

- **Industry structure**, which determines the profitability of the average competitor;
- **Sustainable competitive advantage**, which allows a company to outperform the average competitor.

These two underlying drivers of profitability are universal; they transcend any technology or type of business. At the same time, they vary widely by industry and company. Business-to-consumer (or "B2C") and business-to-business (or "B2B") prove meaningless with respect to profitability. Distinguishing between the use of the Internet and Internet technologies can create economic value. Porter (2001:65) said:

"It is the uses of the Internet that ultimately creates economic value... Technology providers can prosper for a time... But unless the uses generate sustainable revenues or savings in excess of their cost of deployment, the opportunity for technology providers will shrivel as companies realise that further investment is economically unsound."

Potential profitability can be understood only by looking at individual industries and individual companies. Certain fundamental questions were asked of companies- namely:

- Who will capture the economic benefits that the Internet creates?
- Will the value go to customers or will the companies reap a share of the benefit?
- What will be the Internet's impact on industry structure?
- Will it increase or shrink the share of company profits?
- And what will be its impact on strategy?
- Will the Internet bolster or erode the ability of companies to gain sustainable advantages over their competitors?

The answers to these questions are disturbing and organisations must look at the Internet afresh – because it is not necessarily a blessing. It tends to alter industry structures in ways that dampen profitability, has a levelling effect on business practices and it reduces the ability of an organisation to establish an operational advantage that can be sustained. So the key

question is not whether to deploy Internet technology – companies have no choice if they want to stay competitive – but how to deploy it. (Porter :64).

2.6.1 The Internet and Industry Structure

The Internet has created some new industries such as on-line auctions and digital marketplaces. Looking back, these have been around for a long time in the form of distant learning institutions. Consumers have been able to purchase from catalogues where they also did not have the tangible feel of their purchases having instead to rely on illustrations in much the same way as on-line shopping.

The question arises as to the attractiveness of these industries, which are determined by looking at Porter's Five Forces Model.

The five underlying forces of competition are:

- The rivalry amongst the competitors;
- The bargaining power of the suppliers;
- The bargaining power of buyers;
- Threats of Substitutes;
- Barriers to entry for new competitors.

(Refer to Appendix 1 for the diagram.)

The combination of these forces will determine the economic value, which in this case, Internet technology will create. Although some have argued that today's rapid pace of technological change makes industry analysis less valuable, the opposite is true.

According to Porter, (2001) some of the trends are positive. For instance providing companies with direct channels to customers increases the bargaining power of the suppliers. Internet is fast so customers would be careful about switching to traditional ways. The Internet also increases its reach to a wide network, thus increasing its market size.

The negative side is that:

- It increases the availability of substitutes,
- It increases the bargaining power of buyers because the Internet provides buyers with information regarding products and customers,
- It creates greater rivalry amongst competitors because proprietary is diluted amongst competitors,
- Barriers to entry are low, thus intensifying competition.

On-line dealers may find it difficult to differentiate themselves, as they lack potential points of distinction such as showrooms, personal selling, and service departments, but like amazon.com they need to offer their online-consumers what they want. This can after all be established by the accessibility to consumer profiles. With undifferentiated products the competition shifts ever more toward price. Clearly, the net effect on the industry's structure is negative. That does not mean that every industry in which Internet technology is being applied will be unattractive. For example, at Internet auctions, customers and suppliers are fragmented and thus have little power.

Substitutes, such as classified ads and flea markets, have less reach though the barriers to entry are relatively modest, companies can build economies of scale, both in infrastructure and, even more important, in the aggregation of many buyers and sellers, that deter new competitors or place them at a disadvantage.

Finally, rivalry in this industry has been defined, largely by eBay, the dominant competitor, in terms of providing an easy-to-use market place in which revenue comes from listing and sales fees, while customers pay the cost of shipping. When Amazon and other rivals entered the business, offering free auctions, eBay maintained its prices and pursued other ways to attract and retain customers. As a result, the destructive price competition characteristic of other on-line businesses has been avoided.

E-Bay's role in the auction business provides an important lesson: industry structure is not fixed but rather is shaped to a considerable degree by the choices made by competitors. E-Bay has acted in way that strengthened profitability of its industry. In stark contrast, Buy.com, a prominent Internet retailer, acted in ways that undermined its industry and its own potential for competitive advantage.

Buy.com achieved $100million in sales faster than any company in history, but it did so by defining competition solely on price. It sold products not only below full cost but also at or below cost of goods sold, with the vain hope that it would make money in other ways.

The company had no plan for being the low-cost provider; instead, it invested heavily in brand advertising and eschewed potential sources of differentiation by outsourcing all fulfillment and offering the bare minimum of customer service. It also gave up the opportunity to set itself apart from competitors by choosing not to focus on selling particular goods.

If companies want to be at the cutting edge of doing business via the Internet, they must be aware that the exaggerated profits made from on-line ventures are artificial. They must also realise that there are "new rules of competition."

"But as market forces play out, ... the old rules regain their currency. The creation of true value once again becomes the arbiter of success."(Porter: 2001: 65)

If the Internet has affected the average profitability in many industries, it becomes all the more important for individual companies to set themselves apart from the pack and become more profitable than the average performer. The only way to do so, he says, is by achieving a sustainable competitive advantage – thus:

- By operating at a lower cost, or
- By commanding a premium price, or
- By doing both.

Cost and price advantages can be achieved by way of:

- Operational effectiveness - doing the same things your competitors do but doing them better.
- By strategic positioning - doing things differently from competitors, by delivering a unique type of value to customers.

Operational effectiveness advantages can take myriad forms, including better technologies, superior inputs, better-trained people, or a more effective management structure.

The Internet affects operational effectiveness and strategic positioning in very different ways. It makes it harder for companies to sustain operational advantages, but it opens new opportunities for achieving or strengthening a distinctive strategic positioning. (Porter: 65)

2.6.1.1 Operational effectiveness

The Internet is arguably the most powerful tool available today for enhancing operational effectiveness. By easing and speeding the exchange of real-time information, it enables improvements throughout the entire value chain, across almost every company and industry.

The Internet is an open platform with common standards, allowing companies to tap into its benefits without making substantial investments than was required to capitalise on past generations of information technology. Combined with advanced software architecture and development tools, makes it much easier for companies to design and implement applications.

Porter (2001: 70) said that by simply improving operational effectiveness does not provide a competitive advantage. Companies only gain advantages if they are able to achieve and sustain higher levels of operational effectiveness than competitors. Even in the best of circumstances, that is very difficult.

Thompson and Strickland (2002: 240) say that there is the difficulty of relying on Internet technology to gain sustainable competitive advantage. There is a trend amongst companies of deploying Internet applications using off the shelf software packages, which is being used by the rivals. The chance of gaining a competitive advantage, on the basis of the technology alone, is therefore minimised.

2.6.1.2 Strategic Positioning

As it becomes harder to sustain operational advantages, strategic positioning becomes all the more important. If a company cannot be more operationally effective than its rivals, the only way to generate higher levels of economic value is to gain a cost advantage or price premium by competing in a distinctive way. Ironically, companies today define competition involving the Internet almost entirely in terms of operational effectiveness. Believing that no sustainable advantages exist, they seek speed and agility, hoping to stay one step ahead of the competition.

Of course, such an approach to competition becomes a self-fulfilling prophecy. Without a distinctive strategic direction, speed and flexibility lead nowhere. Either no unique competitive advantages are created, or improvements are generic and cannot be sustained.

Having a strategy is a matter of discipline. It requires a strong focus on profitability rather than just growth, an ability to define a unique value proposition, and a willingness to make tough trade-offs in choosing what not to do.

A Company must stay the course, when faced with the challenges in industry and swiftly adapt and at the same time improve and extend its distinctive positioning. Strategy involves the configuration of a tailored value chain - the series of activities required to produce and deliver a product or service -that enables a company to offer unique value. To be defensible, moreover, the value chain must be highly integrated. When a company's activities fit together as a self-reinforcing system, any competitor wishing to imitate a strategy must replicate the

whole system rather than copy just one or two discrete product features or ways of performing particular activities. (Porter, 2001: 70)

To develop this clear strategy is the function of leadership.

"The leader must provide the discipline to decide which industry changes and customer needs the company will respond to… and maintain the company's distinctiveness." (Porter, 1996:77)

2.7 VALUE CHAIN ANALYSIS

The basic tool for understanding the influence on Information Technology is the value chain.

It is this tool that facilitates the delivery of a product or service to the customers. In a competitive environment, the manner in which the company and industry uses its infrastructure to deliver customer satisfaction in a cost-effective manner is depicted by the value chain. "The value chain is a framework for identifying all these activities and analysing how they affect both a company's costs and the value delivered to buyers." (Porter, 2001:68) refer to Appendix 2 for diagram. Porter says that value chain analysis is a systematic way of studying the direct and support activities undertaken by an organisation. From this analysis will arise an awareness concerning costs and the potential for lower costs and differentiation. It is further stated that competitive advantage is created and sustained when a firm performs the most critical functions either more cheaply or better than its competitors. (Thompson, 1994:430). Ohmae says that competitive advantage is to serve the customers real needs, not simply to beat competition. (K Ohmae, 1988.)

(Refer to Appendices 2 and 3)

2.8 THE ABSENCE OF STRATEGY

What is strategy?

This is the question Porter (1996) answered in his article of the same name published in the Harvard Business Review. Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. For improved productivity, quality and speed, managers have adapted strategies like reengineering, benchmarking against other business models. But has this helped?

Porter said (1996:78) that investing in resources to gain operational effectiveness, have rarely translated into sustainable profitability. Operational effectiveness is necessary for superior performance, but that in itself is not sufficient, because the techniques may be easily imitated.

"In contrast, the essence of strategy choosing a unique and valuable position rooted in systems of activities that are much more difficult to match."

Instead of focusing on individual components of success such as core competencies or critical resources, Porter says that creating a strategic fit across all the company's activities will result in both sustaining a competitive advantage and in its sustainability. (Porter: 78). In order to maximise profits and gain what they thought was a competitive advantage, most dot-com companies that mushroomed have competed in ways that violate nearly every aspect of good strategy. These companies concentrated on revenue instead of profits by entering price wars, they pursued indirect revenues from sources such as advertising and click-through fees from Internet commerce partners rather than concentrate on delivering real value that earns an attractive price from customers.

"By ignoring strategy, many companies have undermined the structure of their industries, hastened competitive convergence, and reduced the likelihood that they or anyone else will gain a competitive advantage." (Porter: 72).

A destructive, zero-sum form of competition has been set in motion that confuses the acquisition of customers with the building of profitability. Worse yet, price has been defined as the primary if not the sole competitive variable. (Porter:73). In the meantime bargain hunting shoppers, in their quest to shop frugally online, developed a habit of surfing the web and online shopping sites in their hope to get whatever they wanted cheaply. Market and industry attractiveness was eroded thus undermining competitive conditions, required for profitability, - the customers had become used to getting bargains.

In trying to attract market share by the implementation of a price cutting strategy, organisations must ensure that they:

- Avoid competing at a low cost without first having a low cost over rivals;
- Don't cut prices so drastically as to preclude an attractive profit margin at the low price;
- Incorporate value chain activities like superior service, customised products, convenience and other attributes that deliver buyer value so as to command an attractively profitable price.

"Instead of emphasizing the Internet's ability to support convenience, service, specialisation, customisation, and other forms of value that justify attractive prices, companies have tried competition into a race to the bottom" (Porter: 73).

Dot-com business models that depend on advertising as the business model that will generate revenues to cover costs and earn a profit are very risky at best and as a worse case scenario is suspect. (Thompson and Strickland, 2003:244). The solution to this is to change the business model. The customer will push the change in the business model design. The change will not come from their expectations, but from the experience as they visit many Web sites.

The Internet has flung the business world into a quandary. Organisations, by compromising their existing competitive advantage rushed to take advantage of the dot-com offerings, in order to leverage them into a distinctive position of advantage above their competitors. It did not have to be this way - and it does not have to be in the future.

When it comes to reinforcing a distinctive strategy, tailoring activities, and enhancing fit, the Internet actually provides a better technological platform than previous generations of IT. Indeed, IT worked against strategy in the past. Packaged software applications were hard to customise, and companies were often forced to change the way they conducted activities in order to conform to the "best practices" embedded in the software. To gain these advantages, however, companies need to stop their rush to adopt generic "out of the box" packaged applications and instead tailor their deployment of Internet technology to their particular strategies.

The ability to learn about suppliers and customers (beyond their mere purchasing habits) is limited by the lack of the face-to-face contact. The lack of human contact with the customer eliminates a powerful tool for encouraging purchases, trading off terms and conditions, providing advice and reassurance, and closing deals.

When Amazon .com built its Internet shopping system, it was brand new. Yet it was designed on the old shopping structure of being able to look up authors and titles in the catalogue. Through its system of being able to track its buyers' preferences, Amazon.com became familiar with its buyers' changing tastes and preferences. The fact that Amazon.com were among the first to become and on-line business did not mean that it had an advantage. Once consumer curiosity has been satisfied and they have experienced the Internet purchasing method, some may defect to Internet shopping but others may return to the traditional method of shopping. The first mover advantage is not a sustainable strategy.

2.9 THE FIRST MOVER ADVANTAGE MYTH

The Internet brought with it the notion that organisations that were first to aggressively move on the development of "snazzy". Web sites would gain a first mover advantage.Porter (2001: 68) said that lower than expected switching costs, weaker than expected network effects and weaker than expected brand name power have resulted in low site-user loyalty, causing first mover advantages, once thought to be powerful and durable, to evaporate quickly or never to materialise. (Thompson and Strickland, 2003: 241). Few first movers have emerged as dominant market leaders in the Internet arena. Despite this the concept of first mover must not be rendered invalid.

Whether or not to make the Internet an integral feature of strategy is an issue that many traditional companies like Independent Newspapers is struggling with. There has been debate around whether to exclusively use Internet as a channel to access customers for their subscriptions and to attract advertising, but this idea was rapidly put to bed.

Perhaps not the exclusive channel, but digital advertising is increasing and together with advertisers migrating to the community newspapers to reach their target markets, perhaps the business models must be re-examined. A new media has made a presence. Decline of subscribers is also cause for concern. (Davis,K 2004: 9)

2.10 WHAT IS NEW MEDIA?

In the broadest sense, the label "New Media" refers to all communication avenues beyond the traditional ink-on-paper or radio/TV broadcast models. (Jackson, AA & Austin, S: 1997) By far, the Internet and its numerous multimedia components dominate what the news industry now calls "New Media". Depending on the organisation, New Media also can include telephone–based information systems and CD-ROM production.

At the Highway Africa conference in 2000, some of the papers that were read by the delegates highlighted the fact that Africa is increasingly making inroads into the Global Information Society (GIS). This integration brings with it many challenges and opportunities, such as the management of content, preservation of cultural values in such a diverse society, greater diversity and the need to develop content in African languages. (Berger, G.: 2000)

When the new media entrenched itself amidst great hype in the business world it sounded a death knell for the old media, especially newspapers. Then the arguments developed that the web could not be accessed while sitting on the toilet seat. Besides this medium could not reach Africa's masses when the literacy, electricity and telecoms had not spread beyond the elite. Gradually, the use of the Web globally in providing information escalated at an alarming rate. Many old media decided to put their product on the Web where it now has a tangible presence. Then came the threat of the genuine death amongst the Web sites, and the new media was in danger of becoming extinct. There was a genuine threat as Berger (2003: 32) said, *"not of dying, but of flying. Having come close to crashing, the question is how do you fly, and where do you go. The answer is that you have to go forward as part of a flock, and you have to accept that for a long time yet the media will stay at the helm. The conclusion comes from looking at the past in order to see the future."*

The aspect of the two media co-existing, will be addressed under the section discussing convergence. It is a known fact that anything new is viewed with scepticism, suspicion and fear. Unless the change is managed with the accompanying motivation, trust and open communication from the top, it may be difficult to embrace the New Media.

The content to be delivered by the New Media was perceived to become a business model, where surfers will pay for information. Unfortunately, this was not to be. People wanted free information. "Who will foot the bill?" became an issue. So this model lost some of its credibility, for lack of a sustainable revenue source. Presently some boardroom battles are being waged about the highly controversial "paid content" model. This is to subsidise the sliding adspend. This is not novel in South Africa. Financial Mail was one of the early pioneers of the strategy to shut off its website to paying subscribers. The idea is to charge subscribers a small percentage. The US has taken Web site users into unchartered territories of paid subscriptions. This is a merely a strategy to recoup all the lost advertising revenue. Also for the first time price has brought with it a profit strategy. M Editor Southey (2003) said that she sees no logic in giving print content away free on the web, causing potential damage to the TV and print offering. "People would not subscribe if they got something free." Fair comment. Mail and Guardian online has already entered the foray of paid content by charging the overseas South African readers who sometimes make up 30%.

During the dot-com hysteria, print did not mind losing readership to its online sites, because they were optimistic that advertising revenues would follow their readers online- but this did not happen. (Buckland, 2003: 32). Then there was the sense of community that emerged because of interactive Web sites. People and the communities were hopefuls for the generation of advertising revenues. This however did not materialise. Many non - media companies performed better than the old media that went online - for example, iafrica with Mweb hard on its heels.

This kind of development was a spur to many newspapers worldwide to put more resources into web publishing. If important advertising could migrate to cyberspace, newspapers needed to go with it. As Tony O'Reilly of Independent Newspapers explained, putting classifieds online is not only as an additional income generator, but also a defensive strategy against predatory sites. Newspapers in South Africa have already suffered from television taking their national display ads, leaving them only with classifieds, retail and some local ads. It was therefore a strategic move for IOL and Naspers to move their classified ads across the group's titles. At one stage 40 percent of traffic of IOL's site was reported as going to classified advertisements. (Bogart, 2 001).

Three business models were– content, community, commerce. The Internet as we discussed earlier is a convenient tool to conduct transactions online. People could not only read a site's reviews of latest music CDs, and talk about the topic online armed with a credit card at the click of a mouse; they could also buy music directly. For example and as mentioned earlier, e-Bay with its online auctions.

There are two key qualities that the Internet was offering that made it attractive:
- A chance to do something new;
- The ability to interact with readers.

An age-old lure, money, is a factor that helps people get over the fact that the Web is something different. People are starting to see the Web as a medium for conveying news and in business journalism the immediacy of the net is crucial. So a financial incentive may help erase some of the prejudice against the Web. (Napoli, L: 1999) The sooner this prejudice against the Web is discarded, the better because

"Those who bet print media will never become obsolete may want to rethink that wager.

With the cultural shift from static print to dynamic digital meda growing stronger everyday, the demise of the printed page may come sooner than anyone expects." Bisoux (2004)

According to Bisoux (2004) interactive learning experiences via digital media promise to change fundamentally how students learn. She refers to Frank Moretti of Columbia Center of New Media in New York who says. *"It's time for digital technology to come into its own...Now that the dot-com fever has been quelled, people are ready to view interactive technology with an open eye and focus on the true value of the Internet as an informational resource.* (Bisoux, 2004:23.). But before this can happen the disparity among communities brought on by the digital divide must be narrowed.

2.11 THE DIGITAL DIVIDE

2.11.1 What is the Digital Divide?

South Africa has the problem of poor infrastructure, so much so that many people in rural areas have no access to basic amenities such as electricity and running water, let alone a telephone. The computer is completely inaccessible to these communities. At the 74[th] Annual Congress of Newspaper Marketing in New York, it was stated that wireless connections could be found in rural Africa. If this be the case then Internet access barriers are becoming a thing of the past. There is an opportunity for the launch of the biggest digital trend with large revenue potential, which is text via mobile phones. (Trevino, 2004: 4). The digital divide comes about when there are people who have and those who don't – the haves and the have-nots. The digital divide is linked to the aspects of illiteracy, affordability and accessibility – the latter on account of lack of infrastructure.

"The digital divide in South Africa is extremely pronounced in that only 4.5% of the total population is information haves and 95.5% are information have-nots" (South African Web Usage Behaviour: 2000). The new lexicon "New Media", "IT", "web", "online", "e-" , are just some of the buzzwords that have been used almost to saturation in South Africa.

Yet it seems odd to speak about new technology in a society in which the majority of the people do not even have access to the essential requirements in order to engage with the product. These include not only the basic tools required, but also the knowledge of how to use the material. The Internet, whilst it is a rapidly developing, information, communication and trading tool, is conspicuous in its absence in the less developed parts of the world.

2.11.2 Accessibility

Access to the Internet is exclusive to those who have the required technology and those who know how to use it. This bleak picture looks promising in light of the promise that the rollout of Internet access services will increase in 2004. (World Wide Worx.)

According to The Goldstuck Report: Internet access in South Africa 2004, the rollout of high-speed or broadband wireless access by Sentech, the strengthening exchange rate will also contribute to increased access in South Africa. According to the report, 3.1- million South Africans had access to the Internet at the end of 2002.

(Internet: www.southafrica.info/doing_business/economy/infrastructure/internet.htm)

Argentina with a population of 37 740 400 in 2002 had 4 100 000 Internet users as at December 2002, a 10.9% per ITU.

(Internet: www.internetworldstats.com/south.htm)

Comparing these figures with those of South Africa the following can be deduced that despite both being developing countries and South Africa having a better infra structure, Internet penetration in Argentina is higher.

2.11.3 Literacy and affordability

The question of whether most people in Africa in this Global Information Society will be able to access the Internet.

What is the Global Information Society or GIS?

In Singh's article (Singh, 2001) he says that all information is transparent and available to everyone. This however is idealistic since most people do not and probably never will have access to technology, which has created a digital divide.

What is the digital divide? It is, according to Singh, 2001 a distinction between those people who have access to technology and those who do not have such access. The main reason for the digital divide in South Africa is the Apartheid legacy that promoted separate development, provided inferior education and poor or no access to learning opportunities.

Affordability

Poverty is another factor, which contributes to the digital divide.

Perhaps one of the ways in which the technologically impoverished community can be empowered is to establish a culture of e-learning by providing the necessary training.

Berger (2000) says that a state of the art phone will become the computer of the future, which will connect communities throughout the African continent.

In this way media platforms that were previously apart can come together, converge, to form a unified whole.

2.12 THE INTERNET AS A TOOL FOR COMPETITIVE ADVANTAGE

2.12.1 Speed

Speed is one of the key characteristics with which information can be disseminated to the readership. It is a given that the information delivered is credible.

Independent Newspapers must look at what its core competence is?

Is it to provide information?

If it is then it becomes irrelevant whether it is disseminated by way of the web or on paper. (Internet:Mills, M www.central.dtcc.edu/mmills/paper.htm)

It may be argued that the information must reach the consumer before it becomes stale.

For communities in developing countries, this debate holds no water – they are either illiterate or too poor to afford technology. The battery-operated radio is probably their best bet for accessibility. In all probability these communities do not have electricity. (The Economist July 17, 1999 – Newspapers and the Internet.)

2.12.2 Interactive

The Internet is an interactive medium allowing users to interact with the authors of the content with immediacy. When one looks at the future of newspapers in the interactive age, analysing and paring down the essentials of journalism must redefine their mission. Only by doing this will a model for on-line publications emerge that takes advantage of state-of-the-art technology. (Kasimoglu, M: 2000)

2.12.3 Credibility

The content involves credible reporting, journalistic style. The ownership of content is also important and hinges on the issue of copyright of content from media agencies like SAPA or Reuters. With regard to the interactive nature of online publications, Buckland (2002) of Mail & Guardian Online says that the standards of online journalism are poor at the moment, brought about by unfortunate financial circumstances that online publishers find themselves

in. They are operating on tight budgets brought about by the medium's inability to attract online advertising.

Stewart (2002), acting editor for SABCnews.com says that online publications point to several potential pitfalls such as plagiarism and copyright infringement.

Online corrections are easy to make and this detracts from the need to deliver credible content at the initial stages. Less attention is also paid to the quality of the story.

Buckland (2002) however concedes that despite these shortcomings, there are still some very good online journalists. As the economy improves, so will the standards and the quality.

Online's slice of the total media pie stands at 0.4%compared with 6% to 8% in other major media consuming countries says Moneyweb's editor-in-chief Alec Hogg (2002).

Berger (2003) believes that standards and ethics of online journalists are on par with the other print or electronic journalism. He argues that online journalists are more accountable to the readership due to the ease with which they can respond. Jovanovic (2003) shares this view and she says that TV and print may be perceived to be of a higher standard, but that it is not about objectives, standards and ethics. It is about the work of online journalists being under closer scrutiny for its originality, plagiarism and consistency. Berger (2003) further contends that the standards set for print and online content is uneven in light of the fact that online news is "repurposed from other platforms" and therefore there isn't much quality distinction between good online and good print media.

The interviews conducted with media agents and students revealed that they prefer accessing the on-line newspapers mainly because of the speed and immediacy and to some degree the interactivity. They say there is insufficient time to read newspapers. Following this, the question that arises is what will the future of the newspaper be in light of the dwindling readership figures? Are these figures dwindling on account of the issue of alliteracy or is it because of the quality of the content?

2.13 READERSHIP TRENDS

South Africa has a culture of being alliterate. This however is not unique to us and appears to be a global trend. Publishers shudder when they look at the demographics of newspaper reading: the young do much less of it than the old and the middle aged. One can equate the

reading of a newspaper with smoking. It is a habit that entrenches itself from watching dad unfolding the newspaper, his emblem of adulthood at the breakfast table. If this habit is not acquired early, it is never acquired.

Over the years economics and technology have impacted on lifestyle and leisure trends – more television channels, TV games, video games, chat rooms and other delights of the digital age has reared its head. This has led to a decline in readership and circulation.
Another reason for declining readership figures is because readers are fighting to find time, which will allow them to read. "Perhaps the newspapers don't know their readers", says Quinn, (2004) publisher of Sunday News in Auckland New Zealand and gives a profile of readers:

- They are the paper's lifeblood.
- They are real people – not circulation statistics.
- They are promises and will defect to other publications through lower price or subscription "gifts". So take care of the customers or someone else will.
- On the same note, get the newspaper to the readers on time every time.
- Readers want to be surprised – provide NEWS.
- They are savvy and know more about the newspapers than you think.
- They adore gossip. Readers may deny this, but they want to know who is doing what to whom.
- Readers want to feel they are on their side. Newspapers must we watchdogs – not lapdogs.
- They like bad news. This is presently not the case in South Africa.
- They want to be entertained.
- Readers demand relevance.
- Readers can sniff propaganda a mile off.
- They don't like black fingers. If invisible ink cannot be invented, the solution is to access news and information and entertainment online.

More and more newspapers are appointing in-house readership experts to push for changes in content and culture. (Moses,L. 2003:12). For its survival, newspapers must attract tomorrow's loyal readers – the youth. There is a misconception that readership will increase with age. This will not be the case because lifestyle trends have brought with it an interactive genre of information consumers. So as a survival strategy, Newspapers must provide its readership

with information, which will make it feel smarter. Ask them what they read and give them what they want. A warning though, one must be careful not to alienate the older readers. (Patterson, 2004)

While the 2004A AMPS (All Media and Product Survey) shows that the readership in the newspaper sector remains stable overall, but this is not significant. (SAARF AMPS 2004 survey: 10)

However reversing readership trends that have been around is not easy.

Perhaps the paper should be repackaged, increase its community and regional offerings and attract the youth. (Willberg, E. 2004)

2.14 ADVERTISING TRENDS

2.14.1 Advertising as a business model

Advertising is the most lucrative business model at Independent Newspapers. The media executives confirm that the advertising revenue has increased over the past three years, but because of the sensitive nature of revenue, were unable to provide tangible evidence in the way of figures.

An article in The Media August 2004 lashes out at SAARF saying that figures are artificially boosted by the bulk sales on offer to retailers who pay a lower cover price. They in turn advertise their products – this trade-off does not bring in revenue or rates are discounted. So should these figures go towards the Circulation business model or the advertising model? There has been a reduction in adspend. (Greenblo, 2004:44).

According to Price Waterhouse Coopers (2002), print advertising is feeling squeezed and feels that they need access to online advertising opportunities. (Independent Newspapers KZN- E-Business meetings conducted with Executive in April 2002.)

Digital advertising however has seen an increase in its figures. With advertising as a business model, its sustainability is important. Newspapers have two intertwined problems – declining circulation penetration and declining share of advertising. With regard to decrease in advertising revenue, the decline puts great pressure on advertising rates and rate increases. (INMA: 2004:10)

Independent Newspapers must develop strategies to increase circulation.

Osborne, president and editor of The Dallas Morning News said,

"Newspapers should inculcate the thought that every employee is involved in marketing the paper, and that every department contributes toward making the paper more marketable. They should stress that all departments are interdependent – and that intelligent communication and mutual appreciation are paramount"

"Circulation growth comes at a cost. A newspaper won't get penetration growth without lowering its profit margin – but in the long run it will make money. (Osborne, 1986: 3)

The researcher will make recommendations relating to increased circulation. Is Independent Newspapers delivering what it is meant to and despite this its circulation is dropping?

The question therefore arises - What is its core competence?

2.15 WHAT IS CORE COMPETENCE?

It is the distinctive capabilities of an organisation, which can be implemented using organisational resources-namely innovation, architecture, reputation and strategic assets. The core competence of an organisation is its enabling culture, as opposed to its relationship culture, where the latter could be likened to its personality and interpersonal skills and the former to its motivation and applied skills. (Ambrosini, 1998:4) It is that aspect of the business where the products and services are delivered using the available resources in that organisation. It is something that is difficult for its competitors to imitate. Very ofen the core competence is not that aspect which is stated in the organisation's mission statement. In most cases the core competences of an organisation are hidden from competitors and from the organisation itself. Often organisations have more than one core competence. They may also be unaware of what it is. What then is the core competence of Independent Newspapers?

From the interviews conducted with editors and senior staff of the numerous publications, there was unanimity in their response, namely that

- It is to gather information;
- It is to provide information and entertainment;
- To get the newspapers to its consumers on time every time.

Independent Newspapers has the infrastructure and resources, both human and physical to comply with what is expected from them in terms of their core competence.

They have talented journalists who are able to gather information and facts in an unbiased manner and disseminate it to its consumers of this information.

Independent Newspapers has three Harris presses for which the estimated cost of replacement was R400 million. Obviously it will be much more now. To ensure optimal use of the machine, Independent Newspapers print the Sunday Times on these machines. In fact despite the fact that these machines are 23 years old, they are still able to produce good quality print. All the hardware was upgraded. In fact its distribution channels is one of its strengths which is utilised by The Sunday Times to also distribute some of their papers. As a long term or short-term survival strategy, corporate core competence is essential.

Hamel and Prahalad (1990) proposed three tests:

- Do they provide potential access to a wide variety of markets?
- Do they make a significant contribution to the perceived customer benefits of the end product?
- Is it difficult for competitors to imitate?

If the core competencies meet these criteria, you have succeeded, if not, start again. In the process of effectively dispensing with its core competencies, Independent Newspapers must ensure that the operational function does not erode its profits. In addition to ensuring that resources are concentrated on creating and sustaining core competencies to develop current key success factors, there must be some investment in the future. It is argued that rather than competencies, strategic success are based upon capabilities – processes, which enables the company to be an effective competitor. For example, Independent Newspapers distribution channels must achieve both high service levels (effectiveness), and low costs – (efficiency). (Thompson , 1994:15) The core competencies can be used to compete for the future. This does not mean reengineering or restructuring the business.

These are short-term strategies that are trying to correct the mistakes of the past.

(Hamel,G and Prahalad, CK: 1990)

The leadership must be innovative and harness the challenge to change operations that will enhance and shape the organisation's future, by forging a strategic fit among the activities and implementing a strategy, which is competitive and sustainable.

"To create the future, requires industry foresight. Since change is inevitable, managers must decide whether it will occur during turbulence or in a calm considered manner, with foresight

about the future of the industry."(Hamel and Prahalad, 1994:128) The regeneration of the future must be an ongoing process. Organisations are however guilty of doing this after the restructuring process and then leaving it until another crisis situation rears its head.

2.16 LEADERSHIP AND CHANGE MANAGEMENT

Changes in societies, markets, customers, competition and technology –especially Internet technology- around the globe are forcing organisations to clarify their values, develop new strategies and learn new ways of operating. This difficult task of mobilising the workforce to do the adaptive work is often that of leaders. The Internet here emerged as a legitimate yet competing tool. Mobilising an organisation to adapt its behaviour in order to thrive in new business environments is critical. Without such change any company today would falter. Getting to do adaptive work is the mark of leadership in a competitive world.
(Heifetz and Laurie, 1997)

As stated earlier Strategy and Change management involves exactly the same steps. To see them as separate activities is to set oneself up for failure in both. (Manning , 2001:47) Whilst Kotter (1990:103) says that to manage change, leaders align employees to the tasks on hand, Heifetz and Laurie (1997) say that this view is bankrupt because they continue treating adaptive situations as if they are technical and people become change weary and unproductive.

What do leaders really do?
"Good management controls complexity; effective leadership produces useful change", said Kotter (1990: 103) As soon as there is turmoil, organisations say that strong leadership is the key to successfully bringing about the change when there is adversity in innovation. The skills required conquering adversity and emerging stronger and more committed than ever are the same ones that make for extraordinary leaders. (Bennis and Thomas, 2002: 39). Whenever the author spoke to people that faced a challenge, the stories that emerged not only indicated how leaders were shaped but also pointed to characteristics, which applied to all leaders.
The author believes that Leadership encompasses four qualities:

• Dive into chaos and mobilise employees around a new approach to management;

• A distinctive and compelling voice;

• Integrity and a strong sense of values;

- Adaptive capacity – the ability to transcend adversity.

In another article titled The Work of Leadership Heifetz and Laurie (1997) submit that "changes in societies, markets, customers, competition and technology around the globe are forcing organisations to clarify their values, develop new strategies and learn new ways of operating. The toughest task for leaders in effecting change is mobilising people throughout the organisation to do adaptive work. Mobilising an organisation to adapt its behaviour in order to thrive in new business environments is critical. Without such change any company would falter. Heifetz and Laurie (2001:132) further concede that getting people to do adaptive work in a competitive world is the task of a leader. But senior executives find it difficult to provide leadership. They are better at displaying their authority by virtue of giving commands. There are two reasons for this:

- Senior executives are used to providing solutions to problems when these arise. The task of solving a problem must be shifted to the employees when an organisation faces an adaptive challenge. Loewen (2003) shares this view.
- Adaptive work is distressing and leaders must allow employees to take on new roles. Leaders must support rather than control. Workers for their part need to take responsibility.

In his article titled "What Leaders really do", Kotter (1990) says that leadership and management are two distinctive and complimentary systems. Management is about coping with complexity. Its practises and procedures are for the most part responses to the emergence of large, complex organisations. Leadership on the other hand is about coping with change.

As the business world has become more competitive and more volatile, there is a greater need for a leader. Transforming an organisation is the ultimate test of leadership. But a strong leadership is not the optimal situation if the management is weak. Kotter holds the view that leaders and managers must co-exist and display a tangible presence in an organisation. In another article by Kotter (1998) titled Winning at Change, he says that, irrespective of its size, no organisation is immune to change. To cope with technological, competitive and demographic forces, leaders in every sector have sought to fundamentally alter the way their organisations do business. These changes have presented themselves in many guises – restructuring, reengineering, turnaround, mergers and acquisitions, total quality management. Yet, few accomplish these goals. Kotter says that fewer than 100 companies he has studied

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have successfully transformed themselves. To produce change is 80 percent leadership, to talk to people, motivate them, inspire them, establish direction, and align them strategically.

2.17 INNOVATION

CEO's want their organisations to remain competitive across the board. For this to happen says Andrell Pearson, (2002: 127) they have to constantly innovate their strategies for sustainability. They must create value for their customers on an ongoing basis. In this way they will constantly scan the internal and external environments, to see where they can make changes, which will benefit all the stakeholders.

Chesbrough and Teece (2002) are of the opinion that advances in information technology has made it easier for companies to exchange data and co-ordinate activities, giving rise to a virtual organisation, but the learned authors ask, "Is virtual virtuous?" Champions of virtual organisations are saying that outsourcing makes one flexible. Flexibility they say is good. So a company that invests in as little as possible is good and will be more likely to adapt to change easily, more responsive to changes in the marketplace and therefore more likely to attain a global competitive advantage. Small companies have outperformed corporate giants, for example, IBM has been eclipsed when it came to PCs. While there may be many success stories about virtual businesses, the failure of many of these virtual organisations has not made the headlines.

Independent Newspapers must ensure that their continued success is built on a steady stream of improvements on production – in this case the delivery of content and perhaps moving from the arduous task of making negatives to the novel concept of computer to plate. This means that they must:

- Create and sustain a corporate environment that values better performance above anything else;
- Structure the organisation to permit innovative ideas to rise above the demands of running the business;
- Clearly define a strategic focus that allows the company to channel its innovative efforts realistically – in ways that will pay off in the market;
- Know where to look for good ideas and know how to leverage them once they are found;
- Go after good ideas using all the company resources optimally.

To carry out each of the above functions individually is no great task, but to focus on all these tasks collectively requires a great deal of energy. It is this systematic effort to make innovation an institution, which will give market leaders the edge.

The author says that innovative leaders lead innovative companies. Innovative leaders are not necessarily creative idea-driven people. But they welcome change because they are convinced that their competitive survival depends on innovation.

Finally, the management of Independent Newspapers must be prepared to undertake risks.

The most successful innovations require four key inputs:

- Believe that a new idea is critical and will keep pushing ahead.
- Someone high up in the organisation must marshal its resources – people, money and time
- Create a mix of bright creative minds and experienced operators.
- A process that moves ideas through the system quickly so that they get top-level assessment, endorsement and resources early in the game.

Although these steps sound simple, they can be challenging from start to finish It does however build market leadership and gives it a competitive edge. Which makes taking the challenge worthwhile. (Pearson, 2002: 119)

2.18 MEDIA CONVERGENCE

There has been great hype around the Internet technology being the future and essential conduit for many business activities. This is more so in the case of Independent Newspapers where The IOL has been launched. This however has not rendered physical businesses less important. Jeffrey Huang (2001:149) says that people need social and sensual contact.

"The companies that succeed will be those best able to integrate the physical and the virtual. But that requires a new kind of business architecture – a new approach to designing stores, offices, factories and other spaces where business is conducted."

Huang outlines four challenges facing designers of such convergent structures, so called because they function in both the physical and virtual space:

- Matching form to function;
- Allowing visitors to visualise the presence of others;
- Personalising spaces;
- Choreographing connectivity.

Huang (2001:149) further says, the success of this type of organisation depends on the presence of convergent architecture, which will allow businesses to meet these challenges. For example, allowing visitors to visualise the presence of others means that visitors to a website should be given a sense of other site visitors. There is however much debate around the introduction of the Convergence Bill in South Africa. *"In an orderly world of law, the technology world has caused chaos."* So says Ellis (2004) a reporter in her report titled Window Dressing published in the Argus on 26 February, 2004. *"Computers are no longer only computers, but also radios. E-mail can be sent from a cellphone and music and videos can be downloaded from the Internet. To prevent anarchy from ruling the airwaves and cyberspace, the Department of Communications proposed a new law to regulate them."*

The draft bill aims to promote convergence in the broadcasting and telecommunication sectors and to provide for a new regulatory and licensing system. Hoffman (2004) Head of the Commercial Law Department at UCT's Law School says the bill is merely another example of window dressing legislation. He says the new law's attempts to regulate
the Internet will become a problem if the boundaries are not clearly defined. *"There is a need for legislation to regulate activities for which licence is required."* (Buckland, 2004*).* The move to bring about the convergence Bill brings with it dangers which will be regretted. The then editor of Mail and Guardian, Buckland (2004) shares this sentiment. He further says that while the Convergence Bill has good intentions such as promoting growth and liberalisation of the Communications industry, its unsavoury reference to "online publishing" and "information services" and its apparent attempt to regulate Web site publishing effectively means that you require a licence to own a Web site.

2.18.1 What is Convergence?

Convergence refers to the process through which formerly discreet functions serving specific areas of service delivery become interchangeable with one another. At a technological level, detached and previously incompatible platforms, example satellites, fibre optic cable infrastructures can now deliver telephony, mobile communications, and broadcasting and Internet connections, all of which are able to 'speak' to one another in seamless mode.

In terms of content, information can be transmitted through terrestrial networks, closed cable, direct to home satellite, Internet transmission, or any combination of the above. Content can be repurposed for film, TV programming, computer animation, DVD or videotape.

Convergence also refers to the economic process of mergers both horizontally –across content and technological platforms and vertically – down the value chain from production through distribution and related merchandising. (Tomaselli, 2004)

Convergence in South African Web sites like IOL and iafrica.com rely extensively on wire copy to keep up to dates and both draw on the sole national news agency, SAPA. There is nothing wrong with this and IOL has carved a niche for itself as the country's top Web site. It means that the same story appears on two rival sites. It further means that for IOL much of the mass of unique content coming from parent papers is actually redundant, because the basic news has already been broken and the synergistic linkage that could have been created as a result of partnering has been diminished.

Convergence is costly and one must get maximum benefit from it. Hence there was a recommendation that the news be constantly updated, it must be interactive because the public do not mind chewing over old news in the newspaper, but they want to be frequently updated by TV, radio and more importantly the Internet.

Tompkins (2004) says successful convergence efforts must include training.
Newspaper journalists don't want to look foolish on TV and TV journalists often feel they are not good enough to write for newspapers. Photojournalists must also learn the mechanics of shooting a still photo for the newspaper. All the media workers of the various news mediums must learn to produce for the Web.

The convergence of the different news medium, namely, TV, radio, newspapers and the Internet may be examined as a viable option for the sustainability of the various media. Seattle journalist Rinearson (2004:10) said to people at the Poynter Institute that people overestimate what will happen in two years, but underestimate what has happened over the past decade. There are four technologies that will shape the Internet:

- Voice browsers;
- Bluetooth – laptop computers which have already presented itself as a palm pilot;
- Peer – to – Peer – attaching a simple PC to the Net;
- XML – everyday the Internet holds more and more information. This trend will accelerate as long as broadband connections exist. The information must be easy to access and manipulate (XML) and easy to display (HTML).

Nee (2000:25) said that as long as one conforms to the basic rules of the Internet's digital language, one could enhance it with all sorts of wild technologies. As the bandwidth / broadband increases, one will be able to play to a highly connected populace.

A computer 30 years ago was as large as a wardrobe. It has evolved from a desktop with a TV screen, become portable – laptop and now the Palm pilot has made an appearance. The cell phone can be seen as the computer of the future, connecting communities throughout Africa. One needs to crank up our content, community, commerce and channel across the media. Through convergence not only Web sites will be saved, but also they will be successful.

Convergence is the key to using the New Media to optimum effect. It is critical for Africa.

Looking back, business structures have been subjects of change over the last century. An example of this is the Internet. Since its existence, there has been a move globally to conduct business online, - the advertising, sales, and the distribution.

The Internet has revolutionised the way in which users interact with Web sites. It has still not created a way for Web sites to interact with each other.

Perhaps this is an aspect, which needs to be looked at by Independent Newspapers to equip themselves for the future when Web sites do start interacting with each other.

It seems that in a short few years newspapers would conduct their entire business operations online. The Internet has just done just that – as stated earlier, a large chunk of advertising revenue comes from digital advertising. Countless market functions are handled through the Internet. Many successful newspapers in order to stay close to their readers have their journalists produce private weblogs, offer additional information on a Web site and very important to stay permanently in touch with their readership has rightly become the hallmark of innovative newspapers. *"Markets have become conversations"*, says Specker (2004). So maybe the Internet has not met the short-term expectations. But it has changed the markets and business beyond recognition and to a degree that none of the Internet preaches could have foreseen. In many of the US newsrooms are faced with the reality that they should not only be developing print, but also online and broadcast news. Many newsrooms are therefore now producing content for both online and print products. Presstime a magazine for the Newspaper Association of America says that media executives in industry agree that three precepts should be adopted to ensure successful cross-media publishing:

- Cultivate an understanding of non-print media;

- A "content neutral" system that can handle text, video, audio and photos;

- An editorial that focuses on production and newsgathering for any medium.

Stewart (2002) of SABC suggests integrated newsrooms will facilitate this, with each story being treated in the medium, which best suits, it. He says that this will take a bit of time to happen in South African newsrooms because people are still entrenched in traditional media roles and ways of envisioning the media.

Buckland (2002) says that at Mail and Guardian this newsroom integration is encouraged, not only to achieve economies of scale (cost effectiveness) but also to ensure that the values and editorial positioning of the print publication and the online publication are consistent.

Berger (2002) feels a huge cultural change is necessary because South Africa has seen many instances of convergence and integration unwinding and going into reverse, because of the difficulties of cultural change. The leadership is important here and Berger (2002) says it calls for a "nuanced leadership". Our newsrooms and resources are equipped for uni-platform.

Resource constraints, pressure on journalists to produce quantity instead of quality and poor management are the difficulties envisaged. Berger says that younger journalists are able to multi-skill, they are more flexible and therefore adapt easier to multi-platform publishing. (Buckland, M, 2002)

In the USA online newspapers are bringing increased benefits to their parent newspapers. As broadband penetration increase rapidly, many newspaper sites have partnered with TV properties to offer video content on their Web sites. (Green, J. B. 2004: 16)

Internet telephony is another area for media convergence, the most significance being cost effective and easy to implement. (Internet: www.iptel.org/info) accessed 14/08/2004.

2.19 SUMMARY

The discussion for and against Internet technology as opposed to newspapers as an information medium of the future both have merit and neither can therefore be discarded.

If Independent Newspapers want to differentiate itself and have a competitive advantage, it can ill-afford to ignore the Internet.

The mere fact that its online publication, the IOL like many other similar online publications has a presence indicates that the Internet has made some impact, the extent of which will be addressed in Chapter 4.

We have observed that adspend has migrated to online publications, thus changing the landscape of a business model. It will therefore be foolhardy to ignore the Internet.

There has been a change in readership trends and circulation.

The question that needs to be answered is whether the impact it makes is significant enough to replace newspapers. The analysis of the results from the survey and interviews will shed light on this aspect. Porter suggests that the Internet should complement strategy.

He says that one cannot have a separate online business. He proposes a brick and mortar establishment, which is complemented with online business – a brick and click strategy.

"In the years to come, companies now on the fringes of the Internet economy will make use of Internet technology such a core part of their business that the distinction between e-business and traditional businesses will become non – existent." (Thompson and Strickland, 2001:248)

Depending on the results revealed from the quantitative exercise, the company vision may have to be revisited or the strategies must be aligned to the current vision – there must be a strategic fit between the new strategies implemented and the vision. The management of Independent Newspapers must ensure that whatever strategy they implement, must be continually evaluated to see that it is aligned to the objectives. For in scanning the environment continuously, the changes will be detected at an early stage and new strategies will be developed.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

To evaluate the impact of Internet Technology on newspapers requires the use of the appropriate data collecting and measuring tools. The evaluation can be either a quantitative or a qualitative one, or both. Conducting a survey or an interview respectively can do this.

In this chapter the researcher outlines the procedure that was followed in her quest to reveal the answer to the problem statements by the use of the research design.

Research design is the plan and structure of investigation so conceived as to obtain answers to research questions.

The plan is the overall scheme or program of the research. It includes an outline of what the researcher will do from writing hypotheses and their operational implications to the final analysis of the data.

A structure is the framework, organisation or configuration of ...the relations among variables of a study. A research design expresses both the structure of the research problem and the plan of investigation used to obtain empirical evidence on relations of the problem (Cooper and Schindler 2003:146)

3.2 THE AIM OF THE STUDY

The study aims to evaluate the impact of Internet technology on the print media. Based on the level of impact, the researcher's objective is to recommend strategies to Independent Newspapers for its sustainability and growth. Bear in mind that this study is limited to newspapers.

3.3 RESEARCH DESIGN AND PROCEDURE

The research design is said to constitute a blueprint for the collection, measurement and analysis of data. The research design is a plan for selecting the sources and types of information used to answer the research questions.

(Cooper & Schindler: 146).

3.3.1 Research questions

In light of the aim of the study the following questions arise:

- Does Internet technology impact on the print media?
- If it does, to what degree does it impact on print?
- What strategies must be implemented by the organisation for its sustainability and growth?

The answers to these questions will be revealed by way of quantitative and qualitative methods and each method will be discussed.

3.3.2 Exploratory study

Through exploration the researcher aims to develop concepts more clearly, establish priorities and develop operational definitions in order to clarify the dilemmas facing the management of Independent Newspapers.

The objectives of exploration may be accomplished with different techniques, both qualitative and quantitative, but relying more on the former where semi –structured interviews were conducted as the exploratory technique.

3.3.3 Interrogation / Communication study

The techniques used to collect primary data for the exploratory investigations will be will be by the use of questionnaires and interviews. Questionnaires were be handed to a sample of approximately 150 people of two distinct age groups- namely, the baby boomers, a sample of which will be employees of Independent Newspapers – The editorial staff, writers, advertising reps, the accounts department, cleaners, security and canteen staff.

The X-generation – a sample of which will be grade 12 pupils from New West Secondary School and Grade 11 students from Crawford College.

A further sample, which is mixed, will be taken from the Damelin Management School.

Members of the organisation's management team, academics from various journalism schools and other key players in the industry will be interviewed.

3.3.4 Ex Post Facto

Interviews will be conducted indiscriminately thereby eliminating any aspect of bias. One has no control over the variables and will not be able to manipulate them. If the researcher has any control over the variables it will introduce bias. (Cooper and Schindler, 2003:149)

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3.3.5 Descriptive study

The dissertation will be a descriptive study and therefore inferences may be drawn from it and it will have some appeal in the planning, monitoring and evaluation of the strategy.

Such descriptive study will relate to how analysis addresses issues such as newspaper content, effective delivery of content via technology, and the costs and efficiencies of connecting with the rest of Africa because of the digital divide, namely affordability and accessibility.

3.3.6 Cross-sectional study

This dissertation is a snap shot of one point in time and conclusions will be made at the time that the dissertation was being completed.

3.3.7 Case Study

A Case Study of the organisation was carried out where the researcher makes particular reference to the external environment and links it to the internal environment and strategic management practices of the organisation.

The contextual features include:

- The history of the organisation and the events that occurred placing it in its present position.
- Comparative study with a similar case;
- A national and international picture;
- The present –day management structure and its functionalities;
- The role of current theories.

3.3.8 Field conditions

The research is conducted under the actual environment and conclusions will be drawn therefrom.

3.3.9 Actual routine

People will be aware of the research carried out. Study will be retroactively carried out.

3.4. DATA ANALYSIS

3.4.1 Data Collection

Data was collected by way of questionnaires, secondary data collection by accessing the works of other researchers, and by conducting semi-structured interviews with journalists, media executives, editors and sub editors at Independent Newspapers and with academics in media studies.

The researcher also conducted an interview with a group comprising 10 students from New-West Secondary in order to establish whether they would use the Internet if they had access to one and what they would access it for.

A questionnaire was used to measure:

- The impact that other media such as TV, radio and Internet technology has on newspapers.
- How consumers perceive the organisation's capability to deliver information
- And whether the organisation is delivering what is expected from them – that is, is the information credible?
- It further measures what the consumers expect from the content delivery and
- What strategic changes have to be effected to meet consumer demands?

Interviews were conducted and data collected, together with the data from the questionnaire. This will be analysed and measured using a statistical package -SPSS.

The purpose of the package is to avoid errors in casting and to attain accuracy.

Questions in the questionnaire were clearly structured and were closed questions.

(A copy of the questionnaire attached as Appendix 4)

3.5 QUANTITATIVE METHODS

Questionnaires, which were measured according to a five-point Likert scale, were given to the sample for completion. Some questions in the questionnaires required a "yes" or "no" response. There were some questions where percentages had to be allocated by the respondents in order to elicit the measurement of the impact of Internet technology on the print media. This method is used to collect data and aggregate them to analyse the organisation. It is also used to test the hypotheses – Quantitative methods allow us to accept or reject these hypotheses in a logical and consistent manner. Because the method used is both

qualitative and qualitative –it is known as triangulation. (Ghauri, Gronhaug and Kristianslund 1995) All questions were worded using the correct methodologies and most questions were measured using the Likert scale.

Questions were worded avoiding the common problem areas - namely:

- The questions will not be leading.
- The questions will be clear and simple and understandable
- The questionnaire will not be long especially as this is an intercept survey.
- The questions will only ask one thing at a time.
- The questions will not be vague

The data, therefore was mostly primary data and the authenticity of such data will be assured by using a well-trained interviewer and also by obtaining "buy- in " from the respondents by enforcing the point that honest answers may benefit the respondents in the long run.

The problem question which the questionnaire and interviews and the theoretical underpinnings hope to provide an answer to is:

- Does the Internet impact on newspapers?
- If it does so impact, to what degree?
- Will the Internet replace the print media and render newspapers obsolete?

Depending on the findings, the strategies Independent Newspaper Holdings must implement in order to gain a competitive advantage and sustain itself will be recommended.

3.6 HYPOTHESIS

The hypothesis is that the Internet will replace newspapers.

The null hypothesis is that the Internet will not replace the newspapers.

Statistical Analysis will be conducted using the SPSS (version 11) software suite. This Statistical software program is manufactured by SPSS Inc, 444N. Michigan Avenue, Chicago, Illinois, USA. Various descriptive and inferential statistical techniques were used. The Descriptive procedures used will be various tables and graphs and a few summary statistics including but not limited to means, proportions and percentages.

Inferential Statistics will include various Hypotheses testing techniques. Due to the size of the samples, namely 30 in each group, the researcher used parametric Statistical Tests.

All the tests will set the type 1 error at 5%, or mentioned differently $\alpha = 0.05$.

If the p value as reported is less than 0.05 we will declare a significant result and the Null Hypothesis will be rejected. (Cooper & Schindler, 2003: 535)

Statistical Analysis applied in the inferential statistical analysis section are outlined below:

Paired T-Test

H_0 : $\mu_1 = \mu_2$

H_1 : $\mu_1 \neq \mu_2$

$\alpha = 0.05$

Note: α = probability of rejecting H_o when is true (Type 1: error)

The test is two tailed.

The test statistic is:

$$\text{T Test Statistic} = \frac{\sqrt{(n-1)\Sigma d}}{\sqrt{n\Sigma d^2 - (\Sigma d)^2}}$$

Where d = the difference between the 2 columns.

And n = the number of pairs.

The tabulated value is obtained from T Tables.

Note: The p – value = The probability of H_o being true.

If the p-value is $< \alpha = 0.05$, one rejects H_o

The Chi-Square Test.

H_o: There is no association between both measuring instruments.

H_1: There is an association between both measuring instruments.

$\alpha = 0.05$

Note: α = probability of rejecting H_o when is true (Type 1: error)

The test statistic is calculated thus:

$$\chi^2 = \Sigma((O - E)^2)/E$$

Where the observed frequencies are equal to (row total × column total)/ grand total one gets the tabulated value from Tables = χ^2.

Note: The p – value = The probability of H_o being true.

If the p-value is $< \alpha = 0.05$, one rejects H_o

(Cooper: 537)

3.7 SAMPLING

The population consisted of scholars from a private school, a government school, university, business schools and staff from most departments and at all levels of Independent Newspapers. A population is the total collection of elements about which we wish to make some inferences. (Cooper: 179) The sample size was 120 and a convenient non-probability-stratified sample was used as being representative of the population. Although a probability sample is superior, the researcher was restricted in terms of time and costs. Non probability sampling satisfactorily meets the sampling objectives.

3.8 PILOT STUDIES

Ten questionnaires were distributed randomly to a sample of randomly selected employees at Independent Newspapers. These pilot questionnaires revealed that the average time taken to complete each questionnaire was 25 minutes.

The first section required the respondent to fill in his/her personal demographics. Some were apprehensive to fill in details pertaining to age, marital status especially if they were cohabiting, race but more especially combined annual salary. The question relating to salary raised questions especially if the respondent was divorced or single. Some interviewees were reluctant to disclose their salaries.

Four found Question 1a needed re-reading to enable it to make sense.

Eight found that question 1a should refer to the present and 1b to the past, so these have to be switched around, but since the researcher was always present to brief the sample completing the questionnaire, she explained the sequence and the logic behind having 1a as the past, 1b as the present and 1c as the future.

With regard to the various categories of news in the three tables, unless specifically told not to, most people wanted to answer every category. The researcher was always present to advise the respondents that they should only tick the categories, which they access.

All the respondents found that the questionnaire was intensive, yet easy to follow once they were briefed.

Section B – the questions referred to accessibility of the Internet at various locations, namely school, technikon/university and home that some respondents would leave the question unanswered if it did not apply to them. The researcher had to tell them to answer in the affirmative or in the negative.

Question B9 – some interviewees asked the researcher to explain "community news".

Section C: In question C13, the interviewees asked for an explanation of "local content."

Section D: Even though some answered in the negative to the question of whether the Internet will replace the print media, they still proceeded to answer the next question which referred to the question relating to the number of years in which the presence of Internet technology will be significant.

3.9 QUALITATIVE DATA

Employees of Independent Newspapers – namely editors and content editors were interviewed. The researcher also interviewed media executives and media academics at Durban Institute of Technology.

By way of the interrogation/communication method, the researcher conducted unstructured interviews and recorded their responses, which are discussed in Chapter 4.

The objective of questioning the interviewees was to illicit responses, which were posed to them after initially setting up an interview telephonically and then confirming the questions by e-mail.

The questions posed related directly to the research objectives with the intention of refuting or confirming the hypothesis.

The researcher conducted semi- structured interviews with 10 students at New-West Secondary School.

Secondary data were elicited from journals and other literature.

3.10 LIMITATIONS

Study limited to a small sample of persons – 120. In view of the fact that the researcher has to complete the document in 6 months, the sample size was sufficiently representative of the population.

- Some questionnaires will be spoilt.
- Response rate was limited. A problem may be posed by non-response bias.

- Independent Newspapers executive did not want to reveal certain information and confidentiality request for a period of five years has been instituted.
- Study is limited to newspapers thereby excluding books and magazines.
- Study is further limited to the Durban region.

A further limitation was the reluctance of staff at Independent Newspapers to complete the questionnaires, possibly because of fear of reprisal and despite the fact that management had advised that the researcher had permission to conduct the study.

The editors of all the publications except the Mercury and the media executives were inaccessible thus making it challenging to get pertinent information which may influence the results.

Due to the sensitive nature of the information, the management of Independent Newspapers withheld sales figures and the adspend, preferring instead to confirm that the figures had increased.

3.11 ETHICAL CONSIDERATIONS

Besides sales figures, other information has been taken from the organisation's documents, which under normal circumstances will not be made available to the public. The researcher feels obliged to grant a confidentiality request.

In the event where the researcher interviewed minors, parental consent was first obtained. (See Appendix 3 Consent Form).

3.12 CONFIDENTIALITY

Independent Newspapers has allowed the researcher to use information, which is confidential. The company has requested that the information revealed as a result of the research be kept confidential.

Researcher must respect this request and not make the findings available to unauthorised persons until the requisite time frame has elapsed.

3.13 NATURE AND FORM OF THE RESULTS

The results that will emerge from this study will hopefully be guidelines for the leadership of Independent Newspapers to develop appropriate and workable strategies for its sustainability in the future.

3.14 SUMMARY

The methodology that is outlined above, namely quantitative and qualitative was used to confirm the objectives and to solve the questions posed by the problem statement.

This methodology outlined what procedures were used, what tools were used to illicit responses from the subjects interviewed. The limitations to the study were also important because these would have an impact on the results. The results from this methodology will reveal whether the hypotheses will be refuted or accepted.

CHAPTER 4
RESULTS OF STATISTICAL ANALYSIS

4.1 INTRODUCTION

In this chapter the methodology and the data collection techniques used to conduct the research at Independent Newspapers are explained and the main findings are presented.

The problem statement outlined in chapter one is to establish whether the Internet impacts upon the print media. The other issue is that if it does so impact, to evaluate the extent of the impact.

The sub-problem relates to whether, assuming that the impact is profound/substantial, the Internet will replace print media.

One sample was drawn from the defined target population, which was defined as the following four institutes namely: Damelin, Independent Newspapers, Crawford College and New-West Secondary School.

4.2 DATA COLLECTION

4.2.1 Sample Size

A total of 120 respondents were chosen, and these were based on a convenience sampling system including 30 from each facility made up as follows:

30 part-time students from Damelin;

30 employees from Independent Newspapers;

30 students from Crawford College;

30 students from New West Secondary School.

4.2.2 Sampling Technique

The above sample was chosen based on convenient sampling techniques using respondents who were prepared to fill in the questionnaire.

Although the above techniques applied non-probability sampling techniques and ideally I would have liked to use a more scientific approach, namely a probability sampling technique free from bias, due to the nature of the project, I was limited by both time and budget.

Nonetheless for the purposes of this thesis I assumed the sample to be representative of the population group and drew inferences accordingly.

4.3 STATEMENT OF RESULTS

The statement of results follows:

Initially the various descriptive demographic statistics that make up the sample group are described. This data is summarised at the end of the graphics displayed below.

The Statistical Analysis is broken up into two sections namely the Descriptive Statistics followed up by the Inferential Statistics. The descriptive statistics for the Demographics are illustrated below in graphic form.

Sample Segmentation of Facilities.
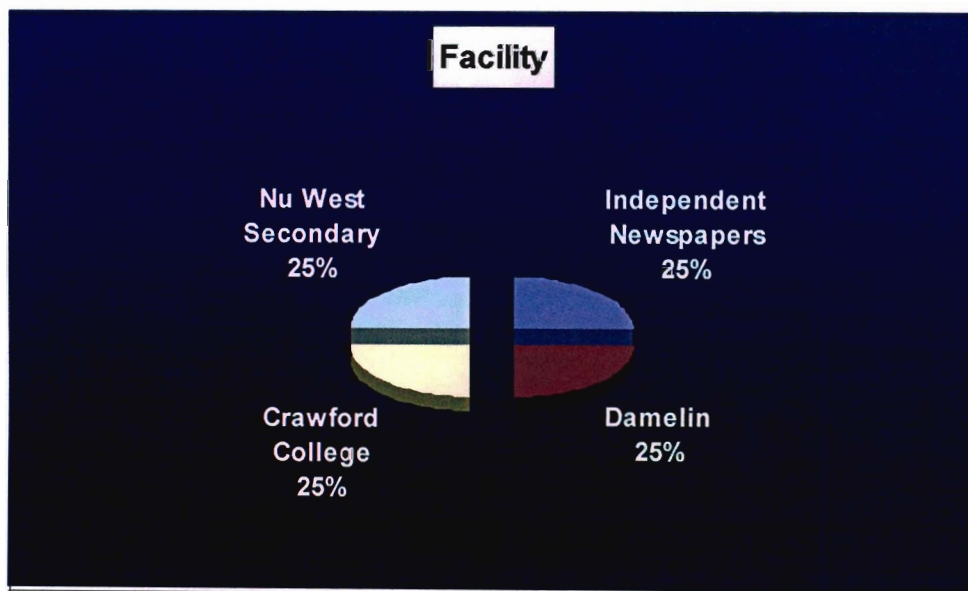
Figure 4.1 Pie chart illustrating percentage of each facility

Facilities:

Each facility had 30 interviewees, comprising 25% of the sample.

Sample Segmentation by Age.
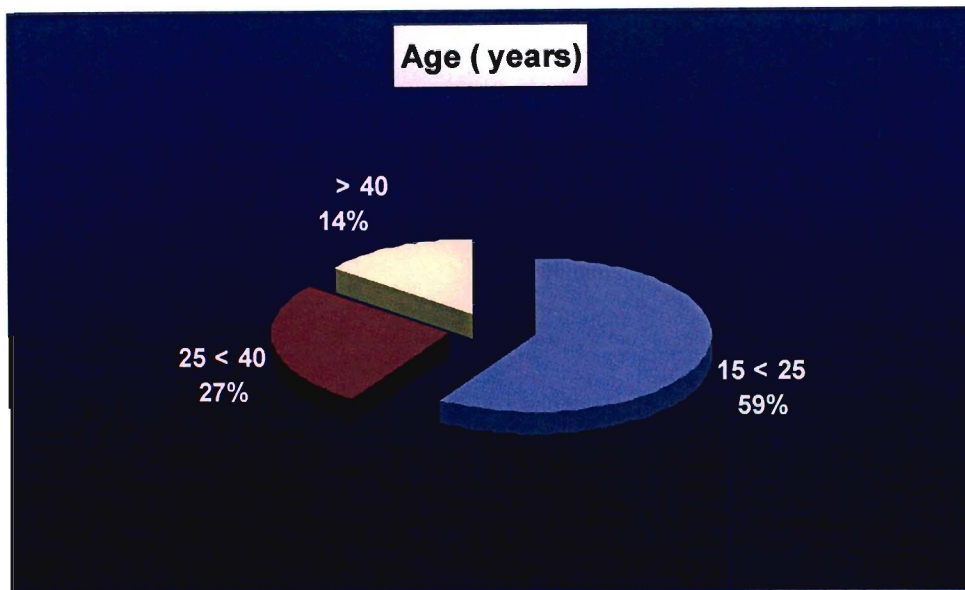
Figure 4.2 Pie Chart illustrating Age Distribution

Age:

50 % of the interviewees were aged between 15-20. This is not surprising in light of the fact that 50 % were school going children. 19 % were aged between 31-40.

The other age groups were almost evenly spread, with the lowest percentage of 2.5 % in the age group 51-60.

Sample Segmentation by Race.
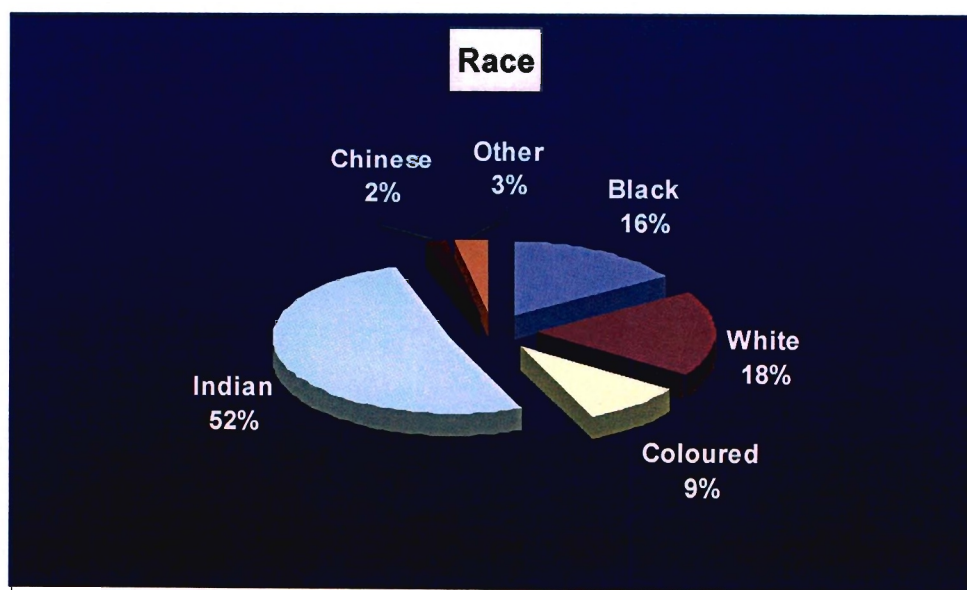
Figure 4.3 Pie Chart illustrating Race Distribution

Race:

The largest group of the sample was Indian, making up 51% of the sample.
This was followed by 24.4 % White and 12.6% Black.

Sample Segmentation by Gender.
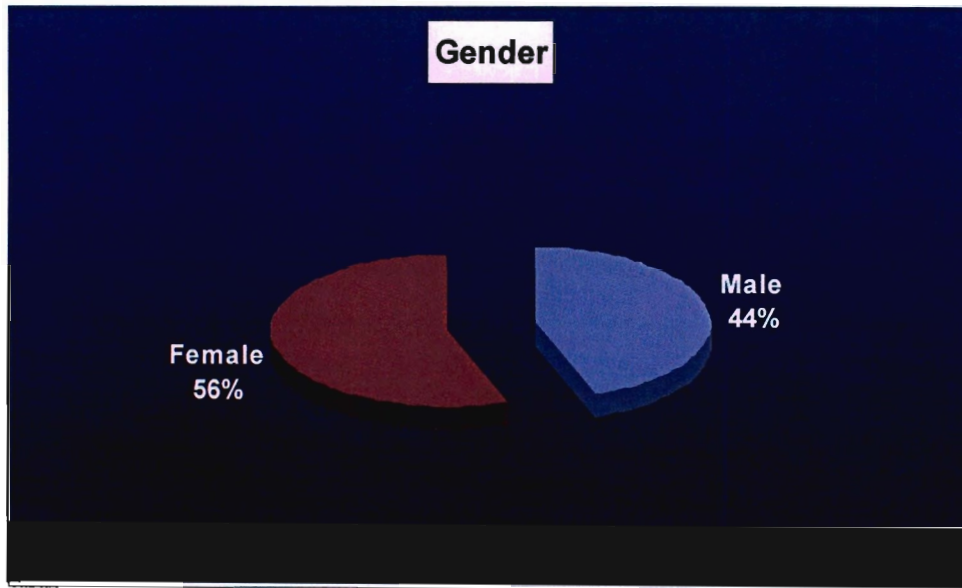
Figure 4.4 Pie Chart illustrating Gender

Gender

The statistics revealed that more females than males participated in the study by a fractional / negligible margin.

Sample Segmentation by Type of Employment.
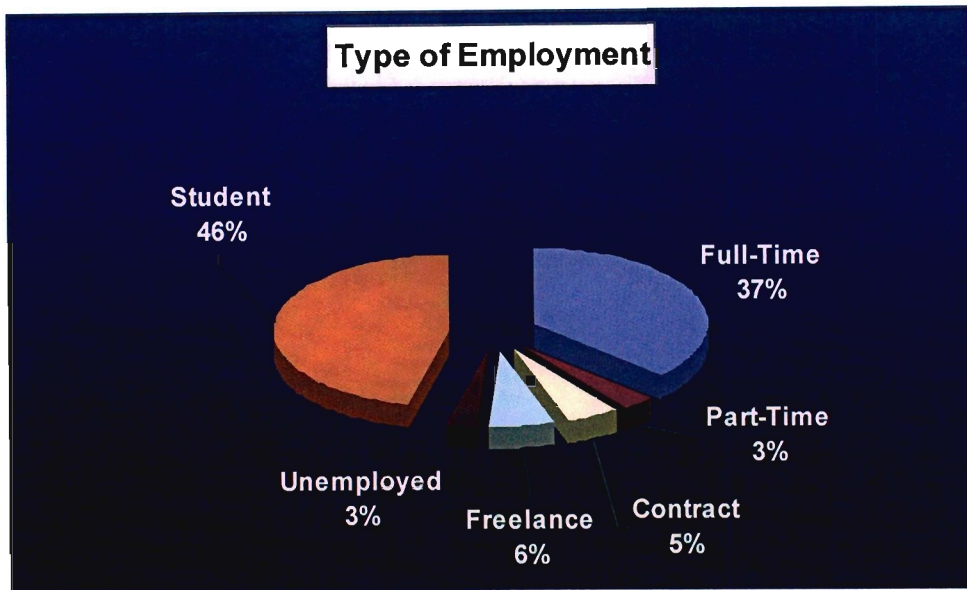
Figure 4.5 Pie Chart illustrating Type of employment

Employment

These statistics revealed that 46.2 % were unemployed. This is probable because most were students. 36.7% were in full-time employment. This percentage increased to 51% when one took into account all those who were employed on either a part-time, contract or freelance basis. This would influence the affordability aspect of being able to access the Internet, irrespective of whether they had the desire to do so or not.

Sample Segmentation by Combined Annual Earnings.
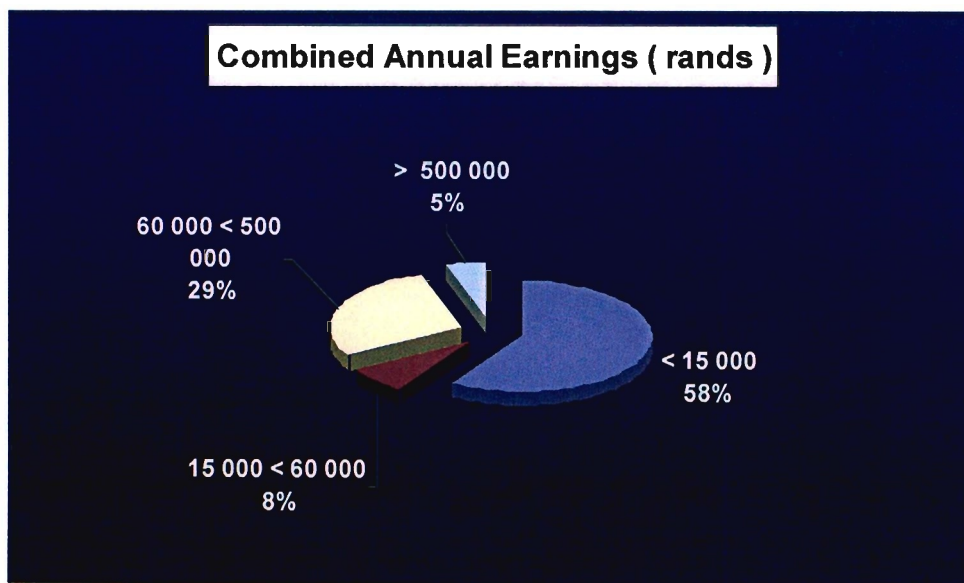
Figure 4.6 Pie Chart illustrating Income Levels

Combined Annual Earnings

44 % indicated that they earned less than R5 000 per annum.

These results are skewed in light of the fact that the largest sample was students most of whom did not work, with some holding down weekend jobs.

12.6 % percent earned between R200k and R500k per annum.

The earnings in between were almost evenly distributed.

Sample Segmentation by Highest Education Level.
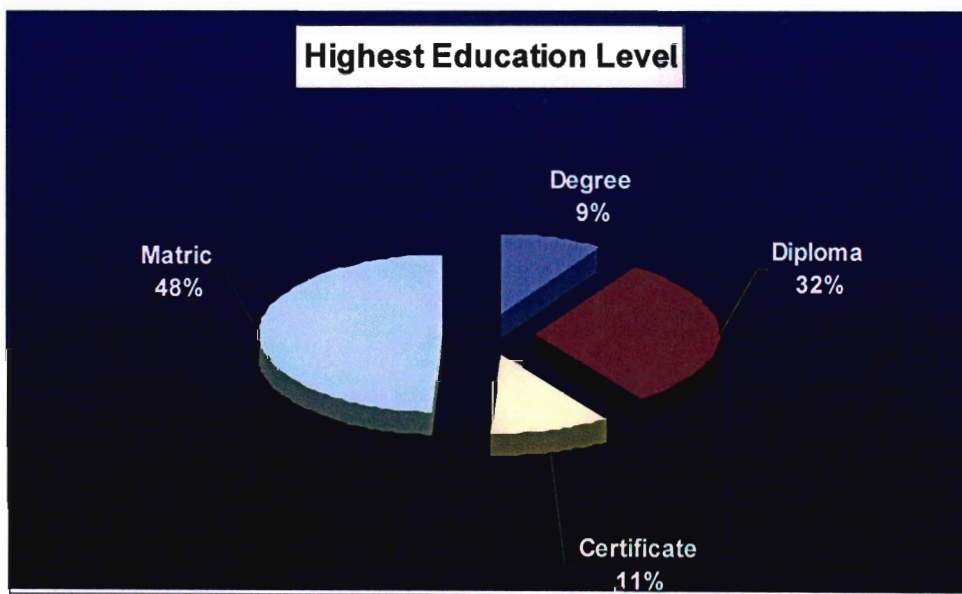
Figure 4.7 Pie Chart illustrating Highest Educational Level

Education

66.8% were in Matric and in lower standards. The remainder of the sample had substantial academic qualifications with 21% in possession of a diploma.

The **descriptive statistics** for the main body of the Questionnaire are highlighted below:

<u>Section A</u>

Over Time :

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
NEWSPAPER	22	40.53	77.87	50.2109	9.48390
RADIO	22	21.85	42.65	30.5423	5.36034
INTERNET	22	21.85	42.65	30.5423	5.36034
TV	22	19.40	40.10	24.6877	4.87344
Valid N (listwise)	22				

Table 4.1: Overall mean perception of past sources of information

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
NEWSPAPER	22	35.83	78.49	47.9941	9.88600
TV	22	24.81	44.24	35.4718	5.49082
INTERNET	22	12.50	46.04	29.0327	6.98936
RADIO	22	17.97	32.74	22.5691	3.54015
Valid N (listwise)	22				

Table 4.2: Overall mean perception of present sources of information

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
INTERNET	22	43.27	60.47	49.3331	5.20883
NEWSPAPER	22	30.22	58.54	38.6883	7.14150
TV	22	13.39	43.85	27.6037	9.00809
RADIO	22	16.92	30.52	20.8599	3.44245
Valid N (listwise)	22				

Table 4.3: Overall mean perception of future sources of information

The results shown by the descriptive statistics tabled in 4.1 to 4.3 reveal that in the case of newspapers, while there is a change from the past to the present, such change is not significant.

Radio interestingly seems to be drifting from past to the future. While the researcher cannot see any specific reason for this trend arising, it can be that many listeners may have defected to the screens, TV or the Internet, bearing in mind that music can be downloaded from the Internet.

In the case of TV, there is a significant change from the past to the present – from 24.68% to 35.47% to 35.47. The drop from the present to the future – 27.6% can be attributed to the fact that the users had migrated to the Internet, where they could access news, information and entertainment.

TV screens have become more digital – TV screens are flatter - and as time evolves, users will be able to surf the Internet on TV.

The Internet is an interactive medium, DSTV is a form of Internet, and in time there will be convergence of the medium, especially as the broadband increases.

Within Each Media Source:

Newspaper:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PAST	22	40.53	77.87	50.2109	9.48390
PRESENT	22	35.83	78.49	47.9941	9.88600
FUTURE	22	30.22	58.54	38.6883	7.14150
Valid N (listwise)	22				

Table 4.4: Overall mean perception of past/present and future of Newspaper as a source of information

The question then remains, are these sample mean differences significant. Due to the sample size in each case being over 30, the central limit theorem applies and we are able to use a parametric hypothesis test, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-taile)
Pair 1 Past-Present	2.2168	3.3552	.71534	.7292	3.7045	3.099	21	.005
Pair 2 Present-Future	9.3057	6.1298	1.3068	6.5879	12.023	7.121	21	.000
Pair 3 Past-Future	11.522	4.9113	1.0471	9.3450	13.700	11.004	21	.000

Table 4.5: Paired t-tests comparing the past, present and future perceptions of Newspapers as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in all cases is rejected indicating that the population mean perception levels in all cases are significantly at a 5% significance level. This implies that there are significant shifts in the population mean perception levels across past, to present and finally to the future. One also needs to notice that this shift is in the negative direction - that is people perceive they will use newspapers less over time as an access medium for information.

Internet:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FUTINT	22	43.27	60.47	49.3331	5.20883
PASTINT	22	21.85	42.65	30.5423	5.36034
PRESINT	22	12.50	46.04	29.0327	6.98936
Valid N (listwise)	22				

Table 4.6: Overall mean perception of past/present and future of the Internet Newspaper as a source of information

The question then remains, are these differences significant. Due to the sample size in each case being over 30, the central limit theorem applies and we are able to use a parametric hypothesis test, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							Sig.
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	(2-taile)
Pair 1 Past-Present	1.5095	6.3698	1.35744	-1.3134	4.3325	1.112	21	.279
Pair 2 Present-Future	-20.300	8.11414	1.72994	-23.898	-16.702	-11.735	21	.000
Pair 3 Past-Future	-18.790	6.7079	1.43013	-21.765	-15.816	-13.139	21	.000

Table 4.7 Paired t-tests comparing the past, present and future perceptions of the Internet as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in the bottom two cases is rejected indicating that the mean population perception levels in these cases are significantly at a 5% significance level. This implies that there are significant shifts

in the population mean perception levels across the present to the future, although this shift is not significant from the past to the present. One also needs to notice that this shift is in the positive direction – that is, people perceive they will use Internet more in the future as an access medium for information.

TV :

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PRESTV	22	24.81	44.24	35.4718	5.49082
FUTTV	22	13.39	43.85	27.6037	9.00809
PASTTV	22	19.40	40.10	24.6877	4.87344
Valid N (listwise)	22				

Table 4.8: Overall mean perception of past/present and future of TV as a source of information

The question then remains, are these differences significant. Due to the sample size in each case being over 30, the central limit thteorem applies and we are able to use a parametric hypothesis test, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-taile)
Pair 1 Past-Present	-10.784	7.26312	1.54850	-14.004	-7.5638	-6.964	21	.000
Pair 2 Present-Future	7.8681	10.0847	2.15008	3.3968	12..3395	3.659	21	.000
Pair 3 Past-Future	-2.9159	9.71006	2.07019	-7.2211	1.3893	-1.409	21	.174

Table 4.9 Paired t-tests comparing the past, present and future perceptions of TV as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in the top two cases is rejected indicating that the mean perception levels in these cases are significantly at a 5% significance level. This implies that there are significant shifts in the population mean perception levels from the past to the present and than again from the present to the future. One also needs to notice that this shift is in the positive direction from past to present and then shifts in the negative direction from present to the past.

That is people perceive they do use TV more today than in the past as an access medium for information, however the feeling is that as the Internet improves TV as a medium of information will be used significantly less and the Internet significantly more.

This is possibly due to the advanced technologies of TV broadcasting i.e. DSTV and so on. People, however, believe in future that the gains made in TV now will be quickly replaced by the Internet as access technologies in this arena improve.

Radio:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PASTRAD	22	21.85	42.65	30.5423	5.36034
PRESRAD	22	17.97	32.74	22.5691	3.54015
FUTRAD	22	16.92	30.52	20.8599	3.44245
Valid N (listwise)	22				

Table 4.10: Overall mean perception of past/ present and future of Radio as a source of information

The question then remains, are these differences significant. Due to the sample size in each case being over 30, the central limit theorem applies and we are able to use a parametric hypothesis test, namely the paired t-test, the results of which are indicated below:

Paired sample test

	Paired Differences							Sig.
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	(2-taile)
Pair 1 Past-Present	7.9732	6.4144	1.3675	5.1292	10.817	5.830	21	.000
Pair 2 Present-Future	1.7092	3.7292	.79507	.0558	3.3626	2.150	21	.043
Pair 3 Past-Future	9.6824	6.9953	1.4914	6.5808	12.784	6.492	21	.000

Table 4.11: Paired t-tests comparing the past, present and future perceptions of Radio as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in all cases is rejected indicating that the mean perception levels in all cases are significantly at a

5% significance level. This implies that there are significant shifts in the population mean perception levels across past, to present and finally the future.

One also needs to notice that this shift is in the negative direction – that is, people perceive they will use radio less over time as an access medium for information.

Summary of Section A of the Questionnaire

The results of the survey portrayed trends in relation to the past, present and future with regard to the different media.

Newspapers:

For newspapers, the past and present are very similar. For the future there will be a decrease in the number of people who will read newspapers.

Internet:

In the past there were fewer people using the Internet. In the future there will be a steady increase in the number of people who will use the Internet.

Radio:

The number of people listening to the radio will be almost the same throughout. The decrease in listener ship in the future will be negligible. But music will be downloaded from the computer.

TV:

In the future there will be fewer people watching TV. This is an indication that people will be able to watch movies on their computer screens.

Media Sources according to age levels

Each media source is also investigated according to the differing age levels.
This is to see if different age levels portray different types of trends.

Age Codes: 1 = 15 years < 25 years

2 =   25 years < 40 years

3 =   > 40 years

Within Each Media Source:

Newspaper:

Age =1

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PAST	22	34.64	66.10	45.5218	8.48545
PRESENT	22	32.68	69.35	43.1445	9.89442
FUTURE	22	29.57	58.32	36.7994	6.84972
Valid N (listwise)	22				

Table 4.12: Overall mean perception of past/present and future of newspaper within age category "1" as a source of information

The question then remains, are these differences significant. We apply a parametric hypothesis test, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							Sig. (2-taile)
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	
Pair 1 Past-Present	2.3773	5.57057	1.18765	-.0926	4.8471	2.002	21	.058
Pair 2 Present-Future	6.3452	6.53493	1.39325	3.4477	9.2426	4.554	21	.000
Pair 3 Past-Future	8.7224	4.99951	1.06590	6.5058	10.9391	8.183	21	.000

Table 4.13: Paired t-tests comparing the past, present and future perceptions of Newspaper within age category "1" as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in all cases is rejected indicating that the mean perception levels in the two cases below are significantly at a 5% significance level. This implies that there are significant shifts in the population mean perception levels across past, to future and more importantly from present to the future within age category "1". One also needs to notice that this shift is in the negative direction – that is people perceive they will use newspapers less in the future as an access medium for information.

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Age =2

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PAST	22	37.50	86.54	52.9332	13.23684
FUTURE	22	18.75	100.00	44.9828	16.02575
PRESENT	22	10.00	35.59	24.4932	5.66242
Valid N (listwise)	22				

Table 4.14: Overall mean perception of past/present and future of Newspaper within age category "2" as a source of information

The question then remains, are these differences significant? A parametric hypothesis test, is applied, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							Sig. (2-taile)
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	
Pair 1 Past-Present	3.2527	7.9600	1.6970	-.2766	6.7820	1.917	21	.069
Pair 2 Present-Future	4.6977	19.7306	4.2065	-4.050	13.445	1.117	21	.277
Pair 3 Past-Future	7.9504	16.1804	3.4496	.7764	15.124	2.305	21	.031

Table 4.15 Paired t-tests comparing the past, present and future perceptions of Newspaper within age category "2" as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in only one case is rejected indicating that the mean perception levels in the case below is significantly at a 5% significance level. . This implies that there is a significant shift in the population mean perception levels across the past to the future within age category "2". One also needs to notice that this shift is in the negative direction – that is, people perceive they will use newspaper less in the future as an access medium for information.

Age =3

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PAST	22	38.89	86.36	58.8364	12.41952
PRESENT	22	31.67	92.50	58.4641	12.47540
FUTURE	19	15.00	100.00	43.0804	20.36289
Valid N (listwise)	19				

Table 4.16: Overall mean perception of past/present and future of newspaper within age category "3" as a source of information

The question then remains, are these differences significant? A parametric hypothesis test, is applied, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							Sig.
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	(2-taile)
Pair 1 Past-Present	.3723	7.38411	1.57430	-2.9017	3.6462	.236	21	.815
Pair 2 Present-Future	15.0770	19.43874	4.45955	5.7078	24.4461	3.381	18	.003
Pair 3 Past-Future	15.6249	18.26454	4.19017	6.8216	24.4281	3.729	18	.002

Table 4.17: Paired t-tests comparing the past, present and future perceptions of Newspaper within age category "3" as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in all cases is rejected indicating that the mean perception levels in the bottom two cases are significantly at a 5% significance level. This implies that there are significant shifts in the population mean perception levels across past, to future and more importantly from present to the future within age category "3". One also needs to notice that this shift is in the negative direction – that is people perceive they will use newspaper less in the future as an access medium for information.

Internet:

Age =1

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FUTURE	22	36.90	57.21	43.1275	6.02978
PRESENT	22	15.00	54.20	32.5714	8.92472
PAST	22	16.00	45.83	30.8914	8.92140
Valid N (listwise)	22				

Table 4.18: Overall mean perception of past/present and future of Internet within age category "1" as a source of information

The question then remains, are these differences significant. We apply a parametric hypothesis test, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							Sig. (2-taile)
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	
Pair 1 Past-Present	-1.680	6.9259	1.4766	-4.750	1.3908	-1.138	21	.268
Pair 2 Present-Future	-10.556	10.5062	2.2399	-15.214	-5.897	-4.713	21	.000
Pair 3 Past-Future	-12.236	11.2686	2.4024	-17.232	-7.239	-5.093	21	.000

Table 4.19: Paired t-tests comparing the past, present and future perceptions of Internet within age category "1" as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in all cases is rejected indicating that the mean perception levels in the two cases below are significantly at a 5% significance level. This implies that there are significant shifts in the population mean perception levels across past, to future and more importantly from present to the future within age category "1". One also needs to notice that this shift is in the negative direction – that is, people perceive they will use newspaper less in the future as an access medium for information.

Age =2

	N	Minimum	Maximum	Mean	Std. Deviation
FUTURE	21	39.38	72.50	58.1151	9.41754
PRESENT	22	10.00	35.59	24.4932	5.66242
PAST	22	6.67	42.86	20.9923	8.08367
Valid N (listwise)	21				

Table 4.20 Overall mean perception of past/present and future of Internet within age category "2" as a source of information

The question then remains, are these differences significant. A parametric hypothesis Test was applied, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							Sig. (2-taile)
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	
Pair 1 Past-Present	-3.5009	6.1098	1.3026	-6.2099	-.7920	-2.688	21	.014
Pair 2 Present-Future	-32.931	9.7872	2.1357	-37.386	-28.476	-15.419	20	.000
Pair 3 Past-Future	-36.599	12.6186	2.7536	-42.343	-30.855	-13.291	20	.000

Table 4.21 Paired t-tests comparing the past, present and future perceptions of Internet within age category "2" as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in all cases is rejected indicating that the mean perception levels in the two cases below are significantly at a 5% significance level.. This implies that there are significant shifts in the population mean perception levels across past, to future and more importantly from present to the future within age category "2". One also needs to notice that this shift is in the negative direction - that is people perceived they will use newspaper less in the future as an access medium for information.

Age =3

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FUTURE	22	38.75	100.00	72.2370	14.65434
PRESENT	22	20.00	100.00	52.9350	22.66598
PAST	22	10.00	42.50	25.5873	9.27328
Valid N (listwise)	22				

Table 4.22: Overall mean perception of past/present and future of Internet within age category "3" as a source of information

The question then remains, are these differences significant. A parametric hypothesis Test is applied, namely the paired t-test, the results of which are indicated below:

Paired Samples Test

	Paired Differences							Sig. (2-taile)
	Mean	Std. Dev.	Std. Error Mean	95% Confidence Interval of the Difference		t	df	
Pair 1 Past-Present	27.347	29.3800	6.2638	14.321	40.374	4.366	21	.000
Pair 2 Present-Future	-46.649	17.7869	3.7922	-54.536	-38.763	-12.30	21	.000
Pair 3 Past-Future	-19.302	24.8606	5.3003	-30.324	-8.279	-3.642	21	.000

Table 4.23: Paired t-tests comparing the past, present and future perceptions of Internet within age category "3" as a source of information.

Since the p value (last column) is less than 0.05 (significance level), the null hypothesis in all cases is rejected indicating that the mean perception levels in the all cases are significantly at a 5% significance level. This implies that there are significant shifts in the population mean perception levels across past to present, past to future and more importantly from present to the future within age category "3". One also needs to notice that this shift is in the negative direction - that is people perceive they will use newspaper less in the future as an access medium for information.

Section B

Coding: 1 = Yes

2 = No

Frequency is a simple device for arraying data (Cooper, 2003:488)

In the table below the frequency column arrays the data by assigning a numerical value to it.

This section deals with issues of accessibility.

OVERALL: Section B – Question 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	63	52.5	55.8	55.8
	2	50	41.7	44.2	100.0
	Total	113	94.2	100.0	
Missing	System	7	5.8		
Total		120	100.0		

Table 4.24: I have access to the Internet at home

Question 2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	62	51.7	59.0	59.0
	2	43	35.8	41.0	100.0
	Total	105	87.5	100.0	
Missing	System	15	12.5		
Total		120	100.0		

Table 4.25: I have access to the Internet at work

Question 3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	63	52.5	54.8	54.8
	2	52	43.3	45.2	100.0
	Total	115	95.8	100.0	
Missing	System	5	4.2		
Total		120	100.0		

Table 4.26: I have access to the Internet at tertiary institution

Question 4:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	48	40.0	42.1	42.1
	2	66	55.0	57.9	100.0
	Total	114	95.0	100.0	
Missing	System	6	5.0		
Total		120	100.0		

Table 4.27: I have access to the Internet at School

Question 5:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	78	65.0	71.6	71.6
	2	31	25.8	28.4	100.0
	Total	109	90.8	100.0	
Missing	System	11	9.2		
Total		120	100.0		

Table 4.28: I have access to the Internet from an Internet cafe

Question 8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	57	47.5	49.6	49.6
	2	58	48.3	50.4	100.0
	Total	115	95.8	100.0	
Missing	System	5	4.2		
Total		120	100.0		

Table 4.29: I have access to no Technology at all

The above section dealt with accessibility to the Internet at work, home, school, Technikon, University. The section in table 4.29 also referred to those who had no access to any technology. This 48% that agreed that they had no technology may have skewed the results somewhat, because people who have access to even a microwave or a TV have access to technology.

- More people had access to the Internet at home by a negligible margin of 0.8%.
- This also shows that they can afford it.
- Accessibility to the Internet at home and at tertiary institutions was identical at 52.5%.
- A significant number did not have accessibility at school at 55%. The reason for this is because the pupils did not have computers at school. This was also revealed in the interviews with students.
- Part of the sample was not school going children and the question would have been answered in the negative if they were at university or at work. The results in this case will be skewed.

The fact that a significant number access the Internet at Internet Cafes shows that there is accessibility and that if they had Internet readily available they would do so.

The interviews with the students revealed that if they had access they would surf the Internet. They would access the Internet mainly for music, which they downloaded and sold. This was in the hope that they will raise sufficient capital and buy their own computer.

The percentage that did not have any access to technology was 47.5%.

This can mean one of two things:

They cannot afford the Internet or they prefer the TV or the newspaper.

The question of affordability is not one of the problem statements, but it does impact on the number of people who will be able to access the Internet.

The sample was divided about whether community newspapers will present the future.

All said they do not shop on-line and also they do not use the Internet for banking.

The following analyses quantify possible relationships between the following pair wise categorical variables. The appropriate techniques used are the Chi –Square Tests. The tables illustrated below are the only pertinent relationships found in this analysis.

All other Chi – Square analyses from section B are reflected in Appendix 5

Question B2 : I have access to the Internet at work

New Age: 1 are respondents aged 15 to 25;

        2 are respondents aged 25 to 40

        3 are respondents which are older than 40

Count

		B2		
		1	2	Total
NEW	1.00	20	36	56
AGE	2.00	28	3	31
	3.00	13	3	16
Total		61	42	103

Table 4.30 Cross tabulation between B2 and "New age"

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.446(a)	2	.000
Likelihood Ratio	31.112	2	.000
Linear-by-Linear Association	20.228	1	.000
N of Valid Cases	103		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.52.

Table 4.31: Chi- square tests between B2 and "New age"

As the p value (Pearson Chi - Square) which equals 0.00 is less than 0.05 which equals the significance level chosen I reject H_0 and conclude that there is sufficient evidence to suggest that the two variables chosen are dependent.

The level of age category of the respondent influences Internet access at work.

This seems logical, as most pupils are unlikely to have a job, let alone Internet access from this job.

Question B10: If online newspapers had more community news, would you access it?

Count

		B10		Total
		1	2	
NEW AGE	1.00	22	45	67
	2.00	18	10	28
	3.00	6	11	17
Total		46	66	112

Table 4.32: Cross tabulation between B10 and "New age"

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.347(a)	2	.015
Likelihood Ratio	8.278	2	.016
Linear-by-Linear Association	1.366	1	.243
N of Valid Cases	112		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.98.

Table 4.33: Chi- square test between B10 and "Nage"

As the p value (Pearson Chi-Square) which equals 0.00 is less than 0.05 which equals the significance level chosen I reject H_0 and conclude that there is sufficient evidence to suggest that the two variables chosen are dependent.

Section B referred to accessibility of the Internet at various locations – namely home, work educational institutions and the Internet Café.

The fact that 53% had access at home and 52% percent had access at work indicated that neither affordability nor accessibility was an issue.

The 65% percent had access showed that a large population had access to the Internet. This is contrary to the researchers qualitative findings, which said that a significant population was "have-nots". This percentage of 65% is artificial because the students, who don't have Internet in their homes and at their school, visit the Internet Café.

The 35% percent who currently do not have access to the Internet will also have access as soon as the government's plan to instal computers into post offices materialises.

When this happens they may start reading the newspapers less frequently.

People purchased newspapers if it contained regional and local news. Suburban mushrooming was a unique culture. They wanted to have a sense of the activities in the neighbourhood and

surrounds. With the high crime rate, they wanted to be informed what was happening. They also wanted to know what entertainment was being provided in the area where they resided.

With regard to question B2 most had access to the Internet at home.

With regard to whether the respondents would subscribe to the online publications if it contained more community news, only 22 out of 67 said that they would.

SECTION C

Overall :

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Paper	115	1	5	3.81	.990
Paper	116	1	5	3.28	1.009
Paper	117	1	5	3.44	.904
Paper	117	1	5	3.50	.943
Internet	117	1	5	3.68	.925
Internet	118	1	5	3.36	.844
Internet	118	1	5	3.27	.874
Internet	115	1	5	3.90	.982
Dalies more	113	1	5	3.83	1.026
On Line Paper	113	1	5	3.57	1.149
Local Conte2=10	104				

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Table 4.34 – Perception of emerging trends

This section talks about trends:

A trend has emerged that online papers should contain more local content.

By Age:

Age Codes: 1 = 15 years < 25 years

2 = 25 years < 40 years

3 = > 40 years

Descriptive Statistics[a]

	N	Minimum	Maximum	Mean	Std. Deviation
Paper Content	67	1	5	3.93	.858
Paper Accuracy	67	1	5	3.15	.989
Paper Credibility	68	1	5	3.38	.829
Paper Speed	68	1	5	3.50	.922
Internet Content	69	2	5	3.65	.921
Internet Accuracy	69	1	5	3.35	.855
Internet Credibility	69	1	5	3.29	.893
Internet Speed	68	1	5	3.94	.976
Dalies more Local Content	65	1	5	3.86	1.029
On Line Paper more Local Content	65	1	5	3.62	1.182
Valid N (listwise)	60				

a. NAGE = 1.00

Table 4.35 – Perception of emerging trends for age category 15 < 25

This table will look at the perceptions of new age 1 with regard to the relevance of the content, accuracy, credibility and speed of the newspaper compared to the Internet.

This table will also reveal whether the dailies contain more local content compared to the Internet offering.

Descriptive Statistics[a]

	N	Minimum	Maximum	Mean	Std. Deviation
Paper Content	29	2	5	3.79	1.048
Paper Accuracy	30	1	5	3.47	1.042
Paper Credibility	30	1	5	3.60	1.070
Paper Speed	30	1	5	3.57	.935
Internet Content	30	1	5	3.83	.986
Internet Accuracy	30	1	5	3.37	.890
Internet Credibility	30	1	5	3.40	.932
Internet Speed	29	1	5	3.90	1.081
Dalies more Local Content	29	1	5	3.59	1.086
On Line Paper more Local Content	29	1	5	3.62	1.083
Valid N (listwise)	27				

a. NAGE = 2.00

Table 4.36 Perceptions of emerging trends for age category 15 < 40

This table will compare the perceptions of new age 2 with regard to the relevance of the content, accuracy, credibility and speed of the newspaper compared to the Internet.

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This table will also reveal whether the dailies contain more local content compared to the Internet offering.

Descriptive Statistics[a]

	N	Minimum	Maximum	Mean	Std. Deviation
Paper Content	17	1	5	3.41	1.326
Paper Accuracy	17	2	5	3.47	1.007
Paper Credibility	17	2	5	3.41	.870
Paper Speed	17	1	5	3.41	1.121
Internet Content	16	1	5	3.56	.892
Internet Accuracy	17	2	5	3.35	.786
Internet Credibility	17	2	4	3.00	.612
Internet Speed	17	2	5	3.76	.903
Dalies more Local Content	17	2	5	4.12	.928
On Line Paper more Local Content	17	1	5	3.24	1.200
Valid N (listwise)	16				

a. NAGE = 3.00

Table 4.37 –Perception of emerging trends for age category > 40

This table will compare the perceptions of new age 3 with regard to the relevance of the content, accuracy, credibility and speed of the newspaper compared to the Internet.

This table will also reveal whether the dailies contain more local content compared to the Internet offering.

In this way the researcher will be able to compare the perceptions of the three age groups

Section C of the survey dealt with the relevance of the content, accuracy, credibility and speed of news in the two media, namely newspapers and the Internet.

Relevance of content: The feeling is that the newspapers contain more relevant content. With regard to the local content in the dailies there was and even spread of statistics among age groups 1 and 2.

Among Age group 3, they wanted more local news in the dailies, because they wanted to be kept abreast of the happenings in the community.

Accuracy:

The Internet is more accurate than the Newspapers by a small margin.

The interviews and literary searches revealed that if there is an error in the content on the Internet, then this could be updated. Print cannot be erased!

Credibility of Content:

In this section the overall results in Table 4.34 revealed that interestingly there was an even spread of the statistics indicating that both medium were seen as being equally credible. This trend is evident across all age groups (refer tables 4.35 – 4.37).

Speed:

In this respect, the trend revealed that the Internet is faster than the newspaper. This confirms the responses of the interviews. Both the students and the Newspaper staff confirmed that they access Internet because of its speed.

There is also this problem of not finding the time to read. The Internet provides instant solutions.

SECTION D

This section of the questionnaire was designed to extract information from the respondents about the regularity with which the respondents accessed the various newspapers and also the other medium – Internet, radio and TV on a daily basis, bi-weekly, weekly, monthly or at other times.

The second question wants to get the perception from the respondents about whther the Internet will replace the print media, and lastly, if the Internet does replace the print media in what time frame.

Key:

DN1 refers to newspapers

DI1 refers to the Internet

DR1 refers to the Radio

DTV1 refers to the TV

Numbers 1 to 5 refers to the frequency with which the various news medium is accessed where:

1 = daily

2 = bi-weekly

3= weekly

4= monthly

5= other

The purpose of this is to be able to establish which medium the respondents access most frequently.

1. Daily

The results of the survey indicated that television at 84.1% is the medium most frequently accessed, followed by the radio at 76.9%, and finally the Internet at 31.1%.

2. Bi-weekly

The Internet at 14.9% will be accessed most frequently twice a week.

This could be attributed to cost and access. Followed by radio at 11.1%.

Newspapers will be accessed at 10.8% and TV at 6.5%.

3. Weekly

There is an increase in the frequency for Internet.

This increasingly points to affordability and accessibility to the Internet.

The newspaper at 6.5% shows that a small percentage will not access it for one or other reason.

4. Monthly

Internet at 21.3% shows that very few still have access to Internet and many cannot still afford the cost of Internet.

For TV 0.9% is negligible.

Will Internet technology replace newspapers?

33.7% responded in the affirmative and 66.3% in the negative.

Only 10.2 % said in 5 years' time and 28.8% said in 25 years.

The problem here is that even those respondents who answered in the negative, still answered the last question, which dealt with the time frame within which the Internet will replace newspapers.

DN 1 : How often do you access Newspaper?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	70	58.3	68.6	68.6
	2	11	9.2	10.8	79.4
	3	14	11.7	13.7	93.1
	4	3	2.5	2.9	96.1
	5	4	3.3	3.9	100.0
	Total	102	85.0	100.0	
Missing	System	18	15.0		
Total		120	100.0		

Table 4.38 The number of respondents that access the Newspaper during various time frames.

DI1: How often do you access news from the Internet?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	30	25.0	31.9	31.9
	2	14	11.7	14.9	46.8
	3	16	13.3	17.0	63.8
	4	20	16.7	21.3	85.1
	5	14	11.7	14.9	100.0
	Total	94	78.3	100.0	
Missing	System	26	21.7		
Total		120	100.0		

Table 4.39: The number of respondents that access the Internet during various time frames.

DR1: How often do you access the news from the Radio?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	83	69.2	76.9	76.9
	2	12	10.0	11.1	88.0
	3	8	6.7	7.4	95.4
	4	1	.8	.9	96.3
	5	2	1.7	1.9	98.1
	21	1	.8	.9	99.1
	111	1	.8	.9	100.0
	Total	108	90.0	100.0	
Missing	System	12	10.0		
Total		120	100.0		

Table 4.40: The number of respondents that access the Radio during various time frames.

DTV1: How often do you access news from the TV?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	90	75.0	84.1	84.1
	2	7	5.8	6.5	90.7
	3	7	5.8	6.5	97.2
	4	1	.8	.9	98.1
	5	2	1.7	1.9	100.0
	Total	107	89.2	100.0	
Missing	System	13	10.8		
Total		120	100.0		

Table 4.41: The number of respondents that access the TV during various time frames.

D2: Section D : Question 2: Will the Internet replace the print media?

Key: 1= YES

      2= NO

D2: Will the Internet replace the Print Media?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	35	29.2	33.7	33.7
	2	69	57.5	66.3	100.0
	Total	104	86.7	100.0	
Missing	System	16	13.3		
Total		120	100.0		

Table 4.42 Replacement of Newspapers by Internet

D3: This refers to question 3 in Section D: In what period of time will the Internet replace newspapers?

1= 5 years   2=10 years   3=15 years

4=20 years   5= 25 years and more

D3: In what time frame will the Internet replace the Print Media?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	5.0	10.2	10.2
	2	14	11.7	23.7	33.9
	3	12	10.0	20.3	54.2
	4	10	8.3	16.9	71.2
	5	17	14.2	28.8	100.0
	Total	59	49.2	100.0	
Missing	System	61	50.8		
Total		120	100.0		

Table 4.43 Replacement on newspapers by the Internet in years

4.4 SUMMARY

The statistics reveal definite trends with regard to the impact that the Internet has made on traditional media – the newspaper. The impact from the past to the present is not significant. The significance is seen from the present to the future.

The interviews revealed that the curious and the adventurous, the affluent experimented with the "new Media". Now that hardware can be frugally purchased, more people will be able to afford the computer. The results were surprising, yet interesting.

The respondents were arranged according to three age groups:

Group 1 was from 15 to 25, Group 2 from 26 to 40 and Group 3 from 41to 65.

The trends seen in Table 4.37 revealed that group 3 were the ones who most frequently used the Internet. The reason for this is that they needed to do everything quickly.

They led busy lives and if they needed to find information, they went to the Internet.

The results of the interviews revealed that people in this group realised that with time constraints, speed was important. They found that with the Internet banking it was much cheaper, more convenient and also safer. This support the arguments raised in chapter 2 that people battle to find time to read.

Consumer preferences and lifestyle trends had changed, freeing up less time for people to find the time to read. As a result readership figures plummeted. Strategies had to be put into place to capture the readership elsewhere – on the Internet.

If readership decreased then the business models would have to change, namely that decreasing advertising trends would have to be taken online.

This group did online banking. They felt that it saved time, it was safer and it was faster.

The results indicated that online information could be accessed with speed, it is credible.

The results also indicated that local content and regional news must stay with newspapers.

Over weekends people want to sit with newspapers, when they are relaxed.

They want to feel the paper, touch it fold it and they like it for its portability.

The interviews revealed that during weekends the respondents do not want to sit in front of a screen, because it feels as if they are at work.

The results reflecting the migration from the newspapers to the Internet, the respondents in **age group 1** said that there was no significant shift from the past to the present. The significant shift will be from the present to the future. This ties up with the fact that these people will have launched their work careers and will be able to afford the Internet.

Age group 2 says that Internet access is significant and the jump from the past to the present and from the present to the future will be huge. The migration to online will be within five years. This group wants to sit with newspapers during weekends and read local and regional news. It appears that as the TV screens become flatter and more digital, and the broadband width increases, we will become wired sooner than we expected.

This support the argument raised by Bisoux in Chapter 2 that newspapers will sooner rather than later be a thing of the past.

The fact that only 29.2% said that the Internet would replace newspapers says that for the moment people must get used to the idea of the migration online. The reason is that they do agree that there is not only a threat, but that if any business wants to sustain itself, it must go online.

The descriptive and inferential analyses used will be dissected and discussed in the Conclusions and Recommendations in Chapter 5 and recommendations will be made in chapter 6 - Conclusions.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The Internet has made inroads at all levels of personal life and business and as part of a competitive strategy, these changes have to be incorporated in the organisations' business models. Customer preferences had shifted and providing customer satisfaction was at the helm of business strategy. Companies that adopted the Internet strategy early on garnered tremendous productivity cost savings, profits and also customer satisfaction.

Much has been said about the speed and agility of the Internet, but these benefits that came with the first wave of the Internet presence and its application is lost if there is no distinctive strategic positioning. This is what happened with the dot-com crash – there was no strategic positioning.

Innovation can be costly because of investment in physical, technological and human resources. Big business must ensure a return on their investment (ROI), so when organisations innovate they must bear in mind that this innovation may or may not bring new markets, but they may be revenue generators. Others may create new markets but will not return a significant profit.

The Internet may streamline the distribution or supply channels to create a competitive advantage, but if a new competitor comes in, the organisation runs the risk of failure. (Turban, Lee et al, 2000: 312).

5.2 SUMMARY OF QUALITATIVE RESEARCH

The Web is so new that there is no new model of success. What is clear from the theory is that these business models will change as consumer tastes change.

Consumers paint the landscape for business models. They are also the drivers of changing existing trends and developing new ones. Business models must therefore be adapted and aligned to suit consumer demands.

5.2.1 The purpose of the interviews

The researcher conducted interviews with one editor of the Mercury, content and managing editors (also referred to as editors), journalists, media academics and the management of Independent newspapers. This was done with the purpose of establishing the perception of these interviewees about:

- Whether the Internet impacts on the print media?
- To what degree, if it does so impact?
- What strategies must Independent Newspaper implement for its sustainability and growth?

It was also to establish future strategy for the survival of newspapers thus:

What content are the readers currently being supplied with, what the readers want, is content adequately delivered, is there a strategic fit between content and delivery and also to see where would Independent Newspapers be in five years' time.

The interview questions dealt with the following constructs with the hope of finding the answers to the above questions:

- Business models in newspaper industry;
- Circulation figures;
- Newspaper content- its credibility;
- Journalism – the quality, and style;
- Competitors;
- Frequency with which newspaper are accessed;
- Frequency with which the Internet is accessed;
- Frequency with which other media, such as TV and radio are accessed;
- What are the various media accessed for;
- The survival or demise of newspapers.

The interviews revealed that:

- All the news mediums provided credible news, information and entertainment was credible.
- If a mistake was made in the newspaper, one had to wait for the next edition before the newspaper could be rectified. The agility enabled the Internet offering to be easily updated and rectified.

- Newspaper revenue is derived from advertising and circulation.
  If readership figures are decreasing, then advertisers will follow the readers, mainly online. It is no wonder therefore that adspend has migrated online. This is contentious because the interviews indicate that advertising has increased. Many felt that they were unsure about whether these figures should go to advertising or to circulation because this boosted circulation came about because of bulk sales from a discounted cover price.
- Decline in quality of content and style led to the decrease in circulation. Despite the fact that no figures were available because of the sensitive nature of this enquiry, the interviews revealed that circulation figures had decreased. This impacted on the readership figures, which had declined.

  The reasons offered for the decline in readership figures were:
  - That there is not enough time to read;
  - Illiteracy – but numbers of literacy are increasing annually;
  - Many don't read the newspaper because they are alliterate. They in fact do not read at all, preferring to access the TV and radio for news and information because of time constraints brought about by changing lifestyle trends.
  - The newspaper content does not appeal to the generation X which is age group 15 to 25. They prefer the Internet where they can download music. They feel the content is not relevant to their age group.
  - Too many mistakes, news is depressing and increasing business pressures in the newsroom is damaging to the quality of their product. Accessed TV and radio for news and information.

Accessibility
- With regard to the portability of the newspaper, there are palm pilots, which take care of the portability aspect.
- Internet technology will not render newspapers obsolete, but it has made inroads into a segment of the newspaper readership. Respondents say that both the medium must co-exist. If the newspaper industry wished to be competitive, then it has to have a web offering.
- Accessibility is denied to majority of South Africans– mobile telephony is the answer.

Affordability

- Affordability – Technology is becoming cheaper. The government has agreed to subsidise this project.

- Majority interviewed said that if they had access to the Internet. Some said for music, others news.

- Respondents liked Internet for its interactive nature. Provided instant answers.

- Broadband width is still narrow – therefore expensive to access Internet.

To what degree does the Internet impact on the print media?

The interviews revealed that that the impact of the Internet is substantial and if Independent Newspapers becomes complacent, it will lose more readers.

The following strategies for enhancing credibility were recommended.

- Hire journalists for the online product.

- Train them on an ongoing basis.

- Establish standards based on the highest journalistic ideals.

- Implement them.

- Interact with the audience to know exactly what people want.

What business models and strategies can Independent Newspapers use for their sustainability in the future?

The general consensus among the academics is that telephony and the wireless society is the way forward. Connect people throughout Africa using the Internet application on cell phones. The media must converge and disseminate news from one platform. The editor of the Mercury (incidentally the only editor who availed himself for an interview) was sceptical about convergence but agreed that it was the way for the future.

Develop the branding of its "Brick n Click " operation. One managing editor of the weekly paper said that the IOL is not giving Independent Newspapers a competitive advantage, because all the newspaper stables have and online publication along with their "brick and mortar" offering. If Independent Newspapers does not grow their on-line newspaper, they will be compromised for not keeping up with developing technology.

The editors (this includes the content and managing editors) made the following recommendations:

Emergent trends such as a reduction in adspend, readership figures, circulation indicate that the Independent Newspapers' business models have to be reshaped if it is to survive in the future. These trends are an issue, which is a subject for future research.

- Focus on what the organisation can do for the customer;
- Providing a website it not sufficient. It will strengthen the effectiveness and efficiency, strengthen the brand , but will not make you money. Decisions must be made about positioning Independent Newspapers in the market place. The existing and potential customers must be provided with product information.

  The Web site must facilitate click – through to distribution channel partners where orders and transactions can be handled. Internet technology can be used to configure its value chain; (Thompson and Strickland, 2003)
- Combination of a "Brick-and –Click strategies. This will give the customers the option of either purchasing online or going to the store. This is what will set the customer apart Remember the Internet is not about cannabalising the business but enriches it (Porter, 2001:76)
- Engineer a brand – in this way Independent Newspapers can secure the loyalty of their readers. When a brand is strengthened it creates a platform to expand the business.
- Create partnerships to ensure that the have- nots are accommodated and Internet access is available to read the online offering.
- Jonason (2004) CEO of Citygate in Stockholm Sweden stressed the importance op partnerships. Combined technology to do both the marketplace and classified jobs, cars, real estate and merchandise. He says that newspapers must position themselves so that one builds up important traffic to newspaper sites and create value to advertisers.
- Introduce Mobile technology to enhance revenue streams. Newspapers should use technology like WAP.

According to Forrester (2004) research in the USA the Internet has the highest media share among all demographics Independent Newspapers can use the following strategies:

- Do nothing. In light of the fact that the Internet has impacted on the print media, this strategy can be discounted.
- Grow organically
- Specialise – This will stifle its growth prospects. Independent Newspapers must cater for the tastes of its diverse readership, which is already declining.

- Compete in their terms
- Partner with Caxton and other old associates – a strategy to take care of its local print offering.
- Buy Caxton and other publishing stables
- Partner with new players such as SABC, Telkom or the Second Network Operator, BBC, CNN, Skye or similar broadcasters – to facilitate convergence and to embrace technology with ease.

  If independent Newspapers still wants to win the race it must invest in a dual track of print and online with the right strategy.

5.3 SUMMARY OF QUANTITATIVE RESULTS

Section A: Perception of sources of information in the past, present and future

Within Media

According to the statistics revealed in chapter 4, this impact was not significant from the past to the present, but there is a significant shift to the Internet from the present to the future. (Tables 4.1 – 4.3)

The respondents perceive they will use newspapers and TV less frequently over time as an access medium for information. Internet is the medium that will be most frequently used in the future. (Tables 4.6, 4.8 and 4.10)

TV screens will however be used as if they are computers as technologies improve.

This trend is indicated in all the age groups.

Perception of each Age Group within each media source –Newspapers and Internet

Newspapers

- **Age group 1** will use newspapers less from past to present to the future and use the Internet more frequently. (Tables 4.12 and 4.18);
- **Age group 2** will also use newspapers less frequently and there will be a huge jump to Internet usage in the future. (Tables 4.14 and 4.20). This group will access the Internet less frequently perhaps because of a time constraint. They are the up and coming career people, rearing families and can perhaps get information from switching on the TV or radio.

- **Age group 3** – there is no difference between newspaper usage from the past to the present. There is a sharp decline of Newspaper usage from the present to the future. With regard to Internet access, there is a big increase of Internet usage from present to future. (Tables 4.16 and 4.22).

These results reveal that people perceive they will use the Internet as the medium of the future.

Section B:

Accessibility

- A significant percentage has access to the Internet at work, home and at a tertiary institution. The 65% that go to an Internet café for accessibility shows that the people are prepared to be "inconvenienced" to get to an Internet.
- The students that were interviewed said that if they had access to the Internet, they would use it especially to download music.
- The percentage of people who have no access to any technology at all is 47.5%. 4% did not respond to this question. This indicates that the question of affordability may be an issue that could be overcome. The question is "when"?

Community News – Online offering

- The results revealed that in **age group 1** only 22 of 67 said they would access the Internet for community news.
- In **age group 2,** only 18 said they would access the Internet for community news.
- In **Age group 3,** only six said they would access the Internet for community news. (Tables 4.24 –4.29)

The wide reach of the Internet will allow every one to be informed about events that have no influence on their functionalities. Community news must remain with community newspapers and community radio. People are not interested in community matters taking place hundreds of kilometres away.

Section C

Trends

In section C the researcher gauges a barometer of feeling among the respondents about the relevance, accuracy, credibility and speed of the Internet and newspapers.

Relevant content

- There is a perception that both the Internet and newspapers contain relevant content, with that of newspaper being slightly higher. (Table 4.34).
- **Age group 1** says that the newspaper contains more relevant news. It is by a small margin and therefore can be disregarded. (Table 4.35)
- **Age groups 2 and 3** say that the Internet contains more relevant content. (Tables 4.36 and 4.37)

One can therefore conclude that the Internet contains more relevant content.

Accuracy

- The accuracy in newspapers is perceived to be marginally lower than that of the Internet. (Table 4.34);
- **Age group 1** feels that the Internet is more accurate. (Table 4.35)
- **Age groups 2 and 3** say that the newspaper is more accurate. (Tables 4.36 and 4.37)

Credibility

- Newspapers are perceived to be more credible than the Internet. This is probably because the Internet content can be changed if there is a mistake. (Table 4.34)
- All the groups are in agreement that both mediums are credible. (Tables 4.35 –4.37)

Speed

- The Internet is perceived to be much faster than the newspapers in getting information to the consumers. (Table 4.34)
- All the groups say the Internet has speed to its benefit. (Tables 4.35 – 4.37)

Section D

Frequency of media access

The results reveal that initially, television was the medium most frequently accessed on a daily basis. Radio, newspapers and the Internet in this order followed.

On a bi – weekly, weekly and monthly basis, the Internet was the medium, which was most frequently accessed. This clearly indicates that in time, the Internet is the medium of the future. (Tables 4.38 to 4.41)

It is interesting to note that respondents in **Age group 3** access the Internet and quoted speed as one of the reasons.

One would expect the younger respondents to be more amenable to Internet usage.

Age group 3 can afford to use the Internet for its speed, security in respect of their banking, and convenience.

There is an even spread of statistics across the different variables.

Finally on the question of whether the Internet will replace print, only 33 % said that the Internet would replace newspapers. This is of course the perception for the moment.

These respondents nevertheless qualified their answers that the picture may be different in less than a decade, as they foresee the Internet making great inroads into the print and other news media providers.

The trend about the migration of newspapers online is something that is here to stay. The management therefore has to ensure that the journalists are trained and kept abreast of developments for its survival.

What business models and strategies can Independent Newspapers use for their sustainability in the future?

The general consensus among the academics was that telephony and the wireless society is the way forward. The challenge that one is faced here is the issue of security. One needs a security strategy, which starts by asking where does wireless fit into the organisation to enable it to deliver benefits. Its management must determine the level of integration required and the sensitivity of the data that must be transferred. This will give a clear idea of the type of security that can be put into place using the appropriate hardware and software.

Another issue with telephony is whether the handheld device will migrate to the "big screen" or will Internet technology we accessible from the Palm pilot. Wap, Bluetooth, XML and html take care of this. Connect people throughout Africa using the Internet application on cell phones. The media must converge and disseminate news from one platform.

Develop the branding of its "Brick 'n Click " operation. One managing editor of the weekly paper said that the IOL is not giving Independent Newspapers a competitive advantage, because all the newspaper stables have and online publication along with their "brick and

mortar" offering. If Independent Newspapers does not grow their on-line newspaper, they will be compromised for not keeping up with developing technology.

The question now arises, do the above recommendations give a solution to the problem statement which is:

- Does the Internet impact on newspapers?
- Will the Internet replace the print media and render newspapers obsolete?
- What strategies must Independent Newspaper Holdings implement to gain a competitive advantage and sustain it?

The hypothesis is that the Internet will replace the newspaper. The null hypothesis is that the Internet will not replace the newspaper.

From the aforementioned discussion and the statistical analysis in chapter 4, the Internet does impact on newspapers - Not so much from the past to the present, but the momentum of this impact will be felt henceforth – from the present to the future.

5.4 SUMMARY

With regard to the question of whether the Internet will render newspapers obsolete, this will not happen for a long time, but the Internet has made a dent in newspaper readership. In fact Independent Newspapers must incorporate strategies which will embrace both its online and newspaper readers, and at the same time take care that IOL does not erode its print readership. Even though the null hypothesis is rejected thus alluding to the fact that the Internet will replace the newspaper, there is still time for this.

CHAPTER 6

CONCLUSION

6.1 INTRODUCTION

Varying trends emerge and develop because of changing consumer tastes and preferences brought about by and in response to the changing business landscape. As this dissertation continuously suggests, technology has reshaped communication, relationship management, business and lifestyle. Adaptation to these waves of change is imperative or else the chances of survival in a dynamic and competitive environment are slim.

6.2 THE WAY FORWARD

Technological progress in the ICT sector continues unabated, and if Independent Newspapers or any other company wants to stay competitive and ahead of this technological development, they must remain alert to the changing demands of the market. Based on the results obtained from the investigations of the research, and the subsequent analysis of these findings, the following is concluded:

- That the Internet is omnipresent and has established and occupied a tangible space in business.

- It has impacted on lifestyle and social issues, resulting in certain new social and economic trends emerging.

- The writing is on the wall – and the results reveal that companies that do not harness the full potential of the Internet for the good of their business today will not survive in the future.

- The impact of this global public network is too profound and any company, irrespective of its size ignores it at its own peril. A small company will be able to be like a big one by setting up a Web site and promoting their products and services about a half a million South Africans and 100 million global users.

- Market processes have been disrupted and changed by this process forever.

6.2.1 The Impact of the Internet on Readership and Circulation

From the information obtained from IOL, the rate at which users are accessing the online offering, is steadily increasing and will continue to do so. But this does not mean that it will render the newspaper obsolete. Not everyone will become Technocrats. This impact is seen in industry and in the All Media and Product Survey (AMPS) figures, which indicates downward readership and circulation trends. The Independent Newspaper group is displaying these same trends. The readership strata is anticipated to reflect that while they want to use the Internet to access certain information like global issues, during weekends, they may want to still feel and hold that "news paper" and take a coffee break!

Despite the changing trends, Independent Newspapers has remained fat and bloated. In order to attract investors and stimulate investor confidence their operations must be leaner, sharper, driven, focused, faster, more flexible and motivated. The company profile needs to adapt to the dynamism of the structural and strategic environments in which it operates. To capture and embrace investors, the offering in a sector must be attractive. Any asset, including technological infrastructure, needs to be fully utilised and ultimately this will add to the bottom line of a business.

6.2.2 Will the Internet render Newspapers Obsolete?

The results of the research reveal that newspapers will not become obsolete, but it has lost some of its appeal in terms of its relevant content and because of time constraints upon reading time. The newspaper will still be around till the challenges such as accessibility, affordability and literacy for the people of Africa are adequately met.

6.2.3 Strategies for Growth and Sustainability

Because newspapers will be around, especially alongside its online offering, Independent Newspapers must develop a substantial technological infrastructure. Independent Newspapers must invest in the Computer- to- Plate (CTP) mechanisation – an investment that it has been resisting and which is long overdue, in order to remain competitive and efficient. Other areas, which require upgrading for leaner and efficient operations, are the PCs, telefax equipment, the imaging and the print equipment – the computer hardware.

There is a clear indication that people are steadily migrating towards the Internet on account of its speed and its ubiquitous qualities. Management must start viewing the online publication in a more serious light. Presently, the IOL is published only in Cape Town. Instead of IOL containing news primarily from Cape Town, all the provinces must contribute to the online publication. Dedicated staff, countrywide, must be seconded to this portfolio and tackle it with the verve which it deserves. This will facilitate extended regional reach of social and economic affairs - a combined national convergence. This requires journalists to be trained in writing in the "net savvy" style and this training must be made available, thus minimizing the prospects of resignations which may be brought about by the fear for or resistance to technology. A new strategy and vision is required to take IOL into the 21st century.

Making Newspaper Web sites more attractive and interactive with message boards is a dynamic approach to attract readers of tomorrow, without ignoring that the loyal "oldies" of today. Marketing and operational strategies with a focus on the technology aspect and a new strategic dimension must be implemented to facilitate the changes of the business arena.

It is important that readers share their feelings and opinions. Independent Newspapers must keep their ears to the ground, for if one considers where South Africa was a decade ago when cellular networks did not even exist, we have made gigantic strides. The road ahead is perhaps to partner with a telecommunications company and through mobile telephony connect with the rest of Africa and then go global. Mobile telephony is what will create the revenue streams.. Since TV will become interactive within the next decade given that the screens are already flat, partnering with the public broadcaster is important. Writing letters to the editor, waiting for it to be published and then waiting for reader responses is too long a process. If all the technologies, namely, radio, TV, online newspapers converge and start disseminating news and other issues from one platform, they will be able to sustain themselves.

Instead of relying on advertising agencies, Independent Newspapers should look towards partnering with and establishing synergistic alliances in the ICT sector with other network companies. Online advertising is set to grow. Independent Newspapers must develop or

restructure its education portfolio and include Adult Basic Education and computer literacy program as part of its outreach endeavour. In this way Independent Newspapers will contribute towards bridging the digital divide.

Newspapers must try and build its sales on non-traditional revenue. It must not only sell news, but also books, DVDs, CDs and any other promotional gadgets. Another aspect of concern is that the organisation must establish a "Brick and Click" operation as a sure way to sustain itself and gain efficiencies through progressive and successive change management. This operation will require additional human capital to drive this innovative process. Furthermore, training and development must be provided, the management and executive board must be restructured and a buy-in obtained from all the stakeholders. It will be worthwhile investigating the models of change implemented by others abroad in this sector for example New York Times, Washington Post, London Mirror and Times of India.

By implementing the above recommendations, Independent Newspapers will grow its market share, develop its business models and realign to the mission, vision and objectives of providing information, education and entertainment to its readership on time every time.

6.3 FURTHER RESEARCH

In terms of the above it is recommended that further research would highlight changing readership trends over a certain time period and is applicable to certain age groups. Further research could also therefore make recommendations about how to halt the downward trend in readership and circulation. Even though readership boosting strategies is an area that must be further looked into, one must take cognisance of the fact that not all readers read newspapers for the same reason. Not all the readers have the same needs. One therefore has to balance the text, the graphics and the stories. Repackage the product for the different readers – the serious reader, the reader who navigates his way through the paper and the reader who scans the paper and reads only the headline and tail end. Another area for research would be to develop a model for the online offering by looking at what newspapers such as the New York Times and others are doing.

6.4 SUMMARY

It is clear that from the various issues and debates expounded that the Internet is posing a definite threat to the print media. The impact will definitely be significant, not so much in the move from the past to the now, but from now onwards to the future. Preparation is under way in many organisations to facilitate this digital takeover. Independent Newspapers must move out of its comfort zone. The existing cosmetic technological changes emerge as being superficial and there is a definite need to revisit at a structural level, its strategic and operational objectives. Newspapers must continue to establish and strengthen their place in the dramatically altered and rapidly changing media by embracing technology and existing with it side-by-side.

"News papers" will always be at the heart of Independent Newspapers. As new dimensions establish and avail themselves to the readers, they must move past thinking of print only, even though this is their core business. Independent Newspapers must start looking at themselves as being in the communication business with a variety of excellent tools- print and electronic – enabling tools that will allow them to deliver information to selected audiences. In this way they will adjust to a new world of opportunity by building new business platforms.

Technology must create a strategic fit between the two offerings, namely print and electronic media. The challenges and the possibilities that will define the next decade for newspapers shows that every newspaper, regardless of its size, must get involved in providing its consumers with what they want.

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APPENDIX 1.

FIRMS IN OTHER INDUSTRIES OFFERING SUBSTITUTE PRODUCTS
Eg.TV,radio Internet,

Competitive pressure coming from the market attempts of outsiders to win buyers over to their products

SUPPLIERS OF RAW MATERIALS, PARTS, COMPONENTS, OR OTHER RESOURCE INPUTS:
Eg. Mondi Paper, printing press suppliers from Europe, computer hardware and software, Automation for ink, human resources.

Competitive pressure stemming from supplier-seller collaboration and bargaining

RIVALRY COMPETING SELLERS: other publications such as
- This Day.
- Natal Witness,
- Times Media Publications,
- Magazines and periodicals

Competitive pressures stemming from seller-buyer collaboration and bargaining

BUYERS
General Public, Corporate, schools, Libraries, rivals

Competitive pressures coming from the threat of entry of new rivals

POTENTIAL NEW ENTRANTS
Electronic newspapers, community papers, e-commerce retailers.

PORTER'S FIVE-FORCES MODEL OF COMPETITION
(ADAPTED FROM THOMPSON AND STRICKLANDPAGE 81)

FIRM INFRASTRUCTURE

HUMAN RESOURCE MANAGEMENT

TECHNOLOGY DEVELOPMENT

PROCUREMENT

FINANCES					MARGIN
SUPPLIERS	PRODUCERS	DISTRIBUTION	RESOURCE	CUSTOMERS & USERS	
JOURNALISTS COLUMNISTS ADVERTISERS CARTOONISTS DESIGNERS	NEWSPAPERS (BUNDLE UP INFORM- ATION) EDITORS, PRINTERS, NEWSPAPER BUSINESS.	DELIVERY VANS, NEWSPAPER BOXES, NEWSPAPER VENDORS, LOCAL STORES,	COMPUTER HARDWARE &SOFTWARE AND PRINTING PRESSES.	READERS OF NEWS.SPORTS, BUSINESS, FINANCES EDUCATION, TRAVEL ADVERTISEMENTS,,ETC. JOB SEEKERS, HOME SEEKERS, CAR BUYERS, JUNK BUYERS/	
INBOUND LOGISTICS	OPERATIONS	OUTBOUND LOGISTICS	MARKETING AND SALES		

PRIMARY ACTIVITIES

VALUE CHAIN - THE ORGANISATION
[adapted from Ambrosini (1998:22)]

APPENDIX 2:

FIRM INFRASTRUCTURE

HUMAN RESOURCE
MANAGEMENT

TECHNOLOGY
DEVELOPMENT

PROCUREMENT

FINANCES

MARGIN

SUPPLIERS	PRODUCERS	DISTRIBUTION	RESOURCE	USERS
AUTHORS ENTERTAIN-ERS, ARTISTS, DESIGNERS, ADVERTISERS, CREATORS.	ADVERTISING AGENCIES, DATABASES, MARKETERS, COMPONENTS, MANUFACT-URERS, NETWORKS, SOFTWARE SUPPLIERS.	SYSTEMS INTERG-RATORS & DEVELOPERS, ISPs, ASPs, WEB NETWORK HOSTING, ANANZI AWEB.	?????????	INDIVIDUALS, CONSUMERS, BUSINESSES, ACADEMICS, GOVERNMENTS
INBOUND LOGISTICS	OPERATIONS	OUTBOUND LOGISTICS	MARKETING AND SALES	

PRIMARY ACTIVITIES
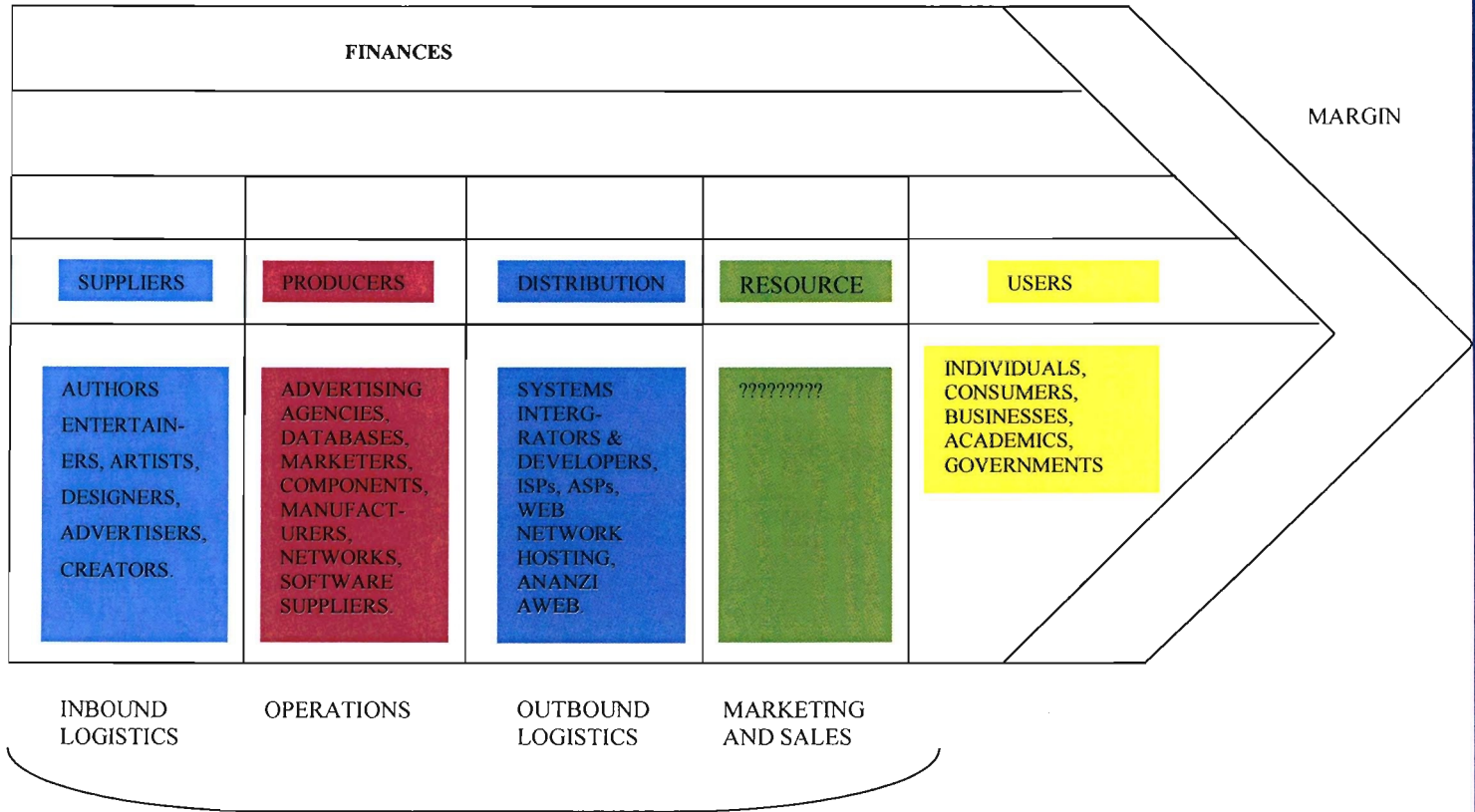
VALUE CHAIN -INDUSTRY
[adapted from Ambrosini (1998:22)]

APPENDIX 3

APPENDIX 4:

CONSENT FORM

Dear Parents

I am in the process of doing research towards the completion of my MBA at the University of KwaZulu – Natal (Durban).

My research topic is:
The impact of Internet technology on the print media, and the strategies Independent Newspapers must implement must implement to sustain itself in the changing environment.

To assist me in my research, I require a sample of school going children to complete a questionnaire, which refers to the above topic.

I undertake not to disrupt their schoolwork and trust that you will consent to their participation in this survey.

If you require further information you may contact me on 083 786 1503 or 031 308 2887.

Please sign the section below and return the form to the class teacher.

I thank you in anticipation for your assistance.

Khadija Kharsany

I ....consent to ....

Name of Parent / Guardian   Name of Pupil participation in survey

Signature of Parent / Guardian   Date

APPENDIX 5:

Dear Respondent.

I am an MBA student in the final year of study at the University of KwaZulu-Natal (Durban). I have been granted permission by the management of Independent Newspapers to conclude a study relating to the topic which forms the area of research.

The topic of the research:
To evaluate the impact of Internet technology on the print media by conducting a survey in order recommend strategies going forward that Independent Newspapers must implement to adapt to the changing environment.

As part of my quantitative research, I have decided to ask people to complete this questionnaire.

The questionnaire is designed to uncover your perceptions of the future survival of the print media, bearing in mind that a large amount of human, financial, physical, technological and other resources have been ploughed into the organisation.
The response elicited will assist in determining whether the print media will have to adapt to the changing environment for its survival.

Will you kindly complete the attached questionnaire? The pages comprise statements and questions. When considering these:

- Please answer **ALL** the questions and respond to **ALL** the statements;
- Give the answer that first occurs to you;
- Do not give an answer because you feel it is the right thing to say or you feel it is how things should be; **JUST BE HONEST.**
- Please assume that each applies to Independent Newspapers and respond accordingly;
- Evaluate each statement / question in terms of the extent to which you agree or disagree with it in relation to how it affects you and to the extent that strategies can be formulated to make the products viable in the future .

All the information supplied will be **STRICTLY CONFIDENTIAL.**

Your school ,organisation and / or place where questionnaire was completed:

_____

If you wish to know what my overall findings were, you may contact me and I will gladly avail them to you.
Thank you for your co-operation and time. I do appreciate it.

Khadija Kharsany

Tel: 031 308 2887
Fax: 031 308 2548
Email: khadija@nn.independent.co.za

Respondent's Demographic Profile

Please tick the appropriate boxe

Age:

15-20	21-25	26-30	31-40	41-50	51-60	Above 60

Race:

Black	White	Coloured	Indian	Chinese	Other

Gender:

Male	Female

Employment:

Full-time	Part-time	Contract	Freelance	Unemployed	Student

Combined Annual Earnings before tax.(Combined means married or living together)

Less than R5000	R5001- R10 000	R10 001 to R15 000	R15 001 to R20 000	R20 001 to R40 000
R40 001 to R60 000	R60 001 to R100 000	R100 001 to R200 000	R200 001 to R500 000	More than R500 000

Highest Educational Level:

Degree	Diploma	Certificate	Matric	Other

Section A:

1a. When looking for information on the topics listed below, please allocate the percentage with which those topics are sourced from the available media. Note that all percentages across each row should total 100%

The table below represents **"the Past".**

Information from Media	Newspapers	Internet	Radio	TV	No media	% TOTAL 100%
General News						
International News						
Community News						
Current Affairs						
Environmental Issues						
Motoring						
Technology						
Travel						
Advertisements						
Special Offers						
Politics						
Religion						
Sport						
Entertainment						
Fashion						
Features						
Editorial						
Business Reports						
Health and Lifestyle						
Workplace and Labour						
Classified						
Other (Specify)						

1b. The table below represents **"the Present"**.

Information from **Media**	Newspapers	Internet	Radio	TV	No media	% TOTAL 100%
General News						
International News						
Community News						
Current Affairs						
Environmental Issues						
Motoring						
Technology						
Travel						
Advertisements						
Special Offers						
Politics						
Religion						
Sport						
Entertainment						
Fashion						
Features						
Editorial						
Business Reports						
Health and Lifestyle						
Workplace and Labour						
Classified						
Other (Specify)						

1 c. The table below represents **"the Future".(More than 10 years time)**

Information from Media	Newspapers	Internet	Radio	TV	No media	% TOTAL 100%
General News						
International News						
Community News						
Current Affairs						
Environmental Issues						
Motoring						
Technology						
Travel						
Advertisements						
Special Offers						
Politics						
Religion						
Sport						
Entertainment						
Fashion						
Features						
Editorial						
Business Reports						
Health and Lifestyle						
Workplace and Labour						
Classified						
Other (Specify)						

Section B:
Please tick the appropriate response: Ensure you tick __ALL__ questions.

1. I have access to the Internet at home   Y | N

2. I have access to the Internet at work   Y | N

3. I have access to the Internet at university / technikon..   Y | N

4. I have access to the Internet at school   Y | N

5. I have access to the Internet from an Internet Café.   Y | N

6. I have access to all technology such as TV, radio and Internet.   Y | N

7. I have access to some technology.

Y	N

   Specify which…………………………………………………………..

8. I have no access to any technology at all.

Y	N

9. If the Newspaper contained more community news, would you purchase a copy if you are not already doing so?
   Give reason(s) for your answer.

Y	N

   ……………………………………………………………………

   ……………………………………………………………………

10. If the on-line newspapers contained more community news, would you access the Internet site, if you are not already doing so?
    Give reason(s) for your answer?

Y	N

    …………………………………………………………………..

    ……………………………………………………………………
11. Do you think that community newspapers represent the future for the print media? Why?

Y	N

    ……………………………………………………………………

    ……………………………………………………………………

Section C:
Instruction:
Please indicate your level of agreement with the following statements on a scale of 1-5 where:
1= Strongly disagree
2= Disagree
3= Unsure
4= Agree
5= Strongly agree

1. Newspapers contain relevant content.

1	2	3	4	5

2. Newspapers report the news accurately.

1	2	3	4	5

3. Newspapers report the news with credibility.

1	2	3	4	5

4. Newspapers report the news speedily.

1	2	3	4	5

5. The Internet contains relevant content

1	2	3	4	5

6. The Internet reports the news accurately.

1	2	3	4	5

7. The Internet reports the news with credibility.

1	2	3	4	5

8. The Internet reports the news speedily.

1	2	3	4	5

9. What do you like about the print media? Why?

....
....

10. What do you dislike about the print media ? Why?

....

....

11. What do you like about the Internet? Why?

....
....

12. What do you dislike about the Internet ? Why?

....

....

13. The dailies should have more local content?

1	2	3	4	5

14. The on-line newspapers should have more local content?

1	2	3	4	5

Section D:

1. How often do you access the news from the following media?

	Daily	Bi-eekly (Mon- ri)	Weekly (Mon-Fri)	Monthly	Other Please Specify
Newspapers					
Internet					
Radio					
TV					

2. Will the Internet replace the print media.

Y	N

Please comment on your answer?

……………………………………………………………………..

……………………………………………………………………..

……………………………………………………………………

3. If yes, to what degree will this happen in years?
   Please elaborate on your answer.

5	10	15	20	25 or more

……………………………………………………………………..

……………………………………………………………………..

Section A: Demographics

NAGE * COLLEGE Crosstabulation

Count

		COLLEGE				Total
		1	2	3	4	
NAGE	1.00	12	3	25	30	70
	2.00	16	15	0	0	31
	3.00	2	11	4	0	17
Total		30	29	29	30	118

Table 4.1 a Cross tabulation of Facility and New Age

NAGE * Employment Crosstabulation

Count

	Employment						Total
	1	2	3	4	5	6	
NAGE 1.00	7	4	1	1	2	54	69
2.00	25	0	4	1	1	0	31
3.00	11	0	1	5	0	0	17
Total	43	4	6	7	3	54	117

Table 4.2 a Cross tabulation of New Age and Employment

NAGE * NEARNING Crosstabulation

Count

		NEARNING				Total
		1.00	2.00	3.00	4.00	
NAGE	1.00	46	0	1	0	47
	2.00	6	6	19	0	31
	3.00	4	0	7	5	16
Total		56	6	27	5	94

Table 4.3 a Cross tabulation of New Age and Earnings

NAGE * Education Crosstabulation

Count

		Education					Total
		1	2	3	4	5	
NAGE	1.00	2	5	3	18	33	61
	2.00	2	14	4	7	0	27
	3.00	1	3	0	7	4	15
Total		5	22	7	32	37	103

Table 4.4 a Cross tabulation of New Age and Education levels

COLLEGE * Employment Crosstabulation

Count

		Employment						Total
		1	2	3	4	5	6	
COLLEG	1	23	3	1	0	2	1	30
	2	20	1	5	3	0	1	30
	3	1	0	0	4	1	23	29
	4	0	0	0	0	0	30	30
Total		44	4	6	7	3	55	119

Table 4.5 a Cross tabulation of sample and Employment

COLLEGE * NEARNING Crosstabulation

Count

		NEARNING				Total
		1.00	2.00	3.00	4.00	
COLLEGE	1	14	2	12	0	28
	2	6	5	15	1	27
	3	7	0	0	4	11
	4	29	0	0	0	29
Total		56	7	27	5	95

Table 4.6 a Cross tabulation of sample and Earning Capacity

COLLEGE * Education Crosstabulation

Count

		Education					Total
		1	2	3	4	5	
COLLEGE	1	0	12	4	13	0	29
	2	5	10	2	7	2	26
	3	1	0	1	13	5	20
	4	0	0	0	0	30	30
Total		6	22	7	33	37	105

Table 4.7 a Cross tabulation sample and Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	26	21.7	29.2	29.2
	2	62	51.7	69.7	98.9
	12	1	.8	1.1	100.0
	Total	89	74.2	100.0	
Missing	System	31	25.8		
Total		120	100.0		

Table 4.8a I have access to the Internet at university/ technikon.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	39	32.5	38.2	38.2
	2	63	52.5	61.8	100.0
	Total	102	85.0	100.0	
Missing	System	18	15.0		
Total		120	100.0		

Table 4.9a I have access to the Internet at school.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	107	89.2	93.0	93.0
	2	8	6.7	7.0	100.0
	Total	115	95.8	100.0	
Missing	System	5	4.2		
Total		120	100.0		

Table 4.10 a : I have access to all technologies.

Q7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	74	61.7	76.3	76.3
	2	23	19.2	23.7	100.0
	Total	97	80.8	100.0	
Missing	System	23	19.2		
Total		120	100.0		

Table 4.11a: I have access to some technology

Q8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	6.7	7.8	7.8
	2	94	78.3	92.2	100.0
	Total	102	85.0	100.0	
Missing	System	18	15.0		
Total		120	100.0		

Table 4.12a: I have no access to any technology at all

Count

		B1		Total
		1	2	
AGE	1.00	42	23	65
	2.00	14	17	31
	3.00	6	10	16
Total		62	50	112

Table4.13a: Cross tabulation between B1 and Nage

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.623(a)	2	.060
Likelihood Ratio	5.649	2	.059
Linear-by-Linear Association	5.303	1	.021
N of Valid Cases	112		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.14.

Table 4.14a: Chi- square tests between B1 and "New age"

As the p value (Pearson Chi Square) which equals 0.6 is greater than 0.05 which equals the significance level chosen we do not reject H_0 and therefore there is not sufficient evidence to suggest that the two variables chosen are dependent.

130

Count

		B3			
		1	2	12	Total
NAGE	1.00	19	34	1	54
	2.00	4	17	0	21
	3.00	3	10	0	13
Total		26	61	1	88

Table4.14a: Cross tabulation between B3 and NAGE

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.012(a)	4	.556
Likelihood Ratio	3.439	4	.487
Linear-by-Linear Association	.031	1	.860
N of Valid Cases	88		

a 4 cells (44.4%) have expected count less than 5. The minimum expected count is .15.

Table 4.15a: Chi- square tests between B3 and "New age"

As the p value (Pearson Chi Square) which equals 0.6 is greater than 0.05 which equals the significance level chosen we do not reject H $_0$ and therefore there is not sufficient evidence to suggest that the two variables chosen are dependent.

Count

		B4		
		1	2	Total
NAGE	1.00	32	34	66
	2.00	2	19	21
	3.00	5	9	14
Total		39	62	101

Table4.16a: Cross tabulation between B4 and NAGE

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Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.260(a)	2	.006
Likelihood Ratio	11.839	2	.003
Linear-by-Linear Association	3.759	1	.053
N of Valid Cases	101		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.41.

Table 4.17a: Chi- square tests between B4 and "New age"

As the p value (Pearson Chi Square) which equals 0.00 is less than 0.05 which equals the significance level chosen we reject H $_0$ and conclude that there is sufficient evidence to suggest that the two variables chosen are dependent.

Count

		B5		
		1	2	Total
NAGE	1.00	52	17	69
	2.00	16	8	24
	3.00	9	6	15
Total		77	31	108

Table4.18a: Cross tabulation between B5 and NAGE

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.744(a)	2	.418
Likelihood Ratio	1.696	2	.428
Linear-by-Linear Association	1.720	1	.190
N of Valid Cases	108		

a 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.31.

Table 4.19a: Chi- square tests between B5 and "New age"

As the p value (Pearson Chi Square) which equals 0.6 is greater than 0.05 which equals the significance level chosen we do not reject H_0 and therefore there is not sufficient evidence to suggest that the two variables chosen are dependent.

Count

		B6		Total
		1	2	
NAGE	1.00	64	4	68
	2.00	28	1	29
	3.00	13	3	16
Total		105	8	113

Table4.20a: Cross tabulation between B6 and NAGE

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.042(a)	2	.133
Likelihood Ratio	3.219	2	.200
Linear-by-Linear Association	1.803	1	.179
N of Valid Cases	113		

a 3 cells (50.0%) have expected count less than 5. The minimum expected count is 1.13.
Table 4.21a: Chi- square tests between B6 and "New age"

As the p value (Pearson Chi Square) which equals 0.6 is greater than 0.05 which equals the significance level chosen we do not reject H_0 and therefore there is not sufficient evidence to suggest that the two variables chosen are dependent.

Count

		B7		Total
		1	2	
NAGE	1.00	46	13	59
	2.00	17	5	22
	3.00	10	5	15
Total		73	23	96

Table4.22a: Cross tabulation between B7 and NAGE

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.862(a)	2	.650
Likelihood Ratio	.812	2	.666
Linear-by-Linear Association	.652	1	.419
N of Valid Cases	96		

a 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.59.

Table 4.23a: Chi- square tests between B7 and "New age"

As the p value (Pearson Chi Square) which equals 0.6 is greater than 0.05 which equals the significance level chosen we do not reject H_0 and therefore there is not sufficient evidence to suggest that the two variables chosen are dependent.

Count

		B8		Total
		1	2	
NAGE	1.00	3	60	63
	2.00	2	20	22
	3.00	3	13	16
Total		8	93	101

Table4.24a: Cross tabulation between B8 and NAGE

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.476(a)	2	.176
Likelihood Ratio	2.951	2	.229
Linear-by-Linear Association	3.293	1	.070
N of Valid Cases	101		

a 3 cells (50.0%) have expected count less than 5. The minimum expected count is 1.27.

Table 4.25a: Chi- square tests between B8 and "New age"

As the p value (Pearson Chi Square) which equals 0.6 is greater than 0.05 which equals the significance level chosen we do not reject H_0 and therefore there is not sufficient evidence to suggest that the two variables chosen are dependent.

Count

		B9		
		1	2	Total
NAGE	1.00	33	33	66
	2.00	19	11	30
	3.00	10	7	17
Total		62	51	113

Table 4.25a: Cross tabulation between B9 and NAGE

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.607(a)	2	.448
Likelihood Ratio	1.619	2	.445
Linear-by-Linear Association	.978	1	.323
N of Valid Cases	113		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.67.

Table 4.26a: Chi- square tests between B9 and "New age"

As the p value (Pearson Chi Square) which equals 0.6 is greater than 0.05 which equals the significance level chosen we do not reject H_0 and therefore there is not sufficient evidence to suggest that the two variables chosen are dependent.