MIDLANDS STATE UNIVERSITY

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

BCom. HONOURS ACCOUNTING

ANALYSING THE IMPACTS OF DIGITAL MEDIA ON FINANCIAL PERFORMANCE OF NEWSPAPER COMPANIES

BY

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This dissertation is submitted in partial fulfillment of the requirements of the Bachelor of Commerce Honours Degree Programme in the Department of ACCOUNTING at MSU.

Gweru: Zimbabwe, September 2014

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The signatory below confirms that they supervised Kudakwashe Lekadala on a dissertation titled: **Analysis the Impacts of Digital Media on financial performance of Newspaper Companies: Case of Associated Newspapers of Zimbabwe.** The dissertation was submitted in partial fulfillment of the requirements of the Bachelor of Commerce Honours Degree in ACCOUNTING at Midlands State University.

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The interpretations or solid reports in this study by any way do not represent university's statements or the supervisor and in any way are not predestined to insult anyone person, institution or organisation but rather there are preordained only for academic purposes.

DEDICATION

I would like to dedicate this dissertation to my lovely wife Amanda, my daughter (Shumiraishe Angel), my Son (Kuda Jrn) , my grandmother, my mother and father for without those people in my life I wouldn't have made it this far academically. I appreciate the love and support that you have continuously gave me throughout my studies.

ACKNOWLEDGEMENTS

First and foremost I would like to thank the LORD ALMIGHTY (Jehovah Ebenezer) for the strength, guidance, protection and all that he provided without measure during my research period. Secondly my sincere gratitude goes to my supervisor, Ms C. Mhaka for her outstanding support, tolerance intellectual support and guidance in this research. Thirdly I would like thank my father Prophet E Makandiwa for the Prophetic Covering. I would also like extend my appreciation to the MSU Accounting Department staff for their valuable assistance. My sincere respect also goes to the Associated Newspapers of Zimbabwe staff for the assistance they gave in acquiring the necessary research data for the purpose of the research. I would also want to extend my gratitude to my family and friends; Hezel, Lavender, Sean,Tsano Mighty, Pastor, Cliff Shamu, Nelson, Eric, Baba Ane, and others who stood by me through thick and thin, last but not least I would like to express my gratitude to Tocky Vibes for his encouragement. May the Great Lord richly bless you guys.

ABSTRACT

The Zimbabwe newspaper industry has recently been suffering from financial challenges due to the economic crises and the rise in digital media. It is against this background that the study sought to investigate the impacts of digital media on financial performance of Newspaper Companies. Time series data for the period of January 2011 to December 2013 was regressed using a multi-regression technique the Ordinary Least Squares method (OLS). The e-views 4 software was adopted to make all the necessary estimations. Literature from various scholars who investigated newspaper companies and financial performance was reviewed. The study indicated that there is a negative relationship between financial performance and digital media however other macroeconomic variables like politics and legislation should be taken into consideration.

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CHAPTER ONE: INTRODUCTION

1.0 Background of the study

This study served to analyse the perceived decreases in profits resulting from the introduction of online advertising and news sites in newspaper publishing companies. It specifically evaluated whether the introduction of digital media (online advertising and news sites) really has a negative bearing on newspaper companies. Athey and Calvano (2013) stated in their article that, the decrease in revenue from advertising and circulation for publishing companies is greatly attributed to the rise of online news and advertising sites. According to the minutes of a meeting held (10.10.2012, 11:00), the Associated Newspapers of Zimbabwe Finance Manager (Mr. Sibanda) said, "Dailynews was at risk of experiencing continued losses due to continuous decreases in advertising and circulation revenue which are key revenue sources as a result of increases in online advertising and news sites." The increase in digital marketing and news consumption has resulted in a decrease in newspaper readership hence leading to decreases in traditional advertising and circulation revenue.

According to the June 2013 Board Meeting Report the Finance Director (Mr. Gwara) stated that profits have been falling significantly from 2011 and this is attributed to the rise of internet advertising and online news updates (Digital Media). The report further highlighted percentage changes in levels of readership and the resultant effect on profitability as follows: from 2011 to 2012, readership declined from 34.34% and losses increased from -10 547.32 to -88 705.14. From 2012 to 2013, readership further declined to 21.30% and loses increased to -109 784.48 and this supports what was said by the Finance Director. Associated Newspapers of Zimbabwe (ANZ) introduced its online site in 2011, on which news updates are posted to the public free and advertisers pay for advertising space but the revenue is not enough to offset the fall in revenue from copy sales and advertising. The table below illustrates the fluctuation of revenue from newspaper advertising, circulation and online advertising.

Table 1.1: Revenue Break Down

	2011	2012	2013
Revenue breakdown			
Revenue - Circulation	3,620,290.09	3,158,510.00	2,754,938.00
Newspaper Advertising	1,785,883.00	1,451,664.00	1,017,591.87
Online Advertising	96,789.00	103,752.00	121,451.18
TOTAL	**5,502,962.09**	**4,713,926.00**	**3,893,981.05**

Source: ANZ Audit Framework

From the table above, it can be noted that revenue from circulation has fallen by $461,780.09 from 2011 to 2012 which is a 12.75% decrease and by $403,572which is a 12.77% decrease from 2012 to 2013. Revenue from advertising has fallen by $334,219 which is an 18.71% decrease from 2011 to 2012 and by $434,072.13 which is a 29.90% decrease from 2012 to 2013. The continuous decreases in revenue accompanied by increases in losses from 2011 to 2013 might be an indication of the impact digital media has on financial performance.

1.1 Statement of the Problem

The back ground of study above, indicates that the main challenge for ANZ is the continual decline in the revenue from circulation and advertising. From 2011 to 2013, revenue from advertising and circulation has declined by 23.9% accompanied by an increase in losses by $99237.16. For this reason, the researcher sought to understand the impact of Digital Media on financial performance.

1.2 Main research question

Is the adoption and increase in the use of digital media related to the increases in loses at ANZ.

1.3 Objectives of the study

- To understand the relationship between copy sales (circulation) revenue and financial performance
- To assess the relationship between digital media financial performance
- To identify the correlation between advertising revenue and financial performance
- Understanding challenges being faced by ANZ in increasing revenue
- To establish the best practice that can be adopted by ANZ to enhance performance

1.4 Sub research Questions

What is the relationship between copy sales (circulation) revenue and financial performance?

What is the relationship between digital media financial performance?

What is the correlation between advertising revenue and financial performance?

What the other challenges being faced by ANZ in increasing revenue?

What practices can be adopted by ANZ to enhance financial performance?

1.5 Significance of the Study

The study was carried out in partial fulfillment of the requirements for the Bachelor of Commerce Accounting Honours Degree of the Midlands State University. The study will benefit the university in the form of assistance to future researchers who will be interested in the same area of study or related study. This study provided an assessment on the effect of the improvement in the media industry hence broadening an understanding on their impact on the company. This research also provided recommendations on ways that can be adopted to enhance performance.

1.6 Delimitation

This study was focused on analysing the impacts digital media has on financial performance of Associated Newspapers of Zimbabwe t/a Dailynews. It is mainly focused on the finance and marketing departments of ANZ covering the period 2011 to 2013. This research excluded other factors that might have a bearing on financial performance such as risk and macro-economic factors.

1.7 Assumptions of the Study

During the research process, the following assumptions were made:

- Data collection methods implemented by the researcher were able to gather the required information for the research.
- The Sample that the researcher selected was a true representation of the population
- There was adequate co-operation from the respondents
- Information gathered by the researcher from respondents and other sources is accurate, relevant and can be relied on.

It was also assumed that the limitations encountered or to be encountered did not affect negatively the validity of the research.

1.8 Limitations of the study

This study was carried out on a sample basis, that is only financial information from 2011 to 2013 was used for the research. There is no documented theory that stipulates the relationship that exist between the selected variables (digital media and financial performance) however the writer used analysis and material from other authors and experts in the industry and also regression techniques to analyze the relationship between the two variables.

1.9 Definition of terms

Circulation –Newspaper copy sales made by the ANZ including subscriptions by companies and individuals.

Subscriptions- Newspapers paid for in advance delivered on a daily basis.

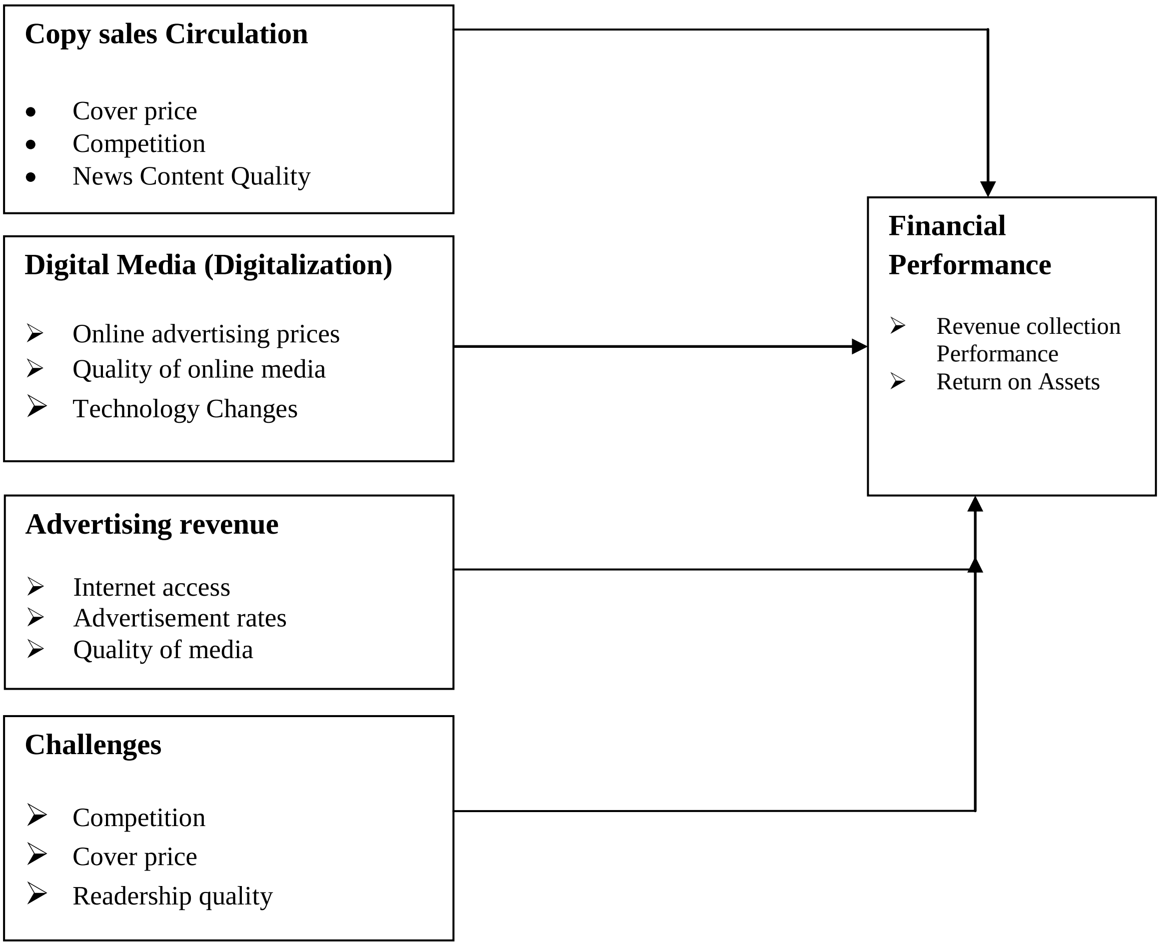
Advertising Revenue- Revenue generated from clients advertising in the Daily newspaper.

Digital Media – Referred to online media (online newspapers and digital marketing)

Researcher – Referred to the author writing this project

1.10 Conceptual Framework

Fig 1.1



Source: Tumwine et al (2012)

1.11 Chapter Summary

Chapter one served to introduce the impacts of Digital Media (online marketing and online news) on financial performance of newspaper companies. This was done in the through indicating the back ground of the problem emanating from the rise of Digital Media and further explaining the problem in the statement of the problem paragraph, the chapter looks at the limitations that might affect reliance on the outcome of the study, delimitations, assumptions adopted for the study, significance of the study and the definition of terms adopted in the study. The main research question was "Is the adoption and increase in the use of Digital Media related to the increases in of loses at ANZ", it also outlined the conceptual frame work that was adopted by the researcher.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter served to review viewpoints of other authors and scholars and their analysis on the effects of digital media on financial performance. This is not a similar item to what has been researched before but it is in the same area of study. This chapter looked in detail on the effects digital media on financial performance and assisted the researcher in assessing his input to the study by analysing theoretically and empirically generated literature relevant to the study. In this chapter, factors affecting objective were identified and looked into in detail in relation to the objective of the study particularly with reference to the problem.

2.1 The relationship between copy sales (circulation) revenue and financial performance

Kirkwood (2009) referred to copy sales as the bulks of newspapers that a publishing company sales over a given period. Quantity of units sold affects the circulation revenue which is known to be a manifestation of a copy sale.

2.1.1 Factors influencing the relationship between circulation revenue and financial performance

2.1.2 Cover Price

Tumwine et al (2012) stated that growth in circulation revenue can be achieved by either increasing number of copies sold through reduction of cover prices or by increasing cover prices and earn circulation from low volume of sales, this has seen some publishing companies reducing cover price to attract more frequent purchases and profits though this has not accurately achieved the intended goal. Zielke (2010) stated that dimensions in prices are of great importance since they motivate consumers to purchase products. Nuwagaba (2012) added that high prices may demotivate customers to purchase products especially when the purchasing power is low. Kirkwood (2009) added that a company can either increase its revenue by reducing its cover price and increase volume of copies sold or by increase the cover price in the context of price skimming. Linde (2009) stated that if a firm can reduce its cover price and be able to increase volume of copies sold it will enjoy economies of scale in the long run hence reducing the cost of production and this has a direct bearing on the financial performance (profitability) of an entity. Fenez et al. (2009) postulated that in an economy were consumers are sensitive to prices (elasticity of demand), a reduction in cover price of newspapers leads to an increase in revenue generated from copy sales and lower cost of production hence positively contributing towards financial performance.

Schmalese (2009) however argued that the theory of reducing prices in order to increase volume of sales is applicable only in economies that are less developed were the consumers are sensitive to prices. He added that price is to a lesser extent determinant of volume of sales newspapers as most people are concerned with the quality of news and information that is presented by the press. Schmalese et al (2010) also posited that certainty cannot be derived on the effects of cover price on circulation. According Kirchhoff (2009) further agued stating that the consumption of new does not rely on the cover prices charged by a newspaper, this is based the theory that newspapers are not luxurious goods. Therefore the relationship between price and volume of sale is limited.

Some researchers were of the idea that cover price influences the revenue that is generated from circulation hence affecting financial performance and some were of the opinion that the relationship between circulation and cover price is limited and for this reason the researcher sought to understand the relationship between circulation and financial performance.

2.1.3 Competition

Kotler and Keller (2009) indicated that competition leads to a dilution in the total market served by an entity hence it consumes the market share of the entity as there is an appearance of fresh companies in the trade. The introduction of new players in the market leads to a decline in sales made by the existing entities and this has a negative impact on the financial performance. Weezel (2010) stated that it is generally acceptable that newspaper companies are facing completion from different ends that is amongst themselves (newspaper publishers), other forms of media and to a greater extent the rise of online news and this has led to decreases in the volume of newspaper copies that are sold leading to lower profitability and to some firms increased loses. Rice (2010) noted that different theories have been said to explain the drop in circulation revenue a common theme being that there is a huge increase in competition in the industry especially from internet news.

The arguments on the other hand failed to explain the fact that attention from consumer is scarce which limits the amount of newspaper copies that can be supplied. There seemed to be mixed opinions towards the impacts competition on copy sales although most literature supports that increased competition have a negative bearing on copies sold hence negatively affecting financial performance.

2.1.4 News Content Quality

According to the World Association of Newspapers (2010), the quality of a product is more significant compared to other elements of marketing consequently in a market where the performance of a product is dependent in the product itself, the other elements of marketing are less important in determining the performance of a product on the market. This implied that newspaper content is a key factor to the growth of sales than price. Omagor et al (2012) stated that if news broadcasting fails to produce quality content that enhances demand for daily-readership, loyalty flopsin is experienced in due course. What makes a product more competitive on the market is not price alone but quality has a significant influence as it focuses on the fitness of the product in executing the intended purpose. According to Anderson (2004), consistency in supplying quality services and products that satisfy consumers' needs can improve financial performance of a firm by reducing failure costs thus, a larger number of customers lead to greater profitability.

Kamukama (2010) stated that most people conceptualize product quality as conforming to consumer needs and relates it to increases in demand of products but the reality is in economies where the buying power is low and people are worried about the necessity of a service the quality of a product a secondary issue as compared to price. The argument failed to eradicate the fact that consumers of newspapers are more attracted to newspapers that offer quality news content hence contributing to circulation revenue which is vital when measuring financial performance of newspaper companies. From the literature above, it can be noted that some scholars indicated that there is a direct relationship between copy sales (circulation revenue) and financial performance and some authors argued that the relationship is limited to a greater extent and for this reason the researcher sought to understand the relationship between the circulation and financial performance.

2.2 The Relationship between Digital Media and Financial Performance

Kokemuller, (2013) described digital advertising as an indirect monetization means in which users access websites free and advertising spaces is sold to interested advertisers and newspaper advertising as a traditional model in which advertisers pay for advertising space on print media published by publishing companies. According to Crosbie (2009), a great debate has been sparked in the media world following the rise of internet news, some researchers and scholars blaming the internet (Digitalization) on the failing of some newspaper companies globally.

2.2.1 Factors affecting the relationship between digital media and financial performance

2.2.2 Online Marketing Prices

Crosbie (2009) stated that the offering of free content on the internet has seen most individuals and cooperates revising their newspaper spending and some even relying on online news and thus posing challenges on the profitability of newspaper companies as they rely on circulation and advertising revenue. Graham, (2010) stated that, the prices on internet advertisement banners and java script advertising which include animation ad motion visuals are significantly lower than the prices charged by print media houses for advertising services on print media and this is leading to marketers opting to adopt the use of internet advertising in a bid to shift their marketing burden. Novac (2010) added that the lower cost of providing internet advertising services (digital marketing) has greatly affected the financial performance of print media companies as result of prices charged on internet marketing. Barthelemy et al (2011) who stated that there could not determine the impacts of online prices on traditional mainstream revenues. Weezel (2009) when he said that online marketing prices alone cannot be held responsible for the failure of newspaper companies.

2.2.3 Quality of Online Media

Sridhar and Sriram (2013) stated that the high quality of online newspaper advertising has seen digital media cannibalizing print advertising and this has resulted in predominant erosion on revenue from print advertising. An empirical analysis by Sridhar and Sriram (2013) reviewed that advertisers view online and print advertising as substitutes. Based on their results, they further stated the growing attraction of online newspaper advertising has a negative monetary impact on the overall newspaper revenue. According to Athey et al (2013) the consumption of online news media has seen the modification of advertising products into new and improved products and services that in principle have become more valuable to advertisers (e.g. crystal digitalized adverts, specific market targeting, and improved quality and quantity measurement). The high quality media from online mediums has seen decreases in revenues from traditional forums hence negatively affecting financial performance of newspaper companies which rely on traditional mainstream methods to generate revenue. Wiley (2011) posited that the negative impacts posed by the quality of online media are limited to a greater extent.

2.2.4 Advancement in Technology

Dimmick (2010) postulated that although the newspaper industry was challenged by the existence of other media such as the television and radio, the appearance of the internet has posed more financially problems for the newspaper firms. The world Association of Newspapers 2010 report mentioned that among other industries, journalism has been greatly affected the rapid change in technology (digitalization).Case (2009) postulated that decline in circulation in the newspaper industry is greatly attributed to the continuous migration from print to digital consumption and stated that the shift led to people dropping their newspaper subscriptions in order to cut cost. Banerjeen (2008) stated that we are living in an era of digital coverage and traditional main stream media coverage is slowly sinking as new media such as the internet are getting more blurred. According to Martin (2009) with the introduction of the new technology, customers who were on the receiving end of media consumption are now getting the accesses to internet news and adding their comments and views on the news content, therefore becoming producers and developers of news content in some way and this has seen the decline in consumer interest on print media.

2.2.5 Unlimited Advertising space on the internet

Rice (2010) noted that a variety of philosophies have been said to give details pertaining the drop in advertising revenue a common theme being that there is a unrestricted availability of advertising space. However, the arguments fail to explain the fact that while there may be plenty of advertising space for every advertiser on the internet, those adverts must still be viewed by the intended market of which attention from consumer is scarce which limits the amount of advertising that can be supplied.

2.2.6 Unlimited access to the Internet

According to the World Association Newspaper strategy report (2009), users who now have access to the internet via mobile phone has increased from 70 Million in 1999 to 1.5 Billion in 2009 and this has left Newspaper Print Media houses poundering future profitability. Athey et al (2013) added that the decline in newspaper companies' revenue particularly advertising revenue is greatly attributed to the unlimited access consumers now have to online media. Moreover, the audience accessing the internet has increased leading to a decline in newspaper circulation.

Barthelemy (2010) on the other hand argued that despite views by other scholars on the negative relationship between digital media and conventional media, new media and conventional media can be vied as complimentary and they can reinforce each other hence combining the two for enhance performance especially in developing countries. Van Weezel (2009) posited that the existence of the internet alone cannot be held responsible for the financial crises in newspaper companies, other factors such as poor budgeting, poor costing system, failure to implement effective cost leadership tools and other economic factors have contributed significantly to this challenge. (Lewis and Reiley, 2009) stated that online advertising is less effective than print media as most web-site visitors are particularly concerned with what they want to search and fear of spy ware and mal ware. According the Pricewaterhouse Coopers and Interactive Advertising Bureau Report (2013), newspaper companies occupy about 47% share of the total internet news and the rest of other online sites share the 53% which shows that the firms still dominate the media industry online.

From the above literature, it can be noted that some scholars are of the position that the unlimited access to the internet has contributed greatly to the financial problems being faced by newspaper companies and some are of the view that internet access has advantages to the performance of newspaper companies. The researcher sought to understand how unlimited access as a factor can influence the relationship between digital media (online news and advertising) and financial performance of newspaper companies.

2.3 The correlation between advertising revenue and financial performance

Hall et al. (2009) described advertising revenue as a form of revenue generating model in which media companies derive income from business and individual who use advertisements in communicating to potential customers in a bid to notify them of the services they offer and in the same context to promote the products they produce in the form of visual, oral or pictorial images in the media. Weezel (2009) stated that newspaper firms are well known for their operations in a dual market combining revenue from advertisers and sale of newspaper copies. Jurkowitz and Mitchell (2013) indicated that advertising revenue is the one of major revenue generating model that sustains newspaper publishing companies therefore performance of newspaper companies rely heavily on advertising revenue.

2.3.1 Factors affecting the relationship between advertising and financial performance

2.3.2 Internet access and coverage (target market)

According to Kirchhoff (2010), online sites offer better opportunities for customers who advertise online, small business and those which are still in their infancy can reach millions of people at lower costs. Brian (2009) contributed that cell phone and other internet capable devices enable advertisers to reach more customers because of the unlimited access to the internet. This has seen more advertisers shifting from print media to digital marketing thus negatively affecting print advertising revenue.

Saliman and Amanda (2011) stated that unlimited access to the internet has helped media companies to reach consumers they could not reach in print media alone hence broadening their revenue base and this has seen Newspaper companies in Europe and Asia becoming major players in digital marketing. The researcher sought to understand the impacts that advertising revenue has on financial performance as influenced by Internet access and coverage based on the fact that some researchers are arguing on the on the relationship between digital media and financial performance.

2.3.3 Advertisement rates

Tumwine and Omagor (2012) stated that growth of advertising revenue can be achieved by increasing number of adverts flitted in the press and this can be done by reducing advertising rates to attract more frequent advertisers and profits. Leurd, Slot and Niewuhuis (2010) stated that advertising revenue has been declining since 1999 and this has affected a number of major players in the newspaper industry globally. The now availability of cheaper mediums to advertise their products such as internet advertising has brought about challenges in the performance of in newspaper companies as most consumers are shifting their marketing budgets towards attaining better advertising and at the same time reducing their operating costs to enhance performance (Profitability). Sundararajan (2010) stated that firms in digital marketing are able to charge lower prices for advertising services than those in print media advertising since the cost they incur are far lower as compared to print media advertising cost. This gives online advertising firms an advantage over print media by attracting more customers in a price sensitive market. Yanhui (2011) supported this view when he postulated that by offering lower prices, for quality advertising services, this posed challenges to print media firms as their advertising revenue is declining due to the migration of customers to online advertising which is perceived to be affordable and effective. The researcher decided to investigate the impacts the advertising rates on Advertising Revenue which directly affects financial performance of newspaper companies.

2.3.4 Advancements in technology

According to the Audit Bureau of Circulation and Advertising (2009), the decline in traditional main stream advertising revenue for newspaper companies is mainly a result of the advancements in technology especially the rise of the new news channeling models powered by the internet. Advancement of communication and technology has brought about a set of challenges to the conventional media world. The existence of the internet in particular has caused challenges for newspaper companies that rely on print advertising and circulation revenue and this has affected them financially as large sums of revenue are lost. Gilbert (2011) added that the introduction of internet capable cell phone and Wi-Fi devices has seen more and more people accessing the internet and understanding the opportunities and advantages of digital media over print advertising. Advancements in technology seems to be posing challenges to the generation of revenue from print advertising for newspaper companies hence affecting financial performance negatively.

2.3.5 Quality of Media

Sundararajan (2010) stated that internet based marketing (Digital marketing) has moved from using text marketing and web banners to include the use of more advanced formats such as shockwaves, Java animation and full-screen superstitials which are sound and video capable and this quality media has attracted the attention of a variety of advertisers persuading them to migrate from traditional print to more sophisticated digital marketing in a bid to reach more customers. The quality of media online has proven to be stronger than that from print media and this has seen consumers shifting to the use of digital advertising leaving print adverting revenue declining.

Huysmans and De Haan (2010) indicated that newspaper publishers benefited to some extent from the emergence of internet advertising through revenue from digital marketing but the growth in online advertising revenue cannot offset the fall in revenue from advertising and circulation and this has resulted financial complications for newspaper publishing companies.

Eirmeren and Vrees (2011) and Schroder and Kobbernagel (2010) shared a view that although most researchers are finding blame in the financial crises of newspaper companies on the decline of advertising revenue and stated that the decline in advertising revenue alone is an insignificant element in determining company performance (Profitability).

From the factors above, the researcher sought to understand how advertising revenue affects financial performance as influenced by the quality of media.

2.4 Challenges being faced by ANZ in increasing revenue

2.4.1 Cover price

Newspapers cover price refers to the monetary value highlighted on the masthead of a newspaper signifying its value. Hinterhuber (2009) stated that prices are usually associated value that is offered by a product that is the higher the price, the quality of the product hence perceiving high priced goods to be more valuable. Tumwine et al (2012) indicated that most firms find it a challenge to decide whether to reduce prices in order to increase the volume of sales and enhance financial performance or to increase the prices in order to quickly cover production cost and maximize profits from low volumes. Pricing strategy requires a great deal of research since there is need to determine the sensitivity of the target market to price. Kabadayi et al (2011) postulated that there is no established theory in pricing that can accurately assist management to quickly and confidently select the most appropriate approach for specific set of consumer characteristics. Wu (2011) posited that within the market, some of the consumers may positively view high prices as an indication of high product quality or prestige, leading to high volume of sales of highly priced goods while on the other end, some consumers may view price negatively and seek to reduce the price they pay for a product. Some newspapers reduce their cover price in order to increase copy sales while others increase cover price in a bid maximize profits but this has not been able to predict the impact of price elasticity on either sales or market share.

Some researchers concluded that the increases in cover price has a direct negative bearing on the volume of copies sold thereby leading decline in copy sale revenue but Wunsch-Vincent (2010) had a different position when he stated that some consumer behaviors tend to relate the quality of a newspaper to the cover price that is the higher the cover price the higher the quality of readership content.

Cover price affects the copies (circulation) that are sold by an entity and failure to determine the appropriate strategy will lead to significant loses in sales revenue hence negatively affecting financial performance, the researcher sought to understand how cover price can pose challenges to Associated Newspapers of Zimbabwe.

2.4.2 Competition

Kotler and Keller (2009) the introduction of new competitive players in the market leads to a decline in sales made by the existing entities and this has a negative impact on the financial performance. Weezel (2010) stated that it is generally acceptable that newspaper companies are facing completion and this has led to lower profitability and to some firms increased loses.

Another researcher Shafer (2011) had a different view on the impacts of competition and he argued that vigorous competition amongst firms is of great importance as it is an indispensable factor in the improvement on the quality and innovative products and services that leads to better costing models hence positively contributing to the goal improving financial performance. Rice (2010) noted that different theories have been said to explain the drop in advertising revenue a common theme being that there is a huge increase in the supply of advertising space. However, the arguments fail to explain the fact that while there may be plenty of advertising space for every advertiser on the internet, those adverts must still be viewed by the intended market of which attention from consumer is scarce which limits the amount of advertising that can be supplied. According to Goko (2013) in his article "Media Analysis in Zimbabwe" the drop in circulation is to some extent blamed to the increase in newspaper companies giving rise increased competition in the newspaper industry. Goko (2013) further mentioned the emergence of new newspaper on the market and related them to the decline in the circulation of already existing companies and this is in line with Kotler and Keller's view on the impacts of competition. In the case of Associated Newspapers of Zimbabwe, the view of competition can be closely linked to the introduction of the H-Metro and Newsday which stormed the market since introduction and in less than 3 years of introduction, the H-metro has become one of the bestselling papers posing competition on already existing papers.

2.4.3 Readership Content Quality

Wood's (2010) indicated that the poor quality of products offered by an organisation and inconsistent customer services have negative impact on consumer supplier relationship. If an organisation offers excellent services to the market, it has a chance of maintaining its market share. According to the World Association of Newspapers (2010), the quality of a product is more important than other strands of marketing therefore in a market where the performance of a product lies in the product itself, the other strands of marketing become secondary in determining financial performance of a product. This implies that newspaper content is a key factor to the growth sales than price. Geshom and Omagor (2012) fully supported this view when he stated that if journalism fails to produce content that raises demand for daily readership loyalty fails ultimately. What makes a product more competitive on the market is not price alone but quality has a significant influence as it focuses on the fitness of the product in executing the intended purpose. The quality of a newspaper relies heavily on the content of news in the paper. According to Norris (2009), the fall in daily press poses a concern on the standards of journalism. The poor quality of newspaper content over time has a negative effect on the performance of a newspaper leading to dwindling readership and sales declines hence loss of the advertising market share.

Wiley (2011) mentioned that although quality may be a way in which a firm can differentiate its products, it can also have a negative bearing on an organisation if the economy that is served by the organisation has high sensitivity to price (high price elasticity on demand) this is from the view that the higher the quality of a product the higher the cost incurred in modifying the product. Organisations which concentrate much on the quality product and services of often develop intrinsic and extrinsic reputation and this is usually enduring and difficulty to copy hence negatively affecting performance in competitive environments. From a different point of view, Sridhar and Sriram (2013) indicated that poor quality of newspaper content (Journalism) usually results in loss of circulation revenue as customers divert consumption to better quality readership.

The researcher sought to understand how the quality of news and adverts produced by Associated Newspapers of Zimbabwe affect the firm’s financial performance.

2.4.4 Distribution Channels

Tumwine (2012) indicated that one of the major factors that affect newspaper companies is the delivery channels that are adopted for transmitting newspapers to various parts of the country. If a paper is delivered to the market late it is bound to loose market. Parck (2010) stated that if a company has poor distribution systems and inconsistency in punctuality it therefore limit consumer reliability of their products thus risking loss of customers. Rumbol and Duartal (2009) added that most people purchase newspapers mostly because of easy access and limited access has an effect of reducing copy sales, this is based on the fact that newspapers in a country usually produce the same news in different journalism techniques.

ANZ distributes its newspapers via vans from the Head Office to various parts of the country such as zvishavane, Beitbridge and Kariba and in some parts the paper usually gets there late after delivery hours and the researcher sought to understand the challenges posed by distribution channels on financial performance.

2.4.5 Promotion

According to Omargo (2013) marketing trends have resulted in most companies spending a lot of money on advertising to improve brand and sales but this seems to have changed in favour of promotion. However this Low and Mohs (2000) stated that brand with a high ratio of advertising budget than sales promotions win more favorable customer response, brand equity and increased market share. Calvano et al (2009) postulated that sales promotions are opposed for putting more emphasis on short term gains that are clear to top management which might pose a decline on long term profitability of the brand by over subsidizing customers. Mustaffa and Ibrahim (2011) in their article “The Impact of New Media on Traditional Mainstream Mass Media” concluded that promotional activities if implemented effectively have a positive influence on financial performance of print media. Dailynews has been indulging in sale promotional activities since 2011 for example its on-going “Read and Win Promotion” whereby customers cut the masthead of the newspaper and fill in their details then submit the masthead to the head office and a draw is carried out where customer stand chances to win a variety of prizes. These promotions are a bid to improve financial performance in the form of increased copy sales revenue.

The researcher sought to understand how ineffective and poor sales promotions can be challenges to ANZ.

2.4.6 Public Relations/Publicity

Black (2013) stated that public relations are ways of communication at a professional level and without communication there are no public relations. Good public relations improve business reputation thereby improving credibility which help a firm to sale more products. While supporting this view Dileshnsheider (2010) added that good public relations are essential for the good publicity of the company thereby enhancing the image of the organisation and promoting sales. However Gregory (2010) argued that the success of public relations do not just happen but a lot of work must be done to insure good public relations and this is in the form of intense research, planning and strategic implementation. Green (2009) added that public relations are not directly linked to sales and a company does not have control on what the media conveys about it hence it is not guaranteed that this is a positive variable towards the generation of income or a company's financial performance.

2.5 Best Practice to Ensure Enhanced Performance

The researcher adopted some practices from 'BRICS' countries which are Brazil, Russia, India, China and South Africa. Gilbert (2013) established that best practice can be simplified as implementations that can be made by management so as to enhance the performance of an organisation. The question of what practice can be adopted usually arises when an organisation is operating in challenging environments and there are ways that can be adopted to mitigate the complications or when an organisation is keen to improve its efficiency. Salman et al (2011) stated that there are variety of strategies that can be implemented by newspaper companies in these times when digital media (online media) is at raising and these ways include cost cutting, improving the quality of content, implementing effective and efficient human resource tools and other performance enhancement tools.

Mohbob et al (2010) posited that firms can formulate strategies for the best use of their resources in order to improve its performance. An economist Gentzokow (2010) posited that newspaper companies should consider the following strategies in order to enhance their performance: Brand Image strategy, ArchivingCostLeadership, HumanResourcestrategy and Technology strategy: Mobile advertising and ereader.

2.5.1 Branding and Brand Image strategy

BRICS countries Best Practice guide (2013), provided that companies can enhance their financial performance by improving the volume of sale they make of a product and this can be achieved by improving their brand image. The b2b BRIC marketing strategy (2012), mentioned that companies should consider how other cultures view its visuals and logo and this will help them improve their brand. According to Schneder (2014), the most adopted revenue generating techniques in BRICS are brand improvement and emphasis on online marketing. Anselmi (2000) stated that market share of a brand has long term effect on the finances of an entity in the sense that maintaining brand image directly affects marketing cost of an entity. (Webster, 2010) added that a good brand help manufactures secure consumer demand thus positive customer attitudes towards the branded products hence enhancing suppliers' credibility. Eva et al (2011) stipulated that by having a sound brand image, a firm can be able to offer differentiated products to the market and be able to improve customer loyalty and hence directly improving financial performance. The researcher sought to understand how the Branding Strategy can be adopted in order to increase revenue of newspaper companies.

2.5.2 HumanResourceStrategy

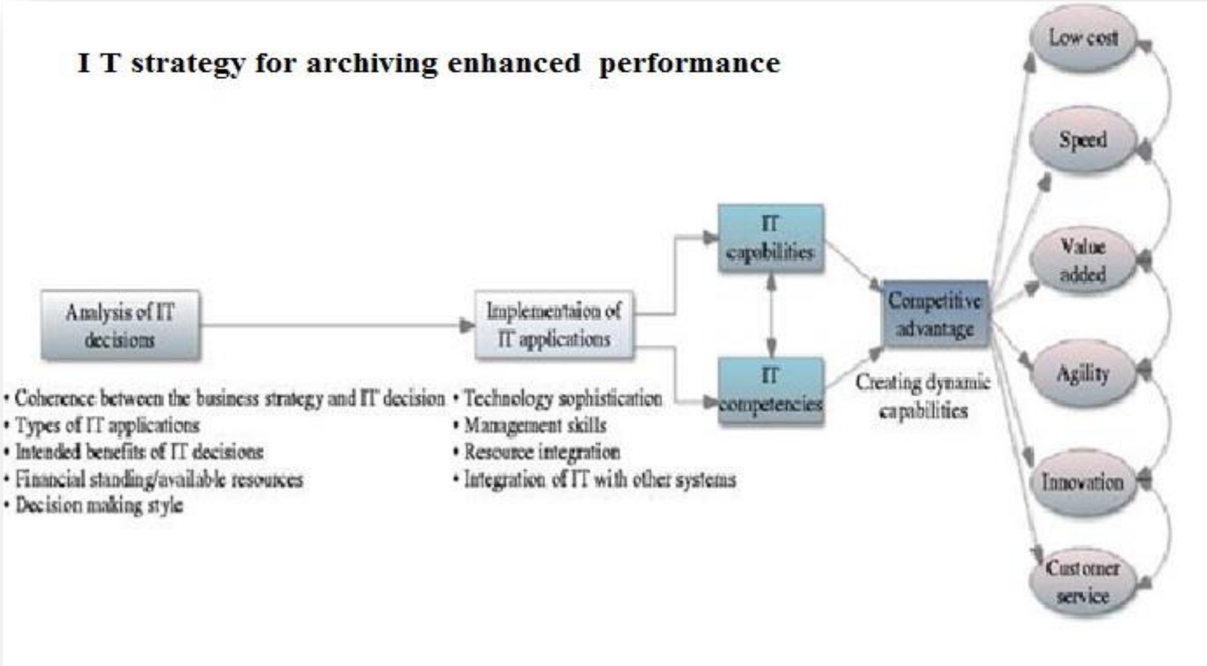
Taylor et al (2009) reviewed that the implementation of effective humanresourcemanagement practices add economical advantage and offer a direct and positive contribution to the organization's goal of improving performance. Athey and Emmanuel (2011) indicated that a special skill is now required in journalism as the digital world is rising and everyone is becoming a news transmitter through online social sites and other digital mediums. There is need to advance skills at various levels of employees, improving the level of skills for journalist will help a newspaper to offer competitive and unique news content hence attracting more readers thereby contributing to increases in copy sale revenues.

Finely and Amanda (2009) stated that human resource management is of great importance to high performance as negative employee's actions and behaviors are hindrance to the media outcome. Angel (2012) added that financial performance of newspaper companies crucially depend on the content of news produced by journalist and this is improved by implementing effective and efficient human resource management tools.

2.5.3 InformationTechnologyStrategy

According to Evans and Poatsy (2012) information technology strategy is a set of techniques adopted in execution of functions and retrieval of information in order to safeguard privacy and confidentiality. According to Bob (2011) information technology is a mixture of broadcastings and computing to achieve process, accumulate, convey and produce information in the form of media. According to Lavrusik (2009) Information technology refers to hardware, software, databases, telecommunication technologies and other information processing technologies that manipulate data resources into useful information products like reports, financial statements. Tavitiyaman, Qu and Zhang (2011) postulated that industry forces are transformed to competitive threats in the information technology departments. Tavitiyaman, Qu and Zhang (2011) further noted that threats of new entrance will now be the threat of new technology that will interrupt the viability of the IT department's functional landscape. Barin et al. (2011) in their article stated that an information and technology investment plays a crucial role in managing newspaper companies as they are heavily computerized and depend on online sites to gather news and current information. Barin et al. (2011) iterated that Information technology investment will enhance an organization's productivity, cut their costs and at the same time add value and products offered to customers in the sense that technology is updated with a goal of reducing cost and increasing efficiency. The figure 2 below indicates Information technology can be adopted in order to enhance Financial Performance.

Fig 2.1



Source: Anil Bilgihan eta l. 2011

According to Bob (2011), information technology improves the safety of an organization's data through data integrity security programmes which keeps confidentiality, restricted access to sensitive information and access controls. Information and technology can give Associated Newspapers of Zimbabwe an economical advantage if it is properly implemented.

Standing (2009) however contended that the task of implementing information technology successfully such as E Commerce due to factors among them financial constraints. Varzalic (2009) added that the implementation of E Commerce calls for the purchase of new equipment, competent personnel, payment of heft license fees and high security costs to safeguard the equipment which results in strained capital budgets.

2.5.4 Achieving Cost Leadership

Fitzroy et al (2012) described the basic way of archiving competitive advantage as cost leadership as it is directly linked to pricing. This plan requires forceful building of effective measure that convenience tight cost and overhead control. The strategy entails great evasion of client and cost control in specific areas such as Research and Development and sales force. In a bid to obtain a larger portion of market share the company will work exceedingly hard to attain a cost of production that is lower in order to be able to charge prices lesser than its contestants this is also known as lowprice policy. According to Hurbert et al (2012) low price strategy refers to strategy whereby the firm offers products or services such that the price actually paid by customers is the lowest among the available alternatives.

Graham (2011) however argued that reducing prices alone is not enough to persuade to buy except interpreted into low-prices in the marketplace when alternative suppliers are offering same products at higher prices and it applies to a market where the price elasticity of demand is low. Low price strategies have their own dangers; the main one is the possibility of being outsmarted by rivals who adopted better Technology Practices implemented that further reduces their operating costs.

2.6 Conclusion

Chapter reviewed applicable writings from numerous scholars and authors that supported the study. Large literature support that the introduction of the digital media has posed financial challenges on the newspaper industry. Volume of sales is driver for newspaper companies' revenue. Technological changes (Digitalization), competition, and increased customer needs are major causes for newspaper companies to revise their revenue generating model in this digital age.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 INTRODUCTION

This chapter served to discuss how the research was carried out. It also highlighted on the study procedure that was implemented and the justification for its adoption including how the information was collected and analyzed. It looked on the researchdesign, sampledesign, data sources, the selected sample, sample size and the methods used to collect data. One of the major objectives of this chapter is to substantiate the specific practices and instruments which have been implemented by the researcher in this research. The research adopted both quantitative and qualitative approach on the analysis of data and this because the research the research involve statistical calculations and they is need to analyze them using statistical techniques such as mean, mode and standard deviation. Some of the data cannot be quantified since it was derived from Depth interviews and the researcher chose to adopt the qualitative approach as supported by Kothari (2004) who indicated that qualitative approach is adopted in instances where the researcher seeks to understand factors relating to quality as opposed to quantity such as information from depth interviews.

3.1 Research Design-Descriptive Research Design

According to (Kumar, 2011) research design referred to a bureaucratic plan that is implemented researchers in countering the research question for the study reliably, parsimoniously objectively and accurately. According to Kothari, C. (2009,) descriptive research design is centered on the description of a particular individual or group; it is also characterized with the narration of facts and characteristics of a group or an individual. He added that, in order to effectively utilize the use of descriptive research design, the researcher should clearly define what he or she is going to measure, state the measurement methods and clearly define the population he is going to carry out a study on. According to Teddlie et al

(2009), a research design can be adopted in order to combine both quantita-tive and qualitative methods in gathering, examining, presenting, and interpreting data. McMillan and Schumacher (2009) further added that a research design is a planned investigation, which is conducted in order to obtain answers to research questions.

Huges (2010) stated that descriptive design centers on understanding the relationship that exists between two variables at a given period of time. In analyzing the relationship between newspaper copysales and financial performance of newspapers in Uganda, Omargo et al (2012) adopted the use of descriptive research design and this is the same area of study with the current study

The researcher chose to adopt the use of this research design (Descriptive research design) in an attempt to understand the proposed research questions which are: what is the relationship between circulation revenue and financial performance? What is the relationship between digital media and financial performance of newspaper firms? What is the correlation that exists between advertising revenue and financial performance? The researcher's choice of adopting the descriptive research design was also based on Creswell (2009) postulation that the research design allows one to combine qualitative and techniques hence covering all the proposed research questions posed by the study.

3.2 Study-Population

According to Pathak (2010), population refers to the total number of members or respondents who confirms the existence or non-existence of a certain condition or event. Kictenham and Pfleger (2012) added that target population is the individuals or group to which the study or research is related. In this case, the researcher was mainly focused on the impacts that Digital Media (online news and digital marketing) has on financial performance of newspaper companies in Zimbabwe. This research case studied the Associated Newspapers of Zimbabweamong other newspaper companies in Zimbabwe. The population targeted by the researcher was expected to have reasonable knowledge on Digital Media and Financial Performance and these included-: The Finance Director, The Finance Manager, Accountants, Marketing Director, Marketing employees, circulation manager and circulation employees including newspaper vendors.

3.2 Sample Size and Sampling Procedures

The researcher identified a research sample that is selected respondents from the target population. Mbokane (2009) stated that sample size is a sub division of the total population that was selected by the researcher for the purpose of the research. Hayes (2011) emphasized that from the rest of the population group, certain members (respondents) are selected (sample) which was used by the researcher as the basis of information. According to Kothari, (2004), in order to reduce risk of sample error, to an acceptable level, the researcher should use a sample that is above 70% of the total population. The more close the sample is to the total population, the more accurate the results archived.

For the purpose of the study, the researcher came up with the research sample on the basis of non-probability sampling method which emphasizes on the selection of sampling units on the basis of non-random procedures. The areas researched required respondents who were familiar with the study and this led the research to rely on judgmental sampling. Levin (2004:52) referred to a sample as “a collection of some, but not all of the elements of the population under study, used to describe the population”.

The table below shows the category of respondents and the number of respondents targeted.

Table 3.1 Summary of Respondents

Category of respondents	Total population	Tagert Respondents	Target Sample %
Circulation Manager	2	2	100%
Circulation Staff	6	5	83%
Marketing Manager	2	1	50%
Marketing staff	15	11	73%
Accountants	3	3	100%
Finance Department employees	11	8	73%
Finance manager	1	1	100%
Finance Director	1	1	100%
TOTAL	41	32	78%

Table: Sample Size

Pathak (2009) stated that, the researcher should use sample size that is large in order to improve the accuracy and precision of the data collected of data and results. However because of time as a limiting factor, the researcher chose to adopt a medium sample so as to meet the time frame stipulated for the purpose of the research. The sample was selected on the basis of the information required by the researcher to come up with conclusions that are valid and that relate directly to the proposed area of study.

3.3 Data Sources

The sources of data included secondary data and primary data sources.

3.3.1 Primary Data and Secondary Data

Primary data is that collected for the purpose of the research and was gathered by the researcher in the research using techniques such as questionnaire and interviews. According to Virtanen (2010) secondary data is that data gathered by other researchers in pursuing their own studies or research for example journals, audit reports, government publications and financial statements. In gathering data for regression purposes (assessing relationship between variables), the researcher adopted the use of financial statements and government publication which forms part of secondary data. In order to gather data pertaining to the challenges being faced by ANZ and the best practices that can be adopted by ANZ, the researcher utilized questionnaires and personal interviews and these are forms of primary data.

3.4 Research Instruments

The researcher used interviews, questionnaires and observations among other methods to gather data relevant for the study. Secondary data was also used for the purpose of the research. The researcher attained results he desires from the adoption the aforementioned research instruments.

3.4.1 Personal Interviews

According to Kajornboon (2009), interviews are a logical way in which the researcher talk to and listen to people (respondents) in a bid to gather data through a planned or objective oriented conversation. Kothari (2009) stated that primary data is collected when experimental research but when carrying out a descriptive type of research, primary data is acquired through direct communication or observing selected respondents. The researcher adopted this research technique in order to compliment questionnaires. The interviews are carried out via telephone or face to face with the respondents. The technique does not offer predetermined answers to the respondents for example; the interviewees give information based on their own understanding of the subject in question and not just “yes” and “no’s”. This technique was used to gather data mostly from top management workers. The researcher chose the adoption of this instrument based on the fact that it gives detailed information on the subject, interviewer clearly noticed gestures and expressions e.g. facial expressions, the instrument is flexible in the sense that the interviewer was able to ask as many questions related to the study as possible. In addition to the above mentioned advantages, the researcher viewed interviews as a method that will assist in gathering reliable information because of his presents and will understand the degree to which respondents are familiar with the study are as they will not be answering predetermined questions.

3.5.2 Questionnaires

In order to gather primary data, the researcher adopted the use of questionnaires. According to Patodor (2012) questionnaires should include structured questions, open questions, and unstructured questions and they can be administered via mail or personally together accompanied by a latter stipulating conditions under which the information will be used.

Martins (2009) stated that the use of questionnaires as a data collection method is popular especially when carrying out large scale inquires and it is usually used by private individuals. Kamar (2011) postulated closed-ended questions give answers that are predetermined by the researcher, it is easier for respondents to respond to since they have answers to choose from. The research adopted the use of a Likert scale which allow the rating of responses from respondents as Strongly Agree 5, Agree 4, Uncertain 3, disagree 2 and strongly disagree 1. The scale is used in determining the measures of central tendency. The researcher chose to the adoption of questionnaire because there are cost effective, less time consuming and allowed the researcher to adopt quantitative analysis of data through the statistical values (Mean and mode)

3.5.3 Validity

According to Kothari, (2004), validity is the degree to which a test measures what it actually wishes to test. The researcher to attained useful information that he was able to test the relationship financial performance and digital media from the adopted research instruments, since questionnaires and interviews directly involved respondents from a newspaper company and who had financial accounting knowledge. According to Sivo (2006), validity can be improved by minimizing the non-response rate; this is because non-response introduces a non-response error which should not exceed 30% this implies that the non-response rate should not exceed 35% in order to insure validity and is estimated as follows:

NRB = NR*(X1 - X2), where

NRB = nonresponse error,

NR = nonresponse rate,

X1 = the average response of respondents to the variable in question,

X2 = the hypothetical average response of non-respondents to the variable in question.

Reliability

Muller (2009) stated that reliability is the degree to which data is free from error and bias. Miles and Huberman (2011) postulated that, reliability can be referred to as when two distinct researchers on the same area of study produce similar results although not identical. Reliability is one of the two fundamental and important features of any measurement procedure. Reliability this can be said to be the extent to which procedures are error-free thereby producing reliable outcomes. The techniques adopted by the researcher enable him to draw up effective conclusions pertaining to the characteristics of respondents and for the study.

In order to determine the reliability and validity of information acquired from the use of adopted research instruments, the researcher is going to carry out a pilot test so as to attain reasonable-assurance on pertaining the questionnaires and the structure of the questions.

3.5 Quantitative-Approach Measurement of study-variables

3.5.1 Dependent-Variables

Kathoori (2009) stated that in order to effectively utilize the use of descriptive research design, the researcher should clearly define what he or she is going to measure, state the measurement methods. In this case, the measurement of the dependent financial performance of Associated Newspapers of Zimbabwe, the researcher adopted the use of financial ratios. Ratios which are usually adopted are: Return on Capital Employed (ROCE) and Return on Assets (ROA)

Return on assets = $\frac{\boldsymbol{Net\ Profit\ before\ Taxes}}{\boldsymbol{Total\ Assets}}$

Return on equity usually used to measure profitability of a company from the owners (shareholders) point of view. The ratio shows the rate of return flowing to the company's stockholders. According to Rose and Hudgins, 2006 the Return on Asset ratio estimates the net benefit received by the stockholders after investing their assets.

3.5.2 Independent-Variables

Circulation Revenue

Share of Circulation Income from total income is measured as follows:

$$\boldsymbol{SHCirc\ Y} = \frac{\boldsymbol{Circulation\ Y}}{(\boldsymbol{Circulation\ incom} + \boldsymbol{subscriptions} + \boldsymbol{advertising\ income})}$$

Digitalization Media

The researcher adopted the use of digital income ratio to overall newspaper companies' income in Zimbabwe.

Advertising Revenue

Share of advertising Income from total income is measured as follows:

$$\mathbf{SH}\mathrm{Adv}\mathbf{Y} = \frac{\boldsymbol{Advertising\ Y}}{(\boldsymbol{Circulation\ incom} + \boldsymbol{subscriptions} + \boldsymbol{advertising\ income})}$$

3.5.3 Multi Regression Model

In order to analyze the relationship that core-exist between company performance and the mentioned independent variables (Circulation revenue, digital media and advertising revenue, the researcher used a multi-regression model. The regression model is illustrated as follows:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + e$$

Where:

Y = dependent variable, which measures company performance on the basis of ROA.

$\beta 0$=constant terms

$\beta 1$- $\beta 4$=beta coefficients

Independent variables

X1 = share of circulation income

X2 = advancement in digitalization

X3 = share of advertising income

e= is the error term and there is an assumption that it follows a normal distribution with mean 0 and constant variance.

3.6 Data Analysis

According to Rueben, Bukowski and Laursen (2011) data-analysis is a systematic-way of constructing-order, structure and the providing-meaning to the mass of data-gathered. For purposes of analysis, the researcher used percentages (%), percentage changes and other statistical models such as mean, mode, and standard deviation.

3.7 Data Presentation Techniques

When presenting researched information, the researcher used tables, charts and graphs for example pie charts, bar charts, line charts. In running regression models, the researcher adopted the use of E - Views software package. E – Views is a software that is used for regression purposes and can be used together with Microsoft excel and Microsoft word to review results.

3.8 Chapter Summary

This chapter highlighted the research methodology adopted by the researcher. It looked in detail on the research design, research population, sample size, research instruments and the sources of data. It also indicated the regression model that was adopted by the researcher in testing the relationship between research variables.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION

This Chapter presented and analyzed data obtained through the use of questionnaires and statistical techniques that were stated in chapter 3 to test the relationship that exists between digital media and financial performance. It also addresses views from interviewees and interprets the data gathered from interviews in a summarized way. The data analyzed is presented intheform of graphs, tables and charts. E-views software is used for multi-regression.

4.1 Questionnaire ResponseRate

4.1.1 Questionnaire

Table 4.1: Summary ofquestionnaireresponded

Category of respondents	Actual Respondents	Tagert Respondents	Respondent Rate %
Circulation Manager	2	2	100%
Circulation Staff	5	5	100%
Marketing Manager	1	1	100%
Marketing staff	11	11	100%
Accountants	3	3	100%
Finance Department employees	6	7	86%
Finance manager	1	1	100%
Finance Director	1	1	100%
TOTAL	30	31	97%

According to Marsden et al (2010) response rate is referred to as the rate at which respondents, respond to the questions addressed by a researcher. It is the actual respondents expressed as a percentage of the total targeted respondents. Babbie (2010) stated that a high response rate is associated with more accurate and reliable results. The researcher managed to attain a response rate of 97% because 31 of the 32 targeted respondents responded to the questionnaires proposed by the researcher. The researcher was satisfied with this response rate as it is in-line with Kothari (2004)'s view that a good sample should be above 70% of the total population and a good response rate should be 70% or above of the sample to insure more accurate and reliable results. Sivo (2006) indicated that in order to ensure sound validity, the researcher should secure a non-response rate below 30% so as to reduce response error to an acceptable level. In this case the response error estimated as follows.

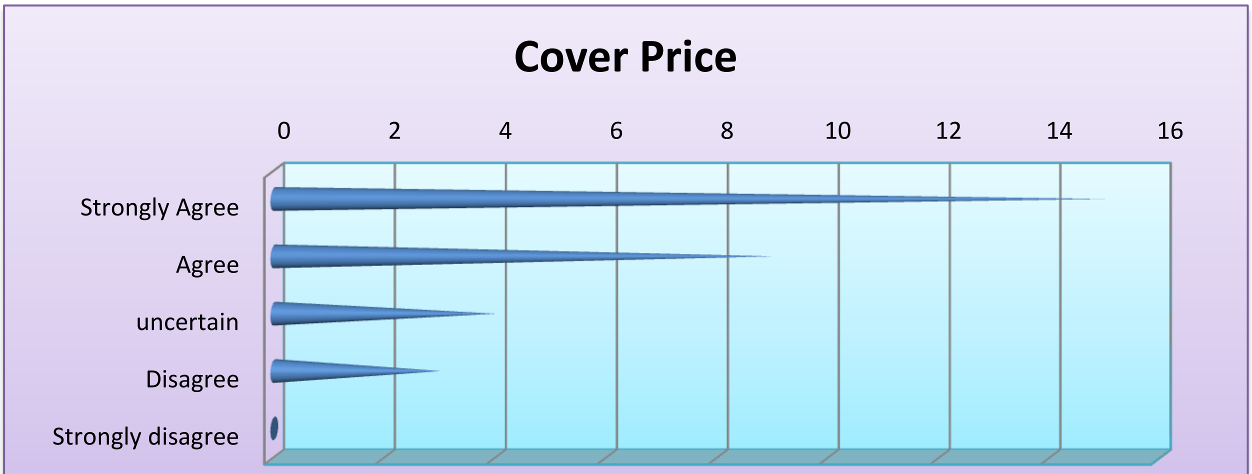
$NRB = \mathrm{NR} * (\mathrm{X1} - \mathrm{X2}) Response\ error = 3\%(3.75 - 0.25) = 10.5\%$ The 10.5% response error is significantly lower than the 30% bench mark hence insuring the validity of information derived from research instruments. The above mentioned formula was discussed in chapter 3.

4.1 Data Presentation and Analysis

4.1.1 Factors influencing Circulation Revenue in relation to Financial Performance

4.1.2 Cover Price

FIG 4.2.1



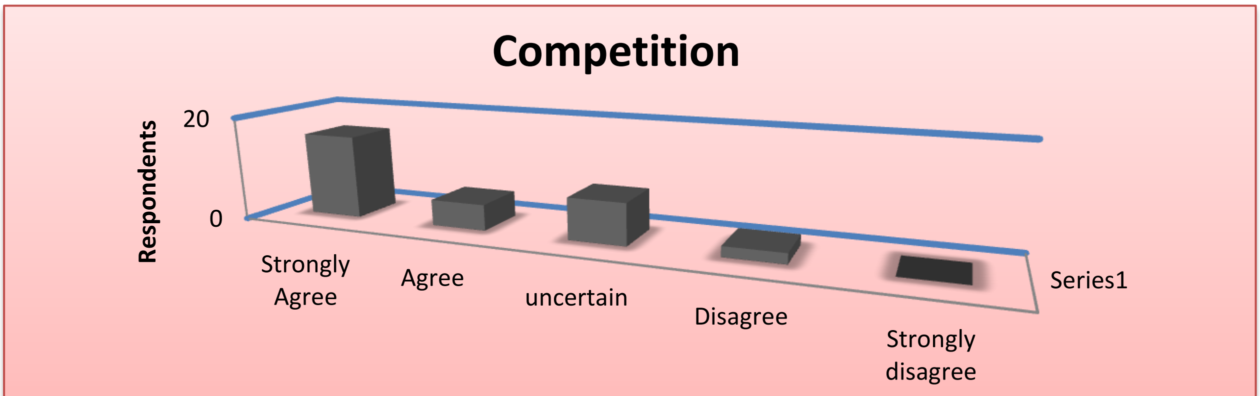
	Strongly disagree	Disagree	uncertain	Agree	Strongly Agree
Series1	0	3	4	9	15

From the table above it can be noted that 24/31 (77.33%) respondents agreed that cover price influences circulation revenue which might be an indication that there is a positive relationship between circulation and financial performance. This is in line with Tumwine et al (2012) who stated that increases in price of newspapers results in decrease in circulation revenue as a result of loss of customers.

4/31 (12.9%) respondents were uncertain as to whether cover price influences circulation revenue in relation to financial performance and this is an insignificant percentage to conclude that there is cover price does not affect circulation. the 12.9% (4/3) is supported by Schmalese et al (2010) who posited that certainty cannot be derived on the effects of cover price on circulation. 3/31 (9.6%) of the respondents disagreed on the effects posed by cover price on circulation revenue of newspaper companies but this cannot be adopted as a basis for concluding that cover price does not affect circulation. What was obtained from the 9.6% (3/31) is in-line with what Kirchhoff (2009) who stated that the consumption of newspapers does not rely on cover price. Statistical analysis of the gathered data indicated that, the mean is 4.16 calculated by $\{Mean = \frac{\sum(respondents * rating)}{total\ respondents}\}$ and the mode is 15/31 respondents since more respondents strongly agreed with the fact that cover price influences circulation revenue in relation to financial performance.

4.1.3 Competition

FIG 4.2.2



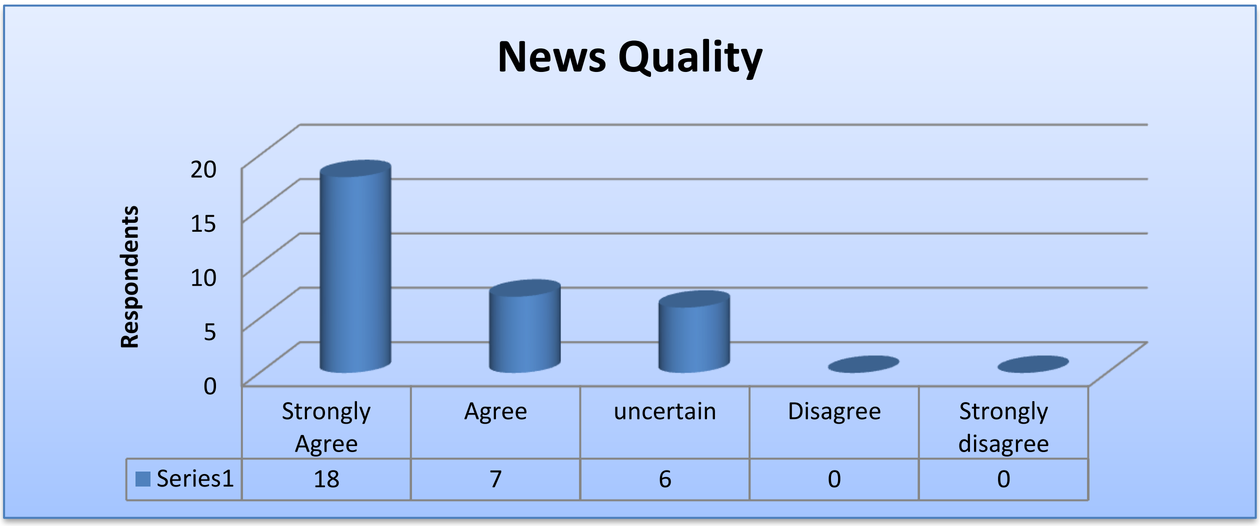
	Strongly Agree	Agree	uncertain	Disagree	Strongly disagree
Series1	16	5	8	2	0

The table above indicates that, 121/31 (67.8%) of the respondents agreed that competition affects circulation revenue in relation to financial performance and this this might mean that there is a negative relationship between competition and circulation, Van Weezel (2010)'s position that circulation revenue of newspaper companies is greatly affected by competition both from other media companies and from other forms of media such as internet media this has a negative bearing on financial performance.

8/31 (25.81%) respondents were uncertain as to whether competition has a bearing on circulation revenue in relation to financial performance of Associated Newspapers of Zimbabwe which is insignificant to draw a conclusion that there is uncertainty on the fact that competition affects circulation in relation to financial performance as indicated by Rice (2010) that there is no documented evidence that supports the relationship that exist between cover price and financial performance, 2/31 (6.45%) of the respondents disagreed with the fact that competition has a bearing on financial performance and there were no respondents who strongly disagreed with the fact that competition affects circulation revenue which might mean that competition affects circulation revenue and this is in-line with Shafer (2011) who stated that competition helps improve product quality hence improving sales. Statistical analysis of the gathered data indicated that, the mean is 4.12 calculated by $\{Mean = \frac{\sum(respondents*rating)}{total\ respondents}\}$ and the mode is 16/31 respondents since more respondents strongly agreed with the fact that Competition influences circulation revenue in relation to financial performance

4.1.4 News Quality

FIG 4.2.3



From the table above it can be noted that majority of 25/31 (80.6%) respondents supported the fact that quality of news presented by a newspaper influences circulation revenue which might be an indication that the quality of news has a strong bearing circulation hence affecting financial performance of newspaper companies and this supports Anderson (2009)'s postulation that news quality has significant impacts on circulation revenue of newspaper houses hence influencing financial performance. On the other hand, 6/31 (19.35%) respondents were uncertain as to whether news quality affects circulation revenue in relation to financial performance which might mean that respondents are not sure of the impacts of the quality of news on circulation, no respondents disagreed on the impacts of cover price on financial performance. Statistical analysis of the gathered data indicated that, the mean is 4.39

calculated by $\{Mean = \frac{\sum(respondents * rating)}{total\ respondents}\}$ and the mode is 18/31 respondents since more respondents strongly agreed with the fact that news quality influences circulation revenue in relation to financial performance.

4.3.1 Factors influencing the Digital Media in relation to Financial Performance

4.3.2 Online marketing Prices

FIG 4.3.1

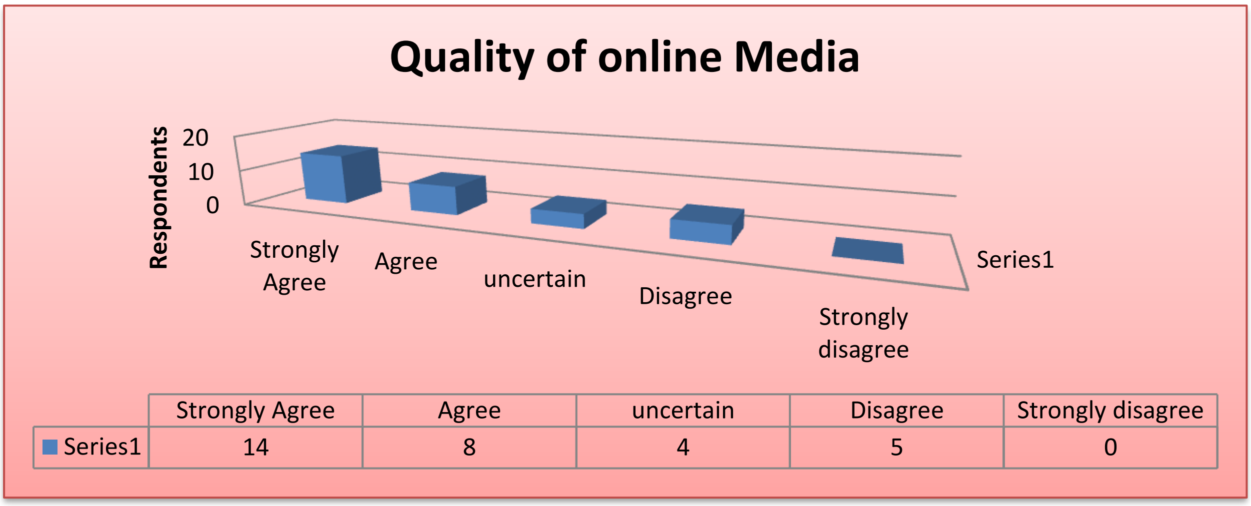
	Strongly Agree	Agree	uncertain	Disagree	Strongly disagree
Series1	7	3	14	4	3

The table above shows that 10/31 (32.25%) of the population agreed with the fact that online marketing prices has an influence on the increase in the consumption of digital media which is in-line with Novac (2010) who posited that lower prices charged by digital media has cause customers to flock from traditional media to digital marketing. This might indicate a negative relationship between digital media and financial performance of newspaper companies.

On the other hand, the majority 14/31 (45.16%) of the respondents were not sure whether online marketing prices influence advertising and circulation revenue of newspaper companies which might indicate that the relationship the exists between financial performance and digital might not have justification and this was supported by Barthelemy et al (2011) who stated that there could not determine the impacts of online prices on traditional mainstream revenues, 7/31(22.58%) of respondents disagreed that online marketing prices have impacts on financial performance this might indicate that online marketing prices have no impacts on financial performance this position is supported by Weezel (2009) when he said that online marketing prices alone cannot be held responsible for the failure of newspaper companies. Statistical analysis of the gathered data indicated that, the mean is 3.23 calculated by $\{Mean = \frac{\sum(respondents*rating)}{total\ respondents}\}$ and the mode is 14/31 respondents since more respondents were uncertain on whether competition influences circulation revenue in relation to financial performance.

4.3.3 Quality of online Media

FIG 4.3.2

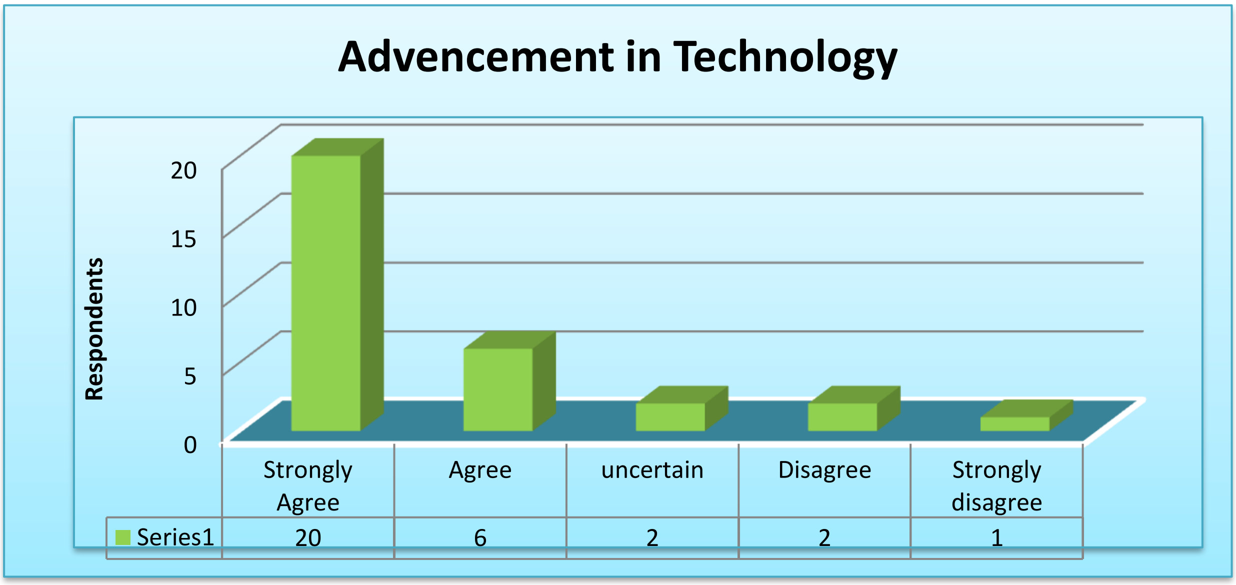


From the above table it can be noted that 22/31 which is 70.97% of the respondents agreed with the postulation that the quality of online media has a significant bearing on financial performance of newspaper companies which might mean that the quality of online media increase the volume of consumption of online media and hence affecting circulation and advertising revenue. This position is supported by Athey et al (2013) when they stated that the consumption of online news media has seen the modification of advertising products into new and improved products and services that in principle have become more valuable to advertisers (e.g. crystal digitalized adverts, specific market targeting, and improved quality and quantity measurement).

On the other hand, 4/31 (12.90%) respondents were uncertain as to whether news quality of online media affects financial performance which might be an indication that there is no certainty on the effects of online media on financial performance. 5/31 (16%) respondents disagreed with the position that the quality of online media has impacts on financial performance which is insignificant to conclude that there is no relationship between the quality of news and financial performance although this view is supported by Wiley (2011) who posited that the negative impacts posed by the quality of online media is limited to a greater extent. Statistical analysis of the gathered data indicated that, the mean is 4 the mode is 14/31 respondents since more respondents were strongly agreed with the fact the quality of online media influences circulation revenue in relation to financial performance.

4.3.4 Advancement in technology

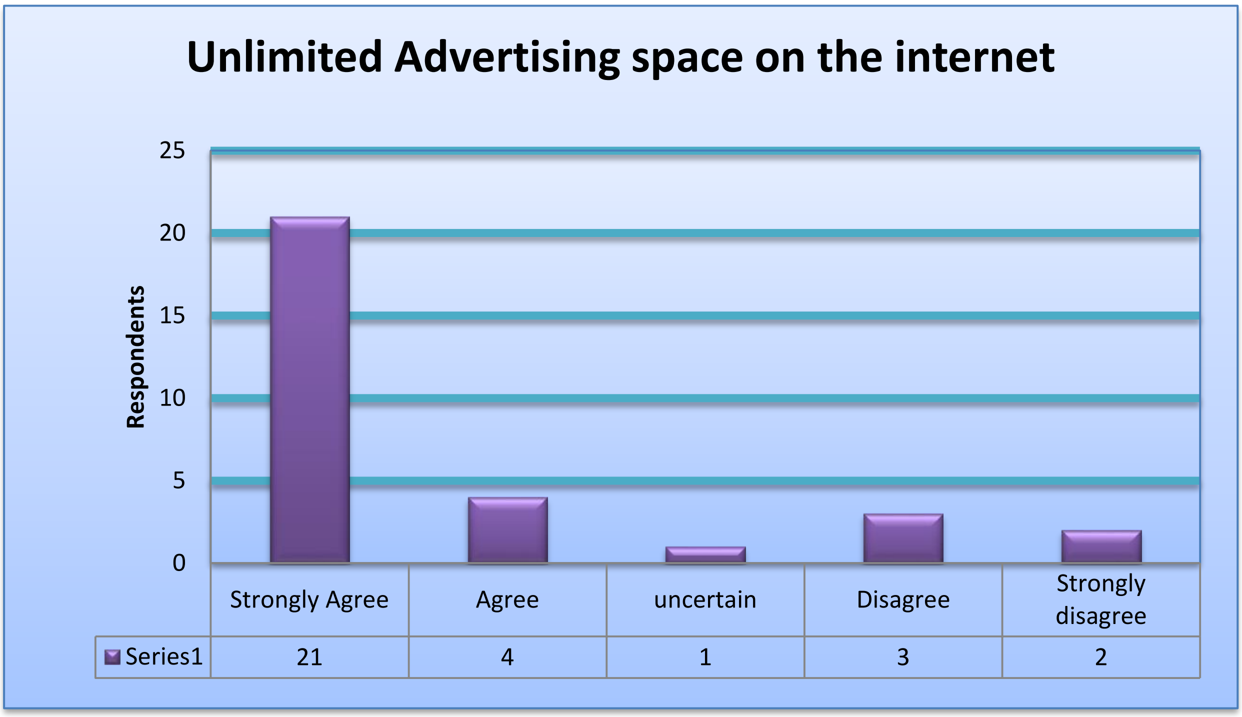
FIG 4.3.3



From the table above it can be noted that the majority of respondents 26/31 (83.87%) agreed with the fact that advancements in technology have impacts on financial performance which might mean that the improvements in technology have are posing challenges on financial performance of newspaper companies. Case (2009) stated that decline in circulation and advertising revenue in the newspaper industry is greatly attributed to advancement in technology which is causing advertisers to migrate from print to digital media. On the other hand, 2/31 (6.45%) of respondents were uncertain as to whether advancements in technology affects financial performance which might be an indication that there is doubt on the impacts of advancements in technology on financial performance to some extent, 3/31 (6.45%) respondents disagreed with the position that advancements in technology has impacts on financial performance this position indicates that the might not be a relationship between financial performance and digital media as influenced by advancements in technology. This is supported by Saliman (2013) when he stated that technology is actually a tool that is assisting newspaper companies in improving their services. Statistical analysis of the gathered data indicated that, the mean is 4.49 the mode is 20/31 respondents since more respondents strongly agreed with the fact the quality of online media influences circulation revenue in relation to financial performance.

4.3.5 Unlimited Advertising space on the internet

FIG 4.3.4



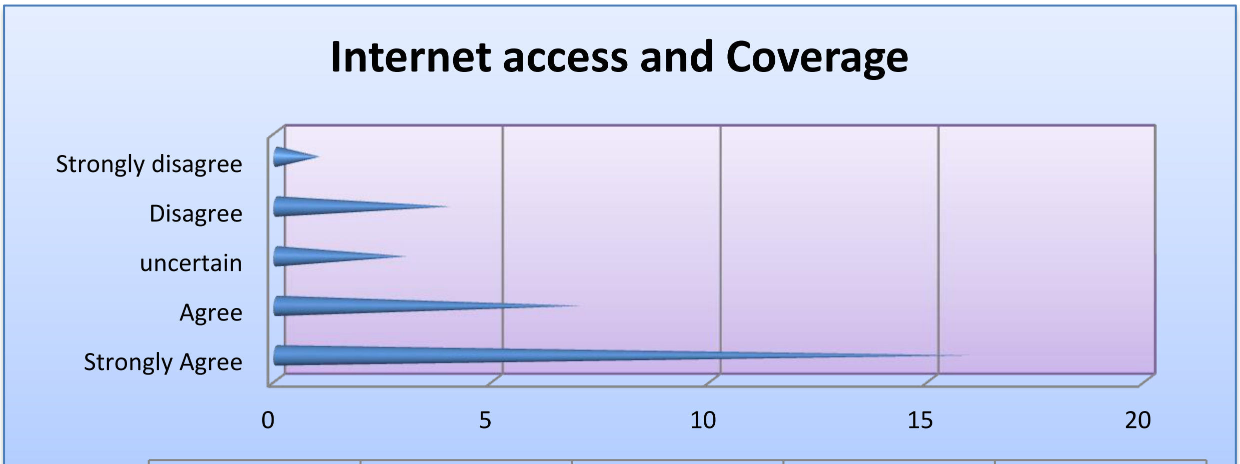
From the above table it can be noted that the majority of respondents (25/31) (89.65%) supported the fact that the availability of unlimited advertising space has impacts in financial performance of newspaper companies. The majority of respondents supports Rice (2010)'s position that the unlimited availability of advertising space on the internet has a negative bearing on financial performance of newspaper companies. This is an indication that the availability of advertising space on the internet has given an advantage on digital media over traditional media.

On the other hand, 1/31 (3.23%) of the respondents was uncertain as to whether the availability of unlimited advertising space on the internet affects financial performance this might be poof that there is doubt on the effects of available space on the internet for advertisement on financial performance which is in-line with Gilbert (2013) who was not sure on the effects of unlimited space on the internet on financial performance, 5/31 (9.68%) respondents disagreed with the position that the availability of unlimited advertising space on the internet has impacts on financial performance. Statistical analysis of the gathered data indicated that, the mean is 4.23 the mode is 21/31 respondents since more respondents strongly agreed with the fact unlimited advertising space has a bearing on circulation and advertising revenue.

4.4.1 Factors influencing the Advertising Revenue in relation to Financial Performance

4.4.2 Internet access and Coverage

FIG 4.4.1

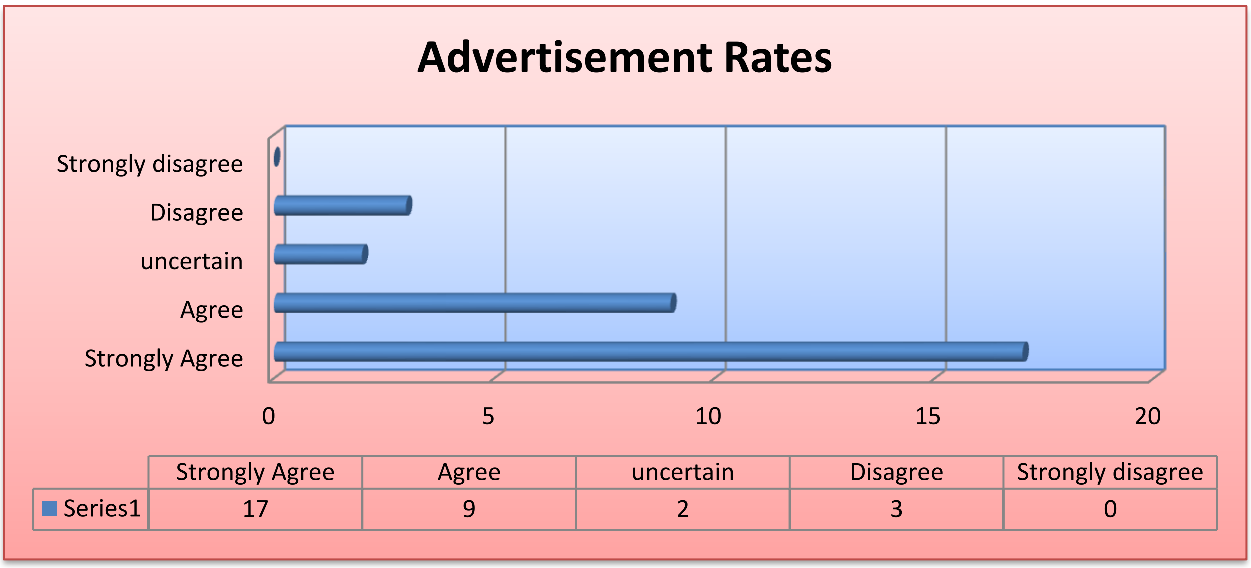


	Strongly Agree	Agree	uncertain	Disagree	Strongly disagree
Series1	16	7	3	4	1

From the table above, the majority of the respondents signified by 23/31 (74.19%) were in support of the position that internet access and coverage has a bearing on financial performance and this supports Brain (2011) who stated that unlimited access to the internet by consumers has caused a great damage to the revenue base of newspaper companies hence directly affecting financial performance. This implies that internet access and coverage by consumer has a negative impact on financial performance. 3/31 (9.77%) of the respondents were uncertain about the effects of internet access on financial performance of newspapers, indicating that there is no assurance whether internet access and coverage has a negative or positive bearing on financial performance. On the other hand, 5/31 (12.90%) of the respondents were of the opinion that internet access does not affect financial performance to a greater extent and this might mean that internet access does not affect financial performance or it has a positive impact on profitability. This view goes together with what Saliman (2011) indicated that internet access to the internet is actually a tool that can be adopted by media companies to enhance their performance. Statistical analysis of the gathered data indicated that, the mean is 4.06 the mode is 16/31 respondents since more respondents strongly agreed with the fact the internet has a bearing on financial performance.

4.4.3 Advertisement Rates

FIG 4.4.2

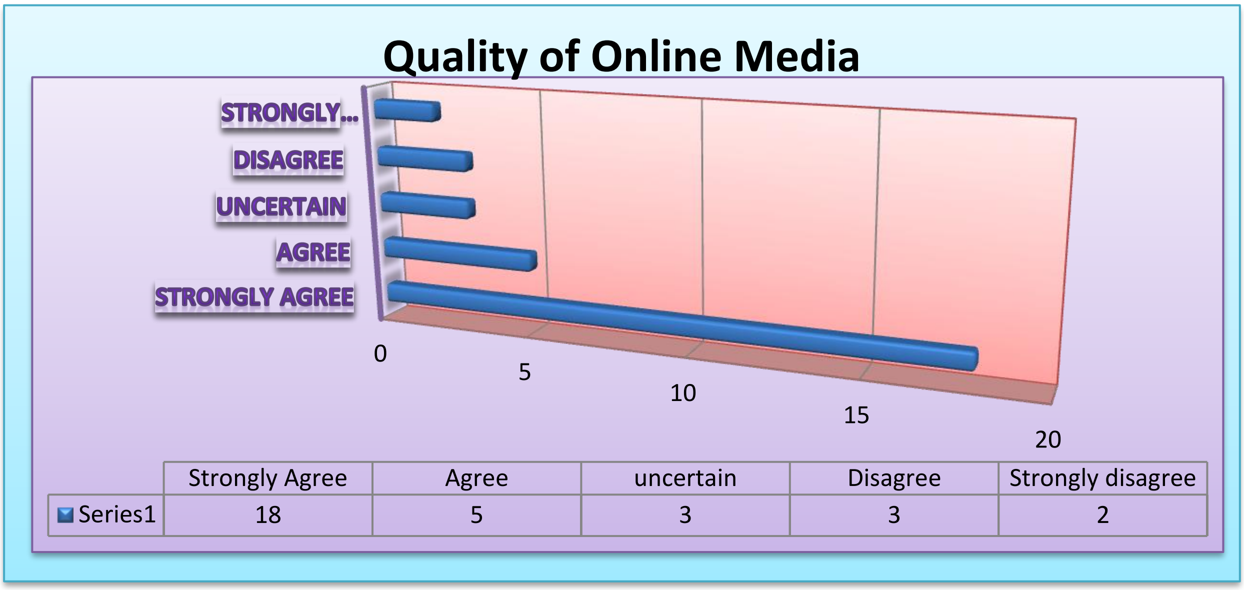


The table above indicates the fact that most respondents (26/31) (83.87%) were in support of the idea that advertising rates has a bearing on people shifting to digital media which is leading to declines in traditional mainstream revenue for newspaper companies and this is in-line with what Sundararajan (2010) posited when he stated that the cost of advertising on print media is higher than that of advertising on the internet and this has led to consumers moving from print to digital advertising. 6%45 (2/31) of the respondents were uncertain on the impacts of advertising rate on digital media and financial performance of newspaper firms which might be an indication that there is doubt on the impacts of advertising rates charged by companies on their advertising revenue.

3/31 (9.68%) of respondents disagreed with the idea that advertisement rates are linked to consumers shifting attention to digital marketing and this can be interpreted as an indication of no effects from advertising rates on advertising revenue. Statistical analysis of the gathered data indicated that, the mean is 4.02 the mode is 17/31 respondents since more respondents strongly agreed with the fact the internet has a bearing on financial performance.

4.4.4 Quality of Media

FIG 4.4.3

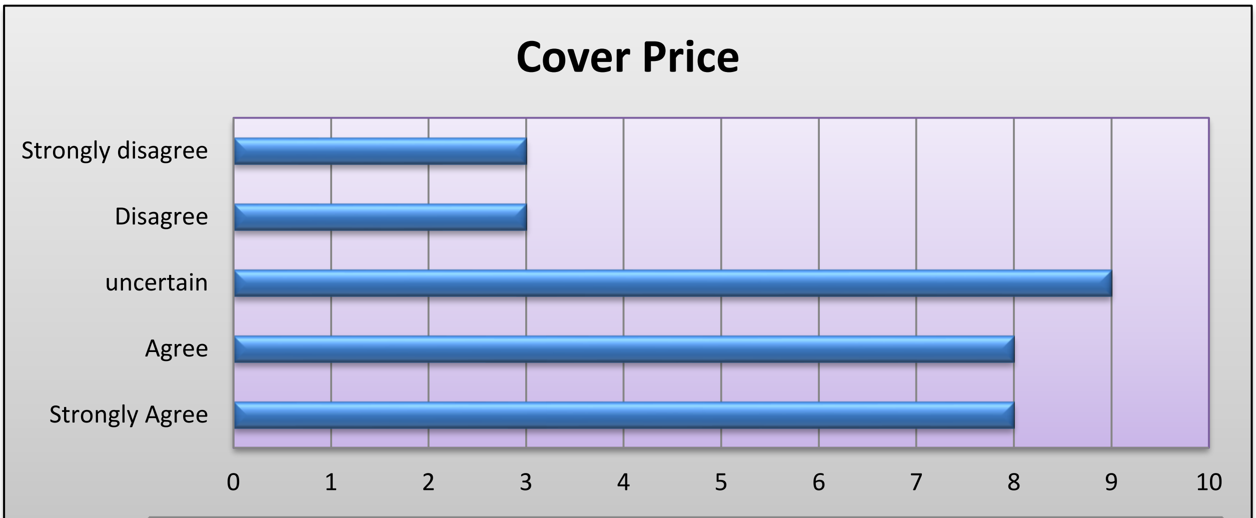


From the above table it can be noted that 23/31 which is 74.19% of the respondents agreed with the postulation that the quality of online media has a significant bearing on financial performance of newspaper companies. This is in-line Sundararajan (2010) who stated that the movements of digital media from web banner ad to high quality shock waves and java animation has seen many clients moving from print to digital media. On the other hand, 4/31 (12.90%) respondents were uncertain as to whether news quality of online media affects financial performance which might be an indication that media players are not sure of the effects of quality online media on advertising revenue. 5/31 (16.12%) respondents disagreed with the position that the quality of online media has impacts on financial performance. The position might be a factor indicating that there is no relationship between quality of online media and advertising revenue for newspaper companies as indicated by Schroder and Kobbernagel (2010) that most researchers find the quality of online media as the center of attraction for advertisers to advertise online of which qualitative analysis on the factors affecting the migration of marketers to digital media prove otherwise. Statistical analysis of the gathered data indicated that, the mean is 4.10 the mode is 18/31 respondents since more respondents strongly agreed with the fact the quality internet advertising has a bearing on financial performance.

4.5.1 Challenges that are being faced by Associated Newspapers of Zimbabwe in increasing Revenue

4.5.2 Cover Price

FIG 4.5.1



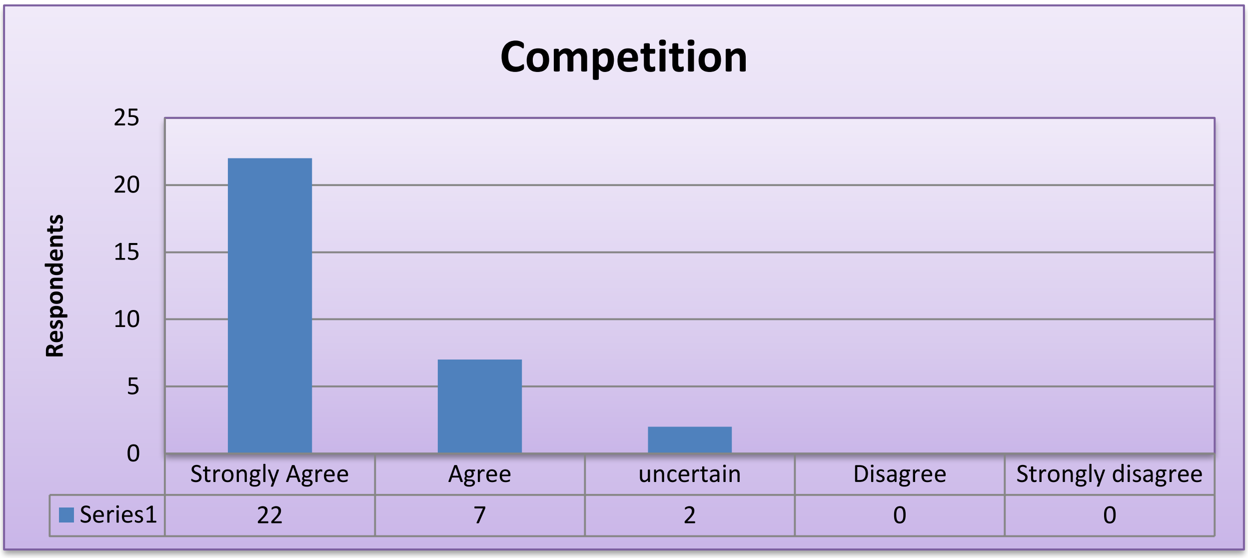
	Strongly Agree	Agree	uncertain	Disagree	Strongly disagree
Series1	8	8	9	3	3

The majority of respondents (52%) supported the fact that Cover Price influences circulation revenue thereby directly affecting financial performance and hence signifying a relationship between the circulation revenue and financial performance. This is in line with Tumwine et al (2012) who stated that most firms find it a challenge to decide on the most appropriate to pricing strategy that suite the needs of the market they serve.

On the other hand, 9/31 (29.03%) respondents were uncertain as to whether cover price influences circulation revenue in relation to improvements. This might be an indication that there doubt on the impacts of cover price of revenue improvements. 6/31 (19.20%) of the respondents disagreed on the impacts of cover price on financial performance and this might be a sign that establishing cover prices is not considered a challenge by newspaper companies. This might be linked to Shafer (2011)'s position when he said that competition can actually help firms improve the quality of their products hence helping them in improving their sales. The mean is 3.5 the mode is 9/31 respondents since more respondents were uncertain on the fact the cover prices determination can be a challenge in increasing revenue for newspaper companies.

4.5.3 Competition

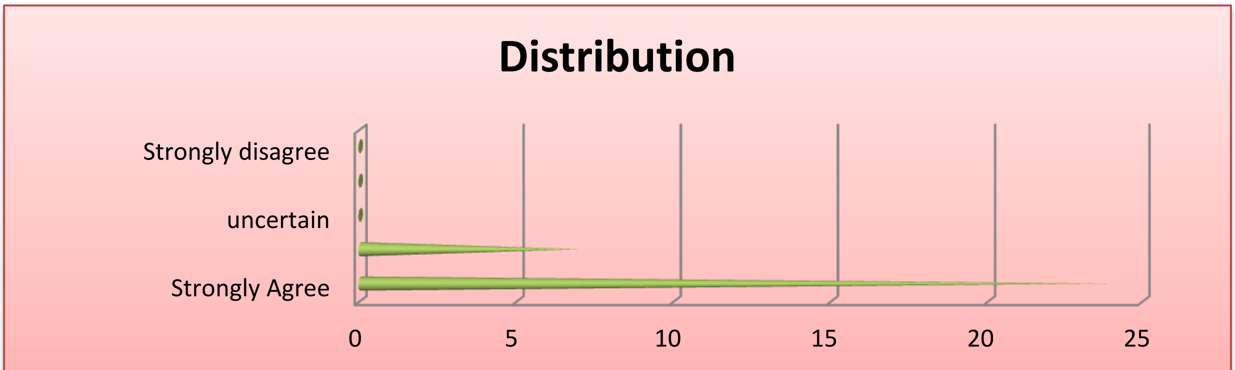
FIG 4.5.2



The table above indicates that, 29/31 which is 93.54% of the respondents agreed with the postulation that competition affects the increase in overall revenue this might mean that it affects financial performance of newspaper companies. Kotler and Keller (2009) supported this view when he posited that the introduction of new competitive players in the market leads to a decline in sales made by the existing entities and this has a negative impact on the financial performance 2/31 (6.45%) respondents were uncertain as to whether competition has a negative bearing on revenue in relation to financial performance newspaper companies and this supports a view by Fernando (2012), who stated that there is a lot of confusion on the impacts of completion on revenue and overall profitability since a regression analysis proves a negative relationship and responses from other players in the industry give a different view. None of the respondents disagreed with the fact that competition has a bearing on revenue generation.

4.5.4 Distribution Channels

FIG 4.5.3

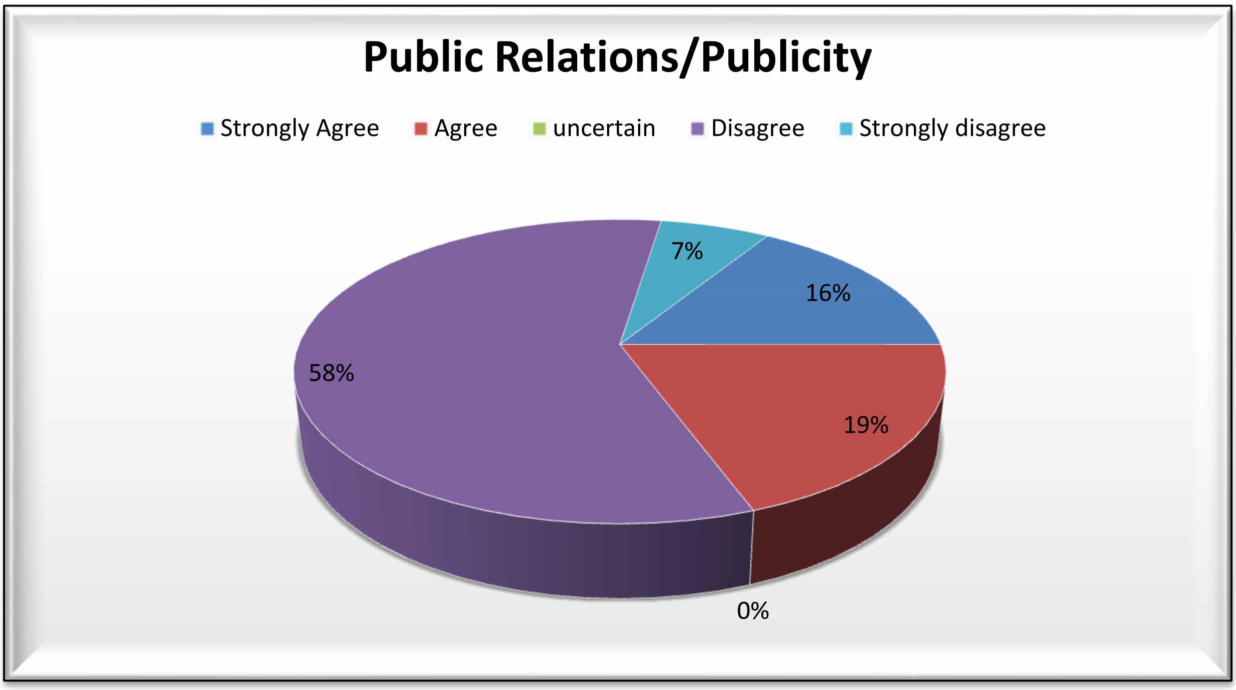


	Strongly Agree	Agree	uncertain	Disagree	Strongly disagree
Series1	24	7	0	0	0

From the table above, it can be noted that 31/ 31 of the respondents, (100%) strongly agreed with the opinion that poor distribution channels affect revenue generation for newspaper companies and might be an indication that poor distribution channel management is may pose significant challenges to an entity. This is in-line with Tumwine (2012) who indicated that one of the major factors that affect newspaper companies is the delivery channels that are adopted for transmitting newspapers to various parts of the country. None of the respondents opposed this position. The mean is 4.77 the mode is 24/31 respondents since more respondents strongly agreed with the fact that poor newspaper distribution channels can be a challenge in increasing revenue for newspaper companies.

4.5.5 Public Relations / Publicity

FIG 4.5.4



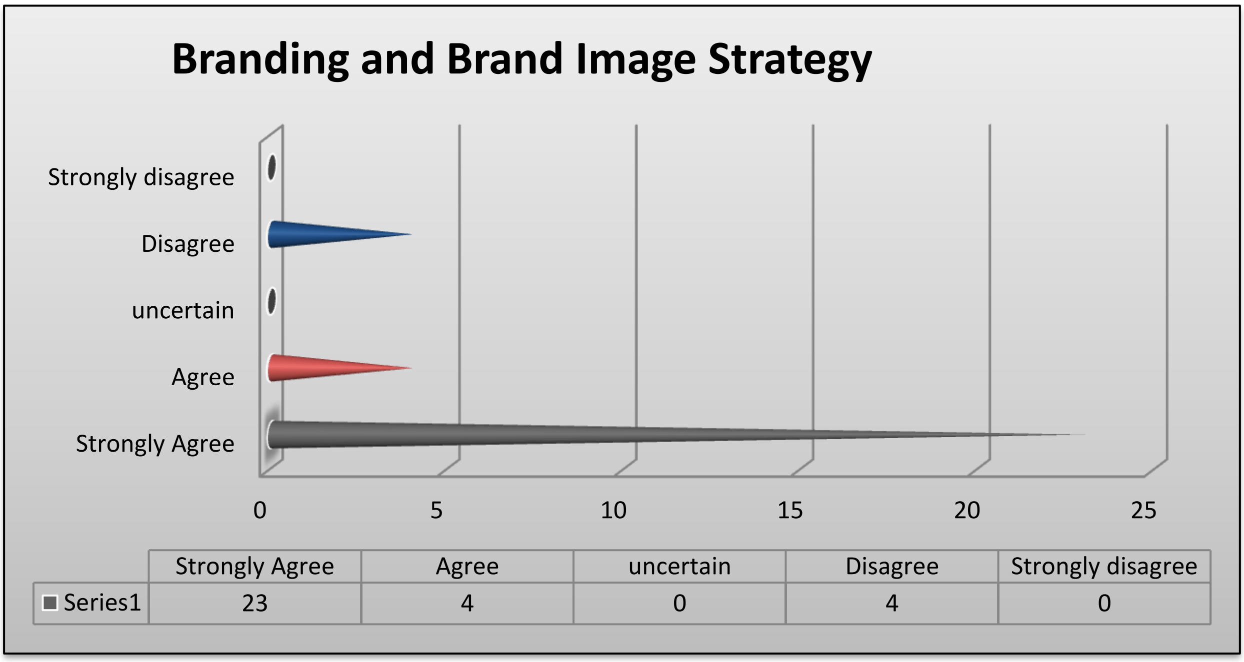
From the table above it is indicated that 64.52% (20/31) of the respondents disagreed with the position that bad publicity might be a hindrance in increasing revenue for newspaper companies this idea might mean that there is no relationship between bad publicity and revenue generation. Green (2009) added that public relations are not directly linked to sales and a company does not have control on what the media conveys about it hence it is not guaranteed that this is a positive variable towards the generation of income or a company's financial performance.

On the other hand, 35% (11/31) of the respondents disagreed with the position. This position was highlighted by Dileshnsheider (2010) who stated that good public relations are essential for the good publicity of the company thereby enhancing the image of the organisation and promoting sales and the opposite is true about bad publicity. Statistical analysis of the gathered data indicated that, the mean is 3.39 calculated by $\{Mean = \frac{\sum(respondents*rating)}{total\ respondents}\}$ and the mode is 18/31 respondents since more respondents disagreed with the fact that poor distribution channels the improvements of circulation and advertising revenue.

4.6.1 Best Practice to Ensure Enhanced Performance

4.6.2 Branding and Brand Image Strategy

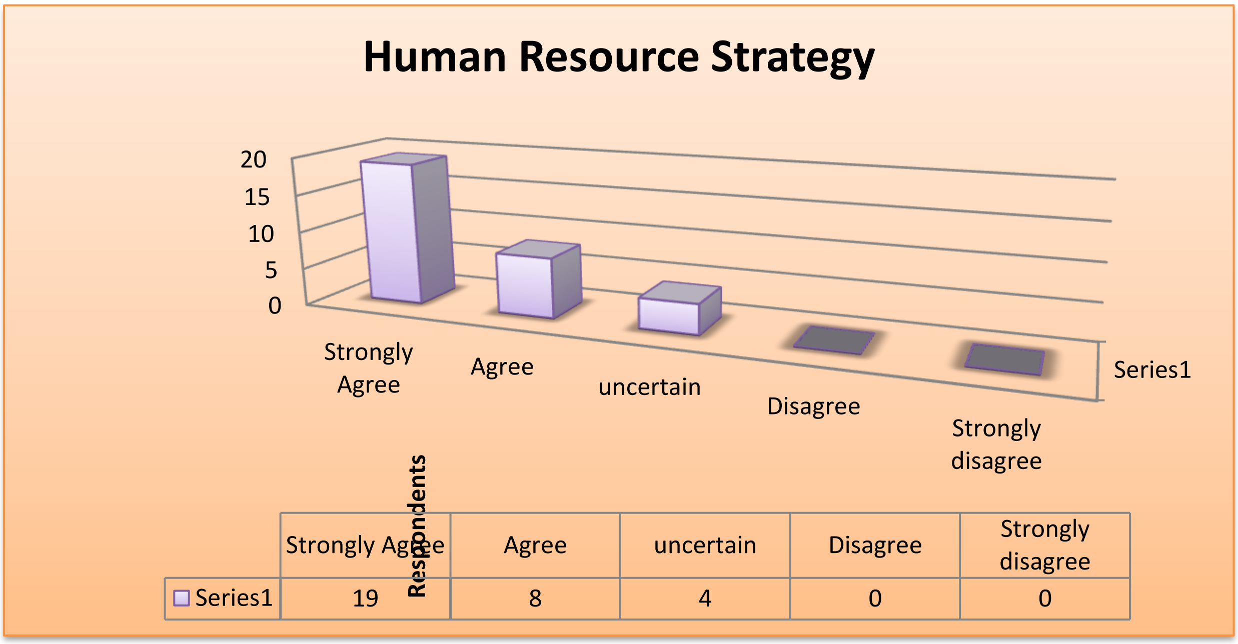
FIG 4.6.1



From the above information, it can be noted 27/31 which constitute 87.10% of the actual respondents agreed with the position that branding can be adopted as a tool to enhance performance, which is in-line with the fact the BRIC countries Best Practice guide (2013) which emphasizes on branding as a toll to improve financial performance. This might mean that the adoption of branding is well known for enhancing financial performance. 4/31 of the respondents disagreed with the position; it is not a significant percentage to conclude that the adoption of the Branding Strategy is not effective. Norris (2011) posited that branding can be viewed as a revenue generating but the fact that there is need to accurately determine the cost and compare them with the benefits of branding. Statistical analysis of the gathered data indicated that, the mean is 4.2 calculated by $\{Mean = \frac{\sum(respondents*rating)}{total\ respondents}\}$ and the mode is 23/31 respondents since more respondents strongly with the fact that branding improves circulation and advertising revenue.

4.6.3 Human Resource0Strategy

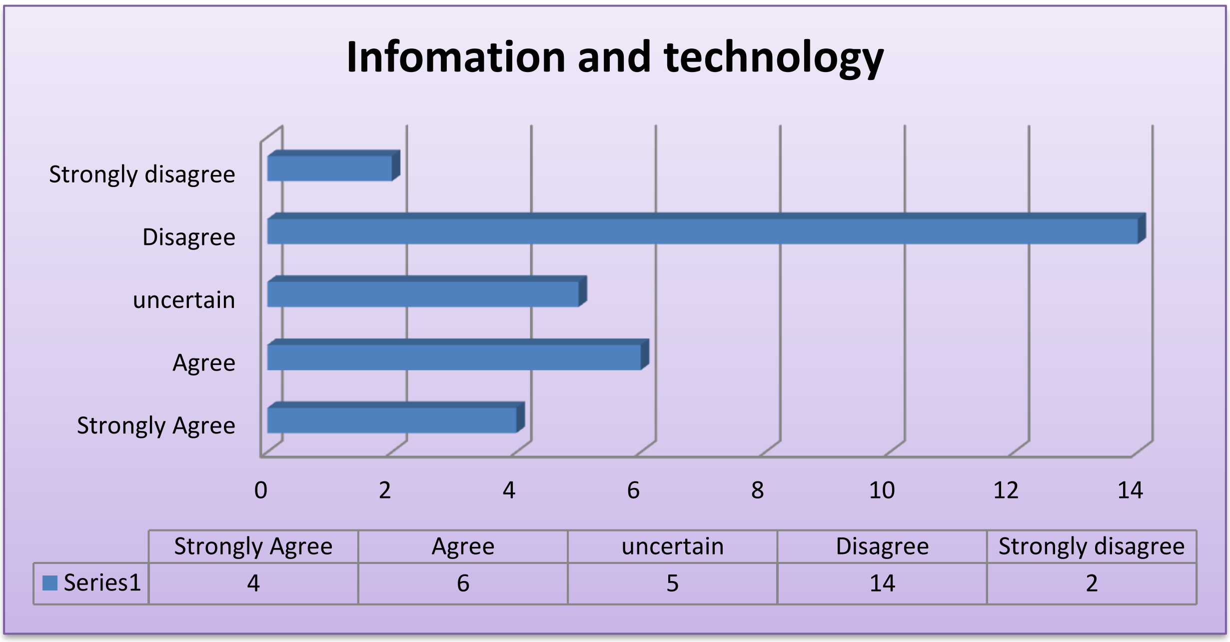
FIG 4.6.2



From the table above it can be noted that 27/31 (82.10%) of the respondents were in support of the fact that Human resource strategy can be adopted as a performance enhancement tool and this supports Athey and Emmanuel (2011) who indicated that a special skill is now required in journalism as the digital world rising and everyone is becoming a news transmitter through online social sites and other digital mediums. On the other hand, 2/31 (6.45%) respondents were uncertain as to whether Human resource strategy can be adopted as a performance enhancement tool, 1 of the 31 respondents disagreed with the postulation that Human resource strategy can be adopted as a performance enhancement tool and there were 1/31 also strongly disagreed with the fact that the postulation that Human resource strategy can be adopted as a performance enhancement tool. In this case the mean is 4.48 and the modal class is strongly agree, 19/3.

4.6.4 InformationTechnology Strategy

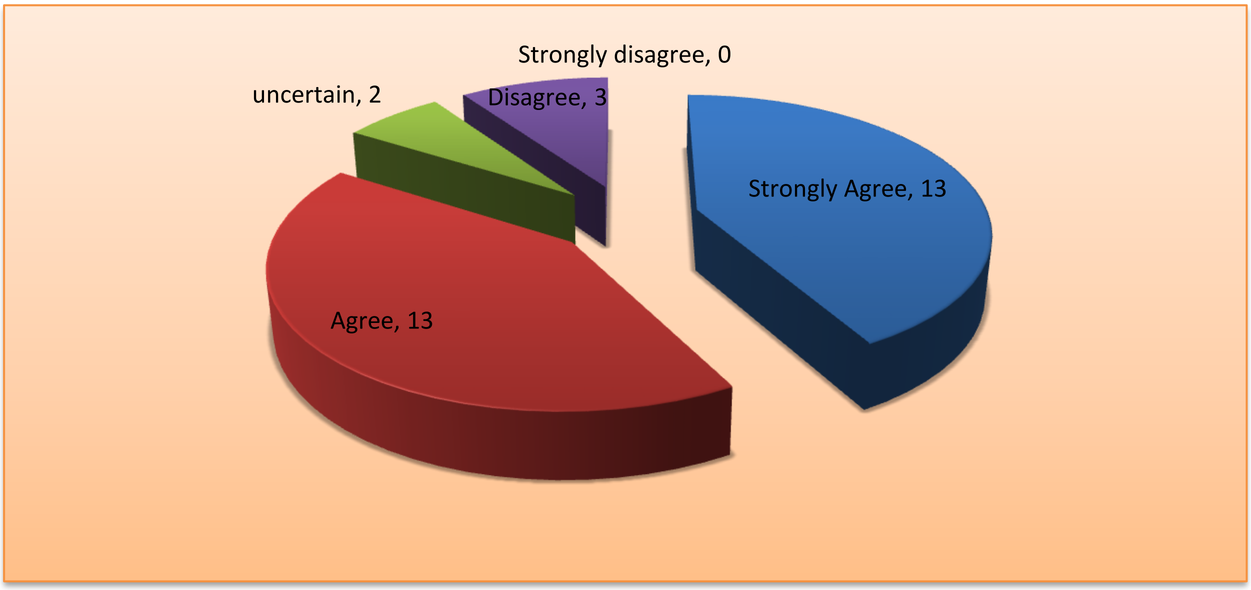
FIG 4.6.3



From the table above the majority (21/31: 68%) of the respondents disagreed with the idea that information technology can be adopted as a performance enhancement tool supporting this position, Standing (2009) stated that it is a complicated task to successfully implement information technology with e-commerce due to factors among them financial constraints.10/31 of the respondents agreed that information and technology strategy can be adopted by newspaper companies in order to enhance financial performance. 6/31 of the respondents agreed that information and technology strategy can be adopted as a tool to enhance financial performance of newspaper companies. 5/31 of the respondents were uncertain whether the information and technology strategy can be adopted as a performance enhancement tool. This might be an indication that there is doubt on whether information and technology investments can effectively improve financial performance as stated by Kefla (2013). In this case the mean is 3.32 and the modal class is disagree 14/31.

4.6.5 Achieving Cost Leadership

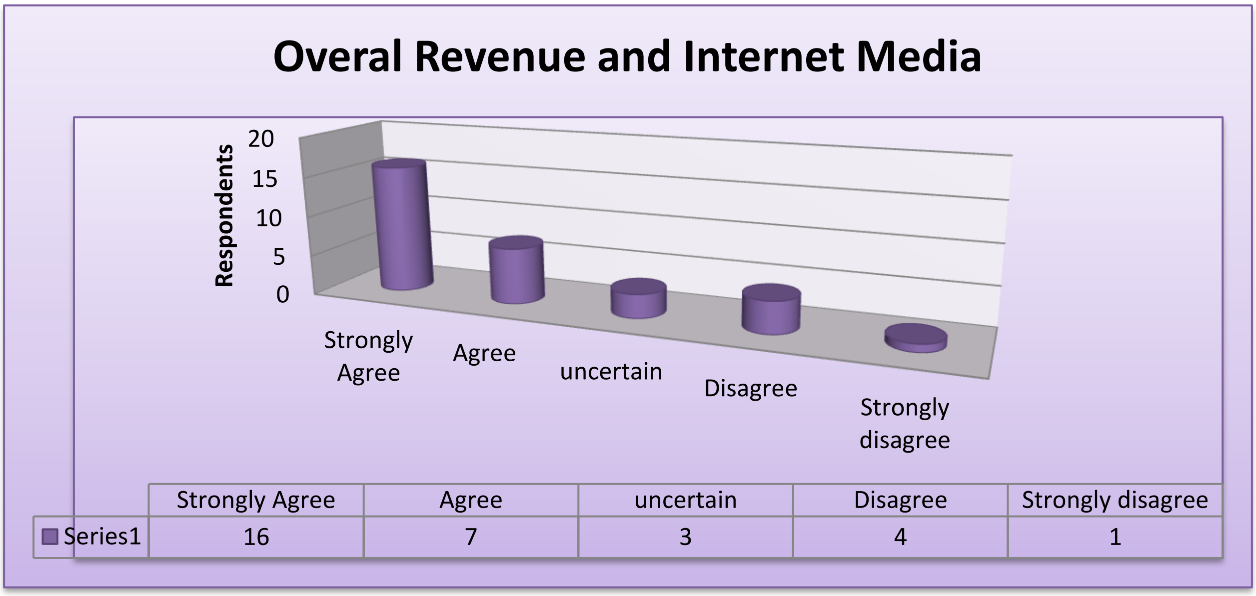
FIG 4.6.4



From table 4.6.5 above, it can be noted that, the majority of the respondents 26/31 (83.87) agreed with the adoption of cost leadership strategy as a tool to enhance performance and this is in line with what Hurbert and Ghobadian (2012) posited that that low price strategy refers to strategy whereby the firm offers products or services such that the price actually paid by customers is the lowest among the available alternatives. This can also be viewed as an indication that the adoption of cost leadership is an effective tool in enhancing financial performance. 2/31(6.45 %) of the respondents were uncertain about the adoption of cost leadership strategy to enhance financial performance which can be viewed as an element of doubt that is cast on the effectiveness of cost in improving financial performance. 3/31 (9.68%) respondents disagreed with the use of cost leadership strategy to enhance financial performance and none of them which might be a basis for rendering cost leadership an ineffective tool. In this case the mean is 4.16 and the modal class is disagree 13/31.

4.7 The internet has a negative bearing on traditional main stream revenue

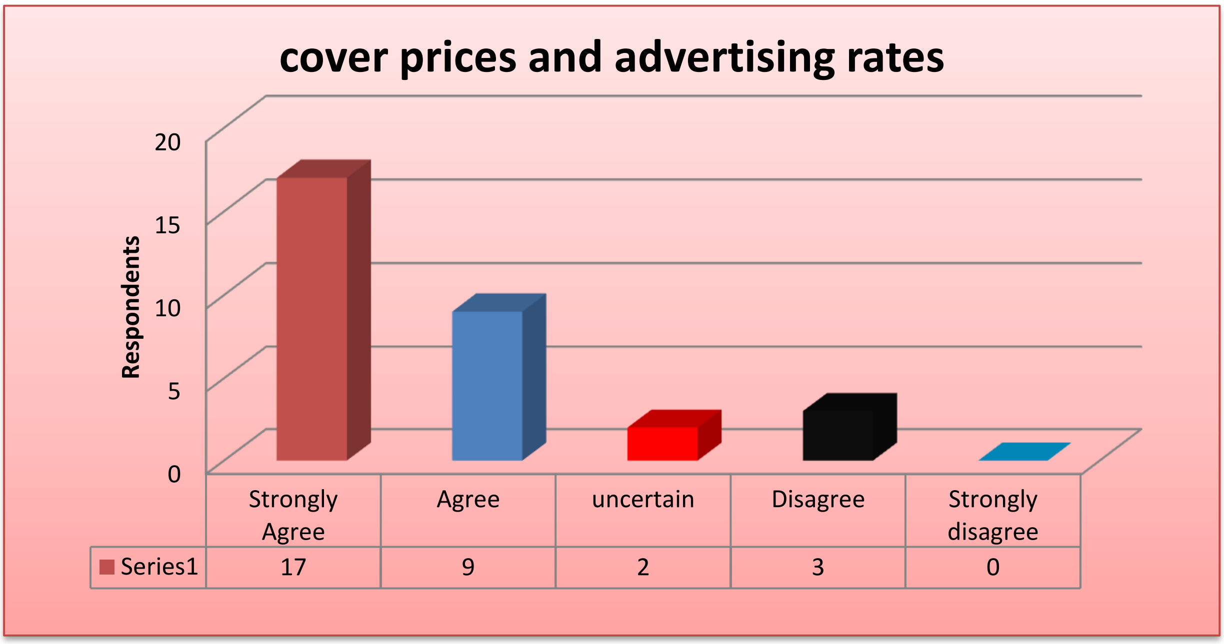
FIG 4.7



From the table above, it can be noted that the majority of the respondents signified by 23/31 (74.19 %) were in support of the position that internet has negative impacts on revenue of newspaper companies and this is in support of Banerjeen (2008) stated that we are living in an era of digital coverage and traditional main stream media coverage is slowly sinking as new media such as the internet are getting more blurred. (3/31) 9.77% of the respondents were uncertain about the effects of internet on revenue of newspapers and this is an insignificant percentage of the population that can give basis for concluding that overall revenue is not affected by internet media. On the other hand, 5/31 (16.13%) of the respondents disagreed with the opinion that internet has negative impacts on revenue of newspaper companies and 1/31 (3.22%) of the respondents strongly disagree with idea that the internet has negative impacts on revenue of newspaper companies and this view is in-line with Saliman (2011)'s postulation that internet access to the internet is actually a tool that can be adopted by media companies to enhance their performance.

4.8 Increases in cover prices and advertising rates affect revenue generation

FIG 4.8



The table above indicates that 26 of the 31 (83.87%) respondents strongly agreed with the position that increases in cover prices and advertising rates has a negative impact on revenue and is in line with Tumwine et al (2012) who stated that increases in price of newspapers results in decrease in circulation revenue as a result of loss of customers. this can be viewed as a basis for concluding that the determination of cover prices and advertising rates has great impacts on revenue generated by a firm. 2/31 (6.45%) of the respondents were uncertain of the impacts of increasing cover prices or advertising rates to financial performance this however is an insignificant percentage to conclude that there is cover price does not affect circulation. 9/31 (9.68%) of the respondents disagreed with the position that increases in cover prices and advertising rates has a negative impact on revenue and this is in-line with what Kirchhoff (2009) who rejected claims that copy sale and advertising revenue rely on prices charged by newspaper companies.

4.9 Interviews

Four interviews were successfully carried out by the researcher. The table below illustrates the interviews response rate.

Table 4.9: Showing response rate of interviews

Category of respondents	Actual Respondents	Tagert Respondents	Respondent Rate %
Accountants	2	3	67%
Finance manager	1	1	100%
Finance Director	1	1	100%
TOTAL	4	5	80%

From the table above, it can be note that the researcher realized response from 5 out of the targeted 6 respondents and this constituted 80% of the total respondents. The researcher was satisfied by the 80% response rate since it is above the 70% stated by Patch (2008) as an excellent response rate. The researcher was satisfied by this response rate and considered the 20% non-response rate as an insignificant factor to the results obtained thereafter

Question 1 - What the relationship between copy sales (circulation) revenue and financial performance?

All the actual interviewees mentioned that copysales revenue greatly affect financial performance of newspaper companies especially those companies which rely on traditional ways of generating revenue. Crosbie (2009) stated that newspaper companies are greatly affected by changes in circulation revenue as they rely on circulation revenue. One of the respondents emphasized on the fact that; if a factor affect circulation revenue it definitely has a bearing on profitability of a firm for example if cover price is a factor that influences the circulation of newspapers the impacts are strongly felt on the performance. Another interviewee stated that circulation income in not volatile and for this reason most newspaper companies adopts it as a major source of revenue and this entitles it to be a significant component of financial performance of newspaper companies. An interview with the senior accountant yielded that financial performance of newspapers in Zimbabwe depends heavily on print advertising and circulation revenue since digital media marketing is still in its infancy in Zimbabwe and already there are major players in digital marketing such as Yellow Pages online.

Question 2 - What is the relationship between digital media financial performance?

An interview with the finance manager of Associated Newspaper of Zimbabwe proved that digital media and financial performance have a negative relationship in the sense that as advertisers are flocking to online advertising and on online news, this is causing deterioration in advertising and circulation revenue of newspaper companies in Zimbabwe. Displays presented by online media are more advanced than print for example java animation (motion display) and banners. Another respondent from the Associate Newspapers of Zimbabwe indicated that with the rate at which technology is advancing, digital media is bound to cause challenge to traditional newspaper companies. All interviewees supported the fact that digital media is currently rising in Zimbabwe and media house actually feel the effects of its existence on the ground. According to Crosbie (2009), a great debate has been sparked in the media world following the rise of internet news, some researchers and scholars blaming the internet (Digitalization) on the financial failure of some newspaper companies globally. The interviews indicated that there might be a negative relationship between financial performance and digital media consumption.

Question 3 - What is the relationship between advertising income and financial performance?

All respondents stated a position that advertising revenue is positively related to financial performance and it is a key component of Newspaper Company's financial performance. Some respondents were of the idea that advertising revenue is one of the major sources of revenue for media houses and thus it is significant to their profitability. According to one of the respondents, the relationship between advertising revenue and financial performance is influenced by factors such as advertising prices, quality of advertisements and the availability of advertising alternatives. Another respondent disagreed to some extent with the perceived relationship that is said to exist between advertising revenue and financial performance stating that there are major and significant factors which influence financial performance of newspaper firms and advertising revenue is an insignificant component considering factors such as costing techniques and the economy as a whole. The majority of interviewees were of the opinion that advertising revenue has a positive relationship with financial performance. And this is in-line with what Mitchell (2009) posited when she postulated that newspaper companies advertising revenue is one of the revenue generating models that sustains performance of newspaper companies.

Question 4 - What are other challenges are being faced by ANZ in increasing revenue?

During the interviews, the researcher learnt that of the four interviewees, three sited competition, distribution challenges, media legislation and the economy as challenges that are hindering ANZ from increasing its revenue. One of the respondents added that the internet has also become a barrier in increasing revenue. In addition to these challenges, the respondents also stated that besides affecting the increase of revenue, these challenges are also to blame to the financial challenges that are being experienced by Newspaper Companies. One of the respondents brought about a view that, how Newspaper companies are perceived by the public has a huge impact on the newspapers they circulate for example if a newspaper is perceived to have favouritism and bias people may not be attracted to the news. According to Kotler and Keller (2009) the introduction of new competitive players in the market leads to a decline in sales made by the existing entities and this has a negative impact on the financial performance. Tumwine (2012) indicated that one of the major factors that affect newspaper companies is the delivery channels that are adopted for transmitting newspapers to various parts of the country. If a paper is delivered to the market it is bound to loose market.

Question 5 - What practises can be adopted by ANZ to enhance financial performance?

The first respondent stated that Associated Newspapers of Zimbabwe should adopt cost cutting measures and try to minimize cost especially in this current economic in order to enhance its financial performance. He further emphasized on the adoption of effective cost budgeting techniques that assist in monitoring cost through variance analysis. In addition, the respondent elaborated on the utilization of idle labour and stated that it is important that ANZ should invest on its existing labour rather than continuing to employee new personnel yet it is facing challenges. Another respondent came up with a view that ANZ should utilize the rise in technology and invest in digital technology and improve its digital media revenue. The last respondent stated that ANZ should work on improving its revenue generating model by enhancing the quality of journalists who gather news and the writers as well. He added that special attention should be given to sales representatives (Marketing staff) who source advertising and subscription clients on commission basis so that they understand and work towards archiving the organizational goal rather than just focusing on the commission. He was talking from a view that some of the free-lance employees are of the idea that they are not the company's employees but agents and hence causing problems for example lateness or punctuality to work. What all the respondents mention is in-line with what Taylor and Finley (2009) and Angel et al (2012) who posited that an organisation can enhance its performance by the use of human resource strategy and investing in information and technology.

Question 6 - Any other suggestions you can add to the above questions?

The common point that was stressed by the responds was that these questions isolate the impacts of the national economy on the financial performance of newspaper companies. One of the respondents added that the study should also include the effects of other factors such as risk and vendors' input to the distribution of newspapers. Two of the respondents posited that the questions posed by the research were significant for the study since they focus on the main areas that influence financial activities of newspaper companies although they did not touch on the operating expenditure management.

4.10 Quantitative Analysis

4.10.1 Diagnostic Tests

The researcher adopted the use of AugmentedDickeyFuller test (ADF) when he was conducting stationarity test on each variable. Among other diagnostictest, the researcher conducted Autocorrelationtest and the cointergrationtest. The table below shows a summary of the unit root test results.

4.10.2 UnitRoot Test Results

Table 4.10.1

Variable	ADFstatistic	Criticalvalues		OrderofIntegration
Return on Asset ROA	-4.243248	1%	-3.6289	I(0)
		5%	-2.9472	
		10%	-2.6118	
Advertising Income SHAdvY	-3.710190	1%	-3.6289	I(0)
		5%	-2.9472	
		10%	-2.6118	
Circulation Income SHCircY	-3.943065	1%	-3.6289	I(0)
		5%	-2.9472	
		10%	-2.6118	

Digital Income		1%	-3.6353	
SHDigY	-6.584682	5%	-2.9499	
		10%	-2.6133	I(1)

Source: Raw Data

Stationarity wastestedusing the ADF test and thenullhypothesis of aunitroot is rejectedif theADF statisticisgreater than the 5% criticalvalue. Unitroottest was conducted in testing for stationarity foreachvariableseparately. The results obtained by the researcher indicated that Return on Asset (Financial Performance), SHAdvY (Share of Advertising income) and SHCircY (Share of circulation revenue) are stationeryatlevel whilst Digital media income was stationery when differenced once. The detailedresults of the unitroottest are shown appendix 2.

4.10.3 CointegrationTest

Gujarati (2004) stipulated that Cointegration is said to exist if there is along runrelationship between twoormore variablesin a timeseries. When the residual is foundandtested for unitroot, at 5% levelof ignificance ifthe ADF (AugmentedDickeyFuller) of the residualisfound to be larger thanthecritical value then a conclusionofno unit-root is passed thus the variableswillbe cointegrated. The researcher tried the unit root oftheresidual and concludedthatthe variables are cointegrated sincethereis no unitroot ontheresidual. The table below shows a summary of unit root on residual:

Table 4.10.2: Summary of unit root on residual

Variable	ADF statistic	Critical value		Order of integration
RESIDUAL	-4.363846	5%	-2.9472	I(0)

Source: Raw Data

4.10.4 Autocorrelation test results

Autocorrelation is mainly tested by means of the DurbinWatson (DW) test. According to (Gujarati 2004) in regressionmodels comprising timeseriesdata there is a huge possibilityofobtaining spuriousordubious regression results inthe logic thatsuperficially theresults might appear noble but a deep investigation may prove otherwise. In ordinary least squares regression model (OLS), the presenceofautocorrelation resultsinunderestimatingtheVariance, overestimatingRsquared, and also thetandF tests of significance will be invalid and there is a high possibility of issuing misleadingconclusions about the statisticalsignificance of the estimatedregressionCoefficients. The followingtable illustrations the autocorrelationtestresults:

Table 4.10.3: DurbinWatson Test

Zone of positive Autocorrelation	Zone of indecision	Zone of Non Autocorrelation	Zone of indecision	Zone of negative Autocorrelation

0 dl du (4-du) (4-dl)

4

1.265 1.553 2.447 2.735

1.884107

Source: Gujarati (2004)

The researcher achieved a Durbin Watson statistic of 1.884107 which indicates that the regression model did not suffer from Autocorrelation since the statistic lies between bounds of 1.553 and 2.447 as stated by (Gujarati 2004) and therefore the statistic lies in the acceptance region of noserialcorrelation in the model. When R squared which indicates the coefficientofdetermination is greater than the DurbinWatsonstatistic, the rule of suspecting that the regression model suffers from spuriousordubious regression should be adopted. In this case, the DurbinWatsonstatistic of 1.884107 attained is greater than the R-squared (coefficient of determination) which is 0.766798 hence ruling out the possibility of spurious regression.

4.10.5 Regression results

4.10.6 Presentation of Regression Results

The table below shows an illustration of the results of the ordinary least squares regression that was done by the researcher between endogenousandexogenous variables.

Table 4.10.4

Variable I	Coefficient	Std. Error	t-Statistic	Prob.
SHAdvY	0.018628	-0.010266	-3.814577	0.0090
SHCircY	0.016153	0.007451	2.167829	0.0377
SHD	-0.114400	0.076091	-2.503467	0.0425
C	-0.003752	0.006480	-0.578927	0.5667

R-squared = 0.766798

Adjusted R-squared = 0.748061

Durbin-Watson stat = 1.884107

F Statistic = 14.88102

P value (F- statistic) = 0.007899

After running the OLS regression, the model is therefore specified as

$$ROA = -0.003752 + 0.018628\text{SHAdvY} + 0.016153\text{SHCircY} - 0.114400\text{SHD}$$

4.10.7 Interpretation of Regression Results

The model above was adopted as an estimation of R O A as a proxy for determining company performance. Signs of coefficients are adopted in the interpretation of the results. The time series ranges from January 2011 to December 2013, indicating 36 months. Share of

Advertising income and share of circulation income have positivesigns while Digital media has a negative signs.

4.10.8 R Squared

R squared measuresthe totalvariation in the level of R O A that is explained by the explanatoryvariables that are included in the modelabove. In this case, from the results obtained, about 76.67% of the total variations in the Company profitability are clarified by the explanatory variables specified in the model whereas 24.05% are clarified by the existence of other variable that affect financial performance which are not included in this model.

4.10.9 F statistic

In order for the model to be considered significant, the f statistic should have a value that is 5 hence showing the significanceofthe whole model. The regression model indicated a F statistic of 14.88102 which is significantly above 5. The DurbinWatsonstatistic of 1.853684 lies within the stipulated range and the $R^2$0.766798 value which is less than the Durbin Watson statistic indicates the absence of dubious regression.

4.10.10 Share of AdvertisingIncome

Share of advertising income is statisticallysignificant inthestudy since its *t*- statistic value is -3.814577 considering the absolute value. There is a positive relationship between share of advertising revenue and financial performance which is indicated by a positive coefficient of variation of 0.018628. This therefore implies that a unit increase in the share of advertising revenue will result in a 0.018628 increase in company profits. Tumwine et al (2012) stated that there is a direct and positive relationship between advertising revenue and financial performance of newspaper companies.

4.10.11 Share of circulation income

Share of circulation income is statisticallysignificant inthestudy since its *t*- statistic value is 2.167829. There is a positive relationship between circulation revenue and financial performance of Associated Newspapers of Zimbabwe; this is indicated by a positive coefficient of 0.016153. This implies that an increase in the unit of circulation revenue will result in an increase of profitability measured by ROA by 0.016153. This therefore represents a direct and positive relationship between circulation revenue and financial performance and it is in-line with what Kirkwood (2009) posited that circulation revenue directly affects financial performance, that is an increase in circulation will result in an increase profitability.

4.10.12Digital Media Income

Digital Media income presented a *t*-statistic of -2.503467 which indicates that is significant for the purpose of this study. The results of the regression show that there is a negative relationship between digital media and financial performance of newspaper companies. A unit increase in digital income of digital media income results in in the decrease of ROA by 0.114400 which signifies a decrease in profitability of newspaper companies. According to Schmalese (2009), this is mostly because digital media is competing with traditional mainstream revenue generating models for newspaper companies (circulation and advertising) especially in developing countries and it is perceived to erode sale for newspaper companies which rely heavily revenue from circulation and print media revenue.

From the above regression results, it can clearly be note that there is a negative relationship between the rise of digital media and financial performance of newspaper companies and this is supported by Athey and Calvano (2013) that the decreases in advertising and circulation revenue which in leading to financial performance challenges to newspaper companies is mainly blamed to the rise of digital media.

4.11 Chapter Summary

This chapter reviewed an analysis of data gather through the use of statistical techniques and presentation of data gathered from questionnaires and interviews in the form of tables and charts. The researcher adopted a multi-regression in the estimation of relationships between variables. Both qualitative and quantitative results are in support of the position that Digital media has a negative bearing financial performance of newspaper companies.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMANDATIONS

5.0 Introduction

Chapter highlighted the research findings derived from previous chapters with regards to impacts of digital media (online advertising and online news) on financial performance of Associated Newspapers of Zimbabwe. This chapter granted a summary of the study findings, the recommendations and conclusion to the matters identified in the research. Moreover, it looked at areas which in the opinion of the researcher are significant for further studies.

5.1 Chapter Summaries

Chapter One

Chapter one served to introduce the impacts of Digital Media (online marketing and online news) on financial performance of newspaper companies. This was done by indicating the back ground of the problem that emanated from the rise of Digital Media and further explained the problem in the statement of the problem paragraph, the chapter looked at the limitations that might have affected reliance on the outcome of the study, delimitations, assumptions adopted for the study, significance of the study and the definition of terms adopted in the study. The main research question was"Is the adoption and increase in the use of Digital Media related to the increases in reported loses at ANZ, it also outlines the conceptual frame work adopted by the researcher.

Chapter Two

Chapter two gave an overview of what otherauthors and scholars concluded on the impacts of digital media (online marketing and online advertising) on financial performance of Newspaper and it allowed the researcher to carry out a literaturereview on what other authors said about the research, in this case the researcher adopted literature from scholars Such as

Athey el at, Tumwine et al, Kirkwood, Van Weezel and other authors who conducted research on Newspaper companies, their financial issues and digital media. The researcher examined separately the variables that affect the relationship between financial performance and digital media. The writer adopted the use of factors that influence variables in executing the proposed objectives.

Chapter Three

The writer adopted the use of descriptive research design in gathering and analyzing data that was collected in-line with the assessment of the impacts of digital media on financial performance of newspaper companies. This chapter clearly explained the research design in detail and further looked into population aspects, the researcher used a sample from the Associated Newspapers of Zimbabwe in collecting primary data through the use of questionnaires and interviews. The researcher adopted the use of a multi-regression model in analyzing secondary data gathered from financial statements and statistical data. The chapter also looked at the validity and reliability of the adopted instruments in this case, questionnaires and interviews used to gather data. It also looked at the reasons behind the adoption of the research design used.

Chapter Four

Chapter four presented in a more detailed and explained formatted the research finding, graphs were used in presenting the responses from individuals and statistical techniques were adopted in analyzing the fetched data. The writer adopted the use of a Regression Software called E-views4 in running the regression model and carrying out diagnosis tests. The researcher also adopted literature reviewed in chapter two to support research finds findings and express an evaluation on the findings.

5.2 Researchfindings

5.2.1 To understand the relationship between circulation and financial performance

From the from an analysis of data gathered through questionnaires, the researcher found that 75% of the respondents were of the opinion that there is a positive relationship between financial performance and circulation revenue; this was supported by identifying factors which influence circulation in relation to financial performance. The statistical procedure carried out by the researcher reviewed that there is a positive relationship between financial performance and circulation revenue as indicated by a positive coefficient of variation of 0.016153 between the two variables.

5.2.2 To assess the relationship between digital media and financial performance

An analysis of data gathered through questionnaires, reviewed that, 81% of the respondents were of the opinion that digital media negatively affects financial performance hence there is a negative relationship between the two variables; this was supported by identifying and factors which influence digital media in relation to financial performance. The research concluded that they is a negative relationship between digital media and financial performance indicated by a negative coefficient of variation of -0.114400 between the two variables which means that a percentage increase in digital media consumption results in 0.114400 decrease in profitability.

5.3 To identify the relationship between advertising revenue and financial performance

The findings of the research offered positive results regarding the relationship that exist between financial performance and advertising revenue indicated by 74% of the respondents supporting the fact that is a positive relationship, this position was further supported by a 0.016153 coefficient of variation which indicates a positive relationship from the regression performed by the researcher.

5.3 Researchconclusion

Draping the research results attained through the adoption of quantitative and qualitative data analysis in addressing the main research question and the research objectives. The researcher concluded that increase in the consumption of digital media has a negative effect on financial performance of newspaper companies. However there are some factors which indicated significant impacts on the performance of newspaper companies such as the macroeconomic environment (Politics and Pricing legislation) in which the newspaper companies are situated and the management practices adopted by the companies.

5.4 Recommendations

5.4.1 Recommendations to the Newspaper Companies

According to Athey et al (2013), Newspaper Companies should adopt fully the K Y C (know YourCustomer) principle, which emphasizes on the regular research on what the market deeds and what they consider essential to due changes in societal views. This principle allows companies to understand the uniqueneeds of their customer hence maintaining customer loyalty.

The researcher recommended that ANZ should adopt the use of the brand image strategy in order to enhance their revenue performance. According to Schneder (2014), the most adopted revenue generating techniques in BRICS are brand improvement and emphasis on online marketing. Improving the management of personnel and investing in technology might improve the performance of ANZ in this digital age.

5.7 Further areas of research

Areas which were considered to be essential for future study by the researcher were identified through other problems identified by the researcher during the course of the study.

Areas of further study

- Analyzing the impact of poor revenue performance strategies on overall firm performance of Newspaper Companies.
- The impact of introducing special purpose products on financial performance.
- Management accounting techniques in Newspaper Companies.

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REGRESSION-APPENDICIES

APPENDIX 1: DATA SET

Years	ROA	SHCircY	SHAdvY	SHDigY
2011.01	-0.0099	0.4271	0.2595	0.0153
2011.02	-0.0037	0.4156	0.2809	0.0115
2011.03	-0.0020	0.6525	0.4066	0.0081
2011.04	-0.0064	0.8589	0.2828	0.0100
2011.05	-0.0016	0.6111	0.2642	0.0065
2011.06	-0.0020	0.7015	0.5743	0.0261
2011.07	-0.0023	0.7102	0.4087	0.0222
2011.08	0.0046	0.7615	0.3374	0.0197
2011.09	0.0013	0.7166	0.2413	0.0111
2011.10	0.0069	0.7187	0.3720	0.0236
2011.11	0.0063	0.7238	0.2562	0.0296
2011.12	0.0066	0.6789	0.2298	0.0282
2012.01	0.0037	0.7654	0.2346	0.0056
2012.02	-0.0007	0.6971	0.2692	0.0028
2012.03	-0.0041	0.7924	0.2076	0.0212
2012.04	0.0018	0.7309	0.2443	0.0220
2012.05	-0.0022	0.7718	0.2282	0.0235
2012.06	0.0052	0.7352	0.2139	0.0219
2012.07	0.0029	0.6702	0.2984	0.0314
2012.08	0.0026	0.7086	0.2914	0.0140
2012.09	0.0017	0.6424	0.3576	0.0283
2012.10	0.0023	0.6244	0.3213	0.0293
2012.11	-0.0131	0.4490	0.5179	0.0303
2012.12	-0.0169	0.4663	0.5010	0.0327
2013.01	-0.0030	0.6229	0.3011	0.0096
2013.02	0.0055	0.5800	0.2832	0.0064
2013.03	0.0045	0.6517	0.2257	0.0199
2013.04	-0.0028	0.6175	0.2409	0.0267
2013.05	0.0011	0.5902	0.2485	0.0318
2013.06	-0.0009	1.0129	0.3694	0.0399
2013.07	-0.0077	0.8177	0.3328	0.0330
2013.08	0.0057	0.8956	0.2149	0.0386
2013.09	-0.0031	0.7850	0.2086	0.0438
2013.10	-0.0153	0.6553	0.2420	0.0443
2013.11	-0.0006	0.5581	0.2319	0.0420
2013.12	-0.0002	0.7855	0.2423	0.0464

Source:*Extracted Associated Newspapers of Zimbabwe (2013) Financial Statements*

APPENDIX 2: UNIT ROOT TESTS

UNIT ROOT FOR RETURN ON ASSET (ROA)

ADF Test Statistic	-4.243248	1% Critical Value*	-3.6289
		5% Critical Value	-2.9472
		10% Critical Value	-2.6118

*MacKinnon critical values for rejection of hypothesis of a unit root.

Augmented Dickey-Fuller Test Equation
Dependent Variable: D(ROA)
Method: Least Squares
Date: 09/22/14 Time: 20:02
Sample(adjusted): 2011:02 2013:12
Included observations: 35 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ROA(-1)	-0.671654	0.158288	-4.243248	0.0002
C	-0.000406	0.000955	-0.425146	0.6735

R-squared	0.353007	Mean dependent var	0.000277
Adjusted R-squared	0.333401	S.D. dependent var	0.006821
S.E. of regression	0.005569	Akaike info criterion	-7.487707
Sum squared resid	0.001024	Schwarz criterion	-7.398830
Log likelihood	133.0349	F-statistic	18.00516
Durbin-Watson stat	1.879129	Prob(F-statistic)	0.000168

UNIT ROOT FOR Share of Advertising Income SHAdvY

ADF Test Statistic	-3.710190	1% Critical Value*	-3.6289
		5% Critical Value	-2.9472
		10% Critical Value	-2.6118

*MacKinnon critical values for rejection of hypothesis of a unit root.

Augmented Dickey-Fuller Test Equation
Dependent Variable: D(SHAdvY)
Method: Least Squares
Date: 09/22/14 Time: 20:04
Sample(adjusted): 2011:02 2013:12
Included observations: 35 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SHAdvY(-1)	-0.591671	0.159472	-3.710190	0.0008
C	0.176978	0.049925	3.544868	0.0012

R-squared	0.294352	Mean dependent var	-0.000491
Adjusted R-squared	0.272969	S.D. dependent var	0.099227
S.E. of regression	0.084607	Akaike info criterion	-2.046149
Sum squared resid	0.236227	Schwarz criterion	-1.957272
Log likelihood	37.80761	F-statistic	13.76551
Durbin-Watson stat	1.946617	Prob(F-statistic)	0.000760

UNIT ROOT FOR Share of Circulation income SHCircY

ADF Test Statistic	-3.943065	1% Critical Value*	-3.6289
		5% Critical Value	-2.9472
		10% Critical Value	-2.6118

*MacKinnon critical values for rejection of hypothesis of a unit root.

Augmented Dickey-Fuller Test Equation
Dependent Variable: D(SHC)
Method: Least Squares
Date: 09/22/14 Time: 20:05
Sample(adjusted): 2011:02 2013:12
Included observations: 35 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SHC(-1)	-0.584006	0.148110	-3.943065	0.0004
C	0.407648	0.102488	3.977537	0.0004

R-squared	0.320257	Mean dependent var	0.010240
Adjusted R-squared	0.299659	S.D. dependent var	0.131452
S.E. of regression	0.110007	Akaike info criterion	-1.521095
Sum squared resid	0.399353	Schwarz criterion	-1.432218
Log likelihood	28.61917	F-statistic	15.54776
Durbin-Watson stat	2.084404	Prob(F-statistic)	0.000395

UNIT-ROOT FOR Digital Media SHD (1^{ST} DIFF)

ADF Test Statistic	-6.584682	1% Critical Value*	-3.6353
		5% Critical Value	-2.9499
		10% Critical Value	-2.6133

*MacKinnon critical values for rejection of hypothesis of a unit root.

Augmented Dickey-Fuller Test Equation
Dependent Variable: D(SHD,2)
Method: Least Squares
Date: 09/22/14 Time: 20:06
Sample(adjusted): 2011:03 2013:12
Included observations: 34 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(SHD(-1))	-1.149136	0.174516	-6.584682	0.0000
C	0.001144	0.001682	0.679822	0.5015

R-squared	0.575360	Mean dependent var	0.000241
Adjusted R-squared	0.562091	S.D. dependent var	0.014773
S.E. of regression	0.009776	Akaike info criterion	-6.360722
Sum squared resid	0.003058	Schwarz criterion	-6.270936
Log likelihood	110.1323	F-statistic	43.35804
Durbin-Watson stat	2.080979	Prob(F-statistic)	0.000000

APPENDIX 3: COINTERGRATION

ADF Test Statistic	-4.363846	1% Critical Value*	-3.6289
		5% Critical Value	-2.9472
		10% Critical Value	-2.6118

*MacKinnon critical values for rejection of hypothesis of a unit root.

Augmented Dickey-Fuller Test Equation
Dependent Variable: D(RESIDUAL)
Method: Least Squares
Date: 09/22/14 Time: 20:09
Sample(adjusted): 2011:02 2013:12
Included observations: 35 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RESIDUAL(-1)	-0.686880	0.157402	-4.363846	0.0001
C	0.016044	0.003646	4.400581	0.0001

R-squared	0.365911	Mean dependent var	0.000258
Adjusted R-squared	0.346696	S.D. dependent var	0.003325
S.E. of regression	0.002687	Akaike info criterion	-8.945028
Sum squared resid	0.000238	Schwarz criterion	-8.856151
Log likelihood	158.5380	F-statistic	19.04315
Durbin-Watson stat	2.105502	Prob(F-statistic)	0.000119

APPENDIX A

LETTER OF INTRODUCTION

Midlands State University
Department of ACCOUNTING
P. Bag 9055
Gweru

15 September 2014

Dear Sir/Madam

RE: RESEARCH PROJECT ASSISTANCE

I ama 4th year studentat the MidlandsStateUniversity pursuing a B. Comm. Honoursdegree in Accounting I am carryingout a research on ***The Impacts of Digital Media (online marketing and online news) on financial performance of newspaper companies in Zimbabwe.*** This is in partialfulfillment of the requirements of the **Bachelor of Commerce Honours degree in ACCOUNTING** that I am currently undertaking.

I kindly askyou to assist by completing the questionnaireattachedtothisletter. The information you provide as well as your personal views will be treated with confidentiality and used for the purpose of this research only.

Your contribution to this research is greatly appreciated

Yours faithfully

Lekadala Kudakwashe

APPENDIX B:

QUESTIONNAIRE

Respondents are asked to complete the questionnaire in applicable areas and maintain confidentiality by **not** citing their name.
Tick where applicable.

1. **The following are factors influencing the Circulation Revenue in relation to Financial Performance:**

Factor	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Cover Price					
Competition					
News Quality					

Any Other Factors (specify) ……………………………………………………………………….............

2. **The following are factors affect the Overall Revenue in relation to Digital Media**

Factor	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Online Marketing Prices					
Quality of Online Media					
Adverncements in Technology					
Unlimited Advertising space on the internet					

Any other Factors specify…………………………………………………………

3 **The following are factors influence the relationship between advertising revenue and financial performance**

Factor	**Strongly Agree**	**Agree**	**Uncertain**	**Disagree**	**Strongly Disagree**
Internet access and Coverage (Target Market)					
Print Advertising Rates					
Technology					
Quality of Media					

Any other factors (specify)………………….

4 **The following are the challenges faced by Associated Newspapers of Zimbabwe in Increasing Revenue:**

Challenge	**Strongly Agree**	**Agree**	**Uncertain**	**Disagree**	**Strongly Disagree**
Cover Price					
Competition from existing firms					
Readership Content quality					
Distribution Channel Management					

Any other Challenges (Specify)………………………..

5 **Can the following best practices or strategies help Associated Newspapers of Zimbabwe in enhancing Performance?**

Strategy	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Branding and Brand image strategy					
Human Resource Strategy					
Information technology strategy					
Cost leadership Strategy					

Any other Strategies that can be implemented specify…………………..

6 **Revenue from Traditional Advertising and Circulation is affected by competition**

Strongly Agree ☐ Agree ☐ Uncertain ☐ Strongly Disagree ☐ Disagree ☐

7 **Revenue from Traditional Advertising and Circulation is affected by Internet Media**

Strongly Agree ☐ Agree ☐ Uncertain ☐ Strongly Disagree ☐ Disagree ☐

8 **Revenue from Traditional Advertising and Circulation is affected by Cover Prices and rates**

Strongly Agree ☐ Agree ☐ Uncertain ☐ Strongly Disagree ☐ Disagree ☐

9 Poor distribution Management poses increases in operating and distribution costs.

Strongly Agree ☐ Agree ☐ Uncertain ☐ Strongly Disagree ☐ Disagree ☐

10 Any other information you may wish to provide regarding the topic:

Thank You For your co-operation

Company stamp

APPENDIX C:

INTERVIEW GUIDE

Midlands State University
Established 2000
Our Hands, Our Minds, Our Destiny

Questions:

1. What the relationship between copy sales (circulation) revenue and financial performance?

2. What is the relationship between digital media financial performance?

3. What is the relationship between advertising income and financial performance?

4. What other challenges are being faced by ANZ in increasing revenue?

5. What practises can be adopted by ANZ to enhance financial performance?

6. Any other suggestions you can add to the above questions?