Effects of Communication Information Technology Threat on Traditional Newspaper Industry in Zimbabwe with a Particular Reference to Zimpaper Group

Leonidas Ngendakumana1* and Kennedy Mutimudye2

1Africa University, P.O.Box 1320, Mutare, Zimbabwe.
2Zimbabwe Newspapers, P.O.Box 55 Herald House, Harare, Zimbabwe.

Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

ABSTRACT

The study sought to examine the effects of information communication technology threat on the newspaper industry in Zimbabwe in a bid to determine how ICT can be adapted for use in the newspaper industry. The research used a case study of the Zimpaper group where a sample size of 100 respondents were selected using a purposive sampling technique. The study used a combination of three instruments i.e. questionnaire guides, interviews and other records to reduce the disadvantage of using a single method. The study showed that the organisation had a healthy mix of young and old employees who were highly literate. This mix of young and aged workers was likely to be a perfect blend of experience and agility to adoption of ICTs. This implied that the organisation had the inherent potential to adopt ICT in its overall strategy based on the general understanding that a young workforce was likely to adopt ICT more easily compared to an aged workforce. On the hand, the aged workforce would provide useful insights into the existing newspaper products thereby complementing each other. Findings also revealed that while ICT caused serious threats to the traditional newspaper industry it had also the potential to create new
business opportunities for the same industry. The study highlighted that the email was the oldest and yet the most prevalent form of communication in the organisation. This implied that the organisation had not yet adopted more robust and yet cost effective forms of communication like Facebook, Twitter, Skype, instant messaging platforms and video conferencing. The study recommended that the organisation should develop a clear change management and communication strategy to articulate its business direction and explain the importance of adopting ICT. This should be followed by extensive training of strategic personnel in ICT skills.

**Keywords:** Newspaper industry; traditional value chain; submarine fibre optic cables; zimpapers and change management strategy.

### 1. INTRODUCTION

The introduction of the new technologies have also brought with it new competitors. These are technological developments such as radio news, followed by the television and recently the internet.

For instance, a market report released by IBIS World [1] on 8 January 2013 argued that advertising revenue which accounts for 75% of newspaper revenue was expected to fall to below 30% of total advertising revenue in 2013, down from a 41.8% in 2000.

These developments have forced many newspaper companies in most western countries to respond to the threat of declining circulation and advertising by developing digital business models to complement traditional models and in some cases to replace old revenue models altogether. Although most newspapers in the industry have launched websites and offer RSS feeds, blogs and apps for mobile devices, they still have to carry the costs for the physical products [2]. JRC [2] also noted that only few companies have succeeded in developing viable online business models for their news services. It argued that few people were willing to pay for the online content because it was readily available on internet sites like Google News, Yahoo News, Digg and other online news providers.

### 2. OBJECTIVES

1. To determine how ICT can be adapted for use in the newspaper industry.
2. To examine the preparedness of the Zimpapers for the adoption of new ICTs

### 3. SIGNIFICANCE OF THE STUDY

The research is significant given the strategic influence of the newspaper in Zimbabwe as a key part of a functioning democracy, governance, society and economic development. For the industry to successfully fulfill these key roles it has to operate competitively and profitably hence the need to consider alternative revenue streams that could complement the traditional newspaper business model in creating sustainable revenue streams to guarantee continuity of the sector and security of employment for the citizens.

### 4. LITERATURE REVIEW

#### 4.1 The Rise of the Internet and Collaborating Technologies

Collis et al. [3] assert that the uneasy competition between the radio, television, cable and newspapers lasted until the late 1990s. Since then the newspaper industry has had to contend with the internet which according to media scholars like [3] became the final nail in the coffin of the traditional newspapers. Canter [4] traces the introduction of the internet to the 1960s when the American government designed it as a protection tool against a possible attack from the Soviet Union. By 1969 a computer network with nodes from American universities had been established and was funded by the defense [4]. The author contends that although the internet was funded by the military the academics who invented the network were given freedom to work on their own and with the passage of time the defense department lost interest and it became an academic tool. Canter [4] observes that by the 1970s scientists were already using it to exchange research data and correspondence through email meaning that the early internet was at this time firmly in the hands of the academia.

The author contends that the opening up of the internet in the 1980s to wider computer networks and user groups through virtual communities, mainly via academic institutions was a precursor...
to its adoption by a wider audience in the 1990s [4]. However, the author argues that it was not until the invention of the World Wide Web by the British computer scientist Tim Berners Lee in 1989 that internet was opened to the global audience. She observes that by creating hypertext, Lee was able to get computers to communicate to each other in common language via internet [4]. From this point on, internet increasingly became a commercial rather than a mere academic or public mobilizing tool since global users could be reached by businesses much quicker and with limited overhead costs. Its rapid development and diffusion as well as the rapid rise of collaborating technologies led media experts like [5] to predict the death of the traditional newspapers somewhere in 2043. Below are some of the most popular technological innovations that have emerged and shaped the way the newspaper industry is now doing business.

4.2 Transformation of the Traditional Value Chain of Newspapers

Akesson [6] asserts that digital innovation is not only a shift in technology but a development that has altered existing value chains. Grueskin et al. [7] concur, adding that the move to digital platforms has transformed not just the business of news but also the way news is reported, aggregated, distributed and shared. According to the authors, each of those changes has an underlying economic rationale and the media industry has either been slow to recognise the changes or has been paralysed by their impact. The significance of these arguments is that ICT has brought fundamental transformations to the traditional value chain systems. This section discusses these fundamental changes and their impact to the newspaper industry.

Porter [8] explains the value chain framework as a chain of activities performed by organisations to contribute to the value of a product or service offered to the market with the objective of maximising profit at a minimum cost. It can be argued that Porter’s framework assumes a straightforward chain of activities with predictable start and end processes. However, Alle [9] argues that the value chain approach is being challenged in the digital economy. Amit and Zott [10] concur, adding that a digital economy is dynamic and characterised by rapid development and high competitiveness. Meyer [5] is even blunter in his evaluation of the traditional value chain when he contends that the newspaper’s value chain system is irreversibly undermined by the new technology.

In order to situate the fundamental changes that have been introduced by the internet in their proper context has been used to provide a visual depiction of the various changes in the traditional value chain of newspapers. In illustrating this point, [6] argues that value networks consist of networks of relationships ranging from suppliers, technical solution providers, investors, strategic business partners to customers.

Using a new mobile service provider as an example, its value network may include relationships between content providers such as newspapers, mobile phone operators, advertisers and mobile phone users to build a successful business case [9]. This example is insightful in that it underscores the fact that the value chain concept is increasingly becoming inadequate to describe complex, interdependent and dynamic relationships between actors in value creation and exchange. In the context of newspaper publishing, the model is thought to be better in depicting how news publishers can access news from different sources and how news can be published on more different platforms with more options to advertisers.

5. RESEARCH METHODOLOGY

5.1 The Case Study Approach

Robson [11] defines case study as a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. In this study, the primary focus of inquiry was the Zimbabwean market and Zimpapers was used as a case study to explore the threats and opportunities brought by ICT and strategies and processes employed by the company in response to the issues.

5.2 Research Design

A research design is the general plan on how to answer the research question [12]. This research employed a mixed methods study to accomplish its goals. It also opted to use the mixed methods study and adopted the convergent parallel design as its design option. The choice for the convergent design was motivated by the need to match the research problem and the reasons for mixing in order to make the study manageable, easy to implement and describe.
5.3 Data Collection Methods

Saunders et al. [12] advise that a researcher should adopt an appropriate research strategy to meet the objectives of the study. As explained above this study employed a mixed methods study. Qualitative data was generated from in-depth interviews with the organisation’s executives and senior managers. The method provided the opportunity to examine how management viewed the challenges and opportunities introduced by ICT on the print newspaper and to explore the strategies and processes that were implemented in response to the issues. To this end, the qualitative method was best suited to allow participants to express themselves freely and talk about issues that were pertinent to answer research questions through in-depth interviews and document review.

On the other hand, quantitative data was generated with the aid of a survey method. The data collected through a survey conducted at the Herald House was done concurrently with collection of data from top management through in-depth interviews. This was appropriate because the study had adopted a convergent design which treats the two methods as typically having equal importance for addressing the study’s research questions.

5.4 Sampling Design and Population Size

According to Field [13] a sample is a smaller but representative collection of units from a population used to determine truths about that population. This study adopted convenience sampling to select the Zimpapers case study. Within the case study it was decided to focus on the Herald newspaper, a daily publication since 1891 and the Sunday Mail, a weekly newspaper established in 1927.

Purposive sampling was used to select respondents. The strategy involved identifying managers and employees who were involved in designing and giving strategic direction and those involved in translating and implementing strategies. This was particularly useful in this study because it allowed knowledgeable respondents to be selected from key departments like head office, production, editorial, information technology, accounts, circulation and advertising. In this study a population of 838 permanent and contract employees at both Head Office and Harare branch was used with a margin of error of 10% and confidence level of 95%. With the aid of a Raosoft sample size calculator a sample size of 87 employees was computed as the minimum sample size and this was adjusted to 100 to allow for refusals and incomplete questionnaires.

5.5 Research Instruments

Research instruments are tools used for collecting information and data needed to find solutions to the problem under investigation. This study used an interview guide, a questionnaire and records to collect information. The three methods were used together to reduce the disadvantages of using a single method.

6. DATA PRESENTATION AND ANALYSIS

6.1 Preparedness for Adoption of New ICTs

The study shows that the organisation has a healthy mix of young and old employees who are highly literate. This mix of young and aged workers is likely to be a perfect blend of experience and agility to adoption of ICTs. This is a view that is in line with [14] who argue that age plays a significant role in the digital space. Collis et al. [3] concurs, adding that young people drive trends towards online platforms. This implies that the organisation has the inherent potential to adopt ICT in its overall strategy based on the general understanding that a young workforce is likely to adopt ICT more easily compared to an aged workforce. On the hand, the aged workforce would provide useful insights into the existing newspaper products thereby complementing each other.

The study also highlighted that the majority of respondents (99%) were familiar with ICT and some of them even skilled to use the various technologies like desk computers, mobile phones, laptops, ipads, tablets and smart phones. It can be inferred that the organisation has a human resources capacity to assist it in driving the ICT programme. This potential capacity of able human resources is critical given that [4] argues that the opening up of the internet in the 1980s to wider computer networks and user groups led to its adoption by a wider audience. In light of this observation and global trends, the organisation is well placed to adopt ICT as a commercial tool to enable it to reach its local and global consumers much quicker and with limited overhead costs.
Secondly, the study indicated that the majority of respondents in the organisation received ICT training in the form of in house courses, workshops and assistance with tuition to pursue ICT studies. Coupled with recent investments in the new printing press and latest technology indicate that the organisation has the potential to deploy ICT in all its key functional areas. This deployment of the infrastructure is in line with observations by the Stampen Media Group (2013) which argues that international internet connectivity was increasing resulting in prices falling by over 80% in some countries and the trend was set to continue. The report also indicated that the digital revolution in Africa was enabled by the rapid deployment of submarine fibre optic cables. This means many rural markets where a large percentage of people in Africa lives will now be accessible via mobile telephone and internet (Stampen Media Group, 2013). By investing heavily in ICT infrastructure and human resources, it can be inferred that the organisation was making significant strides to harness ICT in its strategies to enable it to serve its old customers and capture new markets with both print and digital products.

Thirdly, the study established that the organisation was creating a convergence desk in order to equip journalists to supply news on different platforms like radio, website, mobile and print. What this strategy does is that the same manpower should be able to file stories on different platforms thereby reducing the cost of gathering, producing and distributing news. The creation of a convergence desk implies that the organisation was preparing itself for a concentration or conglomeration strategy as advocated by Duncan [15]. The author argues that in order to build financial resources that enable a newspaper entity to grow and make profits, it needs to adopt a concentration or conglomeration strategy. This approach can effectively work in an environment that endowed with highly integrated ICT system a well-trained workforce in ICT.

From the study it was also that readers were already using various mobile cellular, desktops and tablets to access content on the Herald website. These findings are in line with [16] who contends that smart phones are rapidly changing the way audiences perceive news because they send information instantly to readers. Grueskin et al. [7] elaborate this point by noting that the emergence of tablets has ushered in a more immersive experience for readers and a more likely venue for subscriptions and higher advertising revenue. By offering these alternative avenues to readers it can be argued that the organisation has put in place necessary infrastructure and mechanisms to adopt and adapt ICT. Perhaps this is a clear indication that the organisation has realised that the newspaper business has been irreversibly undermined by the new technology [5]. The strategic approach therefore is for management to craft strategies that co-opt ICT as an ally in their operations rather than treat it as an enemy. Such a shift in mind-set is urgent given that more people are increasingly migrating to online platforms for their information needs.

6.2 Emerging Opportunities from Availability of ICT

Throughout this study, it has been clear that ICT has exerted fundamental pressure on the print newspapers. It has also been clear that while ICT poses serious threats to the traditional newspaper industry it also has the potential to create new business opportunities for the same industry. One opportunity that is emerging from ICT relates to communication with customers. The study highlighted that the email was the oldest and yet the most prevalent form of communication in the organisation. This implies that the organisation has not yet adopted more robust and yet cost effective forms of communication like Facebook, Twitter, Skype, instant messaging platforms and video conferencing. The use of video conferencing for instance, can drastically reduce the cost and time of managers travelling from one city to attend business meetings. It can achieve this by creating a virtual boardroom that provides the same convenient environment for executives but at a considerably lower cost. Another example is the use of Skype which allows business associates to talk at lower rates than the mobile phone or the landline. The organisation can also effectively deploy WhatsApp, Facebook and Twitter to interact with readers and gauge their opinions about its products and services. This way these communication channels can assist the newspaper organisation to position itself in the minds of customers and therefore build a strong brand image.

Secondly, ICT provides the newspaper organisation with the ability to redesign its existing products on the one hand and introduce new ones on the other. Kranenburg [17] underscores this point by noting that the
possibility for reusability of information across customers has increased. The author contends that with new technology it is possible to combine the old and new media into one product and allow the publisher and the customer to interact, an element that was missing from the traditional newspaper. In addition, ICT allows greater personalisation of relationships and interactivity between customers and the newspaper organisation [17]. It is important to underscore that the competitive advantage of the newspaper organisation lies in its ability to provide increased interplay between ICT and the customers.

Thirdly, ICT has the potential to significantly bring down the cost of producing and distributing the newspaper. Kranenburg [17] argues that distribution costs alone contribute about 20% of the newspaper’s total cost. However, ICT enables newspaper organisation to introduce more efficient production systems and manage their distribution networks more efficiently. What the organisation needs to do is to be adept at diversifying its competitive base. Sabelstrom [18] elaborates this point, by arguing that spreading information on the web does not require any physical transportation. JRC [2] further contends that value creation in the digital domain is no longer a straightforward process from production to consumption but is now complex and dynamic and is characterised by many players performing various roles at different phases or aspects of the value creation network. The opportunities that are presented to business by such value networks consist of effective management of networks of relationships ranging from suppliers, technical solution providers, investors, strategic business partners to customers [6]. This implies that newspaper organisations can achieve cost advantages and growth by taking advantage of increasing ICT penetration in the country.

ICT also allows the organisation to produce content on multiple platforms like radio, mobile, digital and print using fewer resources like employees while reaching a broader customer base. This view is in line with [19] who explained that some newspaper publishers in Europe and the United States survived by harnessing the competing technologies to their advantage. The author observed that some newspaper publishers diversified their portfolios by launching commercial television channels in order to protect themselves against the threat of radio and television only companies. It can be inferred from these findings that ICT can help an organisation in print only business to diversify its portfolio. In addition, [15] argues that opportunities for newspaper organisations lie in concentration and conglomerate where the media groups vertically integrated, own their own printing presses, distribution agencies as well as offering content across several platforms to maximise exploitation of the economies of scale.

7. CONCLUSION AND RECOMMENDATIONS

7.1 Conclusion

It was also insightful to note that in as much as many customers have migrated to online platforms for content and advertising rates print newspaper was still ingrained in the minds of the majority of readers and advertisers. As such, it was unlikely that the print newspaper would be entirely replaced by a digital only media at this stage. This implies that the majority of people in Zimbabwe still regard the print newspaper as a credible source of information perhaps because of its tangible nature and the length of time it has been around. This seems to have informed the organisation to adopt diversification as its long-term strategy for survival and growth.

7.2 Recommendations

7.2.1 Introducing a change management strategy

The study highlighted that employees in the organisation did not readily accept the introduction of ICT in the organisation. It was also established that ICT the organisation lagged behind in adopting ICT. This implies that culture, negative mentality and bad attitudes contribute to the slow take-up of ICT in the organisation. The organisation should develop a clear change management and communication strategy to articulate its business direction and explain the importance of adopting ICT. This should be followed by extensive training of strategic personnel in ICT skills. The organisation can also identify free online courses on ICT and change management and recommend them to employees. In addition, the organisation can make use of video conferencing to train its employees. These strategies have the added benefits of assisting employees to gain confidence in ICT while keeping them up to date with latest technology. Overcoming resistance to change facilitates increased engagement with employees thereby accelerating the achievement
of the organisation goal for effective transformation.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES

4. Canter L. Web 2.0 and the changing relationship between British local newspaper journalists and their audiences, PhD Journalism Studies, University of Sheffield, June 2012.


© 2019 Ngendakumana and Mutimudye; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:
The peer review history for this paper can be accessed here:
http://www.sdiarticle3.com/review-history/21824