STRATEGIC RESPONSES TO DIGITAL DISRUPTION: THE CASE OF KENYAN MEDIA

by

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APPROVAL

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In accordance with Daystar University policies, this dissertation is accepted in partial fulfilment of the requirements for the Doctor of Philosophy degree

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DECLARATION

STRATEGIC RESPONSES TO DIGITAL DISRUPTION: THE CASE OF KENYAN MEDIA

I declare that this dissertation is my original work and has not been submitted to any other college or university for academic credit.

Signed: ____________________________  Date: ________________
                      Evalyne Njoki Chege 
          13-0378
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<td>Alliance for Audited Media</td>
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<td>ABC</td>
<td>Audit Bureau of Circulations</td>
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<tr>
<td>CAQDAS</td>
<td>Computer-assisted qualitative analysis software</td>
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<td>CIME</td>
<td>Communication, Information, Media and Entertainment industries</td>
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<td>GMG</td>
<td>Guardian Media Group</td>
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<td>NACOSTI</td>
<td>National Council for Science and Technology and Innovation</td>
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ABSTRACT

The purpose of this study was to investigate how three Kenyan newspapers are managing the digital disruption, and sought to answer three research questions; 1) What is the impact of the mobile phone and Internet technologies on Kenyan daily newspapers? 2) What strategic responses are being executed by Kenyan daily newspapers in response to the digital disruption occasioned by the internet and the mobile phone? 3) What are the key influences behind these strategic responses, business models and proposed revenue streams? A qualitative approach was employed to conduct this research through a multiple case study research method. A multiple case study was used with the intention of testing the same research questions within different contexts while applying the same data generation techniques and analysis for each context. Three Kenyan dailies were studied in this research. The data generation tools included; in-depth interviews with 23 senior executives and senior editors, document reviews and participant observations. This inquiry found that the Kenyan newspapers under study are currently executing four main strategies in response to the digital disruption: protecting the old business, alternative sources of revenue, pivot to digital and culture change. Based on the findings, this study concludes that the Kenyan newspaper industry has yet to disrupt itself in the wake of increasing digitisation, and instead continues to grapple with challenges of digital disruption. Several recommendations are presented in this study, including the suggestion to normalise research to allow newspapers to understand their audiences. Areas for further research include a study on media consumption habits of Kenyan audiences.
DEDICATION

I dedicate this dissertation to all Kenyan journalists, editors and media executives, who, in spite of the ubiquitous disruption and economic uncertainty, remain true to the journalistic calling and continue to fulfil their social contract with the public.
CHAPTER ONE
INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

Innovations in technology have been long viewed as the bedrock of human civilisation, industrialisation and growth of productivity throughout history (Abernathy & Clark, 1985). The development and evolution of technology has been marked by long periods of negligible technological changes that are occasionally interrupted by major technological developments with the capacity to change industries; and in some cases, some may disappear altogether (Tushman & Anderson, 1986; Tushman & Smith, 2002).

Digital technologies have altered how organisations operate. The conversation has now shifted to how digitisation is challenging the core existence of some organisations and industries, hence the phenomenon of “digital disruption”, which is taking root in modern society and posing a significant threat to many organisations and industries today (Stewart, Schatz, & Khare, 2017). As such, organisational leaders have been compelled to take a critical look at digital disruption to not only understand how it affects the operations of their institutions, but to also appreciate how to cope with the so-called “disruptive innovations”.

The newspaper industry is one of those that has borne the vagaries of the digital disruption (Picard, 2016; Küng 2017; Stewart et al., 2017). The declining fortunes of the newspaper industry has been used as a case study to demonstrate the extent to which digital disruption can alter an entire industry. Stewart et al. (2017) and Picard (2016) noted that the deterioration of the newspaper industry occasioned by digital disruption,
among other factors such as tough economic times, started with improved production economics where the Internet and the mobile phone improved the quality and timeliness of news and consumption. This in turn shook the economic aspect of the newspaper industry characterised by falling circulation numbers and shrinking advertising revenues.

Disruptive innovations, according to Tushman and Smith (2002), affect organisational activities by introducing new product categories to compete with the legacy products. However, disruptive innovations also gravely affect an organisation’s core, or the “architecture” of an organisation (Küng, 2017, p. 145), forcing previously successful firms to rethink their strategies, product offerings and business models. This study sought to understand how disruptive innovations have compelled Kenyan newspapers to rethink their “architecture” in the age of digital disruption. In particular, the study set out to explore how the Internet and the mobile phone have forced Kenyan media executives and newspaper editors to alter their strategic thinking and how disruptive innovations have changed the business and funding models of Kenyan newspapers.

1.2 Background to the study

Disruption is the process through which “a small company (or organisation) with limited resources is able to successfully challenge incumbent businesses,” (Christensen, Raynor, & McDonald, 2015, p. 44). The concept of disruption is at the core of the Disruptive Innovations Theory, which has been used to explain how and why smaller companies with less resources and different business models overtake traditional businesses. Disruptive companies enter markets traditionally monopolised by the big
companies, the incumbents, to offer “good enough” goods and services at lower prices to market segments that have been previously overlooked by incumbents.

Innovation, is the “multi-stage process whereby organisations transform ideas into new and improved products, services or processes in order to advance, compete and differentiate themselves successfully in their marketplace,” (Baregheh, Rowley, & Sambrook, 2009, p. 1334). Equally, Christensen (2000) outlines two types of innovations: sustaining innovations and disruptive innovations. Sustaining innovations improve the performance of an organisation’s products, especially within the confines of the most-prized customers within an organisation. On the other hand, disruptive innovations worsen product performance by bringing in newer products that offer a different value compared to the previous ones.

Disruptive innovations do not always begin with the mainstream markets. They are more attractive to the newer customers on the fringes, those who had been previously unserved by the product, and slowly work their way up the value chain (Küng, 2017). Further, Christensen (2015) argued that products brought about by disruptive technologies are cheaper, simpler to operate and more convenient compared to the previous products. Disruptive technologies “change what used to be expensive and complicated into something that is simple and accessible to all” (Hakaniemi, 2014, p. 9). Convenience, availability and ease of access are some qualities of disruptive innovations that are highly valued by consumers (Christensen, 2015; Hakaniemi, 2014).

The recording music industry has been disrupted by the technological revolution particularly in distribution and promotion. New technologies such as cheaper digital files, online music and the online distribution to niche audiences have been enabled by
digitisation, data compression and the Internet (Dolata, 2011; Moreau, 2013). Similarly, Chiaroni, Chiesa, Franzò, and Urbinati (2016) identified three waves of digital disruption that rocked the recorded music industry to include digital music distribution, permanent digital download and music streaming. Chiaroni et al. (2016) argued that these key disruptive innovations essentially facilitated the distribution of recorded music “from a physical to digital channel”. Furthermore, these three developments fit the description of digital disruptions as stipulated by Christensen (2015) as they provide music at lower prices, operated under a different business model and reduced the competitive advantage of the traditional companies that monopolised the physical distribution of music content.

The tourism industry has also been cited as an example of a sector that has been disrupted by technology. In the past 12 years, the global tourism accommodation sector has experienced a shift occasioned by Airbnb, a company whose online business model offers travellers an opportunity to rent accommodation at cheaper rates through their website. Airbnb was founded in 2007 by two roommates, Brian Chesky and Joe Gebbia, who had then just graduated from college. They successfully advertised their apartment as “AirBed&Breakfast” on a website targeting delegates who were in San Francisco for a major conference, the World Design Congress. The first three guests of Airbnb were Kat, Amol and Michael who slept on airbed strewn on the floor (Kuper, 2018).

Convinced that they had a viable business idea, they tested the idea during the 2008 Democratic National Convention. The idea received some positive feedback and thereafter the duo launched “Airbnb.com” in 2009. Today, Airbnb offers millions of travellers a place to sleep in over 191 countries (Airbnb, 2018). Through Airbnb, ordinary
people are able to rent out their apartments, villas and spare rooms to tourists and travellers who do not want to stay in hotels.

Guttentag (2015) noted that Airbnb is a disruptive innovation that has shaken up the tourism accommodation sector by providing an online space that allows for “peer-to-peer accommodation” where ordinary people rent out space to others on a large scale. Airbnb has not necessarily offered a new, never-seen-before product, as the idea of peer-to-peer accommodation dates back centuries where individuals would rent out their homes to travellers. Airbnb’s business model may be underpinned on a centuries-old practice, but it is the new value it provides that makes it a disruptive innovation. 

Previously, home owners looking to rent out their homes did not know how to reach out to potential customers, but Airbnb has made use of the Internet and social media to provide a platform that links the B&B owner to the traveller.

Karimi and Walter (2015) argued that there are no industries that have been profoundly disrupted by the digital revolution more than the communications, information, media and entertainment (CIME) industries. These CIME companies, specifically those with print and broadcasting establishments, have reacted accordingly in three major ways. First, these companies have created digital platforms to pull new audiences. Secondly, they are offering online-based solutions and leveraged on fresh modes of content presentation and lastly, these companies have ventured into new, principally digital revenue avenues, thus reducing their over-reliance on print advertising (Karimi & Walter, 2015). In the next paragraphs, the extent of digital disruption of the newspaper industry from a global perspective is discussed.

At a Glance: Political Economy of Communications
Political economy is increasingly becoming useful in the understanding the global expansion of the media industry, now more than before, when classical political economists such as Adam Smith and David Ricardo studied political economy from the prism of social theory (Wasko, 2005). The contemporary world is characterised by a globalised media industry that has been spatialized by the Internet and technology. This is to the extent that the issues influencing the media in the US are similar— if not exactly the same— as those facing Kenyan media institutions. Issues such as economic uncertainties occasioned by the rise of digital technologies are not just affecting North American newspapers, but Kenyan newspapers as well, as I shall demonstrate later in this chapter.

Mosco (2009) argued that the main goal of political economy—right from its founding fathers to modern day political economists— was to understand “social change” and “historical transformation” which is why political economy can be applied to make sense of the current digital transformation.

Mosco (1996) offered four major standpoints for understanding political economy; social change and history, social totality, moral philosophy and praxis. The social totality standpoint, which is relevant to the current study, is a holistic political economy approach that interrogates the relationship between commodities and institutions. Smythe (1960) postulated that the sole purpose of the inquiry into the political economy of communications is to evaluate “the effects of communication agencies in terms of the policies by which they are organised and operated.”. This means that political economy of communications is primarily concerned with how communications agencies— such as media— are influenced by the decisions, policies, structures and environments under which they operate in. Smythe, in pushing this.
definition, is alive to the fact that communication agencies exist and flourish (or fail) primarily because of the environments in which they operate in, and the policies under which they are organised is a key determinant to their survival. Accordingly, a political economy of communications study is incomplete without an extensive analysis of “the structure and policies of these communication agencies in their social settings” (Smythe, 1960, 564). It is worth noting that Smythe (1960) stressed the “social settings” perspective, to affirm that communication agencies- or media organisations- do not operate in vacuums or in economic islands, but operate in (social) environments that have pervasive effects on these organisations.

This is particularly true for the media organisations today, which operate in economic uncertainty, highly competitive environments against incredibly disruptive new entrants that are powered by an ever more Internet and fast-moving technological advancements. Murdock and Golding (1974) observed that in the long history of the development of the media institution, the concentrated structure of media organisations is the latest stage in the metamorphosis of the media. The media, according to the two authors, has undergone a revolution, from the cottage industries owned by the postman, to the differentiation stage where every media organisation was known for its distinct productions and now to a saturated and concentrated stage where the media is owned by a few capitalists known as “media owners.” Their attention is drawn to the concentrated stage, which they propose is defined by “technological potentialities” on one end and economic concentration on the other side of the spectrum. The two scholars observe that the growing industrialisation of the media and the introduction of technology and mass production brings about a greater financial underpinning.
This is an accurate picture of the contemporary situation in which the media industry is undergoing significant structural evolution, operating in cutting edge technology and in the era of an ever more Internet. The study of how the media manages to survive in spite of a dynamic setting calls for the application of the political economy of communications as envisioned by Smythe (1960; 1977; 1983). Murdock and Golding (1974) argued that advertising is the main source of income for the media organisations and hence they are “vulnerable to adverse changes in general economic conditions,” (p.206). In tough economic times, companies are often torn between up surging their advertising expenditure to boost sales, or to cut down on advertising and have lower operational costs. Most companies often opt to reduce their advertising expenditure at the expense of media organisations who survive on advertising revenue. This study will use these arguments as a basis for understanding the current economic difficulties of Kenyan newspapers, but first, it would be important to paint a picture of how the global newspaper industry is fairing on in this regard.

Global Newspaper Industry

The global print newspaper industry is experiencing a decline in both circulation and revenue figures. According to Reuters Institute Digital News Report (2017) conducted by Newman et al. (2017) amongst 75,000 online news consumers spread across 38 countries, one of the biggest implications of the move to digital news was the waning relationship between news organisations and their audiences. The study found, that more than half of the sample of 75,000 preferred to access news through search engines such as Google or social media platforms such as Facebook, which use
algorithms rather than editors and journalists to select and rank the most important stories.

Pickard (2019) noted that in the late 1980s and 1990s most legacy newspaper companies posted profit margins of over 20%, as advertising revenue took root and flourished in the 2000s. The global newspaper industry thrived on the engine of a booming advertising-based business model up until about 2005, with some newspaper companies maintaining profits as high as 40%. During this time, newspaper companies relied on advertising and copy sales, but it was advertising that contributed up to 80% of total revenues, until two small companies one founded from a garage (Google) and another founded from a college dorm (Facebook) emerged. These two ‘start-ups’ were built on the promise and affordances of the Internet, which was still a strange concept then, provided interfaces that allowed people to connect, share information and keep in touch, and in the process engineered the greatest existential crisis known to a nearly 200-year-old newspaper industry by attacking the core of the industry’s heart—its advertising-based business model.

Further, Nielsen (2019) identified three important aspects of the rapid change from and into the digital regime; (1) increased choice and competition, (2) the rise of platform companies such as Google and Facebook which has attracted a large share of audiences’ attention and advertisers’ money and (3) the diversification business models resulting from declining advertising revenues as more news organisations experiment with new business models such as paywalls, native advertising, events and e-commerce. Equally, Reuters Institute Digital News Report (2020) found that content formats which were initially designed for print and desktop formats have been rendered redundant.
because 69% of the audience preferred to access news via smartphone, a number that has more than doubled in the past seven years. Specifically, the Digital News Report (2020) found that ‘usage is … highest is parts of the Global South such as Kenya (83%)’ (p. 29).

Statistics from the World Press Trends report compiled by the World Association of Newspapers and News Publishers (WAN-INFRA) show a steady decline in the global newspaper revenues from $200 billion in 2012 to $123 billion in 2019. Figure 1.1 demonstrates the decline in the revenues. The uptick in 2014 was due to a 45.3% increase in global digital circulation revenue, possibly attributable to an uptake in paywalls by audiences and increased digital advertising. Cumulatively, the global newspaper revenues have declined by 38.5% in a period of seven years between 2012 and 2018.

![Global Newspaper Revenues](image)

Figure 1.1: Global Newspaper Revenues. (Print and Digital Revenues)

More recently, the 2019 World Press Trends report showed a 3% decline in overall revenue to $123 billion from $146.1 billion in 2017 (WAN-INFRA, 2019). Out of this $123 billion, print revenues contributed 85% while digital contributed 15%. To break it down, print advertising revenues in 2018 totalled $44 billion, a decline of 7% from 2017, while print circulation revenues were $61 billion globally, a decrease of 3% compared to the previous year. In 2018, the number of paying readers for print newspapers declined by 0.5% to 599 million readers. On the other hand, digital revenue continues to grow steadily with 41.3 million daily paying users in 2018, an increase of 15% compared to 2017. Digital advertising revenue increased by 5% to $12.9 billion globally while digital circulation revenues climbed by 11% to $5.2 billion.

In total, WAN-INFRA estimates that in 2018 over 640 million users paid to read both print and digital news daily, an increase of 0.5% compared to 2017. Although digital revenues continue to grow and the number of paying digital users continues to soar, these numbers are not enough to make up for the declining print revenues. The WAN-INFRA survey shows that print revenues still account for 85% of newspapers’ overall revenues globally. However, this share declined from 89% to 85% in 2018, and rose to 87% in 2019.
Figure 1.2: Current State of the Global Newspaper Industry (2018).
Source: World Press Trends 2019

The US newspaper market is also on a decline. According to the latest Newspaper Fact Sheet prepared annually by Pew Research Centre (Journalism and Media), the US newspaper circulation in 2018 reached its lowest since 1940. The US daily newspaper circulation, including print and digital combined, declined by 8% for weekday newspapers and 9% for weekend publications. Specifically, weekday print circulation declined by 12% and Sunday print circulation declined by 13% (Pew Research Centre, 2019).

In the 2019 annual report by the Office of Communications (OfCom)- the government-approved regulatory and competition authority for the broadcasting, telecommunications and postal industries of the United Kingdom (UK), newspaper
circulation of national newspapers in the UK declined by 52.5% over the last eight years from 21.9 million in 2010 to 10.4 million in 2018 (OfCom, 2019). National Sunday newspapers have experienced a steeper decline from 10.3 million in 2010 to 4.9 million in 2018 compared to the national daily titles which declined from 10.1 million in 2010 to 5.5 million in 2018. The same report also reveals that 23% of print newspaper readers get their news from daily free newspapers such as the Metro and The Evening Standard (OfCom, 2019).

In Africa, the publicly available circulation data were from South Africa. According to the newspaper-circulation statistics for the period between October-December 2019 released by The Audit Bureau of Circulations of South Africa (ABC Q4 2019) the daily newspaper circulation in South Africa declined by 5.7% on the previous quarter and 14% on the previous year (Manson, 2020). Weekly newspapers declined by 8.7% on the prior quarter and 10.6% on the prior year. Weekend newspapers decreased by 7.4% on the prior quarter and by 17.8% on the prior year. Interestingly, local newspapers increased by 0.2% on the prior quarter, but declined by 4.6% on the prior year. The newspaper with the highest circulation in South Africa as at Q4 was the Sunday Times with a circulation of 200,734, which was a decline of 19.8% from 250,176 from the previous quarter (Manson, 2020). The South African newspaper that saw the biggest drop in the last quarter of 2019 was The Star which posted a circulation decline of 26.2% from 75,772 to 55,889.

The Kenyan Newspaper Industry

The Kenyan newspaper industry has grown from a colonial-era group of newspapers keen on pushing various agenda—such as the independence agenda—to a
vibrant industry grappling with the digital disruption that has threatened its economic foundations. The newspaper industry in Kenya is experiencing the economic uncertainties similar to those witnessed by others elsewhere. Kenyan dailies are not only posting reducing revenues, but also declining circulation numbers; and this has been blamed on a number of reasons, including a tough economic environment, technological changes in the industry and an audience shift from buying physical newspapers to consuming news online from their phones, tablets and personal computers.

Publicly available financial records of the Nation Media Group (NMG) and Standard Group Limited (SGL) --which publish two of Kenya’s main daily newspapers; The Nation and The Standard---reveal declining revenues of the companies. The data also suggests a the ‘golden era’ of the Kenyan newspaper industry when newspapers posted very high revenues between the years 2012 and 2014. They posted increasing turnovers and profits. The year 2014 was the peak for NMG when it posted Ksh 3.6 billion profit while SGL had its peak in 2010 with a Ksh 454 million profit.

In the case of NMG, both the turnover and pre-tax profits have been on a steady decline since 2014. As demonstrated in Figure 1.3, the turnover in 2019 is the lowest yet for NMG in a span of ten years since 2009. In six years, the firm’s turnover has declined by 31.9% since 2013, the year with the highest turnover in the Kenyan newspaper’s history.
In a span of six years, Nation Media Group’s pre-tax profits have decreased by 64.1% from Ksh 3.624 billion in 2014 to Ksh 1.3 billion in 2019. As seen in Figure 1.4, NMG’s pre-tax in 2019 was lowest in 11 years from 2009. In its recent full year report, for the 2019 earnings, the company’s profits before tax declined by 20% to Ksh 1.3 billion from Ksh 1.6 billion in 2018. The after-tax profit was Ksh 856 million, a decline of 23% from the previous year and also the lowest in 11 years. And for the first time in more than ten years, NMG in 2019 posted a profit after tax of less than Ksh 1 billion. The company blamed the decline in revenue on a reduced advertising spending by the corporate industry and the increased cost of newspaper production. The group, however, noted that the challenges were mitigated by reducing the operating costs.
As seen in Figure 1.5, The Standard Group enjoyed a steady increase in turnover between 2009 and 2013 before it experienced a decline in 2014 and 2015. The years 2016 and 2018 saw a slight increase in the turnover, before taking a dip in 2019. The turnover in 2019 was the lowest for the group in nearly seven years since 2013.
With regard to profits and losses, it has been an equally tumultuous time for the Standard Group Limited which has posted a loss after tax thrice in the last five years (2015, 2017 and 2019). In 2019, the group, closed the year with its biggest loss yet, at Ksh 484 million, compared to a profit before tax of 397 million in 2018 as seen in Figure 1.6. The group attributed the loss to a difficult business environment, increased investments in products and a decline in advertising spend.
1.3 Statement of the Problem

As is the case with newspapers across the globe, Kenyan newspapers are experiencing an economic decline occasioned by the digital revolution driven by the Internet and the mobile phone (Gicheru, 2014; Karimi, 2013; Kimani, 2010), bad debt from the government of Kenya, discontinued advertising from government and a tough economic environment particularly in the 2017 election period.

News media organisations such as the NMG have in the past year reported a decline in overall revenues occasioned by a decline in newspaper circulation and advertising revenues (Nation Media Group, 2018). The Standard Group—although it reported a growth in profits in the 2018 fiscal year—has most recently reported a loss in 2019 and previously in 2015 and 2017. The developments in digital media and the
availability of several online news sources that offer news for free have cannibalised the traditional news audiences. In response to this competitive displacement, Kenyan newspapers have made some strategic efforts to counter the displacement of their print newspapers by disruptive technologies. These strategic responses have not been previously catalogued, studied and analysed, thus presenting a lacuna in research in media economics in Kenya which this study sought to fill.

New media discourse in the Kenyan context has previously focussed on implications of the Internet on journalism practice and how the newspapers are leveraging on technology to improve news gathering and storytelling. However, there was a paucity of scholarship informing a clear understanding of how Kenyan media is reacting to disruptive technologies. Based on literature review, the few studies that have investigated strategic responses, have taken a narrow perspective on only Nation Media Group. Studies that provide a global view of Kenyan dailies are scarce or non-existent, hence the need for this study. The study filled this gap by focussing on Kenyan dailies with the hope of facilitating a framework to create an understanding of the thinking behind these strategic efforts.

1.4 Purpose of the Study

The purpose of this study was to investigate the strategic responses of Kenyan newspapers to digital disruption and understand the influences behind these strategies.

1.5 Objectives of the Study

This study sought to achieve the following objectives:

1. To examine the effects of digital disruptions on three Kenyan daily newspapers
2. To identify the key strategic responses put in place to mitigate digital disruptions in Kenyan daily newspapers.

3. To assess the influences behind the strategic responses to digital disruptions in Kenyan newspapers.

1.6 Research Questions

The study sought to address the following research questions.

1. What are the effects of digital disruptions on Kenyan daily newspapers?
2. What strategic responses have been put in place to mitigate digital disruptions in Kenyan daily newspapers?
3. What influences the strategic responses to digital disruptions in Kenyan newspapers?

1.7 Justification for the study

The discourse on digital revolution has often reduced Africa’s role to “play catch up” (Berger, 2005). In spite of the research gaps, “African newsrooms…are experiencing the disruptive, somewhat cataclysmic, impact of new digital technologies on the ways news is generated, disseminated and consumed by their audiences,” (Mabweazara, 2016, p.3). Obonyo (2011) observed the need to recognise Africa’s “unique peculiarities that demand that Africa isolates what is relevant and places it in Africa’s unique situations” while Mabweazara (2016) called for “qualitative explorations” of how African media is reacting to the digital revolution.

The digital disruption of the newspaper industry is a global phenomenon affecting newspapers in both the West and Africa. There is a thicket of research on the impact of digital technologies on Western newspapers and how are responding to the disruption
(Jenkins and Nielsen 2020, Villi et al., 2020, Nixon 2020, Wang and Sparks 2019, Reader, 2018, Küng, 2017), with some studies providing useful innovative suggestions for the distressed newspaper industry.

However, there is a glaring paucity of scholarship on strategic responses focusing on the African context. Kenya is a different, albeit smaller market compared to the United Kingdom, United States, South-East Asian, South American and Scandinavian ones that currently dominate scholarship in this area. This study is a timely addition that provides a much-needed case for comparison to the Western cases by presenting unique perspectives from an African standpoint.

1.8 Significance of the Study

The media business is largely misunderstood and mischaracterised because of the complexities of its multi-faceted and multi-platform nature as well as the complicated market dynamics (Picard & Wildman, 2015). Business models shift with every turn of a financial year. While new ones are adopted, some are discarded and others tweaked depending on their performance. It is hoped that the findings of this study will contribute to a more nuanced understanding of media economics within the context of the Kenyan newspaper industry.

This study contributes to a growing body of scholarship on strategic responses and their effectiveness, adding to a pool of scholarship that has investigated the impact of digital technologies on newspapers. The new knowledge generated contributes to the global conversation on media innovation, strategies, content monetisation models and new revenue streams in the United States, South East Asia and United Kingdom.
The study of political economy of media and communications began with the works of classic political economists in the eighteenth and nineteenth centuries (Wasko, 2014). Contemporary political economists have adopted Marxist and neo-Marxist theoretical grounding, with classic political economists such as Adam Smith and David Ricardo setting the pace for the study of economic issues through the social theory standpoint. Several other standpoints and concepts have developed from this, with key examples being the Frankfurt School among other critical theorists. A radical, critical or Marxian political economy has taken root particularly in the study of media, with political economists particularly interested in studying the allocation of resources within capitalist societies (Wasko, 2014). The analyses of relations of power, class systems and other structural inequalities comes to life in studies on media ownership and control.

Contemporary research in political economy has mostly focussed on the evolution of mass communication as commodities that are produced and distributed by profit-seeking media organisations within capitalist societies. A thicket of political economy of mass communication research has focussed on the media as a business, as a profit-seeking capitalist industry selling commodities to both audiences and advertisers. The analysis of the media as a business has identified several broad concepts, such as; commodification/commercialization, diversification/synergy, horizontal and vertical integration and concentration as key trends in the media industry (Wasko, 2005; 2014, Mosco, 1989).

From a theoretical contribution standpoint, this study will appraise the Political Economy of Communications theory in the context of the Kenyan newspaper business. The findings of this study will provide a context-specific understanding of how PEC from...
the Kenyan perspective through the thoughts and postulations of Kenyan editors and media executives.

Media professionals and scholars will likely find this study beneficial in enhancing their understanding of disruption of their industry and the countering strategies. The findings of this study will likely provide a useful reference point for policy makers, journalists, editors, media executives and regulators who want to understand how they could be part of a global effort to reconceptualise the newspaper industry in the age of digital disruption.

1.9 Assumptions of the Study

This study assumed that the economic aspect of a newspaper is an important aspect of the media industry that ought to be studied in the era of disruption by digital technologies. The research also assumed that the economic situation of the Kenyan newspaper industry will be constant at the time of conducting the study. It was also the assumption of this study that the participants will be available and willing to participate in the study and also be truthful and honest in their responses. It was also the assumption of this study that the sample of newspapers and the participants interviewed is representative of the population.

1.10 Scope of the Study

This study addressed the Kenyan newspaper industry by focussing on three major daily newspapers in Kenya. It sought to explore the strategies that Kenyan media are currently executing with a particular focus on strategies that are specifically targeted towards responding to the digital revolution. Although this study recognises that all who
work within the newspaper industry have an important role to play in formulating these strategic responses, the scope of this study encompassed only the senior executives and the top editors who are in charge of the strategic decision-making process. Strategy execution is equally important as the formation of these strategies and the journalists who work daily to execute these strategies have important perceptions, which were not covered in this study, but will form the basis for further research that will be recommended at the end of the study.

The methodological scope of the study was limited to an interpretivist research, which will utilise in-depth interviews, observations and document reviews. Given the nature of this study, generalising the study to other populations may not be guaranteed. The geographical scope of this study was also be limited to Kenya, and the in-depth interviews were carried out in Nairobi, the country’s capital, as this is where the newspapers’ headquarters are based.

1.1 Limitations and delimitations of the study

This research is cognizant of a number of limitations that were encountered during the course of the study. One of the major concerns of qualitative studies is the fact that the results of the studies cannot be applied to a greater population (Merriam, 1998; Creswell; 2014). To counter this limitation, this study has focussed on achieving “transferability” rather than generalisation as proposed by Lincoln and Guba (1985). In this case, transferability is the extent to which the results of an interpretivist study can be transferred to other contexts with other participants (Anney, 2014). As such, to guarantee transferability, this study has provided a thick description of the study to capture the nuances and intricacies of the context and the participants.
This research relied on self-reported data, particularly the newspaper circulation numbers and profits in the case of the news organisations whose financial results are not publicly available. This has the potential for participant bias, as they are highly likely to focus on the favourable aspects of their organisations and newspapers without admitting to their shortcomings. Generally, newspapers want to exaggerate their circulation figures and overstate their achievements and profits. This is more likely for those newspapers that are now owned by publicly listed companies but whose financial statements are not publicly broadcast.

To delimit this, the study employed methodological triangulation to safeguard the validity of the research as proposed by (Flick, 2004). The other limitation to this study was that fieldwork required in-depth interviews with busy executives and editors who were often occupied in meetings and in a rush to beat newspaper deadlines. Access to these high-ranking executives proved a major challenge, particularly where relationships had not been previously forged. To handle this limitation, appointments were booked in advance with the executives and editors in good time and sometimes interviews were planned for the weekend when the executives are less busy.

1.12 Definition of Terms

Technology: “Those tools, devices, and knowledge that mediate between inputs and outputs (process technology) and/or that create new products or services” (Rosenberg, 1972).

Disruptive Innovations: “A process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves up market, eventually displacing established competitors” (Christensen, 2018).
Political Economy of Communications: An understanding of the basic features that underpin and shape the economic context and political consequences of mass communications” (Murdock & Golding, 1973, p. 205).

Media economics: “The study of how media industries use scarce resources to produce content that is distributed among consumers in a society to satisfy various wants and needs” (Albarran 2002, p. 5).

Strategy: A complete plan; a plan which specifies what choices [the player] will make in every possible situation” (Newmann & Morgenstern, 1944, p. 79). A unified, comprehensive, and integrated plan...designed to ensure that the basic objectives of the enterprise are achieved” (Glueck, 1980, p. 9).

1.13 Summary

This chapter set out to lay the formwork for the study by introducing its concept and a background upon which it is set. The chapter started by explaining the revolutionary power of technology with a focus on how technology continues to disrupt various industries. This chapter has also reviewed how technology has disrupted the hotel accommodation business, the recorded music industry and the newspaper industry. A snapshot of the current trends in the newspaper industry has also been provided to capture the falling circulation, reducing advertising revenues and general downsizing of the industry. This background proves that the newspaper industry across the world is facing grave challenges occasioned by technological changes and the fact that these newspapers are reacting in one way or another towards this evident disruption. An exhaustive, panoramic history of newspapers in the world and in Kenya has also been provided in this chapter. The impetus, growth and decline of the Kenyan newspaper industry was
captured. The outline of the history of media brings to the fore the fact that the
classical concept of disruption has been a running thread throughout the history of the media. In
the next chapter, the theoretical foundations of this study have been explored.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the theories that have been utilised in previous inquiries interrogating media strategies towards disruptive technologies have been outlined and studied. The chapter demonstrates my awareness of the theoretical framework underpinning this study with the aim of providing a solid explanatory power to the study. Further, this chapter provides an empirical review of recent similar studies, the theories applied and the findings of these studies. Finally, this chapter identifies the research gap based on empirical literature reviewed.

2.2 Theoretical Framework

The current study is situated within the critical tradition. Through interrogating the strategies and decisions made by key media managers and editors, this study sought to understand how power structures and certain ideologies influence how newspapers respond to change. Critical tradition traces its background to the 1840s, an extraordinary decade in the 19th century German intellectual history when Marx first applied his philosophical insights to the social and political phenomena in Germany (Jay, 1973). The critical tradition is concerned with understanding whose interests are fulfilled. This study dug deeper to understand whose interests these strategic responses are serving, and why these interests are deemed important by the media managers.

Craig and Muller (2007) noted that critical theory compels scholars to approach communication as a “discursive reflection” (p. 425), to mean that communication should
be an interrogation of the distortions that may have occurred as a result of “unexamined habits, ideological beliefs and relations of power,” (p. 425). Further, Craig and Muller (2007) argued that communication, devoid of a critical reflection, often leads to imbalances within society—such as where one group of society is privileged over the other. Therefore, critical theory is important in not just interrogating communication systems, but also in teasing out the injustices and unfairness that may result from distorted communication—and more importantly, in advocating for political efforts to emancipate under-privileged pockets of society. These postulations by Craig and Muller are particularly relevant to this study, especially at such a time when newspapers are requiring their audiences to pay for news and other content, essentially locking out those who cannot afford to pay for quality news and content.

The theory of political economy of communications, which is situated within the critical tradition, understands mass media from an economic perspective, arguing that the mass media are commercial entities which produce and distribute commodities (Murdock & Golding, 1973). Murdock and Golding made a profound assertion that continues to illuminate the understanding of media economics scholars, noting that media are “first and foremost industrial and commercial organisations (p. 205)” whose main aim is to produce commodities and distribute to a market to satisfy certain needs. The observations of the two scholars echo the thoughts of British journalist and publisher of the Manchester Guardian (now The Guardian), C.P Scott, who wrote in 1921 that “A newspaper has two sides to it. It is a business, like any other, and has to pay in the material sense in order to live” (Scott, 1921, p. 9). The other side of a newspaper, according to Scott, is that it is an institution which reflects a society, influences it and
may even determine the destiny of a society. Garnham (1979; 2004; 2011) further argued that the media institution ought to be seen “first as economic entities with both a direct economic role as creators of surplus value through commodity production and exchange, and an indirect role, through advertising, in the creation of surplus value within other sectors of commodity production,” (p. 132).

The role of theory in qualitative research

Theory is an integral part of qualitative research and it plays several critical roles. Denzin and Lincoln (2005) noted that theory assumes the researcher’s “epistemological, ontological and methodological premises” (p. 32) and also provides the basis of the researchers’ conduct throughout the research process. The role of theory in this qualitative research is, first and foremost, to provide a basis for understanding the concept of the media industry from the political economy viewpoint. Theory has been used here to guide this study in understanding the complex and complicated issue of political economy of the media during such a unique time when the newspaper industry is encumbered by digital disruption. It has also been used to understand how media organisations work—from the economic perspective—and why media managers and owners take the decisions they do. Theory has also been applied in this study as a ‘lens’ through which it attempts to understand complicated issues of media economics.

Political Economy of Communications

Political economy is “the study of social relations, particularly power relations, that mutually constitute the production, distribution and consumption of resources,” (Mosco 1996, p. 25). Political economy is fundamentally about two things: survival and control. Control is about how societies organise themselves and manage the changes and
challenges of their society, while survival is about how people produce whatever is needed to keep their lives going. Going by this definition, control is a political process while survival is an economic one because it is concerned with the production of goods for the economic well-being of a society.

Political economy from a media communications viewpoint is concerned with studying the media as commodities that are produced and distributed by capitalist media industries (Murdock & Golding, 1973; 1978, 2005; Wasko 2005, 2014). The contemporary world is characterised by a globalised media industry that has been spatialised by the Internet and technology. Issues such as economic uncertainties occasioned by the rise of digital technologies are not just affecting North American newspapers, but also those of Kenya.

The study of political economy of media and communications began with the works of classic political economists in the 18th century such as Adam Smith and David Ricardo. Their works would later be critiqued by 19th century thinkers such as Karl Marx, who introduced the aspect of class analysis to political economy. Several other standpoints and concepts have developed from this, with key examples being the Frankfurt School among other critical theorists.

Canadian scholar Dallas Smythe is credited as the father of political economy of communications (Fuchs, 2016; Mosco, 2009). As early as 1948, he began studying media from the perspective of the institutional policies and economics as well as the social setting and how these factors and policies affect media operations. His studies in the sixties departed from the conventional tradition of studying communication from a psychologically-oriented point of view, and studied how communication is influenced by
the policies within which the media operates. He would later team up with American scholars such as Herbert Schiller and Thomas Guback, who focussed their research on the political economy of the media, inspired by media institutional economics although they did not explicitly apply Marxist thought.

The core idea of a political economy of communications is the realisation that the mass media are industrial and commercial entities which produce and distribute commodities as clearly pointed out by Murdock and Golding (1973) in their seminal work “For a Political Economy of Mass Communications”. Prior to this seminal work by Murdock and Golding (1973), most political economy of communication analyses assumed a narrow, myopic standpoint focussed solely on the situation in one particular sector of the mass media while ignoring the important linkages between other sectors and the media. In the few instances where these patterns have been interrogated, the end result has often been a catalogue of these linkages with little effort to assign meaning to these crucial relationships between media organisations and the general economic context. Media organisations are connected to the wider economic context, first through the investments and shareholding arrangements, and secondly through the prism of advertising.

An interaction with touchstone texts in contemporary political economy teases out some key arguments brought forth by some authorities in the field. Contemporary American scholars such as Janet Wasko, Vincent Mosco and Christian Fuchs have built on Dallas Smythe’s arguments and have written extensively on the evolution of mass communication. Wasko, Fuchs and Mosco argue that mass communication has evolved into commodities that are produced and distributed by profit-seeking media organisations
within capitalist societies (Wasko, 2005; Mosco, 1989; Fuchs and Mosco, 2016). Mosco (1989) gives an example of the pay television since the 1980s. More recently, media organisations have erected paywalls that require their readers to pay to read certain premium content while offering a fraction of the content for free to lure the audiences into loosening their purse strings and subscribe for various news packages. Wasko (2005) presents different levels of analysis of media as commodity and industry to include commodification and commercialisation, diversification, horizontal and vertical integration, synergy and market concentration. From the commodification and commercialisation perspective, Wasko argued that media and communication resources have become commodities sold by profit-seeking media companies to audiences.

In interrogating the media in a capitalist economy, from a Marxist perspective, the focus is often on the role of the media industry in the “production, circulation and consumption processes of the economy,” (Fuchs and Mosco, 2016a), and not on the political system or the cultural institutions. In this sense, the accumulation of capital within a media industry occurs in two realms. The first is through media content, where media organisations have commodified news and information to sell it at a certain price. The second realm is media infrastructure, where media organisations have invested billions into the purchase of printing presses, data, physical addresses, among other assets. As such, the value of the media particularly in a capitalistic society cannot be underscored enough. Fuchs and Mosco (2012) suggested two types of values in evaluating the media in a capitalistic society: the use value and the exchange value. The use value of the media lies in the media’s capacity to provide news and information, as well as enable communication. The exchange value, on the other hand, is the price of
these media products, that is, in money form. Thus, while media consumers are occupied with the use value they could derive from media products, the media owners, or capitalists in this case, are interested in the exchange value of the media – which is money – from which they can accumulate capital.

British political economists such as Graham Murdock, Nicholas Garnham and Peter Golding have also made their contribution in global scholarship of the political economy of communications by furthering Smythe’s arguments. They particularly build on Smythe’s suggestion that the most crucial aspect of communication is that audiences are exploited by being sold as a commodity to the advertisers. This view is echoed by Murdock and Golding (1973), who argue that advertising is the main source of income for the media organisations and hence they are “vulnerable to adverse changes in general economic conditions,” (p. 206). In tough economic times, companies are often torn between up surging their advertising expenditure to boost sales, or to cut down on advertising and have lower operational costs. Most companies often opt to reduce their advertising expenditure at the expense of media organisations who survive on advertising revenue. Murdock and Golding argue that the changes in mass media cannot be viewed in a vacuum, but must be interrogated from the standpoint of the general economic changes.

2.3 General Literature Review

A panoramic view of the history of the newspapers suggests that the concept of disruption is not new to the industry. The history of newspapers has been punctuated by various disruptions that have compelled newspapers across history to continuously strategically re-invent themselves to stay afloat. The sections below outline significant
moments in the history of newspapers alongside the notable disruptions and how newspapers historically reacted to disruptive innovation.

Newspapers existed prior to the printing presses (Barrès-Baker, 2006). Newspapers trace their history to Caesar’s reign in Ancient Rome when the Acta Diurna or “actions of the day” would be scribbled on a tablet following every senate meeting (Baran, 1999). The Acta Diurna was published between 59 BC and AD 222 and was prepared by the actuarii, the earliest known journalists, after which it was pinned to the wall and copied by scribes who spread it throughout the empire. The Acta Diurna was posted by the Roman government on the Roman Forum from 59 BC to AD 222 and the news was generally about scandals, military operations, executions and political events.

The Chinese had their own version of a medieval newspaper called Tipao, which was circulated only among the top ruling officials during the Han Dynasty.

The Gutenberg’s printing press invented by Johannes Gutenberg in 1446 is one of the most significant moments in the history of the printing press. Gutenberg, a goldsmith by profession and a resident of Mainz, Germany, got the idea of a printing press from the wine presses in his hometown Rhineland, which used the movable metal type. Gutenberg introduced the use of metal type made from lead moulds instead of the wood type that was in use earlier (Baran, 1999). The printing press made available cheap written material accessible to all, which meant that knowledge was no longer a preserve of the rich. In essence, Gutenberg’s printing press democratised literacy, enhanced curiosity, thus influencing generations. The newspaper, however, was the most important by-product of the printing press as Gutenberg’s invention inadvertently paved way for the modern press.
Several scholars have argued that modern newspapers trace their roots to the 17th century in Europe (Barrès-Baker, 2006; Baran, 1999; Stephens, 1994). On the other hand, American scholars such as Emery et al., (2000) disagree and argue that “England has no special claim as the home of the modern press” (p. 7). In the US, the first printing was brought by the Spanish in 1536 and delivered in Mexico City by Bishop Juan de Zumárraga. The first printed form of journalism in America was in 1541, and was an account of a storm and earthquake that had hit the Indies in a city known as Guatemala (Wilson, Gutiérrez, & Chao, 2013). The story was written by a notary public named Juan Rodriguez and published as an eight-page booklet by Pablos, an Italian man and the owner of a printing house. Although the newspaper remains unnamed, the booklet was distributed throughout Mexico City and the front-page headline read “Report of the Terrifying Earthquake Which Has Reoccurred in the Indies in a City Called Guatemala”.

In Europe, The Corant was a one-page news sheet covering various events. It was written in English, printed in Holland in 1620 and imported to England by English traders who wanted to satisfy the demand for information at the time (Baran, 1999; Stephens, 1994). After the Corant came the Diurna, which were daily reports on local events. The first Diurna appeared in 1641 and was published by John Thomas. The rise of a middle-class and the development of the English party system played a key role in the development of journalism and the newspaper industry in England. The Daily Courant, first published on March 11, 1702, was the first daily newspaper to be published in London. Other newspapers followed suit such as The Tatler (1709) and The Spectator (1711).

The Penny Press.
Journalism turned a new page on September 3, 1833. Benjamin H. Day published the first of the “Penny Press”, the *New York Sun* (It Shines for All) newspaper at the age of 23. The Penny Press seems to be the earliest wave of disruption of the newspaper industry, which was at the time a preserve of the elite who could afford high subscription fees. The Penny Press ushered in a new era of inexpensive, advertiser-supported newspaper business model that catered to a larger market that could not previously have afforded the relatively expensive newspapers (Rodman, 2010). The newspapers then were known as the “Penny Press” because they were sold for one cent, making it affordable to the mass market. Day’s strategy was to sell the newspaper cheap enough to attract the masses while ensuring that advertising would make up for the lower cover price (Park, 1923).

At the time, the cover price of other newspapers was six cents. It was not just the price that was different, even the content of the Penny Press was starkly different from the more expensive newspapers. The *New York Sun*, for instance, focussed on local news with a spotlight on incidences of violence. Although the content was considered to be shallow, the newspaper was readable to the common man and in two months the paper had racked up a circulation of over 8000, nearly twice as that of its rivals (Park, 1923). Schudson (1978) credited the rise of the Penny Press to a growing need to cater to the “democratic market society” (p. 12). Benjamin Day perfected sensational journalism, presenting stories in an emotional and dramatised manner to appease the readers.

It is worth mentioning that the Penny Press spurred interest in newspapers, majorly due to its high circulation numbers. News—particularly local news—proved to be key in driving copy sales as other newspaper owners reacted to the Penny Press...
disruption by heavily investing in news coverage. As publishers appreciated the value of newspaper circulation, they got innovative and invested in the latest printing presses. The disruption by Penny Press also revolutionised the distribution of newspapers. Newspaper subscriptions had been executed for a while but were not available to the poor workers who could not raise subscription fees. The Penny Press owners made a deal with local vendors to sell 100 newspapers for 67 cents after which each newspaper would be sold for a cent. Benjamin Day’s success with the Penny Papers sparked the establishment of several other newspapers thus expanding the cheaper newspapers industry. Other notable newspaper establishments include the Philadelphia Public Ledger (1836), The Cent (1830), Daily Transcript (1835), and Baltimore Sun (1837.) By the end of the 1830s, 35 penny presses had been established in New York.

Disruption by radio and television.

The ascent of radio in the early 1920s sparked the wrath of the booming newspaper industry, particularly in the US. The late 1920s until the early 1940s were a difficult period for the newspaper industry. The Great Depression, coupled with diminishing advertising revenues and the growth of radio technology hurt the US newspaper industry such that Emery and Emery (1978) note that the newspaper advertising revenue dropped by 45% between 1929 and 1933. It is important to note that this significant drop was not only attributed to radio technology, but also to the tough economic times facing the US at the time.

The war between the newspaper and radio industries was based on two issues, the first being the growing income of radio. Radio advertising was increasingly taking up a significant chunk of the total national advertising revenue, thus disrupting the newspaper
industry. The second area of contention was about radio broadcasting of news. Emery et al., (2000) note that newspapers received the growth of radio with mixed reactions. Generally, newspapers published the radio log as a service to their loyal readers, while a 1927 report by the American Newspaper Publishers Association noted that radio news generally boosted newspaper sales. It was on this premise that some newspapers in the 1920s owned radio stations while those that did not opted to sponsor news programmes.

Disruption by the Internet and the mobile phone.

For a product to be disruptive, according to Christensen et al., (2015) either or both of these two things must happen: the disruptive company must provide cheaper services to the “low-end” market which were traditionally ignored by the incumbents, or, it must recruit “new-market” bases which were previously not there before. Christensen and colleagues observe that often incumbents will train their efforts on the most profitable consumers, overlooking a crucial lower-end market segment. Although scholars such as John and Silberstein-Leob (2015) argue that the decline of the print newspaper started way before the Internet due to the rise of broadcast news, other scholars are of the opinion the Internet hastened the downward spiral of the print newspaper. In the newspaper industry, McDowell (2011) argued that Internet as a platform for news, and mobile phones as the main platform for accessing news and information is at the heart of the present disruption of the printed newspaper. These two disruptors – the Internet and mobile phones – have drastically shifted the news consumption habits of audiences. Studies have shown that people are increasingly getting their news from online platforms using mobile phones at the expense of the traditional platforms.
In the UK and the US, 55% of Americans and 49% of UK citizens use their mobile phones to access news (Newman, Fletcher, Kalogeropoulos, Levy, & Nielsen, 2017). In Kenya, a 2015 study conducted by Pew Research Centre found that 28% of Kenyans use their mobile phones to access political news from various news websites (Pew Research Centre, 2015). Mierzejewska, Yim, Napoli, Lucas and Al-Hasan (2017) have described the present disruption of newspapers by the Internet and mobile phone as “competitive displacement” where the older media have been replaced by new media powered by the Internet.

The Internet was not only a cheaper source of news, but also provided cheaper avenues for classified advertisements that advertisers took advantage of. Thus, within the context of disruption, the Internet and mobile phones have been used by audiences who had been previously ignored by incumbent newspapers because of their low purchasing power by not only offering news for almost free, but also offering a wider variety of options – both local and international. Additionally, the digital advancements have recruited a new market: a wide range of fragmented audiences that approach the Internet for various kinds of content such as lifestyle, which was previously not accorded much importance in mainstream newspapers compared to other topics such as politics and business.

Internet may not be affordable yet for every Kenyan, but its effects on the newspaper industry is wide and far-reaching. Incumbent newspapers are haemorrhaging readers – majority of whom are reading newspapers online from the print newspapers’ website at little or zero cost. This shift in audience media consumption is known as “the crossover” in which audiences have moved from print to digital platforms in their news
consumption (Doctor, 2012). Traditionally, the main source of revenue for nearly all newspapers around the world was mainly through advertising and later subscription. However, the current shifts in media consumption habits has compelled advertisers to follow audiences to online platforms, where advertising rates are cheaper compared to traditional media platforms, and advertisers are able to measure results in terms of impressions, reach and audience engagement. For this reason, traditional media organisations globally are experiencing heavy losses due to shrinking newspaper subscriptions and poor circulation figures, which eventually translate into diminishing advertising revenues (Franklin, 2008; Franklin, 2014; Picard, 2008; Siles & Boczkowski; 2012).

Strategic Responses to the digital disruption

Newmann and Morgenstern (1944) described strategy as “a complete plan: a plan which specifies what choices (the player) will make in every possible situation” (p. 79). Strategies are often the ideas of the top management, who are tasked with the duty of defining a company’s integrated plans for achieving future goals. Against the background of economic uncertainties facilitated by digital disruption, newspapers worldwide have reacted accordingly by executing strategies in reaction to the disruption. Tens of studies have been conducted to document and analyse these strategies. They include Villi et al., (2020); Tedejor et al., (2020); Jenkins & Nielsen (2020); Klaß (2020); Wang & Sparks (2020); Nixon (2020); Barland (2020); Olsen, Kammer & Solvoll (2020); Holm (2020); Kazan et al., (2020); Goyanes & Rodriguez-Castro (2019); Mutiara & Priyonggo (2019); Crawley (2019); Cairncross (2019); Pickard (2019); Wang & Sparks (2019); Wang & Sparks (2019b); Zhang & Feng (2019); and Lehtisaari et al., (2018). Others are

From these studies and other literature reviewed, eighteen strategies have been identified, which I have grouped into six categories as seen in figure 7 below. In the next few pages, I discuss the strategic responses in two parts. In the first section, I discuss the most popular strategies according to literature reviewed. These two strategies are cost cutting and reader revenue. Given the popularity of these strategies amongst both global and local newspapers, these two strategies warrant a deeper and more analytical discussion into why newspapers are choosing them over other strategies. In the second section, I discuss the other strategies by reviewing and analysing previous studies. Finally, I identify the research gap which the current study sought to fill.
Figure 2.1: A visual demonstration of strategic responses, drawn from literature reviewed
Overall cost leadership

Overall cost leadership requires that a company “works hard to achieve the lowest costs of production and distribution so that it can price lower than its competitors” (Kotler, Chandler, Gibbs & McColl, 1989). Overall cost leadership is achieved by a series of intentional, targeted policies that are aimed at cost cutting. Companies engage in “aggressive construction of efficient-scale facilities, vigorous pursuit of cost reductions…tight cost and overhead control, avoidance of marginal customer accounts, and cost minimisation in areas like R&D (Research and Development) …” (Porter, 1980, p.35). The overarching goal for the overall cost leadership strategy is to achieve lower costs compared to competitors.

A low-cost strategy allows the organisation a unique position of attaining “above-average” yearly returns in the industry in spite of strong competition. This strategy allows a company to maintain a certain acceptable level of returns even after the competition has hived off a chunk of its profits through business rivalry. Moreover, Porter argued that a low-cost strategy buffs the company against forces from powerful suppliers who might increase the costs of supplies. This major strategy is often more practical to organisations with high market share—such as large newspaper companies—which are characterised by easy and favourable access to raw materials such as newsprint which take up most of the production costs (van der Burg & Ven den Bulck, 2017).

It seems like a contradiction when Porter calls for a “heavy, up-front capital investment in state-of-the-art equipment, aggressive pricing, and start-up losses to build market share” (p. 36). These seemingly expensive cost leadership moves are geared towards achieving economies of scale. From the literature reviewed, the cost cutting
strategy seems to be the main response by newspapers across the world. It appears that in the wake of decreasing newspaper circulation and declining advertising revenue, newspapers first respond through cost cutting measures such as reducing their head count through staff layoffs, investing in technology to improve technological efficiencies, integration through mergers and acquisitions and outsourcing some services in a bid to reduce their overhead costs. In the next paragraphs, I focus on the two most popular cost cutting strategies – staff reduction and mergers and acquisitions.

Staff reduction

In the wake of tough economic times, newspapers—both local and global—have resorted to cost-cutting measures in which staff layoffs seem to be the most common strategy. Pickard (2020) observes that many local and international newspapers have responded to the economic pressures occasioned by the digital disruption with ‘aggressive layoffs. The American Society for News Editors estimated that newspaper jobs in America had declined by 40% between 2005 and 2015. In 2019 alone, industry reports indicated that over 1,000 jobs have been lost so far, including those from both the newspaper industry and the digital-native publishers such as BuzzFeed and HuffPost, which also laid off some employees early 2019 (Darcy & Kludt, 2019). It is for this reason that this section begins with one of the most common—and devastating—cost cutting strategy which has not only affected the individual journalists and news organisations, but also left newsrooms with leaner teams.

An analysis conducted by Pew Research Centre indicates that US newspaper jobs have declined by 45% from 71,000 journalists in 2008 to 39,000 in 2017 (Grieco, 2018). Overall, media jobs in the newspaper, radio, broadcast television, cable and digital native
Publishers declined by 23% from 114,000 newsroom employees to 88,000. Although jobs in the digital native publishers have increased by 79%, they are still not enough to cover for the jobs lost in the newspaper industry. The year 2019 was especially tough on newspaper journalists as it began with a round of layoffs as major newspaper companies slashed their workforce either through layoffs or buyouts.

Gannett Company, the largest newspaper conglomerate in the United States—which owns 109 dailies—announced in January 2019 that it would lay off 400 journalists working in some of its newspapers including Arizona Republic, the Knoxville News Sentinel and the Record (Allsop, 2019). McClatchy Company, another major newspaper conglomerate that owns 29 newspapers, offered to buy out 10% of its staff, which added up to about 450 employees. The McClatchy company had previously in 2018 laid off nearly 140 employees who accounted for 3.5% of their total workforce (Jones, 2019). Other US newspapers that laid off employees include Tacoma News Tribune. It laid off 67 employees in 2019.

In the UK, Guardian News & Media, which owns the Guardian and Observer newspapers laid off 290 journalists from its UK and US offices in 2017 (Bond & Bond, 2017). In 2012, the publisher also cut its staff by 100 in what the group termed as a cost-cutting measure in the wake of massive losses (Robinson, 2012). Locally, news publishers such as Standard Group Limited and Nation Media Group laid off staff in 2015, 2016, 2017 and 2018. In 2015, Standard Group Limited, which publishes The Standard newspaper, offered its journalists the option of “voluntary and early retirement”, which was followed by another round of layoffs in 2017. The Nation Media Group, which publishes among others the Daily Nation newspaper, also laid off
journalists in 2016, 2017 and 2018. Although there are currently no accurate records of exactly how many Kenyan newspaper journalists were laid off by these two publishers, media reports indicate that nearly 300 journalists have been laid off by Kenyan newspapers in the past four years.

From an analytical perspective, experts have attributed the wave of layoffs specifically in the newspaper industry to a decline in advertising revenue occasioned by lessened readership as audiences increasingly read their news from the Internet. Readers today hardly wait for the next day’s newspaper, but instead read the news for free on the Internet (Jones, 2019; Darcy & Kludt, 2019; Bond & Bond; Chittum, 2017; Bell, 2019). In the case of Gannett, the purge of over 400 jobs was blamed on a bad fourth quarter in 2018, in which the publisher failed to achieve its revenue goals (Jones, Gannett lays off journalists across the country, 2019). In 2011, Gannett similarly laid off 700 employees, which accounted to 2% of its entire workforce. The 2011 layoffs were attributed to the need to “align our costs with the current revenue trends” (Chittum, 2011). During the 2017 purge, the Guardian newspaper’s group chief executive David Pemsel noted that the publication’s operating costs “remain too high” against a tough business environment, thus cost cutting measures were warranted if the group was to meet its financial and break-even targets of 2018/2019.

Consolidation

This is a “dominant” strategy for newspapers across the world given its cost-cutting potential in which larger newspaper chains acquire smaller ones in a bid to centralise operations, gain bigger audiences and leverage on the economies of scale (Doctor, 2019 (b); Doctor, 2019 (c); Edmonds, 2015; Sweney, 2018).
study chose to focus on this strategy is because newspapers globally and locally are increasingly acquiring smaller newspapers and other outfits—such as digital marketing companies—in a bid to solidify their presence and consolidate their market positions. The years 2018 and 2019 have been marked by near-comical corporate wars, bids and attempted hostile takeovers within key newspaper organisations particularly in the US, pushing analysts to use terms such as “consolidation mania” and “consolidation games” to capture the euphoria currently ongoing in the newspaper world (Doctor, 2019a; Doctor, 2019b).

According to a 2016 industry report published by KPMG, there were 27 mergers in the US newspaper industry which involved 70 daily newspapers valued at $827 million (KPMG, 2016). Newspaper conglomerates such as Gannett Company, Media News Group (MNG), McClatchy, Tribune and Gatehouse are examples of the companies that have grown their base through acquisition of smaller regional newspapers. GateHouse Media has been the most prolific so far, having amassed 155 dailies, making it the conglomerate with the largest number of newspapers in the US, followed by Gannett, which owns 109 newspapers in the US. More recently, we saw a dramatic battle of the titans in which Gannett Company declined a $1.36 billion takeover offer by MNG, questioning MNG’s motive of acquiring Gannett (O’Connell, 2019).

The UK witnessed a wave of consolidation that swept across the newspaper industry in 2018. The CN group, which is based in Carlisle in the UK, was the only family-owned newspaper left in UK before it was sold in March 2018 to Newsquest, a subsidiary of Gannett Company. According to Sweeny (2018) the CN Group, a mid-sized newspaper admitted that it reached the decision to sell after 200 years because it “lacks
the scale to compete against Facebook, Snapchat and Google for advertising”. A statement from CN group noted that the newspaper’s ability to economically prosper in the digital age had become “increasingly difficult” and it was apparent that the challenges would “only get harder”. Other consolidation deals in the UK include Trinity Mirror which bought Express and Star national titles for £200m (Sweney, 2018). Another notable acquisition was that of Johnston Press, the UK’s second largest regional newspaper publisher which acquired the newspaper for £24m in 2016.

Locally, Kenyan publishers have made subtle albeit important consolidation moves by acquiring smaller, regional newspapers. The Standard Group Limited, which publishes The Standard newspaper acquired Mt Kenya Star, a regional newspaper circulated in 11 countries in Central Kenya. Though the exact details of the transactions are not public, the Standard Group likely made this move with the intention of acquiring more audiences particularly from Central Kenya. Standard Group also acquired Pambazuko newspaper, a Kiswahili newspaper based at the Kenyan coast, even as the details of this transaction remain out of the public domain. The Nation Media Group acquired Kenyabuzz, a lifestyle content magazine in a bid to realise the group’s vision of a “digital media organisation”. Kenyabuzz is a free online and print magazine which, among other things, offers end-to-end online ticketing platform where readers can buy movie tickets online.

From an analytical standpoint, several key aspects come to the fore in understanding this wave of consolidation in the newspaper industry. Consolidation has been the preferred choice for newspapers because of its cost-cutting features, where newspapers are able to centralise operations, cost centres as well as combine and shrink
corporate staff headquarters (Doctor, 2019a; Edmonds, 2015). Consolidation of newspapers also allows for an acquisition of more markets and audiences, thus providing the larger newspapers more bargaining power when it comes to dealing with advertisers (Sweney, 2018; Edmonds, 2015). Gannett for instance, announced that it would have amassed over 100 million monthly unique visitors following its acquisition of Journal Media Group in 2015 (Edmonds, 2015).

Economies of scale and shared content is also a prime reason for newspaper acquisitions. Larger newspapers acquiring smaller ones are doing so with the intention of creating single teams for content to serve all its newspapers, thus cutting costs in content generation. Trinity Mirror, for instance, announced that it would realise £9.3m from content generation as a result of its purchase of Express and Star newspapers. From a local perspective, the Standard Group is likely to gain from its acquisition of Mt Kenya Star by acquiring the Central Kenya audience—and thus provide the Standard Group a higher bargaining power with the advertisers. With NMG’s acquisition of KenyaBuzz, the publisher is likely to inherit the youthful audience acquired by the magazine since its inception in 2007.

An analysis by KPMG (2016) show that as at 2016, newspaper consolidation did not yield the profits for most media organisations as expected. In 2015, in which there were 27 consolidation transactions, the Earnings Before Interests, Tax, Depreciation and Amortization (EBITDA) decreased by 7% compared to previous years with lower consolidation transactions. While this might not exactly be an accurate measure of the impact of consolidation—as profitability in the newspaper industry might take time—latest reports from some of these conglomerates suggest a different picture. Newsquest,
UK’s second largest publisher which acquired CN Group in March 2018 released their 2018 financial year results. This is first full-year picture since the acquisition, and the results reflect a positive picture as Newsquest realised a turnover of £197.3m in 2018 compared to £107.8m in 2017 (Tobitt, 2019). The group noted that it would continue to make acquisitions as part of its strategy besides launching new products—perhaps an indirect attribution of the positive results to the new acquisitions made in 2017 and 2018.

Reader Revenue

At the heart of the commodification of news through experimenting with various business models is the push by publishers to make up for lost advertiser revenue by training their focus on reader revenues. Led by reputable titles such as The New York Times, Financial Times, The Wall Street Journal and Washington Post, reader revenues are increasingly making up the larger chunk of revenue in newspapers that have suffered the ramifications of the crossover of audiences from the traditional platforms to online. For instance, in The New York Times, reader revenue makes up 62% of its total revenue, a rise from 44% in 2012 (Doctor, 2017).

While digital advertising revenue remains significantly cheaper than print advertising revenue, it is still not making up for the print advertising revenue lost as Google and Facebook take the lion’s share of the digital advertising. This gives publishers more reason to train their focus on reader revenues, with the most salient strategy being convincing readers to pay for their content and journalism (Smith, 2017). In the next few pages, I discuss in detail the most common source of reader revenue; the paywall.

Paywalls: The commodification of news
The first major newspaper in the world to ask readers to pay for content was the Wall Street Journal in 1996 (Arrese, 2016). Prior to this, in 1994, smaller newspapers such as the San Jose Mercury News were among the pioneers in providing their readers with online versions of newspapers for a small subscription fee of between $5 and $12. However, these pay strategies failed to attract significant numbers in the 1990s – mostly due to the fact that the uptake of the Internet was also still very low. As a result, most of the smaller newspapers that had introduced subscription fees stopped doing so and offered content for free. At the beginning of 2000, only two newspapers in the world - Wall Street Journal and Champaign New Gazette were offering paid content online (Arrese, 2016).

However, even in spite of a general agreement by media scholars and executives across the world that the best business strategy would be to offer news content for free online in order to attract massive audiences, the 2009-2010 economic downturn caused newspapers in the West to rethink their strategies. It became very difficult for newspapers in the West to survive only on print subscriptions, print sales and advertising revenue. The paywall was revolutionised, led by one of the greatest crusaders of paid content, media mogul Rupert Murdoch, the owner and founder of News Corp. Mr. Murdoch, who owns Wall Street Journal alongside other titles and media outlets, was among the first crusaders for paid content, keeping the Journal tightly behind a paywall, even when titles such as The Economist stopped charging their customers for consuming their products online in 2006.

From 2009 onwards, there was a surge of paywalls beginning in Germany where Europe’s biggest publisher, Springer AG, announcing the introduction of paywalls in two
of their flagship newspapers *Die Welt* and *Bild* (Picard, 2014). In Spain, newspapers such as *El Mundo* introduced paywalls in 2010 (Arrese, 2016), while in France, *Le Monde*, *Le Figaro* and *Les Echos* announced plans for erecting paywalls in 2009. In 2011, Norwegian newspapers began introducing paywalls, with the trend picking up in 2013 (Sjøvaag, 2016).

In March 2011, *The New York Times* finally announced its plans to have a paywall, and this was a landmark moment for media scholarship, as the publication would form the basis of countless analysis on the success of paywalls. *The New York Times* executed the “metered model” in which they offered a maximum of 20 articles for free before asking their readers to pay a subscription fee of between $15 and $35 for content, depending on the medium they were accessing the newspaper from (desktop, phone, tablet, print). The massive success recorded—which garnered 100,000 subscribers in the first month (Arrese, 2016)– jolted newspapers across the world to emulate the newspaper, leading to a variety of paid models. A study conducted by Cornia, Sehld, Simon and Nielsen (2017) sampled 171 of the most prominent publishers across six European countries (United Kingdom, France, Germany, Italy, Poland and Finland) and found that 66% of European daily newspapers and 71% of weekly newspapers and news magazines operated some type of pay model.

Three major types of pay models have emerged in newspapers across the world: freemium, metered and membership, which I discuss in detail below.

The Freemium Model

“Freemium” is a portmanteau of “free” and “premium”. Cornia et al., (2017) found that the most common pay model among European countries was the freemium
model, followed closely by the metered model. The freemium is a funding model where some content – mostly the usual, last-minute incremental news – is available for free while the premium content, which is often exclusive, highly-analytical and in-depth stories are offered for a specific subscription rate, depending on the media of access (Picard, 2016; Casero-Ripollés & Izquierdo-Castillo, 2013). The paid content has to be highly attractive and unique enough to make audiences loosen their purse strings to pay for the news and must also be content that cannot be found elsewhere apart from the portal offering it behind their paywall. The free content is offered to build brand loyalty and to market the content behind the paywall while the paid content plans come with other added benefits such as access to archival records to give their consumers value for their money (Picard, 2016).

In a bid to compare the business strategies of Norwegian newspapers, Sjøvaag (2016) who carried out a longitudinal study across three Norwegian online newspapers between 2012 and 2014, found that the newspapers prominently used the metered paywall and freemium models. Through a quantitative content analysis, Sjøvaag established that within the freemium paywall system, the three newspapers’ premium content consisted mainly of unique, local news while wire stories and news items were offered for free. In a similar quantitative content analysis, Myllylahti (2017) analysed 614 articles from two of Australia’s leading financial newspapers and found that hard news and opinion pieces were placed behind the paywalls while technology and market news were offered for free.

The freemium model, by offering news for free, generates traffic to the website, and the funding model is such that revenue is raised both from subscriptions and
advertising, which appears alongside both the free and premium content. Casero-Ripollés and Izquierdo-Castillo (2013) used the case study methodology to analyse the strategies of three major Spanish newspaper groups; Prisa, Unidad Editorial SA and Vocento. Anchored on the theoretical framework of the political economy of communications, the two Spanish researchers found that Spanish newspapers preferred the freemium model over the strict all-paying model, following the failure of the paywall erected by ElPaís.com.

However, not all newspapers that operate the freemium model live up to their promise of offering unique and premium content that cannot be found anywhere else. Brandstetter and Schmalhofer (2014) analysed the content published behind the paywall by welt.de, one of Germany’s biggest newspapers, and found that it offered the same type of content as it did prior to the paywall. Additionally, the study also established that the newspaper did not offer any unique content after erecting the paywall, and instead asked audiences to pay for wire stories that were available for free elsewhere. Brandstetter and Schmalhofer also found that welt.de offered content that appeared in other mediums within the media organisation’s stable for free as premium content.

Holm (2016), in a longitudinal study of industries that executed the freemium model, found that one of the most prominent strategies and tactics for newspapers in Denmark was a focus on growing their customer base with the hope of increasing the number of paying audiences in a bid to lower the costs. As part of their value creation strategies, freemium newspapers in Denmark are constantly updating and upgrading their paid-for packages to encourage customers to keep their memberships active while converting the non-paying customers. Through sophisticated data analytics tools that are
able to measure audience behaviour, news companies are now able to gain useful audience insights in terms of time spent on their websites, how further down audiences scroll through a story, how often and what time they visit their websites (Holm, 2016). Using these audience insights, news providers are able to tweak their promotional offerings to meet the consumption needs and habits of their audiences.

The Metered Model

This is the second most popular pay model among the digital platforms of Western newspapers after the freemium model (Cornia et al., 2017). The metered model allows readers to access a limited number of articles per month before requiring them to pay a subscription fee to read more articles (Casero-Ripollés & Izquierdo-Castillo, 2013). The number of free articles per month depends on the publisher. The free content – which includes both premium and the usual news content – is intended to attract the readers to the news website. *The New York Times* is the most prominent success story that has been hailed for effectively operating the metered model. The publication’s metered model is an immensely popular plan, with more than 2.5 million digital subscriptions as of December 2017 (Smith, 2017). The surge in digital subscriptions could be attributed to the “Trump Bump”, which is used to refer to US President Donald Trump’s ascension to power and the *Times* exclusive stories on Trump’s administration as well as the Hollywood sex scandals (Smith, 2017).

*The New York Times* (also called the *Times*), launched its paywall in March 2011, after years of putting off the paid model to attract as much audiences as they could, until the 2008-2009 global recession that forced newspapers around the world to rethink their free models. Initially allowing up to twenty free articles per month before asking readers...
to pay, the *Times* has since tightened its pay model, cutting the number from 20 to ten in 2012, and recently allowing only five free articles a month from December 1, 2017 (Bilton, 2017). The digital subscriptions of the *Times*, which are growing at the rate of 100,000 for every quarter, are becoming its second largest revenue earner after print circulation (Doctor, 2017). The publication’s four major revenue earners are (in hierarchical order); print circulation, digital subscription, digital revenue and lastly, print advertising.

According to Doctor (2017), print advertising, as at the third quarter of 2017, accounted for only 17% of the total media group’s revenue, while reader revenue accounted for 70% of the group’s earnings. It is no wonder that the *Times* foresees itself as a “subscription-first, consumer focussed” publisher that is focussed on delivering news that consumers are willing to pay for (The New York Times Company, 2017). The downside of the metered model is that it discourages consumers from visiting the websites after they have exhausted their free articles for the month, thus, reducing traffic to the publisher’s website.

Membership – The case of The Guardian newspaper

As several newspapers charge readers for their online content, there are a section of reputable newspapers reaping the benefits of offering online content for free. An example of such success is the London-based Guardian Media Group plc (GMG), which publishes *The Guardian*, *The Observer* and theguardian.com. In the recently released 2019 financial report, GMG realised its main financial goal of breaking even for its main business—the Guardian News & Media (GNM). GNM broke even at an EBITDA (Earnings Before Interest, taxes, depreciation and amortization) operating level with
profits of £0.8 million. The EBITDA losses were £19 million in the 2017/2018 financial year compared to £57 million in 2015/2016. GNM also saw its revenues rise by 3% to £223 million in the 2018/2019 (GNM Press Office, 2019). These revenues were the highest in a decade, and were attributed to *The Guardian*’s “relationship strategy” rolled out in 2016. This strategy was aimed at deepening the newspaper’s relationships with the audiences through membership schemes.

*The Guardian* operates a free-content policy but recently began to ask readers to “support” their journalism. At the bottom of every story published in theguardian.com, the publication makes an appeal to its readers to support the newspaper from as little as a dollar. *The Guardian* also offers a membership opportunity to its readers, which comes with several goodies including exclusive emails from Guardian journalists, ad-free experience on the Guardian app, joining an exclusive club of the Guardian community and a welcome gift. In essence, *The Guardian* does not charge for content, but instead asks its members to pay for perks that they would otherwise comfortably do without and still access all the content at no fee. The newspaper makes its case for soliciting membership fees by pointing out the fact that it has not erected a paywall—unlike other newspapers—but offers quality journalism “free from commercial bias”. GMG is also funded by the Scott Trust Endowment Fund, whose assets as at 2018 stood at £1.01billion (down from £1.03 billion in 2017).

In the wake of losses, GMG has been executing varied strategies in their response to the internet disruption—some of which have been credited for the slight bump in profits. In 2016, the group rolled out a three-year plan which included growing deeper relationships with the audiences (hence the membership appeals), a sustainable business
model and a digital-first approach. Their goal of reducing their costs by over 20% by the
2018/2019 financial year was also achieved through, among other measures, staff
reduction through voluntary redundancies which helped cut the group’s losses by £10m a
year since 2016.

The audience-based strategy seems to be working for the group as the one per
cent increase in revenue was attributed to reader revenue which spans across
memberships, contributions and subscriptions. As at May 2019, The Guardian has
655,000 monthly paying readers who include subscribers, frequent contributors and
members. In 2018, they newspaper attracted 300,000 one-off contributors. This increased
support from its readers has caused an interesting shift in the newspaper’s revenue
streams, as in 2018, The Guardian announced that its digital revenues had surpassed
those of print for the first time in the newspaper’s history. In 2018, digital revenues
contributed 55% of the group’s total revenue with the company recording improved
growth in digital advertising, reader contribution and digital subscription (Waterson,
2018).

Willingness to Pay (WTP)

The introduction of paywalls on news websites has triggered a contested debate
over the consumers’ willingness to pay and if at all news is worth paying for. Willingness
to Pay (WTP) refers to the “maximum amount one is willing to pay for a product”
(Goyanes, 2014, p. 746). To answer the questions around the funding of journalism, it is
important to assess if consumers are willing to pay for news and effectively fund
journalism. This discussion is particularly important at such a time as this, when news
organisations are turning to reader revenue to recover the revenue lost in the decline in
print advertising. At the root of paying intent is the need to understand the digital news consumers who are expected to pay subscription fees to access news.

Picard (2016) noted that understanding the consumption habits of online news consumers is critical for teasing out the most effective business models for online news. It is increasingly becoming apparent that consumers are accessing online news from several platforms like mobile phones, desktop and tablet. The mobile phone is progressively becoming the main device from which consumers access news at 55% in the US and 49% in the UK, with fewer consumers using their laptops and desktops to read news (Newman et al., 2017). As publishers continue to offer news for a fee, a significant amount of research has been dedicated to understanding what drives consumers to pay for content, their age groups and what kind of content they are willing to pay for.

Current research shows that the willingness by consumers to pay for news is dismal and discouraging to publishers. Studies from as early as 2005, soon after paid online content was introduced, depict a negative attitude towards paid content by audiences. Chyi (2005) in a random telephone survey of 853 residents of Hong Kong, China, found that only 10% of participants were subscribed to an online news platform, and only 22% of those surveyed were likely to pay for news in the future. More recent studies such as one carried out by Newman et al., (2017) that covered over 30 countries across five continents found that only 13% of consumers pay for online news, although there were sections in the Nordic countries with friendlier attitudes towards paid content, with percentages of willingness to pay as high as 15% in countries such as Norway.
Equally, Gundlach and Hofmann (2017) found that 40% of 150 users of tablet computers residing in Hamburg, Germany were willing to pay to news applications on their tablets. The introduction of paywalls by newspapers has also discouraged readers from visiting their news websites, effectively dampening audience perception of the newspapers. Cook and Attari (2012) found that readers of *The New York Times* reduced their number of visits to the website after the publication introduced a paywall in March 2011. The study also found that readers resorted to dubious means of accessing the content behind the paywall thus bypassing the paywall to get free content.

Willingness to pay still remains a grey area for many media economics scholars and publishers alike, while publishers have found themselves in a dilemma of erecting a paywall and losing both audiences and subscription revenues (Pickard, 2014). There are several reasons why paywalls are unpopular. One is because consumers are accustomed to a “culture of free.” At the onset of the Internet, online news was offered for free by majority of news sites before the paid content funding model took root (Goyanes, 2014). Mutter (2009) asserts that the “original sin” that most newspapers committed at the turn of the digital revolution (mid-1990s) was to offer content online for free. The availability of free news online has been partly blamed for dismal levels of willingness to pay for news, with consumers questioning the quality of the content they are required to pay to read. Additionally, consumers are less willing to pay for news if there are other alternatives offering the content for free (Berger, Matt, Steininger, & Hess, 2015). These conversations have led to scholars such as Carlson (2003) declaring that all content should be free, unless it is “very specialised”, meaning that it must be unique and consumers should not be able to find it elsewhere for free. (Carlson, 2003).
Secondly, many consumers think that news is of not much unique value to pay for, according to studies conducted by Chyi (2005; 2012). Picard (2016; 2016b; 2010) argued that news and journalism has never been commercially viable on its own, but instead depends on subsidised funding from other profitable activities such as advertising that benefit from the news activities. This perception of news being “valueless” has been fronted by several scholars and media commentators from as early as 1922, when Walter Lippmann argued that people often do not find the need to pay for news unless it fits them, or if they are paying for it indirectly without their knowledge. Lippmann (1922) also argued that news is not commercially viable, noting that “Nobody thinks for a moment that he ought to pay for his newspaper…it is not a business pure and simple, partly because the product is regularly sold below cost.”

Picard (2016) noted that only a small fraction of society is willing to pay regularly for news, as most are content with getting the news for free on television or radio. Additionally, fewer people go out to seek news, and are comfortable with the news finding them on their social media pages. However, there is increasing appreciation for news and great journalism, particular amongst younger consumers, and these have the habit of purchasing the newspaper. A research conducted by Fletcher and Nielsen (2016) across six countries (France, Germany, Spain, United Kingdom and Japan) found that people who constantly buy the printed newspapers are more likely to pay for online news than those who do not.

A study conducted by Goyanes (2014) through a telephone survey of 570 US citizens found that young people are more likely to pay for news than older people, while people who have bought software, games and music through the Internet were also highly
likely to pay for news. Goyanes (2014) also found that participants who earned higher incomes were more likely to pay for online news, as is the people who use Twitter on a regular basis. The conclusions drawn by Goyanes (2014) echo the findings of Fletcher and Nielsen (2016) who also found that in some countries, younger people are more likely to pay for online news because their reference price for digital content is above zero, meaning that they are likely to have purchased other content—such as music—online. Another study conducted by Yang, Ha, Wang, and Abduljadah (2015), anchored on the media dependency theory surveyed actual online content purchases among 599 Internet users.

Yang et al., (2015) found that young people were buying more online content compared to their older counterparts, and established some predictors of online content purchases such as age group, ownership of smartphones and applications as well as online shopping habits. Overall, research has proven that people whose reference price for news was above zero (such as young people) are more willing to pay for news compared to those whose reference price for news is zero. These studies have shown that young people are increasingly forming the habit of purchasing online media content, be it music, journalistic pieces or games. In fact, Yang et al., (2015) suggest that young people have a higher appreciation for online content than older people, thus higher chances of paying for online content, in spite of the fact that older people have more disposable income.

The friendlier attitude towards paid content, particularly in Nordic counties has been attributed to stronger reading cultures and firmer traditions of print subscriptions (Newman et al., 2017). Notably, publishers such as The New York Times reported
reported a growth of 500,000 subscriptions within six months of Trump’s election while *Wall Street Journal* reported a spike of 200,000 digital subscriptions. It is important to note that a significant portion of the increasing subscriptions came from young people and those on the left (Newman et al., 2017).

2.4 Empirical Literature Review

In the previous section, the two most common strategies—cost-cutting and reader revenue—were discussed in detail. In this next section, the other sixteen strategies are discussed through an empirical literature review, which has considered previous similar studies conducted in various markets and countries, the methodologies used, theories applied and the findings of these inquiries. This section has reviewed literature from newspapers around the world in eleven countries including US, Europe (UK, Germany, France, Finland, Sweden, Norway, Spain), Japan, China, India, and African countries (Nigeria, Zimbabwe and Kenya).

This section begins with a study conducted by Jenkins and Nielsen (2020) who examined how local and regional newspapers in four European countries (France, Finland, United Kingdom and Germany) are adapting to the changing audience news consumption habits and the shifting business models. Through 48 in-depth interviews with editors, managers and representatives of the parent news media companies in 2017 and 2018, Jenkins and Nielsen (2020) found that the interviewees acknowledged that the current business model was no longer viable and that journalists and editors need to be cognizant of business strategies for survival. The interviewees also recognised the need for constant experimentation with new revenue streams, business models and innovative approaches to survival.
While the study revealed a recognition that the traditional business model was no longer viable, it also found that newspapers in the four sampled countries still earned a majority of their revenues from print (between 80% to 95%). This led the interviewees to emphasise on the importance of the print newspaper, with some acknowledging that there was ‘still a place for print’ in today’s world. For this reason, newspapers were found to be operating as ‘ambidextrous organisations’ that continue to reap the benefits of the past products while actively seeking innovations to secure a sustainable future. In this regard, Jenkins and Nielsen (2020) drew conclusions on what management scholars have called ‘organisational ambidexterity’ which O’Rielly and Tushman (1996) defined as “The ability to simultaneously pursue both incremental and discontinuous innovation…from hosting multiple contradictory structures, processes, and cultures within the same firm” (p. 24).

Jenkins and Nielsen (2020) also found a departure from the traditional separation of the editorial and advertising staff in what is known as the ‘wall’ or the ‘separation of the church and state’. Traditionally, journalists and advertising staff were separated to protect the sanctity of journalism and to prevent commercial influence on editorial. Jenkins and Nielsen found that editorial staff engaged more with the advertising staff, working together as a tag team to come up with solutions such as native advertising, paywall strategies, subscription packages and new mobile apps. At a higher level, the study found that these parent companies had put together teams drawn from both editorial and advertising departments to develop strategies for the organisation, including on how to monetise content.
A similar study conducted by Villi, Grönlund, Linden, Lehtisaari, Mierzejewska, Picard and Roepnack (2020) sought to understand media innovation among metropolitan newspapers or ‘metro papers' in the United States. Metro papers are most popular in US cities and states and fall between national newspapers such as The New York Times and smaller local ones with smaller cost structures. In this study, the researchers focused on metro papers in cities such as Boston, Dallas, San Diego, Philadelphia and Miami.

Villi et al., (2020) employed both quantitative and qualitative data. The quantitative data was culled out of comprehensive datasets from international databases such as World Press Trends and Pew Research Centre Newspaper factsheets from 2006 to 2016. The researchers picked this timespan because it corresponded with the digital transition of the US newspaper industry. The qualitative data were collected through interviews with 34 participants including CEOs, editors-in-chief, corporate managers, representatives of media associations, media and communication academics and media analysts.

The study found that managers were aware that something needed to be done in response to the digital transition, but most were struggling with challenges such as lack of human and financial resources. The research also found that the metro newspaper industry was ‘failing slowly' referring to the long-term decline in advertising revenues, circulation and ageing subscribers. However, in spite of this decline, the study found that there was very little experimentation with ground breaking media innovations, and rather what was happening was ‘rearranging existing business models' (p. 34). Metro newspapers are still very much print-centred, and are still designed to be ‘factories for a printed product' (p.40) with very little effort for innovation to reinvent themselves.
However, some newspapers such as the *Dallas Morning News* have ventured in alternative sources of revenue by creating verticals alongside their newspaper business. In an effort to diversify sources of revenue, the newspaper has acquired smaller companies that specialise in market automation, digital marketing and content marketing. These companies not only help them to market their newspapers on different channels, but also to have access to the marketing and advertising budgets of advertisers. They also prevent the advertisers from using their advertising budgets on Google and Facebook.

Nixon (2020) sought to find out how MediaNews Group (MNG) was responding to the increasing financial crisis amongst newspapers. The study took an analytical approach to examine the company’s strategic responses over the last ten years to remain afloat amidst a digital disruption. Nixon (2020) found that NMG’s predominant strategy between 2006-2016 was ownership consolidation, in which the newspaper company aggressively moved to acquire local newspapers in the Los Angeles and San Francisco metropolitan areas. The main aim of these acquisitions was to increase the number of news consumers—both digital and online—but most importantly, to reduce the cost of news production and circulation. This was MNG’s main strategic response until 2016 when it filed for bankruptcy and a hedge fund—Alden Global Capital— took a controlling interest and merged with another newspaper chain. The new business was named Digital First Media, which took over the responsibility to deal with the digital disruption.

The new entity responded to the disruption through a ‘digital first’ strategy, which included leveraging on the consolidated online audiences through paywalls, digital advertising, citizen journalism, copyright infringement lawsuits, mobile distribution of news and Google Consumer Surveys.
Villi and Hayashi (2017) set out to examine the digital transition in the major newspaper titles in the Japanese market. The Japanese newspaper market is one of the largest in the world, with newspapers such as *Yomiuri Shimbun* recording a circulation of 9.14 million copies a day (Denstu Innovation Institute, 2016). Other newspapers such as *Asahi Shimbun* have a circulation of eight million copies daily, *Mainichi Shimbun* with four million copies, and *Sankei Shimbun* at two million copies daily, totalling nearly 45 million copies daily (Villi & Hayashi, 2017).

Through qualitative in-depth interviews with 10 participants in senior management positions with extensive media and journalism backgrounds, Villi and Hayashi (2017) found that most newspapers in Japan did not exactly have solid strategic plans for the future, but instead had “wishful thinking”. The two researchers unearthed a “blind trust in print culture” from the newspapers’ senior management, who acted oblivious of the fact that most Japanese youth do not find the need to pay for newspaper subscriptions. The research also found that there were concerted efforts to protect the printed newspaper in Japan, sensing a hesitation to explore the digital space. This is not to mean that these newspapers do not have an online presence, however, the content published online is starkly different from that in the printed newspapers, which the authors suggest is a form of a freemium model where the premium content is available on the print newspaper.

The research also found that Japanese newspapers were bent on protecting the newspaper distributors—the Senbaiten—who are independent small companies that market and sell the copies on behalf the media organisations. The Senbaiten are considered an integral aspect of the Japanese newspaper market and Japanese culture, for their massive lobbying
influence and power to drive newspaper sales. In a bid to avoid the Senbaiten from feeling irrelevant in the Japanese newspaper industry, Japanese newspapers are avoiding to embrace a fully digital strategy which might render the Senbaiten redundant. Villi and Hayashi argue that the blind trust in print and the unconditional overprotection of the print newspaper by Japanese newspaper management is a wrong business move in an increasingly digital world where young people no longer see the sense in subscribing to print newspapers.

In a separate study, Mierzejewska et al., (2017), sought to study the strategic moves of US print newspapers to the competitive displacement by the Internet. They applied the media evolution theory, which utilises an “ecosystem” analogy to understand the effects of news technologies to media. The media evolution theory has also been used to explain how the media industry reacts to competitive displacement by newer technologies by using a three-step pattern that includes elite, mass and specialised stages. The quantitative study analysed a unique data set collected over a 20-year period (1988-2012). The data set included details of circulation numbers, newspaper staff, content offering and levels of Internet penetration. The dependent variable in this study was the annual print newspaper circulation.

Mierzejewska and colleagues found that one of the prominent strategic responses for print newspapers was the establishment of online editions of the newspapers, which the authors classify as a diversification strategy. The other strategic effort was the increase in the content portfolios evidenced by the number of special editions on lifestyle topics such as weddings, food and the arts. This was classified as a mimicking strategy, where newspapers are striving to implement simulating strategies to reach to a much
wider audience. From the results, the authors conclude that mimicking strategies are barely effective in driving newspaper circulation and instead argue that for print newspapers to survive in the digital revolution, they must be starkly different from the online media, and must work to offer vastly different content as opposed to the mimicking strategies adopted.

In another study conducted amongst Spanish dailies, it was found that Spanish newspapers are seeking to raise additional revenue from their online platforms by introducing digital newsstands, which charge readers to access a variety of newspapers and magazines online. These are the findings of a case study conducted by Casero-Ripollés and Izquierdo-Castillo (2013) among three publishers including Vocento, Unidad Editorial SA and Prisa. Using the theoretical framework of political economy of communication, the authors sought to understand the newspaper strategies by analysing documents that contained information on the publishers’ main sources of income; sales and advertising. The digital newsstands strategy requires readers to pay either monthly or weekly fees to access PDF versions of the print newspapers. Readers have access to up to 30 daily newspapers and over 60 local magazines, and some publishers such as Vocento and Prisa have formed alliances to offer readers wider variety of content.

Readers also have access to previous editions and are also able to access the content from their smartphones, tablets and other devices. The research found that Spanish dailies are avoiding the paywall strategies common with the US and UK titles following the massive failure of Elpais.com, a local Spanish daily that erected a paywall and collapsed soon after. The two authors see the digitisation of the Spanish newspaper
industry as a contributing factor to the media concentration and coalitions following the alliances between publishers to set up digital newsstands to offer content.

Aneez, Chattapadhyay, Parhasarathi and Nielsen (2016) set out to explore how Indian newspapers are making the digital transition in a unique Indian market where print newspaper industry is growing, albeit slowly. A 2018 report by KPMG indicates that while the newspaper industry is on a decline globally, the Indian print business recorded a 6.5% growth year on year between 2014 and 2018. However, the Indian print industry has slowed down due to the digital wave occasioned by improved Internet connectivity, cheap data, bigger smartphone base and an increasingly youthful population. This was evidenced by the 3.4% growth in 2018, which was the lowest in a decade (KMPG, 2018).

The study by Aneez and colleagues utilised the case study method to understand how India’s three largest newspapers—Dainik Jagran, Hindustan Times and Malayala Manorama—were responding to this digital wave. Data were collected through qualitative in-depth interviews with 30 participants who were picked from the senior management as well as editors and reporters.

The study found Indian newspapers are keen on investing heavily on digital media technology and have embedded digital technology in all stages of the news gathering process including the day-to-day activities, distribution and consumption and even around their business models. The three newspapers have relatively strong brands and therefore are leveraging on this to start new online-based start-ups. They are also changing the organisational cultures by encouraging print journalists to embrace digital media, while recruiting the right talent with digital skills.
In the Chinese market, newspapers are breaking away from the state-ownership model and embracing a dual-track management system where foreign capital is injected into these newspapers while the state keeps a tight leash on the ideological stance of the newspapers. This is the case of *Beijing Youth Daily* (BYD), the largest newspaper in Beijing with regard to advertising, as Zhang (2010) found out. The inquiry by Zhang—which utilised the case study method—also found that BYD is also building a media conglomerate through a series of mergers and acquisitions, while also diversifying its content offerings and recruiting talent to drive its agenda. In a separate study, Sparks, et al., (2016) interviewed senior management of Chinese newspapers and found that the newspapers were executing several strategic responses, among them cost-cutting measures and staff layoffs.

Chinese newspapers experienced exponential growth in both advertising revenue and circulation until 2014 when the revenues began to decline owing to the digital revolution. In response, Chinese newspapers had to react accordingly by cutting their expenditures, with some newspapers moving out of their premises to cheaper locations. Chinese newspapers are also very aggressive in investing in alternative sources of revenue, with most newspapers having invested in retail (supermarkets), tourism (hotels), real estate and gaming. The study by Sparks and colleagues also found that Chinese newspapers are increasingly changing and upgrading their journalism practice by embracing technology and innovation in the form of online platforms such as Weixin and Weibo.

To understand strategic responses in Nordic newspapers, Järventie-Thesleff, Moisander and Villi (2014) conducted a comparative case study of two media Nordic
organisations. They utilised the strategy-as-practice theoretical framework, a fairly new theoretical grounding within the study of strategic management. The rationale for this little-known theoretical approach was because the authors felt it provided a unique lens of exploring organisational strategy from the prism of the day-to-day organisational practice. The strategy-as-practice theoretical framework puts emphasis on the fact that organisational members are “strategy practitioners” owing to the fact that they apply strategy in their daily operations.

They carried out qualitative in-depth interviews with 22 participants including journalists and senior business development teams of a Nordic newspaper and a Nordic women’s magazine. Both media outlets are developing their business models along the lines of a multi-platform model that spans both print and online. The case studies also made use of document reviews to complement the interview data. The inquiry found a stark difference between the print and online publishing strategies. The print strategies tend to be driven by content, are centred around strengthening the brand and commercially driven. The authors also noted that while crafting strategies, newspaper managers tended to be cost-conscious, careful and keen on reaping short-term benefits as opposed to long-term gains. On the other hand, online strategies tended to be more “technology driven, brand inspired, interactive and entrepreneurial,” (Järventie-Thesleff, Moisander & Villi 2014, p. 131). The authors argue for an online and print strategy that allows organisations to meet both incremental and long-term goals across print and online platforms.

A similar inquiry by Hakaniemi (2014) sought to find out how regional newspapers in Sweden, UK and the US are making the digital transition. By utilising the
Disruptive Innovations theory, Hakaniemi wanted to answer the question, “How can we reinvent a regional newspaper company and change its organisational culture to better respond to the changes in the media business?” (Hakaniemi, 2014, p. 21). Through qualitative in-depth interviews with five participants including editors and media economics scholars, Hakaniemi’s study found that none of the newspapers studied had completed the digital transition. However, the study found that the three newspapers were seeking additional revenues from digital subscriptions, consultation services, and some were venturing into native advertising. Additionally, the regional newspapers were also investing in recruiting new staff with digital skills in a bid to keep up with the “digital first” strategy.

Doyle (2015) sought to find out how the UK newspapers and television industry is making the digital transition and how media leaders are handling the challenges and opportunities of a multi-platform media climate. Doyle examined the multi-platform strategies adopted by UK media and how these strategies are changing the media companies in terms of business conceptualisation and general day-to-day operations. Doyle used a multiple case study research strategy which included the use of qualitative in-depth interviews with editors and senior management, as well as document reviews and direct observations.

The research, which surveyed newspapers such as Telegraph Media Group (The Telegraph), News Corp (The Times) and Financial Times, found that the multi-platform media landscape provided media companies an opportunity to churn out more content with additional features such as video to provide an array of content to the audiences. There has also been a remarkable investment by UK media companies in digital
equipment, skills and required resources to buoy their digital units. Media companies have invested heavily in Content Management Systems (CMSs), digital page editing, video production and interactive graphics to leverage on the multi-platform opportunities.

An industry report compiled by Anderson (2017) found that newspapers such as the New York Times and The Guardian are focusing efforts on offering content using more visual methods such as video. Based on interviews with the newspapers’ senior management—including the CEO of the New York Times—the study found that the two titles were experimenting with varied video formats such as mobile-first, 360-degree video and Virtual Reality (VR). Virtual Reality, to be specific, embodies a new form of journalism known as “immersive journalism”. The study points out various examples of projects where the newspapers carried out video experiments including the “Fine Line” video project launched during the 2016 Olympics, and The Guardian’s “6x9” virtual reality project, which told the story of solitary confinement through a groundbreaking virtual reality project.

The study also found that New York Times was reaping from its in-house advertising agency, the T-brand studio, the newspaper’s brand marketing unit which consists of a team of writers, creatives, video producers and developers who provide advertising solutions to clients through native advertising. The high-level video production units are part of the Times strategy to increase their digital revenues, for which the newspaper has set a target of $800 million by 2020.

African newspapers are also reacting to the disruption of the Internet by engaging various strategies similar to those in the US, UK and Asia. A 2015 study conducted by Aliagan (2015) found that Nigerian newspapers are keen on working with leaner
newsrooms, while engaging staff with specific digital skills. The study was anchored on the disruptive innovations theory and data was collected through interviews with 11 editors across the top seven Nigerian dailies: The Punch, The Nation, The Sun, Vanguard, Guardia, Thisday and Daily Trust, most of which are based in Lagos, Nigeria.

Other strategic response by Nigerian titles included a prominent online presence buoyed by social media interaction with audiences and readers, improved print quality, which encompassed use of better photographs and graphics, a varied content offering that included pull-outs and magazines to cater to different age groups as well as multi-platform publishing, which in this case includes online television. In bid to maintain print exclusivity, Nigerian newspapers are also withholding important government notices and job advertisements from their online offers and making them exclusive to the print newspapers in order to maintain circulation. This tactic is coupled with a growing trend of Nigerian titles saving the exclusive journalistic content for their print newspapers and leaving the incremental, non-exclusive news to their online platforms.

In Kenya, I found two studies similar to the present study which sought to explore NMG’s responses to the external environment. Kimani (2010) studied the strategic responses of Nation Media Group to external challenges such as competition, growth of Internet use, a global rise in newsprint price, shifting consumer behaviours and government regulation. The inquiry utilised the case study method and data was collected through in-depth interviews with six participants who formed the group’s top management. The study found that as early as 2010, NMG was grappling with the challenge of shifting consumer habits and the threat of the Internet as a cheaper source of news. With regards to these two challenges, Kimani (2010) found that NMG was cutting
costs by folding smaller newspapers such as the *Daily Metro*, which was not generating the expected revenues. The study also found that NMG was diversifying its content offering by introducing new products as the DN2, which covers feature stories and niche topics such as health, personal relationships and motoring. Part of the NMG strategy was also the launch of its financial newspaper, *Business Daily* in 2007.

Other strategic responses that can be gleaned from Kimani (2010) include a regional expansion plan by NMG that was planned to be rolled out in Zambia, Malawi, Rwanda and Ghana. NMG also entered into joint ventures and partnerships with content partners across the world such as Media 24 and East African magazines to publish and distribute titles such as *Drum* and *True Love* although this partnership would later collapse in 2010. Finally, NMG was at the time planning to roll out a convergence plan that would see all content produced on converged platforms including print, television, radio and digital.

The other study on NMG competitive strategies was conducted in 2013 by Karimi, (2013) who used qualitative in-depth interviews with senior management of the media company. The findings of Karimi (2013) resonate with those of Kimani (2010) in the sense that both studies found that digital media was increasingly becoming a threat to NMG’s flagship newspaper, *Daily Nation*. Karimi found that NMG had adopted various long-term cost leadership strategies such as investing in a new printing press that would lower maintenance costs and improve efficiency. The other strategy was the introduction of various newspaper editions targeting the different regions of Kenya such as Nairobi, Western, Central and Coast. There was also diversification of content through the launch of various products such as *Nairobi News*, a city newspaper which was later folded and
Sport On, a sports product (which was also folded). The current study intends to build on previous similar studies conducted within NMG, but with a wider scope to include how other Kenyan newspapers are reacting to the same.

2.6 Summary

This chapter presented the theoretical framework which has been used to explore the strategic responses of newspapers across the world. It began with a philosophical appreciation on the works of 18th century classical political economists before progressing to 19th century ones such as Karl Marx. Equally, this chapter reviewed literature on strategic responses among newspapers across the world. The general literature review began by appreciating the generic responses such as cost-cutting, differentiation, paywalls and diversification before progressing into country/market-specific literature.

There is a corpus of research that has examined how newspapers across the world are reacting to the disruption. This review has encompassed research and reports from newspapers in countries including the US, UK, Japan, China, Finland, Sweden, India, Spain, Kenya and Nigeria. What emerges from this literature is that most research focuses on the short-term strategies such as charging for content, paywalls, willingness to pay, with little focus on the long-term strategies that will affect the newspapers in years, and possibly decades, to come. In Kenya, specifically, the studies in this area have focussed only on Nation Media Group’s newspapers (Daily Nation), without general focus on other Kenyan newspapers.

What is also noteworthy is that studies providing a nuanced view of Kenyan newspapers’ strategic responses are scant, if not non-existent. Based on the literature
reviewed, a glaring research gap presents itself. There should be an in-depth study that encompasses three of Kenya’s leading dailies, one that gets into the inner courts of these newspapers’ strategies to provide a panoramic view of all Kenyan newspapers’ strategic direction in reaction to the disruptive Internet. The next chapter provides a guideline for how this study was conducted.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a description of the research strategy that was applied to investigate how three Kenyan dailies are responding to the digital disruption. The chapter begins by justifying the choice of an interpretivist/constructivist paradigm, followed by a description and justification of the case study method. Finally, this chapter will highlight the ethical issues that were considered during the course of this investigation.

Philosophical Assumptions: An interpretivist/constructivist inquiry

A philosophical underpinning is crucial to a research because it shapes the formulation of the research problem and research questions while providing a framework that will be used to answer the research questions (Huff, 2009). This research was solidly ensconced within the interpretivist/constructivist paradigm. A paradigm is a set of beliefs that guides a specific action, a “basic belief system” or a “worldview” that informs the ontological, epistemological and methodological choices of the researcher (Guba, 1990; Guba & Lincoln, 1994).

A qualitative research project -- or a naturalistic inquiry -- ascribes to the worldview of constructivism. The aim of a constructivist inquiry is to understand and recreate the constructions of other individuals, with the aim of reaching a consensus, while at the same time remaining open to new interpretations of the same concepts (Lincoln & Guba, 1985; Guba and Lincoln, 2005). The interpretivist orientation
undergirding this study played a key role in understanding the strategic responses of Kenyan dailies to the digital disruption through the experiences and perspectives of the participants. An interpretivist paradigm suggests that meaning is created from personal interpretation of the participants, thus this study tapped into the experiences, perceptions and worldviews of the participants with regards to digital disruption amongst Kenyan newspapers. Creswell (2013) advances four main philosophical assumptions within an inquiry. These assumptions include: epistemological, ontological, axiological and methodological. In this chapter, I explicitly depict how these four philosophical assumptions were exemplified in this interpretivist inquiry.

**Rationale for Qualitative Methodology**

I applied qualitative methodology because I appreciate the strengths of qualitative research and the topic at hand. Firstly, I wanted to answer questions about experiences, meaning and perspectives from the standpoint of the participants. Based on recommendations from qualitative scholars and researchers such as Creswell (2013), Flick (2014), Lincoln and Guba (1985), qualitative research is best suited when one is interested in understanding a complex phenomenon from the point of view of the participants that is, from people who are experiencing that phenomenon. I was interested in people’s opinion of the digital disruption, therefore, in this case the nature of the problem endeared itself to a qualitative inquiry as opposed to a quantitative inquiry.

I was also interested in depth. I did not know much when I was going into the field, and the little I knew, was not deep enough. A qualitative methodology gave me a unique understanding which would have been difficult to achieve with a closed-ended questionnaire. Respondents were able to freely disclose their experiences, thoughts and
feelings without constraint. Qualitative methodology allowed me the opportunity to follow up on responses in real time, thus generating some valuable conversations on the current problems of the newspaper industry—something which would have been impossible to achieve with a survey. The figures and frequencies generated by a quantitative research are useful, no doubt. But often times, one is left asking for the ‘why’? behind these figures and statistics. “Why this strategy over the other?” This was why qualitative was more endearing, it gave the respondents an opportunity to freely elaborate their answers. The in-depth interviews provided me with an intricate understanding of the strategic responses to digital disruption. For example, what is it that they are not doing? And why is it that they are not doing what they are expected to do? Why are they in the situation they are in?

The discourse on disruption of the newspaper industry is a complicated matter with multiple facets and a complex interplay of various factors that lead different newspapers to react differently. A quantitative study could be used to measure the frequencies of various strategic responses across the newspapers to reveal, for instance, the percentage of the participants that believe in paywalls as well as their distribution across their ages and the newspaper they work for or even experience in the industry. However, this study was not concerned with frequencies, but instead this investigation was concerned with the different perceptions and multiple realities of the disruption. This is precisely why a qualitative research methodology was more befitting as this investigation aimed at capturing the experiences, perspectives and standpoints of the participants in order to gain a deeper and rich description of this complex phenomena. Sofaer (1999) argued that by asking open-ended questions, qualitative researchers are
able to probe relevant aspects of their studies and tease out detailed descriptions of the experiences of the study participants, compared to close-ended questions used in a quantitative study.

Hammarberg, Kirkman and Lacey (2016) argue that a qualitative methodology is important in revealing the issues or problems encountered while implementing strategies. It is exactly for this reason that this study settled for a qualitative research strategy. Equally, this study settled on a qualitative research methodology because it aimed at gaining a deeper insight into the “how” and “why” of newspaper strategic responses—a task which Rich and Ginsburg (1999) argue can only be accomplished by the use of a qualitative research methodology.

Epistemological considerations: Transactional and subjectivist epistemology

The epistemological issues are concerned with the nature of knowledge. Guba and Lincoln (2005) argue that the epistemological assumption of the constructivist paradigm is “transactional and subjectivist” (p. 26), meaning that the researcher and subject under inquiry are “interactively linked” (p.26), such that the findings of the inquiry are created throughout the process of inquiry. Farzanfar (2005) argued that an interpretivist research seeks to understand the layers of a specific issue—such as the strategies of Kenyan newspapers—without aiming to generalise these findings to other populations. Qualitative research has been termed as a “naturalistic inquiry” by Linclon and Guba (1985), to mean that interpretivist research occurs within the real world and reports issues as they happen in real time. An interpretivist perspective conducts the research in a “non-manipulative, unobtrusive and non-controlling” environment (Tuli, 2010, p. 100).
Epistemic commitments of an interpretivist research also require the researcher to be involved with the study and interact with the participants as deeply as is ethically acceptable. An interpretivist research is founded upon partnerships between the researcher and the participants to gain a rich, detailed and deep description of the issue under inquiry (Ulin, Robinson, & Tolley 2004). Accordingly, this study was conducted in the newsrooms of the three Kenyan dailies--the natural setting of the participants--with the aim of forming partnerships with the participants, thus making them co-researchers in this investigation. It was crucial that this study was conducted within the context of the newsrooms as it wanted to capture all the nuances in the matter under investigation.

Ontological considerations: A relativist ontology

The ontological considerations of research answer questions that are concerned with the nature of reality and its characteristics. (Guba & Lincoln, 1994). A constructivist inquiry adopts a relativist ontology in which there are multiple realities that are a product of “intangible mental constructions” (Guba & Lincoln, 2005, p. 26). These multiple realities are socially constructed, determined by the social backgrounds, cultures and experiences of the participants.

According to Bryman (2012) reality or phenomena are a product of “social actors” and these phenomena are not just produced by social actors, but are also not constant but dynamic, depending on a variety of social factors. The aim of this research was to report these varied renditions of reality in the most accurate manner as presented by the participants interviewed.

Even as realities within the relativist paradigm vary by the individual, there are overarching elements that are shared among groups of individuals, even across different
cultures. Suitably, this led to conclusions based on the understanding that the reality of the current media situation in Kenya today is not one independent reality, but several realities as will be demonstrated in the findings that are a product of various social processes.

Axiological considerations

The third main philosophical assumption that influenced this inquiry was the axiological assumption that entrenches the value-laden nature of this study. Cronin (2006) noted that axiology is the “philosophy of value” (p.5). Equally, this assumption emphasizes the crucial role of values to an interpretivist research. In this regard, this study reported all the participants’ values and biases. Denzin (1989) noted that a qualitative researcher should “position oneself” in a research. Based on this assumption, this researcher openly declared personal values and biases and how they affect the research. In addition to reporting the varied interpretations of the participants, this investigation was aware of personal interpretation of the themes and emerging issues during the data analysis stage (Cronin, 2006).

Methodological consideration

The methodological philosophical assumptions are guided by the following question: “How can the inquirer go about finding out whatever he or she believes can be known?” (Guba & Lincoln, 2005, p. 22). To answer this question, the methodological considerations of this interpretivist research were based on inductive reasoning (Ulin et al., 2004; Tuli, 2010, Creswell, 2013). Inductive reasoning moves from data to theory, from specific instances to general theoretical frameworks (Graneheim, Lindgren, &
Lundman, 2017). Inductive reasoning looks for the differences and similarities in data sets and arranges them into themes and categories. This study, being a qualitative research, does not prove validity nor reliability, for qualitative research is not so much concerned with questions of validity and reliability (Tuli, 2010). Rather, it is concerned with values such as “credibility”, “neutrality”, “confirmability”, “consistency” and “dependability”, which have been outlined shortly (Healy & Perry, 2000).

3.2 Research Design

Multiple-Case Studies

Yin (2013) describes the case study method as an inquiry that studies a “contemporary phenomenon within its real-life context, especially when the boundaries between a phenomenon and context are not clear and the researcher has little control over the phenomenon and context.” (p.13). A case study is also described by Creswell (1998) as an “exploration of a bounded system…a program, an event, an activity or individuals” (p.61). Baxter and Jack (2008) argue that multiple-case studies provide an opportunity for the researchers to capture the “similarities and differences” (p. 550) between the various cases.

For the current study, the multiple case study method was used with the intention of testing the same research questions within different contexts while applying the same data collection techniques and analysis for each context. This strategy facilitated the teasing out of different perspectives of the same research problem across various contexts. A multiple-case studies approach was also useful in drawing cross-case comparisons and within-case analysis to fully appreciate the issue of the disruption of Kenyan newspapers. In the same vein, this research design was instrumental in capturing
varied outcomes across several circumstances, therefore rendering this research expedition the anticipated rigour, over and above all a more compelling and convincing outcome compared to that of a single-case design.

The case study method is most appropriate when the research problem poses the “how” and “why” questions. For instance, if we want to know how Kenyan newspapers have are reacting to the digital disruption, then the case study method would be most effective in answering the question “how”. Similarly, if one would want to understand why the same newspaper has chosen to execute one business strategy over the other, in this case, to interrogate the thinking behind the ‘how’—the ‘why’—a case study would be the most rational research strategy to approach this research problem. Additionally, a case study is pre-occupied with answering the question: “What happened?” This is most ideal in highlighting and understanding decisions made (Schramm, 1971). “The essence of a case study, the central tendency among all types of case studies, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result,” (Schramm, 1971, p.6).

The multiple bounded systems (the cases) in this study included three Kenyan daily newspapers that were purposively selected to participate in this study. While there are several activities that occur within the newspaper context, the boundaries of this study were the strategies that each newspaper is executing in the wake of plummeting revenues, diminishing circulation numbers and difficult economic times within the newspaper industry both internationally and locally.

This multiple-case studies design is not only bounded by the strategic activities, but also by time. In this study, the timelines were bounded and limited to the period
between 2015 to 2021. These timelines are chosen because the year 2015 significant; it was the year revenues for most Kenyan newspapers began to decline. The study extended the strategies to 2021 to include the future strategies of newspapers—most of which are executed over a three-year period.

While there has been scholarly debate over the difference between a “case” and a “unit of analysis”, the current research adopts the views of Patton (2002) and Feagin, Orum and Sjoberg (1991) who observe that the case is identical to the unit of analysis. Therefore, the unit of analysis in the current study was the individual Kenyan newspaper.

3.3 Sampling.

This research study employed purposive sampling to arrive at the sample to be investigated. Purposive sampling is a non-probability sampling technique that selects the participants because they meet certain criteria to participate in a study (Wimmer and Dominick, 2011). The study selected the “information-rich” cases as suggested by Patton (2002) with the experiences, information and insights, thus the need for a purposive sampling.

The purposive sampling was employed to select the newspapers to be investigated for this study. And based on a criterion-based selection proposed by LeCompte and Preissle (1993), a list of essential attributes for six Kenyan newspapers—Daily Nation, The Standard, The Star, Business Daily, People Daily and Taifa Leo, a Swahili newspaper— to qualify for the study was compiled.

The first selection criterion was that the newspaper must be owned by a news media organisation listed at the Nairobi Securities Exchange (NSE). This was critical because a publicly listed newspaper is obligated to publish its financial records, which are
crucial data for this study. Second, the newspaper has to have a unique business model as opposed to the traditional advertisement-based business model. For instance, the concept of free newspaper model would be of great interest in this study.

The study, therefore, settled on three “information-rich” Kenyan daily newspapers, each with considerable circulation and influence in the market. The first two newspapers were selected because they are owned by media firms listed at the NSE and thus their financial records are publicly available, which was critical to tracking and analysing their performance.

The third newspaper was selected because of its unique business model—the free sheet. It has no cover price and is distributed free across the country.

Equally, purposive sampling was used in selecting the participants, who included top executives and editors, for interviewing. Senior editors responsible for developing and implementing key editorial, digital and commercial strategies among the selected newspapers. They included editors and managing editors in charge of the selected newspapers for the study.

The other category sampled for the study were top-level executives who are responsible for respective business units, in-charge of policy development and at the heart of the group’s organisational strategic planning, especially on digital revolution. The emphasis on ‘top-level’ executives was critical here. This is because while all executives play a key role in an organisation, there are some who are at the heart of drawing up the strategy. Some of top-level executives that were interviewed, include Chief Executive Officers, Chief Financial Officers, Finance Directors, Heads of Commercial Departments, Heads of Digital Departments as well as Heads of Innovation
and Strategy. To ensure that the senior editors and executives, who were selected interviewing in this study had critical understanding of their respective newspapers’ strategies, they have to have worked in the respective newspaper for at least three years.

Prior to data collection, a strategic sample of 21 participants—seven from each of the three from the selected newspapers, was identified. However, being a qualitative inquiry, which allows for flexibility, two more participants who were not in the initial list were interviewed. The two additional participants are lower-level executives who were introduced to the researcher by the senior executives in the course of the data collection process. They were interviewed because of their proximity and direct roles in strategy execution, specialised skills, experience and knowledge. Though they were not part of the initial list of participants, their contribution to this investigation were invaluable. In total, 23 participants were interviewed for this study, eight from the first two newspapers and seven from the third newspaper.

3.4 Pretesting

Wimmer and Dominick (2011) observe that a pilot study is important because it helps researchers to “refine” the research design and the data collection procedures in the field. A pilot study was conducted in October 2019 with five editors from a Kenyan daily newspaper that was not among the three sampled. The participants of the pilot study were selected through convenience sampling, a type of non-probability sampling that picks participants based on their availability. The purpose of the pilot study was to assist the researcher to identify questions that needed rewording and clarification as well as those that were unlikely to yield meaningful data as suggested by Merriam (2009). The data
from the pilot study helped in the revising and polishing of the questions asked during the in-depth interviews in the main study. During the adjustment, revising and rewording, the researcher had the opportunity to include two more questions while one of the initial ones in the pilot study was split into three.

The study helped the researcher to develop a deeper understanding of extent of the digital disruption of the Kenyan newspaper industry besides boosting confidence in her capacity and readiness for the main study. In particular, the participants’ insistence on the importance and timeliness of the study was key in crystallising the conceptualisation of her topic of focus.

The study was also helped me to test the appropriateness of the research methodology and the practical issues and difficulties that might arise during the main study. For instance, one of the issues that arose was the busy nature of Kenyan editors. While it was easy to secure the interviews, their execution was challenging because of the unavailability of editors who are caught up in the whirlwind of the deadline-driven and unpredictable newsrooms. For instance, two of the five editors interviewed for the pilot study had to cancel appointments at the last minute and reschedule them. The results of the study were not used in the final analysis of the data collected during the main research.

3.5 Data Collection Procedures

One of the hallmarks of a case study is its ability to use multiple sources of data, an aspect that greatly increases the study’s trustworthiness and credibility (Baxter & Jack, 2008). For this reason, this study gathered information from various sources of evidence which, included in-depth interviews, participant observations and document reviews. Yin
(2003) noted that there are six sources of evidence that are most commonly used while carrying out case studies. These are: interviews, documentation, archival records, direct observations, participant observations and physical artefacts. This study collected data from three main sources namely; in-depth interviews, participant observations and document review. I picked the three to seek corroboration of evidence and validate findings across them. This data triangulation strategy, according to Eisner (1991, p. 110) guarantees ‘a confluence of evidence that breeds credibility’. Data triangulation, according to Patton (1998), is also critical in mitigating the researcher’s bias and to avoid a pitfall of a single-sourced study.

Semi-structured, in-depth interviews

An interview is the process through which a “researcher and participant engage in a conversation focused on questions related to a research study” (DeMarrais, 2004, p. 55). Patton (2002) noted that in-depth interviews allow researchers to “enter into the other person’s perspective” (p. 341) and helps researchers understand how participants interpret their world. Interviews are the primary source of data in a case study method (Yin, 2007; 2012; Merriam, 2009; Barlow, 2010).

In-depth interviews were conducted with 23 participants who included top media executives, editors-in-chief, editorial directors and managing editors of the three Kenyan dailies. The engagements were flexible and steered by an interview guide consisting of a list of “talking points” (Merriam, 2009). The guide comprised less-structured, open-ended questions, which allowed for the “flow” of the interview akin to having a casual, relaxed chat on the industry. Leading questions were avoided in favour
of open-ended question which allowed the researcher to yield detailed information regarding the topic under study.

Prior to the interviews, I contacted each participant through either emails or a phone call or text message and introduced herself and the purpose of the study with a request for an in-depth interview. As a former journalist working in the two newspapers in the study, I had rapport with editors and media executives, and it was, therefore, easier to secure the interviews with the participants. The 23 interviews were conducted between October 2019 and January 2020 with all save for one being conducted in person while one was conducted via phone.

At the onset of the in-depth interview, several key issues were considered as suggested by Taylor and Bogdan (1984) to ensure the smooth conduct of the process. First, I clearly stated the objective of the interviews by informing and assuring the participants that the engagement was solely for an academic study.

Second, I had to ensure protection of the identity of the participants, acknowledging the fact that the participants agreed to the interview based on trust. I have thus ensured that the identities of the participants and newspapers have been protected throughout the study process. The three newspapers have instead been assigned codes as follows; ‘A’ refers to the first newspaper, ‘B’ refers to the second and ‘C’, the third newspaper. The participants interviewed have also been assigned codes according to the newspapers they represent. For instance, A1 is a participant from newspaper ‘A’ and could either be an editor or a top-level executive. It is also important to note, is that the participants have not been identified either as ‘editor’ or ‘top-level’ executive to protect their identity. Equally, where direct quotes have been used, the codes have been used to
assign identity to the quotes—of course without classifying if the quote came from an editor or a top-level executive.

The other issue is that of reimbursement. None of the participants received any form of reimbursement because the engagement was voluntary. Finally, on logistics of time, availability and venue of the interview, the interviews were conducted at the convenience of the participants within working hours. The interviews, all conducted in English, ranged from between 33 minutes to 1 hour 27 minutes and were recorded. Only two participants were uncomfortable with being recorded.

Interview Guide

The interview guide is an important research document which outlines the major talking points for the interviews. The questions in the interview guide do not follow any specified order as Merriam (2009) noted that there are no rules on the sequence of the questions. In this study, the questions, which were guided by the objectives, began with those with general and descriptive nature before the participants were asked to go into details. The interview guide adapted the suggestion by Merriam (2009) and included “fewer broader questions,” which ensured that I spent more time listening to the participants. A copy of the interview guide used to guide the in-depth interviews has been submitted alongside this dissertation as Appendix I. The interviews were recorded using a phone recording application, but I had to first seek permission from the participants to do so. All but two participants agreed to have their interviews recorded. And besides recording the interview, I also took notes during to act as back-up. I later transcribed the interviews for safe storage.

Participant Observations.
Observations are distinct from interviews in two ways. First, they take place within the environment of the phenomenon and secondly yield first-hand data that is richer than the second-hand account of events. Observations often take place in the “field” and this is what is often referred to as “fieldwork” or “field study”. Observational data was used alongside other data to either support or contrast that collected from other sources (such as interviews, document reviews). For this particular data collection procedure, I used my knowledge and understanding of the phenomenon to interpret what was observed, besides reporting the participants’ perspectives gleaned from the interviews. Additionally, observations were instrumental in providing knowledge and background of the study context, which provided useful reference points in interviews and data analysis.

Di Domenico and Phillips, (2010) argue that observation is a key data collection strategy that involves the researcher observing and interacting with the participants while also establishing ties with the participants to gain an intimate understanding of the phenomenon under study. Within the context of the present study, observations allowed the researcher to get as close as possible to the participants and the phenomenon and “to live and breathe the everyday realities of the social worlds,” (Di Domenico & Phillips, 2010, p. 653). A copy of the observation checklist that was used during this research has been submitted as ‘Appendix 3’.

For this study, I spent considerable time in the newsrooms of the three daily newspapers for several hours a week over a period of one month. Based on the recommendations of Merriam (2009), I observed the participants, their activities and interactions among other elements. I observed the interactions between the different
departments within the individual newspapers and I captured the synergies between these departments and how they worked together to realise the strategic goals of the five newspapers. More specifically, I observed how the commercial, finance and editorial departments of the three newspapers coordinated in terms of determining the content, advertising and strategy. As part of the observations, I attended a few staff meetings in which strategy was discussed, and also departmental meetings where the department heads would break down the company strategy for the staff members. These meetings allowed me to capture the nuances of each newspaper all of which were useful in data generation.

Document Review

According to Merriam (2009), a “document” refers to a collection of written, digital and physical material that are useful and relevant to the qualitative study. Equally, Merriam (2009) argued that document review is a ‘ready-made’ data source in a qualitative inquiry.

The rationale for including document review as a data generation technique was to allow for methodological triangulation and to ensure corroboration of findings that emanated from the semi-structured interviews and participant observations (Yin 2003; Patton, 1987; Denzin, 1978). Equally, Yin (2011), argued that case study researchers must have multiple sources of data, including reviewing documents such as financial records and relevant newspaper articles.

For this inquiry, the main documents reviewed were; annual reports, newsletters, presentations, newspaper articles, webpages and books on the history of the organisations. Annual reports provide deep insights into a newspaper company’s strategic
directions and priorities (Cawley, 2019). This study reviewed annual reports from two of the three newspapers sampled in this study because they are owned by parent companies that are public limited corporations, which are legally mandated to publish core financial results and provide reasons affecting the organisations financial performance in the fiscal year in question.

In total, tens of documents were pored over while 43 documents were reviewed. The documents included 20 annual reports, various newspaper articles, investor briefings and webpages from various relevant websites. In this study, document review played several key roles; first, as a source of background information, context and historical insights into the three newspapers surveyed. Second, teasing out additional questions that were originally not in the interview guide, but proved important during the data collection process. Third, to provide supplementary data required for this research. Data, especially on media companies’ ownership and their brands was important in providing a backdrop to understand the firms. Fourth—and perhaps most important and relevant to this study—to track the changes in these individual newspapers and provided a clear understanding of how these newspapers have performed in the last ten years.

Document review had the advantage of efficiency as it was less time consuming compared to other methods such as in-depth interviews. The other advantage was that most documents were readily in the public domain, making their accessibility easy. It was also a cost-effective data generation technique. More importantly, the biggest advantage was that it is an ‘unobtrusive and non-reactive’ data generation method, meaning that the documents remained unaffected during the research process. Documents are essentially ‘social facts’ that remain as is, in spite of who reviewed them, unlike participant
observations, which may influence the turn events if the participants are aware that they are being observed. Document review also provided wide coverage, especially because they covered long periods of time dating back a decade, thus providing this research with a panoramic view of the context. The lack of sufficient data due to the fact that these documents were produced for other purposes except for research proved to be a limitation to this data generation method. However, this limitation was overcome by ensuring that a broad range of documentation by various authors was included in order to glean as much information as possible. A copy of the document review guide that was utilised to generate data for this study has been submitted as ‘Appendix 2’. Below is a breakdown of the type of document reviewed and the type of data reviewed.

*Table 2.1: A breakdown of the types of documents reviews and data collected*

<table>
<thead>
<tr>
<th>Type of the document reviewed</th>
<th>Author</th>
<th>Date Produced</th>
<th>Type of data generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper ‘A’ Annual Reports and Financial Statements</td>
<td>Corporate Affairs Department</td>
<td>2009-2018 (annually)</td>
<td>Tracking the changes in revenues</td>
</tr>
<tr>
<td>Newspaper articles</td>
<td>Reporters and journalists</td>
<td>2017-2019</td>
<td>The newspaper’s earnings and new investments</td>
</tr>
<tr>
<td>Investor briefings</td>
<td>Corporate Affairs Department</td>
<td>2017-2019</td>
<td>Updates to investors</td>
</tr>
<tr>
<td>Webpages (corporate website)</td>
<td>Specific newspaper</td>
<td>2015-2019</td>
<td>Historical insights into firm’s history.</td>
</tr>
</tbody>
</table>

| Newspaper ‘B’ Annual reports | Corporate Affairs Department | 2009-2018 | How newspaper ‘B’ fared over the last decade |
| Newsletters | Corporate Affairs | 2017, 2018, | How the newspaper relaunched, insights into |
Trustworthiness

To guarantee the quality and trustworthiness of this study, several strategies were employed; a prolonged engagement in the field, triangulation of data sources and negative case analysis. Researchers are advised to spend considerable time in the field to earn the trust of the participants and to avoid misinformation or distortion of facts. A prolonged period in the field also allows the researcher to gain a deeper understanding of the phenomenon under scrutiny and to be deeply embedded in the participants’ culture with the aim of understanding the context of their observations and findings (Creswell, 2013; Anney, 2014. Pandey & Patnaik, 2014). Following the approval of this study, I spent four months in the field, conducting in-depth interviews with senior executives and editors from three Kenyan newspapers. I also spent considerable time reviewing documents about these three newspapers from in the last ten years, to acquaint myself with their growth trajectories and recent challenges. For the participant observations, I spent time at the three respective newsrooms with the editors and journalists to gain deeper insights on their culture, mannerisms and their activities.

Newspaper articles

<table>
<thead>
<tr>
<th>Newspaper articles</th>
<th>Department</th>
<th>2019</th>
<th>its history</th>
</tr>
</thead>
<tbody>
<tr>
<td>capital.co.ke (Capital FM, Local News Blog)</td>
<td>Reporters and journalists</td>
<td>2015-2019</td>
<td>New products launched</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Announcements of new partnerships</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Announcements of relaunch and redesign</td>
</tr>
</tbody>
</table>

Trustworthiness

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The second strategy applied to guarantee the credibility of this study was methodological triangulation. Methodological triangulation is ‘the combination of methodologies in the study of the same phenomenon’ (Denzin, 1970). Bryman (2012) argued that the triangulation approach uses “multiple observers, theoretical perspectives, sources of data and methodologies” (p. 392). Triangulation is especially important in the case study method to guard against bias, and to provide corroborating evidence (Creswell, 2013; Stake, 1995), methodological triangulation was used. Data from in-depth interviews were combined with document reviews and participant observations in an effort to seek the validation of findings and corroborate evidence across the three methodologies. Additionally, a third strategy, negative case analysis was employed to guarantee trustworthiness. Data and views that were not in pattern with the codes and themes identified in the data analysis process or what was classified as ‘conflicting opinions’ was reported in order to provide a realistic evaluation of the digital disruption in Kenyan newspaper industry (Creswell, 2013; Miles and Huberman, 1994).

On the other hand, various measures were observed to ensure the transferability of this study. Transferability, according to Anney, 2014, is “the degree to which the results of qualitative research can be transferred to other contexts with other respondents” (p. 277). To guarantee the transferability, thick descriptions have been used to provide the audience with the intricate details of the participants and setting under investigation with the aim of transferring information to another setting. This study has provided “abundant, interconnecting details” (Stake, 2010, p. 49) in a bid to provide the reader with a clear picture of Kenya’s newspaper industry and their response to the digital disruption. Thick description has been reinforced by direct quotes and strong action verbs. Anney (2014)
argued that thick descriptions help future researchers to replicate the study under similar settings and conditions, while Guba and Lincoln (1994) note that thick descriptions provide a “database” in which readers use to pass judgment on the transferability of the study to other settings.

3.6 Data Analysis Plan

A constructivist approach to data analysis applies rigor in analysing results to the extent of transcending the sentiments of the participants (Barbour, 2008). In total, 23 participants, who included top-level executives and senior editors from the selected three newspapers, took part in this study. The semi-structured in-depth interviews were regarded as the primary data collection method. This is because of the delicate nature of this topic as it involves the strategies executed in the face of an existential crisis. The importance of this matter was evident from the in-depth interviews with senior journalists who in their own words said they had ‘never seen anything like this before’ (C1, Editor, Newspaper ‘C’). The digital disruption has not only resulted in a financial crisis in the media, but has also disrupted the journalism. It was, therefore, critical that the participants were heard and their voices come out strongly in this dissertation; and this why the in-depth interviews were selected as the main source of data. Below is the step by step process of data analysis.

Data Organisation

The first step of the analysis process was to organise the data, which included transcribed scripts from the in-depth interviews, case study field notes, notes from document review, observations notes as well important documents such as financial reports and research papers. Among the case study notes was the reflexive journal
maintained throughout the research process in which personal observations and reflections on the present study were recorded. The recordings from the interviews also formed part of the database. All data and information pertaining to this study is securely stored in a Google Drive which only I have access to, thereby guaranteeing the security and privacy of the data collected.

To kick-start the data analysis process, all transcribed scripts, documents and field notes were organised and stored into appropriate folders in NVIVO 12 database. This was followed by a preliminary read-through of the voluminous data, a process that involved complete immersion in the data and reading every interview script. The initial read-through allowed me to note down initial thoughts and memos to keep a record of the key concepts and codes that came up during the first interaction with the text. This process is recommended by Creswell (2013), who suggests that researchers should conduct this process while disregarding the predetermined research objectives and questions with the intention to “see” the concepts from the interviewees’ standpoint. This process was critical to my reflections on the larger themes that emerged during the first reading, thus forming the initial categories and setting the stage for the next step.

Data Reduction

This step of the data analysis process involves “describing, classifying and interpreting the data” through a process of “forming codes or categories” (Creswell, 2013, p. 184). The process of coding is at the heart of qualitative data analysis, which involves “aggregating the text or visual data into small categories of information,” (Creswell, 2013, p. 184). Data reductions played a critical role especially when it came to answering the second objective: to investigate the strategic responses of Kenyan
newspapers to the digital disruption. After sifting through the data, 28 tentative codes were identified based on the data collected from in-depth interviews, participant observations and document analysis.

The code names emerged from two sources; both in vivo and a priori codes were used. The in vivo codes emerged from the exact words used by the participants—words such as “protecting the old business” (Kelle, 1997). However, Barbour (2014) warns researchers against taking these in vivo codes at face value without interrogating them, which is why a priori codes were also used. A priori codes emerged from the concepts learned of at the onset of this study—at the literature review level. During this process, the study sought codes that either represented the information that was expected from the onset of the study, information that was considered ‘surprising’ -- which was not expected to emerge and also information that was conceptually unusual. Following an iterative coding process, four key themes emerged from the 28 categories. Themes, according to Creswell (2013), are ‘broad units of information that consist of several codes aggregated to form a common idea’. Still within this process, the study made sense of the data and teased out the key ‘lessons learned as prescribed by Lincoln and Guba (1985) in what is known as data interpretation.

Data Presentation

This is the final phase of the data analysis process according to Creswell (2013). This process involved packaging the findings into text, figure and tabular form to create visual representation of the data. This stage involved critical thinking to present a detailed picture of what the study found. The constructivist research paradigm appreciates the interpretivist nature of data analysis and interpretation. This approach argues that the
meaning of the findings is created from the personal interpretation of the participants. Further, this study leveraged on the concept of reflexivity, which allows the researcher to acknowledge their own biases, values and experiences which they bring to a qualitative research.

Reflexivity allowed me to be conscious of how personal biases shape the interpretation of the findings thus assisting the researcher to ‘position’ themselves in the final report writing (Creswell, 2014; Hosburg, 2003). To facilitate reflexivity, a personal, reflexive journal was kept in which personal thoughts, reflections and observations were recorded, while actively appreciating personal biases and values. During the data presentation stage, thick description has been used to provide a description of the findings presenting the key themes, subthemes, emerging themes and interpretations for the reader to get a grasp of the study. The study provides “abundant, interconnecting details” (Stake, 2010, p. 49) in a bid to provide the audience with accurate descriptions of the activities of the participants. Thick descriptions have also been accompanied by direct quotes from the participants to capture the voices of the participants in their exact words. Richardson’s (1990) suggestion of using short quotations, embedded quotations and long quotations has been observed in order to provide a deeper insight into the themes arising from the study.

3.7 Ethical considerations

Creswell (2014) argued that it is important for qualitative researchers to anticipate various ethical concerns that may crop up in the course of conducting the research. This awareness of ethical issues is critical for researchers to know how to deal with ethical concerns, and more importantly, to act as a guide for the code of conduct of researcher
during data collecting. Ethical issues cut across the entire research process; prior to and start of the study and during collection, analysis and interpretation of the data.

Prior to the research, I sought approval to conduct research at the Daystar University Centre for Research, Publications, Consultancy and Postgraduate Bureau. Additionally, any form of research conducted in Kenya must seek the approval of the Ministry of Education through the National Council for Science and Technology and Innovation (Nacosti). I, therefore, sought a research permit from Nacosti prior to conducting my research.

At the start of the study, the principle of informed consent as noted by Hopf (2004) was observed. This ensured that participants voluntarily participate in the research with the full knowledge of the intention of the data collected from them. This also ensured that participants are not tricked or deceived into divulging sensitive information. During the data collection process, Creswell (2014) urges researchers to “avoid leading questions” that is, those questions that seem to “fix” the participants, leaving them feeling cornered or pressured to answer a question in a certain way. With regards to this, participants were viewed as co-creators or collaborators in the data collection process.

At the reporting stage, the identities of the participants have been protected to guarantee their privacy. Instead of their names, each participant has been assigned a unique code ranging from A1 to represent a participant from Newspaper A to C8 to represent a different participant from Newspaper ‘C’. Finally, all raw data, including the recorded interviews, field notes and journals have been safely stored.
3.8 Summary

In this chapter, I set out to outline how this research was conducted and to position the study within the interpretivist paradigm and provided details on the philosophical underpinnings of the methodology utilised. This chapter also explained how the multiple case study method was used to understand the strategies of three daily newspapers in the country. The chapter also detailed how data were collected using data collection methods such as in-depth interviews, participant observations and document reviews. Finally, this chapter highlighted some of the ethical issues that were considered in the course of this study.

CHAPTER FOUR
DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The purpose of this study is to understand the economic effects of digital disruption in Kenya’s newspaper industry. This study identifies and catalogues the strategic responses of Kenyan newspapers in response to the digital disruption and understand the influences behind these strategies. This chapter discusses the main findings of this study based on the following research questions:

1. What are the effects of digital disruptions on Kenyan daily newspapers?
2. What strategic responses have been put in place to mitigate digital disruptions in Kenyan daily newspapers?

3. What influences the strategic responses to digital disruptions in Kenyan daily newspapers?

4.2 Analysis and Interpretation

RQ1: What are the effects of digital disruptions on Kenyan daily newspapers?

The findings of this study established that the mobile phone and Internet technologies (Google and Facebook) have affected Kenyan newspapers in two broad, but fundamental areas: 1) journalism practice and 2) circulation and revenue.

Journalism Practice

Based on 23 in-depth interviews with editors and senior executives, document review and observations, this study found that digital technologies have influenced the journalism practice in Kenya. In this dissertation, I understand journalism practice to be the process of gathering, writing and processing stories for consumption by the public. This study found that the digital disruption has affected journalism practice in three main ways:

1) news gathering and dissemination process,
2) quality and nature of content and,
3) newsroom organisation and structure.

In the next paragraphs, I set out to describe how journalism practice in each newspaper has been uniquely affected across the three areas.

News Gathering and Dissemination Process
In the case of Newspaper ‘A’, editors said the biggest impact of digital technologies is that “the pace of journalism is much, much faster” (A4, Editor, Newspaper A). While before the speed of journalism was dictated by the various platforms, today the speed of journalism is dependent on the audience needs. For instance, television the deadlines were governed by the time the bulletins are scheduled to run while for print it when the newspaper hits the streets. According to editors interviewed from Newspaper ‘A’, they no longer have the ‘luxury of time’ (A2, Editor, Newspaper A) as they did before the digital disruption.

…okay, not quite luxury, but a bit of time to prepare their stories, to work on their stories, and even the production process had the same privilege of time, they could take the time to do it right. Online, when your story breaks, it needs to be told now, because the audience is asking for it now, “(A2, Editor, Newspaper ‘A’).

Prior to the digital technologies, journalists had control over the access to news and information and audiences had to rely on the media for the news. For instance, important events such as the release of national examination results-- the Kenya Certificate of Primary Education (KCPE) and Kenya Certificate of Secondary Education (KCSE)--newspapers were traditionally the main source of detailed news and analysis of the performance. And everyone who was keen to know how candidates had performed, had to secure a copy of any of the three Newspapers; ‘A’, ‘B’ or ‘C’. A senior executive from Newspaper ‘A’ recalls that the newspaper would sell “close to over 300,000 copies” (A3, Senior Executive, Newspaper A), and would invariably have high print orders and sales on this special occasion and others.

“…it [newspaper A] was the major source of getting your information on how schools have performed. And that particular time, the Internet was not so accessible. It was in a few hands, and mainly on desktops, not on mobile. It was your source if you wanted to know how schools had performed…how your school
has performed. That was the main source if you wanted to compare information on how schools have performed nationally. Today, if you want to get your results, all you do is send an SMS, you no longer need to go to the schools, or buy a newspaper, it's pretty easy. Although we still have a spike on circulation sales or copy sales when the exams are announced, because the sources of information now are so vast because of the internet and mobile, our sales are not as high as they were during that period. (A3, Senior Executive, Newspaper ‘A’).

Today, the increasing reliance on social media and other platforms has democratised the access to information, giving readers a wider range of news sources. Editors from Newspaper ‘A’ severally referred to a certain incident in early 2011 in which the citizens broke the news of a particular terrorist bomb attack that occurred in a building very close to one of the newspapers’ offices. The scene of the attack was ‘visible from right within the newsroom’ (A4, Editor, Newspaper A) and journalists did not need to leave their desks to confirm that an attack had occurred. One probably would have needed to stand at their work station and confirm the attack. However, the citizens beat the newspapers to breaking the story, much to the surprise of the Newspaper ‘A’ editors.

That story was broken by somebody who was just a random guy on Facebook. The only difference that [newspaper A] brought was the fact that the we have a much bigger trust and, therefore, a much bigger audience. […] and there are millions such fellows out here, you can never compete with them. In a context of millions of those guys, breaking stories, little stories here and there, […] where does that leave you as a publisher? The issue then becomes how do we distinguish? And the thinking is we need to stop competing with social media for spot news. We need to go back and do more reflective, more investigative, more enterprising journalism, […] do it in ways that respond to the situation the audience finds itself in. Because today, the audience have options […] there’s a deficiency in attention. There are many things fighting for their attention […] (A7, Editor, Newspaper A).

Editors from Newspaper ‘C’ had similar thoughts with editors of Newspaper ‘A’ on the impact of digital technologies on Newspaper ‘C’. They agreed that the pace of journalism is quicker, although they view it from a content generation and research perspective. Editors from Newspaper ‘C’ note that digital technologies have made news
gathering, and especially research, much easier and faster. This ideally should make journalism better informed as the journalists today have access to broader background information, making today’s journalism much more accurate than it was 30 years ago. With the touch of a button, journalists can access a lot of background information in the form of previous articles written on the same topic, social media pages of news sources and news makers, online libraries, digital archives and encyclopaedias that provide additional information to enrich their stories. According to Editor C6, Newspaper C), the interconnectedness of the world has changed journalism practice for good.

Journalism today is different in more significant ways than a lot of people involved in it even appreciate. One, it is faster, in terms of content generation and research. (C6, Editor, Newspaper ‘C’)

Secondly, editors from newspaper ‘C’ noted that today, information moves much faster to the audiences—echoing the sentiments of Newspaper ‘A’—which then means that digital technologies have “changed the definition of news and redefined audience appeal” (C3, Editor, Newspaper C). What would have qualified as ‘news’ before the digital technologies is no longer considered news, because audiences today are in a position to know events as they happen. Additionally, the traditional practice of journalists waiting to return from the field to file a story has also changed. Today, journalists are able to file stories live from a press conference using the affordances of digital technologies, which, according to editors from Newspaper ‘C’ is one of the greatest gamechangers in modern journalism.

What has changed, [with] news gathering, it is possible now to collect your information at source and file it directly to editors, we had to finish a press conference, get into a bus, get into the office, sit down, sort out your notes, do a draft of the story, write your first draft, look at your paragraph, say “this is rubbish”, tear it away, put in new paper as so on. You would write a story and if two paragraphs did not work, you would write your story again on the type writer
[...] Manually, the process of writing a story was very cumbersome. It has changed. There is nothing as delightful as cut and paste on the screen, moving paragraphs around and checking up your facts on the Internet. (C4, Editor, Newspaper ‘C’)

The most significant change occasioned by the digital technologies, according to editors from Newspaper ‘B’, is the process of editing. While there seemed to be a lot of focus on the actual news gathering process, a few editors from Newspaper ‘A’ and ‘C’ touched on the editing process. However, according to Newspaper ‘B’ editors, other than the news gathering, the editing process has also undergone ‘one of the most fascinating changes’ in the practice of journalism in the digital era (B4, Editor, Newspaper B).

According to B1 (Editor, Newspaper B), editing a story before the digital technologies was not only tiresome, it was a laborious task that took up a lot of man hours. As editors from newspaper ‘B’ pointed out, the mechanics of sub-editing then, was not just about a mastery of language, but also translating a lot of things manually.

A single story had a lot of instructions which had to be followed to the letter. Unlike today where one can cut and paste to move paragraphs around, insert new words and sentences or delete paragraphs and rewrite them afresh, editing a newspaper 30 years ago was a ‘labour of love’ (B8, Editor, Newspaper B) that left little room for mistakes and guesswork. Like any other craft, the art of editing and sub-editing before the age of digital technologies was earned through many laborious hours of practice and developing keenness for the right headline.

We used to sit around that desk the whole lot of us—nine or ten people—you get this copy from the reporter the Chief Sub has already visualised the page and had drawn it manually so he gave you the story plus a sheet on top which indicated the length of the headline. Now what do I mean by length? The length of the headline depended on the point size, how big it is and the typeface. We knew all the typefaces. I could tell you, clarendon black, it is 36 points across all characters, it would take this number of characters. We used to calculate the number of
characters, how many letters will go into that amount of space. In other words, all the words you want to use, must not exceed 12 letters. You knew every deck would take 12 characters, clarendon black, 12 points and you had to take this information in your head. So, when the Chief Sub gives you a story you would look at it and say, "oh, 48 points, that is 7 characters per deck, so now you start thinking of the headline itself and start playing with the words. Once you have written your headline, there is somebody else who would cross check and change two words and the whole thing fits. And those were the days […] (B1, Editor, Newspaper B)

While digital technologies allow journalists to file copy from the field, editors from Newspaper ‘C’ also noted that with digital technologies, the editing process has also been made simpler by allowing editors to work remotely and manage teams across countries—a task that seemed nearly impossible before the age of digital technologies. It has also allowed for editors to work on the same article from various locations and co-ordinate with each other on the headlines and content without leaving their offices.

One of the most fascinating things is that I can edit from home. I can actually edit in three different locations editing the same document and talking. When I launched [Newspaper X] I had an office in Tanzania and Uganda. There was no Internet, the stories used to come through a fax machine, you take the typed copy, put it in a machine and it comes out through the other side. The stories come first by fax, the news editor gets them, ticks against the docket to see if it the story that you actually asked for. Transmission of story by fax machines was very cumbersome and slow. (B8, Editor, Newspaper B).

Quality and Nature of Content

In the rush to be the first with breaking news and the ‘luxury of time’ in the news gathering process has significantly reduced with editors from Newspapers ‘A’, ‘B’ and ‘C’ noting that quality and nature of content has changed with the new digital dispensation. On quality of journalism, editors from Newspaper ‘A’ said sometimes the urgency to break news has caused journalists and editors to overlook some critical steps
in safeguarding the content quality. While there is a chain of command that must be observed before breaking news or publishing a time-bound story, there have been cases of newspapers publishing false news, unconfirmed reports and misreporting stories, all in the race to be first with the story.

It [digital technology] has had implications of the quality of journalism, because we don’t have time that you had before to do it, to get your facts right, to reflect on what the implications are in regards checking and being able to bring in some interpretive dimensions to your story. Then people tend to rush. Sometimes, they rush and go out with false news or unconfirmed aspects, or end up misquoting people or just taking things out of context, all in the rush to try and get that story out. That quality aspect then suffers. (A2, Editor, Newspaper ‘A’).

Similar sentiments were echoed by editors from newspaper C, who admitted that while the capabilities of digital technologies have enabled journalists to improve the speed and quality of their research, they have not necessarily trickled down to the quality of news.

Everyone is in a race to beat the other with the big scoop; who is first? In the process, I think, quality has been suffering. (C5, Senior Executive, Newspaper B)

Technically, the digital technologies capability is revolutionary. It has made things much faster and more efficient and should make for better quality. And I say ‘should’ advisedly, because it hasn’t made for better quality. (C1, Editor, Newspaper ‘B’)

Still on quality of content, I encountered some very strong views from Newspaper ‘B’ editors, who spoke not only about the newspaper’s rush to be first with breaking news, but also the rush to set up websites without clear content strategies. They noted that digital technologies have catalysed a rush by Kenyan newspapers to launch websites and drive the highest traffic to websites; which is akin to an “arms race” for the highest number of clicks, page views and website traffic. The thinking behind this craze was
pegged on the assumption that high-traffic websites automatically translates to higher earnings from online advertisements.

However, this push to gain traffic at all costs impacted the quality of content and journalism. The upshot is that newspapers such as newspaper ‘B’ embarked on a strategy to attract audience by any means necessary. Rather than focusing on high quality content that touched on topics such climate change, governance, the fight for justice and other matters of public interest, editors at Newspaper ‘B’ admit that they paid more attention to low quality content such as celebrity gossip, which attracted more users at the expense of high-quality journalism. This unintended consequence of the digital technologies –the rush to make money from online advertisement—therefore, nearly ‘hobbled out journalism’ (B1, Editor, Newspaper B) and current editors from Newspaper ‘B’ are still trying to undo the mess of this craze for the highest traffic.

And that kind of thinking then misled media houses to pursue traffic at all costs. What did that do? It did very bad damage on the credibility of journalism, because the things that attract traffic are not things that deal with the huge obligation on the shoulders of journalism, the huge obligation of accountability, the huge obligations of fighting for justice, pursuing the public interest, public good, telling truth to power. Those are not the most popular things. So, people went for all the manner of things just to drive traffic. And that really has sucked out a lot of energy from journalism. I mean like if you want to know how badly things can go wrong, you come to [Newspaper ‘B’]. I mean, they almost hobbled out journalism because of this misreading digital disruption and then responding wrongly. (B1, Editor, Newspaper ‘B’, emphasis mine).

Editors at Newspaper ‘B’ admit that while publishing low quality content on most of their websites drove traffic to their sites and earned them a spot-on Kenya’s most visited websites, it did not help them in fulfilling their journalistic roles. Worse still, the newspaper not only failed in its journalistic obligation, but the top spot of the website with highest traffic did not earn them much advertising revenue either. Another
surprising fact the editors noted was that Newspaper ‘A’ and other media companies that did not have as much traffic to their websites, ‘made almost twice the digital revenue that Newspaper B] made’ (B2, Editor, Newspaper ‘B’).

As mentioned earlier, digital technologies have redefined news, such that what might have been considered newsworthy to be printed in the next day’s newspaper is no longer news or is considered ‘stale news’ as audiences might have already learned about it on social media. However, it is not just the definition of news that has changed in the digital dispensation, more importantly the nature of news has significantly changed. Storytelling has significantly changed in Newspaper ‘A’ according to editors who noted that digital technologies now compel them to be more innovative in their storytelling. This has meant that a single story can be told in different formats, depending on the audience and platform it is published on, to ensure that audiences consume the content in the way they are most comfortable with.

First, is the whole question of how do you tell the story. It’s almost a format question, can the old formats fit in the new platforms? There’s a lot of tinkering in those formats just to find an interesting one that delivers the story quickly without sacrificing depth, because substance still ultimately matters. (A2, Editor, Newspaper A)

The approach now is to have a long story for those who are able to read it and break it down either with a photo, video or something else so that you can get the gist of the story within a few seconds. It is a mix up of all those things and it has taken us many years and a lot of experimentations to develop the confidence that we can take our big stories and put them on shorthand and other innovative software and break them down that way. (A4, Editor, Newspaper A)

According to editors from Newspaper ‘A’, one of the greatest advantages of digital technologies is the capacity to harvest enough data to know their audiences better. Data has become a central aspect in the newsroom operations of Newspaper ‘A’
particularly in determining the nature of the content to be invested in, pursued and published. Data has allowed Newspaper ‘A’ to understand their audiences more intimately, such as their content preferences, interests and consumption habits. From these insights, newspaper ‘A’ has been able to identify the niches emerging based on audience content preferences—and pursued these niches aggressively. Additionally, digital technologies and data have allowed them to know which audiences they attract more, at what time of the day, and what content they consume. This is according to A7 (Editor, Newspaper ‘A’).

One thing online does that you’re able to target a lot better, and you’re able to then recognise niches, and where the niches become important, we respond to them. Because our taste buds are never the same when it comes to content [...] it’s very, very key to know what is it that the audiences are doing, what is it that they’re responding to. The reason for that is that digital is never static, it is always in a constant state of flux, things are always changing. You want to make sure you’re monitoring and tracking those changes. (A2, Editor, Newspaper ‘A’).

Although Newspaper ‘A’ is currently engaging in these efforts to target their readers, these efforts do not seem to be changing the tide for the newspaper, which, by its own admission, is yet to turn any profits from the digital business.

In the case of Newspaper ‘B’, the nature of the content has changed from incremental spot news to more analytic, in-depth stories or “Day-Two journalism” which go beyond the day’s headline. While the stories published hourly on the website are brief updates of the day’s news, those published in next day’s newspaper tends to have more details.

What we do in the newspaper we have more analysed content than is there for the breaking news. So, for online what we sell is the breaking news and not the analysis. And the people who want to know what happened. For you to understand the inner details you have to read the newspaper because it has more, it could have interviews that were not published online, etc. (B8- Editor, Newspaper ‘B’).
Equally, the newspaper’s digital publishing division is very critical about the different forms of storytelling to capture their increasingly younger audiences. One editor from Newspaper ‘B’ carefully notes that ‘nothing goes to waste’ (B2, Editor, Newspaper B) meaning that unlike the prior print days where some stories would be tossed or ‘spiked’ because they lacked prominence —considering the limited space on the print newspaper—with digital, nearly every story assigned has a chance to be published because the platforms are not impeded by space limitations. According to B4 (Editor, Newspaper ‘B’), the digital platforms are ‘bottomless’.

Because print is limited to pages it has worked for digital because now we help journalists repack a package of what is local stories into human interest stories, with pictures to enhance storytelling […] Journalists ought to do long stories because there’s space to publish, it’s bottomless. They also need to give background and put it in context especially for digital papers; don’t assume the audience knows because you’re writing for a much larger audience. (B4, Editor, Newspaper ‘B’)

For newspaper ‘C’, the shift in nature of the content has meant they capitalise on their legacy and success in entertainment news and celebrity gossip culminated over the decade and ‘transfer’ the same success to their digital platform. This success stemmed from previously popular youth-targeted entertainment pull-outs, which Newspaper ‘C’ has capitalised on by reworking and repurposing the content for their digital platforms, with considerable success. There was a ‘deliberate effort to get away from the serious content’ (C2, Senior Executive, Newspaper ‘C’) and instead cover celebrity lifestyle, events and gossip which have become a central part of the Kenyan society.

Newsroom organisation and structure

The third implication of the digital technologies is that they have re-organised the newsroom structure to accommodate the demands of an ever-changing industry and
increasingly connected audience. Prior to the digital technologies, the structure of the newsroom was designed to fit the needs of a print newspaper, with reporters, editors and production teams aligned to ensure the next day’s newspaper was not only of good quality, but also error-free. With the digital disruption, new jobs have sprung up and the roles go beyond striving towards tomorrow’s newspapers.

At the very basic level, all the newspapers (A, B and C) today have ‘online editors’, ‘online sub-editors’ and ‘online writers/reporters’ whose jobs are to conceptualise and edit content specifically created for the online platforms and audiences. Equally, across the three newspapers, the digital disruption has forced the newsroom to ‘collapse the workflows to meet the now’ (A2, Editor, Newspaper ‘A’) causing a huge implication in the newsroom organisation and structure. For Newspaper ‘A’, this has meant that the newspaper requires more of reporters who were originally only required to file copy for the next day’s newspaper. Newspaper reporters today have been compelled to acquaint themselves with other forms of storytelling—besides text—to meet the demands of the digitally enabled print industry.

We’ve had to challenge them to adapt other forms [of storytelling], for instance, asking everybody to take videos, such that just having one journalistic skill is no longer enough in our newsrooms today. You need to be able to tell your stories in more than one form. (A2, Editor, Newspaper ‘A’)

Newspaper ‘A’ has not only asked its reporters to be proficient in digital storytelling, but has also set up a video unit that specifically uses video to tell stories. According to the editors from Newspaper ‘A’, the need for this video unit is driven by the realisation that the newspaper is clamouring for the audience attention with other equally interesting content on the Internet and social media. Another interesting fact I found with editors from Newspaper ‘A’ is the fact that they are now specifically interested in finding
journalists who are technologically savvy, because they have now come to think that the modern newsroom ‘requires a marriage between two skill sets; journalism and software engineering’ (A4, Editor, Newspaper ‘A’).

Yes, we are bringing in more journalists but the traditional journalists still have a place with their highly developed skills and news sense but on the other hand, the modern newsroom requires a marriage between two skill sets, journalism and software engineering. We look for young people who are comfortable in a digital environment, clever students who have an interest in media and then we train them and encourage them to continue experimenting and being open to new experiences. A capacity to learn and willingness to innovate and take risks, that is what we are looking for in young journalists. (A4, Editor, Newspaper ‘A’)

For newspapers ‘B’ and ‘C’, there were similar sentiments on encouraging journalists to move beyond their comfort zones and adapt to digital storytelling formats. However, editors from newspapers ‘B’ and ‘C’ also pushed for ‘experts as journalists’ as opposed to ‘generalists’ (C1, Editor, Newspaper ‘C’). With the pace of journalism in the digital era significantly faster than before, and audiences demanding news quicker than ever, newsrooms have found it immensely important to have journalists who have deep backgrounds in whatever they are reporting. For instance, has been much more fruitful to have journalists with an economics backgrounds report on business and commerce because it not only saves time spent in reporting, but also provides the much-needed depth. More importantly, ‘experts as journalists’ greatly improve the quality of journalism.

But the real clincher is that we need experts as journalists as opposed to generalists. The push for specialisation then becomes critical, so that we’re not just picking anybody and sending them to a health event, we need to send somebody who actually has a granular understanding of the issues around health policy, health systems, and practice. That way when they come back to do a story, chances that they can quickly turn around a literate story become higher, and even chances that they can lock on to the real nose of that story, the real implication of that event or what that announcement is becomes quicker. That way, you sort of,
one, reduce errors, but, two, tend to get it right sooner rather than having to go through several alterations before you get it right. (B4, Editor, Newspaper ‘B’).

Circulation and Revenues

The second profound way in which digital technologies have disrupted the newspaper industry is in the circulation and revenues. Senior executives from Newspaper ‘A’ noted that prior to the digital disruption, the newspaper ‘A’ made more revenue from the sales and distribution of the newspapers than advertising. A senior executive who has worked for newspaper ‘A’ for 20 years confirms at the time, circulation revenue contributed close to 60% of the media organisation’s total revenue compared to advertising at nearly 40%.

The circulation numbers at that time, for the daily was massive. Sunday was our highest-selling newspaper, which it still is today. This is because, although readership is higher on the weekdays there is lot of sharing of the newspaper on weekdays (especially in the office settings and other public areas). But on Sunday, that is when people buy their own copies rather than where they have an office setting and they share the copies. At that stage, circulation was providing close to 60% of the revenue for [newspaper ‘A’]. (A3, Senior Executive, Newspaper ‘A’)

Back then, the only platform for advertising was the newspaper, and especially newspapers ‘A’ and ‘B’ which had high circulation numbers. A senior executive from ‘Newspaper A’ recalls how advertisers were ‘fighting for space in the newspaper’ (A1, Senior Executive) and how the newspapers would be filled with advertising two days in advance due to the high demand of newspaper circulation. What I found interesting was the fact that circulation numbers today have dropped so significantly such that back then, what the Sunday newspaper was doing on a ‘bad day’ is currently the ‘combined national circulation today, including the free sheets’ (A1, Senior Executive, Newspaper ‘A’).

I still remember, in those early days, clients were fighting for space in the newspaper. The Friday newspaper was full by Wednesday. There were always fights between editorial and advertising departments over the ratio of content to
advertising. The commercial team was always fighting for more pages in the newspaper because they had more advertisements than available space. *Clients had no other option.* Newspaper ‘A’ was the newspaper to advertise in, and nothing else. Back then, *what the Sunday Newspaper ‘A’ was doing on a bad day is currently the combined national circulation today, including the free sheets.* Print was never really challenged. Then the markets became liberal with digital, everyone became a journalist and a broadcaster. The same guys who were queuing to get Newspaper ‘A’ space are now queuing at Facebook and other digital platforms. (A1, Senior Executive, Newspaper ‘A’, my emphasis)

New technologies have meant that audiences have moved from purchasing newspapers to reading newspapers online because it is cheaper and more convenient. Audiences are able to save articles to read later, share within their networks and even keep their own digital records of online content without having to rummage through hundreds of newspapers.

We have been affected in terms of our circulation because of the Internet, and more so mobile, and especially now when the costs have come down, basically everyone has access; you can have access to the Internet on mobile. Now, this has also now gone to our advertisers and their behaviour in terms of media and how are they treating what I would call traditional media, which was basically print, TV. (A2, Editor, Newspaper ‘A’)

Data from documents reviewed from Newspaper ‘A’ highlighted that the main challenge faced by the newspaper was that their audiences had shifted from consuming news in the traditional format, opting for multiple digital channels that provide content for ‘free’ acknowledging the need for the newspaper to be relevant to its audiences.

Our key consumers have gone wholeheartedly digital-social-mobile. We need to be relevant in their lives by being the provider of unique, high quality content at their convenience in their way. We will give our consumers highly desirable content that fits into their worlds, wherever, however and whenever they need it. (Document A1 (2018), Newspaper ‘A’).

[Newspaper A’s] traditional print media business was impacted adversely by the continued disruption of the industry following rapid changes in the ways in which the market prefers to consume media, which has shifted from the traditional
platforms to digital alternatives, the value customers are prepared to pay for content in the advent of an avalanche of ‘freely available’ alternative sources facilitated by developments of multiple digital communication channels. (Document A4, (2020), Newspaper ‘A’)

However, it is important to note that there was a section of senior executives from Newspaper ‘A’ who had a slightly different view on the decline in revenues. While they appreciated the impact of digital technologies on the advertising-based business model, there were those who thought that the external economic factors also played a key role in the decline of Newspaper ‘A’\textquotesingle s revenues. These senior executives attributed the decline partly to the economy and government of the day, comparing between regimes and how each faired on economically.

There is a digital disruption, but we are also operating in an economy that is not doing very well. The downward spiral has not been confined to the media, but across various industries. Apart from Safaricom, EABL, BAT, and Tier 1 banks, everyone else is on a downward spiral. In a bad economy, when advertisers must slash their budgets, advertising and marketing budgets are usually the first causalities and that in turn affects the media industry. […] we must not look at the downward spiral in a vacuum. Generally, the Kenyan economy under the Uhuru government is not doing very well compared to Kibaki\textquotesingle s time. […] Back in the day—during Kibaki\textquotesingle s time—small businesses used to advertise with [\textquoteleft]Newspaper ‘A’\textquoteright] and get their investment back, but that does not happen anymore. We are quick to say it is disruption but the economy also has a lot to do with it. Corporates across the country are downsizing, it is not just the media. When our readers have to make a choice between purchasing milk and a newspaper, it is obvious which they will prefer. (A1, Senior Executive, Newspaper ‘A’)

These declining revenues have not only impacted the profits of these three newspapers, but also impeded their innovation efforts, and especially where they need to invest in new products that require a high capital investment. This, according to a senior executive from Newspaper ‘A’ is completely different from the situation six years ago in 2014, when Newspaper ‘A’ would \textquoteleft not have noticed a withdrawal of Ksh 200 million ($2 Million).
We no longer have cash reserves to put cash in projects that will not make money tomorrow. In 2014, we would not have noticed an investment or withdrawal of Ksh200 million. Even if you lost Ksh100 million a year in revenues, the profitability would go down by point one or point two. Today, Ksh50 million is the difference between issuing a profit warning and not issuing one. When you are on a downward trend, there is panic and impatience all over. I can tell you…it will be a very painful in the next 24 months! (A3, Senior Executive, Newspaper ‘A’)

Newspaper ‘A’ editors also noted that their audiences today are younger—compared to the early 2000s before the digital disruption. The generation that perceived the print newspaper as a ‘symbol of prestige’ (A3, Editor, Newspaper ‘A’) is now older and outnumbered by the generation that prefers to read newspapers online.

As people get older, the generation where it was a symbol of prestige to own and carry a newspaper is slowly dying. Nobody carries a newspaper anymore—even the ones that are offered for free. I work for a newspaper and half the time, I do not open the newspaper, unless it is for work purposes. The population that is supposed to buy the newspaper, the young people,—do they even read it? (A1, Senior Executive Newspaper ‘A’)

The young people are clearly not considering newspapers and that is a challenge because in our country, Kenya, this is the largest demographic. So unlike Europe where they have a high population of older people that sticks to newspapers and who can still sustain the industry because they read newspapers for us because the panel is upside down and we are at a loss. (A8, Senior Executive, Newspaper ‘A’)

Documents reviewed from Newspaper ‘A’ also blamed the current decline of the print newspaper industry in the country to a tough business environment and industry-specific challenges in leading advertiser sectors such as the gambling industry.

The group’s performance was adversely impacted by a challenging economic environment which together with industry specific developments in a leading advertising sector precipitated reduction in advertising spend in general. (Document A4, (2020), Newspaper ‘A’)

I encountered similar sentiments among newspaper ‘B’ executives, who pointed out that the most profound impact of the digital technologies was the decline in circulation and advertising revenue, principally because both audiences and advertisers
had more options than Newspaper ‘B’. According to participants from ‘Newspaper ‘B’, digital technologies have provided advertisers with cheaper, more accessible and more impactful avenues for advertising. Digital advertising provides advertisers with access to a whole new world of nuanced and seamless advertising solutions that allow advertisers to target specific audiences with precision and agility not seen before. These platforms have metrics that allow advertisers to measure the success and impact of one advertisement, rendering the one-for-all newspaper advertising strategy redundant if not null.

The disruption, in our case, is what we call the disruption of the business model. Because we are basically a business. First, as I have explained, before we are a media house, we are, first, a business. So, the business model was you do good journalism, you win eyeballs, somebody comes to buy those eyeballs to market their products. That was the traditional business model of the media. […] Now, what has happened is that advertising has then been completely disrupted. Disrupted by the digital revolution. What it has done is that it has split the advertising market into so many small pieces that it is difficult for big media houses now to pursue that and benefit from it. There are two sides to the disruption. One is that you have the technology companies who are taking like 90% of the digital revenue, and then you have the remaining 10% is split into such small pieces that it doesn’t make sense […] (B4, Editor, Newspaper ‘B’)

The clients, now, our advertisers have options. The digital, internet, you can now target a specific audience. If you’re looking for the youth of a certain age, and most of our clients, for example, look for youth between 18 and 24, through the Internet, through digital, you can actually target them specifically. (B1, Editor, Newspaper ‘B’)

Editors from ‘Newspaper C’ seemed to face similar challenges. If an advertiser places an advert online today—say on the Newspaper ‘C’ s website—they are able to track exactly how many people viewed it, compared to a print newspaper advertisement that advertisers assume or hope that their target market saw it. More importantly, is that digital advertising is significantly cheaper than print advertising, as senior executives and editors from Newspaper ‘C’ pointed out. So cheap is digital advertising that the budget
advertisers would normally spend to place full a page in the print newspaper is more than enough to run a one-month campaign on the newspaper’s digital platforms.

The competitor has changed. So that while in print our competitor [locally] is [Newspaper ‘A’], online, the competitor is somebody else, it is Facebook and Google. Globally, they are picking all the ads, they are picking the lion’s share of advertising online. That reality…that’s a different reality that we have to confront and find ways of dealing with. (C6, Editor, Newspaper ‘C’)

Print is perceived to be too expensive. A page right now is between 500,000 to 600,000. Now, somebody looks and says, “With that, I can get a campaign on TV to run for two weeks, with that I can get a campaign on digital to run for two months. By the way, one of the things about digital and digital rate cards and what people are charging in this market, it fluctuates. There’s nothing standard, unlike print where because maybe over a period of time [...]. (A3, Senior Executive, Newspaper ‘A’)

The challenge of digital monetisation has been traced to what the editors call the ‘original sin’ (B1, Editor, Newspaper B), which is the decision to offer news content for free online. This strategy, many editors think, was pegged on a faulty business model—the ‘eyeballs business model’ which was keen on amassing as many pageviews and as much traffic as possible, with the hope of attracting advertisers, but this business model is not viable, given that Facebook and Google provide similar services at a cheaper rate and to a much bigger audience.

The original mistake that we were made was to think that it made business sense to produce content expensively and give it out for free. That is the old thinking, that we will use our content to bring in a lot of eyeballs, and then monetise those eyeballs with the advertisers. That has not happened, because of these two mongrels with us, technology companies, Google, Facebook. Because these people, they own these pipelines, they have very advanced technology. They understand that space, because it belongs to them. And therefore, they are able to capture all the potential advertising revenue that goes into that space. They have amassed it, and they continue to grow even here. So, the media has been left. If you are, for example, pursuing that kind of revenue, you are basically backing the wrong horse. (B1, Editor, Newspaper ‘B’).
Participants from Newspapers ‘A’, ‘B’ and ‘C’ feel helpless when it comes to dealing with the Google and Facebook challenge. These two technology companies have very advanced technologies that leverage on huge data sets to provide advertisers with targeted advertising with precision that print newspapers would never be able to deliver. The approach, therefore, has been for editors to find ways of working together with these technology companies to reach an agreement where they can have more favourable deals for the print newspapers.

![Figure 4.1: The effects of digital disruptions on Kenyan daily newspapers.](image)

**Conclusion to Findings of RQ 1**

The affordances of digital media, such as access to a wide range of information sources, digital libraries and even international news media websites should ideally make Kenyan journalism better. Journalists today more than ever, have access to much more background information than their predecessors and it takes them a significantly shorter time to access and process this information. However, in spite of these resources, we are
seeing incidents of sloppy journalism, whether it is in the form of rushed and poorly told stories or the publication of unverified news. In that regard, Kenyan newspapers ought to fully maximise the capabilities of the digital disruption.

The fact that now journalists are much closer to their sources due to mobile telephony, and social media such as Twitter and Facebook, we have seen the rise of armchair journalism where most local journalists hardly bother to secure face to face interviews or go to the field to seek stories. We have seen stories based on a news sources’ tweets whose reportage is solely based on that one tweet or a ‘thread’ –a series of tweets— or a Facebook post without a critical analysis, background and context. In my view, while the reporting of a news source does not always make for poor quality journalism, the key hallmarks of good journalism—such as making the effort to do some fieldwork—remain unchanged in the face of digital disruption.

The arms race to secure websites with fast growing audience traffic has also significantly watered-down Kenyan journalism. In the rush to attract the eyeballs, some local newspapers have resorted to low quality journalism and reporting commonly known as ‘click-bait journalism’ that seeks to attract audience traffic that has proved unsustainable in the long run. It is however important to note that during the course of in-depth interviews, it was clear that the editors were moving away from this content in a bid to separate themselves from the blogs.

It was laudable to find that Kenyan daily newspapers are leveraging on their digital assets, specifically social media, in their daily journalistic activities. Although there has been a global conversation on whether these social media giants—especially Facebook—should pay for news, Kenyan newspapers are taking this challenge in their
stride and are so far doing fair job of using social media to reach and engage their audiences. They have used Twitter to break news and engage audiences, they have leveraged on Facebook to elicit feedback and even Instagram, Telegram and WhatsApp to get closer to their audiences. The use of video to accompany text in their online engagement with audiences is also commendable. The use of social media seems to be paying off in driving traffic to their individual websites, although the issue of monetizing these audiences still remains a great challenge, as is the case in newspapers in the US and UK.

In my view, on the best things about the digital disruption of Kenya’s newspaper industry is that it has thrust Kenyan newspapers into a new dispensation that leaves little room for mediocre journalism. The fact that audiences are able to give instant feedback either on their websites comments sections or on Twitter, this has led Kenyan journalists to ‘up their game’ and invest heavily in quality content. The onboarding on expert journalists to bring depth and analysis to stories drawing from their training and expertise is also a laudable move by Kenyan newspapers. It goes to show the thinking that has gone into reconceptualising Kenyan journalism in the face of a pervasive digital disruption.

I also observed that Kenyan newspapers are faced with a unique challenge of serving two different generations separated by a digital disruption. On one end of this generational continuum is a younger, hip generation that consists of digital natives and digital migrants; a mix of those born into the digital world and those not born into the digital world but migrated to the digital space. On the other side is the older generation, those who grew up reading these newspapers and formed a habit of purchasing the daily
printed newspaper. Unlike the older generation, this younger generation, mostly consisting of the millennials, will hardly purchase the newspaper but still remain interested in news and current events. The challenge for these newspapers, based on my opinion, is to serve this multigenerational audience; one that has remained loyal throughout the decades and another that is not so keen on loyalty, but keen on the newspaper with the best digital offerings. The challenge therefore is to put in place strategic responses that attend to the needs and demands of both generations, or those that cut across both constituencies.

RQ 2: What strategic responses have been put in place to mitigate digital disruptions in Kenyan daily newspapers?

In-depth interviews with participants from the three newspapers, document reviews and observations yielded total a of 22 strategies. These strategies, include stemming circulation decline, new printing presses, staff lay-offs, reduced spending, free newspaper model, partnerships, 360 degrees advertising model, native advertising (or sponsored content), investigative journalism, ‘Day Two’ journalism, niche content, convergence, multimedia storytelling, digital publishing, data, events, digital agency, new tv and radio stations, paywalls, shifting mindsets, staff re-organisation, recruiting and nurturing new talent.

The 22 strategies were further organised into sub-themes and later into main themes. The main themes are what this study refers to as the ‘Big Four Strategies’. These ‘Big Four Strategies include; protecting the old business, pivot to digital, culture change and alternative sources of revenue.
The following 11 strategies were classified under theme one-- Protecting the old business; stemming circulation decline, new printing presses, staff layoffs, reduced spending, free newspaper model, partnerships, 360 degrees advertising model, native advertising (or sponsored content), investigative journalism, ‘Day Two’ journalism, niche content,

The following four strategies were grouped under theme two--Pivot to digital; convergence, multimedia storytelling, digital publishing, and data.

The following four strategies were grouped under theme three--alternative sources of revenue; events, digital agency, new radio and tv station and paywalls.

The following three strategies were grouped under theme four (Culture change); shifting mindsets, staff re-organisation and recruiting and nurturing new talent.

Table 1 below provides a visual representation of all the ‘Big Four Strategies’ and the sub-themes under each strategy.
Table 2.2: Kenyan Newspapers’ Strategic Responses to Digital Disruption

<table>
<thead>
<tr>
<th>Theme 1: Protecting the Legacy Business</th>
<th>Theme 2: Pivot to digital</th>
<th>Theme 3: Alternative Sources of Revenue</th>
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<td>Innovative Advertising</td>
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<td>360 degrees advertising</td>
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<td>Differentiated content</td>
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<td>Investigative journalism</td>
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<td>“Day Two” journalism</td>
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<td>Niche content</td>
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<td>Expert content</td>
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Strategy 1: Protecting the old business

In spite of a clear decline characterised by a decline in circulation numbers and nosediving revenues as demonstrated in the earlier chapters of this dissertation, data generated during the course of this study shows that the legacy print newspapers continues to be nurtured in the interim with very deliberate efforts to protect the old business model that is currently undermined by the digital disruption. The old business is understood in this dissertation as the print advertising business model. Within this main
theme of protecting the old business, I identified 11 strategies. They include; stemming circulation decline, new printing presses, staff lay-offs, reduced spending, free newspaper model, partnerships, 360 degrees advertising model, investigative journalism, ‘Day Two’ journalism, expert content and lifestyle content. These strategies were then grouped into the following sub-themes; efficiencies, innovative advertising, differentiated content and niche content. In the next few pages, I will discuss the 11 strategies according to the sub-themes in which they have been grouped.

Efficiencies

Based on interviews with participants from newspapers ‘A’, ‘B’ and ‘C’ and from document reviews, organisational efficiencies emerged as a critical response to the digital disruption. Participants from Newspapers ‘A’, ‘B’ and ‘C’ whose participants noted that for business prosperity, efficiency is key. Efficiencies meant executing several strategies that allowed the newspapers to ‘do more with less’ (A5, Senior Executive, Newspaper ‘A’) and to be ‘nimble and agile’ newspapers (A6, Senior Executive, Newspaper ‘A’).

However, participants from Newspapers ‘A’ and ‘B’ noted that due to organisational inefficiencies, the newspapers have failed to achieve the desired market penetration and revenue potential, even in some urban areas where the newspaper is easily accessible. In the case of Newspaper ‘A’, the group commissioned a study which revealed that 22% of Kenyans do not purchase the newspaper simply because they could not access it. Senior executives from Newspaper ‘A’ admitted to serious inefficiencies in newspaper distribution which, in their opinion led to lower circulation figures. There have been issues of newspapers not reaching some major towns where they should
ideally be reaching, and this has been a key concern for many editors and senior executives from Newspapers ‘A’ and ‘B’.

[...] we are experiencing a lot of inefficiencies with distribution. First, is the issue of market penetration. We commissioned a study that showed that 22% of Kenyans do not buy the newspaper simply because they cannot access it. Our distribution models are also very inefficient; the distributors do this as a part-time job, so there isn’t really much dedication on their part. Also, most of our distributors are pretty old folks who have been in the business for 20-30 years. Most are not open to new ideas on how to grow the market. My point is, there is still a lot that we can still do to improve distribution of our newspaper. (A3, Senior Executive, Newspaper ‘A’).

Still in the case of ‘Newspaper ‘A’ one executive noted that the group was focusing too much energy on other products rather than the ‘flagship product’ which in this case is the newspaper ‘A’. Newspaper ‘A’ is owned by a news media organisation which owns several other television and radio stations, which the senior executives opined were stretching the resources too thin and took the focus away from the flagship product. The senior executive likened the group’s running of several newspapers, tv stations and radio stations to ‘running so many companies’ (A5, Senior Executive, Newspaper ‘A’)

Our problem is that there is so much inefficiency. Maybe if you are just running one newspaper, it would be much easier to fix things rather than running so many companies. [Newspaper ‘A’] is a complex animal. The group might as well be ten media groups running at the same time. What we need is a well-oiled, efficient machine. A stand-alone organisation with efficiencies. When you have so many small companies and products to run, it takes away the money and the effort to focus on the flagship product- Newspaper ‘A’ - and our ability to develop it into the NYT. This idea of ‘diversification’ is complete nonsense because we are diversifying into traditional products and platforms that take away our attention from the main product, Newspaper ‘A. (A5, Senior Executive, Newspaper ‘A’, Emphasis mine.)

The issue of inefficient distribution channels also emerged during interviews with participants from Newspaper ‘B’. According to editors interviewed, the digital
technologies which enabled journalists and editors to hasten the pace of journalism should ideally translate to the newspaper reaching the market much faster and earlier, but that is not the case because of organisational inefficiencies.

[…] performance in terms of delivery now and then has not changed, which says something about the efficiency now. [Newspaper ‘B’] still reaches Lungalunga at 9am. There are certain parts that still do not get the newspaper, despite the digital capabilities. You would have expected that with a faster press and a faster pre-press, we should be able to deliver the newspaper by 2am in certain parts of Kenya, but it is still getting there at 8am. I come from […], and whenever I am upcountry, eight o’clock, I still do not get my newspaper on time and yet it used to be there at eight o’clock, the days when we used to manually paste up every page. Despite the fact that the processes of producing newspapers have changed and are infinitely much faster, what strikes me is that delivery to the audiences of the printed product haven’t changed. The newspaper timing, access, market penetration, has not improved much. Many places which did not have a newspaper 25 years ago, still do not have a newspaper. (B1, Editor, Newspaper ‘B’)

In this regard, several sub-strategies were identified in the three newspapers’ efforts to respond to digital disruption. These sub-strategies include; stemming circulation decline, purchase of new printing presses, staff lay-offs, reduced spending and the free newspaper model.

Stemming circulation decline

This strategy was exclusive only in the case of Newspaper ‘A’. Editors and media executives from Newspaper ‘A’ said while the newspaper’s circulation was fast declining, this current strategy is aimed at reducing the “rate of decline” (A3, Senior Executive, Newspaper ‘A’). So far, according to participants from Newspaper ‘A’, the strategy seemed to be working as the rate of decline in 2019 —when the interviews were conducted—was at its lowest since 2014. This is not to mean that Newspaper ‘A’s circulation has started to improve, rather it means that the speed of decline has reduced,
thanks to several efforts such as streamlining distribution channels and estate activations, which will be discussed later.

It [circulation decline] is at its lowest since 2014. So, if we were declining, say, at 7% from 2017 on average, now we are declining at 3%. It is really like trying to stop a car that’s on a decline. You must first hold it until it stops completely, and then you start finding new ways of turning it around. For us, ways of turning it around is finding new readers, and that is about getting that relevant content and actually going out to seek out those readers, like we’re doing in schools. (A3, Senior Executive, Newspaper ‘A’)

Some of the key efforts that Newspaper ‘A’ has been executing, include streamlining the distribution channels to ensure the print newspaper arrives in the market on time and before the competition, or ‘at an arms-length’ (A1, Senior Executive, Newspaper ‘A’) of their readers. Another effort is the estate activations which editorial and commercial staff accompany vendors to deliver newspapers at the doorsteps of their readers, especially on Saturday mornings. The strategy also involves encouraging readers to buy subscriptions for the newspaper’s e-paper.

While these efforts encourage real-time feedback from readers, there has only been a slight improvement in circulation, especially in areas where the newspaper was not typically purchased in high numbers. However, editors and executives from Newspaper ‘A’ admit that these interventions have been barely enough to move the needle so far, and it will need a series of continued and consistent estate activations to see some remarkable improvement in the circulation numbers. The subscriptions gained from these initiatives have been very minimal, although editors remain optimistic that these interventions will pay off in the near future, particularly in the uptake of digital subscriptions. The resolve to protect the print newspaper, however, seems to be a key strategic priority for most executives and editors.
If you look at the short term, my work and my resolve is to ensure that the newspaper stays profitable enough, and to stem the rate of decline of the newspaper. Now, if you look at the work we have been doing over the last two years or probably just under two years, the rate of decline of [Newspaper ‘A’], which is our flagship brand, is now at its lowest since 2014. And that, I can show you data that confirms the same. (A3, Senior Executive, Newspaper ‘A’).

There are several reasons why Newspaper ‘A’ is keen on stemming the circulation decline. First, it is because a significant chunk of Newspaper ‘A’’s revenue still comes from the print newspaper, which executives say contributes nearly 90% of total revenue. Secondly, because the newspaper is still trying to figure out how to monetise their digital platforms and convert their audiences into paying readers. The little revenue earned from their digital platforms is barely enough to cover the decline in revenue from both advertising and copy sales. Likewise, editors from Newspaper ‘A’ say replacing the current advertisement-based newspaper business model is not as ‘easy as it sounds’ (A2, Editor, Newspaper ‘A’).

Legacy media is a marriage made in heaven because, from a financial perspective, it is one of the most astonishing viable businesses ever imagined by humanity. You have revenue from advertising and other hand, you have revenue from the cover price. I don’t think anyone has ever succeeded in building a business model out of digital advertising. The other reason for not throwing traditional media out the window is because the reports of the deaths of segments of media have always been exaggerated. Newspapers have salted very well. Rather than competing with the TV, they complimented television, by looking more vibrant, bigger pictures, more colours and newspapers flourished. The predictions of the death of media have been made all the time and they haven’t come true in the way they had been made.

However, it is important for traditional media to change and to use new technology more effectively to extend storytelling. They will not exist and succeed in their current form. They must evolve and there must be extensions to them. (A2, Senior Executive, Newspaper ‘C’).

Besides the estate activation initiative previously discussed on page 132, perhaps the most significant intervention to improve inefficiencies was Newspaper ‘A’ and ‘B’
move to purchase a new printing presses. The initial plan for the new printing press was to ensure more papers were printed in record time in order to hit the market on time, but more importantly, before the competition. One executive from Newspaper ‘A’ explained how, with the old printing press, they were still struggling to print newspapers at 4:00 am, but with the new press, it is possible to print the entire print run in three hours and finish printing by 11pm, leaving significant travel time to the market.

The printing press, also, we bought a new one. Today, we can print the whole print run in three hours. The thing is empty 21 hours of the day. We’ve got to fill it. The old printing press, at 4:00 am they were still struggling to print the last copies of the Nairobi edition. Today, if editorial guys hit their deadlines, which they are supposed to, they can actually produce by 11:00 pm and these guys can go home. They’ll have produced all the newspapers that are required. Now, this is the trouble with Kenya, every [newspaper] company has its printing press. (A8, Senior Executive, Newspaper ‘A’)

So, in that regard, the printing press improved the newspaper’s efficiency problem by reaching the market in good time- according to some executives from Newspaper ‘A’.

Financial reports from Newspaper ‘A’ reviewed from as far back as 2016 reveal that the printing press not only improved efficiencies for the newspaper, but also provided them with unique advertising formats that excited the advertisers.

There was increased uptake of the unique print advertising formats by various clients, owing to the capabilities of the new printing press. In addition, the quality of our print products greatly improved, delivering a better reader experience. The new press has enabled us to increase our region-specific newspaper editions to six, to ensure that we deliver according to our customers’ priority issues. The speed of the press strengthened our route to market strategy, ensuring on-time delivery of the newspapers around the country, while simultaneously reducing our carbon footprint by the use of renewable energy. (Document A3, (2016), Newspaper ‘A’).

However, not all executives—especially from Newspaper ‘A’ agreed that the purchase of a new printing press was an appropriate strategic response to the digital disruption. Some of them had particularly very strong views against Newspaper ‘A’s
purchase of the printing press, citing it as a poor strategic move that would eventually cost the newspaper much more. In their opinion, it does not make sense for two daily newspapers in the country to purchase printing presses within five years of each other, while they could easily collaborate to use one printing press and improve on efficiencies—besides significantly cutting costs. As noted in A8’s quote on page 135, ‘the trouble with Kenya, is that every [newspaper] company has its printing press.” (A8, Senior Executive, Newspaper ‘A’).

By the way, [Newspaper ‘A’] made a stupid decision by putting up a [very pricy] printing press. How do you invest in a printing press when your copy sales are going down? How do you even pay for it? I mean, who does that? The depreciation itself will kill you. Also, there is this stupid idea of two newspapers having printing presses next to each other. [Newspaper ‘A’]’s printing press is a few kilometres from [Newspaper ‘C’]’s printing press. We could collaborate and cut the costs of printing and for efficiency purposes, agree that [Newspaper ‘A’] keep its printing press in Nairobi, [Newspaper ‘C’] to have one in Mombasa that will be used by all newspapers and [Newspaper ‘B’] have one in Eldoret. Distribution is also a significant cost. So, the main costs are the printing press, materials (newsprint), people (the journalists) and distribution (A1, Senior Executive, Newspaper ‘A’).

To counter the distribution problems, both newspapers ‘A’ and ‘B’ have made some adjustments, such as cutting down on some distribution routes that did not make business sense and instead had the newspapers delivered through third-parties and not the company cars.

If you look at, say, our distribution routes that don’t make sense, for instance, if we used to take a van to Namanga carrying 400 or 500 copies of the newspaper ‘A’, those we’ve completely cut from that route, sold that van, and given it to a third-party who’s probably carrying something else to Namanga. That’s not cost-cutting, that’s ensuring supply chain efficiency. So, efficiencies in all areas of our business, which for me it never stops, it’s continuous. (A3, Senior Executive, Newspaper ‘A’).

Staff Lay-offs
Lay-offs have become commonplace in Kenya’s newspaper industry and appear to be the most common cost cutting strategy, especially in Newspapers ‘A’ and ‘B’. The lay-offs have largely been justified as a response to the declining advertising revenues coupled with a tough business environment in which the newspapers are unable to pay huge salaries like they did five or ten years ago. One of the documents reviewed from ‘Newspaper B’ attributed the lay-offs to a shift in consumer trends resulting in a decline in the company’s advertising revenues. The document equally noted that the lay-offs were part of a larger organisational strategy to increase automation and realign the organisational structure. The circular also pointed out that this was part of a series of cost-cutting measures, which included outsourcing some of the services, thus the need to cut down on the staff members.

This has been necessitated by [...] (a) The need to realign the organisation structure to be better equipped to deal with the emerging business challenges brought about by regulatory changes and a difficult business environment. (b) Shifting trends in media consumption occasioned by technological changes in the digital environment. (c) Efficiencies arising from automation of key internal processes. (d) Outsourcing of non-core services. (Document B2, (2020), Newspaper ‘B’).

From the interviews with participants from Newspapers ‘A’ and ‘B’, the matter of cost cutting proved to be an emotive and divisive issue. While some participants—mostly senior executives from both newspapers’ ‘A’ and ‘B’—justified the staff lay-offs as a painful, yet necessary strategic response, the other group, mostly editors from newspaper ‘A’ and ‘B’ who have lost significant numbers of colleagues in the lay-offs, publicly disagreed with the strategy as a cost-cutting measure, citing that it was robbing newsrooms critical talent and leaving newspapers ‘A’ and ‘B’ with a very lean workforce.
For me, cost cutting is part of business. It is a very straightforward thing I always tell people I make no apologies. If you take out the emotional side that people are losing jobs, which I’m human, I get, if you have 100 journalists producing 90 pages, there is a ratio. I expect you to deliver a certain amount of work. That’s all it is. I take my paper, I say this product must be like this. How many journalists do I need? Let’s say 20 for argument’s sake. So, if you have 50 journalists, 30 journalists need to go. Cost cutting, for me, is about just being efficient. You look at your organization and its structure, what do you want to achieve? What are the resources you need? How are those resources going to be deployed? We’ve got journalists being paid whether their articles are being [published] or not. Then revenues are going down. What are you likely to do? Let them go. Say that I’m going to pay you when you write. Njoki, it’s as straightforward as that. […] Say you’ve got messengers, we still have a switchboard. How many people go through the switchboard these days? You can do the math and calculate; do you need three receptionists or one? And there’s nothing unusual for me. It’s same whether I’m selling sausages, tomatoes, or what. (A8, Senior Executive, Newspaper ‘A’)

In the case of ‘Newspaper ‘B’ layoffs have been justified as a means to achieving business efficiency and also as a measure to weed out redundant talent and replace them with newer talent with skills that match the needs of the newspaper industry in a digital era. Most layoffs in the recent past have targeted senior, very highly paid journalists and senior executives with the justification to make room for ‘fresh talent’.

The senior executives from Newspaper ‘B’ argued that “Efficiencies arising from automation of key internal processes” (Document B2, (2020) have made it possible to collapse some roles leaving some newsrooms with a bloated workforce in some areas (such as sub-editing) and lacking critical talent in other areas such as investigative reporting. Equally the Newspaper ‘B’ justified layoffs especially of journalists who failed to ‘upskill’ themselves as necessary in order to make room for journalists with unique talents and skills such as technology and expert skills like medicine and commerce. Layoffs were also justified as a means to weed out journalists who failed to reach their targets in terms of average number of stories published.

So, if I have reporters who are doing only one or two stories a month, why should I punish a whole system? Why can’t I identify those guys, because after all,
they’re not adding value to the system, and let them out of the system? Because then that allocates the remaining resources to those who work hard. I’m trying to avoid mass layoffs, because I know under reader revenue and where we’re headed, we need the numbers. I might send people home but I’ll still need to hire others. So, why don’t I give it a chance until all the new roles have been filled, then those who are left for one reason or the other, maybe they’ve not upskilled themselves, they’re not ready for the new transformational journey, I will not call it we’re cutting costs, that’s natural redundancy. Your skills don’t match the future of the organisation. That I can’t do anything about. Because they say the herd can only move as fast as the weakest link. If you don’t get rid of the weak link, it endangers the rest of the herd. That I can live with, I can sleep peacefully at night, because I know you were given a chance, it was up to you to be ready for that opportunity, you were not. (B5, Senior Executive, Newspaper ‘B’)

However, majority of the participants –mostly editors from Newspapers ‘A’ and ‘B’– overwhelmingly opposed layoffs, arguing that it is a self-defeating strategy that leaves newsrooms too lean to perform its duties. One editor noted that staff layoffs leaves a newsroom handicapped and it exposes a newspapers incapacity particularly in the coverage of big, breaking stories where there are too few journalists with so much ground to cover. Those against the layoffs termed it as a shortcut strategy aimed at achieving immediate results on the balance sheet, while in essence would be detrimental to journalism in the long-run.

Laying off staff is a short term almost irresponsible and self-defeating approach to financial problems in a media house. The ones who have survived are those who invested in journalism when times were tough. The traditional business model is what has been disrupted not journalism. We still need journalists so you have to invest in training, skills etc. we have no more intention of laying off more journalists. (A4, Editor, Newspaper ‘C’)

For us, how we understand prosperity, is you can never save a business through cost-cutting, and we are very clear about that. Will we be efficient in the way we do things? Yes. If you listen to me, Njoki, since our conversation, I haven’t talked about cost-cutting at all. It’s not a focus of management, it’s not my focus as a leader of my business stream, but we have to be efficient. Efficiency is part of it. (A6, Senior Executive, Newspaper ‘A’)
Another editor from Newspaper ‘B’ editor argued that staff reduction leaves journalists overwhelmed, as was the case during the World Cup when a local newspaper took only one journalist to cover the World Cup in Russia.

It’s a difficult question. We’re in a catch 22 situation because we need manpower to drive digital, at the same time, the company is looking at the costs, cutting down on costs. For example, we presented a budget for sports, it was slashed by more than 70%. Those are the challenges we face, because online reporting, like you said, a major championship like the World Cup […] That's the big challenge we have. Because with the limited budgets we have, for example, now there’s only enough money to take one guy to the World Cup […] One human being. For pictures, we have to rely on the agencies, as usual. But if you compare like our colleagues in Europe, I’ve been to many events where you find, for example, even before the digital era really took off, Daily Mail, for example, and The Times of London, they had a very good sports editor whose job would be to go to the championship, sit down, watch the game, and he has a team of like three reporters. They come they file their reports, and him he’ll do the writing. (A7, Editor, Newspaper ‘A’)

The free sheet model

This strategy was exclusive to only one of the newspapers, which for purposes of confidentiality, I shall not reveal whether it is ‘Newspaper ‘A’, ‘B’ or ‘C’. Revealing the newspaper – even by the code name --- will inadvertently compromise the privacy of the newspaper since there is only one free daily newspaper in the country. To this effect, for the purposes of only this strategy, I shall refer to the newspaper simply as ‘The Free Newspaper’. In this study, the free sheet model has been discussed as a strategy under the theme of protecting the old business.

According to participants interviewed, the newspaper adopted the free sheet model to mitigate declining circulation and advertising revenue. In fact, the main aim of turning the newspaper into a free sheet was to boost its circulation figures.

We were challenged to push it to Kenya’s number two circulated newspaper […] we rebranded it, we did everything to bring its presence on the newsstands. It
went countrywide as a daily for the first time. It only used to circulate around Nairobi, most major towns Mombasa, Nakuru but for the first time now we pushed it countrywide to places like Mandera and Lodwar. […] four years down the line, between 2010 and 2014, we discovered that it was a hard task to raise circulation to 10,000 let alone to catch up with the others. It’s a very hard market to penetrate when you’re new, the older ones have a name and a strong brand and we were finding it very hard to sell yet we were competing very well. We had a free hand to write any stories that could lift the circulation of the newspaper (Editor 1, ‘The Free Newspaper’)

However, in spite of having a ‘free hand’ to write whatever stories would boost the circulation, the newspaper still failed to compete with other newspapers, hence the decision to make it a free sheet.

We tried hard, opened an investigative desk, published new magazines for every day of the week serving niche readerships like women, youth and entertainment. But after four years, we were still selling below 5,000 copies and the board was getting impatient. With a new CEO in 2014, we re-strategised a radical way of breaking out of the low circulation cycle and suggested that we make the it first free sheet. (Editor 4, ‘The Free Newspaper’)

The editors and senior executives from the free newspaper outlined the options they considered before arriving at the free newspaper model. The alternative idea was to lower the cover price to Ksh50 and make it cheaper by Ksh10 compared to other newspapers. However, this idea was shot down when it became apparent that Ksh10 would never make the difference in revenue and more importantly, it would do little to improve circulation. The free sheet model made more sense to the editors, executives and the board because of its unique business model.

The free sheet model is based very much on the TV and the radio model. Many people do not figure that out. With TV and radio, you make money only from advertising. You do not pay to watch K24 or KTN or NTV. The money is made solely from advertising, whereas for sold newspapers, their model is two-fold, you make money from selling the newspaper and you make money from advertising—although advertising constitutes nearly 60% of that revenue […] so with the free sheet, we said we’ll go for the TV and the radio model, no selling, but we make
all our money from advertising. (Senior Executive 1, The Free Newspaper, my emphasis)

This model encompasses an elaborate distribution strategy that is starkly different from other newspapers examined in this study. Rather than work through a long chain of distributors, sub-distributors, vendors and sub-vendors like rival newspapers, the free newspaper has directly employed 430 vendors to distribute the newspapers at various key points in 40 out of the 47 counties in Kenya in addition to the major towns of Nairobi, Nakuru and Mombasa.

All the 430 vendors are in direct contact with the newspaper’s management through a WhatsApp group and are one WhatsApp message away from the newspaper’s leadership. It is very strategic that the newspaper executives and vendors are in constant communication because they are able to provide frequent updates from the streets that are relayed back to advertisers in real time.

However, there appears to be a catch, even as the newspaper purports to be a free newspaper. The free newspaper is not distributed to anyone. The free newspaper is distributed only to people who are driving, that is, individuals either driving their personal cars, taxi drivers and drivers of public transport vehicles. The fact that it is a free sheet gives the newspaper the latitude to decide who to give it out and who to deny the newspaper. This of course has led to awkward and sometimes embarrassing moments when people on foot seek out the newspaper, but the vendors are forced to deny them the newspaper.

We chose that we are going to give it to people with disposable income. Why is that? Because you can’t just go out and give it out in Kibra. Because those people will take the newspaper but probably do not have the buying power to buy what the advertiser is offering. What we are offering with [The free newspaper] is that
we are going to target only the affluent. Affluent means people with disposable income. Therefore, we only give it out to people in a car, because if you are in a car, you are more likely to have disposable income [...] and you are more likely to buy what our advertisers are selling. (Senior Executive 2, The Free Newspaper)

This also means that the free sheet is very intentional on reaching the exact targets the advertisers want to zero in on. If, for example, Safaricom or Airtel have paid for a big campaign targeting young people, the 430 vendors are that morning instructed via WhatsApp to ensure that the newspaper reaches young people. The WhatsApp messages will read something like “...make sure two out of every three people you give the newspaper today are young people.” Equally, if an advertiser, say KFC (Kentucky Fried Chicken) have an offer in their Westlands branch and would like to distribute some fliers, the fliers will only be distributed in Westlands by their Westlands-based vendors to maximum impact. When one of their top clients—Game Supermarket—who have several outlets including one at Garden City Mall along the Thika superhighway has a promotion, the free newspaper will move more copies from the rest of Nairobi and give out more copies on Thika Superhighway, which is presumably the target market for the supermarket.

The unique business model presented the newspaper with the rare opportunity to be flexible with their headlines and the front page of the newspaper, making it the only newspaper in the country that could comfortably run a full-page advertisement on the front page.

The other big difference was that because it was not sold, you did not have to see the headline. Remember, for all sold newspapers, the reason a newspaper vendor stands out there with the paper is because he wants you to read the headline and, hopefully that will influence you to purchase the newspaper. Because it is free, you do not have to see our headline. You always know you are going to get your newspaper along Waiyaki Way [...] so even if it is covered, you will see the
advert but still know that your paper is inside. You do not have to see our headline to be influenced. (Editor 3, The Free Newspaper).

The most important question thus becomes, six years after becoming a free sheet, is it a viable business model? Did it work to improve the circulation figures? The participants seem to agree that going free was the best decision they took in six years. The editors say they print and distribute a little over 140,000 copies daily, of course, without any returns, because free sheets rarely have returns. They also claim the free newspaper is now at par—in terms of distribution—with the market leader. This is an improvement from a daily circulation of 5,000 copies when the newspaper had a cover price.

I would not say it is equal to [the market leader] but it competes in terms of distribution but not circulation. There is a difference. Distribution is how many copies, while circulation is how many people read the paper. So, both could be doing a distribution of 140,000. (Editor 3, The Free Newspaper).

While the senior executives remain tight-lipped on exact revenue figures, most of them said the newspaper is 'profitable'. The trick to maintaining profitability, the executives say, is to strike a balance between printing just enough newspapers commensurate to the advertising of the day. If, for example, tomorrow’s paper appears to have more advertising, then they print more copies, perhaps turn it up by 10,000 more copies. On the other hand, if the paper appears to have advertising that is a lot less than the average, the number of copies printed is reduced to ensure no losses are realised.

Let us put it this way, it became profitable. Based on what we are printing, it is profitable. If wishes were horses, you would have printed half a million copies, but the advertising wouldn’t be commensurate. So, it is about finding that optimum point whereby you’re printing enough to be profitable and enough for which the advertisers bring in. It is not like saying that if instead of selling 140,000 copies we’re doing 700,000 copies that an advertiser would pay you five times more. It doesn’t work that way. It is about finding that sweet spot of balancing out between being profitable and still having impact. […] 140,000
copies is the ideal amount to get enough advertising sales and still make a profit. If we decided to print 200,000 copies and advertising is not commensurate, it would not make sense to go beyond a certain amount of copies. (Senior Executive 4, The Free Newspaper).

Innovative advertising: Partnerships and the 360 degrees advertising model.

Partnerships

The decline in advertising revenue has compelled Kenyan newspapers to be more creative and innovative with their advertising offerings as evidenced in two main strategies; partnerships and the 360 degrees advertising model. It is important to note that the partnerships strategy has also been previously termed as ‘native advertising’ or ‘sponsored content’ by newspapers in the UK and the US. In the case of Kenyan newspapers, the participants used the term ‘partnerships’ and ‘native advertising’ or ‘sponsored content’ interchangeably. In this regard, this study will use the term ‘partnerships’ and ‘native advertising’ interchangeably as well. Participants from newspapers ‘A’, ‘B’ and ‘C’ view partnerships as a strategy that brings together like-minded people who have a certain interest in society or want to advance knowledge and collaborate on content production.

For me, the driver of partnerships is the understanding of what I’ll call content co-creation and understanding that some corporations in this country know enough to be an authority in driving the conversation around the space which they’re in, not just their product, but if its telecommunications, I believe, say, Safaricom know enough about telecommunication to be listened to when they’re telling telecommunication stories. And that's why, we don’t believe it's in conflict with our editorial policies in any way, because if we respect the partner enough to know that they know more than you when it comes to the guts and nuts of what drives that industry, you’ll listen to them as a journalist, and you will agree to co-create content that can affect and impact the public even more than if you did it alone. (A6, Senior Executive, Newspaper ‘A’)

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According to participants from Newspapers ‘A’, ‘B’ and ‘C’, partnerships enable the newspapers to cut off the middlemen and reach the advertiser directly, pitch to the advertiser and arrive at agreeable terms without the influence of middlemen such as advertising agencies or marketing firms.

One good source of support for journalism is partnerships where you bring together like-minded people who have an interest in society issues or want to advance their knowledge in an issue and your partner. Cutting down on middlemen to reach the advertiser directly. I think the future is going to be a blend of paid content, subscriber revenue, partnership, resources, and innovation as rising concepts including going directly to clients instead of middlemen. (A4, Editor, Newspaper ‘A’)

In this regard, newspapers ‘A’, ‘B’ and ‘C’ are getting into agreements with clients to produce client-sponsored content through a partnership in which both parties have a say on the content to be published in what participants from Newspaper ‘A’ call ‘editorially-driven content marketing’.

Content marketing is another idea that we’ve started. That’s why I was telling you it’s not commercial versus editorial, actually both are very important, and the synergy in them understanding that we all work for that consumer. It’s not about the department, it’s not about us, none of us is important unless the consumer is excited. So, all of us understanding it is that consumer that matters. We’ve done some things that have really changed the way I used to perceive or most people used to perceive editorial, that have even shifted the way the company used to be perceived in the past. For instance, we’ve done some very significant projects within a very short time out of that synergy between commercial and editorial. (C7, Senior Executive, Newspaper ‘C’)

Recently Newspaper ‘A’ partnered with one of their key advertisers to produce an exhaustive pull-out in what was the newspaper’s first major content partnership with an advertiser. In what was a great synergy between the commercial and editorial departments of the newspaper, Newspaper ‘A’ managed to produce a product that went out with the next day’s newspaper as a free insert. According to editors and media executives interviewed, the newspaper’s circulation improved significantly on the day the...
pull-out was published—and the newspaper made a significant amount of money from both advertising revenue and copy sales.

In less than eight hours, we produced a product that went with the [Newspaper ‘A’] of that day, and by 2:00 am there was already WhatsApp messages sending that product around. That newspaper still sold out the following day. So, it helped circulation. [The client] was over the moon, they could not believe how that could be done. They went to their [advertising] agency and their agency didn’t even know what they were talking about. That was a direct partnership for content marketing with that partner, and we co-created that content with them. Editorial were 100% involved, commercial were 100% involved. So, nobody looked at it as it’s a commercial project. It’s actually an editorially-driven content marketing initiative. (A3, Senior Executive, Newspaper ‘A’, my emphasis)

Partnerships in the case of Newspaper ‘A’ have also compelled inter-departmental collaboration, bringing together business and editorial teams. This is a departure from the traditional journalistic norm of separating the editorial from the commercial team, in what is metaphorically referred to as the ‘wall of separation’ or ‘Chinese wall’ or the ‘Iron Curtain’ within journalistic circles. This separation of the business and editorial teams has also been traditionally referred to as the separation of the ‘Church’ and ‘State’ with the editorial and business taking the tags respectively. Historically, this separation was observed to safeguard the editorial department from commercial interests. But this is no longer the case as innovative advertising strategies require collaboration between two teams, including attending client meetings together to pitch from two separate sides but interconnected viewpoints.

Another example was during the Ineos Challenge when world record holder marathoner Eliud Kipchoge successfully run a marathon in under two hours. Newspaper ‘A’ took advantage of this historic moment and entered another partnership with a client and for the first time, the newspaper published a front page with sponsored content. The participants attributed this second partnership on the success of the first partnership. The
media executives at interviewed intimated that the newspaper earned Ksh10 million in revenue from that pull-out while copy sales increased by 35% above the normal Sunday sale.

We, actually for the first time, the [Newspaper ‘A’] agreed to cover their front page with a paid content. Again, a partnership with [a client]. Because the client had seen value, now they were coming back to the people who know what's going on, instead of going to their marketing agency to tell them where the solution is. And we did a fantastic job, very good money for us, a very fresh look at the way the country runs, and also it really helped the uptake of our newspaper that day. (A6, Senior Executive, Newspaper ‘A’)

Other partnerships that Newspaper ‘A’ is currently running, include one with Bill and Melinda Gates Foundation, which sponsors health and environment reporting. But this Partnerships –or native advertising strategy has raised some eyebrows over journalistic independence with the concern that the public might be confused or manipulated into confusing the sponsored content for actual journalistic content. In the case of newspaper ‘A’, the editors interviewed seemed to appreciate this concern and said the newspaper is currently laying down protocols to safeguard journalistic independence especially when executing content partnerships with clients.

It requires a high degree of honesty. First of all, the distinction between news and non-news material has got to be absolutely clear. Native advertising content also has to be signposted as sponsored material or as advertisement content. The teams that do native advertising have to be separated. The newsroom cannot do native advertising so that there’s no confusion but at the same time, if people are clear about what native advertising is and there are internal controls to ensure they remain honest, it’s okay. But it has to be done deliberately and not let the commercial instincts to override the editorial judgment. Our rules are very clear that content is published on the basis of its own merit and its news value not because of the commercial benefits it brings us. That is fundamental from the beginning that we are publishing content and presenting it as news on the basis of its news value, not because we want to appease an advertiser or do propaganda for people, but because in our judgment it has news value. All other material has to be signposted and made clear that this is not editorial content. (A3, Editor, Newspaper ‘A’)
In the case of newspaper B, one of the documents reviewed explicitly cites the need for ‘strategic partnerships’ to reinventing the newspaper by exploring new opportunities.

In order to tap into new business opportunities, we are placing emphasis on strategic partnerships and collaborations. We believe that the future of our business will be strongly driven by investing in emerging future opportunities which call for different business models. This is where we believe, lies the value of strategic partnerships. (Document B1, (2018), Newspaper ‘B’).

In this regard, Newspaper ‘B’, has signed several partnerships with advertisers for sponsored content. And one that stood out during the interviews is the partnership with a government institution which requires Newspaper ‘B’ to publish a monthly 10-12-page pull-out entirely dedicated to vocational training in a partnership that is in its second year running.

Advertisers’ demands are making it important for editors to change the notion of what they can allow and what they can’t. It is all about doing it without undermining your integrity. Native advertising has its place but it has to be done in a manner that does not undermine the journalists’ integrity. If we do not take the lead to shape this revolution, it will be driven by bloggers and that is just degrading the quality of content online. It is undermining journalism because they will find themselves competing with these guys instead of defining the standards and setting the direction. (B1, Editor, Newspaper ‘B’).

The participants from Newspaper ‘B’ believe there is immense potential in native advertising because at the core of these innovative advertising models, is the content co-creation process that allows advertisers to tell their stories through journalistic pieces.

In the case of Newspaper ‘C’ editors have been tasked with seeking partnerships with potential advertisers whose organisational goals align with newsroom goals. Newspaper ‘C’ is also keen to have partnerships that are ‘issue-based’ (C6, Editor, Newspaper ‘C’ with a focus on content on HIV/AIDS and environmental issues.
One of the things we’re doing currently is that we’re looking for what we call strategic partnerships. For example, if it’s something about HIV, there are global organisations that want their information published. How do we get together to advance the same information but also supporting each other in that kind of strategic partnership? That is an area that we’re looking at as [Newspaper C], try and keep at least ourselves afloat. If it’s about environment, what can UNEP do with us? What reservoir of information do they have? They can support, they can give us the truth, we give them the platform and write one or two other things, so that we’re partnering. They’re beyond our ecosystem, so they will not be caught up in the local politics. But they’re talking about things about human beings, about our lives. (C6, Editor, Newspaper C)

360 degrees advertising

The ‘360 degrees package’ was unique to newspaper ‘A’. This advertising strategy provides advertisers with an all rounded solution that encompasses digital, TV and print advertising sold to them as a bundle at a much-subsidized rate. According to senior executives from Newspaper ‘A’, the idea here is to give the client value for money by ensuring their products are showcased to different audiences across different platforms.

I will give you an example when we were bringing a partner on board, we told them one thing they will get is the high traffic that comes to our website so when they are paying; we call it 360; we’ll give you space on print and online but if you say you don’t want space online you’ll not get but most know that majority of their audience is online so they accept the proposal. We did the same with Egerton university and it worked because they are now ranked number two among universities from number ten. This is the message we keep selling to potential advertisers. (A7, Editor, Newspaper ‘A’)

Equally, senior executives from newspaper ‘A’ admitted that from a commercial perspective, the 360 degrees advertising model is a clever way of boosting non-performing business units such as the digital and TV departments which, for two of the three newspapers investigated, contributes less than 10% to the total revenue. To make this bundling package even sweeter to the advertisers, the newspapers are even offering
to organise and manage topical events around the clients’ interests as one senior executive describes below. The events strategy will be discussed in later passages as a strategy.

We give what we call a 360 degrees advertising solution, which is print, TV, digital and in some cases now, we are going into events. We take, for example, a university. We can approach a university and tell them why don’t you have a career week? We give them something on print, we cover it on TV, we cover it on digital and we have an event on their grounds which is now done by us for the career week. We promote it on different channels and actually have the event at their premises. (A6, Senior Executive, Newspaper ‘A’).

If you look at things like radio, we’ve just restarted our radio station. And our vision is not just to make money out of radio, it’s to make sure that radio helps the other platforms as part of that 360° solution, so that when we go and engage a client, we’re saying; “We see this as how we could deliver a solid solution for you, but the mediums are going to be what works best for that specific solution. If you need 60% radio and 10% print, then so be it.” And that’s really where our focus is. (A3, Senior Executive, Newspaper ‘A’).

Senior executives from Newspaper ‘A’ also noted that the tough times have also called on the advertising and sales teams to come up with novel solutions for their various clients, ones which are specific to the clients’ target market and the product being sold. As senior advertising executives intimated, the days of advertising staff waiting on calls from advertisers are long gone. Today, the sales and advertising teams are tasked with more than selling adverts on the newspaper, they are required to think strategically on behalf of a client and pitch the idea to its logical conclusion.

We go to a client and they give us a brief of what they want to do. For example, they want to launch a new product and they want to target the 18-24 age group. We then go back to them and say, “Look, we have this website and the profile of those who consume the content on this website is what you are looking for […] and we have a million of them on our website. Then we give the client our schedule, that this campaign will run, for example, for a month, and it will run at this particular time. If it is a banner ad, it will run at a particular time. Or it will be there, let’s say for a month. That is how we sell these days. (A5, Senior Executive, Newspaper ‘A’)
Niche content

As indicated on Page 112, one of the major effects of the digital disruption to the Kenyan newspaper is in the quality and nature of content. Digital capabilities have now enabled Kenyan journalists to recognise niches because “our taste buds are never the same when it comes to content” (A2, Editor, Newspaper ‘A’). In the case of Newspaper ‘A’, digital analytics have made it significantly easier for newspapers to know their audiences intimately and identify key niche areas to focus on, based on the traffic and engagement with different types of content.

One thing online does is that you are able to target a lot better, and you are able to then recognise niches, and where the niches become important, you respond to them. […] the question then becomes how do you make sure that you have a touch point for the audience, even if they are not touching all our platforms, but at least we have what they really care for. Some of it just involves telling the stories differently. Because sometimes stories are done on one of our websites with a different flavour to respond to a different kind of audience. (A2, Editor, Newspaper ‘A’).

Editors from Newspaper ‘A’ said recognising these niches has led publication to focus on niche content which they understand to be content that ‘resonates deeply with audiences,” (A4, Editor, Newspaper ‘A’). Some participants from newspaper ‘A’ have termed this content as ‘utility-based content’ (A3, Senior Executive, Newspaper ‘A’). This could be content on real estate, technology, fashion, business, sports, farming, parenting, careers or leisure. More importantly, editors from Newspaper ‘A’ consider niche content to be content that ‘solves problems of the audiences and has an impact’ (A7, Editor, Newspaper A’).

If you are producing content then you have to be in a position to show your audience that this is the content and it yields these results. You solve problems and that way you have an impact. We partnered with the Ministry of Agriculture to award the best farmer, and we put them on the front page of the newspaper on the day they are awarded by the President. When farmers see one of their own
receive an award then they become motivated. Some of whom we started with have now become teachers in their local areas. We have a real impact on the lives of people by creating real-life solutions. (A7, Editor, Newspaper ‘A’)

This realisation has informed Newspaper ‘A’ s activities in launching new products such as pull-outs and dedicated sections that provide niche or specialised content to serve diverse interests of the readers. The most successful niche content ventures for newspaper ‘A’ are pull-outs that focus on farming and agri-business content and a careers magazine targeting young people.

It is a great idea that boosts readership, for example, the magazine, [agribusiness magazine]. This year, we are doing a publication for guys in between 8-14 years and there are people who have agreed to sponsor and give it for free. There’s no product like that. If you create content for such young people when they are growing up they will be with you. There is a lot of traction in that area. So, if you have all these people coming to you why would you become irrelevant? (A4, Editor, Newspaper ‘A’)

Some of these pull-outs have morphed into successful spin-offs like events which allow Newspaper ‘A’ and advertisers to meet and interact with their target audience. For ‘Newspaper ‘A’, there has been a lot of discussion on lifestyle content such as fashion, fitness and food specifically targeting young female audiences.

Fashion, and lifestyle […] My view is, why not? For instance, I can’t tell you everything but we’ve advanced on this one quite a bit, and we’re about to launch. Fashion is a huge industry in the country, and there’s no reason why we can’t do it. (A8, Senior Executive, Newspaper ‘A’)

It is important to note, however, that while most of this content is produced by Newspaper ‘A’ journalists, such as stories on farming and real estate, participants from the newspaper said the newspaper intends to shift toward ‘expert content’ (A3, Senior Executive, Newspaper ‘A’); that is, niche content that is produced by experts, such as
teachers in the case of an education-based pull-out targeting parents with children in primary school.

Like we have [children’s magazine], which runs on [day X]. Inserting things like exams, not just towards the exams but throughout, asking our reader, “What would you like to see?” And they say, “Yes, exams would really help.” And we don’t just put exams, but we get qualified teachers to actually look for the content that’s valuable. That, I call it utility-based content. It’s content I can do something with, it's not just something I read. Then any other content that we have is around if I read this newspaper, will I be more knowledgeable than I was?’ (A3, Senior Executive, Newspaper ‘A’)

In the case of Newspaper ‘B’ documents reviewed from Newspaper ‘B’ reveal major investments going into niche products is part of a larger ‘turn-around strategy’ in the wake of reduced spending on advertising by Kenyan corporates. In this regard, Newspaper ‘B’, has not only launched new niche products into the market, but also acquired regional publications aimed at attracting specific niche markets.

Copy circulation during the year remained depressed, but focus on niche readership through new regional publications offered an opportunity to address the gaps in areas of low uptake of our flagship publications. New magazines in the flagship publication, [Newspaper ‘B’] have been introduced to serve niche markets. (Document B4, (2018), Newspaper ‘B’).

Participants from Newspaper ‘B’ noted that the new products are not just about adding another pull-out to the market or serving a traditionally underserved market, but about advancing causes that are important to their audiences. The participants seemed to incline towards using these niche products to provide solutions around food security education and health.

It is not about writing content, but making the content with farmers and showing the progress and transformation from point A to point B. The reality of the product is in supporting our country’s agriculture and moving the discourse beyond content, but taking it to the ground and celebrating farmers and the corporate organisations that support farmers. Media organisations should embrace the dialogue, take it a notch higher to the digital space and beyond, engage with those farmers, their challenges and get to the point of addressing solutions. We
should ensure we are accessible so that people can relate to us. (B6, Senior Executive, Newspaper ‘B’).

Newspaper ‘B’ s niche content strategy, like that of Newspaper ‘A’ has been informed by data from their websites which have enabled them to understand the kind of content that audiences seek—besides politics. It has allowed them to know the ‘content that speaks to people directly’ (B2, Editor, Newspaper ‘B’). According to editors from newspaper ‘B’, the traffic to some of their website sections, the level of engagement, the consumption behaviours, such as how long they linger on the pages and if they read a story to its end, have gone a long way in informing editors and Newspaper ‘B’ on the kind of niche content they must focus on.

Google has that data. Engagement is highest in the [business] section. Engagement, not traffic. But traffic is highest on the general website. If you go and mine the data, you will find that engagement is highest those who are going there to consume economic and business news. Followed by, you guessed it… health. Followed by education. Then you realise this is content that speaks to people directly. People want to know what’s happening in the community because it affects them directly. If it’s inflation, if it is government debt, stock prices at Nairobi Securities Exchange, who is winning what tender, it is very personal. Again, health is a very personal thing. Education, very personalised stuff. Environment, those are the things people engage with. Politics is very popular but very little engagement. So, I’m looking at our political space and I’m concluding that either we have not done justice to politics, as Kenyan media, or politics is just something that people want to pass through. Nobody wants to stay in politics. (B2, Editor, Newspaper ‘B’, my emphasis)

It is interesting to note, that there was a slight difference between how editors at Newspaper ‘B’ viewed niche content compared to the senior executives at the same newspaper. While the editors saw niche content as an opportunity to connect more with the audiences and serve their varied content tastes, senior executives on the other hand view niche content as an opportunity to attract advertisers from other sectors, especially the sectors that have interest in the niche content such as farming, education and real
estate. While the motivation for Newspaper ‘B’ editors was to fulfil audience needs, it emerged that the motivation for niche content for the senior executives in the same newspaper was to diversify its pool of advertisers—and boost revenue.

[...] how do you attract a different set of actors? There’s a lot of money that will go into food security, into nutrition, into sustainable agricultural practices. How does this information reach the farmers? [...] because it's knowledge, and people are willing to pay for knowledge. So, at the right time when we have enough content, when people want … because people call in, “Can you, please, repeat this programme? Can you do it?” At that point, I’m saying when it is running, it’s free, but if you want it on demand, pay something small. It's about transitioning things gradually. (B7, Senior Executive, Newspaper ‘B’, my emphasis)

In the case of newspaper ‘C’ their niche content strategy was starkly different from that of Newspapers ‘A’ and ‘B’. While Newspapers ‘A’ and ‘B’ made significant effort—and investments—into publishing pull-outs focusing on niche content, Newspaper ‘C’, completely did away with pull-outs and focused on having dedicated sections for niche content. The sections are two to three pages of content targeting a specific audience. Further, while Newspaper ‘A’ and ‘B’ relegated different days to different niche content such as Mondays for real estate content, and Saturdays for agribusiness content, Newspaper ‘C’ has taken a different route, to ensure they had ‘one page of everything every day’ (C7, Senior Executive, Newspaper ‘C’). This strategy, according to editors from Newspaper ‘C’, is part of a larger strategy to reduce Newspaper ‘C’ s pagination to 32 pages and the newspaper’s efforts to remain ‘compact and nimble’ (C2, Senior Executive, Newspaper ‘C’).

Now, what was also very key was that the newspaper always only had 32 pages. We did not have 90 pages, because we also, when we did our research, today’s current population do not have time to read a 90-page newspaper. Because there’s so much information, they’re just interested in getting the gist of a story. So, in two paragraphs, tell me the gist of the story rather than try to explain it to me in detail. Because I like knowing a bit about everything, and if I’m really keen on
something, I will then go online to find out about it. So, we always tried to compact everything in 32 pages, and those 32 pages, we never have pull-outs. Like, okay, Monday was for sport, or Tuesday is business, Wednesday is for women, Thursday is property. We had one page of everything every day. Because by doing that, you're telling people, then the youth only should buy on a Monday […] So there is one page every day, but very colourful, very short. All the pages are in colour. And it is about attracting that younger person. (C7, Senior Executive, Newspaper ‘C’)

Differentiated content

Based on observations and interviews with participants from Newspapers ‘A’, ‘B’ and ‘C’ this study found that the availability of multiple sources of content has compelled Kenyan editors and media managers to rethink their content strategies with special focus on investigative journalism and ‘Day-Two’ journalism.

In the case of newspaper ‘A’ there have been deliberate efforts to make sure the content in the next day’s newspaper is different from the content on the website by ensuring more details, analysis and depth in the next day’s newspaper story. While the online story will break the news, the next day’s story will have a different angle to the same story, possibly with fresh new voices, photographs and graphics that were not present in the online story. This is what editors from Newspaper ‘A’ termed as ‘Day-Two journalism’ which goes beyond the day’s events to explain the headlines reinforced with more information from sources, statistics, expert commentary and research.

We have more analysed content than breaking news. So, for online what we sell is the breaking news and not the analysis. And there are people who want to know what happened. For you to understand the inner details you have to read the newspaper because it has more, it could have interviews that were not published online, graphics and photographs not seen before and so on. (A7, Editor, Newspaper ‘A’)
In the case of Newspaper ‘B’, interviews with editors from Newspaper ‘B’ revealed that in the digital disruption, editors from the newspaper felt that the greatest task was to ‘change journalism’ (B2, Editor, Newspaper ‘B’) from the usual ‘reportorial’ journalism to more in-depth journalism.

But the biggest task is to actually change journalism. That is [...] shifting journalism from reportorial, descriptive to analytical, contextual, in-depth. [...] as opposed to currently where you have articles, the journalism in the digital space have what’s called articles and particles. And that is because in the digital space you can create, the article comes, for example, with an interactive map, those are particles. (B8, Editor, Newspaper ‘B’)

In this regard, there has been a concerted effort towards quality journalism that possess two characteristics: speed and depth. According to editors from Newspaper ‘B’ speed requires the news media organisations to be first with the news, to leverage on their sources and in-house verification processes to guarantee accuracy and speed and accuracy in the case of breaking news and other every day, incremental news stories. The most important attribute, however, according to senior editors from Newspaper ‘B’ is depth. There has been a lot of effort in ensuring insight, context and analysis so journalism, in a bid to remain competitive. There has also been a move to include as many experts in their journalistic pieces either as guest writers or to provide expert commentary during the report-writing process.

You must have two arms, speed and depth. Now, speed is for things that are happening in the go, live events, whatever is happening now. A media house cannot afford not to be first with the correct news. Because there’s all this they call citizen journalism, but citizen journalism has proven to be a very fickle area where people then throw in all the fake news and all the deceptive stuff meant sometimes to just cause trouble to society. [...] be first to market with the truth, with the facts. First with the facts, so that even as you pursue the speed, you are pursuing it with precision. Then, there is this other arm of depth. Now, here, you have to have real content that is adding value to people’s lives. You're adding insight, you're adding context, you're adding depth to whatever is happening in the space. (B1, Editor, Newspaper ‘B’)

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In the case of Newspaper ‘C’ a good example of how the differentiated content strategy is currently being implemented is in the way newspapers are reporting sports news. With the internet and the mobile phone, audiences are able to access information about their favourite team’s latest scores from social media or international websites such as ‘goal.com’ which provide live updates on every game, most times even faster than local media. Editors from Newspaper ‘C’ demonstrated the need for research, especially when reporting a historical sports story. If, for example, marathoner Eliud Kipchoge breaks a record, CNN and BBC will be among the first to break the story, but after the breaking news, everyone will be looking for the Kenyan angle, and it is this opportunity that Kenyan newspapers are looking to leverage on. The fact that they have the advantage of proximity to these athletes, where they live and train from, has provided an opportunity for Kenyan newspaper sports reporters to differentiate their content. The challenge to Kenyan newspapers then becomes the legwork, the research and the in-depth content and being ready with it when the big news breaks.

That is actually the game changer in journalism, because now writers have to dig deep and read, meet with these athletes, spend time with them to understand how they live so when a story breaks with CNN, they actually call us to get a perspective from the ground and we enrich their content by giving them what they don’t already have. So, it’s a big advantage for Kenyan sports media. And it’s actually we have been pushing people to go out there and do research, break into these people’s homes, not literally, but get to know them more. (C3, Editor, Newspaper ‘C”).

Currently, no Kenyan newspaper requires readers to pay for online content, but editors who were interviewed said that is a plan they are looking to implement in the near future. By providing the content for free in exchange for the readers’ email addresses
buys more time for the news organisations to put together the infrastructure and resources required to put a paywall, but more importantly, it is a period of recruiting audiences with the aim of getting them hooked. These highly investigative journalistic stories are meant to act as a dip stick to the reader revenue business model in which all the participants unanimously agreed was going to form part of the future of journalism in Kenya.

Based on participant observations of Newspaper ‘A’, one would not fail to notice the considerable effort in pursing long-form, investigative journalistic pieces that cover other topics besides the usual political news. Particularly over the past one year, observations have been made on the effort to cover topics of public interest such as climate change, environment, health, corruption, governance and human-interest stories.

In the case of the Newspaper ‘B’, I observed a content strategy was launched a few months ago, with the aim of showcasing long-form investigative journalism by the newspaper. These are noticeably different stories that have been investigated and written over long periods of time with some being as long as 7,000 words and complemented by large, colourful photos and videos to give readers the full experience. Examples of big stories that have been published under this investigative journalism project, include stories on environmental and climate change, health stories and agriculture.

My observations of Newspaper ‘C’ point to the fact that the publication has shifted focus to long-form in-depth stories particularly on lifestyle issues, human interest stories and ‘big interviews’ with personalities and news makers. These interviews which are illustrated with large and colourful photos, mostly focus on the personal lives of the interviewees with the aim of making the audiences have a personal connection with the
Some of these interviews, include one on one sessions with sports personalities, politicians, record breakers and history makers and some political faces.

Strategy 2: Pivot to digital

While protecting the legacy business remains a key strategic priority for Kenyan newspapers, Kenyan newspapers have also been keen to leverage on digital affordances and digital strategies in response to the disruption. According to financial reports, investor briefings and newspaper articles reviewed from newspapers ‘A’, ‘B’ and ‘C’, the pivot to digital appears to be the general direction that these newspapers are taking in the age of the disruption. From the documents, there was heavy use of the word ‘digital’ evident from the ubiquitous allusions to ‘digital-first strategy’ and ‘modern digital content company’ as well as ‘digital initiatives’ and ‘21st century digital-first company’. The interviews and documents reviewed teased out four key ‘digital-first’ strategies which include; convergence, multimedia storytelling and digital publishing and data.

Convergence

The term ‘convergence’ is not new to Kenyan journalism. It was first introduced to Kenyan newspapers in the mid-2000s with the intention of producing ‘super journalists’ with multiple storytelling skills of writing, photography and video storytelling. According to interviews with editors from Newspapers ‘A’, ‘B’ and ‘C’, convergence was conceptualised in two ways; one, it was made institutional, where the barriers separating print, television and radio journalists were brought down and made to work together on stories across different platforms. This saw Kenyan print and television journalists sit together based on their beats, that is, business journalists sitting together, sports journalists on one floor and so on. For much of 2016, the convergence buzz at
‘Newspaper A’ was rife, as print and television journalists ‘moved in together’ on the same floor to communally work on stories. It was no longer a case of the right hand not knowing what the left hand was up to.

However, based on participant observations, journalists are yet to fully embrace the physical convergence plan laid out in 2016. While the broadcast and print journalists from both the health, sports and business desks agreed to the plan, other desks such as politics, parliamentary reporters and features still sit and work separately from their fellow broadcast journalists. It appears, from observation, that the physical convergence only applied to the three beats, that is, health, sports and business.

The second way in which convergence was done in Kenyan newsrooms, was at a ‘micro-sociological level’ as (A4, Editor, Newspaper ‘A’) describes it. Each individual reporter was supposed to be empowered by multiple storytelling skills, it did not matter if one was a print journalist or broadcast journalist. It is here that broadcast journalists were required to file stories for print, and print journalists required to stand in front of a camera and report from the field. However, this did not yield the desired results, as editors from Newspapers ‘A’, ‘B’ and ‘C’ revealed.

In terms of extending our storytelling, there are two ways of doing convergence. One you can make it institutional where you break the barriers and force people to come together or two, you can look at it from a micro-sociological level at each individual reporter. This is the theory we started digitally with many years back, that we wanted to form these super reporters who will be able to use all these technologies to extend storytelling. Unfortunately, in the beginning, the theory was oversold and there weren’t many super journalists created many years back. (A4, Editor, Newspaper ‘A’)

According to editors from newspaper ‘A’ the wave of convergence re-introduced in 2016 was also not accepted by journalists who felt too much was being required of them, without commensurate remuneration and adequate training. Many journalists
concluded that it was management’s sneaky way of cutting costs, by requiring journalists to report across all platforms, thereby making savings on hiring extra journalists.

The issue of convergence in 2016 was also met with a lot of resistance from both reporters and editors, some of whom felt that they were being uprooted from their comfort zones and thrust into unfamiliar territories. Participant (A7), an editor from newspaper ‘A’, suggested that convergence could only work if the management started it off with the younger journalists, as opposed to older journalists, some of whom are too rigid.

It was also interesting to note that even the editors—who are supposed to be pushing for convergence—agreed that management, mostly the executive, were not handling convergence as it should be. Some editors also opined that some broadcast journalists simply do not have what it takes to write for print and vice versa. One editor bemoaned how broadcast journalists can ‘hardly write a 300-word newspaper story’. (A7, Editor, Newspaper ‘A’)

To be honest, it’s terrible. There is no point of mincing words because I think most of us are not ready for convergence. It is a good idea but I don’t think it can work as well as it should, at the moment. The reason being all journalists in the department are supposed to file across platforms, but the competency levels are totally different. For example, guys in broadcast can hardly write a 300-word newspaper story. That is the challenge I am having. They are used to doing short bulletins and throwing in videos. So, the few times I have asked for copy, it’s been atrocious. You cannot rely on a TV reporter, for example, to go out and multi-task, do a story for the newspaper. And it scared a lot of them because they know they can’t deliver, and in the end, there has been a tug of war here and there and ego wars. There have been a lot of ego issues. For example, when our desk was created on [x floor], physically, everybody was supposed to be on that floor – both broadcast and print journalists—but there has been a lot of resistance. And some [journalists and editors] been physically resisting every effort to have the different departments converged. That’s the biggest challenge that is there. I think it needs to start from the young journalists coming through, from training from college, so that they’re trained to be all-round journalists. I mean you can’t teach
an old journalist on TV to write a news feature for the newspaper. It's a huge challenge, and that's why I feel convergence is going to be a hard. (A7, Editor, Newspaper ‘A’, my emphasis)
From the observations, only a handful of journalists were able to cut across print, broadcast and digital. Broadcast journalists—particularly health reporters—seemed to be seamlessly straddle both broadcast and print, particularly when it came to feature stories which they were able to file as both broadcast stories and lengthy print stories, some going up to 3,500 words. However, it is important to note, that these were the exceptions rather than the norm. My observations were supported by the remarks of participant B8, an editor from Newspaper ‘B’ who said “at the moment, I think we have only maybe three or four journalists at [newspaper B] who competently work across TV, print and online,” (B8, Editor, Newspaper ‘B’).

The norm was that even as print and broadcast journalists agreed to sit together and share resources, often each would file for their specific platform and little effort was made to file on both platforms. More importantly, from the observations, very few print reporters were able to make the leap from print to digital. It appears that it might be easier for broadcast journalists to write for print that it is for print journalists to play the role of a broadcast journalist.

Editors said for convergence to succeed, newsrooms will need to invest much more in training journalists, and it must be introduced to only early career journalists who are more open-minded, compared to more experienced journalists who are used to doing things in a particular way. It is usually difficult to teach a print journalist who has been practising for 15 years new broadcast tricks. Attitude change will be also be needed if ‘super journalists’ are to emerge from the convergence exercise, in what participant B8, an editor from newspaper ‘B’ calls ‘converging the mind’.
It's early, it will take time. It's still early days, it is work in progress. What I believe, number one, you need to converge the mind before converging the physical people. And so far, I think we’re making some headway towards creating a team that works together, that thinks together, that plans together. And from there now we need to look at the resources. Sharing resources is key, because convergence is meant to cut down costs, but as it is, you still have the TV crew wanting to operate as TV, which means when they go out on assignment, they have their transport, the print guys have their transport. We have two cars in the field. While convergence is meant to cut down all this extravagance, it’s still not there yet. Until that time when people sit together, work together, move out on assignment together, and we have guys who can really multitask, do a story for TV. At the moment, I think we have only maybe three or four journalists in [newspaper ‘B’] who competently work across TV, print, and online. (B8, Editor, Newspaper B)

At the moment, journalists are still wary of sharing newsroom resources and blending into each other’s cultures and workflows, and some journalists still consider print as a more ‘superior’ form of journalism compared to say, online journalism. Some editors believe that convergence that requires journalists to file for all platforms is simply impossible.

We are looking for somebody who have both content and is a multi-skilled journalist. When he is out there, he can be all-rounded. But then the downside is that after experimenting with it, one is going to suffer. They will concentrate on the mechanics but they will not give you what they can give for other platforms which they were originally trained in. You know, everybody got crazy that one journalist can do TV, radio and newspaper. It did not work. Because they would do a piece for TV and then the rest doesn’t work. So, it is a reality check for us […] that is not possible. We still need to have somebody for print, another for radio and so on. (C1, Editor, Newspaper ‘C’).

The most recent form of convergence has been an effort to rebuild the newsroom and equip these newsrooms with actual structures and systems that will make convergence possible. This is unique to Newspaper ‘B’ that has made a substantial investment in completely changing its newsroom set-up, both structurally and hierarchically. Hierarchically, here, to mean the newsroom hierarchal structures, including which editors report to who and more importantly, the entire news gathering...
process. Structurally, here means the literal tearing down of walls that separate the TV journalists from print journalists and remodelling the newsroom to resemble a massive cockpit to act as the nerve centre of the news media organisation. Participant (B2), an editor from Newspaper ‘B’ describes this new era of convergence as ‘utility-oriented’ convergence where all crucial editors, journalists, reporters, graphic designers, data scientists, photographers and social media teams are seated within arm’s-length of each other, but more importantly, the hub from which all news is distributed. These changes are premised on Newspaper ‘B’s acceptance that ‘it has to change its newsroom […], it must rebuild and bring in new people and skills’ (B8, Editor, Newspaper B).

The thinking is that different editorial teams must plan and work together, share content and redistribute content in order of platform priority. There has to be one central place for redistribution. It is the classical integrated newsroom. We will have the head of content meeting all managing editors at intervals of two-three hours to discuss first, planning, and second, redistribution of content and treatment and then to agree on what will happen to the newspaper. The structure and the process in the newsroom are going to change to support that. In terms of strategy, [Newspaper ‘B’] has accepted that it has to change its newsroom. It must rebuild, bring in new people and new skills. (B1, Editor, Newspaper ‘B’, my emphasis).

In the soon-to-be-launched converged newsroom for Newspaper ‘B’ the newsroom will be run by what they call the ‘super desk’. This is where the editors will sit. The super desk will have the head of news, managing editors of TV, Radio and the newspaper and the audio-visual editor they were about to hire at the time of this study. The super desk will accommodate 11 editors, that is all managing editors plus the editorial director, who from time to time be required at super desk. There will also be the ‘Checkpoint Desk’ which is essentially a fact-checking desk, and the ‘Echo Desk’. The ‘Echo Desk’ to focus on breaking news, and ensuring the news is out with ‘speed’ and ‘accuracy’.
Then we have the radar desk. This is the team that is collecting the information on the go, and echo desk is then taking it into the digital space. Echo desk—it is echo because it takes content into the digital space—but also mines the digital space for what is happening and brings it in. The Checkpoint desk is where journalists who will be doing deep data mining and checking their facts will be coming for data. This is the place we will all be bringing our requests to. ‘Give me data on malaria in Kenya,’” this desk will do exactly that. (B1, Editor, Newspaper ‘B’)

There will also be satellite desks surrounding this super desk. The satellite desks, include the audio-visual team, the digital and social media teams, entertainment desk, politics, national desk, economy desk and sports. The new newsroom is expected to accommodate at least 178 people, including journalists (print, TV, radio, Online), all section editors and managing editors, photographers, videographers, graphics teams and the digital and social media teams.

Multimedia storytelling and digital publishing

According to Newspaper ‘A’, editors, the new digital dispensation, the most important question editors ask themselves in this age of digital disruption is ‘how do you tell the story?’ (A2, Editor, Newspaper ‘A’). This is, by all means, a format question, but the old formats fit into the new platforms? In the recent years, there has been a lot of tinkering with different storytelling formats to find the right format that delivers the story swiftly without sacrificing depth because substance still ultimately matters in the news business. According to editors from newspaper ‘A’, the first step was to train journalists to appreciate multimedia storytelling which included training print journalists to take videos and photos on their smartphones to accompany the text.

The digital disruption has meant that having just one journalistic skill say, writing, is not enough. What there is today is an empowered reporter who knows how to use video, text, and isolated voice to extend storytelling. The approach to digital publishing is
to have a long story for readers for appreciate a good, long read and break down the same story into photos, videos or audio that will allow the readers without a lot of time to understand the story in a few minutes.

We’ve had to challenge them to adapt other forms, for instance, asking everybody to take videos, for example, so that just having one journalistic skill is no longer enough in our newsrooms today. You need to be able to tell your stories in more than one form. (A2, Editor, Newspaper ‘A’)

The digital platforms have not only resulted in new Online departments, but also to smaller divisions such as video hubs that support the newspapers’ Online journalism enterprises. The video hub is a new unit in both Newspapers ‘A’ and ‘B’ which creates video-based content including explainers that provide the facts behind the headlines. The videos are edited and configured for Online formats and audiences to maximize impact as a digital editor explains below.

That is the unit that makes sure we tell stories using videos Online, videos that are configured for online. They look for all sorts of opportunities to do those videos. There are also various formats of video that they explore. The need for this is driven by the lack of attention, the lack of time that audiences find themselves in, especially since the biggest chunk of the audiences is the young audience who don’t have the time. But the other bit that nobody thinks about is that video is a lot more believable than anything else, so that people, when they see it in video form, they tend to trust a lot more [...] because of that, trust levels are a lot higher. That hub is a bunch of young people, they are sourcing whatever video they can their hands on, they play around with it and they push it out. Some of it is live, some of it VOD [Video On Demand]. (A2, Editor, Newspaper ‘A’).

According to documents reviewed from Newspaper ‘A’, the group’s strategic objective is to aggressively pursue mobile publishing with the aim of achieving the same levels of success it had with the printed newspaper.

[Newspaper A’s] strategic objective is to assume leadership of sub-Saharan Africa’s mobile publishing landscape in a fashion similar to our past dominance of the print business in Kenya. Mobile offers a transformational opportunity for growth in Africa. The technology overcomes barriers of distance, borders and
social distinction, reducing Africa, and indeed the whole world, to one connected village which can be served cost-effectively. In this respect, the Group has embarked on a number of key initiatives to accelerate its digital transformation journey. (Document A4, (2020), Newspaper ‘A’)

With regards to digital publishing, there has been a focus to ensure every story published by the three newspapers is available online for free (at least for now), but the focus of this particular strategy will be on Newspaper ‘C’’s digital publishing strategy. Newspaper ‘A’ and Newspaper ‘B’ both have e-papers, which readers pay a certain amount to access the PDF version of the day’s newspaper. The two newspapers have gone to great lengths to ensure that these newspapers are not downloadable and sharable, to avoid mass sharing on WhatsApp groups and other platforms. However, Newspaper ‘C’’s digital publishing strategy is starkly different as the newspaper actually allows the downloading of the soft copy of the newspaper from its mobile app and encourages readers to broadcast and share the PDF version of the newspaper within their networks. It is for this reason that my study will focus on Newspaper ‘C’’s digital publishing strategy for this unique strategy.

Newspaper ‘C’ although it has been around for a while, just only recently launched a proper news website and fully constituted digital team towards the last quarter of 2019. The previous website, according to one of its editors was a ‘half-hearted stab at online journalism’, as there wasn’t much happening and the digital team was very lean. What they had before was more of a ‘corporate website’, that put together all the media companies’ subsidies including radio and television stations.

We had several radio stations with micro-sites in there, a TV micro-site […] everything mashed together. It was just bland, a black and white website that was not regularly updated. I mean, it was there to say that we had a website, but it was not a functional news website which you could rely on for news and information. The goal of this new website is to ensure that like others, people can come and get
the news of the day. But we also want to upscale the downloading of the e-paper app because we think because of the rebranding of the physical newspaper, we could get some mileage out that. (C6, Editor, Newspaper ‘C’)

At the time of this study, it appeared that Newspaper ‘C’ was rethinking their strategy by not only constituting a bigger digital team, but a vibrant and robust digital presence that went beyond a campaign to encourage their readers to download the e-paper and share it in their respective WhatsApp groups. What started as a complementary platform to the printed newspaper, is now slowly becoming a business opportunity that is attracting considerable digital advertising. However, in spite of the investments, editors at Newspaper ‘C’ still feel that they are not doing enough to leverage on the digital possibilities.

We have tried to invest a little in data journalism. Again, I think we are behind in terms of digital strategy, if you compare us to say, [Newspaper A and B] who have robust data journalism strategies. I think we are coming into the game pretty much late, but hopefully we will catch up with other media houses. (C6, Editor, Newspaper ‘C’

Data

Based on interviews with editors from Newspapers ‘A’ and ‘B’, that ‘data’ and ‘big data’ seem to be the buzz words among Kenyan editors and media executives. The value of data and its prospects is a growing area of interest particularly amongst newspapers ‘A’ and ‘B’, hence the immense focus, investment and effort in data. Key decisions in today’s Kenyan newspapers are no longer made on based on intuition, but on data science and analytics. Suffice to say, the underlying principle behind investing so much time, money and effort is pegged on understanding the audiences, their consumption habits and their lifestyles. Based on the interviews, I found data is currently
used in the following three key areas; as a reporting tool, distribution tool and advertising tool.

In the case of newspaper ‘A’, data is used a critical reporting tool. Data is increasingly becoming an inexhaustible newsroom resource that is enabling journalists tell stories culled from large data sets. Newspaper ‘A’ is now very keen on Data Journalism’ in which reporters are presented with huge tracts of data to use in storytelling. This has also seen new storytelling initiatives which graphically tell stories using huge amounts of data.

Data has also increasingly replacing the editors’ intuition about the next day’s headline, based on the circulation figures and traditional letters to the editor. Today, with so much data collected from their online platforms, the decision-making process—as far as headlines are concerned—are now anchored solidly on data.

Editors pride themselves on the fact that they could ‘read’ the audiences. Back then, the only way to get feedback from readers was through the letters to the editor. It was a form of data collection—only a limited number of people were able to write to the newspaper. The editorial meetings held at 3:00 pm to discuss the headline was mainly based on intuition as no form of interactivity with consumers regarding the product had taken place. Editors and writers back then had the discretion to decide what the audiences read. Today, preferences have changed; people are cleverer, with more choices and we need big data to understand these preferences. (A5, Senior Executive, Newspaper ‘C’).

In newspaper ‘A’, data is also used as a distribution tool; it is being used by Kenyan newsrooms to know their audiences’ preferences, their news consumption habits and in turn newsrooms are using this data to inform their editorial choices. Editors and media executives are using data to tell them what tools like Google Analytics cannot tell them.
What analytics doesn’t tell you is the profile of the reader. *Who is this reader? What time do they look at your stories and if there are adverts, do they click on them?* On print, it is very difficult to get this information. But online, it is very easy, you can collect data precisely and check if your audiences are responding…we are investing heavily in data…we have an instrument that enables us to collect that data. It allows you to map out and see, for example, this far, the average we have all these clicks…but they do not stay for more than two minutes…which means that these people are basically coming just to check something. (A7, Senior Executive, Newspaper ‘A’, my emphasis)

In most cases, the decisions on the stories to be published are often made based on data. What stories the audiences love, what these audiences search over the Internet and what their interests are based on previous online activity. However, this is not to mean that data is taking the place of editorial judgement, the buck still stops with the editors and sometimes the not-so-popular stories have to be pushed in the audiences’ faces, if the editors think that these stories should matter to the audiences.

There is the agenda setting aspect of our work which we cannot give away, because sometimes, you have to force stories that are not popular into the audiences’ face because for some reason, that story, might not be popular, but it is important, and you must force it in their faces, and that’s a deliberate thing. That said, it is still very key to know what is it that the audiences are doing, what is it they are responding to. The reason for that is that digital is never static, it is always in a constant state of flux, things are always changing. You want to make sure you are monitoring and tracking those changes […] these are the number of people who come to our sire, these are the kinds of stories they like and this is the time of day they come to us. (B4, Editor, Newspaper ‘B’)

And Newspaper ‘C’ is using data as an advertising tool especially in profiling the audiences for targeted advertising. Pitching to a potential advertiser is different in the digital disruption because clients ask questions such as ‘Do you have my target audience?’ and ‘How many are they?’ For this reason, Kenyan newspapers are investing heavily in data to boost their capacities to profile the right target audiences for their advertisers. Media executives are convinced that for their reader revenue business model
to work, the decisions have to be supported by good data, and it is for this reason that a lot of resources in Kenyan newspapers today are being channelled to one thing: data.

Where are my resources going? I want to give up on the expensive cars, I want to give up on a huge distribution network. We are actually shutting down offices that we feel are not giving us value. I want to transfer that to the salaries of two or three data analysts because they will give me insights. I want to transfer that money to data management platforms, because they will enable us to extract certain information. So yes...I am moving resources to where the future is based. (B6, Senior Executive, Newspaper ‘B’)

Perhaps, the most important thing to note from the interviews, is the connection between data and the newspapers’ paywall strategy. Kenyan newspapers are using data to learn the audience, not just to deliver the stories that readers want, but to help them identify potential loyal readers that could be turned into paying readers.

I don’t think The New York Times got it [reader revenue] overnight. I am sure they invested in understanding their readers. With data, we might even change the composition of our writers. It might be that you put more prominence in good writers than reporters, because the reader wants a well-written piece. (B5, Senior Executive, Newspaper ‘B’).

A data culture will allow Kenyan newspapers to understand the content people like, what they are likely to pay and how many readers from their pool of say, 40 million a month, are likely to be paying readers in the near future. This, again, buttresses the bottom line for great emphasis on data, which is to understand the readers.

Strategy 3: Alternative Sources of Revenue
Based on the findings of this study, newspapers in Kenya have started exploring new sources of revenue with the aim of making up for the revenue lost through print advertising and copy sales. The undermining of the advertising business model by digital technologies has pushed newspapers in Kenya—specifically newspapers ‘A’ and ‘B’ -- to
seek new ways of funding journalism. The senior executives from newspaper ‘B’ seemed to be counting on this strategy as a key survival tactic, premised on their belief that the advertising business model might not be profitable enough to sustain the newspaper in the next five years. To the senior executives in newspaper ‘B’, alternative sources of revenue will allow them to relieve unnecessary pressure on the newspaper while reducing over-reliance on the advertising-based business model.

I honestly, don’t think print will be a sustainable business line in the next five years. It will be a business line, but I don't think it will be that that can sustain a big organisation like [Newspaper B] or even [Newspaper A]. It will give revenues, yes, but will they be the kind of revenues people have seen in the past? Again, this is a hunch, so it can be wrong, but five years, let's compare notes then. [...] Whereas today we rely on advertising to sustain our business, my bet is the model might flip, first, then do a mini-reversion. What do I mean? I see a situation where, like in our case, we'll need to create parallel revenue streams, make them strong enough, so that our reliance on advertising in that space goes down, to a point that you can almost give away the paper for nothing, grow your numbers, then attract the advertising back. (B5, Senior Executive, Newspaper ‘B’, my emphasis)

The last two years, newspapers ‘A’ and ‘B’ have ventured into enterprises that were not traditionally explored by newspaper companies. They have either focussed on other aspects of the business, such as radio and TV stations to raise extra revenue lost through the disruption of the print newspaper’s business model or ventured into completely different fields such as event planning or setting up marketing agencies. The main aim of these new ventures, according to editors and senior executives from newspapers ‘A’ and ‘B’ is to fund and protect their core business, which is journalism.

Journalism is not cheap. Journalism needs to be funded, and it is not going to be funded through the traditional advertising model [...] that’s why we are looking at all these new adjacent businesses that are in line with our values but can generate enough cash to get us to a point where we can fund journalism from other adjacent businesses that are affiliated to our traditional business of journalism. So, for me, without being very specific to the specific initiatives, that’s where the thinking is, that where the strategy is, and it is about ensuring that sustainability of
this business that comes from being able to fund journalism even if advertising on the newspaper itself softens. (A6, Senior Executive, Newspaper ‘A’)

Documents reviewed from newspapers ‘A’ and ‘B’ reveal a relentless determination to pursue diversified revenue streams. Based on document review, the strategy of alternative sources of revenue appeared to be a key pillar in newspapers ‘A’ and ‘B’ strategies, —perhaps even the backbone of some of these companies’ strategies. This conclusion was arrived at based on the prominence this strategy was apportioned in the numerous financial reports, investor briefings, articles and internal memos reviewed. For Newspaper ‘B’, the importance of alternative sources of revenue was underscored as the foundation of a new ‘turn-around strategy’ hinged on releasing a series of new products to boost extra revenue.

Our agenda in 2018 was to diversify revenue streams and create customer focused product offerings. In line with this, [Newspaper ‘B’] has introduced a series of new products and formed various partnerships to achieve our stated goal […] the effect of the economic slow-down on the private sector led to a reduction in spending on advertising, which adversely affected our share of the advertising revenue. It is against this background that we focused our turn-around strategy on cost optimisation and investment in new products that would generate new revenue streams going forward. In the broadcast business, we invested in two TV channels and two English radio stations. (Document B1, (2018), Newspaper ‘B’).

Newspaper ‘A’, in its annual reports has also emphasized the importance of new revenue streams and innovations, citing some of their key events as a successful strategy for ‘expanding revenue base.’

The group sought to leverage on its global, continental, regional and local strengths to establish a thought leadership forum […] the high profile, high impact forum seeks to provoke discourse, encourage dialogue […] the forum has strengthened our position as an agenda setter, while expanding [our] revenue base. (Document A2, (2017), Newspaper ‘A’).

Another document from Newspaper ‘A’ – Document A1 (2018), outlined their strategy for forging a new business model which included “diversifying revenue
opportunities from both advertisers and consumers, investing in understanding the consumer to develop products that connect and engage consumers and adopting distribution models that sought to engage audiences (enhanced user experience).”

Equally, a similar document from Newspaper ‘A’ noted that it had already laid the foundation for the new revenue streams and innovations.

The foundations were put in place to explore and unlock new digital verticals and other revenue streams. These verticals include cross platform content, video, entertainment, music, agriculture, business and economic data, fashion and lifestyle. The focus is to generate new business ideas to enable us to tap into these new opportunities. (Document A3, (2016), Newspaper ‘A’)

Among the ventures that Kenyan newspapers have recently invested in include; events, digital agencies and new radio and television stations whose revenue is being channelled to support the newspaper activities. In this strategy, paywalls are also discussed in detail as an alternative revenue source.

Events

This strategy was more pronounced in Newspapers ‘A’ compared to Newspaper ‘B’. In this regard, newspaper ‘A’ resolved to having at least one event a month in which advertisers are invited to interact with their target audiences for a fee. One of Newspaper ‘A’s signature events is a career fair which brings together young people for career advice while providing advertisers in the higher education sector an opportunity to showcase their institutions to the students. A typical Career Fair attracts over 5,000 students from different universities and colleges, but more importantly, students who are seeking career and education advice. The event is an extension of the pull-outs targeted at college-going younger audiences aged 18-28.

For us, it is about delivering a total solution, both above the line, which is the adverts we run on the newspaper, tv and radio and also helping clients get conversions. If today, for instance, at the Career Fair, universities run all adverts
on our newspapers and have all those supplements they run on the newspapers, hoping that people will read them. Now, the proof is to say to the advertisers, “We can deliver 5,000 kids for you at KICC, for you to come and convert yourself. This is the target audience you have been asking me to bring in my newspaper. Real estate, same thing. It is walking the entire customer journey from ‘I can access the target audience that you need and I can bring them at an arm’s length to you’ to actually getting that conversion. For me, it is solution thinking. It is not something that [newspaper A] was known for doing, maybe was not known for doing, but it is about how we can deliver a total solution. (A3, Senior Executive, Newspaper ‘A’).

During these events, advertisers have the option to choose from several sponsorship categories with varied benefits depending on their budgets. Advertisers are able to pitch their tents at the event and speak directly to the students, gather contact information of these students and even appear on the panel discussions on topical issues live on TV in a bid to market their institutions. The success of the ‘Career Fair’ event has paved way for other events that target advertisers in the real estate industry, mainly property developers who get a chance to showcase their projects to potential home-buyers. Working with lean budgets to set up the events, these events are slightly profitable, with some of the most successful events raking in profits of up to 10%. However, the media executives—who are the key drivers of this strategy—said events have much more potential, especially if they are targeted to niche markets.

Though Newspaper ‘B’ has yet to concretise its events strategy, the participants from newspaper said they were planning to roll out a ‘serious events strategy” (B8, Editor, Newspaper ‘B’), especially after witnessing the success of newspaper ‘A’ has had so far with events.

Towards this end, Newspaper ‘B’ has been hosting exclusive thought leadership forums in which a panel of eminent persons discuss matters of public interest such as healthcare, trade, education and housing before in a live televised session. Here,
advertisers have the opportunity to purchase premium packages that include some of their corporate leaders on the panels and prime time advertising spots to showcase their corporate agenda. So serious is the events business that newspapers are now hiring in-house events management professionals to handle their events department. Other newspapers that cannot hire professional events managers are signing partnerships with events companies to co-create and co-host the events with a revenue share arrangement.

Digital Agency

This sub-strategy is unique to only Newspaper ‘A’. In 2019, the newspaper took the decision to invest in a digital agency in a bid to deal directly with the clients, following in the footsteps of international newspapers such as The Guardian and New York Times that appear to be successfully running digital agencies as an alternative source of revenue. The digital agency, was borne out of the belief by Newspaper ‘A’’s management that the future of advertising is not going to be resident in the traditional media and traditional forms of advertising. A digital agency, for lack of a better description, is an in-house advertising agency owned by the newspaper, in which advertisers come directly to the media organisation for advertising solutions, thereby cutting off the advertising agencies that have traditionally acted as the middlemen between media houses and clients (advertisers).

We were traditionally publishers who were focused on publishing newspapers, and television and radio and we could only advertise based on what was on the newspaper for the day or on our websites. Now we are saying, ‘Let’s invest in data and artificial intelligence’ so that when you come to us, beyond our own assets, we look at every client base that you are looking for on our platforms and beyond our platforms. If it’s a blogger who is an affiliate of ourselves, if it is a website in Tanzania that is affiliated to us through our partners, Google, we will be able to showcase that audience to our client and ensure that they get better
conversion. If that works in Kenya, we believe, for us to get it working in a market like Ghana should not be a problem. We will just add salespeople to go and engage customers there and deliver some value. If we want Nigeria, we will do the same. Our platform is scalable. (A5, Senior Executive, Newspaper ‘A’).

Equally, based on document review, Newspaper ‘A’ views the digital agency as a high potential source of extra income.

The group established the [digital agency], an in-house marketing agency in August 2019 as one of the initiatives for creating new revenues streams in digital. The Group seeks to evolve the [digital agency] into a leader in the digital advertising market; build key partnerships; develop new products that will create unique market positioning and lead expansion into Africa. (Document A4 (2020), Newspaper ‘A’).

The executives said the digital disruption has required them to precisely profile their target audience and understand the most appropriate advertising solutions for the advertisers. Advertisers too, are demanding more in terms of audience engagement and conversion, and they want to see value for their money. It gets especially tough for local newspapers when they have to compete for online advertising contracts with the likes of Facebook and Google, hence the urgency in understanding their audiences and proving to their advertisers that they understand the DNA of their audiences. The aim is of these digital advertising agencies is to ensure that the advertisers get the exact audiences they are targeting. Sometimes, this has required the newspapers to ‘think like Google’ as one executive put it, but placing data at the centre of all their operations, especially operations to do with the digital advertising agency. It is for this reason that newspaper has invested $150,000 (Ksh 15 million) in big data technologies to help them understand its audiences, their tastes and preferences and how best to target them with advertising.

If you do not think like the Googles of this world and you say ‘Google is in a different space of their own,” You are wrong. What does Google own? All they have is data and the will to succeed, nothing else. Most of these companies were founded in a garage with people with less money that [newspaper ‘A’]. Now
initiatives like what we are talking about—the digital agency—that is a business, that, today, if I needed to go to another country, I do not need to set up. And for us, we are seeing the ideology of what took us to Tanzania, what took us to Uganda and Rwanda […] that model is very slow. We need to look at a model that can move faster and that can mimic some of those organisations that you have mentioned. (A7, Editor, Newspaper ‘A’)

When the digital agency all comes together, advertisers will be talking to newspapers directly to not only design their advertisements, but also advise them on marketing strategies, how to roll out campaigns and even how to connect with their consumers. Newspaper ‘A’ as already mentioned earlier, is directly engaging clients, who have traditionally relied on advertising agencies for marketing strategies, communication strategies and media buying. In what may seem like a ‘takeover’ of the advertising business, the newspaper executives are calling the CEOs of these big companies directly, offering them ‘better deals’ that include native advertising in which editors are now directly involved in the content creation of these advertisers’ campaigns and messages.

New radio and TV investments

This strategy is unique to ‘Newspaper ‘B’, who, over the last several years have launched new products—both TV and radio stations—in a bid to support journalism and most importantly, attempt to make up for the revenue lost in print advertising and copy sales. In 2015, the newspaper company launched its a television station and more recently, in August 2019, the group launched new radio stations catering to different markets. The new radio stations are leveraging on latest technologies that allow audiences to listen and watch the radio programmes as they are being broadcast live in studio. The media group also launched the several other television stations, that focus on niche content around farming and entertainment.
Our vision is not just to make money out of radio. It is to make sure that radio helps the other platforms as part of that 360 degrees solution so that when we go and engage a client, we are saying, ‘We see this as how we could deliver a solid solution for you, but the mediums are going to be what works best for that specific situation. If you need 60% radio and 40% digital, then so be it’. (B7, Senior Executive, Newspaper ‘B’).

While these new products are expected to cater to different needs of the increasingly fragmented market and audiences, the underlying principle, according to the participants interviewed, was to seek new revenue streams with the intention to buffer the declining print revenues. The new radio stations are viewed as ‘quick wins’ and the revenues from radio as seen as ‘low hanging fruit’ as the radio market in Kenya continues to take root, barely feeling the effects of the digital disruption.

We looked at our business and we said if print is suffering, where will the money to grow the business come from? TV is expensive, but it is sustainable. Two, radio is cheap to run, it has a wider reach and radio has less disruption [compared to newspapers]. More so, in a very political context like ours, TV was shut down but radio was not shut down. Newspapers too come under a lot of pressure. So, our intention to go radio was very deliberate, because all over the world, radio consumption is growing...the whole idea is that if radio and TV can contribute more to the bottom line, then we have more resources to reinvest in journalism. (B3, Senior Executive, Newspaper ‘B’).

The two radio stations, according to senior executives, have picked up and are doing well, in addition to their first radio station, which though launched ten years ago, continues to be among the top stations in Kenya, in terms of listenership. From the interviews, it emerged that the group was intentional and particular in the broadcast stations they invest in. Executives admitted that they invested in ‘high potential’ sectors such as farming and niche content around farming because they foresee a growing interest in farming and food security.
There is a lot of money that will go into food security, nutrition and sustainable agricultural practices. How does this information reach farmers? I don’t want the advertising revenue only, so rather than being a conduit for the message—as an advertiser—we are trying to participate in creating that message as a player in that space…that is why you see this kind of television stations. (B2, Editor, Newspaper ‘B’).

Paywalls

Although no Kenyan newspaper has put up a paywall yet, editors from both newspapers ‘A’ and ‘B’ are already beating the drums for an elaborate paid content strategy, including Kenya’s first paywall. The issue of paywalls in the Kenyan newspaper industry is not a matter of ‘if’ but a matter of ‘when’ we will have Kenya’s first paywall, several senior executives and editors confirmed during this study.

There are two schools of thought. One assumes that news has no value other than aggregating people, and that is the line that has been pursued by the free sheets. The other position mainly occupied by traditional publishers is that news has value and must be paid for. Therefore, paid content is as an approach to digital publishing is a confirmation of what we believe. We welcome it and we are working towards it. Very soon, we hope that we will have a programme where we will offer premium content to a paying audience, because even today, that is what we do […] digital technology is a fantastic opportunity for us to continue the philosophy of news as a valuable commodity. (A4, Editor, Newspaper ‘A’)

According to documents reviewed from Newspaper ‘A’, the issue of paywalls was among the top strategic objectives in the newspaper’s ‘digital transformation journey’

(Document A4, (2020), Newspaper ‘A’)

As we look to 2020, The Group has put in place comprehensive plans to leverage and exploit its current strength in the digital space towards delivering value both for the new age consumers and growing new revenue streams. […] In this regard, focus will be placed on digital content monetisation and scaling up the revenue opportunity and footprint in the market leveraging on TAG Brand Studio. (Document A4, (2020), Newspaper ‘A’).

The initiative aims to monetise our digital audiences through world class mobile first digital platforms backed up by content that users are willing to pay for. The
project comprises of several key phases which will culminate in the rebuild of our
digital assets with the objective of growing user revenue in the long term. It is
also key in the ultimate development and monetization of non-news content
verticals. (Document A4, (2020), Newspaper ‘A’)

At Newspaper ‘A’, executives and senior editorial leadership have already made a
case for the paywall before the Board of Directors and got various approvals to roll out a
paid content strategy that will see the newspaper among the first to erect a paywall in the
region. There is some excitement—a buzz—among editors and executives in Newspaper
‘A’ about erecting a paywall that will allow Kenyan audiences to pay for high-quality,
expensively produced journalism and exclusive content. They said the paywall is a long-
term vision and are therefore in no hurry to reap profits from a paywall. The executives
also think that a paywall could be an opportunity to recruit new paying customers such as
institutions looking for a solid source of news and information.

It is a long-term vision for [Newspaper ‘A’]. We are not expecting to make
money tomorrow. We may not make money from people like you subscribing to
it, but we believe there may be a totally new customer who may come. It may not
even be the target customer that we have today. Institutions that need a source that
can be quote, for instance, I see the subscribing to that platform. We also see other
media organisations subscribing to our platform. We see ourselves positioning
ourselves to that level where besides the end-user, who may be the focus now,
when we talk about a paywall, people are thinking of the people who are reading
the newspaper are the same ones we are asking to subscribe, but we are thinking
beyond that. So, globally, we believe there is a space for that, and because we are
known for quality, we believe we are best placed to pioneer the paid content
initiative in this part of the world—and that is something we are taking very
seriously. (A6, Senior Executive, Newspaper ‘A’)

Editors and executives from both Newspapers ‘A’ and ‘B’ severally pointed out
that a sustainable business model for Kenyan newspaper is pegged on reader revenue and
they are currently laying the groundwork for an era of a subscriber-driven business model
anchored on a paywall. They have taken this belief based on the conviction that
audiences—Kenyan audiences—are going to pay for high-quality, well-researched, in-depth and niche content. Three key areas of focuses emerged as the most crucial in this push towards Kenya’s first paywall. These, according to the participants, are the three key things they must achieve before a paywall is finally launched.

The first key area that Kenyan editors and executives are focusing on in the build up towards a paywall is the technology to power the paywall strategy. There is a push towards seeking the right technology that will deliver Kenya’s first paywall, but most importantly, that which will be scalable, especially for news organisations that have brands across East Africa.

The second—and perhaps most important—area of focus is content. There have been discussions around the kind of content that will put up for sale behind the paywalls and Kenyan editors have pointed out that one cannot succeed with a paywall by selling incremental and usual news stories. Therefore, there has been a push to invest more in stories and storytelling, with prime examples being investigative content initiatives spearheaded by Newspapers ‘A’ and ‘B’ that are currently acting as ‘testing grounds’ for paywalls in the near future. The testing phase of the paywall is deemed extremely important in this paid content strategy, as it is this phase that editors are testing out the market with highly investigative, quality stories to see how their audiences respond. This also gives them a chance to observe which paid content model would work, whether it would be a freemium model, metered model, a hard-paywall or a membership model like The Guardian in the UK.

Because people don’t convert to subscribers just because you asked. You need to get used to the idea, test and see that stories are relevant and worth the amount being charged. You need a period of recruitment. There are many models to this, either membership or premium models where you make the bulk of your content
free and then a small portion is paid for. That will probably be the best way to start, then build up to the membership where there are discounts. Personally, I would prefer a future where we do not discriminate those who cannot pay, that is to say that the updating factor of news happening around you remains free but the heavier content, we sell—a ‘freemium model’. (A4, Editor, Newspaper ‘A’)

A solid content strategy is particularly considered the capstone of a successful paid content initiative, besides an effective marketing and branding strategy that is the third key issue in this conversation.

We are looking at content because we are known for content. For decades, we have been experts in this space [content]. We want to make sure that we have strategic pillars and key themes that we are making sure that if we say that we are going to be about these five things in Africa or these five themes in Africa, be it financial services, politics, social issues or environment […] we are building a content stream that is looking at how we can be very solid and deliver quality content in terms of efficacy to whoever is interested in content. (B8, Editor, Newspaper ‘B’).

The editors are pegging their hopes on successful paywalls from across the world such as The New York Times and the Wall Street Journal which have built successful business on paid content. They also are placing their bets on the belief that news is a commercially viable commodity and that audiences will see things their way—and subsequently pay for content. Finally, editors support this strategy as it is anchored on their belief that reader revenue is indeed the future of the Kenyan newspaper industry, which will then compel editors to solely focus on fulfilling the needs of the editors and not governments, advertisers or corporate organisations.

Our theory is that content that updates you and to a large extent helps you make sense of your world and things happening around you should remain free, but the content you apply directly to your business, health and finances, we think should be paid for. […] reader revenue is part of the future. If you base your business on reader revenue then the entire enterprise is focused on one thing, the story, not chasing the government or pleasing the advertisers. There will be a long process of recruitment and then we will get to the payment phase. So, I agree that paid content will the forward in the future. (B8, Senior Editor, Newspaper ‘B’).
Strategy 4: Culture Change

The general sentiment from participants from Newspapers ‘A’, ‘B’ and ‘C’ was that the strategies currently executed should have come earlier. Specifically, in the case of Newspaper ‘A’, some editors and senior executives opined that the process of innovating in response to the digital should have begun earlier, perhaps as early as 2010, when the newspaper was in a position to afford the experimentation with new ideas.

A lot of people now don’t make appointments with their television sets every evening to either watch a soap opera or watch news. That we know, and it’s very clear, even if today we are holding numbers flat, over time that’s going to die, over time that’s going to decline significantly, and it’s for this reason that the business, I think out of self-critique, we felt that we could have started the journey of innovation back in 2010, before even the dip started back in 2014. But then, over time, it’s become even more urgent, and the business reflected and said, “We really must innovate.” It’s not a question of doing but it’s out of necessity now. We really must, must do this.” (A6, Senior Executive, Newspaper ‘A’)

In the case of Newspaper ‘B’, participant B2, an editor, remarked that one of the notable things about the digital disruption was the failure of the newspaper’s leadership to appreciate the extent of the problem. According to B2, the leadership of Newspaper ‘B’ believed so much in the printed word that even as the world was changing and recognising “the problem of digital disruption, was not considered urgent by the Kenyan newspaper industry and there was the argument that we still have more time” (B2, Editor, Newspaper ‘B’).

Editors from Newspaper ‘B’ said even when consumers started migrating to the desktop and mobile phone platforms, there was no realisation in the newsroom that younger audiences were spending more time on their desktops and mobile phones from where they were accessing news and information. The shift towards digital in the early 2010’s was not done out of necessity, but because everyone was doing it. Editors from
newspaper ‘B’ admitted that at first, they just shared content as it appeared in the print newspapers just for ‘appearances’ (B1, Editor, Newspaper ‘B’), hence, newspaper ‘B’ did not at first channel much resources to the digital migration.

When news consumers started migrating to the mobile phone or even to desktop consumption there was no realisation in the newsrooms that younger people are spending more time on desktops in the offices and are therefore accessing information. We recognised that the industry is moving digital and hence we shifted, not because our audience had shifted to the digital realm but because everyone was talking about it. It’s been very hard to get newsroom to create dynamic news delivery. Because it was not done as a necessity the resources were not that robust towards the digitalization migration. We just shared content as it was in newspapers to the digital space just for appearance. (B1, Editor, Newspaper ‘B’)

In the case of Newspaper ‘C’ it was particularly disheartening since the newspaper was more prepared for the disruption by the broadcast industry (TV) than it ever was prepared for the digital disruption, according to participant C6 and editor at newspaper ‘C’:

[Newspaper ‘A’] never invested so much in the digital aspect despite reports collected through conferences and interviews”. The newspaper had a strategy to deal with the decline in the newspaper as a result of broadcast, never did they think of the digitisation aspect.

However, with the increasing wave of digital disruption and the boards of newspapers ‘A’ and ‘B’ started getting information on the trends leading to the declining readership, their rigid perspectives began softening. They were confronted with the reality of the digital disruption, causing them to develop a strategy that was not there before. This self-critique led to a key strategy, that of culture change. Editors and media executives, some of whom have been in the industry for over 20 years admitted that the digital disruption shocked them out of their comfort zones and caused them to shift their
mindsets about how newsrooms should run, what constitutes news and what constitutes a
good journalist.

The board of directors started getting information about the trends and because they were looking for the reason for the decreased circulation, it changed their rigid perspective. They were confronted with this reality and they realised it could be what is happening to them and hence, they developed a strategy they didn’t have before. (B1, Editor, Newspaper ‘B’)

In this mega strategy of culture change, two key aspects are discussed; shifting mindsets and staff re-organisation.

Shifting mindsets- ‘Think different’

The participants interviewed from all three newspapers agree that there has been a clear resolve in shifting the direction of the newspapers at the highest leadership ranks which include the boards of the two publicly listed newspapers and the top management of the free sheet. A senior executive from Newspaper ‘A’, however, admits that when the decline of the three newspapers begun to hit home in 2014 after a period of stable profits, there was a bit of a delay before the newspapers could rethink their strategies.

… disruption is not just about product, et cetera, it's about disruption of the mind. Beginning to get the teams to understand we need to think differently, we need to look at things differently. (A6, Senior Executive, Newspaper ‘A’)

Thinking different has taken many forms. In the case of ‘Newspaper ‘A’, the increasing disruption and explicit decline in readership has resulted in a remarkable ease of allocating resources towards new ideas with the intention of building business sustainability. The need for new business models in the age of digital disruption is now very clear for Newspaper ‘A’, and this need is being pursued with an unprecedented sense of urgency, as it was apparent from the interviews. Senior executives and editors from Newspaper ‘A’ said they have seen a significant willingness from the board and
senior management to listen to new ideas and dissenting opinions—although not at the
pace at which the senior executives would want, but good for a start all the same.

I have seen a clear resolve in shifting direction, and the ease of allocating
resources towards new ideas in terms of building businesses sustainability. And I
would say, was I concerned when I joined [Newspaper ‘A’]? Yes. Do I share the
same level of concern? Not quite, because through the work of management and
engagement with the Board, I’ve started seeing an organisation that’s beginning to
move in the right direction. Are we moving with the same sense of urgency? Not
quite, because there’s a lot of alignment, and innovation in an organisation that’s
been very successful in the past is always seen in the lens of the previous
business. When will it become as big as this? When will the margin become as
good as that? (A1, Senior Executive Newspaper ‘A’)

In the case of newspaper ‘B’ it was almost unheard of that paid content could take
centre-stage on a front page. Now, today, it is happening on newspapers that were
initially quite conservative. It was also unheard of that editorial and commercial teams
would sit together and plan for the next day’s newspaper, let alone jointly pitch to clients.

Editors, for a long time, were averse to the commercial conversation, owing to the
traditional norm of the “Chinese Wall” that separates editorial from commercial
departments to prevent editorial influence by corporate and advertisers’ interest. It took a
lot of convincing for editors to be persuaded to ‘think commercial’.

It was almost unheard of that paid content can actually take centre stage on our
front page. Now, today, it’s happening seamlessly on a product that was seen to be
very, very conservative. But we are still very professional, we are still very
focused on quality, but we believe we’re more consumer-centric now and we’re
responding to the consumer, and we believe this is part of the ingredients for
ensuring sustainability of our business.” (A6, Senior Executive, Newspaper ‘A’).

I found similar opinions in the case of Newspaper ‘A’ and Newspaper ‘B’ where,
for a very long time the ‘Chinese Wall’ between the commercial and editorial department
of the three newspapers, but with shifting mindsets and the reality of job losses, revenue
decline and tough economic times, the “Chinese Wall” in Kenyan newspapers has come
tumbling down. Today, it is not uncommon to see commercial and editorial teams
coming together in cross departmental teams to conceptualise new products, strategies and attending client meetings together. According to editors and senior executives, this is a new era of journalism, where editors accompany commercial managers to meet clients to allow for advertisers to express their wants particularly if the service being sold is native advertising. In spite of ethical concerns in this native advertising regime, editors have maintained that the editorial content remains unscathed by commercial interests. 

[...] now, the distinction between journalism and commercial activities is becoming less defined. The qualities and attributes of this new era of journalism and how it’s targeted and the intended impact is sometimes beyond the commercial people, therefore, they are unable to explain to the client how they can use these new attributes to achieve what they intend to. As we move into the future, editors will increasingly manage financial responsibilities and at the same time, ensure the church and state are separated. [...] our compact with the audience is sacred. At all times, our duty is to find and tell the truth even if it means not making any money. (A4, Editor, Newspaper ‘A’).

With the digital disruption, these commercial responsibilities have become more apparent. Editors-in-chiefs interviewed said in the age of the disruption, editors will increasingly have to manage financial responsibilities at the same time, safeguard their editorial independence, meaning that they will have the difficult task of balancing commercial and editorial interests. This new age of thinking different, requires integrity at an institutional level and a high degree of sophistication not just on the part of the editors, but also on the advertisers.

In the case of newspaper ‘C’ the shifting mindsets have been at a storytelling level, where reporters and editors have to think beyond print journalism and be more open to digital forms of delivering stories and connecting with their audiences. Editors from newspaper ‘C’ –which concretised its digital wing only recently—say they are now encouraging their reporters to do away with the ‘daily news reporting’ (C3, Editor,
Newspaper C) and move towards long form journalism on digital platforms backed by research, graphics, video and photography.

It is going to be a big transition not only to technology but also to journalists because they’re going to have to change how they have been working over the years. People may be required to report in more than one platform which reporters are not used to. There have to be some cultural changes, a lot of learning and relearning on different platforms, and mind shifts in how we do things therefore, the platform must be able to support all that. (C3, Senior Executive, Newspaper ‘C’)

Staff re-organisation and recruiting key talent

This strategy was common amongst newspapers ‘A’ and ‘B’. From the interviews with participants from these two newspapers, it emerged that a critical component of changing mindsets constitutes rethinking how news organisations work. Staff re-organisation has become a key strategy in both editorial and commercial teams. The most significant strategy which will be discussed here is how Newspaper ‘A’ recently undertook a major staff re-organisation in its sales team and the thinking behind this strategy.

In February 2019, the print and broadcast sales teams at the newspaper company were re-organised around sectors. Individuals with in-depth knowledge in various sectors were organised into their respective teams reflecting their strengths, knowledge and training. Today, the sales team operate under a different regime, one that is targeted and tailored according to their background trainings and strengths, as opposed to the ‘free-for-all’ strategy where any salesperson would handle any client. The current sales strategy is anchored on strong relationships and encouraging depth amongst the sales people.
The process began with a critical assessment of the salespeople to understand their dispositions based on their backgrounds and which clients they handled most frequently in the last two years. It was admittedly, a very difficult change management process which included engaging the teams on a one-on-one basis, in spite of the initial resistance.

We looked at the data and we grouped our teams towards where we believe they have depth. Then we said to them, ‘you are going to be about this sector, forget your previous relationships and what you believe in other sectors… you cannot be having a conversation with, say, an automobile company and you’ve got no idea what they do…as a salesperson. You’ve got to have passion for what you sell. (A1, Senior Executive, Newspaper ’A’)

Perhaps, the most significant staff changes in the Kenyan newsrooms –besides the recent lay-offs—is the newsroom efforts to get extra talents on board as seen in the case of newspaper ‘B’. As the push for specialist journalism and specialisation becomes critical, Kenyan newspapers are increasingly getting experts as journalists as opposed to generalists. As they continue to lay off older journalists, Kenyan newspapers are also hiring new journalists with a different set of special skills such as technology with the aim of pushing for specialist journalism.

We are bringing in more journalists but the traditional journalists still have a place with their highly developed skills and news sense but on the other hand, the modern newsroom requires a marriage between two skill sets; journalism and software engineering. We look for young people who are comfortable in a digital environment, clever students… with a capacity to learn and willingness to innovate and take risks…that is what we are looking for in young journalists. (B1, Editor, Newspaper ‘B’)

The digital disruption has also required newsrooms to look to other industries such as technology and design to bring in fresh talent with a different mindset required to make the digital leap. Newspaper ‘B’, for instance, is hiring a very senior person who
will hold the title of ‘Audio-visual editor’ whose job will be to strategise how the newspaper can leverage on video and audio-visual content for its digital platforms. The audio-visual editor is expected to work with photographers, graphic designers, cartoonists, illustrator and videographers to crack this assignment.

In fact, the consultants who are working with us told us. ‘Don’t look for that talent [audio-visual editor] in a newsroom. Look in the advertising companies, that is where you will get the right skill’. Now we are looking for people who can code and help us build apps on the go. (B5, Senior Executive, Newspaper ‘B’).

Other key roles that have been filled at Newspaper ‘B’ include an events manager who sits in editorial meetings with editors to understand how they can leverage on different print products to help create community events.

![Diagram]

Figure 4.2: Strategic responses to digital disruption in Kenyan newspapers

Conclusions to Findings of RQ2
It was interesting to find out that Kenyan newspapers are still keen on protecting the legacy business. At a glance, this strategy might seem counterproductive at the moment; the purchase of printing presses, the push to grow newspaper circulation and the new pull-outs with fresh content to attract more readers. However, one must consider the context in which these protectionist strategies are being executed. Although these newspapers are attracting millions of digital readers every month, monetizing these audiences has remained a key challenge – and the little revenue earned from digital platforms is barely enough to cover the salaries.

What I have appreciated though, is that even as these newspapers clamour to protect a centuries-old business model, they have made considerable effort to invest in niche content in their struggle to attract new readers. What this means, in my view is that readers now have a wider variety of considerably high quality offered for free, which makes for a more informed and aware society. In this regard, I am convinced that the digital disruption has good for the Kenyan audiences, who now have the advantage of being wooed by Kenyan newspapers with good journalism and improved user experiences on their digital platforms.

However, my problem with the protectionist strategy is that it essentially caters specifically for the older generation audiences who are more likely to appreciate the effort and purchase the print newspaper. This renders strategies like introducing pull-outs for younger generations in the print newspaper counterproductive because they will hardly appreciate the time and effort that has gone into producing a colourful, well-done newspaper pull-out with the content they like. My opinion would be to save the resources that go into investing in print products for younger people and instead divert these
resources to digital products. As at now, the digital products that target young people are a replication of what is already in the print products, which speaks volumes about a gap in understanding the content needs of young Kenyans.

The issue of staff layoffs was a hugely divisive matter amongst the respondents. Several reasons were pointed out to justify the staff cuts including one that I found problematic. Senior executives—most of whom do not apologise for the layoffs—argued that it was a necessary evil to push out journalists who were found to be obsolete, and those who did not make effort to improve their skills. Yet, even as the newspapers gave this as a reason to layoff journalists, there has been minimal effort to invest in the in-house training of journalists, that is besides the external trainings carried out by other organisations such as NGOs. It is my considered view that Kenyan newspapers need to increase the number of journalists not only to improve quality of journalism, but to ensure that nothing is left uncovered. However, even if there are those journalists who fail to improve themselves, Kenyan newspapers should match their investments in content and news assets with investments in the training of journalists; as none can work without the other.

The issue of partnerships as a significant source of revenue seems like a solid and sustainable business model. What stood out for me was that the digital disruption has not just changed the business models, but also shifted newsroom norms and cultures. Several years ago, it was uncommon to find editorial and commercial colleagues working together to ‘deliver value for a client’ due to the traditional journalistic norm of separating editorial from commercial interests. However, the digital disruption has brought down this ‘Chinese wall’, compelling both teams to put their differences aside.
and work together. While in my view this appears to be a great move, I also think that this relationship should be managed with a lot of caution. The big question that comes to my mind is ‘Where do they draw the line?’ When commercial interests override editorial responsibility, whose interests will prevail? Drawing from the propositions of Political Economy of Communications that views media as industries that rely on the commodification of news and other media products for survival, it is likely that commercial interests will tower over the newspapers’ editorial mandate. My view is that while these partnerships make for good, quick money for the newspapers, if the newspapers want to sustain this as a solid business model, then there have to be very guidelines that state editorial duty reigns supreme in the event of a conflict.

Based on the findings outlined above, I think concepts such as convergence need to be rethought and realigned to match the disrupted newsroom. A significant number of participants were not in favour of convergence, especially the brand of convergence that requires journalists to file across different platforms. Several reasons were pointed out, including the heavy workload and the lack of training and expertise. The digital disruption requires journalists to engage in multiple storytelling skills, which means that they need to have some level of convergence. However, the approach needs to change, to match the skills of the journalists and audience needs. More importantly, I think Kenyan newspapers have a lot to do to change attitudes towards convergence, seeing as most editors did not have very good reviews about convergence.

RQ 3: What influences the strategic responses to digital disruption in Kenyan newspapers?
The last research question in this inquiry was to investigate the influences behind the strategic responses to digital disruption in Kenyan newspapers. It seeks to interrogate the critical questions: Why these particular strategies? Why protect the legacy business? What informed the pivot to digital? Why the focus on culture change? Why invest on alternative sources of revenue? The findings reveal three main influences: audiences, journalistic obligations and commercial obligations.

Influence 1: Audiences

Based on interviews with editors from Newspapers ‘A’, ‘B’ and ‘C’, this inquiry revealed that the audiences are at the core of every strategic decision taken by Kenyan newspapers. As pointed out previously, there have been a lot of effort towards understanding and profiling the increasingly fragmented audiences, with massive investments going into data tools that facilitate this enterprise.

What informed our decision to implement a new strategy was that consumer habits are changing and we need to address that. The consumer is at the centre of the strategy. It is about tapping the new consumers even as we protect the ageing consumers. There is need to engage and recruit younger audiences into the new platforms. (A1, Senior Executive, Newspaper ‘A’)

In the case of Newspaper ‘C’, the key role that audiences play in the decision-making process is evident in determining the content published in the newspapers. The content strategy in Newspaper ‘C’, according to editors was purely hinged on ‘what readers want’ (C6, Editor, Newspaper C), hence the shift towards more human interest, feature stories that were more visual, and less wordy as was the case previously. It is clear that editors from Newspaper ‘C’ are moving away from publishing what they think...
readers would likely enjoy to actually engaging readers because they believe that the future of Kenyan newspapers in the digital disruption era is to ‘think like a reader’ (C1, Editor, Newspaper ‘C’).

It's about the reader. So, every time we’re writing stories now we’re asking, “If I were on the other side, what would make me want to read this story?” If, as a journalist, you don’t see a reason why someone would want to read that story, I can assure you, you’re the best test case, nobody will be interested in that story. If you wouldn’t even stop a bit and even review the story, it means you’re just filling the space. So, there’s been a lot of effort in beginning to think of, “I’m not writing for me, I’m writing for that reader.” (C4, Editor, Newspaper ‘C’, my emphasis)

By engaging people; if they say give us less politics and you try it and the sales go up then that works. There will be someone else who’ll say they want an analysis of this examination, we will bring someone who can shed some light. The problem with journalists is that we believe in acres and acres of text which is contrary to what audiences think. The future of newspapers is to think like a reader. (C1, Editor, Newspaper ‘C’, my emphasis)

In Newspaper ‘C’ there is evidence on the role of the audience’s critical influence in the strategic decision-making by the editors and executives. According to one of the participants, (C5, Senior Executive, Newspaper ‘C’), they consistently meet with audience to get feedback on their products, and often drive hundreds of kilometres into small remote towns to speak to and listen to distributors, newspaper vendors and readers on areas that need efficiency in the newspaper’s distribution routes.

It is very driven by what we believe is relevant to the public, and we’re spending a lot of time, even editors, in the field. [Editor C3] was in Mombasa the other day. We’re going with him to Kisumu to just sit with readers, and customers, and vendors who sell our product to just listen to the consumer. So, getting the product right, for me, that is one of the things that’s driving our circulation numbers. Two, is understanding that there is a new consumer out there. (C7, Senior Executive, Newspaper ‘C’)

In the case of Newspaper ‘A’, the editors and executives are clear that for the reader revenue business model to succeed, their strategies have to change from seeking traffic and website clicks, which has been their focus in the last five or six years. And this
means a shift to engaging their audiences in more meaningful ways to make room for conversion.

We now know that if you want to get reader revenue in the digital space, you are not looking for traffic or clicks. You are looking for engagement. And engagement comes with depth, insight and context of the content. Then, somebody will stay longer and that is how you get engagement on digital platforms. Now, engagement is actually where you as the newspaper will have the highest possibility of conversion. A person who engages with your content for ten minutes is a person you can convert. (A4, Editor, Newspaper ‘A’).

Newspaper ‘A’ is already keen on some of its websites that deliver audience engagement and is consequently investing more time and resources in these sites. Based on interviews with editors from Newspaper ‘A’, business and economic news tend to engage audiences as much as the regional news and analysis. While these websites might not have as much traffic as the news sites, the statistics speak volumes to editors and executives about their audiences. This means that while most of the audiences might flock the general news sites, they don’t often stay as long as they would on niche content. The editors and executives are convinced that the key to a successful business model to mitigate the effects of digital disruption is understanding the DNA of the audience.

Despite the fact that the processes of producing newspapers have changed and are infinitely much faster, what strikes me is that delivery to the audiences of the printed product haven’t changed. [...] the reason why the New York Times and other legacy media houses are succeeding is that they have recognised the science of understanding the audience. You have to engage and convince them to part with money, there is a science to it. It is not a matter of ‘I have good content so pay for it’. No! I have to engage you to bring you on board. The whole process of getting money out of readers is not just subscription-drive, it also has to be editorially driven. There are things they must know about hooking readers. (A3, Senior Executive, Newspaper ‘A’).

In the case of newspaper ‘B’, a deeper understanding of the audiences is influencing their organisational strategy to a successful digital business. Six years ago, there seemed to be an arms-race in amassing the highest traffic and the largest number of...
pageviews because the editors and media executives thought that if they could get the eyeballs, online advertising would come in the numbers through tech giants such as Google. However, this digital-based business model failed to produce the desired results because as pointed out earlier, Google and Facebook take up a significant chunk of the digital advertising revenue. This, according to editors from Newspaper ‘B’ has informed a new business model that is actively seeking to find or recruit new readers, particularly the younger audiences.

For us, ways of turning it around is finding new readers, and new readers is about getting that relevant content and actually going out to seek out those readers, like we’re doing in schools. (B4, Editor, Newspaper ‘B’)

Influence 2: Journalistic Obligations

This influence was common to editors in Newspaper ‘A’ and ‘B’ who stressed that their contact with the audience remains ‘sacred’ and ‘immutable’. Editors from Newspaper ‘A’ said their duty, at all times, is to tell the truth, even when it means not making any money. Journalistic principles such as fairness, objectivity, truth, credibility and ethics play a central role in determining the decisions made by Kenyan newspapers in the age of the disruption. These journalistic principles, especially come in handy in the post-truth era in which we are living in the era of misinformation and disinformation or ‘fake news’. Editors from Newspaper ‘A’ noted that it was important that the stories they publish in their newspapers carry some level of believability; these stories and decisions reflect their professional obligation to speak truth to power and hold the government and authorities accountable. An editor from Newspaper ‘C’ said in the clamour to gain circulation, there was a very deliberate attempt to ensure that the newspaper not only
remained true to journalistic principles, but upholding professionalism—even if it is a free newspaper.

We have a purpose. We have a mission. We have a role in society that is very burdensome. If society burdens you with keeping guys in check, with defending their interests, the holistic interests of society, the burden of speaking truth to power with all its dangers, if society have given you that burden to carry on your shoulders, it must be a different conversation. (A7, Senior Executive, Newspaper ‘A’)

In the case of Newspaper ‘B’, there has been a deliberate effort in moving from a reportorial regime of journalism; the ‘he said – she said’ kind of journalism to a more in-depth storytelling regime that dives deep into societal issues. This, according to one editor, is the ‘biggest task’ for journalist now.

But the biggest task is to actually change journalism. That is the biggest task that is facing us, shifting journalism from reportorial, descriptive to analytical, contextual, in-depth. […] as opposed to currently where you have articles, the journalism in the digital space have what’s called articles and particles. And that is because in the digital space you can create, the article comes, for example, with an interactive map, those are particles. (B8, Editor, Newspaper ‘B’, my emphasis)

Editors from Newspaper ‘B’ reveal the challenge of balancing editorial and commercial interests in an era where advertisers are scarce and competition from online sources is rife. The journalistic obligation not only influences the content decisions made by Kenyan newspapers such as focussing on content that will help their audiences become better versions of themselves, but the business decisions made by the senior executives. For instance, until a recent regulation on gaming came into force, Kenya was slowly becoming a gambling nation with many gaming companies investing huge resources in advertising in Kenyan newspapers. The gaming business was so lucrative that some Kenyan media also attempted to get into it. While this new business was a good source of alternative revenue for some media organisations, editors interviewed
revealed a conflict between supporting these gambling companies and safeguarding the wellbeing of their younger audiences, who were being lured into the addictive gambling.

While gaming looked like an attractive alternative source of revenue for newspapers like Newspaper ‘A’ who are direly looking into new revenues, editors and media executives interviewed said it went against their journalistic obligation to set up such type of businesses that might prove detrimental to their younger audiences.

Influence 3: Commercial Obligation

Based on interviews with editors and senior executives from Newspapers ‘A’, ‘B’ and ‘C’, it was clear that Kenyan newspapers are primarily supported through commercial activity and thus their every decision must be guided by certain obligations. In a nutshell, if it does make them money, they will most likely not invest their time, money and space on it.

[...]

the first obligation of a media house is to make profit [...] therefore, that takes us to a very key conversation that many people in the media space never recognise. That if it is private media that is carrying the burden of responsibility to pursue and protect the public interest, then it is important to recognise that the media house has to make money to carry that responsibility. When you talk to most journalists about this, they think that ‘this guy has sold his soul to the owners of capital and whatever. If you don’t recognise that, then you only belong to the class of the naïve. And most journalists are like that, I can tell you. But if you are in my position, every day you must be thinking about how to get this ship afloat.” (B4, Editor, Newspaper ‘B’, my emphasis)

It is important, however, to note that the issue on commercial obligations was not an easy conversation to have with editors most of whom were reluctant to admit that is a key factor in their strategic thinking. Though editors would prefer to focus on great journalism and less on commercial obligations, it is reality they cannot ignore in the age
of the disruption. For listed companies who have a legal obligation to their shareholders, the commercial obligations become even more critical because of the shareholders interest in profits—with or without digital disruption. This is why any decisions on what to invest in, in particular, must align to the commercial responsibilities of these newspapers. In determining the venture to invest in, Kenyan newspapers look through the lens of the previous successful business and ask themselves: ‘When will this idea become as big as this [Newspaper ‘A’ or Newspaper ‘B’]?’ or ‘When will the margin becomes as good as that?’

We are not investing in little things like start a radio station here, start something small there…we are saying, what is that can have a big enough market or can drive big enough margins in a big enough geography for us to start seeing value beyond the business we are doing. (A6, Senior Executive, Newspaper ‘A’)

Figure 4.3: Influences behind the strategic responses to digital disruption in Kenyan newspapers.

Conclusions to Findings of RQ3

It was interesting to find that Kenyan newspapers are leveraging on data, not intuition, in making key decisions such as strategic responses to digital disruption. Kenyan newspapers have especially become pre-occupied with understanding their
audiences, their news consumption habits and their content preferences. However, I am inclined to think that the obsession with audiences goes far beyond fulfilling the needs of the readers. In my view, fulfilling the needs of the readers, serves the more the interests of the Kenyan newspapers than those of the audiences, particularly because a more robust and unique audience is gold for attracting advertisers.

This is evident from the thinking behind the free newspaper model, which, at the beginning of this study, I falsely assumed that it was all about ensuring that Kenyans who could not access news and information had easy access to high quality journalism. However, I was wrong. The fact that audiences are at the centre of every key strategic response goes beyond playing a certain societal role, it is more of a commercial role than anything else.

It is laudable that journalistic obligations also play a critical role in influencing strategic responses to digital disruption. In this regard, Kenyan newspapers have stuck to their mandate and their core business of holding the powerful accountable. However, I think that Kenyan newspapers ought to make this the prime influence behind their strategies—not just to attract audiences and the ‘eyeballs’ but because it what a legitimate newspaper must do.

It is understandable that commercial obligations play a key role in determining what strategies to be pursued. In such a difficult period, Kenyan newspapers have no time or the resources to ‘experiment’ with ideas they are not sure will be commercially successful. Under these circumstances, innovation proves difficult and such commercial obligations, in my view, are very limiting, as they box the newspaper to certain tried and tested business models ideas without the need for experimentation. In my view, while
commercial obligations are important—given that two of these newspapers are publicly owned—it should not be the only determining factor on what strategies to pursue.

4.3 Summary of Key Findings

This study set out to investigate how Kenyan newspapers are responding to the digital disruption occasioned by the mobile phone and Internet technology companies such as Google and Facebook. The study also sought to understand the key influences behind some of the strategies.

It emerged that Kenyan newspapers have embraced four strategies in response to the digital disruption. They include; protecting the old business, pivot to digital, alternative sources of revenue and culture change. Protecting the old business was seen to be the most common approach, as editors and media executives continue to exploit the existing assets—the print newspaper—because of the key role the print product continues to play in major news organisations. There were various sub-strategies that were geared towards protecting the legacy business and this include; stemming circulation decline, staff lay-offs, ensuring efficiencies and innovative advertising models. In particular, the free newspaper model, the first of its kind in the country, was of interest to this study. It is modelled on the TV and radio business model, which are driven and exclusively survive on advertisers. This study found that the free newspaper model has improved the distribution and readership of the free newspaper, although the newspaper continues to struggle for advertising revenue just like the two other newspapers.

The second major strategy, alternative sources of revenue, revealed efforts by these three newspapers to venture into non-traditionally revenue generating strategies within the news business environment. Such ventures, include events and digital
agencies have been aggressively pursued by these news media companies, although most of them are yet to yield the expected maximum returns. Culture change was another key finding that revealed the blurred lines between the editorial and commercial sides of these newspapers. The age-old tradition of the ‘Chinese Wall’ separating the journalists from their commercial counterparts has been brought tumbling down, as both teams now work hand in hand to develop new products and solutions to advertisers. The study also revealed a deliberate strong drive towards a digital focus in the content generation and delivery to tap into the young audience by aggressively investing in new digital products.

The findings of this study suggest the three main influences behind these strategies to include: journalistic obligation, commercial obligation and audiences. Audiences were particularly important in conversations with editors and executives who have invested a lot of resources in big data and analytics to understand the DNA of their audiences. While journalistic obligation remained a prime influence behind these strategies, this study found that commercial obligation was also a key influencing factor in determining the strategies. Two of the three newspapers investigated are publicly listed, meaning that the shareholders play a key role in determining expenditure of resources and investment in any strategies.

4.4 Summary

In this chapter, I set out to present and interpret the findings of the present study. The next chapter discussed these findings within the context of literature reviewed and theoretical framework.
CHAPTER FIVE
DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study set out to investigate how Kenyan newspapers are responding to the digital disruption which has caused, among many things, migration of audiences to digital platforms, decline in revenues and rethinking of journalistic practices. This study used the theory of Political Economy of Communications to understand the mass media from an economic perspective, which argued that the mass media are commercial entities which produce and distribute commodities (Wasko, 2005; Murdock & Golding, 1973, 1978, 2005). Literature reviewed from studies on this topic in the United States of America, United Kingdom and South Asian countries revealed various strategies executed by newspapers worldwide in dealing with the digital disruption, and some of the radical strategies employed by the media include; protecting the legacy business, cost-cutting, content differentiation, staff lay-offs and investment in alternative sources of revenue. The literature review also revealed a research gap and the need for an in-depth study that
This study found that disruptive technologies have affected the Kenyan newspapers in two key areas; practice of journalism and revenue (Chapter 4, page 109). The analysis of a media industry operating in a capitalist economy, from a Marxist perspective, understands the role of media in the economy as playing its part in the “production, circulation and consumption processes of the economy” (Fuchs & Mosco, 2016a). This study identified circulation and revenue as one of the key areas affected by the digital disruption of Kenyan daily newspapers. This impact on circulation and revenues has significantly upset the role of the media industry as a key component of the economy, particularly in the aforementioned areas ‘production, circulation and consumption processes of the economy’ (Fuchs & Mosco, 2016a).

The digital disruption effects on the circulation and revenue has meant that Kenyan newspapers are no longer as profitable as they were twenty years ago. As noted by the participants, in the golden age of the Kenyan newspaper industry some newspapers such as ‘Newspaper B’ would afford to not only pay hefty salaries and bonuses, but paid
millions in taxes to the government of Kenya. Today, due to the digital disruption, Kenyan newspapers have either posted losses or issued profit warning because they are unable to sustain themselves in the commercial sense.

The capacity of Kenyan newspapers to contribute to the economy’s “production, circulation and consumption processes” (Fuchs and Mosco, 2016a) has been significantly undermined as a result of the haemorrhaging advertising revenues—most of which now go to Facebook. As such, the news media organisations that own these newspapers—have become unattractive investment vehicles, with more shareholders and investors unwilling to channel their resources in these investments. This is evidenced by the significant decline of the share prices and market valuation of some of these publicly listed newspapers due to the economic uncertainties occasioned by the digital disruption.

Fuchs and Mosco (2012) previously outlined two types of values in evaluating media from a capitalistic society; the use value and the exchange value. The use value of the media lies in the media’s capacity to provide news and information, as well as enable communication. The exchange value, on the other hand, is the price of these media products, that is, in money form. Thus; “When the media take on commodity form, their use value only becomes available for consumers through exchanges that accumulate money capital in the hands of capitalists.

The digital disruption, besides severely upsetting the newspapers’ ambitions to remain profitable investments that make a significant contribution to the economy—and more importantly to the shareholders pockets, has also disrupted the exchange value of media in a capitalistic society. In this new digital dispensation, the fact that Kenyans do not need to read a copy of ‘Newspaper A’ to stay updated, due to the ubiquitous free online news sites, Kenyan newspapers core value has been challenged, causing these newspapers to re-invent themselves through investing in quality, differentiated and niche content that preserves their role as the media.

The exchange value refers to the price of these media products; newspapers, subscriptions and advertising. In an ideal capitalistic society, media rely on their exchange value for sustenance and survival. Digital disruptions, as evident from the data, had significantly impacted the circulation and revenues of the media (the exchange value), therefor compelling Kenyan newspapers to put in place strategic responses in their mission to accumulate capital and retain their value on a capitalistic society.
online news sites, Kenyan newspapers core value has been challenged, causing these newspapers to re-invent themselves through investing in quality, differentiated and niche content that preserves their role as the media.

In an ideal capitalistic society, media rely on their exchange value to execute their use value. The decline in circulation and advertising revenues has significantly affected Kenyan newspapers’ use value—the capacity to provide news and information. This can be evidenced in the effects of digital disruption on Kenya’s journalism practice where the news gathering and dissemination process has been upset, as well as the quality and nature of the content. Today, due to the digital disruption, Kenyan newspapers cannot afford to publish the basic breaking news and expect Kenyans to pay for such content. The digital disruption has compelled them to prove their use value, hence the investments in unique content that justifies the use value of these newspapers.

The findings of this research support the stipulations of the concept of disruptive innovation discussed in Chapter 1 (page 16). The concept of disruptive innovation understands disruption to be the process through which a ‘small company (or organisation) with fewer resources is able to successfully challenge incumbent businesses’ (Christensen, Raynor & McDonald, 2015, p. 44). In this case, the ‘small companies’ are Googles and Facebook, which were started 22 and 16 years ago respectively, when the global media industry was a robust, well-oiled and moneymaking machine that posted massive profits.

The findings of this study showed the first area of impact was the journalism practice (Chapter 4, page 109). It found that the disruptive technologies have fastened the pace of Kenyan journalism with journalists losing the luxury of time and being forced
into a new regime requires them to package news and content in real time, as it happens.

These findings are in tandem with literature reviewed in Chapter 1 (page 16) where key scholars of disruptive innovations such as Küng (2017), and Tushman and Smith (2002) have noted that disruptive innovations have the capacity to affect an organisation—or an industry—to its core changing the ‘architecture’ of an entire organisation. Indeed, the findings of this study have shown how disruptive technologies changed the newsroom organisation and structure of the three Kenyan newspapers investigated (Chapter 4, page 119). Based on the findings of this study, Kenyan newsrooms and processes are starkly different both in composition and in operations in the age of the disruption, as this study found.

The findings of this study support the stipulations of Christensen (2015), (literature reviewed in Chapter 2, page 47). It found that mobile phone and the Internet have made it cheaper, simpler and more convenient for audiences to access news and information, compared to the print newspaper (Chapter 4, page 125). These findings are congruent with literature reviewed in Chapter 1 (page 17) and Chapter 2 (page 78) which noted that disruptive innovations “change what used to be expensive and complicated into something that is simple and accessible to all,” (Hakaniemi, 2014, p. 9). The findings of this study show that the technology companies-- Google and Facebook-- have made advertising much more hassle free (Chapter 4, pages 125 and 126). Advertisers are now preferring to use these technology platforms because they not only offer cheaper and simpler advertising solutions, but are also more convenient; they allow for targeted advertising and give much more value for money compared to print newspapers. Finally, the findings of this study resonate with literature reviewed which indicates that the
mobile phones and Internet as platforms for news is at the heart of the current disruption of the print newspaper (McDowell, 2011, Newman, Fletcher, Kalogeropoulos, Levy & Nielsen, 2017, Pew Research Centre, 2015).

This study identified four key strategies that Kenyan newspapers are currently executing in the face of the digital disruption. These are the ‘big four’ strategies which include; protecting the legacy business, pivot to digital, alternative sources of revenue, and culture change. Based on the data from this study, it is clear that the underlying principle behind all the strategic responses to the digital disruption can be drawn from Fuchs & Mosco’s (2016a) argument that media, like any other industry, is essentially pre-occupied with accumulation of capital, reaping returns on their investments and maximizing shareholder value.

Fuchs and Mosco (2016a) have argued that the first realm of capital accumulation is through media content, where news media organisations have commodified news and information to sell it at a certain price. This was evident in this study from strategies such as paywalls, events, digital agencies and new radio and television stations all aimed at accumulating the capital for these three newspapers. The second realm of capital accumulation is in media infrastructure, where media organisations invest billions into the purchase of assets such as printing presses and premises as evidenced in this study. The four main strategies and how they tie back to literature review have discussed in detail below.

Protecting the legacy business was the most important and commonest strategy for Kenyan newspapers. Consequently, Kenyan editors and media executives rushed to execute several strategies that ensured the business remained stable and sound in the
digital disruption. However, this should not be misconstrued to mean that Kenyan newspapers are insensitive to the digital disruption and the obvious to a digital future. The move to protect the ‘old’ or ‘legacy’ business is strategic because the print products still contribute more than 90% of total revenue earned by these news organisations. The fact that Kenyan print newspapers contribute a significant chunk of the total revenues is not unique to the Kenyan market. This trend is similar to what literature review in Chapter 2 (page 70-71) found amongst print newspapers in Europe in a study by Jenkins and Nielsen (2020) that found that print newspapers contribute between 80% to 95% of total revenue. Therefore, one would be right to conclude that Kenyan editors and executives are in a sense justified to protect the legacy business, because although still not as profitable as before, the revenue from print newspapers still makes up a significant chunk of the income.

Drawing from these findings, I am of the opinion that the digital disruption has initiated one of the toughest managerial challenges in the Kenyan newspaper industry. Kenyan editors and executives are confronted by a difficult mental balancing act that requires them to explore new opportunities presented by the digital possibilities while exploiting the present capabilities—the print products, the newspaper. On the one hand, executives and editors must exploit the print products by stemming the circulation decline and ensuring efficiencies in order to keep the business afloat. On the other hand, they must come up with breakthrough innovations for the digital regime with the aim of making up for the declining revenues from print products. This twin strategy, aligns with the concept of ‘organisational ambidexterity’ which has been previously discussed in Chapter 2, pages 70 – 71.
This key strategy –protecting old business-- is congruent with the findings of a similar study conducted by Jenkins and Nielsen (2020), whose literature review can be found in Chapter 2, page 70. The study found that local newspapers in the four countries are operating as ‘ambidextrous organisations’ that seek to protect and exploit the past print products while exploring new products and innovations that will sustain them in the digital future. The study also found that the newspapers in the four European countries still continue to receive majority of their revenues from their print products (approximately 80% to 95%), hence the reason why managers and editors continued to protect and emphasise the importance of the print newspapers. Jenkins and Nielsen (2020) interacted with editors who said the print newspaper, in spite of the digital disruption, still remained their organisations’ ‘bread and butter’ and that they would be ‘fools to ignore it’, if they did not actively try to protect the print business.

It is important to note, however, that while the strategy of protecting the old business appears to align with previous studies conducted in the West, the Kenyan case is unique. One of the key idiosyncrasies of the Kenyan newspaper industry is the deliberate effort to stem circulation decline with a lot of energy and investment going into selling more print newspapers. These efforts include estate activations and enthusiastic campaigns in a bid to encourage people to purchase more printed newspapers. Other deliberate efforts include the many re-designs of the printed newspapers aimed at attracting readers as well as creative advertising solutions such the colourful pull-outs, opportunities for content partnerships and the so-called 360 degrees advertising that offers advertisers advertising packages at cheaper prices.
This fixation with selling more printed newspapers is due to the fact that the Kenyan newspaper industry continues to rely heavily on print advertising revenues as some senior executives noted that nearly 90% of their total revenues is earned from print advertising revenues. The fierce protection of the printed newspaper—in the scale of the Kenyan newspaper industry—departs from previous studies from other parts of the world such as Japan. While studies have shown that news media organisations across the world still earn 85% of their total revenues from print newspaper advertising (WAN-INFRA, 2019), the literature I have reviewed on protecting the legacy business comes nowhere close to the lengths that Kenyan newspaper editors and senior executives would go to protect the legacy newspaper. In this regard, the Kenyan newspaper industry is distinctive from other newspapers implementing the same strategy due to the intensity with which they are holding on to the print newspaper.

Staff lay-offs, buy-outs and staff reduction was another popular strategy which this study found that Kenyan newspapers are using to protect the old business in response to digital disruption. This aligns with literature reviewed from newspapers in UK and US. The literature review for staff lay-offs as a strategy is discussed in chapter 2, pages 53-55. Although, this strategy is not a new phenomenon in the media business, this study shows that in the recent past, there has been a surge of lay-offs, some happening as frequently as twice a year. According to the editors and senior executives interviewed in this study, the reality of the declining newspaper business has catalysed more lay-offs in a bid to cut costs as evidenced in Chapter 4, pages 136-139. This finding seems to concur with Pickard’s (2020) observation that many local and international newspapers have responded to the economic pressures occasioned by the digital disruption with
‘aggressive lay-offs (Chapter 2, page 53). The lay-offs in Kenyan newspapers seem to be part of a global trend amongst newspapers across the world. For instance, The American Society for News Editors has estimated that newspaper jobs in America had declined by 40% between 2005 and 2015 (Chapter 2, page 53).

From interviews with editors and media executives, the participants admitted that measures such as lay-offs were favoured because they had an immediate effect on the newspapers’ balance sheet (chapter 4, pages 136-139). As publicly listed companies, Newspapers ‘A’ and ‘B’ are legally required to maximise shareholder value, which means that ultimately, the success of these newspapers is pegged on how much wealth they deliver to their shareholders at the end of the day.

Wasko (2005), a key contemporary scholar of Political Economy of Communications has argued alongside other modern scholars such as Mosco and Fuchs (2012) that mass media has evolved into commodities produced and distributed by profit-seeking media organisations within capitalistic societies (chapter 2, page 41). The scholars give an example of pay television in the 1980s, and more recently the many paywalls erected by newspapers across the globe (chapter 2, page 41).

The second major strategy, ‘alternative sources of revenue’, seems to agree with the arguments of these three scholars, as this study found an aggressive push towards alternative sources of revenue to increase profits of these newspaper companies (chapter 4, pages 169 – 180). It found that Kenyan newspapers are venturing into enterprises that were not traditionally reserved for newspaper companies. Ventures such as events, paywalls, new TV and radio stations and digital agencies were found to be very common in Kenyan newspapers, all with the aim of profit-seeking.
This aggressive focus on reader revenue by Kenyan newspapers is supported by literature reviewed which shows that newspapers globally are increasingly focusing on erecting paywalls and getting readers to pay for content (chapter 2, pages 58-70). Literature reviewed singled out success stories such as The New York Times and Wall Street Journal (chapter 2, page 58). The findings of this study also resonate with literature reviewed in Chapter 2, page 73, which found that Spanish newspapers are seeking to raise additional revenue from their online platforms by introducing digital newsstands which charge readers to access a variety of newspapers and magazines (Casero-Ripolles & Izquierdo-Castillo, 2013).

A heavy digital focus in the form of multimedia storytelling, digital publishing and a keen focus on big data and analytics was also a major finding of this study. It found that Kenyan newspapers are increasingly investing time and effort in multimedia storytelling with a heavy focus on video (Chapter 4, page 164). This is corroborated by literature reviewed in Chapter 2 page 79 in a study by Anderson (2017), which found that newspapers like The New York Times and The Guardian are focussing efforts on offering content using more visual methods such as video. The study by Anderson (2017), found, like this study, that the two newspapers have been experimenting with newsroom video projects to diversify the content offerings.

The findings of the present research are also consistent with a study conducted by Aneez, Chattapadhyay, Parthasarathi and Nielsen (2016) set out to explore how Indian newspapers are making the digital transition in a unique Indian market where print newspaper industry is growing, albeit slowly. The study, which has been reviewed in Chapter 2, page 76, used the case study method to understand how India’s three largest
newspapers—Dainuk Jagran, Hindustan Times and Malayala Manorama—were responding to this digital disruption. Data was collected through qualitative in-depth interviews with 30 participants who were picked from the senior management as well as editors and reporters. The findings of the Indian newspapers’ study are similar to those of the current study. There is evidence to showing that Indian newspapers are keen on investing heavily in digital media technology; and have embedded digital technology in all stages of the news gathering process, including the day-to-day activities, distribution and consumption and even around their business models. The three newspapers have relatively strong brands and, therefore, are leveraging on their brand to launch new online-based start-ups. They are also changing the organisational cultures by encouraging print journalists to embrace digital media, while recruiting the right talent with digital skills.

The finding of ‘pivot to digital’ (chapter 4, page 158-170) also resonates with a research conducted by Doyle (2015) reviewed in chapter 2, page 79, which sought to find out how the UK newspapers and television industry is coping with the digital transition and how media managers are responding to the challenges and opportunities of a multi-platform media climate. Doyle examined the multi-platform strategies adopted by UK media and how these strategies are changing the media companies in terms of business conceptualisation and general day to day operations. Doyle used a multiple case study research strategy which included the use of qualitative in-depth interviews with editors and senior management, as well as document reviews and direct observations.

The research, which surveyed newspapers such as The Telegraph, The Times and Financial Times, found that the multi-platform media landscape provided media
companies an opportunity to churn out more content with additional features such as video to provide an array of content to the audiences. Consequently, there has also been a remarkable investment by UK media companies in digital equipment, skills and resources to buoy their digital units. Media companies have invested heavily in Content Management Systems (CMSs), digital page editing, video production and interactive graphics to leverage on the multi-platform opportunities. The focus on digital by Kenyan newspapers is part of the individual newspapers’ efforts to become ambidextrous organisations; continuously exploiting the current capabilities while exploring new opportunities in the digital regime.

This study found that the digital disruption has required of the Kenyan newspaper industry to shift some aspects of its culture. Some of these aspects include; staff re-organisation, nurturing new talent and shifting mindsets (chapter 4, pages 180-187). This strategy especially focuses on the dismantling of the long-emphasised separation of the ‘Church and State’ to mean the separation of editorial and commercial units of the organisations. In light of the digital disruption, this separation—commonly referred to as the ‘Chinese Wall’—has been challenged requiring editorial and commercial to work together as teams, sharing knowledge, experiences and information. The critical role of the age-old norm of separation of editorial and business units crumbled and is longer as compelling or relevant as it was ten years ago in the Kenyan newspaper industry.

From this study, there was a clear indication of an increasing integration of both roles for the efficient running of the newspapers. Editors said they were now required to embrace ‘business thinking’ and work together with commercial teams on how best the two can deliver value to advertisers. This now requires journalists and editors in Kenyan
newspapers to develop new skills such as business thinking, while the sales professionals have to be conversant with the print products not just from a commercial standpoint, but also from an editorial perspective. This is a new ‘norm of integration’. In recent years, this editorial-business integration has been catalysed by the need to adapt to the digital disruption, a fact that this study corroborates with others findings conducted in the US and UK.

This finding is similar to a study conducted by Jenkins and Nielsen (2020) reviewed in chapter 2, page 70, which relied on 50 in-depth interviews with editors and managers from four European countries. The study found that editorial teams are now incorporating business and commercial talk in their daily meetings. For instance, in France newspapers are creating interdepartmental teams involving comprising editorial and commercial to develop new products, events and mobile apps. In this study, an editorial director from a UK newspaper said each month, they share the circulation and revenue figures with editors to allow them to suggest areas of growth and improvement.

This trend of editorial and commercial teams working together was especially noticed when both teams were working on native advertising projects such as the two main projects undertaken by Newspaper ‘A’ which were discussed in Chapter 4 pages 143-148.

This trend is also buoyed by the findings of a similar study conducted by Cornia, Sehl and Nielsen (2020), reviewed in Chapter 2, page 60. The study relied on 41 interviews conducted across 12 newspapers in six European countries. This study by Cornia et al., (2020) found that in the era of the economic pressures occasioned by the digital disruption, many news organisations in Europe are increasingly integrating their
commercial and editorial teams and thus dismantling the traditional norm of separation of the “Church and State”.

The study found that the relationship between editorial and commercial departments are now described as a ‘collaboration’ rather than a ‘separation’ as part of the efforts to respond to the digital disruption. Consequently, the study found, that editors and executives of the European newspapers were working to adopt a culture change. The study concludes that European news rooms are beginning to witness a ‘new norm of integration, based on values of collaboration, adaptation and business thinking’ (p.2).

This study found that three key influences determine the strategies and decisions taken by Kenyan newspapers. These are; audiences, journalistic obligations and commercial obligations as outlined in chapter 4, pages 187-193. The findings reveal a pre-occupation with audiences by Kenyan editors as more effort is being employed in understanding the needs of the Kenyan audiences. It was, therefore evident that the audience is at the core of many decisions by Kenyan newspapers. Decisions on the type of content to publish, business models and even the kind of ‘content communities’ to establish, the sources they interviewed, the journalists they employ and every decision at a typical Kenyan newspaper is pegged on one thing; the audience.

Previous literature review has shown that media content and the meanings that accompany media messages are determined by the economic base of the media organisation that produces them (Curran et al., 1982). Thus, commercial media organisations are obliged to cater for the needs of the advertisers by producing content that maximizes their audiences, in what Smythe (1981) terms as the “audience commodity”. Commercial media organisations, those that are driven by the need to make
massive profit, often lace their content with heavy doses of violence and sexual content to attract the audiences and in turn sell these audiences to the advertisers. On the other side of the spectrum, state-owned media organisations—those whose revenues are controlled by the political institutions tend to focus more towards neutrality, promotion of government ideologies and content that is anchored less on the attributes that seem to appeal to the masses, that is, sex and violence (Smythe 1981).

However, in the case of Kenyan newspapers, based on the findings of this study, there has been a deliberate avoidance of violence and sexual content (as argued by Smyth 1981; 1983). In that regard, the findings of this study disagree with Smythe’s (1981) argument that media lace their content with heavy doses of violence and sexual content to attract audiences and in turn hand them over to advertisers. What I found, based on document review and interviews, was the intentional effort by local newspapers to invest in content other than violence and sexual content. They are focusing their energies on content that addresses societal issues such as climate change, governance, education, corruption and occasional ‘feel good stories’ aimed at inspiring their audiences.

On a separate note, the data in this study disagrees with the Marxist claims that mass media as a means of production essentially disseminates ideas and messages of the ruling class with no regard for alternative, competing ideas. Marx and Engels argued that the class that rules the material force of society also rules the society’s intellectual force, and the class that controls the means of production also owns the means of mental production (Marx & Engels, 1976). They also assert that, those lacking in means of production have no option but to conform to the ruling class ideas. They have also argued the ideas of dominance are the ideas of the ruling class, who are not only the thinkers of
the society, but also the producers of ideas who regulate the production and distribution of the ideas that rule that historical epoch. Through this frame of thought, the media is viewed by Marxists as a producer of “False consciousness”, where media managers are working under the illusion of a manufactured or false autonomy, while really, the media content they produce and commission are monolithic expressions of the ruling class, ignoring the alternative and diverse views of those who may not possess the means of production.

However, the data in this study suggests otherwise. Based on in-depth interviews with the editors and senior executives, it is the Kenyan audiences—and not the ‘ruling class’ that determine the content published in these dailies. This is evident from the significant investments that have gone into understanding their audiences and the content they prefer including the formats which these audiences appreciate. In this regard, the findings of this study disagree with the Marxist idea of ‘false consciousness’ that paint editors live in the illusion of ‘false autonomy’ by blinding publishing the ideas of the owners of capital. Instead, the data in this study agrees with critics of economism-the Althusserian Marxists- who argued that the media maintains a considerable level of autonomy of the superstructure (Lapsley & Westlake, 1988).

In the findings section, the ‘audience’ and the ‘commercial interest’ may have been separated; however, one must be careful because the findings of this study reveal that the audience and the commercial interests are far more heavily interconnected than it is imagined. This study explicitly demonstrates that audiences are a pawn in a larger game of chess that involves advertisers, who are only willing to spend if the numbers are looking good. This key finding, therefore, resonates with a key component of the theory
of political economy of communications—the audience commodity—brought forward by Smythe (1977).

Perhaps, the greatest shocker that needs to come out very clearly in this section was my naïve notion that the free newspaper model was a purely innocent and benevolent move to guarantee equal access to news and information, particularly to the lower economic class that cannot afford to purchase a newspaper. However, this assumption was wrong.

What this study did not realise at first, was that the underlying principle of the free newspaper model is that the newspaper company reserves the right to give this paper for free to the people of its choice. From the findings, it is apparent that the free newspaper may be 'free' but not 'free for all'. The free newspaper strategy is designed to be given out only to those audiences with a certain purchasing power. This means that the newspaper is given only to motorists and bus or matatu drivers, and not even the passengers and definitely not those on foot. This strategy not only denies the chance to access information from a free newspaper because they are not part of their target audience as a strategy to attract advertising revenue, is discriminatory.

This, therefore, means that the free newspaper model is not really a reader-oriented move; it is not about serving the underserved readers who are perhaps too poor to buy a newspaper. The model is a commercially-driven strategy that gives the newspaper free to those who can afford to buy it. It is, therefore, my considered opinion that the free newspaper business model is not different from the paid newspaper model or the paywall model as they all have one thing in common; the commodification of the
audience, thereby justifying the core argument of the theory of political economy of communication.

5.3 Conclusion

The aim of this study was to investigate how Kenyan newspapers are responding to the digital disruption occasioned by the mobile phone and internet technologies. The study set out to answer three research questions: What is the impact of the mobile phone and Internet technologies on Kenyan daily newspapers? What strategic responses are being executed by Kenyan newspapers in response to the digital disruption occasioned by the Internet and the mobile phone? What are the key influences behind these strategic responses, business models and proposed revenue streams?

To conclude this study, I sought to go back to Clayton Christensen’s thesis of disruptive technology. Christensen advises legacy organisations to ‘disrupt or be disrupted’, meaning that self-disruption is the key to surviving in a continuously changing world. At the end of this research, one must ask, ‘Has the Kenyan newspaper industry disrupted itself?’ Based on the findings, this study concludes that the Kenyan newspaper industry has made significant effort to sufficiently disrupt itself as evidenced in the massive investments in digital assets, knowledge and skills. Kenyan daily newspapers started to engage with innovative disruptions many years ago and thus put in place various strategies including convergence, digital publishing, multimedia publishing and the use of data to understand audiences. Lately, some Kenyan dailies have become more aggressive in executing these strategies, although it is not yet clear if they are profitable yet. However, Kenyan newspapers could still do more to continuously disrupt themselves as they anticipate more changes in the future.
The thesis of this study is that a sustainable business model specifically tailored for the Kenyan newspaper industry is urgently needed. What, therefore, makes a sustainable business model for a Kenyan newspaper in the age of digital disruption?’. From the findings of this study, a sustainable business model within the context of the Kenyan newspaper industry must have the following three characteristics: First, it must be audience-centric, meaning that it must first and foremost serve the needs of the Kenyan audiences. Second, it must be scalable, meaning that the same business model must have the capacity to be replicated across different markets. Third, it must possess journalistic value and uphold the highest levels of journalistic quality, a core goal of a credible newspaper.

To the first characteristic, an audience-centric business model first and foremost serves the needs of the audiences is guaranteed to succeed in the Kenyan market. A product that serves the Kenyan audience with content that speaks to them, written in clear, simple and conversational language and presented in different forms such as video, text, podcasts and visuals has the promise of a sustainable business model.

Second, the newspaper must be easy to commercialise and more importantly, scalable. Can this model make money? More so can it be replicated in different markets, besides the Kenyan market? From the findings, it was apparent that Kenyan newspapers will hardly invest in an innovative project unless it proves to be scalable across different markets.

Third, the business model must meet journalistic obligations. A good business model must be anchored in independent, investigative journalism that is steeped in the notions of objectivity and impartiality. This is especially important for Kenyan editors
who, in spite of their clamour for audiences and commercial interests, are still wedded to the fact that they owe the Kenyan society good journalism that speaks truth to power and keeps the mighty accountable. Fidelity to facts, bold journalism and the journalistic social contract are the capstones of a good business model. Therefore, a business model that demonstrates good journalism, should not only be pursued vigorously by Kenyan editors, but must also be supported by the executives because it speaks to the core business of a Kenyan newspaper—journalism.

It is for this reason that business models such as partnerships with key advertisers such as Safaricom are already yielding instant business results because it is a win-win-win situation for all the three parties; audiences, advertisers and the media. This infusion of advertisements into editorial content seems to be a sprouting business model in the Kenyan newspaper industry, and if nurtured and protected—including the ethical side of it—could prove to be a worthy business model worth pursuing in the future. Indeed, a very senior editor confidently noted that "the future of Kenyan newspapers is in partnerships,.”

In the following diagram, an explanatory model for understanding the sustainable business model for a Kenyan newspaper is presented.
Figure 5.1: Explanatory model: Toward a sustainable business model
Major contributions

This multiple case study examined the main effects of the digital disruption to the Kenyan newspaper industry, the strategic responses put in place to mitigate these effects and the key influences behind these strategic responses. Based on the findings of this study, journalism practice, circulation and revenues are the two broad but profound areas mostly affected by the ubiquitous digital disruption. In turn, Kenyan newspapers have risen to the occasion by putting in place several measures such as investments in key alternative sources of revenue and shifting mindsets to navigate the new digital dispensation. These strategies have been found to be influenced by several things among them, the commercial obligation to remain profitable in a capitalistic society, their journalism pact with Kenyan audiences and the shifting tastes and preferences of their audiences.

This study is one of the first in depth investigations on Kenyan newspapers’ strategic responses to digital disruption. The main contribution of this dissertation lies in the nuanced and idiosyncratic data on how Kenyan editors and senior media executives are coping with digital disruption but also for what these findings mean against a global newspaper industry. This study contributes to journalism research and media economics scholarship from both theoretical and methodological perspectives. In addition to this, I have submitted several practical recommendations for Kenyan journalists and media observers.

The first theoretical contribution is the extension of media economics research on strategic responses of Kenyan newspapers to the digital disruption from a Kenyan—and African—perspectives. Previous studies have examined media economics in the context
of much more developed economies compared to Kenya, thus this study contributes to media economics research from a third world perspective and captures the unique eccentricities that cannot be found in the US, UK, Scandinavian countries and South East Asia.

The second theoretical contribution is the proposal of a business model that is unique to the Kenyan—and African—context based on the key propositions of Political Economy of Communications and the findings of this study. By proposing a context-specific business model, this study presents a novel sketch of an ideal business model for a Kenyan newspaper to encompass audience needs, commercial obligations and journalistic requirements.

Creswell (2013) argued that qualitative research is most appropriate when one is interested in understanding a complex phenomenon from the point of view of the participants to capture their experiences, meaning and perspectives. This is the methodological path I chose. However, I specifically chose multiple case study method because I wanted to understand this contemporary phenomenon of digital disruption within its real-life context as Yin (2013) and Creswell (2011) have recommended. I made the methodological decision to examine three diverse case studies to test the same three research questions across three different contexts while applying similar qualitative research approaches such as in-depth interviews, observations and review of documents.

This holistic and multidimensional approach teased out context specific, nuanced rich data and allowed room for cross-case and within case analyses that will enhance the academy’s understanding of the Kenyan newspapers’ strategic responses to digital disruption.
5.4 Recommendations

Several recommendations that aim to provide for a better understanding of the current digital disruption of the Kenyan newspapers have been listed below. First, the normalisation of research and development in Kenyan newspapers. It is unfortunate to note that among the 23 participants interviewed, none of them stressed the importance of research and development as a strategic response to the digital disruption. Successful newspapers in the UK and the US have underscored the value of research and development which guided the experiments conducted by the newspapers before arriving at the viable business models. Kenyan newspapers ought to take seriously research and development, by fostering a culture of innovation, encouraging younger journalists to bring forward their innovative ideas to be studied, tested and invested in. This study recommends that Kenyan newspapers be more serious and deliberate on embracing innovation, by allocating resources into innovation hubs, development of prototypes and minimum viable products (MVPs).

Second, I would like to submit is that Kenyan newspapers ought to do more to empower their journalists with the aim of improving their skills in preparation for future of journalism. Editors underscored the need to have technologically-savvy journalists in their newsrooms and there have been various efforts to achieve this. However, there is need to drastically invest in training Kenyan journalists in technology skills such as coding to make them understand the opportunities in technology for better storytelling. Successful newspapers such as the New York Times have a training programme in which they teach journalists how to code and tell stories using large data sets. And this has set apart the New York Times from its competitors. Kenyan newspapers ought to be more
intentional with the kind of training they offer their journalists over and beyond telling stories through their mobile phones. The training has got to be relevant, sophisticated and exciting enough for the journalists. Currently, there are trainings on data journalism, but these trainings need to go beyond data storytelling and seek to immerse journalists into the technology and innovation world.

The third recommendation is that Kenyan newspapers ought to seek more partnerships with other industries to leverage on the opportunities offered by technology. While partnerships with corporate organisations such as Safaricom are brilliant for business, I think it would be important for these newspapers to have technology partners who will not only assist in training their journalists, but also consult for them—from a technology perspective—and provide solutions for the current disruption. It is my considered opinion that the solution to the current digital disruption will not only come from the media, but from other industries such as the tech industry which has infiltrated every other industry in the world including tourism (Airbnb), transport (uber) among others. Kenyan newspapers ought to look for solutions outside of themselves.

Fourth, I recommend that Kenyan newspapers ought to have better and more solid alternative sources of revenue. In my view, Kenyan newspapers need to aggressively look for another high-revenue business that will make enough money to fund journalism. Reader revenue will less likely yield instant results. Even for success stories such as The New York Times, Wall Street Journal and Financial Times it has taken close to 10 years to amass millions of subscribers. The reader-revenue model is not as simple as Kenyan editors put it out to be, it will take, in my estimation, at least 10 years for a Kenyan newspaper to make solid profits from a paywall. To get there, Kenyan newspapers ought
to invest in an alternative business that will allow them room for expansion. For instance, some of the established newspaper companies could invest in providing essential services such as cheap Internet to its millions of monthly visitors in a bid to make enough revenue to fund journalism. It would also be paramount for these newspapers to think continental, beyond Kenya and East Africa if they intend remain in business over the next five years. It is my considered opinion that the more established newspapers should consider acquiring smaller newspapers in large markets such as Ethiopia with the aim of expanding their footprint across the region. For some of the newspaper companies that have achieved much success in broadcast, could leverage on local success and open up more radio and TV stations in Uganda, Tanzania, Rwanda and Ethiopia. It may seem like an oxymoron, but I think the survival of the Kenyan newspaper industry is tied to its regional and continental expansion. Kenyan newspapers must expand to succeed.

This, of course, calls for massive investment in new business frontiers, and I recommend that the board of directors of the two listed companies begin to think beyond maximizing shareholder value and prioritize journalism. Kenyan newspapers must prepare for hard times ahead because the decline in readership will dip even further and the advertising revenues may not recover to. It is my opinion that it will get worse before it gets better. In fact, I dare predict that we might begin to see established newspaper companies issue a profit warning in the next 24-36 months, given the tough times ahead and the accelerated decline in circulation and advertising revenue. This means that Kenyan newspapers should discard their obsession with profits—at least for now—and think long term. Where does Newspaper ‘A’, ‘B’ and ‘C’ see itself in the next ten years?
This question must be answered by everyone at the helm of these newspapers and they must work aggressively towards that goal.

5.5 Recommendations For Further Research

This study has investigated how Kenyan newspapers are dealing with the digital disruption. The study found four strategies and the three main influences behind these strategies. However, there is a need to study the East African audiences to understand their changes in content consumption through the digital disruption. Studies show that readership of print newspapers has declined significantly over the last couple of years, but this has also led to an increase in digital consumption of news and information.

We need to understand how East African audiences consume news, particularly the younger audiences aged between 18-35 years. This area for further research cannot be underscored enough. There is need to know their news consumption habits, the formats they prefer and the devices they use to consume news. We need to ask questions such as “Who are these young East Africans?” “What kind of content do East African youth consume?” “What content would they like to see more of?” “Would East African youth pay for news?”

Insights from such a study would inform the reader revenue strategy that Kenyan editors are currently banking on as well as inform the kind of content required to anchor a successful paywall in this side of the world. A separate study on willingness to pay for news would also help us understand where Kenyan—and East African-- audiences stand compared to global audiences who have been seen to have a lukewarm approach towards paid content (Chyi and Ng, 2020).
The other area for further research would be an inquiry to understand how the traditional journalistic norm of separation has been re-negotiated and rethought by Kenyan editors. This study should also investigate how new models of work—specifically the integration of editorial and commercial units—are viewed by journalists.
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APPENDICES

Appendix A: Interview Guide

1. To what extent has technology disrupted your newspaper’s business?

2. Experts in the field agree that there are three main strategic responses; cost leadership, differentiation and focus (Porter 1980). How have you tapped into these strategic responses within your organisation?

3. There is a concept in marketing referred to as differentiation. The goal behind differentiation is to gain the competitor’s audiences, to set apart your content from what is offered by other media firms. What role has content played in the restructuring and repositioning of your newspaper?

4. The business has chosen to focus on some profitable ventures and letting go of the unprofitable ones. What are some of these profitable models that you have chosen to stick with, and which ones have had to be let go of?

5. Sources of revenue. Advertising revenue was the key source of revenue for the media until the digital disruption forced media to look for other sources of revenue. Let’s briefly discuss your plan for alternative sources of revenue.

6. From a general perspective, with regards to these strategic efforts, what are the guiding principles that inform the thinking behind these strategic efforts?

7. Audiences play a key role in the direction that your newspaper takes in fulfilling its public interest role. Tell us how audiences influence how you respond to the disruption.

8. Newspapers across the world are asking their audiences to pay for content. Are we going to be expecting something similar from your newspaper?
Appendix B: Document Review Guide

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL COST LEADERSHIP:</td>
<td></td>
</tr>
<tr>
<td>Did the documents reviewed show any signs of:</td>
<td></td>
</tr>
<tr>
<td>Consolidation- mergers and acquisitions?</td>
<td></td>
</tr>
<tr>
<td>Outsourcing: outsourcing some services to cut costs?</td>
<td></td>
</tr>
<tr>
<td>READER REVENUE</td>
<td></td>
</tr>
<tr>
<td>Did the documents show any reports of:</td>
<td></td>
</tr>
<tr>
<td>Paywalls: Are there any plans for introducing paid subscriptions?</td>
<td></td>
</tr>
<tr>
<td>Memberships: Are they planning to introduce paid membership?</td>
<td></td>
</tr>
<tr>
<td>PROTECTING THE OLD BUSINESS</td>
<td></td>
</tr>
<tr>
<td>Did you see any signs of the following?</td>
<td></td>
</tr>
<tr>
<td>Efforts to protect the traditional business model?</td>
<td></td>
</tr>
<tr>
<td>Efforts to improve efficiencies within the old business model? Eg automation, purchase of new printing presses.</td>
<td></td>
</tr>
<tr>
<td>NEW REVENUE STREAMS</td>
<td></td>
</tr>
<tr>
<td>Did the documents reveal any efforts to secure revenue streams?</td>
<td></td>
</tr>
<tr>
<td>Digital agencies: To experiment with native advertising</td>
<td></td>
</tr>
<tr>
<td>Events: Paid events for both audiences and advertiser-centred events.</td>
<td></td>
</tr>
</tbody>
</table>

Appendix C: Observation Checklist

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did the newspaper consider</td>
<td></td>
</tr>
</tbody>
</table>
the following?

**CONTENT DIFFERENTIATION**

Did the newspaper have:

<table>
<thead>
<tr>
<th>New products such as lifestyle content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique content eg investigative journalism</td>
</tr>
<tr>
<td>Special Editions i.e special coverage of events</td>
</tr>
</tbody>
</table>

**CONTENT DIVERSIFICATION**

Did the newspapers show interest in:

<table>
<thead>
<tr>
<th>Distributed publishing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Websites (Apps, Chatbots)</td>
</tr>
<tr>
<td>Visual journalism (Mobile first video, immersive journalism eg AR/VR)</td>
</tr>
</tbody>
</table>

**COST LEADERSHIP**

Did you observe the following:

| Reduced staff members |

---

Appendix D: Consent Form

Consent Form
Title of Study: Strategic Responses to Digital Disruption: A case of Kenyan Media

Researcher:
Name: Njoki Chege  Dept: Communication  Email: evalynenchege@daystar.ac.ke

Supervisors:
Name: Prof. Levi Obonyo  Dept: Communication  Email: lobonyo@daystar.ac.ke
Name: Dr. Nyakundi Nyamboga  Dept: Communication  Email: enyamboga@gmail.com

Introduction
You are being asked to be in a research study on how Kenyan newspapers are responding to the digital disruption occasioned by the Internet and mobile phone. You were selected as a participant because you work / or used to work for a Kenyan newspaper that might be experiencing digital disruption and also because you are central to the process of strategy.

Purpose of Study
The purpose of the study is to investigate the strategic responses of Kenyan newspapers to the digital disruption. Consequently, this research will be presented for examination at Daystar University and maybe be published in a peer-reviewed journal or presented as a conference paper, or published as a book chapter.

Study Procedures
If you agree to be in this study, you will be asked to do the following things: to talk about the digital disruption of the Kenyan newspapers in your media organization (or former) over a one-on-one interview. The interview will last approximately one hour and will be recorded by the interviewer.

Significance of Participation
Your participation will help create the much-needed insights on newspaper strategies to digital disruption in Africa – considering that such studies are seldom in the region and Africa in general

Confidentiality
The records of this study will be kept strictly confidential. Research records will be kept in a locked file, and all electronic information will be coded and secured using a password protected file. Audio tapes will only be accessed by the aforementioned researcher who will only use the information for educational purposes. I will not include any information in any report I may publish that would make it possible to identify you. Additionally, your identity will not be disclosed in the materials that are published.
Payments
You will receive no payment/reimbursement for participating in this research.

Right to Refuse or Withdraw
The decision to participate in this study is entirely voluntary. You may refuse to take part in the study at any time without affecting your relationship with the investigators of this study or Daystar University. Your decision will not result in any loss or benefits to which you are otherwise entitled. You have the right not to answer any single question, as well as to withdraw completely from the interview at any point during the process. Additionally, you have the right to request that the interviewer not use any of your interview material.

Right to Ask Questions and Report Concerns
You have the right to ask questions about this research study and to have those questions answered by the researchers before, during or after the research. If you have any further questions about the study, at any time feel free to contact Njoki Chege at njokichege01@gmail.com. If you like, a summary of the results of the study will be sent to you. If you have any problems or concerns that occur as a result of your participation, you can report them to the address above. Alternatively, concerns can be reported to Daystar University Ethical Review Board.

Participant
Name: ___________________________ Signature: ___________________________

Date: ___________________________ ___________________________
Appendix E: Ethical Clearance

REF: DU-ERB/01/10/ 2019 /000347
Date: 01-10-2019
To: Evalyne Njoki Chege

Dear Evalyne,

RE: STRATEGIC RESPONSES TO DIGITAL DISRUPTION: THE CASE OF KENYAN MEDIA.

This is to inform you that Daystar University Ethics Review Board has reviewed and approved your above research proposal. Your application approval number is DU-ERB-000347. The approval period is 1 October, 2019 – 30th September, 2020.

This approval is subject to compliance with the following requirements:

i. Only approved documents including (informed consents, study instruments, MTA) will be used.

ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by Daystar University Ethics Review Board.

iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to Daystar University Ethics Review Board within 72 hours of notification.

iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to Daystar University Ethics Review Board within 72 hours.

v. Clearance for export of biological specimens must be obtained from relevant institutions.

vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.

vii. Submission of an executive summary report within 90 days upon completion of the study to Daystar University Ethics Review Board.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://nrcs.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,

[Signature]
Secretary, ERB

*2 Peter 1: 19*
Appendix F: Research Permit

This is to certify that Miss. Njuki Chege of Daystar University, has been licensed to conduct research in Nairobi on the topic: STRATEGIC RESPONSES TO DIGITAL DISRUPTION: THE CASE OF KENYAN MEDIA for the period ending: 17/10/2019.

License No: NACCOST15/2163

Ref No: 92974

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## Appendix G: Editors and Senior Media Executives Interviewed

<table>
<thead>
<tr>
<th>Code assigned</th>
<th>Newspaper</th>
<th>Professional role</th>
<th>Year and month</th>
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</thead>
<tbody>
<tr>
<td>A1</td>
<td>Newspaper A</td>
<td>Senior Executive</td>
<td>January 2020</td>
</tr>
<tr>
<td>A2</td>
<td>Newspaper A</td>
<td>Editor</td>
<td>October 2019</td>
</tr>
<tr>
<td>A3</td>
<td>Newspaper A</td>
<td>Senior Executive</td>
<td>December 2019</td>
</tr>
<tr>
<td>A4</td>
<td>Newspaper A</td>
<td>Editor</td>
<td>November 2019</td>
</tr>
<tr>
<td>A5</td>
<td>Newspaper A</td>
<td>Senior Executive</td>
<td>November 2019</td>
</tr>
<tr>
<td>A6</td>
<td>Newspaper A</td>
<td>Senior Executive</td>
<td>November 2019</td>
</tr>
<tr>
<td>A7</td>
<td>Newspaper A</td>
<td>Editor</td>
<td>October 2019</td>
</tr>
<tr>
<td>A8</td>
<td>Newspaper A</td>
<td>Senior Executive</td>
<td>November 2019</td>
</tr>
<tr>
<td>B1</td>
<td>Newspaper B</td>
<td>Editor</td>
<td>December 2019</td>
</tr>
<tr>
<td>B2</td>
<td>Newspaper B</td>
<td>Editor</td>
<td>October 2019</td>
</tr>
<tr>
<td>B3</td>
<td>Newspaper B</td>
<td>Senior Executive</td>
<td>December 2019</td>
</tr>
<tr>
<td>B4</td>
<td>Newspaper B</td>
<td>Editor</td>
<td>November 2019</td>
</tr>
<tr>
<td>B5</td>
<td>Newspaper B</td>
<td>Senior Executive</td>
<td>October 2019</td>
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<tr>
<td>B6</td>
<td>Newspaper B</td>
<td>Senior Executive</td>
<td>November 2019</td>
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<tr>
<td>B7</td>
<td>Newspaper B</td>
<td>Senior Executive</td>
<td>December 2019</td>
</tr>
<tr>
<td>B8</td>
<td>Newspaper B</td>
<td>Editor</td>
<td>November 2019</td>
</tr>
<tr>
<td>C1</td>
<td>Newspaper C</td>
<td>Editor</td>
<td>November 2019</td>
</tr>
<tr>
<td>C2</td>
<td>Newspaper C</td>
<td>Senior Executive</td>
<td>January 2020</td>
</tr>
<tr>
<td>C3</td>
<td>Newspaper C</td>
<td>Editor</td>
<td>October 2019</td>
</tr>
<tr>
<td>C4</td>
<td>Newspaper C</td>
<td>Editor</td>
<td>October 2019</td>
</tr>
<tr>
<td>C5</td>
<td>Newspaper C</td>
<td>Senior Executive</td>
<td>December 2020</td>
</tr>
<tr>
<td>C6</td>
<td>Newspaper C</td>
<td>Editor</td>
<td>December 2019</td>
</tr>
<tr>
<td>C7</td>
<td>Newspaper C</td>
<td>Senior Executive</td>
<td>December 2019</td>
</tr>
</tbody>
</table>
Appendix H: Sample Transcribed In-depth Interview.

Interviewer: … start by telling us …

Participant: Let me get this thing down.

Interviewer: Sure. Perhaps you could start by telling us what is [newspaper ‘B’] priority in this digital disruption? What are the strategic priorities you’re looking at right now?

Participant: First of all, we have got to start the conversation from the beginning, and that is that generally, the Kenyan media space is majority occupied by private media. Two of them are of course public-listed, the rest are just individual ownership entities. The space is generally one in which it is occupied by private media, and we know that that being the case, then the way the journalism is then supported is through commercial activity. Journalism rides on private enterprise, that’s what it is. I’m saying that because it then sets the ground for appreciating that the economics has to be right for such private-owned media to thrive. And I’m talking about it vis-à-vis what you call State-owned media or public-funded media. So those two are a dichotomy that need to be recognised from the start, because they operate on two different logics. State media can thrive regardless of what happens in the market. This is the line of BBC, for example. BBC, even at this time when the media is really having to reckon with the market forces, you are aware that last year, the year before, they came here in a big way, with State money and actually expedited the disruption by taking very key skills from the Kenyan private media to its stable with top dollar. And that, somehow, was another storm. State-funded media may not even be responding to the disruption that we’re talking about because they operate in a different space. After recognising that the Kenyan media space, because the State-owned media is almost dead, which is KBC, is basically a dead place, therefore, the burden of journalism and its role in society is being borne by the private media. Therefore, that takes us to a very key conversation that many people in the media space never recognises, that if it is private media that is carrying the burden of the public responsibility that the media carry all over the world, that responsibility to pursue, protect the public interest is actually being carried by private media in most of countries around the world, except in a few places where the State actually fund, then it is important to recognise that the media houses then have to make money to carry that responsibility. If they don’t make money, it means they die, and if they die, that public interest that they carry, the public obligation dies with them. Therefore, you really face the grim reality of having a democratic open market economy that is existing without media, and that is a disastrous thing. People have never ever just start back to imagine what will happen. If, for example, you had a Kenya without [Newspaper ‘A’],
[Newspaper ‘B’] and [Newspaper ‘C’], and these guys were operating here the way they operate, that would be disastrous for democracy. Or you have this market of ours where people want to pickpocket others, people want to do shitty things, rig the market, without the media, what would happen? And that brings me to the conversation that most people in the media space never recognise and find it difficult to swallow, that then the first obligation of a media house is to make profit. Why? Because you don’t make profits, you die. You die, there’s no one in that space. When you talk to most journalists about this, they think that this guy is like he has sold his soul to the owners of capital and whatever. If you don’t recognise that, then you only belong to the class of the naïve. And most journalists are like that, I can tell you without flinching an eye. That you sit here, if you are in my position, every day you come, you are just thinking about how will we get this ship afloat to keep carrying these people. Because it fails to carry the people, we’re all sunk and gone. But in the newsroom, however, and sometimes, surprisingly, even in senior position, people don’t think that way. They think somehow the money is always there. You see, that's the thinking that mostly people have in government. Government always has money, so we can spend, we can do whatever, we can waste it, we can do per diem, whatever we want, but the money will … If we don’t manage this thing in a way that is profitable and, therefore, sustainable, the reckoning comes. You've seen what has happened at [Newspaper ‘C’], people are being sent home. Now, I’m telling myself, will this happen so soon under my watch? You’ll just come and a few months down the line you want to chuck people out. But those are now the reality. And that’s why it looks very scandalous always when you're in my position and you preside over a retrenchment. Because to journalists in the newsroom, somehow, that is just it shouldn’t happen. And that’s the reason I started with you the conversation from …

Interviewer: The two dichotomies

Participant: … from the two dichotomies. If we are a private media and you are public-listed, the obligation of the business, first, is to the shareholder. This is a conversation that is rarely had in the newsrooms. The obligation is, first, to the shareholder. By the time you meet like people out there and they say, “Oh, the media has done this, has not done this,” there are so many assumptions that people make, and surprisingly, if you are in some of these WhatsApp groups for media people, even people who act in the media in senior places and are now out there do not seem to have acknowledged what is going on. So then if that is our world, our reality, then we have to work to make sure that the business, first, is sustainable and then it can now do its journalism obligations. Without that, the retrenchments will continue coming, the space will be getting narrower and narrower and narrower, and in many places, if you have done your literature review well, you've realised that more than 3,000 newspapers and small media entities in the U.S. just disappeared …
Interviewer: It's true, over the past 20 years, yeah.

Participant: … because of this disruption. Yeah, in the past 20 or so years. Which is the conversation at the heart of what we want to have. When we talk about disruption, what do we mean? What has been disrupted? Because that's where the conversation has to start. We’re talking about the media disruption, it's a digital disruption. And the disruption, in our case, is what we call the disruption of the business model. Because we are basically a business. First, as we have explained, before we are a media house, we are, first, a business. So, the business model was you do good journalism, you win eyeballs, somebody comes to buy those eyeballs to market their products. That was the traditional business model of the media. Now, if you are a television media house, too bad, your line of revenue is only one, and that is advertising revenue, which then gets to the conversation about your ratings and how many millions of eyeballs you have. If you are a newspaper, a bit luckier that you have a small side of the revenue that you can get from circulation, if you are a paid-for circulation, not a free sheet like The People. You can get some of the revenue from circulation and some of your revenue from advertising. And the ratios were always inverted, that when it came to space in the paper, the ratio were journalism 60, advertising 40. But when it came to the money, you invert, advertising 60, circulation 40. That is how it went. Now, what has then been disrupted is that business model, that basically you can see even for newspapers it was riding on advertising. Now, what has happened is that advertising has then been completely disrupted. Disrupted by the digital revolution. What it has done is that it has split the advertising market into so many small pieces, that it is difficult for big media houses now to pursue that and benefit from it. There are two sides to the disruption. One is that you have the technology companies who are taking like 90% of the digital revenue, and then you have the remaining 10% is split into such small pieces that it doesn’t make sense …

Interviewer: Amongst the middlemen.

Participant: Yeah.

Interviewer: Yeah.

Participant: It doesn’t make sense for a big media house, because it is split into so many small pieces, including socialites and they call themselves influencers. So when you go pitching for advertising, you find them there.

Interviewer: Yes, they’re your competition now.

Participant: They have become your competition. Now, remember, this is an individual. And if they can get even 500,000 shillings a month from marketing stuff on their Twitter handle or Facebook, they’re good. A
media house like this cannot survive on even 10 million shillings advertising in a month. So you need to have good revenue streams, good money to continue surviving. Now, that is not to say if you look globally, advertising has been growing immensely. Advertising revenues have grown very steadily, but the problem is it's only being amassed by Google and Facebook. Google and Facebook is 90%, and then you come to these other ones, all the rest, 10% split into very small pieces. That, then, requires that you go back to the drawing board to look for better ways of surviving, sustainable ways of remaining relevant and remaining profitable and, therefore, sustainable into the future. From where I sit as a journalist, the whole thing, journalism, generally, around the world made what they call the original sin. The original mistake that we made was to think that it was business to produce content expensively and give it out for free. That is the old thinking, that we will use our content to bring in a lot of eyeballs, and then monetise those eyeballs with the advertisers. That has not happened, because of these two mongrels with us, technology companies, Google, Facebook. Because these people, they own these pipelines, they have very advanced technology. They understand that space, because it belongs to them. And therefore, they are able to capture all the potential advertising revenue that goes into that space. They have amassed it, and they continue to grow even here. So the media has been left. If you are, for example, pursuing that kind of revenue, you are basically backing the wrong horse. And that is for a long time, that was the conversation we always had in the newsrooms. Do whatever it can to get the biggest traffic, and there’s always competition in ranking who has the most traffic in this market. And that kind of thing then misled media houses to pursue traffic at all costs. So what did that do? It even did very bad damage to the credibility of journalism, because the things that attract traffic are not things that deal with the huge obligation on the shoulders of journalism, the huge obligation of accountability, the huge obligations of fighting for justice, pursuing the public interest, public good, telling truth to power. Those are not the most popular things. So guys went for all the manner of things just to drive traffic. And that really has sucked out a lot of energy from journalism. I mean they almost hobbled out journalism because of this misreading digital disruption and then responding wrongly. So that you have people here in this, journalists are here, and then you have a whole other team called Digital. What do these people do? So when you are at [Newspaper ‘A’], you’re like every time there’s a ranking, after Google, whatever, those whatever, then the [Newspaper ‘C’] is there.

Interviewer: Google, YouTube, Tuko. Yeah.

Participant: But it is there with what? Nobody ever asked that question. You come in, and then you realise, hey, this number one, you realise, for example, that [Newspaper ‘A’], where it is, it has made almost twice the digital revenue that [Newspaper ‘B’] has made. This is like being on the digital space at whatever cost, you just want to be number one at whatever cost. Then you
ask yourself, okay, you guys who are busy here pursuing a million clicks and whatever page views, what do we get from it? What is it that we can say we get from it? And nobody can have an answer to that question. How? Yes, we’re number one. Number one in Kenya, number one website. What are you doing in that space? It is are we still a media house that is pursuing the traditional role of journalism, or are we saying that it is no longer possible to make money and run a sustainable business whose role is principally, still, journalism as we know it? And nobody can answer that question. Then, you have to go back. And, you see, because of that, because you have all those guys, there’s no money to invest in the newsroom. That's why I was talking about hobbling it out. There is this fad of we are becoming digital, we’re whatever, so every kind of investment just going to that side, it’s going to that side of hiring people, buying technology, whatever. Yet when you look at the company’s revenue structure, 80% of it is still coming from journalism, whether it is radio, it is TV, it’s the paper. But the investments are not going to … it is this fad of digital. But when you look at digital, what digital is doing, they’re pursuing the wrong things. They’re just pursuing traffic and clicks. And I’m always saying, you know, it has become very clear throughout the history of digital media that there is one type of content that will give you the highest traffic that you want without breaking a sweat. If our purpose is just to pursue traffic, you just need to open a website and put pornography there. There is no content around the world that has defeated pornography. If it is just a matter of pursuing clicks and page views and whatever.

Interviewer: Then you can go into that business.

Participant: You just need to go there and sit back.

Interviewer: And wait for your millions.

Participant: Yeah. But for us, we are here, we have a purpose, we have a mission, we have a role in society that is very burdensome. If society burdens you with keeping guys in check, with defending their interests, their holistic interests of society, the burden of speaking truth to power with all its dangers, if society has given you that burden to carry on your shoulder, it must be a different conversation.

Interviewer: And so what are you doing?

Participant: Now, that's where, I’m going slowly because I think most of the time we run to talk about what we’re doing without understanding the space.

Interviewer: The context.

Participant: The context. The context has to be understood before you can go to then how do you respond? Now, the response, luckily, first, I have to tell you
that the response of anyone this side of the world will not be anything original. It will not be anything out of this world original that is not happening already where the disruption started. So all of us, we’re trying to follow the path, but with the advantage of hindsight of learning from those who are ahead of us.

**Interviewer:** The mistakes of those …

**Participant:** Yeah, the mistakes of those who are ahead of us, those who have gone through this and whatever. The debate around what to do in the digital space and keep the media business sustainable has been had for the last 20 years, and it was a very difficult one, especially in Europe. If you look at the U.K. crisis, for example, they all believed in this thing of pursuit of eyeballs, and now the papers like The Guardian, The Mail, all these, they pursued traffic so vigorously. But all of them were going down just the way we are now here, they were all pointing south and continuing this. Until the Americans, with their gung-ho attitude to capitalism, said, “No way. This is not business. We are not going to get here, a place where we’re making content, spending money on making the content and then we give it for free.” Now, that brings us now to the heart of the thing. There has to be a formula in which we are earning enough money to carry this obligation of journalism. Now, what has happened is that as opposed to the current model, I can’t call it the former model because we’re still in it, as opposed to the current model where the revenue sources are two, advertising and circulation, what has happened around the world and which we are studying closely and we are convinced that that is the direction to go is that media houses have opened multiple revenue sources. So people are doing different things that in the collective, then, adds up to enough revenue to run an independent media house. Now, that range is what then we will ordinarily speak about with somebody like you who is trying to research this piece for now. And that range includes, first, you start with reader revenue, and all the way, I think, the Americans, the Europeans, have gone all the way to what they call product licensing. And in-between there are a lot of things. There are a lot of things, including these two traditional ones. Because when you sell the [Newspaper ‘C’] for 60 bob or [Newspaper ‘A’] for 60 bob, that is reader revenue, it’s just that it’s carried on this vehicle. All along, reader revenue has been there in the history of newspapers, particularly. And then there is the advertising revenue. So this is reader revenue and advertising revenue. Now, what we’re saying is we want to continue pursuing those two on the digital platforms, but there is a whole range of others. Now, the others are, for example, what you call programmatic advertising, advertising that is very data-driven and targeted. That’s another one.

**Interviewer:** So that’s innovation around advertising?
Participant: Yeah, it's just innovation around advertising, how you deliver, which will also be innovation around reader revenue, because we already have reader revenue.

Interviewer: It's not something new.

Participant: It's not new. If you are selling 70,000 copies a day, that's a lot of reader revenue. Times 60 you have your money. And what, then, happens is … so in this space you have to play your game differently. Now, in Kenya, where we are now, what we have done is to get into spaces that we were not in before. The other space we're pursuing vigorously is partnerships. Partnerships is a very good source of revenue to run a media house currently. And partnerships can be with both businesses and non-government organisations. Partnerships is a growing source of revenue for media houses around the world and even here in Kenya. And we're having partnerships in very many places. For example, here, we have a very good and successful partnership in areas of education. For example, if you look here today, we have, if you open this paper, we have a very big segment that is speaking to, yeah, this one.
Appendix I: Plagiarism Report

Njoki Chege Final Dissertation Oct28

ORIGINALITY REPORT

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