Marketing Orientation and Performance of Newspapers in Kerala – An Empirical Analysis

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Abstract

Newspaper industry is considered as one of the important elements of Media and Entertainment industry in India. It is a circulation industry, in which two sets of consumers, of different goods, are being served by the same proprietor, and the demand for one goods depends upon the demand for the other. The performance of newspaper organizations directly depends on the extent of marketing orientation efforts undertaken by the newspaper organizations. Marketing orientation includes all the activities undertaken by the newspaper organizations to increase the circulation of newspapers and thereby the demand for advertising space. Among the different performance indicators, circulation and readership were selected for the study. It is found that there is difference in the performance of newspaper organizations on the basis of nature of ownership and all the elements of marketing orientation except reader orientation and competitor orientation significantly influence the circulation of newspaper.

Key words
Marketing orientation, market performance, performance indicators, circulation, readership

Introduction

Newspapers have been playing an important role in human life for more than century. A strong press is very important for the preservation of democracy and it is considered as the fourth estate of our nation. In olden days it is one of the most important means of information dissemination. But now the situation has changed. Today, newspaper publishing is considered as a business. But the reality is that newspapers are more than just business, it always been at the heart of the societies evolution. A newspaper supplies an average reader news, information and entertainment. It costs only a few rupees and it is every where available. In Kerala, most of the newspapers are performing very well, but the emergence of visual media and revolution in the IT sector making the situation very worse.

In the Indian context, most of the national and regional newspaper companies are performing very well, but the emergence of visual media and internet creates some threats to the survival and growth of traditional newspaper. The real fact is that the functions performed by a newspaper, i.e. dissemination of news, knowledge or information, is effectively performed by other media. Internationally, though there is a decline in the circulation of traditional printed newspapers, as a whole, the news market has grown to a wider reach. There are different ways to collect and disseminate news, like online newspapers, social network, blogs, new features of mobile phones etc. (Meikle& Guy, 2011, Pew research centre, 2010). Each day more than half the world's adult population read a daily newspaper, 2.5 billion in print and more than 600 million in the digital form. The total revenue generated by the newspaper industry is more than 200 billion dollar. About 46 per cent all internet users read newspapers in digital format.

Marketing orientation

The concept of marketing is applicable to both profit and non-profit organizations. It is argued that firms that are more market oriented will be more successful in their performance and others are not (Greenley,1995). Market orientation refers to a business behavior that ensures that product and services are developed such that they meet customer needs and expectations (Gronroos,2006). The term market orientation was first used as an important determinant of business performance (Kohli & Joworski 1990). Most of the previous studies have found a strong positive correlation between marketing orientation and firm's performance.

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Marketing orientation is a broader term which includes all the activities undertaken by an organization to market their product or service. In this study the various elements of marketing orientation include reader orientation, communication and co-ordination, marketing mix orientation, competitor orientation and technology orientation.

Business performance

All the activities of a newspaper organization are directed towards the better performance of the organization. The performance of the organization is measured in different terms. The performance indicators used for this study are circulation, readership and advertising revenue.

Statement of the Problem

Newspaper is one of the important media used to disseminate information to common man. The survival of newspaper in the present world environment is very important. Now the situation is getting worse. The latest readership survey shows a decrease in the newspaper readership. The development in the field of information technology is also made the situation more complicated. Number of news channels and other entertainment devices are increasing. The price of newsprint is increasing at a high rate. The advertising revenue, the main source of revenue of a newspaper organization shows a decreasing trend. In order to address all these issues, newspaper organizations should enhance their performance by concentrating marketing orientation. This paper is an attempt to examine the relationship between marketing orientation and performance of the newspaper organization and to identify the components of marketing orientation which influence the circulation and readership of newspapers.

Objectives of the study

The following are the objectives of the present study.
1) To identify the important components of marketing orientation which influence the circulation of newspapers
2) To identify the components of marketing orientation which influence the readership of newspapers

Hypotheses

1) H0: The circulation of newspapers does not depend on reader orientation, communication and co-ordination, marketing mix, competitor orientation and technology orientation
2) H0: The readership of newspapers does not depend on reader orientation, communication and co-ordination, marketing mix, competitor orientation and technology orientation

Research methodology

To fulfill the above objectives, both primary and secondary data are being used.

Sources of secondary data

Secondary data related to the study have been collected from Journal of marketing, Economic and Political Weekly, Annual reports of Ministry of Information and Broadcasting and various websites.

Sources of Primary data

The primary data required for the study has been collected from various newspaper publishing companies working in Kerala, both in Malayalam and English. After the literature review and discussion with various media management executives, an interview schedule was prepared. By using this interview schedule a pilot study was conducted among the media management executives. After reliability test the final interview schedule was administered to 132 media management executives.

Selection of sample frame

The total population for the study is newspaper publishing companies in Kerala with a minimum average circulation of 10,000 copies per day. It excludes the evening newspapers and magazines. There are 20 newspaper publishing companies that are publishing newspapers from Kerala. It includes 16 Malayalam dailies and 4 English dailies. Among the 14 districts in Kerala, almost all major newspaper companies have editions in 4 districts, viz, Thiruvananthapuram, Kottayam, Ernakulam and Kozhikode. These 4 districts have been selected as sample districts. These districts were selected based on judging criterion on the presumption that there are more editions of newspaper companies existing in these four districts, and also by giving due consideration to geographical location. All newspapers which have a daily circulation of not less than 10,000 copies, and registered with the Registrar of Newspapers, Govt. of India, published from these districts were taken into consideration. The respondents are management executives from two major departments of a newspaper company, ie, circulation and marketing. A total of 132 newspaper management executives are surveyed and data collected. This sample size was appropriate because it was above the sample requirement suggested by Krejcie and Morgan (1970) in their sampling statistics table.

The following tables shows the population and sample of the study

Table 1: Population and Sample frame of management executives

Districts	Marketing executives		Circulation executives		Total	
	Population	Sample	Population	Sample	Population	Sample
Trivandrum	55	19	53	15	108	34
Kottayam	44	13	40	12	84	25
Ernakulam	58	17	50	16	108	33
Kozhikode	67	21	65	19	132	40
Total	224	70	208	62	432	132

Variables used for the study

The study variables used for anlysing the marketing orientation of newspaper organizations include

Independent variables

1) Reader orientation
2) Communication & co-ordination
3) Marketing mix orientation
4) Competitor orientation, and
5) Technology orientation.

Dependent variables

1) Circulation
2) Readership

Pilot study

A pilot study was conducted before the final administration of the interview schedule. It was done by using the proposed interview schedule among 30 media management executives from the sample districts.

Reliability Analysis

The Cronbach Alpha Model for reliability was used to test the reliability of statements. If the Cronbach Alpha Coefficient was above the minimum acceptable limit of 0.70, then it is considered as reliable. At the initial stage, the interview schedule contained 10 statements explaining the reader orientation, and 12 statements describing communication and co-ordination, 28 statements explaining marketing mix orientation, 6 statements explaining competitor orientation, 6 statements describing technology orientation and 3 statements describing performance of the organization. After the reliability test, the 66 statements relating to marketing orientation is reduced to 56.

The following table shows the coefficient of alpha and standardized Cronbach alpha results for each of the item

Table 2: Cronbach Alpha values of variables used

Sl.No	Dimensions of MO	No. items	Cronbach alpha
1.	Reader Orientation	8	0.795
2.	Communication & Co-ordination	7	0.700
3.	Marketing Mix orientation:		
	Product	8	0.808
	Price	2	
	Promotion	10	
	Distribution	6	
4	Competitor orientation	6	0.832
5	Technology orientation	7	0.852
6	Performance	3	0.759

Marketing orientation and Performance

It is argued that the performance of a business organization is closely related to the marketing orientation efforts undertaken by the organization. In the case of newspaper organizations, circulation and readership are the most important indicators of the performance. If there is an increase in the circulation of a newspaper, then, it means that, the organization is highly marketing oriented, and as a result of increased circulation, the profit of the organization will also increase. Therefore it is necessary to identify the nature of relations between marketing orientation and performance of organization.

Marketing orientation and Circulation of newspapers

The following table summarises the descriptive statistics of various elements of marketing orientation corresponding to circulation as the performance indicator.

Table 3: Descriptive statistics of circulation and elements of marketing orientation

	Mean	Std. Deviation	N
Circulation	4.290	.6132	132
Reader Orientation	3.302	.8210	132
C & C	3.851	.4670	132
MM	3.858	.2877	132
Competitor	2.951	.8151	132
Technology	3.673	.7830	132

Source: Primary data

It can be seen from the above table that the mean score of performance indicator circulation is 4.290 with a standard deviation of 0.6132.The different components of marketing orientation shows different mean scores. The mean score of reader orientation is 3.302 and the mean score of communication and co-ordination is 3.851.The mean score of marketing mix orientation and technology orientations are 3.858 and 3.673 respectively. The least mean value is shown against the competitor orientation, 2.951 with a standard deviation of 0.8151.

The following table shows the correlation matrix of the various elements of marketing orientation based on circulation as the performance indicator.

Table 4: Correlation matrix of circulation and elements of marketing orientation

		Circulation	RO	CC	MM	CO	TO
	Circulation	1.000	.231	.615	.495	.239	.181
	RO	.231	1.000	.365	.537	.564	.581
Pearson Correlation	CC	.615	.365	1.000	.511	.368	.383
	MM	.495	.537	.511	1.000	.592	.548
	CO	.239	.564	.368	.592	1.000	.806
	TO	.181	.581	.383	.548	.806	1.000
	Circulation	.	.004	.000	.000	.003	.019
	RO	.004	.	.000	.000	.000	.000
Sig. (1-tailed)	CC	.000	.000	.	.000	.000	.000
	MM	.000	.000	.000	.	.000	.000
	CO	.003	.000	.000	.000	.	.000
	TO	.019	.000	.000	.000	.000	.
	Circulation	132	132	132	132	132	132
	RO	132	132	132	132	132	132
N	CC	132	132	132	132	132	132
	MM	132	132	132	132	132	132
	CO	132	132	132	132	132	132
	TO	132	132	132	132	132	132

RO = Reader Orientation, CC = Communication & Coordination,
MM=Marketing Mix orientation, CO = Competitor Orientation, TO= Technology Orientation.
MO = Marketing Orientation

It is very clear from the above table that all the components of Marketing Orientation are positively correlated with the performance indicator, circulation. A high positive correlation of 0.615 and a moderate correlation of 0.495 exist between circulation and communication & co-ordination and marketing mix. It is also noted that all the correlations are significant at 5 per cent level of significance.

The following table shows the prediction model summary and ANOVA of multiple regression analysis.

Table 5: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.673[a]	.453	.431	.523

a. Predictors: (Constant), RO,CC,MM, CO and TO
b. Dependent variable: Circulation
Source: Primary data

Table 6: ANOVA[a] of multiple regression- circulation

ANOVA[a]					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	28.550	5	5.710	20.847	.000[b*]
1 Residual	34.511	126	.274		
Total	63.061	131			

a. Dependent Variable: Circulation
b. Predictors: (Constant), RO,CC,MM, CO and TO
Significant at 5 per cent level

From tables 5, and 6, it is clear that the prediction model is statistically significant and it produced R=.673, R^2 =.453.It implies that 45.3 per cent of the variation in the circulation is due to the influence of independent variables such as Reader orientation (RO), Communication & co-ordination (C&C), Marketing Mix, Competitor Orientation and Technology. The ANOVA table explains that the explanation is statistically valid, as the associated F value (20.847) is statistically significant (P=0.000<0.05).

The hypothesis formulated in this context was

H0: The circulation of newspapers does not depend on reader orientation, communication and co-ordination, marketing mix, competitor orientation and technology orientation.

As per the P value of the table, it clearly shows that the performance of the organization depends on the various elements of marketing orientation. In order to examine the dependence of each variable on circulation, the multiple regression coefficients is calculated and shown below.

Table 7: Multiple regression - coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.189	.679		-1.752	.082
Reader Orientation	-.035	.073	-.041	-.478	.634
Communication & Co-ordination	.775	.115	.522	6.716	.000*
1 MM	.832	.222	.345	3.758	.000*
Competitor Orientation	.035	.100	.041	.350	.727
Technology Orientation	-.193	.103	-.217	-1.872	.044*

a. Dependent Variable: Circulation

By using the regression coefficients for independent variables and constant term given under the column labeled B; the following equation can be constructed.

Circulation = -1.189 + RO (-.035) + C & C (.775) + MM (.832) + CO (.035) + TO(-.193)

In the same way the values given under the head Beta can also be used to construct the regression equation, if all independent variables were first converted to Z scores.

It is to be noted that the entire coefficients except reader orientation and competitor orientation are significant as the associated values are significant (P<0.05).   In the case of reader orientation and competitor orientation, the beta coefficients are found to be not significant as the associated t values are not significant (P=0.634and 0.727 >0.05). Therefore it can be concluded that communication and co-ordination, marketing mix orientation and technology orientation are the important components of marketing orientation, which influence the circulation of newspapers.

Hence the hypothesis stands rejected.

Marketing orientation and readership of newspapers

Readership of the newspaper is another indicator of performance of the newspaper. It means the number of people reading a newspaper in a day and it is different from circulation. The advertising companies are always considering the readership figures of newspapers supplied by the IRS, while selecting a newspaper for advertising.

The following table shows the descriptive statistics of various elements of marketing orientation and readership as the performance indicator.

Table 8: Descriptive statistics of readership and elements of marketing orientation

	Mean	Std. Deviation	N
Readership	4.04	.960	132
Reader Orientation	3.302	.8210	132
Communication and Coordination	3.851	.4670	132
Marketing Mix orientation	3.858	.2877	132
Competitor Orientation	2.951	.8151	132
Technology Orientation	3.673	.7830	132

Source: Primary data

It can be seen from the table 8, the mean score of the performance indicator, readership is 4.04 with a standard deviation of 0.960.The mean score of reader orientation and communication and co-ordination are 3.302 and 3.851 respectively. The highest mean score is shown against the marketing mix orientation, which is 3.858 with a standard deviation of 0.2877.The mean score of technology orientation is 3.673 and that of competitor orientation is 2.951.

The following table shows the correlation between various components of marketing orientation and readership as the performance indicator.

Table 9: Correlation matrix of readership and elements of marketing orientation

		Readership	RO	C& C	MM	CO	TO
	Readership	1.000	.456	.528	.516	.329	.275
	RO	.456	1.000	.365	.537	.564	.581
Pearson	C & C	.528	.365	1.000	.511	.368	.383
Correlation	MM	.516	.537	.511	1.000	.592	.548
	CO	.329	.564	.368	.592	1.000	.806
	TO	.275	.581	.383	.548	.806	1.000
	Readership	.	.000	.000	.000	.000	.001
	RO	.000	.	.000	.000	.000	.000
Sig.	C & C	.000	.000	.	.000	.000	.000
(1-tailed)	MM	.000	.000	.000	.	.000	.000
	CO	.000	.000	.000	.000	.	.000
	TO	.001	.000	.000	.000	.000	.
	Readership	132	132	132	132	132	132
	RO	132	132	132	132	132	132
N	C & C	132	132	132	132	132	132
	MM	132	132	132	132	132	132
	CO	132	132	132	132	132	132
	TO	132	132	132	132	132	132

Source: Primary data

According to the table all the components of marketing orientation are positively correlated with the performance indicator, readership. The correlation between readership and reader orientation is 0.456. It means that one degree change for the reader orientation, the chance for change to readership is 45.6 per cent. In the same way, one degree change for communication & co-ordination and marketing mix orientation, the chance for change to readership is 52.8 and 51.6 per cent respectively. The correlation of technology orientation and competitor orientation to readership are 0.275 and 0.329 respectively. It is also noted that all the correlations are significant at 5 per cent level of significance.

The following table shows the prediction model summary and the ANOVA of multiple regression analysis.

Table 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641[a]	.411	.387	.752

a. Predictors: (Constant), RO,CC,MM,CO, and TO
b. Dependent variable: Readership
Source: Primary data

Table 11: ANOVA[a] of multiple regression- readership

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	49.637	5	9.927	17.574	.000[b*]
1	Residual	71.174	126	.565		
	Total	120.811	131			

a. Dependent Variable: Readership
b. Predictors: (Constant), RO,CC,MM,CO, and TO
Significant at 5 per cent level of significance

From tables 10 and 11, it is clear that the prediction model is statistically significant and it produced R=.641, R^2=.411. It implies that 41.1 per cent of the variation in the readership is due to the

influence of independent variables such as Reader orientation (RO), Communication & co-ordination (C&C), Marketing Mix, Competitor Orientation and Technology orientation. The ANOVA table explains that the explanation is statistically valid, as the associated F value (17.574) is statistically significant (P=0.000<0.05).

The second hypothesis formulated was

H0: The readership of newspapers does not depend on reader orientation, communication and co-ordination, marketing mix, competitor orientation and technology orientation

Table 12: Multiple regression - coefficients[a]

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-2.555	.975		-2.621	.010
	Reader Orientation	.320	.105	.274	3.057	.003*
1	Communication & Co-ordination	.718	.166	.349	4.330	.000*
	Marketing Mix	.917	.318	.275	2.884	.005*
	Competitor Orientation	.066	.144	.056	.457	.649
	Technology Orientation	-.262	.148	-.214	-1.772	.049*

Significant at 5 per cent level of significance
Source: Primary data

By using the regression coefficients for independent variables and constant term given under the column labeled B; the following equation can be constructed.

Circulation = -2.555 + RO (.320) + C & C (.718) + MM (.917) + CO (.066) + TO (-.262)

In the same way the values given under the head Beta can also be used to construct the regression equation, if all independent variables were first converted to Z scores. A variable can be converted to Z scores by first subtracting the mean of the variable and dividing the resultant value by standard deviation for a particular variable and in a particular sample.

It is to be noted that the entire coefficients except competitor orientation is significant as the associated values are significant (P<0.05). In the case of competitor orientation, the beta coefficients are found to be not significant as the associated t value is not significant (P=0.649 >0.05).Therefore the hypothesis was rejected and it can be concluded that reader orientation, communication and co-ordination, marketing mix orientation and technology orientation are the important components of marketing orientation, which influence the readership of newspapers.

Findings

The following are the major findings from the study.

1. As far as the influence of marketing orientation on the circulation of newspaper, the entire coefficients, except reader orientation and competitor orientation, are significant as the associated values are significant (P<0.05). In the case of reader orientation and competitor orientation, the beta coefficients are found to be not significant as the associated t values are not significant (P=0.634and 0.727 >0.05).More over the R^2 show that 45.3 per cent of the explanation of the variation in the circulation is due to the influence of communication and co-ordination, marketing mix orientation and technology orientation

2. It is clear that all the components of marketing orientations are positively correlated with circulation and a high positive correlation of 0.615 existing between circulation and communication and co-ordination.

3. It is identified that out of the different components of marketing orientation, reader orientation, communication and co-ordination, marketing mix orientation and technology orientation are the important components of marketing orientation, which influence the readership of newspapers.

Conclusion

The newspaper industry is an important industry in Kerala while compared to the different elements of the Media and Entertainment industry as far as the employment generation and social functions performed. Though there are a number of challenges to the survival of the traditional printed newspaper, it possesses a leading role in the dissemination of information and considered as the most reliable source of information. It is revealed that all the elements of marketing orientation except reader orientation and competitor orientation significantly influence the circulation of newspaper. In the same way, all the components of marketing orientation is influencing readership of a newspaper except competitor orientation. The analysis of the relationship between performance and marketing orientation helps the organization to recognize the need to be highly marketing oriented one.

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