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RESEARCH ARTICLE

THE IMPACT OF ONLINE NEWSPAPER ADVERTISING ON PRINT NEWSPAPER ADVERTISING.

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Manuscript Info

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Abstract

Is print newspaper advertising getting affected by online newspaper advertising is a crucial factor in newspaper industry. In fact, with the digital media picking up very fast, it is becoming difficult to restrict to print advertising. In fact, a considerable amount of revenue is getting diverted from print newspaper advertising to online newspaper advertising. The aim of the study is to find whether there is any impact of online newspaper advertising on print newspaper advertising. The study concentrated on achieving three objectives, to ascertain the impact of online newspaper advertising on print newspaper advertising, to determine the relationship between the usage pattern of print newspaper and online newspaper and to ascertain factors of online newspaper advertising affecting offline advertising. The primary data was collected from students and professional employees in Bangalore through questionnaire. Considering the result of each objectives, it is clear that there is an impact of online newspaper advertising on print newspaper advertising.

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Introduction:-

The World Wide Web has become the fastest growing advertising medium in this decade along with the swift increase in the number of Internet users around the world. With the passage of time the online newspaper started cannibalizing the print newspaper advertising, the promotions done by the online newspaper advertising are more reachable to the people because now a days people prefer more of digital media as compared to print media. Day by day users of the internet are increasing so people are moving from print to the digital world. The team of media specialists works with their clients to determine the right digital media mix for their campaign. During the past decade, the newspaper industry experienced erosion of revenues, mainly in print advertising. The considerable increase in the less rewarding online advertising has been unable to make up for this loss. As a result, for every \$1 increase in online advertising between 2005 and 2011, newspapers lost \$22 in print advertising. It is imaginable that the overall change in the advertising scene (such as the growth of targeted search advertising), contributed to the decline in print advertising. It is not clear whether the growth in online newspaper advertising intensified or improved this global trend. This is investigated by studying how advertisers reallocate their media budgets over time between the online and print media within a newspaper. An online newspaper is the online version of a newspaper, either as a stand-alone publication or as the online version of a printed periodical.

Going online created more opportunities for newspapers, such as competing with broadcast journalism. The trustworthiness and strong brand appreciation of well-established newspapers, and the close relationships they have

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with advertisers, are also seen by many in the newspaper industry as strengthening their chances of survival. The movement away from the printing process can also help lessening costs.

Review of Literature:-

1. A study by Kanwal Gurleen Singh and Rajneesh Arya (2009) Newspapers have been a source of information to one and all from various years. However, with the proliferation of TV News Channels, Readers' choice of getting news and information has changed. The evolution of new media has expanded the horizons for news and information gatherers, the focus of this study is on identification of habits and preferences of newspaper readers. This study has been conducted to identify the Newspaper readership patterns among urban population of Punjab. The study also identifies the Language preferences and time spent on reading newspaper by urban population of Punjab. Further, the study attempts to gain insight of the various reasons that motivates urban population to read the newspaper. This study has been conducted in 3 cities of Punjab (a prime state in India), a sample of 250 urban respondents were selected from the Jalandhar, Amritsar and Patiala cities. Some of the analysis techniques used includes Chi square and Factor analysis.

2. A study by Anderson and Gabszewicz : Offline as well as online media that are fully or partly financed by advertising revenues face two-sided market situation (Anderson & Gabszewicz 2006; Budzinski & Lindstädt 2010; Dewenter 2003, 2006; Dewenter & Haucap 2009; Evans 2010; Lindstädt 2010). They sell their product to two distinct customer groups, interconnected by indirect network externalities: audience (e.g. readers) and advertisers. Due to the indirect network externalities, participation from both demand sides is necessary for a successful and sustainable business model. However, the question of substitution tendencies between newspapers and the internet has predominantly been addressed by analyses of the audience side so far. 1 A notable exception is Lindstädt & Budzinski (2011), who present a theoretical discussion of substitution effects between newspaper and online advertising based upon the economic theory of advertising. They derive the hypothesis that retail markets should present a sustainable niche for newspaper advertising, considerably protected against substitution forces.

3. A study by Dvorak John C. (MARCH 2012) john_dvorak@pcmag.com Newspaper lose more print Ads, but gain online Ads. The article reports on the performance of newspaper advertisement in the U.S. in 2012. The author mentions that revenue from newspaper advertisement continues to struggle, as major newspapers experience a \$10 loss in print. He states that the decline is prompting newspaper companies to shift into online publishing. Today, the Pew Research Center released its annual report on the State of the News Media 2012, and for newspapers, the news is not good. Revenues are falling everywhere and according to the report, the major newspapers lost \$10 in print for every one dollar they gained online—and they are all trying to move online fast.

4. An Article by Gilbert and Jennifer (June 1999) on Wired cities win with offline ads. This article focuses on the influx of advertisements of online companies in the U.S. daily newspapers as of June 14, 1999. According to Cyber Dialogue, online companies are using mainstream advertising in Austin, Texas as the U.S. city which has the highest percentage of adult Internet users. This trend in Austin is evident nationwide: Online companies are aiming their offline advertisements at smaller cities with high per capita Internet penetration. In a survey conducted by Intermarket Group, 86% of e-commerce companies spent money on offline ads in 1998. More so, limited budgets force online companies to choose the cities in which they use offline advertising.

3. Statement of the problem:-

Newspaper industry since quite some time experienced loss of revenues, mainly in print advertising. The increase in online advertising has been unable to make up for the loss. It can be concluded that cannibalization should be a credible consideration in the marketing decisions of the newspaper. Cannibalization within the newspaper is not only responsible for the downward trend of print advertising but an increase in online advertising. This research is to find out the effect of online newspaper advertising on the print newspaper advertising, increased buying behavior of consumers to read newspapers online mode today and also to understand the key determinants driving the consumers to read online newspaper.

4. Scope of the study:-

In the highly competitive media market, the outcome of the study will help the organization to understand the reader preference and to serve them in a better way. The study shall comparatively examine the readership level of print newspapers and online newspapers. This research is focused on both online newspaper readers and print newspaper readers. This research will be used by the newspaper industry by knowing the switch of the print newspaper readers towards the online newspapers. The organization can focus on the readers who are switching to online and can provide them better services.

5. Objectives of the study:-

- To ascertain the impact of online newspaper advertising on print newspaper advertising.
- To determine the relationship between the usage pattern of print newspaper and online newspaper.
- To ascertain factors of online newspaper advertising affecting offline advertising.

6. Hypothesis:-

- H0: There is no impact of online newspaper advertising on print newspaper advertising.
- H1: There is an Impact of online newspaper advertising on print newspaper advertising.

7. Research Methodology:-

The primary data has been collected from different age group of respondents through structured questionnaire. The data will be analysed using One Way Anova method.

7.1 Sampling Plan:-

A sample size of 100 employees has been used to assess the buying decision behaviour in newspaper industries. It has to be indicated that the respondents in this population were precisely those dealing with print newspaper and online newspaper.

7.2 Tools for Collection of Data:-

A structured questionnaire with close-ended questions has been used to record the responses of various professional employees and students of different age groups.

7.3 Plan of Analysis:-

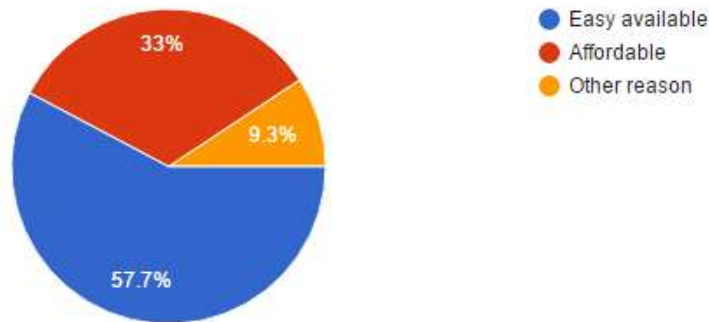
One-way Anova testing has used to test the independence to fulfil the objectives of the study.

8. Data Analysis:-

Table 1:- Why do you read this type of newspaper?

Variables	Percentage (%)
Because it's easily available	57.7%
Because it's affordable	33%
Others/Specify	9.3%
Total	100%

Why do you read this type of newspaper? (97 responses)



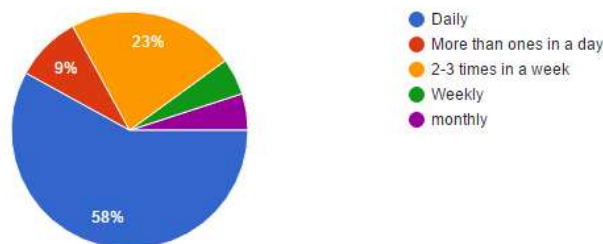
Interpretation:-

Data was collected where 57.7% respondents read Online Newspapers because it is easily available, 33%, read online Newspapers because it is affordable, while 9.3%, do not attest to either of the options

Table 2: How often do you read Online Newspapers?

Variables	Percentage (%)
Daily	58%
More than ones a day	9%
Monthly	5%
Weekly	5%
2-3 times in a week	23%
Total	100%

How often do you read print newspapers? (100 responses)



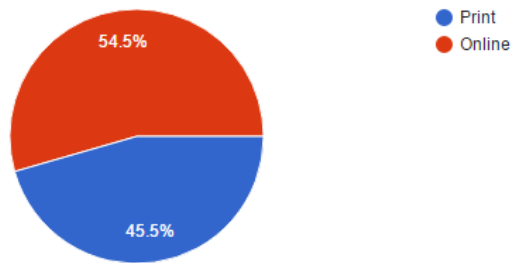
Interpretation:-

58% respondents read Newspapers daily, 23% read 2-3 times in a day, 9% read more than once in a day, 5% read weekly and 5% monthly.

Table 3:- Which way do you believe is easier to read the Newspaper?

Variables	Frequency	Percentage (%)
Print Newspapers	45.5	45.5%
Online Newspapers	56.5	54.5%
Total	101	100%

Which way do you believe is easier to read the newspaper (101 responses)



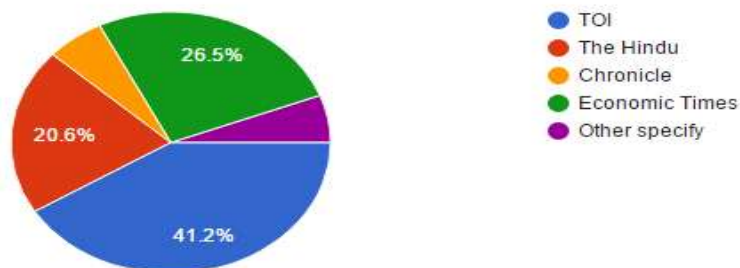
Interpretation:-

54.5% respondents mention they find online newspaper easy to read and 45.5% read print newspaper.

Table 4:- Which Newspaper do you prefer to read?

Variables	Frequency	Percentage (%)
TOI	42	41.2%
The Hindu	21	20.6%
Chronicle	6	6%
Economic Times	27	26.5%
Other	5	5%
Total	101	100%

What Newspaper do you prefer to read? (102 responses)



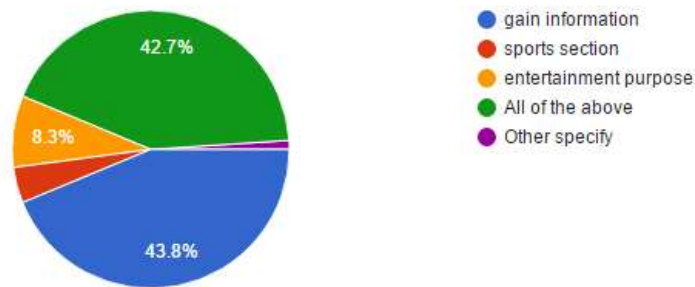
Interpretation:-

In the above given newspapers, 41.12% respondents prefer to read TOI, 26.5% prefer to read Economic Times, 20.6% prefer to read The Hindu, 5.85% mention they read chronicle and 5.85% choose other option.

Table 5:- What is the main reason for you to purchase a newspaper?

Main reason to purchase a Newspaper	frequency	Percentage
Gain information	42	43.8%
Sports	4	5%
Entertainment purpose	7	8.3%
All of the above	41	42.7%
Other	1	1%
Total	99	100%

What is the main reason for you to purchase a newspaper? (96 responses)



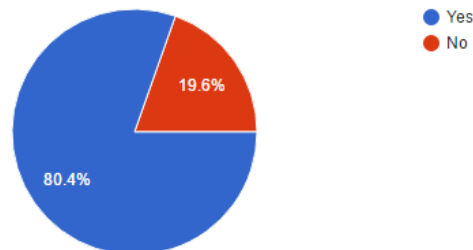
Interpretation:-

Data was collected where 42.7% purchase a newspaper to read all the sections, 43.8% purchase newspaper to gain information, 8.3% purchase newspaper to read entertainment section, 5% purchase newspaper to read sports section and 2% purchase for other reasons.

Table 6:- Do the Online Newspapers pose a challenge to the readership population of the Print Newspapers?

Responses	Percentage (%)
Yes	80.4%
No	19.6%
Total	100%

Do the Online newspaper pose a challenge to the readership population of the print newspaper?
(97 responses)



Interpretation:-

Data was collected where 53.3% respondents read newspaper because they like to read whole newspaper, 28.3% mention information in a newspaper attracts them, 9.1% respondents mentioned interviews in a newspaper attract them, 4.7% read only because of images in a newspaper, 4% read because of videos and 2% mention other reasons.

Table7:- What are the implications of the possible threat posed by Online Newspapers to the survival of the Print Newspapers?

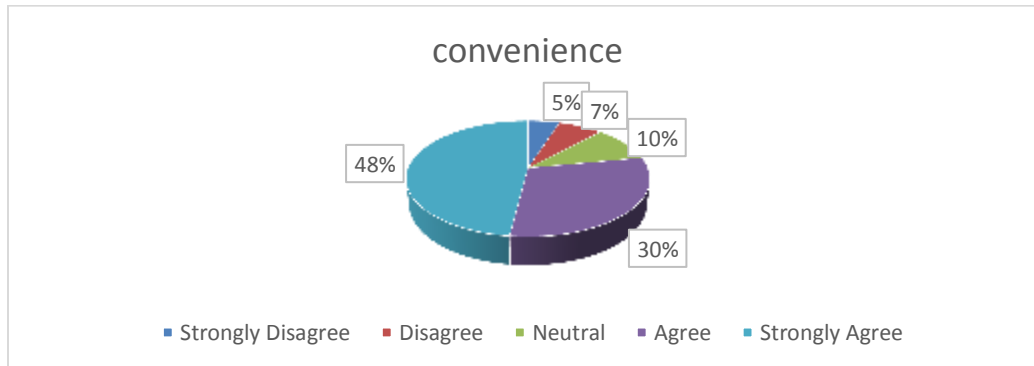
Variables	Frequency	Percentage (%)
Depletion of readers	46	46.5%
Depletion of revenue base	42	42.4%
Others/Specify....	11	11.1%
Total	99	100%

Interpretation:-

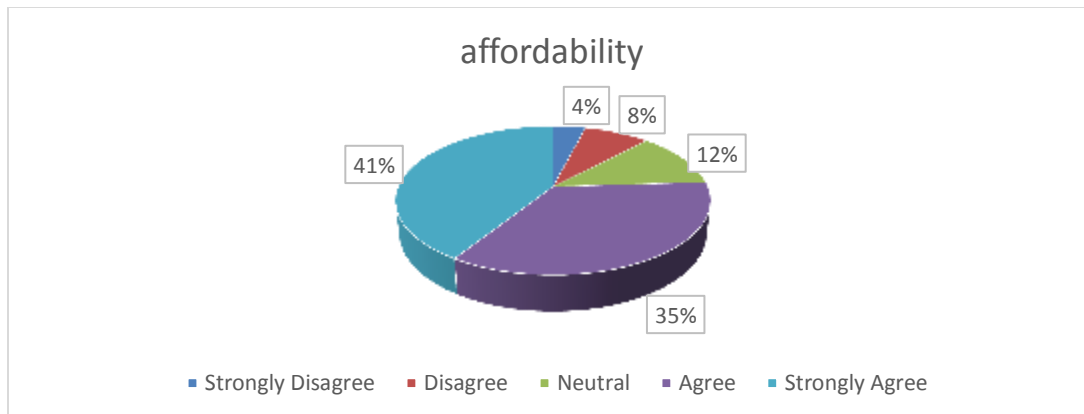
Majority of respondents i.e., 46.5% are of the view that it would lead to depletion of readers, followed by 42.2% who are of the view that it would lead to depletion of revenue and small number of respondents 11.1% mentioned other reasons.

Table 8:- Factors of online advertising affecting offline advertising

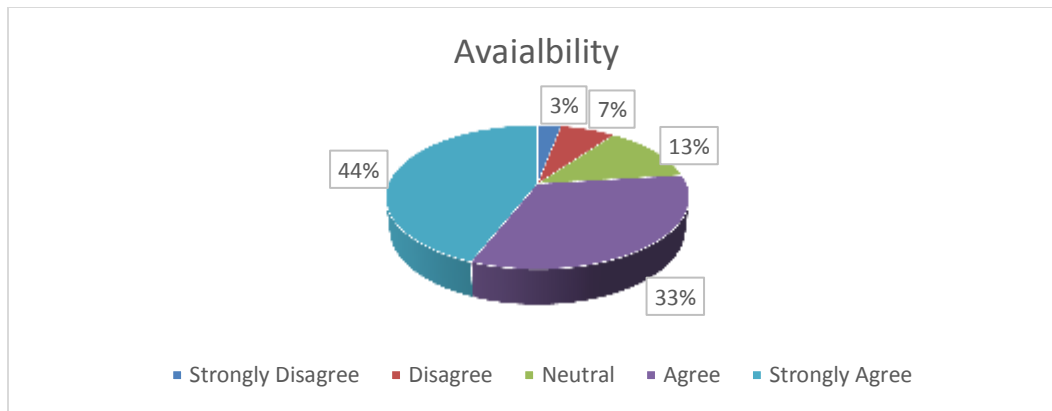
Factors	Strongly disagree	disagree	Neither agree Nor disagree	agree	Strongly Agree
Convenience	5%	7%	10%	30%	48%
Affordability	4%	8%	12%	35%	41%
Availability	3%	7%	13%	33%	44%

**Interpretation:-**

Of the majority of respondents, 48% strongly agree that online advertising affects print advertising, followed by 30% which agree, 10% are neutral, 7% disagree and 5% strongly disagree that online advertising affects print advertising. Therefore it shows that respondents are of the view that yes online advertising affects print advertising.

**Interpretation:-**

Majority of respondents are of the view that online availability of newspapers does affect print advertising and small portion of respondents disagree with the fact that online newspaper does affect print advertising.

**Interpretation:-**

Majority of respondents are of the view that easy availability of online advertising does affect print advertising and small portion of respondents disagree that it does not affect print advertising.

9. Hypothesis Testing

ONEWAY Challenges Affordability Availability BY Respondants
/MISSING ANALYSIS.

→ Oneway

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		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Challenges	Between Groups	.076	1	.076	.398	.529
	Within Groups	18.674	98	.191		
	Total	18.750	99			
Affordability	Between Groups	.765	1	.765	.545	.462
	Within Groups	137.745	98	1.406		
	Total	138.510	99			
Availability	Between Groups	.658	1	.658	.582	.447
	Within Groups	110.702	98	1.130		
	Total	111.360	99			

Interpretation:-

The obtained sign level is 0.529 and 0.462 which is greater than 0.05 level of sign, so we have to reject null hypothesis (H0) and accept alternate hypothesis (H1).

The alternative hypothesis (H1) is there is an impact of online newspaper advertising on print newspaper advertising.

10. Findings:-

- Majority of the respondents feel online newspapers are cost effective
- Majority of the respondents are of the opinion that online newspapers are easy available.
- Majority of the respondents are of the opinion that online newspapers are affordable
- Majority of the respondents are of the opinion that online newspapers are easy accessible
- Average age group of the people who use online newspapers are in the age group of 20 years to 40 years.

- Majority of the respondents prefer online newspaper than the print newspaper
- Online newspapers are generally used by the students and professionals.
- Digital India program has drifted print newspaper readers to online newspaper readers.

11. Conclusion:-

Online newspapers are holding grip over market as compared to print newspapers, the reason being their strategy to target the youth of India, which compromises 60% of the population.

The study is basically to examine the prospect of the Print Newspaper business in view of the advancement of online version which seems to challenge the survival of the print editions, by way of readership and advert revenue.

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