THE IMPACT OF INTERNET USAGE ON NEWSPAPER DISTRIBUTION IN KENYA

BY:

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STUDENT DECLARATION

I the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit. The literature and citations from other peopleôs work have been duly referenced and acknowledged in the text and bibliography.

Signed: é é é é é é é é é é **Date:** é é é é é é é é é é

Collins Oyunge Obiero (D61/70674/2008)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: é é é é é é é é é é **Date:** é é é é é é é é é é

Professor Kate Litondo

DEDICATION

In memory of my father.

ACKNOWLEDGEMENT

This final work has not arisen out of singular effort, but rather via the contribution of many individuals. I wish to express my heartfelt gratitude to each and every person who contributed to the successful completion of this work. In particular, many thanks go to my project supervisor, Professor Kate Litondo, for taking time to guide me through the challenging task of the project and for the invaluable experience she brought onto the project. Thanks are also extended to the project moderator Mr. J. Lelei and the chairman Dr. James M. Njihia for taking time out to ensure adherence to project standards. To Vincent, I appreciate the guidance you provided during data analysis which led to completion of this arduous but exciting project. Special thanks go to my mother, Agnes Nyanchera Obiero, who provided constant moral support for the project; I cherish you. Finally, I thank God; for everything.

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LIST OF ACRONYMS

ARPA	-	Advanced Research Projects Agency
CNN	-	Cable News Network
CSR	-	Corporate social responsibility
DARPA	-	Defense Advanced Research Projects Agency
DStv	-	Digital Satellite Television
EASSy	-	East Africa Submarine Cable System
ECA	-	East and Central Africa
FTP	-	File Transfer Protocol
GDP	-	Gross Domestic Product
ICT	-	Information Communications Technology
MIT	-	Massachusetts Institute of Technology
NCP	-	Network Control Protocol
NMG	-	Nation Media Group
NYT	-	New York Times
R&D	-	Research and development
SIM	-	Strategic Information Management
TEAMS	-	The East Africa Marine System
TV	-	Television
UCLA	-	University of California, Los Angeles

US	**-**	United States
WCMS	-	Web Content Management System
WWW	-	World Wide Web

ABSTRACT

The study set out to discover the impact of the Internet on newspaper sales in Kenya. The research question aimed to seek the answer as to whether the digital revolution is rendering print media and in particular the newspaper obsolete. In particular, the researcher sought to find out the extent of utilization of Internet at Nation Media Group (NMG), as well as the effect that utilization of Internet has had on print distribution at the firm, the latter being narrowed down to newspapers published by NMG. The researcher reviewed literature of authors that were diverse in terms of geographical spread, with some being local, while others were Indian, American as well British academicians.

Research methodology employed the use of a regression model that was employed so as to determine the extent to which Internet usage has impacted print distribution at NMG. The target population comprised of 124 employees within the company. The researcher then sampled 55 staff in the population and eventually received feedback from 50 respondents. The results of the statistical analysis are presented in depth through descriptive statistics, correlation, as well as an analysis of the regression.

Finally, the author draws insights from the results of statistical analysis to bring forth the summary of key findings, conclusion, recommendations and limitations of the study. First and foremost, in relation to the studyôs first objective, the analysis conducted on field data revealed that Internet usage at NMG was indeed high. Secondly, in relation to the studyôs other objective, it was noted that Internet usage has little impact on print distribution at NMG on its own, however, when taken jointly with factors such as research and development, television and radio; utilization of Internet was seen to impact print distribution.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The media industry plays a vital role in informing and entertaining the nation. The Kenyan media industry which includes both print and electronic formats has experienced rapid growth within the last two decades, leading to increased competition (Mwaura, 2009). The study surveyed the Kenyan media industry that had the largest independent media house networks in East and Central Africa (ECA). The paper focused specifically on the impact that the World Wide Web (WWW), the Internet had had on the print media, the latter being narrowed down to newspapers generally and that specifically published by NMG. NMG founded by His Highness the Aga Khan in 1959 has been quoted on the Nairobi Stock Exchange since the early 1970s. The NMG has print as well as electronic media and Internet access channels which attract regular readership quite unparalleled in the region. (Nation Media, 2011).

1.1.1 Information Communications Technology and Media

Information Communications Technology (ICT) covers any product that will store, retrieve, manipulate, transmit or receive information electronically in a digital form. For example; personal computers, digital television, email, robots, and mobile phones. Therefore, ICT is concerned with the storage, retrieval, manipulation, transmission or receipt of digital data. Importantly, it is also concerned with the way these different applications can work with each other (Brown, 2008).

For example, Nation Media Group through the efforts of its Nation Digital Division utilizes ICT via channels such as Internet, mobile, satellite, and real time broadcasts. It also has license agreement with pay-television (TV) provider Multichoice Kenya, that offers Digital Satellite Television (DStv) (Mwaura, 2009). Recently, the division commissioned a state of the art Web Content Management System (WCMS) to consolidate all NMG websites and their content, increase online content sales and to maximize on search revenues. In an e-newspaper business model, the division launched all the national and regional newspaper sites, such as The Daily Nation, The Monitor and

The East African, online. The implementation of the web content management system and re-design of the web-sites achieved significant growth in online advertising revenue for NMG (Nation Media, 2011)

In the current age, computers have become indispensable tools used by basically all kinds of businesses. ICT has become part and parcel of business and has thus had an impact in the way businesses compete for customers. The Kenyan media industry has not been left out by the ongoing changes with firms looking for ICT avenues to remain profitable. Traditional media (radio, television and print) remain more widely used for news and information as compared to evolving Internet and mobile phone platforms. However, in such a rapidly changing environment, this trend may not continue for long. The lack of personal interaction, through unidirectional media dissemination channels such as the newspaper, is being seen as part of the reason why consumers are seeking alternative media channels, such as the internet, to obtain information. This has called for a rethink in the way media industry players approach the market in order to reduce strain on the bottom line (Kimani, 2010).

Globally, one of the biggest US players for quality news, New York Times (NYT) has built strong ICT presence as they try to keep up with the technology companies. The New York Times anticipates technical change in-house with the help of its research and development department (Anon, Media, 2010). Research and development (R&D) at NYT led by Michael Zimbalist, who joined the company in 2006 as vice-president, R&D operations, works to envision the future of news. His 12-person team analyses data and test and builds products in order to safeguard the future of the 160-year-old brand. NYT is working on a project called 'Shifd' ï or in house, "Custom Times" ï a mobile application that provides users the capability to seamlessly shift content back and forth between their desktop computers and mobile devices. NYT made an experiment and put a chip into the phone, the computer and the television. The chip was there to track the user's reading. When a user stopped reading a story on the phone as he or she arrived at work, it opened it again on the desktop. When the user entered the living room, related videos to the story were presented on the television screen (Anon, Media, 2010)

1.2 Internet and Media

The media industry presents huge business opportunity going into the future as the East African region integrates, thus affording the possibility of increasing sales for media channels. In particular, the exploitation of interactive media, which refers to the integration of digital media including combinations of electronic text, graphics, moving images, and sound, into a structured digital computerized environment; thus could be used to allow people to interact with media for appropriate purposes. The digital environment can include the Internet, telecoms and interactive digital television (Mwaura, 2009). NMGôs Digital Division has embraced the Internet in distribution of its services through its web applications such as N-Soko which is an interactive site that allows users to browse through advertisements and place online purchase orders for a variety of items, and nationmedia.com that contains the groupôs e-newspaper model which features news and entertainment services (Nation Media, 2011).

The emerging influence of the Internet on media can also be seen through high profile media firms such as Cable News Network (CNN), where more than just integrating new technologies, the firm has embarked on translation of social media back into journalism through the Internet. CNN took citizen journalism not only as an inevitable add-on, but as something that carries serious weight. iReport, an online application that allows users to upload independently sourced videos onto CNN.com was initially launched August 2006 basically as a commission form, but has become increasingly important over time. It is said that internally it was a big discussion with the executives, but in February 2008 it was accepted as a legitimate source of newsgathering within CNN. The senior vice-president of CNN decided to professionalize iReport further. Today, CNN's iPhone application is as much a news-making as a news delivering application, and as the iReporters can add their telephone number, email and location to their report, CNN's editors can get back to them or even assign them to certain content CNN is looking for. Today, there are about 10,000 iReports per month which are available to CNN.com (Anon, Media, 2010).

New communication technology, including accessible online publishing software and evolving mobile device technology, means that citizens have the potential to observe and report more immediately than traditional media outlets do. Swarms of amateur online journalists are putting this technology to use, on open publishing sites such as Indymedia and on countless weblogs, adding a grassroots dimension to the media landscape. Bloggers and other amateur journalists are scooping mainstream news outlets as well as pointing out errors in mainstream articles, while people whoôve been made subjects of news articles are responding online, posting supplementary information to provide context and counterpoints. Increasingly, the public is turning to online sources for news, reflecting growing trust in alternative media (Brown, 2008).

While some traditional news outlets are reacting with fear and uncertainty, many are adopting open publishing features to their own online versions. The NMG web site posts readerôs blogs, and also solicits reader-contributed content. Mainstream news outlets are increasingly scanning blogs and other online sources for leads on news items, and some are hiring journalists from the blogging ranks. Journalists are blogging live from courtrooms, from remote areas, and elsewhere, allowing them to post frequent updates in near real-time (Kimani, 2010).

As the public turns toward participatory forms of online journalism, and as mainstream news outlets adopt more of those interactive features in their online versions, the media environment is shifting, slowly and incrementally, away from the broadcast model where the few communicate to the many, toward a more inclusive model in which publics and audiences also have voices. A study entitled ñEffects of growing internet newspapers on circulation of United States print newspapersò by Cao & Li (2006) shows that new interactive technologies produced a profound effect in United States society and after the emergence of new media some media analysts predicted that ñprinted newspaper would disappear in the near futureò. As Internet grew, print newspaper users decreased a bit. But this article finds out that the growth of new media is not at the expense of the older media. The online newspapers were considered by many newspapers publishers as an opportunity to help reverse the trend in declining readership rather than a threat to the print newspaper and are opening up broader prospects for the newspaper industry.

Perhaps there are some evidences on the effect of Internet newspapers on circulation of the print media. The online newspapers as a new medium are still developing as more technological innovations are implemented (Cao & Li, 2006).

1.3 Problem Statement

According to Price Waterhouse Coopers (2002), print advertising is feeling squeezed and feels that they need access to online advertising opportunities hence move to internet reporting. Digital advertising however has seen an increase in its figures. With advertising as a business model, its sustainability is important. Newspapers have two intertwined problems ï declining circulation penetration and declining share of advertising. With regard to decrease in advertising revenue, the decline puts great pressure on advertising rates and rate increases. Independent newspapers must develop strategies to increase circulation.

The Internet and other electronic channels yield advantages, such as reducing costs as well as increasing speed and efficiency. Avid proponents of the Internet claim it could feasibly replace print media. The cost of publishing a newspaper or magazine online is far less than the cost of printing one. There is no need to purchase bulk paper and ink, which in itself makes publishing on the Internet more attractive. Moreover, not as many hired hands are required to publish online. On the other hand, disadvantages such as declining readership culture and work lay offs have been associated with increased automation in business (Kotler & Keller, 2006). It has been theorized that the limited use of the Internet, along with increased competition of media houses in Kenya, has brought about constrained performance at NMG (Kimani, 2010). Furthermore, the main areas in which Nation Media Group faced challenges included the constant growth of alternative digital media sources such as social networks and blogs, minimal online advertising, increased governmental push for more local media content resulting in increased costs of production, consumer demands for recent content mainly due to globalization, declining newspaper sales and increase in audience of subscription pay television through satellite broadcasts such as DStv (Kimani, 2010).

Brown (2008) in his paper argued that the survival of the print media has, since the inception of a strong technological presence, been threatened by the prevalence of on-line publications and other substitutes, such as radio, television, the Internet, electronic media and outdoor advertising and the cell phone over the past two decades. This paper, whilst having mentioned other technologies, makes specific reference to the Internet as a technological device, which has eroded part of the print media's market share and hence impacted newspaper salesô bottom line.

For a number of years now, media observers in the US and Europe have lamented the decline in readership, advertisers and revenue at many national and local newspapers. As increasing numbers of people turn to the Internet for their daily news digest, newspaper publishers in the West have struggled to continue making money. However, in India, newspaper sales have soared as literacy rates have grown and more media has become available in a multitude of vernacular languages besides English. This has been helped along by improvements in printing, packaging and distribution efficiency which have made even 40-50 page color broadsheets available at reasonable prices (Cao & Li, 2006).

The study aimed to build on the findings of the National Survey of Kenya, 2009; as illustrated in Appendix 2, which depicts an increasingly sophisticated consumer of interactive media content who uses the Internet, usually at least once a week, to find out the latest news, perform research online, watch videos, and listen to the radio; among other services (Mwaura, 2009). The research question aimed to seek the answer as to whether the digital revolution is rendering print media and in particular the newspaper obsolete. Asked specifically: does the Internet have an influence on newspaper sales at NMG?

1.4 Research Objective

The general objective of the study was to investigate the impact of Internet usage on print media distribution, specifically to:

a. Establish how Internet is used at the firm

b. Analyze the impact of Internet on print distribution

1.5 Value of the Study

The government and other institutions involved in the countryôs policy formulation can not overlook the media sector as one of the contributors to the countryôs Gross Domestic Product (GDP). The findings from this study are therefore of importance as they will have the capacity of being used to formulate positive fiscal policies which are relevant and sensitive to the forces influencing media sector performance and penetration in Kenya.

To the media companies in the country, the findings of this study are of importance because through them, these institutions will be better positioned to gauge their performance and make improvements where necessary to boost their market performance and overall ranking in the industry. In particular, the media firms will be better placed to develop strategies to increase performance, based on the findings of this study.

In trying to find a solution to the problem statement of this research topic, based on perceptions that the Internet will replace newspapers, the researcher did a literary search and examined debates from various writers as well as acclaimed academics and conducted interviews with media workers as part of the qualitative research. To those who have scholarly interest in the media industry, this study will provide a source of reference; literature review and basis upon which further studies can be developed.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter expounds on the work and debates that other researchers have carried out concerning the media industry as a business model. A theoretical review outlining work on the Internet and media is presented, as well as an empirical review that leads to a conceptual framework which is proposed to guide the study. According to Kotler and Keller (2006), the Internet and other electronic channels yield additional advantages, such as reducing costs and increasing speed and efficiency. The following sections aim to examine the contributions of scholars on ICT, the Internet and media. Moore's law describes a long-term trend in the history of computing hardware. The number of transistors that can be placed inexpensively on an integrated circuit has doubled approximately every two years. The trend has continued for more than half a century and is not expected to stop in the near future. The capabilities of many digital electronic devices are strongly linked to Moore's law: processing speed, memory capacity, sensors and even the number and size of pixels in digital cameras. All of these are improving at (roughly) exponential rates as well. This has dramatically increased the usefulness of digital electronics in nearly every segment of the world economy (Brown, 2008).

2.1 The Internet

The foundations of the Internet were formed when packet-switching networks came into operation in the 1960s. Transmitted data is broken up into small packets of data, sent to its destination, and reassembled at the other side. This means that a single signal can be routed to multiple users, and an interrupted packet may be re-sent without loss of transmission. Packets can be compressed for speed and encrypted for security. Some visionary thinking by people in the early 1960ôs who saw great potential value in allowing computers to share information on research and development in scientific and military fields developed the Internet. Licklider of MIT, first proposed a global network of computers in 1962, and moved over to the Defense Advanced Research Projects Agency (DARPA) in late 1962 to head the work to develop it. Kleinrock of

Massachusetts Institute of Technology (MIT) and later University of California, Los Angeles (UCLA) developed the theory of packet switching, which was to form the basis of Internet connections. Lawrence Roberts of MIT connected a Massachusetts computer with a California computer in 1965 over dial-up telephone lines. It showed the feasibility of wide area networking, but also showed that the telephone line's circuit switching was inadequate. Kleinrock's packet switching theory was confirmed. Roberts moved over to DARPA in 1966 and developed his plan for US Defense Departmentôs Advanced Research Projects Agency (ARPA) net. The ARPA net used Network Control Protocol (NCP) as its transmission protocol from 1969 to 1982, when NCP was replaced with the now-widespread TCP/IP (Bhave, 1994).

The Internet today is a large-scale network of millions of computers that allows continuous communication across the globe. The various applications of the Internet include the World-Wide Web (the web or www) which are web pages that are connected through hyperlinks that enable one to move from page to page, electronic mail (e-mail) that is commonly used to transmit messages from one person to another via the Internet and File Transfer Protocol (FTP), a standard network protocol used to transmit files from one host to another over the Internet (Brown, 2008).

2.2 Internet and Media Trends

The media industry in Kenya has undergone remarkable transformation in terms of its uptake of technology. For instance, NMG, has moved from being in print media only, and has diversified into television, radio and digital media platforms. In addition, to being on multiple platforms, the NMGôs presence can now be found in Kenya, Uganda and Tanzania, as well as throughout the globe through its Internet distribution channel (Nation Media, 2011).

Consumer tastes and preferences change constantly. The Internet is changing more than our tastes and habits. It is transforming the economy too (Brown, 2008). The Internet is an enabling technology and often companies that have deployed the Internet have been confused by distorted market signals. The Internet submits Porter (2001), actually erodes organizational structure. Unless organizations such as NMG scan the environment and

restructure their operations, it can be argued that they are bound to miss out on critical issues upon which organizations depend for not only growth, but also for their sustainability.

Nowadays, advertising is the most lucrative business model at independent newspapers. Media executives confirm that the advertising revenue has increased over the past years, but because of the sensitive nature of revenue, were unable to provide tangible evidence in the way of figures. One school of thought observes that figures are artificially boosted by the bulk sales on offer to retailers who pay a lower cover price. They in turn advertise their products - this trade-off does not bring in revenue or rates are discounted. It is questioned whether these figures should go towards the circulation business model or the advertising model (Brown, 2008).

The table below reveals that Internet access in Kenya remains limited, especially in rural areas. Indeed, low levels of access were responsible for Kenyaôs ranking of 116th globally on the International Telecommunications Unionôs 2009 ICT Development Index. However, use of the Internet is expected to receive a boost from the landing of fiber optic cables, the first of which, named SEACOM, having reached Mombasa in July 2009 with the promise of vastly expanding bandwidth, increasing connection speeds and lowering operating costs. Examples of other fiber optic connection initiatives in Kenya include the East Africa Submarine Cable System (EASSy) and The East Africa Marine System (TEAMS) (Mwaura, 2009).

Additional bandwidth may contribute to greater internet access in homes, businesses, internet cafes and on mobile phones across the country. But there is a catch in this bright outlook: in order for the new fiber optic cables to deliver on Kenyansô expectations, last-mile connectivity needs upgrading to be able to deliver broadband internet access to consumers at affordable prices. On that front, Kenyaôs infrastructure remains weak. Granted, some existing internet users did enthusiastically report immediate improvements in speed and cost when the cables went live, but the national impact remains to be seen. Only about one fifth of survey respondents said they used the internet for any purpose in the last year, and even fewer appear to use the internet regularly. This group of frequent

users, who would be the most likely to feature as targets in an internet-based outreach or communication campaign, is predominantly wealthy, young, male, and relatively well educated compared to the population as a whole (Mwaura, 2009).

Table 2.1 Profile of Internet Users in Kenya

Weekly Internet users (N=280)		Less frequent Internet users (N=160)	Adult Kenyans (N=2000)
Gender	70% male	66% male	49% male
Age	76% under 30	62% under 30	53% under 30
Location	69% urban	50% urban	35% urban
Economic Status	7% high income 85% middle income 6% low income	3% high income 78% middle income 17% low income	2% high income 63% middle income 33% low income
Education	55% with more than secondary education	36% with more than secondary education	16% with more than secondary education

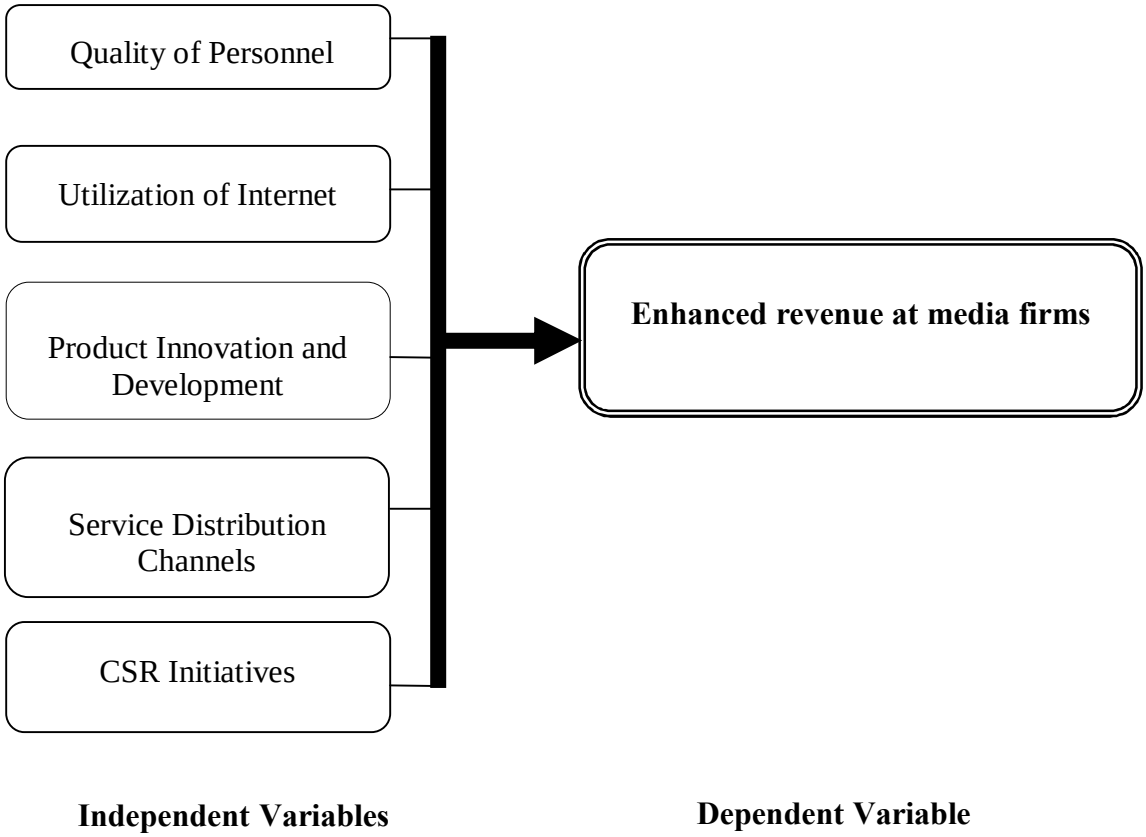
Source: Audience Scapes (Mwaura, 2009)

2.3 Sales Conceptual Framework

The study adopted a conceptual framework that was developed on cause/effect basis using two types of variables. Personnel training; adoption of Internet; product innovation; service distribution channels and corporate social responsibility will be the studyôs

independent variables, leading to sales performance at media firms as a dependent variable. The relationship between the key independent variables and the performance of media firms in relation to sales is illustrated in the figure below:

Figure 2.1 The Sales Conceptual Framework



Source: Media Exchange (Anon, Media Production, 2009)

Previous studies point to several factors such as quality of personnel and product innovation that impact performance in the media industry. Some of the most important factors that define a companyôs chance of success are detailed in the following sections.

Quality of personnel: This is a critical success factor in business operations encompasses the aspects of reliability, responsiveness, assurance, empathy, moments of truth, critical incident, and recovery, (Bhave, 1994). These aspects include: providing services as promised, effectiveness of the employeesô skills and ability for actions whenever a

critical incident takes place (i.e. when a problem arises), providing services right the first time, providing services as per the promised schedule, prompt service to customers, willingness to help customers and the readiness to respond to customersô requests, extent to which the feedback from customers is used to improve service standards, regularly apprising the customers about information on service quality and actual service performance versus targets in the organization, employees who instill confidence in customers by proper behavior, and making customers feel confident in their transactions.

A study by Mol (1996) was carried out at the University of Tampere, Finland, in 1996, concerning Critical Success Factors as a component of SIM (Strategic Information Management). The analysis from the study emphasized strongly the immaterial, intellectual and social factors as crucial for the achievement of the strategic aims and goals of the whole organization. Knowledge was found to be essential in achieving planned performance.

Utilization of Internet: The Internet offers direct links with customers, suppliers and distributors and facilitates transactions processes and information transfer. It also enables companies to bypass others in the value chain. Changes in technology and the explosive growth of direct and online marketing are having a profound impact on the nature and design of marketing channels, (Kotler & Keller, 2006). The Internet as an emerging real-time media source offers benefits to both final buyers and businesses in many ways (Kotler & Keller, 2006). It can be convenient as customers can watch programs when they want to as opposed to normal television broadcasts that run at predefined times. In addition, the Internet is virtually unrestrained by physical boundaries, cyber sellers can therefore offer an almost unlimited selection of content for the consumer. For example, one can stream video content from the popular site You Tube, for hours on end. Online buying is interactive and immediate (Kotler & Keller, 2006).

Buyers often can interact with the sellerôs site to create exactly the configuration of information, products, or services they desire, then order or download them on the spot. Moreover, the Internet gives consumers a greater measure of control. Like nothing else before it, the Internet has empowered consumers. This is the new reality of consumer

control in access to media. ICT also yields many benefits to media firms. First, the Internet is a powerful tool for customer relationship building. Because it is one-to-one, interactive nature, the Internet is an especially potent marketing tool. Companies can interact online with customers to learn more about specific needs and wants. In turn, online customers can ask questions and volunteer feedback. Based on this ongoing interaction, companies can increase customer value and satisfaction through product and service refinements (Brown, 2008). NMG is at the fore front in maximizing the Internetôs potential in its interaction with clients whereby apart from having a website, the firm regularly uploads its content on You Tube, an online video sharing service, hence enabling global access.

E-marketing also offers greater flexibility, allowing the marketer to make ongoing adjustments to its offers and programs. For example, once a paper catalogue is mailed to final consumer or business consumer, the products, prices, and other catalogue features are fixed until the next catalogue is sent (Kotler & Keller, 2006). However, an online catalogue can be adjusted daily or even hourly, adapting product offerings, advertisement, assortments, and promotions to match changing market conditions. Finally, the Internet and other electronic channels help yield additional advantages, such as reducing costs and increasing speed and efficiency, (Kotler & Keller, 2006). By using the Internet to link directly to distributors, and customers, businesses such as NMG, are cutting costs and passing savings on to customers. Electronic communication often costs less than communication on paper through the mail. For instance, a company can produce digital catalogues for much less than the cost of printing and mailing paper ones.

Product innovation and development: Innovation is a new way of doing something or "new stuff that is made useful" (Brown, 2008). It may refer to incremental and emergent or radical and revolutionary changes in thinking, products, processes, or organizations. Following Schumpeter (1934), contributors to the scholarly literature on innovation typically distinguish between invention, an idea made manifest, and innovation, ideas applied successfully in practice. In many fields, something new must be substantially different to be innovative, not an insignificant change, e.g., in the arts, economics, business and government policy. In economics the change must increase value, customer

value, or producer value. The goal of innovation is positive change, to make someone or something better. Innovation leading to increased productivity is the fundamental source of increasing wealth in an economy. Clients in the media industry demand a minimum relative advantage in order to switch channels. This means that new innovative services should be perceived to be better than their predecessors. Since innovation is also considered a major driver of the economy, especially when it leads to increasing productivity, the factors that lead to innovation are also considered to be critical to policy makers. In particular, followers of innovation economics stress using public policy to spur innovation and growth.

Service distribution channels: Brown (2008) suggests that media companies should use the Internet and other emerging medium, as additional channels of distribution but must keep their traditional channels such as free to air broadcast, newspaper and radio, intact. This gives the media company the opportunity for a gentle transition from a traditional branch service strategy to ICT based strategy, and it provides good market coverage. Global and domestic competition has become more vigorous, thus encouraging the implementation of cost-cutting strategies to make competitive gains.

Corporate social responsibility initiatives: Corporate social responsibility (CSR) helps an organization to lead as a corporate citizen in encouraging ethical behavior in everything it does. This is a forceful element in business that sends strong signals towards improving organizationsô image and goodwill and consequently influencing the customersô overall evaluation of the service quality and their loyalty to the firm. Demands for CSR placed on organizations by an increasingly sophisticated and educated public are stronger than ever. According to Kotler & Keller (2006) many firms are blending their corporate social responsibility initiatives with their marketing activities. Cause marketing has also being called a part of corporate societal marketing and is defined as marketing efforts that has at least one non-economic objective related to social welfare and use the resources of the company and/or of its partners and includes activities such as traditional and strategic philanthropy.

2.4 Summary of Literature Review

There exists substantial literature on the state of Internet and media in the developed world, but limited material on the same is available in the developing countries. The work of scholars reveals that well trained and highly motivated staff, usually result in an efficient work environment and impact on media industryôs performance. If a media company has good employee training policies in place, it will attract quality personnel because individuals seek for employers who are ready to sponsor their professional development. If training programs are well developed and executed, they will have good impact on the companyôs performance because customers have a natural tendency of being attracted to service providers having high quality personnel in terms of knowledge and responsiveness. Organizations are now adopting ICT to aid in their processes. The quality of ICT used will greatly affect performance. Because of the volatility experienced in the business environment, only organizations in utmost position of employing the use of ICT as a competitive advantage will have the ability of surviving on the market.

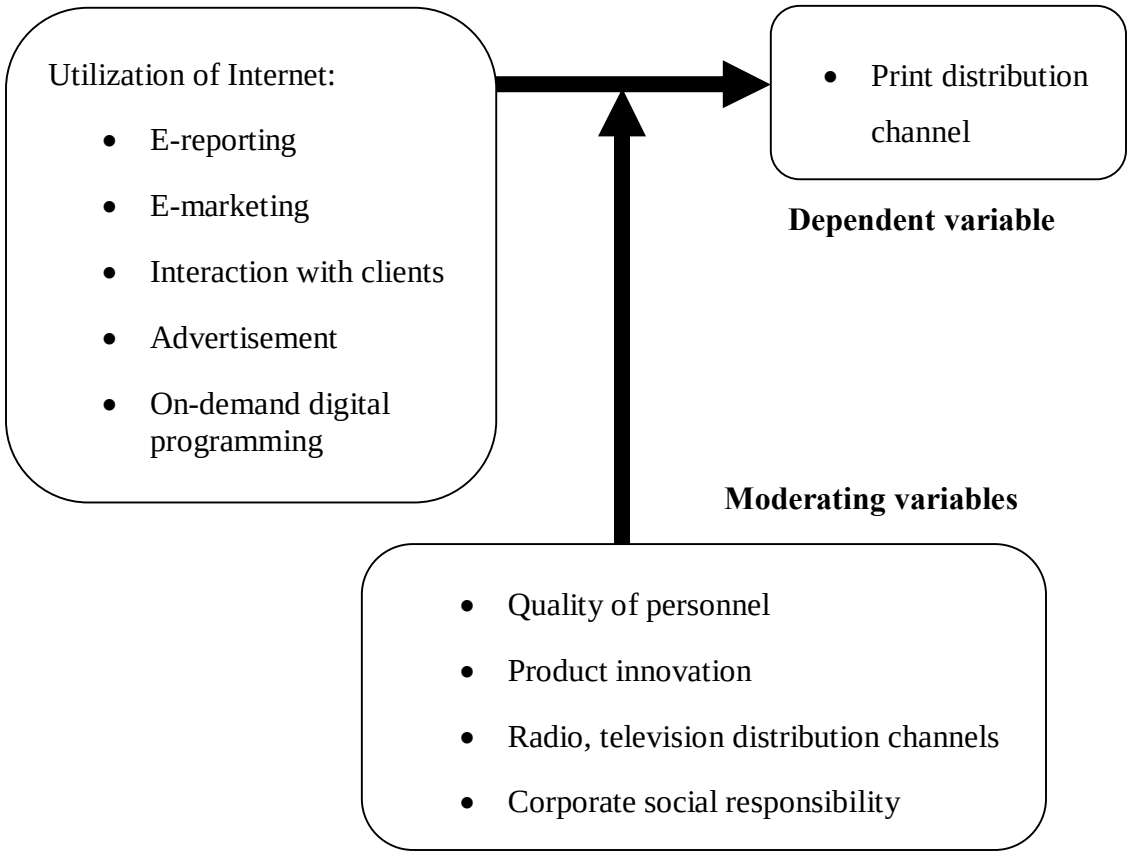
There must be constant product innovations to reflect the changes in consumer preferences. This should be done through research and development. Customers to media services have got varying needs from service providers. Media research departments that put priority in customer focused market research as a tool in product and service development will have a positive niche on the market. If products are tailor-made to suit specific customersô needs on the market, this will be translated to positive market performance.

In addition, adoption of CSR activities as a key promotional tool is rapidly being adopted by many organizations. Corporate social responsibility initiatives portray an image of a company to the public either in a positive or negative manner. Media companies that carry out corporate social responsibility initiatives enjoy the public goodwill hence are in a better position of penetrating the market more than those that do not. CSR activities selected to be undertaken by these institutions therefore should not only be centered on customers but on the public in general.

2.5 Conceptual Framework

The author developed a conceptual framework that was developed on the cause/effect basis as previously illustrated in the sales conceptual framework but thereafter adopted for this particular study using three types of variables. The independent variable in the study is internet usage that consists of measures such as e-journals, interaction with suppliers, advertising and internal communications. Personnel training; adoption of Internet; product innovation; service distribution channels and corporate social responsibility were the studyôs moderating variables, while print distribution channel at NMG was the dependent variable. The relationship as described above is illustrated in the figure below:

Figure 2.2 Conceptual Framework



Source: (Author, 2011)

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter provides discussions of the research methodology used in this study. It discusses the research design especially with respect to the choice of the design. It also discusses the population of the study, sample design, sampling techniques, data collection methods as well as data analysis and data presentation method that will be employed in the study.

3.1 Research Design

Causal survey study design was the appropriate choice for this study. This design was appropriate as it enabled the researcher to obtain information concerning the status of the phenomena through the testing of hypotheses (Cooper & Schindler, 2008). Usually, any target population of a study should constitute the studyôs participants. Mugenda and Mugenda (2003) define population as the set of all ñunitsò of analysis in oneôs problem area. Based on this definition, the population from which the conclusion for the study was made included all media divisions at NMG. This list was obtained from NMG human resources. According to the NMG website, 7 divisions are currently in existence. Target population comprised of 124 employees within the company. According to Cooper and Schindler (2008), a sample is a subset of a population that has been selected to reflect or represent characteristics of a population. It was not feasible for the researcher to study every member in the target population; a sample of approximately 40% of the population was considered as a representative of the parent population. In the targeted sample of 55 staff in a population of 124 employees at given NMG divisions, the researcher eventually received feedback from 50 respondents.

3.1.1 Sampling Techniques

This is a statistical determination of the appropriate sample size which can be generalized to represent the entire target population. As highlighted in the target population section, the study aimed to establish response from four categories of respondents i.e. NMG

Divisional Directors, General Managers, Sales and Marketing Managers and ICT staff. To obtain the population sample for this study, the researcher adopted a stratified random sampling as a technique.

Table 3.1 Sampling Frame

Official	**Population**	**Sample**	**Percentage**
Divisional Directors	7	3	42.9
General Managers	20	8	40.0
Sales & Marketing Managers	36	14	38.9
ICT staff	61	30	49.2
Totals	124	55	44.4

Source: (Author, 2011)

3.2 Data Collection Procedures

Primary data consists of data collected directly by the researcher through data collection tools such as questionnaires, interviews, measurements, observation and brainstorming. On the other hand, secondary data consists of already documented data such as library books, newspapers and internet files (Mugenda & Mugenda, 2003). In this context, the study used primary data collected through a questionnaire; in addition, secondary data that was incorporated through NMG newspaper sales figures for the period between 2005 and 2010, as well as NMG website hits between the same periods of time. A pilot study was conducted in order to test the instrument of data collection a week before the real data collection exercise was carried out.

3.3 Data Analysis

Descriptive statistics of mean and percentages on the characteristics of the respondent, was used to measure and predict the relationship between the predictor variables. To obtain these statistical outcomes, the study used the Stata statistical analysis software. The model of the study was as below:

$$Y = A + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \mu$$

Where X1 = Utilization of Internet, X2 = Quality of Personnel, X3 = Product Innovation/ Development, X4 = Service Distribution Channels, X5 = CSR Initiatives, β = Beta Coefficient, A = Constant, and Y = Print Distribution Channel

Table 3.2 Measures for Independent Variables

X1	E-reporting, e-marketing, client interaction, advertisement, on-demand programming, content sharing
X2	Education level, experience, age, gender
X3	Productivity, product improvement, innovation, research and development
X4	Television, radio
X5	Ethics, company image, goodwill, customer loyalty

Source: (Author, 2011)

CHAPTER FOUR: RESULTS OF STATISTICAL ANALYSIS

4.0 Introduction

In this chapter, the methodology and the data collection techniques used to conduct the research at NMG are explained and the main findings are presented. The first objective of the study, as outlined in chapter one, was to establish the extent to which Internet is used at NMG. The other objective was to evaluate whether the Internet impacts distribution of newspapers by NMG. The following sections will therefore relay the findings of the above mentioned research.

4.1 Descriptive Statistics

Descriptive statistics summarizes in a quantitative manner, the variables of this study in a way that displays the distinctive features of respondents at NMG. Table 4.1 presents a statistical analysis of the observations collected from NMG, which are discussed as follows:

Data was collected from the 55 staff of NMG out of which 50 of them gave their feedback and therefore this was translated to 91% response rate which is regarded as overwhelming and hence will yield a clearer picture of the objectives under investigation. This response rate is agreeable with Fincham (2008) who asserted that a response rate of 50%-60% or greater is optimal. 9% non-response is attributed mainly to the busy nature of the respondents.

The departments from which feedback was collected were nine in number, namely; information technology, digital, sales, marketing, finance, procurement, television, radio and production. The same were numbered from one to nine for categorization purposes, out of which it was observed that from a mean of 2.72, most staff who responded to the questionnaires belonged to the information technology, digital and sales departments.

Designation of the workers was also analyzed where respective titles of manager, assistant, general manager, clerk, head of department, trainee, web developer, administrator, supervisor, technician, sales executive and intern were identified by numbers from one to twelve.

Table 4.1: Descriptive Statistics

Variable	Observations	Mean	Std. Dev.	Min	Max
Department	50	2.72	1.884848	1	9
Designation	50	4.5	3.494894	1	12
Age in years	50	1.46	.57888	1	3
Experience in years	50	6.78	5.064039	1	21
Education level in years	50	1.88	.3282607	1	2
E-reporting (rated 1 ï 5)	50	4.26	.7230886	2	5
E-marketing (rated 1 ï 5)	50	4.04	.7814168	2	5
Client interaction (rated 1 ï 5)	50	4.5	.6468132	3	5
Advertisement (rated 1 ï 5)	50	4.18	.9409071	1	5
On-demand digital programming (rated 1 ï	50	3.28	1.246055	1	5
Productivity (rated 1 ï 5)	50	3.8	.6998542	2	5
Product improvement (rated 1 ï 5)	50	3.7	.7889544	2	5
Innovation (rated 1 ï 5)	50	3.94	.7117096	2	5
Research and development (rated 1 ï 5)	50	4.32	.6833292	3	5
Television (rated 1 ï 5)	50	4.58	.5379477	3	5
Radio (rated 1 ï 5)	50	4.56	.5014265	4	5
Print (rated 1 ï 5)	50	4.56	.5014265	4	5
Ethics (rated 1 ï 5)	50	3.14	.9260405	1	5
Company image (rated 1 ï 5)	50	3.1	.814411	1	5
Goodwill (rated 1 ï 5)	50	3.14	.7001458	2	5
Customer loyalty (rated 1 ï 5)	50	3.74	.8762164	2	5

NB: *Key rate of usage: 1 - very low, 2 – low, 3 – average, 4 - high, 5 – very high*

Source: (Author, 2011)

Managers, assistants and general managers were seen to make up the majority of respondentsô designation with 27 out of 50 staff being in one of these three groups. This observation was in line with the researcherôs targeted sample, whereby some information requested from respondents could only be answered by NMG staff at mid to top management level.

In analyzing the respondentôs demographic attributes the researcher observed that the age of respondents, with a mean of 1.46, tended to fall mainly between 19 to 35 years of age out of the three groupings of 19 to 35, 36 to 50, and over 50 years, numbered one to three for categorization purposes. Furthermore, on the job experience was observed to be close to 7 years on average with the least number of years worked, out of all 50 respondents, being 1 while the highest years of service stood at 21. The observation of the researcher was that NMG has a fairly youthful workforce. Finally, educational level was grouped into two with 1 and 2 representing secondary and university educated individuals respectively. A clear majority of respondents tended towards a university level of education with 44 out of 50 respondents having a first degree.

4.1.1 Utilization of Internet

In analyzing the extent of Internet usage at NMG, the researcher found that e-reporting revealed a mean of 4.26 which implied that majority of the 50 respondents had a very high exposure to e-reporting in their day to day work. Client interaction had a mean of 4.5 which also pointed to very high usage of the Internet by NMG in attending to client requests. The methods used by NMG in client interaction via the Internet included electronic mail, social networking sites and web chats. On the other hand, on-demand digital programming revealed the lowest mean of 3.28 among utilization of internet variables. The same can be attributed to low uptake of the technology by clients since current cost of access is very high, especially for full length feature films.

Cross tabulation between department and e-reporting revealed high to very high usage of the Internet by the information technology and digital departments. The same can be attributed to the role of the two departments which are the ones responsible for preparation of reports in formats suitable for uploading onto the Internet. There was also

cross tabulation of department and client interaction where it was noted that 29 out of 50 respondents considered their utilization of the Internet to interact with clients to be very high. In regards to on demand digital programming, the responses were varied and bordered on average utilization of Internet. Further cross tabulation between age and e-reporting indicated that Internet was heavily utilized by respondents in all age groups ranging between 19 to over 50 years as several selected high to very high utilization as their answer in the questionnaire. Finally, in cross tabulation of education and utilization of internet it was observed that majority of responses ranged between average to very high across all variables, with 44 out of the 50 respondents being university educated; pointing to higher utilization of the internet by those with higher educational levels.

4.1.2 Product Innovation

The author cross tabulated experience and product innovation where it was observed that productivity, product improvement and innovation ranged between average and very high out of the 50 respondents, indicating that experience had an impact on product innovation at NMG. Research development had a far higher response rate than other variables within product innovation with 44 out of 50 respondent ranging between high and very high.

Secondly, education was cross tabulated with productivity where majority of the respondents were seen to be university educated whose responses indicated that there was average to very high product innovation at NMG. Generally, majority of the respondents pointed towards high adoption of internet in the increased product innovation trend at NMG.

4.1.3 Service Distribution Channels

The researcher observed that most of the respondents indicated high use of television, radio and print, with a mean of 4.58, 4.56 and 4.56 respectively for the three variables. This indicates that the service distribution channels were widely regarded by staff as being central to their day to day activities at NMG.

4.1.4 Corporate Social Responsibility

The CSR aspect of the study elicited the greatest variation in feedback from the 50 respondents with answers ranging between very low and very high for the independent variables such as ethics and company image. The same could be attributed to respondentsô subjective perception towards the impact of the firmôs CSR activities on the presented measures. It is apparent that unlike other measures used in the study that provided a clear cut gauging level, the measures for CSR elicited personal opinion where one respondent may have felt that NMG does not enjoy goodwill while another saw the opposite to be true. The final observation was that there is average impact of the firm CSR activities.

4.2 Correlation

Table 4.2 shows the correlation coefficient of print media distribution with internet usage, television, radio, research and development as well as demographic attributes of respondents. When using a 10% base, a 10% increase in the print media circulation increased client interaction by 3.78%, or a 10% increase in client interaction increases newspaper circulation by 3.78%. This indicates that the two are positively related and the results are supported by the estimations of the regression model whereby client interaction over the internet is seen to have an impact on the distribution channels of the print media. Correlated against print distribution, television and radio were observed to have a positive relationship, whereby using a 100% base, a 100% increase in print distribution influenced television and radio by 66.3% and 75.7% respectively. The conclusion of the researcher from the highlighted observation was that increased radio and television reference toward newspapers, mainly through daily breakfast show hosts who give brief previews of what is covered in the dayôs newspapers, greatly influences the distribution of print media. It should be noted that correlation only shows an association, one cannot tell which variable is increasing the other.

Table 4.2 Selected Correlation Coefficients of Print

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1. Print	1.0000											
2. E-reporting	.2657	1.0000										
3. E-marketing	.2021	0.7397	1.0000									
4. Client interaction	.3775	0.5891	0.4845	1.0000								
5. Advertisement	.0848	0.2598	0.3786	-0.0168	1.0000							
6. On-demand digital programming	.0379	0.3706	0.5542	0.1772	0.6524	1.0000						
7. Television	.6628	0.1815	0.1864	0.3226	0.0718	0.0268	1.0000					
8. Radio	.7565	0.2657	0.1500	0.3146	0.0848	-0.0928	0.5871	1.0000				
9. R & D	0.3598	0.1999	0.1284	0.3232	0.0038	0.0364	0.2065	0.2406	1.0000			
10. Age	0.0084	-0.0478	0.0938	0.0273	0.1072	0.0441	0.1088	-0.1322	-0.0702	1.0000		
11. Experience	.0656	0.0104	0.0899	0.0530	0.0727	0.0261	0.1527	-0.0550	0.0267	0.8846	1.0000	
12. Education	0.1686	0.3921	0.2578	0.1922	0.0053	-0.0659	0.0555	0.1686	-0.0983	-0.1332	-0.0899	1.0000

Source: (Author, 2011)

4.3 The Impact of Internet on Print Media Distribution

E-reporting, e-marketing, advertisement and on-demand digital programming emerged as weak determinants that had very little impact on print distribution; implying no statistical significance to the study. Client interaction on the other had at 29.2% had statistical significance. The R^2 of 0.073 implying 7.3% in the variation in print distribution channels can be explained by the variables in the model i.e. e-reporting, e-marketing, advertising, client interaction and on-demand digital programming. The *p*-value of the F-statistic $p = 0.1390$ indicated that we fail to reject the null hypothesis that internet usage does not have an effect on print media circulation since the error we would make by rejecting the hypothesis at 13.9% is too high $p>1$.

After controlling for the other factors, namely; research and development, television, radio, age, experience, and education did not show statistical significance. Television was observed to increase print distribution by 26.4% ($t = 2.42$). Radio was observed to increase the distribution of print by 56.5% ($t = 4.57$). As general deductions, the impact of radio in particular was seen to have an extremely high impact on print most probably due to the fact that morning radio broadcasts feature daily highlights of newspapers from various media firms, thus creating interest in readership audience. The controlling of the respondents co-variables revealed a R^2 of 0.60 meaning that 60% of the variation in print circulation can be explained by the independent variables jointly. The *p*-value of the *F*-statistic is 0.00 which indicates that all the variables in the regression model have an effect on the print distribution channels and therefore the null hypothesis was rejected by the researcher.

The regression model used for the estimation was as below:

$$Y = A + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \mu$$

Where X1 = Utilization of Internet, X2 = Quality of Personnel, X3 = Product Innovation/ Development, X4 = Service Distribution Channels, X5 = CSR Initiatives, β = Beta Coefficient, A = Constant, and Y = Print Distribution Channel

Table 4.3: Effects of Internet Usage on Print Distribution Channel

(Absolute *t*-Statistics in parentheses)

Variables	OLS	
Internet usage		
E-reporting (rated 1 ï 5)	.0402 (0.26)	-.0320 (0.29)
E-marketing (rated 1 ï 5)	.0013 (0.01)	-.0313 (0.32)
Client interaction (rated 1 ï 5)	.2920 (2.13)	.0364 (0.38)
Advertisement (rated 1 ï 5)	.1010 (1.01)	-.0361 (0.53)
On-demand digital programming (rated 1 ï 5)	-.0705 (0.86)	.0643 (1.11)
Product innovation and development		
Research and development		.1334 (1.82)
Service distribution channels		
Television (rated 1 ï 5)		.2640 (2.42)
Radio (rated 1 ï 5)		.5654 (4.57)
Demographic attributes		
Age in years		.1080 (0.61)
Experience in years		-.0047 (0.24)
Education level in years		.1838 (1.15)
Constant	2.8786 (4.78)	-.2358 (0.38)
R^2	0.0728	0.6067
F-Statistics (*p*-value)	1.77 (0.1390)	7.87 (0.0000)
Observations	50	50

NB: *Key rate of usage: 1 - very low, 2 – low, 3 – average, 4 - high, 5 – very high*

Source: (Author, 2011)

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of key findings in the study, makes conclusions towards given objectives, gives recommendations to concerned parties and finally outlines limitations that were encountered while conducting research.

5.1 Summary of Key Findings

It was noted from the analysis in the study that while there was high utilization of Internet at NMG, the same did not have an impact on the print distribution when taken on its own; with the only exception being client interaction that indicated significance. From the above, it can therefore be seen that the Internet on its own is not posing a challenge to print media in Kenya. Newspaper publishers such as NMG must however move out of their comfort zone by continuing to establish and strengthen their place in the dramatically altered and rapidly changing media by embracing technology and existing with it side-by-side.

On the other hand, when utilization of Internet was observed jointly with moderating factors such as research and development, television, radio, age, experience and education; it was noted that there was a significant effect on print distribution. From this observation, it is seen that NMG has created a strategic fit between the two offerings of print and electronic media in response to a changing business landscape. The statistics showcased in this paper revealed definite trends, with regard to the impact that Internet along with other factors, had made on print distribution. However, the speed of adoption and growth of Internet channels, as the main source of news in Kenya, is likely to be hampered in the near to mid term due to critical factors such as the digital divide, whereby know how on operating the Internet as well as the cost of Internet access remains prohibitive to a large section of the countryôs population.

5.2 Conclusion

In relation to the studyôs first objective which was to determine the extent of utilization of Internet at NMG, the analysis conducted on field data revealed that Internet usage at NMG was

indeed high. Analysis of the results indicated that emerging technology such as e-reporting, e-marketing, and on-demand digital programming had reshaped communication, relationship management, and business at NMG. In particular, interaction with clients via the Internet was seen to be in very high use at the firm. The observations highlighted above suggest that media firms in Kenya must start looking at themselves as being in the communication business with a variety of excellent and enabling tools - print and electronic - that will allow them to deliver information to selected audiences.

Secondly, in relation to the studyôs other objective; it was observed that Internet usage on its own had minimal impact on print distribution, with the exception of client interaction. However, when controlled with other factors such as television, radio, research and development; client interaction did not impact print distribution. The conclusion of the researcher from the above observation was that in as much as media firms, such as NMG, continue to provide consumers with innovative electronic platforms for accessing news; print distribution in the foreseeable future shall continue to soar, mainly as a result of limited access to Internet by a large section of the Kenyan public.

5.3 Recommendations

It is the recommendation of the author that this particular study be extended to other media firms in Kenya and the region as a whole to increase regional print media penetration due to the fact that NMG is a regional firm. Empirical studies can also be carried out among university based media institutions that have not fully practiced structured print media distribution to establish the underlying reasons behind and also find out their perceptions on the same.

This study should also act as a stepping-stone in the assessment of revenue growth through print distribution in media organizations, especially due to the big role that the firms play in the socio-economic development in the country. This study therefore, sets up a foundation for future contributions that will enable academicians, management and employees as well as the general public to better understand the stumbling blocks facing media firms in Kenya. The regression analysis presented in this study can be used in determining other driving variables in future studies.

The researcher also recommends that further research that would highlight changing readership trends over a certain time period as applicable to certain age groups be conducted. Further research could also therefore make recommendations about how to halt perceived downward trend in readership and print circulation. Even though readership-boosting-strategies are an area that must be further looked into, one must take cognizance of the fact that not all readers read newspapers for the same reason. Not all the readers have the same needs. One therefore has to balance the text, the graphics and the stories. Repackage the product for the different readers - the serious reader, the reader who navigates his way through the paper and the reader who scans the paper and reads only the headline and tail end. Another area for research would be to develop a model for the online offering by checking on what newspapers such as the New York Times and other leading dailies across the globe are doing.

5.4 Limitation of the Study

The study encountered limitations in the grouping of demographic attributes, in particular age and education level of the respondents. The grouping of the age sets was observed to be wide hence provided a challenge in accurate analysis of descriptive statistics such as mean. On the other hand, education level was seen to have omitted one descriptive group which is the tertiary level of education, hence limiting respondents to select either secondary or university level of education. The researcher suggests that future work reclassifies the groupings accordingly so as to capture finer data that will ensure a comprehensive outcome to the study.

Appendix 3 shows NMG sales figures for the years 2005 to 2010 but the tabulated figures could not be used in this study as regression of variables on a Likert scale against a dependent variable brought estimation problems while analyzing the data with the statistical software. This limitation posed a challenge to this study that ought to be examined by future researchers through the use of a continuous variable or dummy rather than Likert, in order to examine the linkage between use of Internet and newspaper sales.

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Appendix 1: Specimen Research Questionnaire

SECTION A: INTRODUCTION

1. Department: é é é é é é é é é é

2. Designation: é é é é é é é é é é .

3. Age: 19-35 yrs ☐

   36-50 yrs ☐

   Over 50 yrs ☐

4. Years of experience: é é é

5. Level of education: SECONDARY ☐

   UNIVERSITY ☐

SECTION B: INTERNET USAGE

(Key: 1 - very low, 2 – low, 3 – average, 4 - high, 5 – very high)

6. To what extent do you use the internet in regard to the following:

	1	2	3	4	5
E-reporting					
E-marketing					
Client interaction					
Advertisement					
On-demand digital programming					
Content sharing					

SECTION C: PERFORMANCE INDICATORS

PRODUCT INNOVATION AND DEVELOPMENT

(Key: 1 - very low, 2 – low, 3 – average, 4 - high, 5 – very high)

7. What is NMGôs current focus on its product innovation and development in relation to the following areas?

	1	2	3	4	5
Productivity					
Product improvement					
Innovation					
Research and development					

SERVICE DISTRIBUTION CHANNELS

(Key: 1 - very low, 2 – low, 3 – average, 4 - high, 5 – very high)

8. To what extent are the following service distribution channels used by NMG?

	1	2	3	4	5
Television					
Radio					
Print					

CORPORATE SOCIAL RESPONSIBILITY

(Key: 1 - very low, 2 – low, 3 – average, 4 - high, 5 – very high)

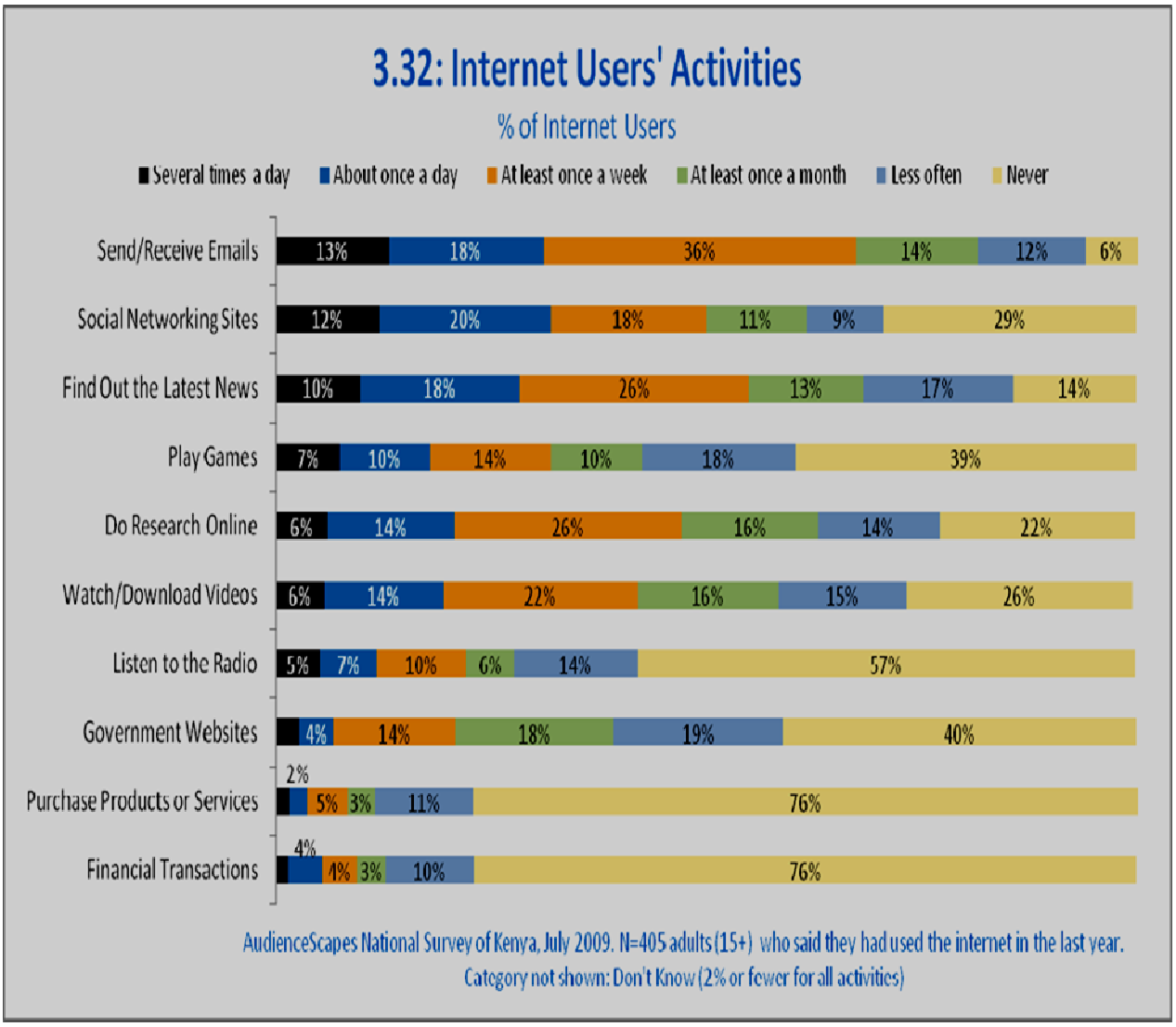
9. Do you believe that NMGôs corporate social responsibility has an impact on the following:

	1	**2**	**3**	**4**	**5**
Ethics					
Company image					
Goodwill					
Customer loyalty					

Thank you for sparing time to complete this questionnaire.

End

Appendix 2: Internet Users' Activities



Source: AudienceScapes Kenya (Mwaura, 2009)

Appendix 3: NMG Sales Figures

Sales (Year)	KES '000
2005	5,656,000.00
2006	6,339,200.00
2007	7,685,600.00
2008	8,251,500.00
2009	8,189,800.00
2010	9,602,500.00

Source: NMG (Nation Media, 2011)