Nelson Mandela Metropolitan University

for tomorrow

Media convergence: an analysis of consumer engagement

by

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ABSTRACT

Media convergence has meant that the traditional separations between the various media industries, such as the internet, broadcasting and telephone networks are slowly collapsing due to the growing use and influence of digital electronics - in effect, morphing or transforming the media landscape.

A fundamental change in today's media landscape has been the shift in control over media content, consumer consumption patterns as well as the manner and level at which consumers interact. Thus, the extent to which success is achieved now depends on a customer centric engagement strategy that can be implemented across converged platforms.

This study considers the challenges posed by media convergence. It also investigates how organisations adjusted strategies to mitigate these challenges.

STATEMENT OF OWN WORK

I, Semeyi Muwanga-Zake, declare that the contents of this thesis represent my own unaided work, and that the dissertation has not previously been submitted for academic examination towards any qualification in this or any other university.

Signed:  **Date:** 08/04/2011

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Above all, to God almighty for giving me strength, energy and mercy

DEDICATION

This dissertation is dedicated

to

my late mother

Rose Namugga Muwanga-Zake

(1955–2008)

You are the wind beneath my wings, an everlasting and eternal source of inspiration - I love you.

TABLE OF CONTENTS

STATEMENT OF OWN WORK iii

ACKNOWLEDGEMENTS iv

DEDICATION v

LIST OF FIGURES ix

1.1 Introduction 1

1.2 Background information 2

1.2.1 The nature of convergence 2

1.2.2 The nature of engagement 5

1.2.3 The impact of convergence on consumer engagement 6

1.3 Problem statement 7

1.4 Aim and objectives 8

1.4.1 Aim 8

1.4.2 Objectives 8

1.5 Research design and methodology 9

1.5.1 Sampling technique 11

1.5.2 Data collection and analysis 13

1.5.3 Data analysis 14

1.5.4 Research ethics 15

1.6 Delimitation of the study 15

1.7 Conclusion 16

CHAPTER 2 18

2.1 Introduction 18

2.2 Media platforms – convergence enablers 18

2.3 The nature of convergence 19

2.4 The impact and challenges of convergence 21

2.5 The nature of engagement 23

2.5.1 Engagement using television 24
2.5.2 Engagement using the cellular telephone 25
2.5.3 Engagement using the internet 25
2.6 Consumer engagement **27**
2.6.1 Desire to control entertainment 29
2.6.2 Desire for community and truth 29
2.7 Medium engagement evolution **30**
2.7.1 Enhanced television and interactivity 30
(i) Game and fan-based features 31
(ii) Information and programming-based features 31
2.8 Engagement – towards a new definition **32**
2.9 Towards a conceptual framework **33**
2.10 Conclusion **36**
CHAPTER 3 ..... **38**
3.1 Introduction – nature of the research **38**
3.2 Choice of research approach **38**
3.3 Case study method **42**
3.4 Sample selection **45**
3.5 Data collection and analysis **47**
3.5.1 Structured interview - procedure for primary data collection 48
3.5.2 Conducting the interview 49
3.5.3 Procedure for data analysis 54
3.6 Reliability and validity **58**
3.7 Conclusion **60**
CHAPTER 4 ..... **61**
RESEARCH FINDINGS **61**
4.1 Introduction **61**
4.2 Overview of case study findings **61**
4.2.1 Question 1 – Consumer 62

4.2.2 Question 2 - Media Landscape: 65
4.2.3 Question 3 – Organisation: 68
4.3 Insight from qualitative structured interview 72
4.4 Findings of structured questionnaire 74
4.5 Insight from structured questionnaire 75
4.6 Conclusion 78
CHAPTER 5 80
CONCLUSION AND RECOMMENDATIONS 80
5.1 Introduction 80
5.2 Objectives of the study revisited 80
5.3 Towards an engagement strategy 81
5.4 Analysis of case study based on model components 83
5.5 Limitations of the work 87
5.6 Areas for further investigation 88
5.7 Closing remarks 88
References 90
Appendices
Appendix A: Covering Letter
Appendix B: Interview Schedule
Appendix C: Structured Questionnaire
Appendix D: Structured Interview – David Williams
Appendix E: Structured Interview – Mondli Makhanya
Appendix F: Structured Interview – Paddi Clay
Appendix G: Structured Interview – Simba Makunike
Appendix H: Structured Interview – Mzi Malunga

LIST OF TABLES

Table 1: Construction of interview schedule and structured questionnaires

Table 2: Findings of structured questionnaire

LIST OF FIGURES

Figure 1.1: The convergence continuum

Figure 2.1: Convergence in the value chain

Figure 2.2: Consumers cannot live without the internet

Figure 2.3: Conceptual framework

Figure 3.1: Qualitative data analysis

Figure 5.1: Adapted conceptual framework

CHAPTER 1
INTRODUCTION AND BACKGROUND

1.1 Introduction

The changing context of media has received much attention and continues to be debated amongst media professionals. Wilkinson (2008:**Online**), states that just a few decades ago, mass media were differentiated into separate industries. These media technologies were limited to traditional print media, radio and television, operating separately from each other in providing information and entertainment for consumers. However advances in technology have enabled the boundaries between these media platforms to blur and converge, in effect, morphing or transforming the media landscape as we know it. Today, media organisations have traditional print media, the internet, the television set, the radio and even the mobile phone with which to engage with consumers. Brought about by the emergence of information and communication technology (ICT) and its deployment, the media industry is continuously morphing, with far-reaching implications. These include, but are not limited to, changing consumers' engagement patterns (Garrison & Dupagne, 2003:6).

Henzler (1998) suggests that as the boundaries between what were previously separate universes – content, communications and computing – erode, the media, information technology and telecoms industries are increasingly being viewed as merging into a mammoth new media and communication industry. In essence, this digital revolution means that content-specific distribution, provided by unique technologies, hardware and methods, is being replaced by content-independent distribution provided by a common infrastructure. Greco (2000:220) takes this even further, arguing that as technological solutions, networks and gadgets converge, new publishing channels are created. It is these possibilities that are changing and constantly redefining the landscape of media

engagement with consumers. As organisations search for new ways to distribute and exhibit content, engagement with the consumer is bound to evolve (Turow, 1999:4). However, to fully grasp the opportunities brought about by these developments, an understanding of the current state and challenges regarding consumer engagement in such an environment is needed.

This dissertation examines the current state of consumer engagement in South Africa's media landscape. It also seeks to understand the challenges of engaging consumers in today's converged media landscape.

1.2 Background information

1.2.1 The nature of convergence

The verb "to converge" means the tendency of two or more lines to approach one another. Appelgren (2007) states that technology has enabled various platforms or devices within the media construct to handle similar content, that is, to facilitate convergence. For example, cell phones today can display actual print media, web content and even television programmes. Garrison and Dupagne (2003:7) further suggest that convergence can be categorised as including economic, regulatory and institutional convergence. Economic convergence involves leveraging products and services in a bundled form towards the customer, while institutional convergence, is defined as a situation where a single business operates with multiple platforms. Regulatory convergence meanwhile relates to the governance of the legal framework that supports converged media platforms.

Dailey, Demo and Spillman (2003:3) propose that convergence can be seen as a continuum. Figure 1.1 shows a model of the activities carried out within a news organisation.

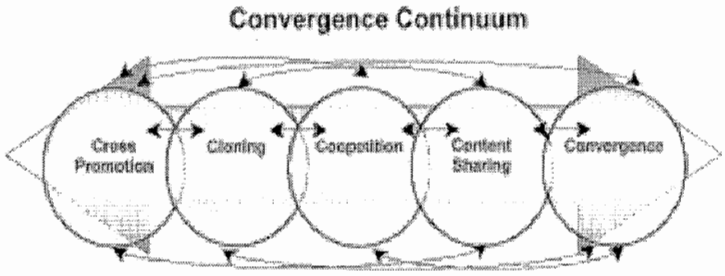


Figure 1.1: The convergence continuum

Source: Dailey *et al.* (2003)

As illustrated in figure 1.1., Dailey *et al.* (2003) developed five levels of activities performed by news organisations when dealing with the convergence phenomenon. They called these activities the "5Cs of convergence" and these comprise cross promotion, cloning, co-opetition, content sharing and full convergence. The 5Cs of convergence on the above continuum illustrate the behavioural overlap of individual C's and indicate how they interact with each other. The arrow illustrates the direction in which the activities of each partner can interact but indicates no specific position for such interaction.

These five stages of the continuum are expanded on further below:

- *Cross-promotion* is the level in which the least amount of cooperation and interaction occur among members of the different news organizations. At this level, the media outlets promote the content of their partners through the use of words or visual elements. However, they do not work together to produce content.

- *Cloning*, a practice in which one partner republishes the other partner's product with little editing (e.g. content from a newspaper is displayed on a TV partner's Web site or jointly owned Web portal). News outlets at the cloning level do not discuss their news-

gathering plans and share content only after a story has been completed.

- *Co-opetition*, this is the stage at which news outlets both cooperate and compete. At this level, the staff members of separate media outlets promote and share information about some stories on which they are working. One entity also might produce some content for its partner, but at this level, years of competition and cultural differences combine to create mutual distrust that limits the degree of cooperation and interaction. For example, a newspaper reporter might appear as an expert or commentator on a television station's newscast to discuss a current issue, but the two staffs are careful not to divulge any information that might be exclusive to their news products.

- *Content sharing*, the level at which a media outlet regularly (but not always) shares information gathered by its cross-media partner and publishes it after it has been repackaged by the organization's staff members. The partners also might share news budgets or attend the other partner's planning sessions. Collaboration on a special, investigative or enterprise piece is possible. In general, however, the news organizations produce their own stories without helping each other.

- *Full convergence*, the stage in which the partners cooperate in both gathering and disseminating the news. Their common goal is to use the strengths of the different media to tell the story in the most effective way. Under full convergence, hybrid teams of journalists from the partnering organizations work together to plan, report, and produce a story, deciding along the way which parts of the story are told most effectively in print, broadcast, and digital forms. The

teams gather and produce content for specific projects and then disband. New teams form as additional projects present themselves.

Dailey *et al.* (2003) argue that the continuum provides flexibility in understanding the nature of convergence in media organisations. A further advantage of the continuum provides the flexibility needed to identify, understand and measure the varying degrees of convergence behaviour.

1.2.2 The nature of engagement

In the context of this study, a consumer is someone who makes either direct or indirect use of media content – that is, a current or potential user of media. Mannion (2008:**Online**) states that engagement signifies the nature of the relationship a consumer has with a particular medium. Gregory (2007) defines consumer engagement as a process of involving consumers' interest to the extent that they participate or become involved in a process.

Furthermore, in order for this engagement to be effective the parties involved in this relationship need to possess certain traits. These traits can be expressed using a full range of technologies to facilitate interaction, involvement and connection with each other. Examples of consumer engagement include virtual engagement and telephonic engagement, as well as commercial, social and even economic engagement. Mannion (2008:**Online**) further proposes six factors all of which speak to engagement namely: loyalty, recency, duration, click-depth, interactivity and subscription. These factors specifically speak to involvement with content via various mediums, in particular electronic mediums such as internet websites.

Convergence according to Mareck (2009:**Online**), has meant that today's technologically enabled consumers are able to access and engage with

media when and where they want, using any platform or device. By implication, there is a noticeable shift in consumer engagement classifications, types and patterns from mass audiences to customised news readers.

1.2.3 The impact of convergence on consumer engagement

Buchwalter (2005) suggests that as media convergence continues to grow in strength, new elements such as passion, preference and habit are introduced into the engagement process. However, given the evolving media environment brought about by media convergence, the process of effectively engaging consumers becomes increasingly complex. Traditionally, content engagement is what organisations typically focus on in order to measure the effectiveness of engagement strategies. In as much as it remains important to know what content consumers are accessing, media organisations should harness a thorough understanding of which medium consumers engage with the most.

Media engagement typically speaks to the preference for one medium. It is generally measured using metrics such as time spent with the medium or traffic (for the web). However, because convergence has enabled consumers to access content on a number of platforms or devices, engagement with a single channel or medium is intermittent rather than static (Mareck, 2009:**Online**). This implies that content engagement is no longer the defining measure of an effective engagement strategy; engagement with the medium itself now becomes a variable within an organisation's engagement strategy.

Convergence impacts on consumer engagement in that it requires organisations to rethink the way in which they engage their consumers. For media organisations, a converged platform requires individual messages and experiences to be blended into a seamless whole that drives brand preference, word-of-mouth recommendation and various

loyalty behaviours, which ultimately result in an interacting and engaged consumer. In addition to enriching content, the organisation also has to find ways to efficiently leverage its various operations in a manner that facilitates effective consumer engagement.

This dissertation starts by investigating the nature of convergence and its impact on consumer engagement. These factors include regulation, ICT developments, changing media audiences and consumer tastes, among others. Furthermore, it will investigate the challenges and even opportunities South African media companies face as a result of the global phenomenon of convergence.

1.3 Problem statement

Convergence technologies have certainly made an enormous difference to the way mass media is distributed, consumed, and, more recently, incorporated into the participatory practices of online communities (Gilmore, 2004). The implication is that media organisations must undergo rapid technological and business process change to overcome convergence-associated challenges. (Erdal, 2007:2).

In addition to this, Gasher (2008:**Online**) argues that media convergence could impact on the business models of media organisations in the form of a potentially lead to the loss of financial benefits. The problem identified in this study relates to the effect of convergence on the producers of content and services and, by extension, the intermediaries who assimilate and resell content, as well as the end consumer who ultimately engages with the product. Stated differently, organisations today, in particular print media outlets, are finding themselves with obsolete engagement strategies which fail to take into account the rapid process of digitisation and, more importantly, a steady shift in customer behaviour and preferences.

However in order to effectively develop responsive engagement strategies, organisations must have anecdotal evidence of the customer shifts in engagement practices. In fact, Barker (2004:**Online**) argues that there is often a mismatch between the capacity to converge, the demand for convergence and the willingness to develop content that can move easily across networks. Therefore, to successfully develop and deploy engagement strategy, an understanding of the full impact of convergence-associated trends and behaviours becomes imperative. The research questions for this dissertation can therefore be stated as follows:

- What impact does media convergence have on consumer engagement strategy at print media organisations?

1.4 Aim and objectives

1.4.1 Aim

This research seeks to understand the nature and extent of consumer engagement in a converged media landscape. It also explores the strategic and management implications of convergence on media organisations and subsequently aims to lay the groundwork for a comprehensive understanding of the forces shaping the market for converged media content.

1.4.2 Objectives

The specific objectives that drive this research process are to

- consider the current literature on the nature and extent of consumer engagement
- determine the extent of engagement strategy evolution among South African print media outlets

1.5 Research design and methodology

This study is exploratory in nature. Furthermore, because the research problem is primarily aimed at improving the understanding of general issues, empirical research will be carried out, as it seeks information about issues in answer to such questions as "what" and "how" and tends to yield general information (Watkins, 2008).

A key philosophy of social inquiry that informs this study's approach to the research methods is phenomenology. According to Collis and Hussey (2003:53), this philosophy supposes that the world is socially constructed and subjective, the observer is a party to what is being observed, science is driven by human interests, and that there should be a focus on meanings. It also uses an inductive approach, multiple methods to establish different views of a phenomenon; and small samples researched in depth or over time and qualitative methods.

Draper (2004) cites Creswell (1998) who identifies the key features of qualitative research as 'an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. Gorman and Clayton (2005:3) define qualitative research as a process of enquiry that draws data from the context in which events occur, in an attempt to describe these occurrences, as a means of determining the process in which events are embedded and the perspectives of those participating in the events, using induction to derive possible explanations based on observed phenomena.

Morse and Richards (2002) state that qualitative research methods are the best in cases where:

- The purpose of the research is to understand an area that not much is known about or where previously offered understanding appears inadequate
- The purpose of the research includes understanding a complex situation, multi-context data or changing and shifting phenomena
- The purpose includes learning from participants in a particular setting or processes from the perspective of how they experience it
- The purpose includes constructing theory or theoretical framework that reflects reality
- The purpose includes understanding a particular situation or experience in detail

It is necessary to highlight that irrespective of method all qualitative research seeks to understand data that is complex and can be approached only in context (Morse & Richards, 2002).

This study will follow a qualitative research methodology. This is because answering the research question requires an understanding of convergence, the context in which it takes place, the attitudes of the people driving convergence related projects, as well as an understanding of the obstacles being faced. As a result of this, the nature of the data itself is qualitative in that it describes a particular context, perspective or experience.

The case study method has been selected as the research methodology to be used for this study. The reason for this choice includes the ability to collect evidence across a wide variety of sources ranging from documentation analysis to surveys. Utilisation of the case study method will facilitate the description of the real-life context in which an intervention occurs, the description of the intervention itself and the explanation of

causal links in respect of convergence and engagement (Morse & Richards, 2002).

1.5.1 Sampling technique

Yin (2003) states that case studies can involve either single or multiple cases, and numerous levels of analysis. The author further states that the selection of cases is an important aspect of building theory from such studies.

According to Eisenhardt (1989), the concept of a population is crucial as it defines the set of entities from which the research sample is to be drawn. However, the sampling of such cases from the population is unusual when building theory from case studies. The author argues that case research relies on theoretical sampling and cases are chosen with the purpose of replicating previous case studies, extending emergent theory or even filling theoretical categories and providing examples of polar types. Eisenhardt (1989) goes on to argue that in such cases random sampling is not necessary or for that matter preferable. Rather, the author states that given the limited number of cases which can be studied, it makes sense to choose cases in which the process of interest is "transparently observable".

Eisenhardt (1989) further states that while there is no ideal number of cases, a number between four but not beyond ten, usually works well. This is firstly because beyond a certain point, theoretical saturation is reached and incremental learning is minimal. Secondly, beyond ten cases it often becomes difficult to cope with complexity and volume of data.

The focus of this research was traditional media, in particular print media. The researcher is specifically interested in seeing how traditional media organisations in South Africa have been impacted by media convergence.

News publications which produce content ranging from commercial news or mainstream general news were the area of interest. In this research, five publications were chosen as cases, namely: the Sunday Times, The Times, Business Day, Financial Mail and Big News. These are among the leading publications in South Africa, all of which operate independently of each other. The selection of these publications allowed the researcher to control environmental variation, while focusing on large corporations constrained variation due to size differences among the firms. Thus the specification of this population reduced extraneous variation and clarified the domain of the findings as large corporations operating in a specific type of environments.

Purposive sampling will be used to elicit responses from executives from various media organisations. This form of non-probability sampling involves the assembling of a sample of persons with known or demonstrable experience and expertise in some area in this case media convergence. According to Collis and Hussey (2003), such a sample is convened under the auspices of a "panel of experts", as this is the best way to elicit the views of persons who have specific expertise in the subject of interest.

It is important to mention that the selection of participants in this research is not intended to be comprehensive – as it only seeks to interview executives at media organizations in order to examine and identify the strategies of consumer engagement. According to Hammersley and Atkinson (1992:23), this kind of sample selection is useful for exploratory research that is not concerned with discerning definite “facts” about the social world or about business practices; rather it is useful in understanding the patterns that emerge from the data. The researcher approached executives, i.e. editors, deputy editors or managing editors at each of the publications for an interview on the area of interest. This is

because these individuals are directly involved in the decisions that impact the manner in which their respective publications engage with consumers.

1.5.2 Data collection and analysis

This study collected two types of data. These are the primary and secondary data. Although these data were collected differently, they played a complimentary role in facilitating an understanding of the evolving media landscape.

Communication (i.e. personal interviews) served as the primary data collection method. According to Cooper and Schindler (2001) this approach involves questioning or surveying people and recording their responses for analysis. Collis and Hussey (2003:173) in turn define a questionnaire as a list of carefully structured questions (either open ended or closed) aimed at eliciting reliable responses about thoughts or feelings about certain identified issues. One advantage of this approach is that it does not require the visual or objective perception of the information sought by the researcher.

Interview questions will be derived from the identified developments and challenges uncovered in the literature review and will largely be based on the theoretical implementation model. The identified problem situation as stated in this proposal will form a framework within which questions will be framed. This research also consists of a literature review which is contained in chapter two. This part of the research is descriptive and will be executed by collecting secondary information on media convergence and consumer engagement. The data from the interviews will be captured and processed for analysis. Specific steps were then followed using content analysis to fully understand the meaning of data. This is expanded on further in the next section.

1.5.3 Data analysis

In this research content analysis will be used as the data analysis method. Bell (1993), argues that qualitative content analysis goes beyond merely counting words to examining language intensely for the purpose of classifying large amounts of text into an efficient number of categories that represent similar meanings or themes. The process uses inductive reasoning, by which themes and categories emerge from the data through the researcher's careful examination and constant comparison.

Content analysis offers advantages in that it is a relatively inexpensive method of data analysis; it is also a non-obtrusive measure, meaning that the subjects of this study are generally unaware of and unaffected by a researcher's interest. This kind of analysis allows the researcher to search for uniform patterns of behavioural actions toward converged platforms, which ultimately results in understanding the elements of reliable and valid consumer engagement strategy.

Reliability and validity

Assessing the quality of research requires that reliability and validity criteria are applied. While reliability, also commonly referred to as trustworthiness, is concerned with the extent to which the research can be replicated or is consistent over time, validity is concerned with the extent to which research findings accurately represent what is happening and can therefore be generalised (Golafshani, 2003:**Online**). Repeating a research study to test the reliability of the results is known as replication and is important in positivistic studies, where reliability is usually high (Collis & Hussey, 2003:59). However this study followed a qualitative approach which is aimed at capturing the essence of the phenomena and extracting data which is rich in its explanation and analysis. Patton (2002) argues that diverse criteria can be used to judge the criteria of qualitative

research. The primary criterion for assessing the quality of this research is representative reliability which will be expanded on in chapter three.

1.5.4 Research ethics

Ethics refers to the appropriateness of the researcher's behaviour in relation to the rights of those who becomes the subject of his or her work or who are affected by it. To ensure adherence to best research practice, the rights of participants are considered important (Kimmel, 1988). In this regard, an informed consent form was used to elicit the consent of the participants selected. Participants in the research were informed about the nature of the study to be conducted and were given the choice to participate or not. The nature and quality of the participants' performances were kept strictly confidential.

Particular care was taken to observe participants' right to privacy. Furthermore, honesty with professional colleagues was observed and maintained. This implies that the researcher reports the findings of the dissertation in a complete and honest fashion, without misrepresenting what was done or intentionally misleading the readers as to the nature of the findings.

1.6 Delimitation of the study

An investigation into how media convergence is impacting engagement can facilitate improved product or content delivery. The research will be conducted by collecting literature and conducting interviews with media executives. The focus of this study is limited to the print media industry. This will include considering literature on the specific engagement needs of consumers, and how ICT's have either impacted or could be utilised to meet those specific needs. The study will also analyse the opportunities and challenges that organisations are facing as a result of media convergence. While convergence of media can entail economical, legal

and even behavioural factors, it must be noted that for the purposes of this research convergence will refer to the coming together of the various media platforms. This study also provides its own definition of consumer engagement and the discussion will be limited to this context.

This study aims to develop a framework that will facilitate and support knowledge sharing and consumer engagement discord between various players in the media landscape. The findings of this study are based mainly on studies of the various operations within the Avusa Media stable. Because of the focus on the group, the findings of this dissertation may not be directly adapted to other parts of the world. Discussions are typically based on data from a relatively small sample and the participants are mainly media executives at Avusa operating in the South African media industry. The views and opinions can thus not be regarded as general opinions or attitudes. They do however give indications of trends of media convergence and its impact on engagement efforts with consumers.

Furthermore the findings of this dissertation are reliable when describing the time during which the study was conducted, namely 2009 to 2010. This is specifically so because the technologies involved in morphing the media landscape themselves are continuously evolving which has implications for media organisations, the strategies and ventures they may employ in achieving engagement with consumers.

1.7 Conclusion

Engagement has become the new buzzword within the media landscape. For many within the industry the hope is that it's a new way in which to ensure consumer loyalty, in effect driving revenues for the organisation. However, much still needs to be learned about this topic and its potential benefits and the challenges that come with that.

At the very least, there is controversy about what engagement is and whether it will deliver the solution to the challenges of media convergence. While the validation and operationalization of effective consumer engagement is still being debated, the purpose of this research is to assess the nature and extent of this phenomenon within South Africa's media landscape and how its impacting media organisations.

It's no doubt an exciting if not turbulent time in the media industry. One thing is certain; the landscape and players are changing and it is the researcher's desire to be right at the forefront. To this end, this research is designed to help the engagement discord and has two objectives. First, by analyzing and considering the literature that has been published to-date regarding convergence and consumer engagement, the researcher's goal is to identify the trends and opportunities similarities and differences between the many existing definitions of engagement. Secondly, the researcher will interview local print media executives and professionals to ascertain their thoughts on consumer engagement, and the impact it's had on engagement strategy.

CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

This chapter consists of the literature study with the intention of providing a conceptual framework for the empirical study. It commences with a description of how media platforms are facilitating convergence, followed by an overview of the implications on business models. Finally, it will look at the way consumers engage with media content and how convergence is impacting the engagement process.

2.2 Media platforms – convergence enablers

Orlik (1992:10) avers that the technology used for mass communication encompasses a wide spectrum of media platforms such as television, radio, newspapers, magazines and any other material supplied by the media and press. According to Wilkinson (2008:**Online**), these platforms permit timely transmittal to large numbers of dispersed individuals. The full exploitation of channels that use advanced technology as a vehicle for communication ignites true mass communication activity and redefines the nature of consumer engagement. Therefore, the managerial approach to consumer engagement should be aligned to the requirements of a converged media environment (Hadland, 2007:105).

This scenario has resulted in a change in the roles of the media and their engagement with consumers, in-turn having a profound effect on media programmes and content (Greco, 2000:214). Consequently, the distinction between the ownership of media content and the organisation that disseminates that media further challenges the engagement discord. The implications have indeed been far reaching as they radically change the entire value chain of the media, as well as the resulting business models and the revenue potential of individual organisations. Currently, some

media organisations have been forced to introduce structural change that is aligned to a new engagement strategy aimed at overcoming the negative effect of media convergence.

2.3 The nature of convergence

This study has made considerable attempts to define convergence within the media landscape. Garrison and Dupagne (2003), citing de Sola Pool (1983), define media convergence as a process of blurring the lines between various media platforms. Evidence suggests that such convergence is occurring in technological, commercial and regulatory contexts (De Freitas & Griffiths, 2008; Saltzis & Dickinson, 2007). This focus of this study however will be limited to technical and functional convergence which together with ICT advancements is facilitating the morphing of the various platforms.

The first chapter of this study alluded to the presence of traditional separations between the media industries, such as the press, broadcasting and telephone networks. However, these have been and continue to be collapsed owing to the growing use and influence of digital electronics. In more recent years, this has become known as technological convergence (Garrison & Dupagne, 2003:7). Technological convergence points to the way technologies are increasingly converging into one.

Babe (1996:**Online**), states that technical convergence refers to the ability to simultaneously transfer diverse information – voice, text, data, sound and image – through a single mode of transmission. This means that any message format can be converted into patterns of on/off impulses for transmission through a coaxial or fibre optic cable. Wild (2006:**Online**) expands on this, stating that technological convergence refers to the trend of technologies that initially had distinct functionalities to evolve to and overlap with other media products. This occurs when multiple products come together to form one product encapsulating the advantages of all of

them – for example the computer as purveyor of voice as well as text and graphics; cell phones that provide text and graphics as well as voice.

According to the Global Sourcing Advisory Group (2009:**Online**), the epitome of convergence technology is arguably housed in the personal computer. This is because the personal computer provides a convergence of data processing, images and audio services. Further evidence of technical convergence, again facilitated by the computer, is the internet. Through the internet, all known communication media are merged into one single service accessible on a computer screen. More recent examples of new convergent services include

- internet services delivered to television sets via systems like web television
- email and world wide web access via digital television decoders and mobile phones
- web casting of radio and television programming on the internet
- use of the internet for voice telephony.

There is also functional convergence which involves new, hybrid services that combine voice, data, text and/or images. O'Shea (2001:**Online**) argues that functional convergence, while similar to technical convergence, speaks to the function of equipment. This form of convergence implies that technology today offers more functions and services than they were initially designed to do. One example of functional convergence is the mobile phone, which was initially designed for voice communication and today offers a host of other functions. These include text media such as short message service (SMS), reception links to radio stations and access to broadcast information, web access, and even camera and video capabilities. The changes described in the earlier sections of this chapter mean that today content can easily be accessed through television, radio and the World Wide Web. This evolution is

causing media organisations to increasingly integrate production for different media platforms in order to encourage cooperation between desks or cross-media communication.

2.4 The impact and challenges of convergence

Technological convergence and digitisation mean that the boundaries of media platforms are easier to cross, effectively changing the way in which media content is made and consumed (Erdal, 2007:58). An example is cross-media communication, which is defined as a process whereby more than one media platform is engaged at the same time in communicating related content. Zoch and Smith (2002) agree with this notion, explaining that the convergence of media platforms is about using technology to combine content production efforts into one entity and then using multiple media (e.g. television, newspapers, radio, websites and mobile phone messaging) to engage with a mass, sometimes global, audience. As these technological solutions; networks and gadgets converge, new consumer engagement platforms will be created (Greco, 2000:220). For example, ICT developments (e.g. increased broadband) would increase the speed and magnitude of information that can be sent to consumers. As this happens, the capacity of telecommunications networks to deliver greater volumes of information grows, and so too does the range of uses to which these technologies can be applied (Samuel, 2005:3). It is this continued evolution within the media industry that is forcing organisations to revisit the way in which they engage consumers (Turow, 1999:4).

The developments described above bring with them a changing landscape. Such changes include technological changes that challenge the production, dissemination and consumption of media services. And while falling out the ambit of this study, the impact that convergence on existing business models cannot be over looked. The digitalisation and computerisation discussed in this chapter have enabled new possibilities for the development and creation of services within and beyond the

framework of the traditional communication sectors, with the internet being one example of this.

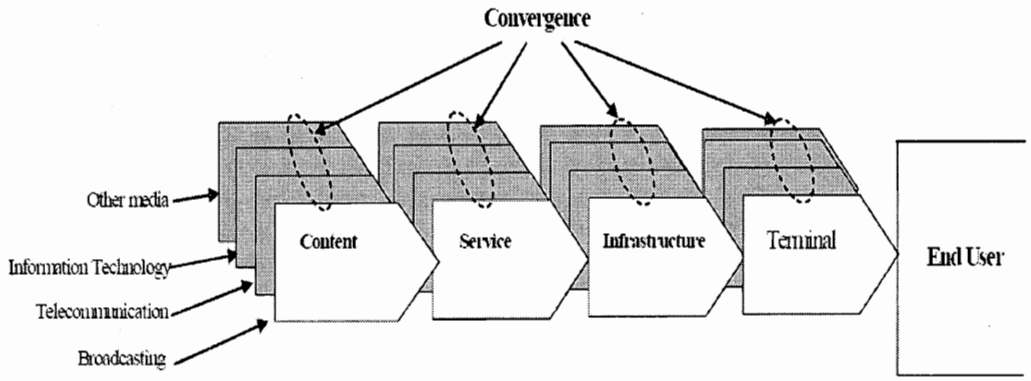


Figure 2.1: Convergence in the value chain

Source: (Henten, Falch & Tadayoni, 2002:**Online**).

Figure 2.1 above depicts the technological changes that have taken place in the convergence value chain. Henten, Falch and Tadayoni (2002:**Online**), argue that the major technological changes that have facilitated the convergence processes are digitalization and computerization. This has enabled new possibilities for development and creation of services within and beyond the framework of traditional communication sectors. For example services that go beyond the traditional broadcasting services, like Internet services, will have a certain weight on the broadcasting market in the future, as demand for these services is increasing with the penetration of the Internet. According to Henten, *et al.* (2002:**Online**) this will further be impacted by the development of coding technologies which will enable networks to offer more capacity to end users,

According to Erdal (2007:2), the implications are that news organisations faced with converging platforms increasingly have to develop and deliver content that can be moved across the different media platforms. Gasher (2008:**Online**) argues that media convergence goes further than mere content development to include impact. Therefore, for organisations to

leverage media properties, a new business model that responds to the changes and challenges of media convergence for organisational success is needed. Such strategies are the product of three elements:

1. corporate concentration, whereby fewer large companies own more and more media properties
2. digitisation, whereby media content produced in a universal computer language can be easily adapted for use in any medium
3. government deregulation, which has increasingly allowed media conglomerates to own different kinds of media (e.g. television, radio stations and newspapers) in the same markets

A further consequence of convergence is that today's media consumers are migrating to more specialised niche content via cable and multichannel offerings (Nelson, Van den Dam & Kline, 2008:**Online**). This fragmentation has heightened the appeal for on-demand, self-programming and customised search and viewing features. At the same time, individuals are turning away from broadcast television to get their content "online" and on demand through the internet. This means that not only do we increasingly have a more sophisticated media audience, but the individual has unprecedented choice and control over the media experience, selecting not just the media they engage with but when and where they do so. This implies that an organisation should revisit and remodel the understanding of target audience to engage consumers effectively (Gabriner, 2009:**Online**).

2.5 The nature of engagement

Mannion (2008:**Online**) states that engagement signifies the nature of the relationship a consumer has with a particular medium. Furthermore, this engagement is expressed in a full range of user interaction, involvement and connection. Today's media are distinguished from traditional mass media channels and content. The proliferation of media choices, enabled

by technology, implies that consumers are increasingly able to access and engage with media when and where they want, on any platform or device, and in any context. With selectivity and reach being vast, the immediacy, responsiveness and social presence of interaction via new media channels now constitute a qualitatively and substantively different engagement experience. There is consequently an enhanced and richer engagement and interaction between producer and consumer owing to the modern and innovative use of technology.

Geoghegan (2009:**Online**) takes the concept of engagement even further, arguing that from a consumer perspective it occurs on at least two levels. His contention is that developments in technology which bring with them media convergence have enabled today's consumers to engage not only with the content being delivered but also with the medium carrying the content itself.

The next section considers the way in which consumers engage with media through various platforms. These include, among others, television, print, magazines and radio. Traditionally these differing media were consumed separately. Arguably consumers either engaged media visually or by audio. Advances in technology have enabled many changes in the way consumers seek out, become interested in and engage with news content. Not only is there an explosion in the amount of content available to consumers, but there are also more media vehicles at their disposal to access this content (Cummings, 2007).

2.5.1 Engagement using television

Visual consumption remains the dominant form of media consumption. Accordingly, television remains the main platform for many of the country's consumers and the vehicle with which they engage with media. However, engagement with the television set appears to be diminishing. The reason for this is because it provides little opportunity for multitasking in

comparison to, for example, the internet. Roberts and Foehr (2008) state that while television ranks as the least likely medium to be multitasked in terms of proportion of total time shared with other media, time spent watching television by individuals far exceeds time devoted to most other media.

The implication here is that, while there is a move towards online, television's importance in the multitasking mix should not be underestimated. The previous authors note that the proportion of time spent on television while consuming another form of media remains high. For example one is more likely to read a magazine or newspaper while watching television.

2.5.2 Engagement using the cellular telephone

Ofcom studies have found that consumers have developed a relationship with their mobile phones. According to Ofcom (2006:**Online**), consumers define the mobile telephone as a necessary evil. While at times they do not want to be disturbed and wish they did not have a mobile phone, at the same time many believe that they would be completely lost without it as a means of contact. Take-up of mobile phones is accelerating across South Africa and the continent at large. Today's media companies are also increasingly developing content that can be accessed via the mobile phone. Improved affordability and declining complexity of technology will enable not only deeper engagement with consumers but also a wider reach. Further, the technological advances on the device, particularly 3-G, have enabled consumers to access email, audio entertainment and applications that help them organise their lives.

2.5.3 Engagement using the internet

Given the previous two examples, any organisation today must recognise the legitimacy of the internet as a platform to engage consumers. The

internet provides a gateway to a mass of consumers who in turn are seeing it as an indispensable part of their everyday lives. Evidence of the attachment to the medium can be found in a recent study by (Buchwalter, 2005) which found that when consumers were asked to choose only one type of media to take with them to a desert island, an overwhelming 64% (see below), would choose a computer with internet access as depicted in figure 2.2. This is followed by TV, Radio and the Cell Phone. Only 1% of consumers would favour taking a Newspaper, while 18% would go for a large supply of books and magazines.

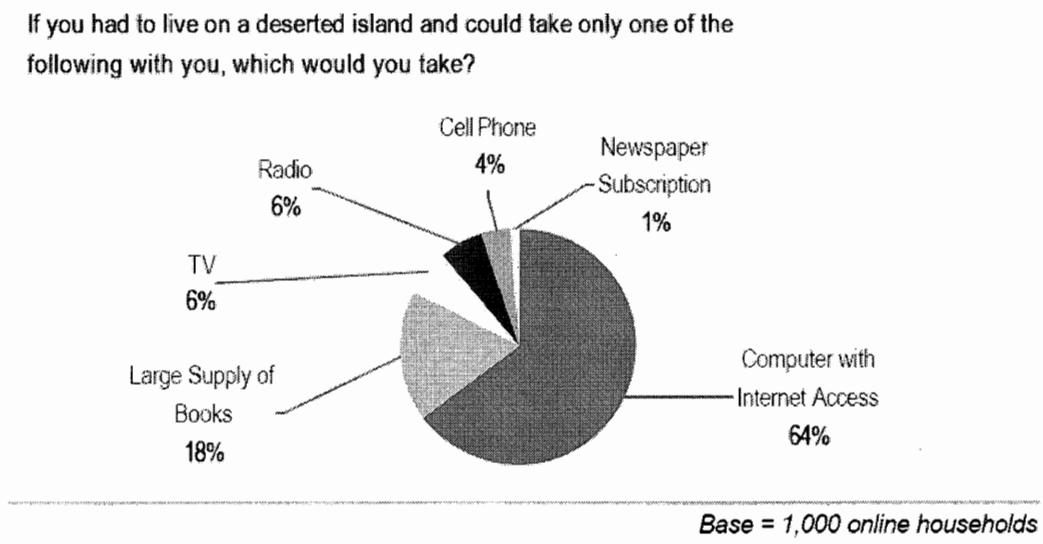


Figure 2.2: Consumers cannot live without the internet

Source: Buchwalter (2005)

The implications are that the rise of digital media has meant that consumers increasingly have greater control of their media consumption, using technology to consumer media. Askwith (2007) argues that this has resulted in the further fragmentation of audiences and their migration to new engagement platforms, such as the Xbox and Tivo, which place the control of content in consumer's hands.

Another example is social media, which is online content created by people using highly accessible and scalable publishing technologies. At its

most basic, social media is a shift in how people discover, read and share news, information and content. Social media has become extremely popular because it allows people to connect in the online world to form relationships for personal, political and business use (Boyd & Ellison, 2007:**Online**).

2.6 Consumer engagement

Askwith (2007) argues that there is no single "type" of engagement encapsulating the range of possible investments (financial, emotional, psychological, social, intellectual, etc) that a consumer can make in the engagement process. Accordingly, the author notes that an individual's overall engagement with an object can be expressed as the sum total of the viewer's behaviours, attitudes and desires in relation to the object, including:

- the *consumption* of object-related content and products
- *participation* in object-related activities and interactions
- *identification* with aspects of the object, both to self and others
- *motivations* (or desires) for each of the above

Today engagement has become a function that cannot be ignored and has meant that the success of media companies no longer hinges on the mere understanding of economics, organisational development or marketing, but rather depends on an understanding of the engagement process. Forrester (2009) argues that today's engagement encompasses a number of dimensions, including involvement, interaction, intimacy and influence. The author proposes that each of these dimensions incorporates quantitative and qualitative data sources. These are explained further below.

According to Forrester, involvement refers to the presence of a person at various brand touch points. Mannion (2008:**Online**) proposes six factors

loyalty, recency, duration, click depth, interactivity and subscription, all of which speak to involvement with a medium. This can typically be observed by looking metrics such as the number of visitors to a site or application, page views or page-view equivalents per visitor, time spent per session or per application, and repeat visitors. The author argues that a company must move toward understanding involvement from a cross-channel perspective. Forester (2009) proposes that unlike involvement interaction speaks to the actions a consumer initiates with a particular medium. For example a consumer being on a particular website indicates involvement. Interaction though would look to quantify the actions undertaken while on the page.

Intimacy can include metrics such as: sentiment measured in blog posts, blog comments, and discussion forums; call-centre feedback; the percentage of Web visits that begin at the site directly (with no referring URL); and search traffic that comes from a branded search term (Forester, 2009).

Influence according to Forester (2009), speaks to what consumers do once they have interacted with the content on a site or channel. In other words what do they do once their information needs have been met. One can also look at the rate at which content spreads over time, satisfaction ratings, among others. The four metrics (involvement, interaction, intimacy and influence) are all various aspects of engagement, with influence being the highest level of the engagement with consumers. Importantly management needs to understand that contact with consumers is constantly in a state of flux moving along the spectrum.

This literature review has so far highlighted the changing landscape of media and engagement with consumers. The question now becomes: What are consumers looking for in this new converged environment? Research has shown that consumers are seeking more from their experience or engagement with media. According to McRae (2006),

community. Knowledge Networks (2004) presents data that indicate that three quarters of Americans are online for an average of 12.5 hours per week spending the majority (90.4%) of that time communicating on email and with instant messaging. It is logical to assume that if the dominant activity online is related to communication and socialisation then individuals are indeed lacking a sense of social connection that is somehow partially being satisfied by an electronic medium. Consumers today are also looking for immediate (on-demand) access to information that can potentially answer a query or provide some sense of truth.

2.7 Medium engagement evolution

Given that television is the dominant medium, further consideration of the television landscape is warranted. "The unique thing about television is that television is both a medium and a transmission system. That is to say, television is used to refer to the screen that is watched, as well as what is seen on that screen. The internet on the other hand is a system for transmitting bits, and is different from the device which receives those bits, the computer." These developments have the potential to generate the most dramatic revolution for broadcast media (Salvador, Johanson, Forbes & Hian-Lee, 2007:**Online**).

McRae (2006) suggests that the media-savvy consumer of the 21st century will be increasingly enticed by the potential benefits of on-demand and online entertainment.

2.7.1 Enhanced television and interactivity

According to McRae (2006), traditional broadcasting models tend to depend on powers structures, where programming is delivered on the basis of mass audience appeal. Enhanced television, on the other hand, involves the use of internet features to improve or enhance the viewing experience of television viewers. Foley *et al.* as cited by Ha and Chan-

traditional media, in particular broadcast television, lack a sense of control, interactivity, community and truth. These concepts are expanded on further in the following section.

2.6.1 Desire to control entertainment

As consumers become more familiar with digital technologies, they increasingly become more discriminating and demanding of interactive entertainment. Perhaps a rationale for television consumption dropping off is "traditional broadcast" television's low adaptability to an interactive mindset. The exception to this would be the digitally converged programmes (e.g. American Idol, Big Brother) where viewers are interactively drawn into the (McRae, 2006).

A fundamental change taking place today is a change in the exchange between media, medium and consumer. This literature review earlier highlighted the way in which audiences are increasingly fragmented and becoming more sophisticated. This means that media today are broadcasting to an individual consumer who is increasingly in control of his or her consumption habits. This view is supported by a study by Knowledge Networks (2004), as cited by McRae (2006), on how people use primetime television. The study showed that today's consumers want television to be at their service. This is reflected in the viewing habits of consumers who increasingly change channels, multitask and search for more desirable programming, entertainment or information. This has paved the way for devices such as Tevo and even the PVR decoder. The implication is that consumers today can choose to ignore a product or offering that does not meet their entertainment or engagement needs.

2.6.2 Desire for community and truth

The same study reveals that while consumers are more individualistic in their engagement habits they are also looking for a sense of belonging or

community. Knowledge Networks (2004) presents data that indicate that three quarters of Americans are online for an average of 12.5 hours per week spending the majority (90.4%) of that time communicating on email and with instant messaging. It is logical to assume that if the dominant activity online is related to communication and socialisation then individuals are indeed lacking a sense of social connection that is somehow partially being satisfied by an electronic medium. Consumers today are also looking for immediate (on-demand) access to information that can potentially answer a query or provide some sense of truth.

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Olmstead (2004:**Online**) argue that this could increase and attract viewers attention keeping them engaged. Ha and Chan-Olmstead (2004), further suggest that such experiences can be fostered by the following features:

(i) Game and fan-based features

These features aim at building better relationships with the fans of a show by providing opportunities to learn more about and/or connect with content producers. For example, by using chat rooms or other sharing features such as message boards, a television network can facilitate the creation of a fan community for its programmes or stars of these programmes. On the other hand, game-based features enable users to participate or simulate a contestant's experience on a game show (Ha & Chan-Olmstead, 2004).

(ii) Information and programming-based features

Information-based features are online functions that bestow supplemental, personalisable news or sports and even weather information. Programming-based features meanwhile are the online systems that either facilitate a viewer's programming selection process or deliver selected Web-based programmes to the viewer. Much of the attraction of enhanced television features lies in its ability to interact with viewers, fulfilling their communication needs before, during and after watching a television programme (Ha & Chan-Olmstead, 2004).

The authors further propose that one advantage that the internet offers is that of immediacy, particularly when it comes to feedback. For example, today news broadcasters are able to incorporate viewer feedback instantaneously, enabling them to create a two-way engagement process. An example here is CNN's news site which collects comments from site visitors and uses some of it in stories. This type of interaction is supported by Ha and James (1998), who propose a five-dimensional framework

to analyse the interactivity of a broadcast medium and to measure a consumers' engagement experience. These five dimensions (playfulness, choice, connectedness, information collection and reciprocal communication) are central to the desires being shaped by the internet, as users can feel in command of the experience as they navigate and engage with the online medium. However, in order to understand a change in media utilisation one needs to examine the growing preference for interactive versus broadcast media.

2.8 Engagement – towards a new definition

This literature review earlier defined engagement as a phenomenon occurring across a range of platforms, spaces and related texts. However, before moving forward, it is necessary to establish a new definition of engagement that reflects the context and aims of this study.

Mannion (2008:**Online**) and Askwith (2007), aver that there is no single "type" of engagement encapsulating the range of possible investments (financial, emotional, psychological, social, intellectual, etc) that a consumer can make in the engagement process. Furthermore the authors note that an individual's overall engagement can be expressed as the sum total of the behaviours, attitudes and desires in relation to the object, including consumption, participation, identification and motivations. From this conceptual foundation, one can see that engagement spreads itself across multiple media technologies and platforms and encompasses a range of content offerings as well as products and activities. Therefore, for the purposes of this research, engagement with a given media or media content, will be defined as an overall measure, describing both the depth and the nature, of an individual's specific interactions with an object.

2.9 Towards a conceptual framework

In the broad field of management, strategies for improved consumer relations are seen to be important (The Economist Intelligence Unit, 2007:**Online**). Therefore given today's advancements in the media landscape, engagement strategy deserves to be taken seriously. Alsagoff and Hamzah (2007:**Online**) agree, proposing that this must be accompanied with a combination of competencies and capabilities that will assist media organizations to successfully mitigate the challenges posed by convergence. This is necessary because as media platforms continue along the convergence continuum, their competitive ability would benefit from the application of progressive engagement strategies. Forrester (2009) also notes that new business models and opportunities will become possible as the practice of engaging with content shifts from a process of passive consumption to more active forms of participation and interaction.

The essence of engagement in modern media business' today is to create an environment conducive for nurturing the heart and soul of the consumer to accumulate influence and loyalty. To that end a number of important principles have to be observed by media organizations to reduce the impact of the challenges associated with engagement within a converged media landscape. These are presented below:

- The most important aspect of this framework is that the consumer and media outlet relationship has changed. A fundamental aspect of this framework is that the relationship is now characterised by a two way flow of information and content. Greco (2000:214) argues that today, the consumer is in control of the experience, choosing when and where to consume media content. Also consumers can now influence the content itself and even bypass the organisation.

- Engagement touch points encapsulate the many different technologically enabled platforms that consumers interact with to obtain media content (Forrester, 2009).

- Also of note is the interaction between content and the internet which in essence puts the power within the consumers' hands. Of particular importance is the development of cross channel partnerships which improve customer experience (Erdal, 2007:58) and (Zoch & Smith, 2002).

- Managing staff and partnerships well will also be a critical competency that may not currently be evident in organizations that are trying to take advantage of media platform convergence. Furthermore, successful engagement will not come from technology alone, but from a wider range of management skills (Geoghegan, 2009:**Online**).

The researcher sought to understand consumer engagement and its impact on the media landscape. To that end disparate information was obtained through review of relevant literature to formulate tentative theoretical framework that now underpins and informs this research project. This framework provides and summarises important aspects of the golden-thread that binds much of the work together.

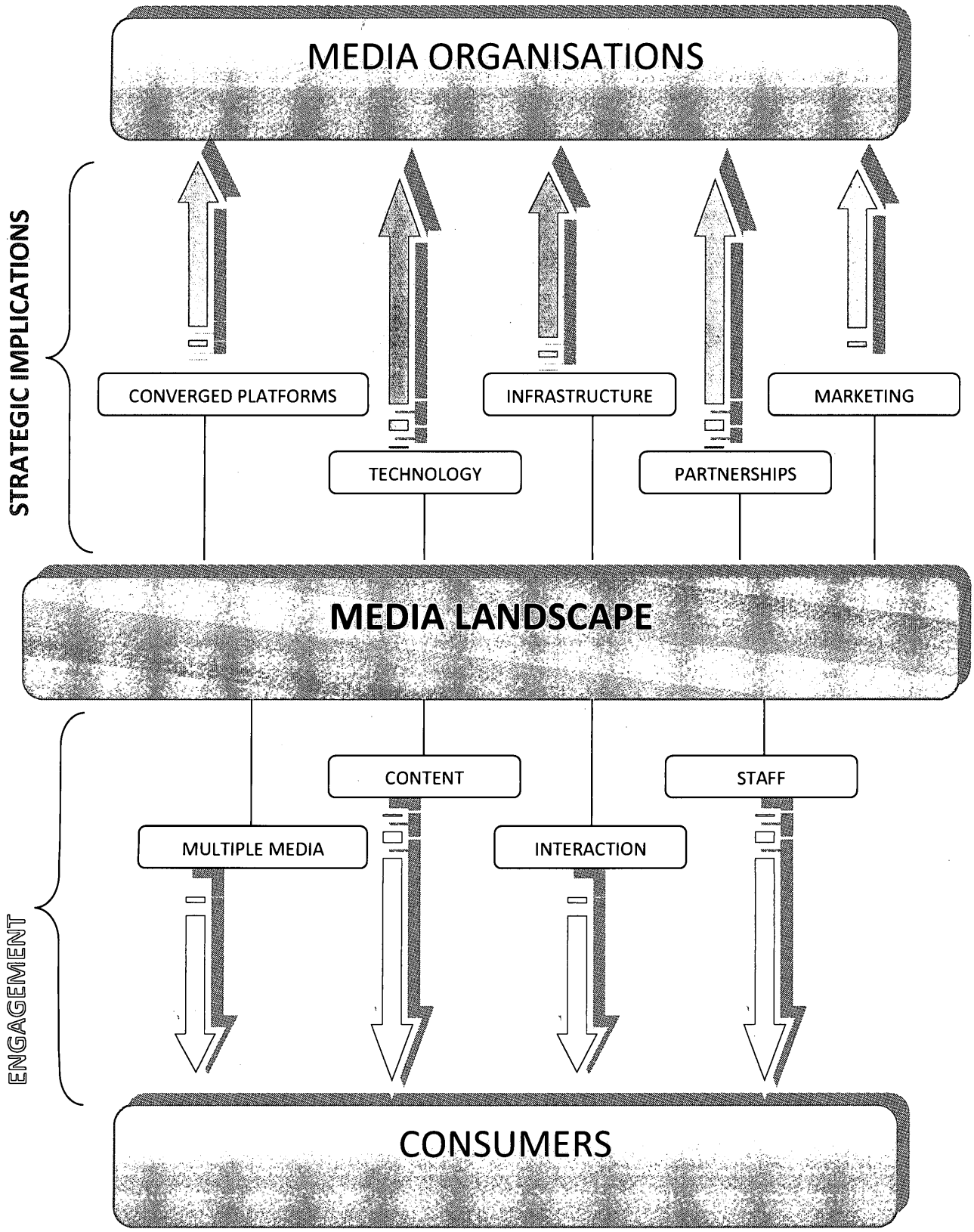


Figure 2.3: Conceptual framework

Figure 2.3 depicts the framework that arises from the discussion of issues in this chapter. The framework divides the challenges in the media landscape into those that have engagement implications and those that impact the strategic direction of the media organisation. The rapidly changing media platform environment is challenging existing theories and practices. It is hoped that this framework would contribute to the engagement efforts of organisations as they innovate, enhance and improve content offerings for the consumer.

2.10 Conclusion

There is no argument against the fact that advances in ICT have impacted on many industries and will continue to do so, in many cases making the way in which organisations used to do business obsolete. Not only has technology impacted on the media industry itself, but, more importantly, technology has impacted on the manner in which individuals interact with content. The dominant standpoint with the introduction of these new technologies is simple – innovation and adaptation will be the cornerstone of successful consumer engagement strategies.

Consumers are gaining greater influence in the media landscape. Thus, the traditional push models have had to make way for the more flexible pull-push model that allows consumers to engage with the media they want, when they want it and, in some cases, contribute to media themselves. This has resulted in the need for media organisations to review the manner in which they choose to engage with their consumers.

The theoretical framework presented in this chapter is based on the preliminary reading of the literature on media convergence and consumer engagement. The chapter noted that, though engagement innovation is necessary with technology and changing consumer taste, the degree of technology adoption is also important if businesses are to

meet changing needs and tastes of consumers. To be seen as progressive and forward looking, businesses should implement progressive strategies that recognise the changes within the media landscape and the challenges associated with convergence, with the ultimate aim of delivering a rich engagement experience for the consumer.

This research therefore aims to understand the consumer engagement trends in South Africa's media landscape. It also explores the strategic and management implications of convergence on media organisations and subsequently aims to lay the groundwork for a comprehensive understanding of the forces shaping the market for converged media content. Furthermore, by considering literature and discussing the events with executives, it will develop a framework that will assist in developing responsive engagement strategies.

CHAPTER 3
RESEARCH DESIGN AND METHODS

3.1 Introduction – nature of the research

When utilising the scientific approach to research, a researcher must use standardised methods for obtaining empirical answers to research questions. Yin (1994) argues that research design can be viewed as a blueprint, dealing with at least four problems: what questions to study, what data are relevant, what data to collect, and how to analyze the results. It is for this reason that the research approach, design and methodology of a study are important. This chapter expands on the choice of approach used and also describes data collection methods which link the study to qualitative research. The last section discusses potential ethical problems in the actual research and at the same time also reviews the study approach chosen in this study.

3.2 Choice of research approach

To satisfy the information needs of research projects, an appropriate methodology has to be selected and suitable tools for data collection and analysis must be chosen (Babbie, Mouton, Vorster & Prozesky, 2001). To that end there are primarily two distinct approaches that inform the gathering of data, namely quantitative and qualitative. Both these methodologies are governed by specific paradigms. Colwell-Quarles (2001:**Online**) argues that the line between qualitative and quantitative research is not always clear. It is noted however that quantitative research is more appropriate if the purpose of the research is to address a specific problem. While the data yielded tends to be numerical, some quantitative research contains qualitative data; for example open-ended questions within the research questionnaire. At the same time qualitative research too can generate numbers that can be statistically analysed.

Media research typically focuses on quantitative measures of usage. In the case of print media for example, readership is often measured as recent reading.

According to Calder and Malthouse (2005), media usage is a relatively straightforward construct. However, an important distinction lies in the fact that media content is not merely produced for consumption but rather experienced. It follows then that there is a subjective, qualitative side to its usage, with the most obvious facet of this being involvement or engagement. Since the research questions pertain to understanding and describing a particular phenomenon within the media landscape, the qualitative approach appeared to be the most suitable for gaining insight into participants' expectations of and their views on the challenges of consumer engagement.

According to Denzin and Lincoln (1994), a qualitative researcher approaches a study by attempting to make sense of and interpret constructs and phenomena in terms of the meanings that people ascribe to them. Merriam (2002), in turn recommends such an approach be used when the research objectives are exploratory and descriptive in nature.

Seidel (1998:**Online**) suggests that qualitative data analysis is not a linear process. He argues that the process involves more than just noticing, thinking and then writing a report about phenomena. Rather, the process is a continuous loop – this is depicted in the diagram below.

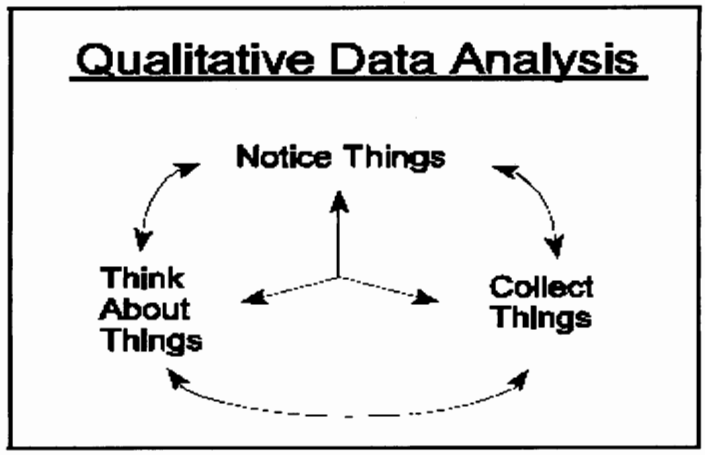


Figure 3.1: Qualitative data analysis

Source: Seidel (1998:**Online**)

According to Seidel (1998:**Online**), qualitative research has the following characteristics:

- **Iterative and progressive.** The process is iterative and progressive because it is a cycle that keeps repeating. For example, when a researcher thinks about things he or she also starts noticing new things in the data. The researcher then collects and thinks about these new things. In principle the process is an infinite spiral.
- **Recursive.** The process is recursive because one part can require that the researcher revisit a previous part of the research. One example is that, while busy collecting data, the researcher may need to simultaneously start noticing new things to collect.
- **Holographic.** The process is holographic in that each step in the process contains the entire process. For example, when a researcher first notices things, he or she is already mentally collecting and thinking about those things.

Thus, while there is a simple foundation to qualitative data analysis, the process of doing such data analysis is complex. According to Wimmer and Dominick (1983:49) qualitative research has the following advantages and disadvantages as listed below:

Advantages of qualitative research methods:

- Qualitative research methodology lets the researcher view behaviour in natural surroundings without the artificiality that encloses experimental survey research from time to time.

- Qualitative research can intensify a researcher's depth of understanding of the occurrence under investigation. It is apt for this study as the use of this approach will increase the depth of understanding, as there is a need for the development of an integrated communication implementation model in the South African context.

- Qualitative methods are flexible and allow a researcher to practise new ideas of concern. This is advantageous for the current study, as this method is adaptable and accepts the practice of new ideas that might appear during the course of the data analysis. Such flexibility is especially important for this study, as if new ideas arise during the research, the study can be adapted to provide more meaningful results.

Disadvantages of qualitative research methods:

- In qualitative research, sample sizes are commonly too small to allow the researcher to generalise the data beyond the sample selected for the specific study. Therefore, qualitative research is often conducted preliminary to quantitative research for the reason of enlightening and operationalising concepts, if the ultimate purpose of such research is intended at quantification or generalisation.

- Reliability of data can be a difficulty in qualitative research since single observers are describing unique events. The researcher is in close contact with participants, which may result in a loss of objectivity.

- If qualitative research is not properly planned, the project may produce nothing of worth and therefore the researcher who uses qualitative methodology has to make particular provision to focus on the key issues in the research project.

As explained earlier (see section 1.5 , page 7), this research is qualitative in nature, specifically because the research questions pertain to understanding and describing a particular phenomenon within the media landscape, the qualitative approach appeared to be the most suitable for gaining insight into participants' expectations of and their views on the challenges of consumer engagement. Another advantage of using this methodology is that it will allow the researcher to increase their depth of understanding of consumer engagement in the current landscape. The adaptability of qualitative methods also affords the researcher flexibility to adapt the study if new ideas were to arise during the analysis of data (Siedel, 1998). Although various strategies could be used to gather and analyse qualitative research this research will employ the case study method.

3.3 Case study method

This study utilised case study as the method. This is because according to Yin (1994), case study research excels at bringing the researcher to an understanding of a complex issue or object, in this case convergence. Furthermore it can extend experience or add strength to what is already known through previous research. The advantage that case studies offer

is that they emphasize detailed contextual analysis of a limited number of events or conditions and their relationships.

Collis and Hussey (2003:68) define a case study as an extensive examination of a single instance of a phenomenon of interest. The authors state that this form of study is used in areas where there are few theories or a deficient body of knowledge. Case studies are defined by the researcher's interest in individual cases and not by methods of inquiry used. They draw attention to the question of what can be learned from the cases and are used when the researcher intends to support their argument by an in-depth analysis of a single unit of analysis, be it a person, group of persons, an organization or a particular event or process (Collis & Hussey; 2003:68).

Almost any phenomenon can be examined by means of the case study method. The problem identified in this research is that of organisations finding themselves with obsolete engagement strategies which fail to take into account the rapid process of digitisation and, more importantly, a steady shift in customer behaviour and preferences. The researcher proposed that in order to effectively develop responsive engagement strategies, organisations must have anecdotal evidence of the customer shifts in engagement practices. In this research the researcher sought out media practitioners in order to get their perspectives on the current extent and nature of consumer engagement in South Africa and also look at the impact that it was having on engagement strategy at media organisations or outlets. Among the specific objectives of the research was to determine the extent of engagement strategy evolution among South African media outlets. Multiple cases were chosen in order to enable the researcher to make comparisons, build theory, and propose generalizations (Yin, 2003).

The case study approach allowed the researcher to study the phenomenon of consumer engagement of each 'case' in its natural context

different points of view of the participants. Sometimes called a collective case study (Yin, 2003), a multiple case study may have a distinct advantage as evidence from the 'cases' is often considered more compelling. The case study approach is not limited in value; rather, it provides an in-depth analysis of a specific problem. Furthermore this approach involves gathering detailed information about the unit of analysis, often over a very long period of time, with a view to obtaining in-depth knowledge. Scapens (cited in Collis & Hussey, 2003) classifies four kinds of case study design namely;

- Descriptive – case studies where the objective is restricted to describing current practice
- Illustrative – case studies where the research attempt to illustrate new and possibly innovative practices adopted by particular companies
- Experimental – case studies where the research examines the difficulties in implementing new procedures and techniques in an organisation and evaluating the benefits
- Explanatory – case studies where existing theory is used to understand and explain what is happening.

This research combines the descriptive and explanatory case study types, as it seeks to understand the impact of convergence on media industries in particular how it has affected their engagement with consumers in a converging media landscape. It also examines and describes their policies and programmes amid the challenges they face in developing a suitable engagement strategy. It is explanatory as it revealed factors besides those that are already known that can impact negatively on the engagement process of organisations with consumers.

Case study was seen as an appropriate method which would add depth to the qualitative nature of this research. This is because the research sought

to understand the complexities of the relationship between media convergence and consumer engagement. It is argued that in such contemporary real-life situations, case study according to Yin (1994), excels at bringing an understanding of such complex issues or objects. It can also help to extend experience or add strength to what is already known through previous research. Furthermore case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships.

3.4 Sample selection

This study employed case study as the research methodology. When building theory from cases, Yin (2003) states that the selection of cases becomes critical. This study earlier (see section 1.5.1, page 9), highlighted Eisenhardt (1989) who argues that in such studies the researcher tends to rely on theoretical sampling and cases are chosen with the purpose of replicating previous case studies, extending emergent theory or even filling theoretical categories and providing examples of polar types. Furthermore, because there's limited number of cases that can be studied it makes sense to choose such cases in which the process of interest is "transparently observable". Eisenhardt (1989) again proposes that while there is no ideal number of cases, a number between four but not beyond ten, usually works well. This research focuses on media houses that produce print media. More specifically, for the purposes of this study, cases were refined to focus on media houses that produce newspaper titles.

In South Africa there are three major media houses which hold a wide range of newspaper publications. These are Media 24, Naspers and Avusa Media. Avusa Media was chosen as the case, as the group owns a number of publications in the media industry, among these are the Sunday Times – a weekly publication with readership of 4.2 million, Business Day – a daily publication with a readership of 91 000, Financial Mail – a weekly

magazine with a readership of 297 000 and Big News – a monthly publication with a readership of 67 000, (AMPS, 2009:**Online**). These publications were chosen firstly because they're among the leading business news publications in South Africa. The second reason in the selection of the publications was convenience; this was particularly because the researcher had access to executives in the organisation who could be approached to participate in the study. This allowed the researcher to save time in identifying suitable cases and participants.

In identifying participants, this research utilized non-probability purposive sampling. According to Mays and Pope (1995:**Online**), this is a common theoretical approach used in qualitative research. Expert sampling, which involves assembling a sample of persons with known or demonstrable experience and expertise in the area of interest, was conducted. Often, such a sample is convened under the auspices of a "panel of experts."

According to Collis and Hussey (2003), this allows the researcher to elicit the views of persons who have specific expertise. It is important to mention that the selection of sample in this research is not intended to be comprehensive – as it only seeks to interview executives at media organisations in order to examine and identify the patterns of consumer engagement. According to Hammersley and Atkinson (1992:23), this kind of sample selection is useful for exploratory research that is not concerned with discerning definite "facts" about the social world or about business practices; rather it is useful in understanding the patterns that emerge from the data.

The selection of cases for this research was limited to print as these were the primary area of interest to the researcher. Furthermore it is anticipated that within the case study, specific instances of consumer engagement initiatives and challenges would emerge. The implication is that, from a relatively small number of cases, common features and themes with theoretical and managerial significance in the various

media organisations will emerge (Combs, 2010).

Based on the above, executives at Avusa Media were contacted using purposive sampling. These executives are at the forefront of the consumer engagement discourse and it was expected that they would supply relevant information that will assist in addressing the research question. A total of seven executives, either managing editors or editors within the organisation were contacted with the expectation that they would be able to supply relevant information to address the research question. However, only five agreed to participate in the interview, while the publication Big News only had a managing editor. The participants in the research were as follows:

- Simba Makunene – Managing Editor; Business Day
- David Williams – Deputy Editor; Financial Mail
- Mondli Makhanya - Editor; Sunday Times
- Paddi Clay – Managing Editor; The Times
- Mzi Malunga - Managing Editor; Big News

These officials are able to provide anecdotal evidence of the challenges of media convergence and the impact it's having on consumer engagement. Because of the depth of interaction between the participants and the interviewer, an unexpectedly rich text of content analysis was provided.

3.5 Data collection and analysis

The next consideration is the collection and analysis of data to identify themes and concepts that respond appropriately to the research question and objective. This research was carried out in two phases. Firstly a structured interview was carried out. In addition to that, because the participants had limited time, the researcher left behind a questionnaire for the participants to complete. The interview helped the researcher to

understand the participants' feelings, emotions, perceptions and interpretations on media convergence and its impact on news organisation in South Africa. The questionnaire helped the researcher to quantify the perceptions and interpretations.

3.5.1 Structured interview - procedure for primary data collection

Associated with both qualitative and quantitative methodologies, Collis and Hussey (2003:167) define interviews as a method of data collection which allows the researcher to capture the perspectives of participants. This method of data collection begins with the assumption that the participants' perspectives are meaningful, knowable, and able to be made explicit and that the respondent's perspectives affect the success of the project. Two types of interviews are used in evaluation research: structured interviews, in which a carefully worded questionnaire is administered; and in-depth interviews, in which the interviewer does not follow a rigid form. In the former, the emphasis is on obtaining answers to carefully phrased questions. This study employed structured interview as the method of data collection. This was because the study was exploratory in nature and considered very specific issues as obtained from the literature.

In this study the researcher used face-to-face approach to elicit responses According to Babbie (1992) this offers some advantages in that it avails the researcher the highest response rates and permits the longest questionnaires. Interviews were recorded on tape and thereafter a verbatim account of the interviews was transcribed. Transcription of the raw data includes word-for-word quotations of the participant's responses as well as the interviewer's descriptions of participant's characteristics, enthusiasm, body language, and overall mood during the interview. The major advantages of this transcription method are its completeness and the opportunity it affords for the interviewer to remain attentive and focused during the interview. The major disadvantages are the amount of

time and resources needed to produce complete transcriptions and the inhibitory impact tape recording has on some participants.

3.5.2 Conducting the interview

The approach to the interview process required that attention was given to the way the interview schedule is designed. This was necessary to ensure that continuous discussion is facilitated. Exploring issues in a structured manner specifically requires that the interviewer poses open ended questions in order to pursue areas of interest. These guidelines conform to those proposed by Struwig and Stead (2001:100) which are:

- The interview schedule must consist of questions that guide the process of interview.
- The interviewees are allowed to go into detail, in this particular case, on media convergence and its resulting impact on organisational strategies to deal with consumer engagement.

The aim of this study is to understand the impact of media convergence on strategies pursued by media organisations. To that end an extensive literature review was carried out which helped inform the construction and design of the interview schedule as well as the structured questionnaire. These were designed using a series of constructs that were identified as driving forces within the media landscape. Table1 below is a guide of how the interview schedule and structured questionnaire were constructed.

Table 1: Construction of interview schedule and structured questionnaire

CONSTRUCT AND GUIDING LITERATURE	MESUREMENT ITEM	QUESTION
Consumers • Greco (2000:214) • Mannion (2008:**Online**)	• Search for changing consumer patterns.	• How have consumers changed over time in terms of how they engage with media? • Are you carrying out research on consumer engagement behaviour? • If yes, how does this research inform your knowledge about your consumers?
Multiple Media • Mannion (2008:**Online**) • Zoch and Smith (2002) • Cummings (2007)	• Use of multiple media	• To what extent has the use of multiple media platforms grown in SA? • Please name the media platforms (i.e. cell phones, internet) that you are using to engage with your consumers.
Content • Greco (2000:220) • Nelson, Van den Dam, Kline (2008:**Online**)	• New channels • Specific distribution • Niche and sophisticated consumers.	• Please comment on how consumer needs and preferences have impacted your content? • What is your sense of the need and demand for niche content?

Interaction • Mannion (2008:**Online**) and Askwith (2007) • Turrow (1999)	• Search for adaption to attitudes motivations, needs and desires of consumers. • Search for changes in interaction with consumers.	• In your experience, do you think that consumers have shown changes in terms of attitudes, motivation, needs and desires in terms of how they engage with media? • If so, what changes have you noticed? • How have consumer attitudes motivations, needs and desires impacted the way you engage with consumers? • Are you interacting with consumers other than just through your medium? • If yes, can you please expand on which other mediums you use?
Staff • Geoghegan (2009:**Online**)	• Management of skills within organisation.	Given the changes associated with customer engagement patterns: • Did you adopt your staff recruitment policies? • If yes, how have you adopted staff recruitment? • Are staff having to undergo continuous training do develop necessary skill sets?
Media landscape • Garrison and Dupagne (2003) • Boyd and Ellison (2007:**Online**)	• Search for emerging media landscape patterns.	• How has South Africa's media landscape changed over the last ten years? • In what ways has social media impacted the South African media landscape? • What is your sense of the extent of convergence within the media landscape? • What's the impact on business models of media organisations?

Converged platforms • Henzler (1998) • Greco (2000:220)	• New platforms • Unique technologies • Ease of transferability of content	• Are you adopting your content to be transferable to other media platforms? • If yes, please specify which platforms.
Technology • Appelgren (2007) • Babe (1996:**Online**) • Wild (2006:**Online**) • Erdal (2007)	• Use of technology such as cell phone or internet to distribute content.	• Are you using different technologies such as the cell phone and internet to distribute content? Please specify and prioritise.
Infrastructure • Greco (2000:220)	• Search for content-independent distribution. • Development of common infrastructure to carry content. • New publishing channels.	• Have you had to implement new or changed infrastructure in order to accommodate the latest trends? Please expand on the following issues: - Creation of new publishing channels - Development or investing in infrastructure to carry content - Adapting your existing infrastructure to cater for other forms of media content from media partners
Partnerships • Erdal (2007:58)	• Evidence of cross channel partnerships	• Have you partnered with different media platforms to distribute content? • What is the importance of these partnerships in engaging with consumers?

Marketing	• Marketing strategies	• How have you changed the way in which you promote your product to consumers?
Media organisations • Gabringer (2009)	• Strategic changes	• Did your organisation reconsidered or implemented new consumer engagement strategies, if yes how? • Have you implemented structural changes in terms of production processes, resource allocation or the general manner in which the organisation functions in order to align with consumers engagement needs? • Did your organisation change its business model? If yes, howl? • What is your sense of stakeholders understanding of media convergence and its impact on engagement?

In addition to the table above, interview questions were also based on the conceptual framework. Questions that could be measured quantitatively were included in the questionnaire while the more open ended questions which sought to understand various convergence and engagement phenomena were listed in the structured interview schedule.

The researcher aims to use this as a foundation on which to test the actual existence of such challenges in the South African media landscape, the effect on the identified environment and the extent to which they impact the engagement process with consumers. The completed structured

interview schedule is attached as Appendix B while the questionnaire is attached as Appendix C.

3.5.3 Procedure for data analysis

This research sought to understand the nature and extent of consumer engagement in a converged media landscape. To that end interviews with executives were carried out to gauge their perceptions of this phenomenon. Data was collected using structured interviews. Content analysis was then used as the data analysis method. This method of analysis offers advantages in that it is a relatively inexpensive method of data analysis; it is also a non-obtrusive measure, meaning that the subjects of this study are generally unaware of and unaffected by a researcher's interest.

Zhang and Wildemuth (2009:**Online**), cite Hsieh and Shannon who defined qualitative content analysis as "a research method for the subjective interpretation of the content of text data. This is enabled through a systematic classification process of coding and identifying themes or patterns. The authors argue that qualitative content analysis emphasizes an integrated view of speech or texts and their specific contexts. Collis and Hussey (2003) argue that an important aspect of this method of analysis is that it goes beyond merely counting words or extracting objective content from texts to examine meanings, themes and patterns that may emerge in a particular text. This allows researchers to understand social reality in a subjective but scientific manner.

Inductive vs. Deductive

Zhang and Wildemuth (2009:**Online**) propose that qualitative content analysis involves a process designed to condense raw data into categories or themes based on valid inference and interpretation. Collis and Hussey (2003:255) agree, adding that this process uses two methods

of reasoning. The first is inductive reasoning, by which themes and categories emerge from the data through the researcher's careful examination and constant comparison. Deductive reasoning on the other hand generates concepts or variables from theory or previous studies.

The approach to qualitative content analysis according to Hsieh and Shannon (2005) is influenced by the degree of involvement of inductive reasoning. The first of these is conventional qualitative content analysis, in which coding categories are derived directly and inductively from the raw data. This is the approach used for grounded theory development. The second approach is directed content analysis, in which initial coding starts with a theory or relevant research findings. Then, during data analysis, the researchers immerse themselves in the data and allow themes to emerge from the data. The purpose of this approach usually is to validate or extend a conceptual framework or theory. The third approach is summative content analysis, which starts with the counting of words or manifest content, then extends the analysis to include latent meanings and themes. This approach seems quantitative in the early stages, but its goal is to explore the usage of the words or indicators in an inductive manner.

The Process of Qualitative Content Analysis

According to Zhang and Wildemuth (2009:**Online**) content analysis may be more flexible or more standardized, but generally it can be divided into the following steps:

Step 1: Prepare the data

Qualitative content analysis can be used to analyze various types of data, but generally the data need to be transformed into written text before analysis can start. Qualitative content analysis is most often used to analyze interview transcripts in order to reveal or model people's information related behaviours and thoughts.

Step 2: Define the unit of analysis

Qualitative content analysis usually uses individual themes as the unit for analysis, rather than the physical linguistic units (e.g., word, sentence, or paragraph) most often used in quantitative content analysis. An instance of a theme might be expressed in a single word, a phrase, a sentence, a paragraph, or an entire document.

Step 3: Develop categories and a coding scheme

Categories and a coding scheme can be derived from three sources: the data, previous related studies, and theories. Coding schemes can be developed both inductively and deductively. In studies where no theories are available, categories can be inductively generated from the data. Inductive content analysis is particularly appropriate for studies that intend to develop theory, rather than those that intend to describe a particular phenomenon or verify an existing theory.

Step 4: Test the coding scheme

After the sample is coded, the coding consistency needs to be checked, in most cases through an assessment of inter-coder agreement. If the level of consistency is low, the coding rules must be revised until sufficient levels of consistency have been achieved.

Step 5: Code all the text

At this stage the coding rules can be applied to the entire text. Because coding will proceed while new data continue to be collected, it's possible that new themes and concepts will emerge and will need to be added to the coding manual.

Step 6: Assess coding consistency

Zhang and Wildemuth (2009:**Online**) cite Miles & Huberman, who argue that it's important that at this stage the researcher recheck the consistency of their coding. This is primarily because human coders

are subject to fatigue and could make more mistakes as the coding proceeds. Further to that, new codes may have been added since the original consistency check. The coders' understanding of the categories and coding rules may also change subtly over time, which may lead to greater inconsistency.

Step 7: Draw conclusions from the coded Data

This is a critical step in the analysis process and involves making sense of the themes or categories identified, and their properties. According to Zhang and Wildemuth (2009:**Online**) inferences are made at this stage and any reconstructions of meanings derived from the data are presented.

Step 8: Report the methods and findings

Finally, Zhang and Wildemuth (2009:**Online**) cite Patton, who proposes that for the study to be replicable, the researcher needs to monitor and report analytical procedures and processes as completely and truthfully as possible. In the case of qualitative content analysis, the researcher needs to report their decisions and practices concerning the coding process, as well as the methods used to establish the trustworthiness of the study.

In this study the data collection and transcription process helped the researcher achieve a preliminary understanding of the data. The researcher then proceeded to deduce underlying themes from the data, (Anderson, 2007:**Online**). Thereafter a coding process followed during which sections of the data were labelled as being of relevance to identified themes within the research. These themes were then interpreted in light of existing literature of the topic and allowed for meaningful interpretation of the results.

Qualitative content analysis does not produce counts and statistical significance; instead, it uncovers patterns, themes, and categories important to a social reality. Presenting research findings from qualitative content analysis is challenging. Although it is a common practice to use typical quotations to justify conclusions, the researcher may incorporate other options for data display, including graphs, charts, and conceptual networks (Zhang & Wildemuth, 2009:**Online**).

A number of criticisms and problems are however associated with content analysis. It's been argued that 'its theoretical basis is unclear and its conclusions can often be trite. The process of data reduction at an early stage means that the researcher could discard large amounts of information that could help him or her understand the phenomenon under study even further.

3.6 Reliability and validity

Assessing the quality of research requires that reliability and validity criteria are applied. Neuman (1997:138) defines reliability as the extent to which there can be certainty that irrespective of the various tests and the amount of times that the tests are carried out, the results would remain consistent. Validity on the other hand is concerned with the extent to which research findings accurately represent what is happening and can therefore be generalised (Golafshani, 2003:**Online**). This study used a variety of data sources and employed case study method to secure an in-depth understanding of consumer engagement, Yin (1994) argues that a fatal flaw of case studies in particular, is to conceive statistical generalisation as a method of generalising the results of the case.

Quantitative research typically uses four criteria which, according to Denzin and Lincoln (1994), include internal validity, external validity, reliability and objectivity. Using these four criteria is in line with the positivist paradigm. There is however much debate as to whether the

same criteria can be used in qualitative research. Other schools of thought however, dictate that qualitative research by its nature is different and as such requires its own set of criteria to measure validity and reliability (Golafshani, 2003:**Online**).

Neuman (1997) identifies three types of reliability, namely stability, representative and equivalence reliability. The first, stability reliability, refers to the consistency or stability of research results over a period of time. The second type of reliability, representative reliability, refers to reliability across various groups, where the instrument provides similar answers across varying populations, and the third type of reliability, equivalence reliability, refers to a situation where several instruments are used to measure the same item but the resulting data remains consistent.

Neuman (1997) and Ratcliff (2002:**Online**) argue that it can be quite difficult to measure the reliability of data in qualitative research. This is because reliability tends to depend on the credibility and subjectivity of the participants. Ratcliff (2002:**Online**) further states that the dynamic nature of qualitative research, as well as the constant changes that may result during the research, mean that a high level of reliability is difficult to obtain.

The researcher conducted in-depth interviews with participants from varying backgrounds, genders and ethnicities. This research therefore will aim to obtain representative reliability. Furthermore it is important to note that the qualitative nature of this research is inherently multi-faceted and in particular often requires that the researcher review and rethink the various patterns that emerge in the area or phenomenon of interest. The combination of these measures, according to Denzin and Lincoln (1994), can be understood as a strategy that adds rigor, breadth, and depth to research.

3.7 Conclusion

This chapter discussed two important issues concerned with the research methods used in this research. These are

- the nature of the study
- the choice of method

As explained earlier, this study was exploratory and attempted to gain an understanding of the extent of media convergence and its impact on consumer engagement and the strategies that result. The initial background and the growing need to establish and manage relationships with role players made the timing of this study appropriate. This chapter provided an account of the research method used. It also provided a description of the research strategy that was used to explore this phenomenon, thus creating a platform for the detailed presentation of the findings, which are presented in the next chapter.

CHAPTER 4
RESEARCH FINDINGS

4.1 Introduction

This study was exploratory in nature and sought to understand media convergence in South Africa's media landscape. To that end, interviews with media executives at various print media publications were conducted. A structured questionnaire was used to get quantitative input from the participants about the impact of convergence on media organizations. The researcher approached editors and managing editors at The Sunday Times, Big News, BusinessDay and the Financial Mail. This chapter presents the findings of the study. What follows is based on interviews with five senior managers from the various publications.

4.2 Overview of case study findings

This research conducted interviews in order to gauge participants' thoughts on media convergence in the South African media landscape with particular emphasis on the impact of media convergence on consumer engagement strategy. In total seven participants were approached. Five out of the seven participants agreed to the interview with the remaining two turning down the interview request.

The researcher used the structured interview method to collect primary data, while a questionnaire was used to get a quantitative input of the participants' on the subject. Participants were allowed to talk freely on the key areas of interest. The researcher also took care not to interrupt the participant during the interview in order to ensure that key themes emerged and could be expanded on. The sub-sections that follow explore the key themes that emerged from questions posed to participants during the interview.

4.2.1 Question 1 – Consumer

How have consumers changed over time in terms of how they engage with media?

All the participants agreed that the relationship between news media and consumers has undergone a definite shift. Consumers have been empowered by choice, brought about by the growing number of publications and technology. Malunga (2010) adds that while consumers have always dictated the relationship, they are in a stronger position today because of the options available to them. Williams (2010), argues that another aspect of this relationship is that consumers today have much shorter attention spans. The implication is that no one media can expect to keep the attention of the consumer. Another key determinant in the nature of this relationship is immediacy. There was also consensus that consumers constantly want to be in the know, and as such will be drawn to those publications or media that give them that information or content when and where they want to consume it.

Such a shift in the relationship has resulted in consumer engagement emerging as a major theme within the media landscape. Media organisations are finding that they increasingly have to drive the engagement process. This involves in particular meticulous effort in sourcing content that facilitates such a relationship while ensuring that this relationship is a two way engagement process. According to all the participants, strategy is largely informed by research carried out by their respective organization's which tracks various items of interest, including demographic changes, social change, consumer patterns and brand equity.

Are you commissioning or carrying out research on your consumers in terms of engagement patterns? If yes please specify these changes.

The participants shared the opinion that research is increasingly becoming a key driver of strategy and importantly so. However a key challenge according to Clay (2010) and Makunike (2010) is that the definition of an engaged consumer is still rather vague for news media organizations. This causes a problem in that the research that organizations carry out does not inform them of what level of engagement their consumers have with their content. Critically, measurement items today are still limited to the number of copies sold, number of hits on a website or story, and the amount of time spent viewing a particular story. Clay (2010) argues that none of that information speaks to how engaged the consumer is or what interaction they had with the content. This makes it difficult to pursue an engagement strategy in its truest sense. Many publications such as The Times see the inclusion of consumer responses as a measure of engagement. Hence steps are being taken to ensure that they can respond rapidly to consumers' comments. This is particularly so for those publications that have online publications. Williams (2010) for example adds that important questions as to how consumers access information need to be asked. In addition a substantial insight database needs to be built up in order to enable analysis on consumer behaviour.

Please comment on how consumer needs and preferences impact your content?

The constant flow of information to consumers has meant that publications must seek to be relevant by adding value to what consumers would already know by the time the publication goes to print. Content is becoming increasingly consumer driven, in turn meaning that consumers today are directly and indirectly involved in the decision making processes

of publications. This has meant, as Malunga (2010) argues that content, in particular value adding content, will become a strategic component of media organizations business models.

The migration to digital media means that multiple platforms and touch points to reach the consumer, in particular, the likes of Twitter and Facebook are becoming a growing trend. However, Malunga (2010) argues that the growth in the use of multiple media is tentative. Makunike (2010) also comments that consumers have remained "sticky" in that while they do access a lot of media online they still demand the print version of the publication. Four of the five participants also noted a growing trend for niche publications and content – this is what has sustained growth in the number of publications available in South Africa. However, a major challenge given the growth in digital becomes a key question of how to sustain a strategic fit between the print publications and the on-line version.

Malunga (2010) again argues that content is likely to drive strategy going forward – perhaps repositioning the business as a seller of news content. There is however, stakeholder buy-in towards achieving this and challenges still remain in getting them fully on-board. News media organisations will have to constantly scan the environment and adapt accordingly, something which according to Malunga (2010), newspapers have been myopic in executing.

Are you interacting with consumers other than just through your medium?

Interaction with consumers has generally been through traditional means such as blogging, letters to editor. However publications are trying to increase interaction. One interesting development is emergence of loyalty programmes. Both Clay (2010) and Malunga (2010) intimated that loyalty

programmes are needed to engage with the consumer beyond the letter pages to a more personal level. Williams (2010) adds that organizations will need to do more of this – and will have to investigate and invest in whatever means are needed that will enrich the consumer engagement experience. Makhanya (2010) added that the Sunday Times in particular is looking to initiate programmes that would involve the publication meeting consumers face to face on a regular basis.

4.2.2 Question 2 - Media Landscape:

How has the South African media landscape changed over the last ten years, in terms of technology and regulatory changes?

Generally the agreement is that advances in technology and growing access to it, in particular the personal computer, have been the enabler of media landscape changes. One of the major results is that news cycles are becoming ever shorter as consumers are able to access news as it happens. The growing preference for online and the likes of Twitter and Facebook are keeping consumers constantly in the know and thus there is a need for print publications to add value to what their consumers would already know by the time of print. This is particularly so for the Sunday Times and the Financial Mail which are weekly publications. Four of the five participants agreed that that a key focus for media publications today is then to ensure that print grows in tandem with on-line. Makhanya (2010) added that the two are currently feeding each other well.

Regulation within the industry has largely dragged and two of the participants are of the opinion that it poses no major threat. This is because changes to date have been minimal with no clear impact on the extent and potential growth in convergence. Government's lack of direction as far as regulation and the role of broadband in the media industry are also hindering progress.

What is your sense of convergence within the South African media landscape?

Participants are still grappling with what convergence for South Africa really means. While they agree that it is happening they argue that the definition may be different from what is being observed elsewhere in overseas markets. Clay (2010) specifically responded by asking the researcher "What type of convergence?" The suggestion is that in South Africa there are pockets of convergence and in particular convergence tends refer to the merging between print and online. In fact Makunike (2010) is of the opinion that true convergence in the South African media landscape is difficult to achieve, particularly as the type of information or media content that South African consumers demand is rather wide. He also reiterates that there could be a mismatch for the demand for converged products in South Africa. At the same time participants agree that convergence in the South African media landscape clearly lags that of many other countries. Clay (2010) in-turn argues that the South African market is too small and as a result print publications tend to drag on key changes. She adds that for true convergence to occur, the market will need more players.

Another key change in the media landscape is the manner in which news is covered and reported, with immediacy being a major driver. This has had an impact on newsrooms, in particular journalists who now have to be trained to produce content for various platforms with differing news cycles. This has also given rise to a large increase in the number of online media which are able to put up content as it happens. Makunike, (2010) argues that this development and digital media in particular is posing a real challenge to the more traditional print media publications in essence giving an unclear picture of the future of print. He however notes that in the midst of such a challenge, print media has also experienced steady growth in

the number of publications and media. The consumer as a result has greater choice at their disposal.

What is the impact of convergence on business models of media organizations?

A key issue is that the industry is grappling with business models that are constantly being challenged specifically, with the traditional model falling away. Malunga (2010) is of the opinion that going forward content, as a commodity and cross platform news production, will be key components of any business model and strategic drive. A cornerstone of this strategy however will be that of relevant and timely content, which is what consumers are ultimately looking for. Again this speaks to the creation of a content hub that can be a central repository for publications. Convergence of platforms, is happening but as Williams (2010) argues is perhaps still at a tentative stage. Malunga (2010) concurs adding that while the phenomenon continues to grow the challenge is marrying the various platforms.

Williams (2010) adds that while this is both an exciting period to be in – it also puts pressure on media organizations in that they have to make the right business and investment calls when it comes to the impact on the business. The advent of digital is spurring greater interaction between media and consumers. Yet while the convergence between print publications and online is working well, challenges still exist to finding the correct business model that supports such an interaction.

Furthermore business models will need to change as they are not currently synchronised especially as online media grows. Debates by shareholders as to the nature of organisation structure and the infrastructure required in order to support and promote media convergence are rife. What seems clear however is that a content management system will be key. Williams

(2010) sums it up by saying that a fully functional and responsive media vehicle will be one that has access to TV, online, radio and cell phone opportunities. Not necessarily all at once but have the ability to use them when the need arises. Any organization that doesn't have this complex model will fall behind.

Clay (2010) suggests that this is likely to also heavily impact the advertising landscape and publications will have to re-explore the commercial activity and potential on websites. Advertisers will need to relook at online and what it means for adverts. Participants argue that one advantage that print has which keeps it relevant is that the hard copy remains accessible to consumers for longer and that keeps advertisers interested in continuously placing adverts in print media.

In what ways has social media impacted the media landscape?

Participants were mixed in their reaction to the impact of social media. While they all agree that it is growing rapidly Malunga (2010) and Williams (2010) argued that it had a minimal or muted impact on news media in South Africa and it is likely to remain that way. This is because social media is not particularly suited to news media. Not only is social media publication specific, but it tends to be more suited to entertainment media. Furthermore questions still exist as to its viability. Williams (2010) argues that the intellectual impact is limited in that it lacks the analysis and depth that consumers are looking for.

4.2.3 Question 3 – Organisation:

How has your organization adopted strategy to deal with the changes?

The drive towards digital has meant that publications must reposition themselves and, in particular, add value to what consumers already know.

Makunike (2010) maintains that the demand for converged products at this stage is still sluggish. Furthermore South Africa will need more to push it into a state of true convergence. Williams (2010) argues that change has been slow, in particular adopting all the means that will enrich the customer experience. Multiple media will challenge content production. There is a slow emergence of converged news rooms and there is still a struggle to merge the two platforms i.e. print and online. Journalists have to undergo training in order to remain in touch with the current trends. The Sunday Times is also investigating the compatibility of new platforms to carry content, for example Kindle.

Have you implemented structural change in terms of production processes, resource allocation or the general manner in which the organization functions in order to align with consumers engagement needs?

Publications like BusinessDay and the SundayTimes are undergoing structural changes such as longer production cycles so as to be able to pack in more information or value for consumers. Operations have also had to be streamlined while the introduction of cross platform content production has become a key issue in the newsroom. This is forcing journalists to undergo change in order to be able to produce content for the various platforms i.e. web and TV. Cross-platform partnerships in this new digital landscape will be important; however they can be complex to manage. According to Clay (2010), one of the implications for media publications will be a flatter organizational structure where leadership will be key.

Has your organisation had to relook or implement new consumer engagement strategies, if yes how?

All the participants argued that methods of engaging consumers will need more investigation. While there was also consensus that convergence in South Africa does not mirror that of other countries, all the participants agree that digital is still clearly the way forward. A major concern though is aligning such a strategy to the business model. Yet another direct impact will be structural change – perhaps more resources and perhaps even the merging of media organizations.

What is your sense of stakeholders' understanding of media convergence and its impact on consumer engagement programmes, operations, processes, and outcomes?

According to the participants, it would appear that stakeholders (i.e. management and shareholders) have some way to go in understanding convergence and what it means for the publications today. Participants argue that one key issue is crafting a business model that will support a growth strategy in a converged media landscape. Makunike (2010) says that currently this is in a state of flux particularly at Business Day as it looks to effectively incorporate its online element into its current business model. Williams (2010) says the revenue models are particularly under pressure and goes on to argue that print media has not gone far enough in investigating adapting to converging media landscapes. In the same light Malunga (2010) suggests that there may sometimes be a mismatch between the need and demand for convergence. Nevertheless the phenomenon is having an impact on the growth strategies for news publications in particular on their acquisitive growth plans. To that end partnerships become important.

What is the role of partnerships between organisations such as yourselves and other media outlets or platforms in today's media landscape?

- **Have you partnered with different media platforms to distribute content? If yes how?**

The general sense from respondents is that partnerships, while difficult to manage at times are becoming critical. Williams (2010) sums it up in arguing that that a fully functional and responsive media vehicle is one that has access to television, radio and with all the online opportunities; the cellphone and mobile opportunities. While they may not all be used at the same time, access to these is important – for example to enable syndication of material or content. Makhanya (2010) concurs, saying that they could never do it on their own – and that organisations such as his absolutely need those partnerships in particular partnerships in terms of content.

How have you changed the way in which you promote your product to consumers?

According to participants there has been no major change on this front. This is particularly so because the publications remain the main vehicles through which their product is promoted and marketed. For example the Sunday Times markets its products through its paper, despite the changes seen in the landscape. Any online presence is particularly highlighted on its website or through its partners to cell phones and various other platforms.

Have you had to implement new or changed infrastructure in order to accommodate the latest trends? Please expand on the following issues:

- **Creation of new publishing channels**
- **Development or investing in infrastructure to carry content**

According to three of the five participants adapting existing infrastructure to cater for other forms of media content from media partners has become part of a publications every day operations. According to Makhanya (2010), media organizations are adopting convergence technology or platforms to support existing product or content offerings. Furthermore varied solutions and models based on consumer needs to be designed in lieu of enriched engagement. This ranges from online engagement to mobile platforms used to disseminate media content. For example the Sunday Times is investigating making its content available on Kindle.

4.3 Insight from qualitative structured interview

The findings from the qualitative interview show that participants believe in the potential of convergence but that none had fully achieved true media convergence. While there is a general belief and interest in media convergence, the degree of adoption in South Africa and by implication print news media varies considerably when compared to other countries such as the United States and the United Kingdom. The five participants all argue that convergence while somewhat lagging, has the potential to create new channels to reach consumers. Further insights from the research include the following:

- The benefit of investment in convergence technologies is both tangible and intangible. The tangible benefits are seen as access to new market segments while the intangible benefits are new channels to increased brand awareness of the publications. The

growing consumer, appeal for improved on-demand content has created new opportunities for growth.

- As the migration towards digital continues, value adding content is likely to become a major driver and cornerstone of any strategy. In particular the participants alluded to the importance of the creation of a content hub or repository.

- Media organizations are adopting convergence technology or platforms to support existing product or content offerings. Furthermore varied solutions and models based on consumer needs to be designed in lieu of enriched engagement. This ranges from online engagement to mobile platforms used to disseminate media content. For example the Sunday Times is investigating making its content available on Kindle.

- This study also observed that though online activity has grown, consumers are also sticky in that they remain keen on receiving hard copies. This creates challenges in that organizations must then pursue strategies that ensure print and online grow in tandem.

- The engagement strategies of all five companies are customer focused, however participants admit they are struggling to define an engaged consumer.

- Current business models are undergoing rapid change as all the publications struggle to find a strategic fit between online and print.

- Partnerships will be key going forward as organizational structures flatten out and a leaner publication emerges.

4.4 Findings of structured questionnaire

A structured questionnaire was used to compliment the interview carried out by the researcher. This helped the researcher gain a quantitative sense of the participants' feelings on specific issues that were of interest to the researcher. The questionnaire employed questions with 5-point likert scales which included responses from "completely disagree", "disagree", "neither agree nor disagree", "agree" and "completely agree". The findings of the questionnaire are now presented in a top two box format. The top two boxes condensed the options into agree or disagree. Responses that indicated "neither agree nor disagree" were disregarded in the results listed below.

Table 2: Findings of structured questionnaire

CONSUMER		
	Disagree	Agree
We measure the level of interaction of our consumers in terms of how often they consume our content.	1	4
We measure the level of interaction of our consumers in terms of how long they consume our content.	-	5
We facilitate consumers' involvement with our organisation and the content that we produce.	1	3
Staff and the recruitment practices are integral for effective staff engagement.	-	3
Staff undertake continuous training to effectively engage with consumers.	2	3
MEDIA LANDSCAPE		
	Disagree	Agree
Our consumers are interacting with us across multiple media.	1	4
The relationship between us (the media) and the consumer has changed in favour of the consumer.	-	5

We are constantly revisiting the way in which we engage with our readers.	-	4
Consumers are increasingly informing the type of content we produce.	-	3
Consumers are increasingly looking for a sense of belonging.	-	4
Our consumers are increasingly demanding specialist or niche content.	-	4
ORGANISATION		
	Disagree	**Agree**
Our consumers are increasingly looking to control when and where they experience our content.	-	4
We are increasingly using technology i.e. internet and cell phone to reach consumers.	1	4
We are adopting more informative and interactive features in our product offering.	1	3
Consumer preferences and habits are considered when considering engagement with consumers.	-	4
Consumer engagement has become a critical success factor and measurement item for media organisation managers.	-	3

4.5 Insight from structured questionnaire

The questionnaire was used in this study to obtain a quantitative input from the participants on the subject. The key themes that were examined were modelled on the conceptual framework. The key findings of the questionnaire are now expanded on below.

Consumer

The key themes that emerged from the consumer category of the questionnaire are that most participants strongly agree that they are looking to measure the level of interaction from consumers. For example Makhanya (2010) says "We are tracking how much time they're reading the paper – what they're spending on a page – on a section and it's essentially like this category of readers spend so much time on a paper

and what the average time that people spend reading the newspapers. Obviously we are tracking areas of interest because it also helps us to make decisions." Clay (2010) agrees saying "We do look at research at the moment using Nielson and Goggle and looking very intently at the traffic and the average duration on the site, and the average duration on the page..."

Interestingly, a slightly lesser number of the participants agreed that there is sufficient effort to facilitate interaction with consumers. Makhanya (2010) argued that it is necessary but while it's something they've resolved to do, it doesn't always happen. Clay (2010) for example says they are looking to put in place loyalty club meeting to engage with consumers. They are also increasingly looking to social media to drive up levels of interaction.

Media Landscape

Participants felt very strongly about themes in this category. All the participants agree that the relationship between media and consumers has shifted in favour of the consumer. For example Williams (2010) argues that the consumer today has a voice they didn't before, a more interactive voice, a faster and quickly expressed voice. And a real impact of this relationship is that one needs to be in tune with what they want. Clay (2010) in turn adds that while they are not driven by consumers' agenda, they do give prominence to stories that they see consumers are actively engaged in.

Another key theme in this category is the participants agreed that they are constantly revisiting the way in which they engage their readers and that consumers are increasingly demanding specialist or niche content. Clay (2010) says they rely on heat-mapping to see what areas on their website people naturally go to. This helps them put stories they want them to see, or those they think will have real traction in those positions. She states that

while more and more information is coming through, they still haven't got the ideal recipe of what is it that keeps consumers engaged on a page.

While it's apparent that the use of multiple media is growing the demand for niche content, there is a slight hesitancy in revising the way publications engage with consumers. This could speak to the fact that consumers have remained sticky in that they continue to show strong demand for the print version of their favourite publications. Clay (2010) is of the opinion that South Africa has not woken up to the revolution and that as a result, the market remains largely unsaturated. Simba Makunike of BusinessDay on the other hand proposes that a substantial number of consumers still want their print copy. He argues that they are certain sections of a publication that you don't put on line, for example adverts.

Organisation

In this category there was strong consensus that consumers are looking to control their exposure to media. To that end, technologies are being relied on more to reach the consumer and meet those needs. Clay (2010) argues that print is unlikely to die off, but today's news cycle has morphed in that it has become about giving people they type of news they want, when and where they want it.

Technologies such as the internet and the cell phone are becoming major components of print media strategy to reach more consumers and enrich their experience – however the addition of features that could further enrich the engagement process is still somewhat sluggish. For example Makhanya (2010) says the use of appropriate technology is imperative going forward this is because the average office professional has access to a desktop at work and for that reason they will keep checking online to see what is making news. Makhanya (2010) argues that this will change the way in which a story is told over the news cycle. And according to Williams (2010), the trick is to make the right call, because you can invest

in technology that in five year's time people could find to be a ridiculous investment.

Another interesting observation is that while participants agreed that engagement was a critical driver, the structured questionnaire shows that they are split over whether it's a critical success factor. Clay (2010) argues that true engagement is still unfolding in South Africa, particularly because the nature of convergence and its impact on the media landscape is still being explored. Clay (2010) further adds that she does not think that media has really conquered how they engage. She is also doubtful that the way of doing things has changed much. This again highlights problems in the definition of a truly engaged consumer in South Africa and further impacts on how an engagement strategy can be crafted. Still more participants agree that engagement will be a critical success factor going forward.

4.6 Conclusion

This chapter noted that there are stark discrepancies when looking at convergence in South Africa's media landscape. Of importance is that the changes being observed here do not mirror those of other markets elsewhere and that multiple media, a key driver of convergence, is at best tentative. However it is clear that media convergence has shifted the balance of power significantly to the consumer. Given that participants agree on the potential that convergence has to create new opportunities and publishing channels, organisations have little choice but to respond to this development, or possibly face being left behind in an industry that is being transformed by the pervasive power of information and communication technology.

This chapter presented and summarized the findings of the structured interview as well as the structured questionnaire. The next chapter will

endeavour to discuss how these findings can help improve the researcher's understanding of and in particular what impact they have on the conceptual framework presented in chapter 2.

CHAPTER 5
CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study focused on media convergence and its impact on the South African media landscape. More specifically the study focuses on the impact of media convergence on media engagement strategy within media organisations. Analysis of available literature as well as interviews conducted with participants within the industry revealed that media convergence developments provide potential for enhancing existing consumer engagement strategies.

Chapters one and two of this study provided some examples of the benefits of an enriched two-way engagement process with consumers, concluding that driven by advances in ICT's, convergence cannot be ignored. Further to that it concluded that business should look to implement progressive engagement strategies if they are to remain relevant and competitive. Chapter three discussed the qualitative nature of this study and the use of case study as the method. This allowed the researcher to analyse the phenomenon of interest within its real life setting. Media executives were interviewed by way of structured interviews and content analysis was done in order to extract emerging themes from the data. The findings were presented in Chapter four, accompanied by relevant interpretations and discussions. This chapter concludes the study.

5.2 Objectives of the study revisited

This research was exploratory in nature and sought to understand the impact of media convergence on consumer engagement strategies within media organizations. To that end, the specific objectives included the consideration of literature on the nature and extent of consumer

engagement as well as determining to what extent South Africa's print media publications had adapted consumer engagement strategy as a result of media convergence.

In fulfilling this objective, this research attempted to understand consumer media preferences, changes in the media landscape and changing consumption patterns. This understanding was then used to adapt and improve the conceptual framework presented in chapter two, which is discussed further below.

5.3 Towards an engagement strategy

This research found that consumer engagement strategies must encompass a number of dimensions. Organisations are increasingly seeking enhanced and richer engagement or interactivity via various media platforms. While this presents opportunities the challenges involved, include an ever more fragmented and sophisticated media audience. Today, the individual has unprecedented choice and control over the media experience, selecting not just the media he or she engages with, but also when and where they do so. Johnston (1998) argues that today's audiences will become increasingly fragmented in their choice of engagement.

The research also found that consumers rely more or less equally on various platforms for their content. The implication is that an engagement framework must have the Internet as its central component. Zoch and Smith (2002) concur, explaining that the convergence of media platforms is about using technology to combine news-gathering and news-reporting efforts into one entity and then using multiple media to engage with a mass, sometimes global, audience. As these technological solutions, networks and gadgets converge, new platforms with which to engage consumers will be created (Greco, 2000:220). The question that then

arises is how media organisations ensure strategic placement in order to exploit the current consumer market effectively.

Perhaps the solution lies in ensuring the right mix of technology to support the organisation's consumer engagement strategy. While management agrees that engagement is key, they are largely divided on how it should be measured or applied in terms of strategy. Shevlin (2007: **Online**) argues that this needs to be done in the context of a firm's strategy and its own theory of the consumer, that is, what behaviours the firm believes constitute an engaged consumer.

The literature also discusses various convergence phenomena and models; it was observed that existing business models do not necessarily support engagement with consumers in today's technologically advanced media construct. This means that, currently, media organisations may not be well placed to benefit effectively from the new consumer landscape. To be seen as progressive and forward looking, businesses must implement progressive strategy that recognises the changes and challenges of convergence adoption. Such a strategy must be compatible with technology that can effectively and efficiently deliver a news service offering.

The engagement strategy takes the form of a document setting out the strategic aim for the engagement environment. An effective engagement strategy should combine knowledge management and communication strategies that aim to provide the basis for a strong consumer relationship and it is important that it should be reviewed periodically. Such strategy should include the statement of a general strategy, goals, strengths, weaknesses and resources, as well as specific strategies for given content offerings. ICT/converged platforms are the tools utilised to create the engagement environment and ensure that the four I's are present. The type of ICT/converged platform utilised will have an influence on the

engagement environment created and its eventual success or failure. As such it is important that these are defined in the engagement strategy.

5.4 Analysis of case study based on model components

The rapid changing information technology environment is challenging existing theories and practices. A number of important principles have to be observed by businesses to reduce the impact of these challenges in particular those that are associated with engagement within a converged media landscape. It's important to mention that successful engagement will not come from the adoption of technologies alone, but from a wider range of management skills. In the broad field of management, strategies for improved consumer relations are seen to be important. Therefore given today's advancements in the media landscape as alluded to in chapter two, consumer engagement strategy deserves to be taken seriously along with a combination of competencies and capabilities that will assist media organisations to successfully mitigate the challenges posed by convergence.

The essence of engagement in modern business today is to create an environment conducive for nurturing the heart and soul of the consumer. The challenges of engagement within a converging media landscape however, are not limited to just the strategy, but also the organizational structure and very importantly the resulting business model. Based on the components of the suggested conceptual model, the following was uncovered:

- **An accessible content repository:** Most of the participants agreed that content will be a key driver and determinant in organisational strategy. The suggestion was that a content repository, as a central source of value adding content, would have a direct impact on the success of engagement strategy and effort. Hence it must be a strategic component of media organisations.

- **Consumer and engagement feedback**: Participants alluded to a lack of a structured approach towards engagement with the consumer. To that end there needs to be a structured and transparent method towards co-ordinating news media organisations' daily activities and the resultant consumer relationships. This needs to be carried out in such a manner that actively moves the organisation towards meeting engagement objectives. Therefore a feedback mechanism will be required to facilitate that process by feeding through critical information on consumers and the engagement practises.

- **Partnerships**: While a range of business skills will be necessary, managing partnerships well will be a critical competency. Currently this aspect may not be evident in businesses that are trying to take advantage of media platform convergence. Such strategic partnerships will help organisations leverage off each other for example using each other's platforms to promote, market and even sell content.

The detailed literature study in chapter two suggests that in order for engagement to be successful, it needs to be embedded in and to be in constant interaction with its immediate environment. The diagram below depicts the adjusted model based on the results of the case studies and themes that emerged from the interview. The framework is based on an improved understanding of media convergence, South Africa's media

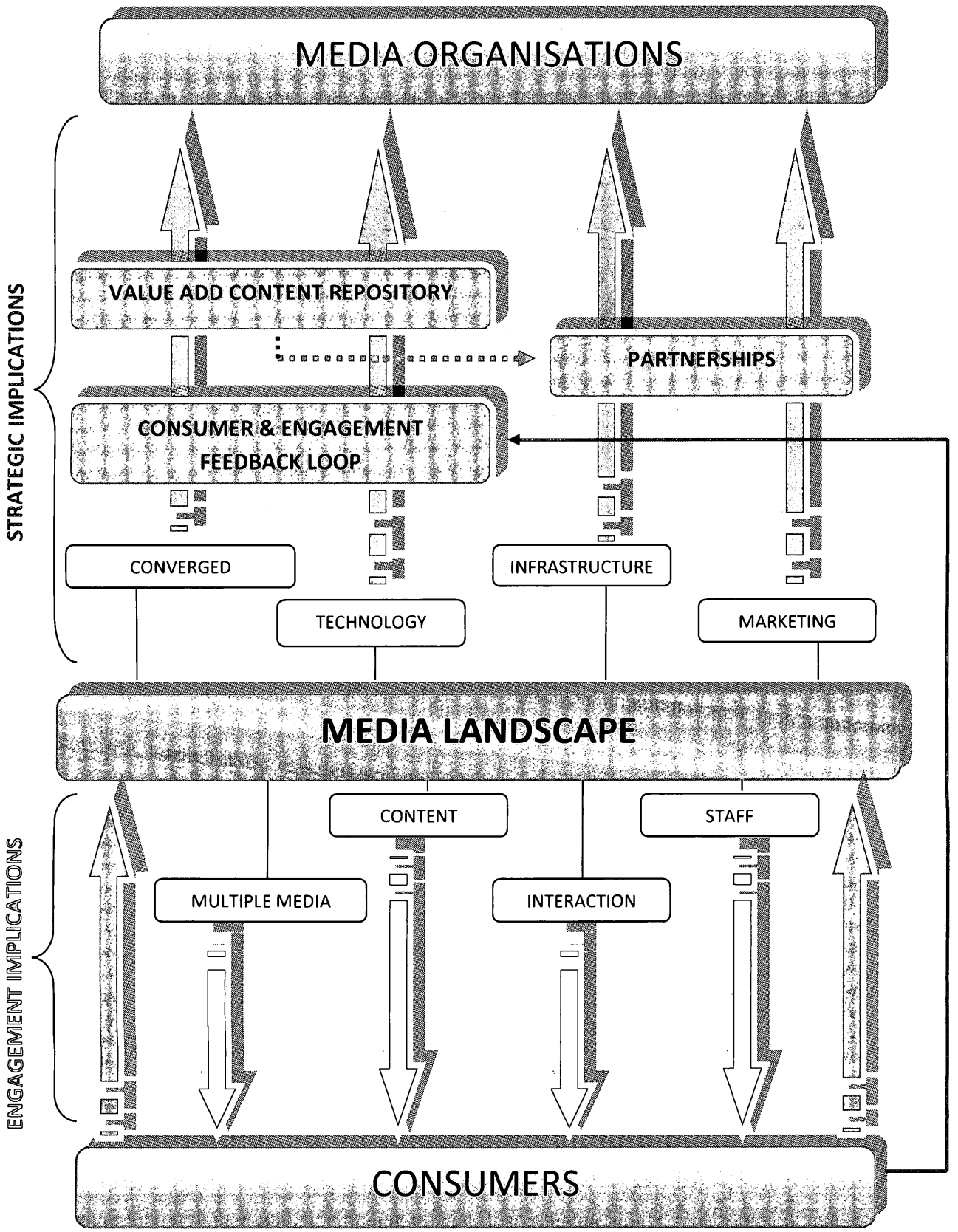


Figure 5.1: Adapted conceptual framework

landscape and the changing preference of consumers. The key changes of the adapted conceptual framework are colour coded in green. Firstly, the above framework recognises the role that consumers play in the engagement process. An emerging theme from the research was that, according to participants, they have greater influence than they had a few years ago. The study also intimated how the relationship is more of a two way interaction. This impact on the engagement process and consequently the media organization cannot be ignored.

The framework therefore included two upward pointing arrows, within the engagement domain to illustrate the flow of information and the impact that consumers' in-turn have on the media landscape. Due to the argument posed by most participants that consumers are now, as a result of the changing environment, indirectly involved in decision making, a consumer feedback loop is also seen as necessary and has been added. This feedback loop has the purpose of feeding through critical information stemming from the engagement domain i.e. growth in use of multiple media, developing trends on consumer interaction, staff and content consumption trends through to the strategic domain of this framework. This will ensure that the organisation stays abreast of changes in the landscape and the impact they have on consumers. The information can then be used to position the organisation favourably and strategically for maximum engagement effort.

The framework has also been adjusted to include a content repository or hub. As participants argued, value added content will become a strategic differentiator for news media organisations. The repository serves as a central source through which the media organisation draws all content irrespective of the platform used. This can then be tailored for the specific platforms i.e. kindle or web or even mobile. Another advantage of the content hub could be the provision of data mining and knowledge management capabilities. This can further assist news media

organisations to effectively execute and measure engagement efforts.

A dotted line flows from the content hub to the partnership block to illustrate how the same content can be channelled through to partners and together reach even more consumers. Participants argued that this is another key aspect; however, they added that it will need to be managed carefully.

It is hoped that this framework would contribute to the engagement strategy and efforts of businesses as they innovate, enhance and improve product and service offerings for improved relations with consumers, staff and business partners.

5.5 Limitations of the work

As explained previously, this study is concerned with consumer engagement activities with the aim of using an understanding of engagement strategy and experiences of senior executives to develop an appropriate consumer engagement framework for media organisations. The application of the resultant framework can be used to support the engagement strategies of various media organisations.

It is important to stress the exploratory nature of this study and its limitations. First, the study only focuses on South Africa and specifically focuses only on print media as this was a key area of interest. This means that the results may not be applicable to other countries, due to the possible differences in context. Additionally as the focus of the research is on print media – it does not take into account how on-line media and broadcast media are faring.

Conducting more comprehensive structured interviews with the selected participants was also a challenge. This may have impacted the researcher's ability to gather additional information that could possibly

have assisted further in facilitating a more in-depth assessment of the impact that media convergence is having in South Africa. Overall, while the study is useful in gaining an understanding of media convergence and consumer engagement in South Africa, it is clear that more detailed studies should be undertaken.

5.6 Areas for further investigation

Further research is needed to develop, test and refine the engagement framework. This could usefully be carried out in conjunction with the following:

- in-depth investigation on specific organisations, also drawing on evidence not in the public domain, including both documentary and non-documentary sources
- comparative studies among global media groups (e.g. through benchmarking clubs or other professional groups or networks)
- exploration of the key characteristics and dimensions of strategic consumer engagement

5.7 Closing remarks

Convergence will no doubt continue to attract business attention, providing businesses with strategic opportunities to extend their brand, manage relationships with role players and satisfy the engagement needs of existing consumers. An important attribute of convergence is that it can be used to respond to changes in consumers' information needs and market dynamics.

Despite the challenges presented by converging media platforms, the fundamental principles of consumer engagement will probably remain unchanged. This study found that convergence can create potentially beneficial opportunities for engagement; however, attention must be

given to the implementation of engagement strategies that recognise the dynamics and characteristics of convergence. One of the benefits of enriched engagement is said to be the establishment of long-term relationships with consumers. Certainly, such relationships enhance the prospect of an increased consumer market. Convergence adds numerous non-traditional mediums (or platforms) that allow flexible access and interaction with consumers.

In an age where ICT is continuously redefining the business environment, organisations cannot afford to ignore the potential this offers for further growth and innovation. As we proceed further into the Information age, strategic use of ICT/converged platforms will evolve from a competitive advantage to a basic requirement for participation in the industry of choice.

The framework suggested in this chapter could enhance the engagement strategy of media organizations, specifically by mapping out where organisations need to invest time and capital in order to improve brand or further leverage consumer engagement strategy.

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APPENDIX A – LETTER TO PARTICIPANTS

Dear Respondent,

PARTICIPATION IN A RESEARCH STUDY

My name is Semeyi Zake and I am a Masters student, registered with the Nelson Mandela Metropolitan University in Port Elizabeth in South Africa.

I am carrying out a study on media convergence and its impact on consumer engagement in South Africa. The purpose of the study is to understand the impact of media convergence on strategies pursued by media organisations.

To that end I would like to discuss this phenomenon, the changes it's brought with it, the possible impact on your organisation and how, if at all you have adapted to it in pursuit of effective engagement with consumers.

Please note that any information given will be treated confidentially and is strictly for the use of this study.

Your assistance is therefore highly appreciated.

Semeyi Zake
Researcher
011 340 9319
073 785 7261
semeyi@summit.co.za

APPENDIX B – STRUCTURED INTERVIEW SCHEDULE

A. Consumer – How have consumers changed over time in terms of how they engage with media?

1. As the/an editor of your organisation have you noted a difference in the manner in which your consumers are engaging with your medium?
2. Are you commissioning or carrying out research on your consumers in terms of engagement patters?
3. Are you tracking demographical and social changes?
   - What types of data sources are you using?
4. Is there a change in the relationship between you as the media organisation and consumer? If yes, please specify these changes?
5. What is your sense of how engagement with the consumer has evolved?
   - In your experience, in what specific ways is technology impacting consumer engagement?
6. Please comment on how consumer needs and preferences have impacted your content?
   - What is your sense of the need and demand for niche content?
   - Have you, as a result, changed the manner in which you distribute your content and if so how?
7. In your experience, do you think that consumers have shown changes in terms of attitudes, motivation, needs and desires in terms of how they engage with media?
   - If so, what changes have you noticed?
8. How have consumer attitudes motivations, needs and desires impacted the way you engage with consumers?
9. Are you interacting with consumers other than just through your medium?

B. Media Landscape – how has the South African media landscape changed?

1. How has the South Africa media landscape changed over the last ten years?
   - In terms of technology
   - In terms of regulatory changes
2. What is your sense of the extent of convergence within the media landscape?
3. What is the impact of convergence on business models of media organisations?
4. In what ways has social media impacted the media landscape?
5. How has technology impacted convergence in South Africa?
   a. What are the success stories that have emerged?
   b. What are the specific challenges brought about by convergence?
   c. What opportunities do you think it is creating?
6. To what extent has the use of multiple media to access content grown in South Africa?

C. Organisation – how has your organisation adopted strategy to deal with the changes?

1. Has your organisation had to relook or implement new consumer engagement strategies, if yes how?
2. Have you implemented structural changes in terms of production processes, resource allocation or the general manner in which the organisation functions in order to align with consumers engagement needs?
3. What is your sense of stakeholders' understanding of media convergence and its impact on consumer engagement programs operations, processes, and outcomes?

4. Has your business model as a result of the converging media landscape, undergone any changes?
5. What is the role of partnerships between organisations such as yourselves and other media outlets or platforms in today's media landscape?
    - Have you partnered with different media platforms to distribute content? If yes how?
6. How have you changed the way in which you promote your product to consumers?
7. Have you had to implement new or changed infrastructure in order to accommodate the latest trends? Please expand on the following issues:
    - Creation of new publishing channels
    - Development or investing in infrastructure to carry content
    - Adapting existing infrastructure to cater for other forms of media content from media partners.

APPENDIX C – STRUCTURED QUESTIONAIRE

This questionnaire will compliment the interview carried out by the researcher. Please consider the organisation that you work for and indicate with an "X", the extent to which you agree or disagree with each of the statements below.

	Completely disagree	Disagree	Neither agree nor disagree	Agree	Completely agree
We measure the level of interaction of our consumers in terms of how often they consume our content.	1	2	3	4	5
We measure the level of interaction of our consumers in terms of how long they consume our content.	1	2	3	4	5
We facilitate consumers' involvement with our organisation and the content that we produce.	1	2	3	4	5
Staff and the recruitment practices are integral for effective staff engagement.	1	2	3	4	5
Staff continuously undergo training to effectively engage with consumers.	1	2	3	4	5

	Completely disagree	Disagree	Neither agree nor disagree	Agree	Completely agree
Our consumers are interacting with us across multiple media.	1	2	3	4	5
The relationship between us (the media) and the consumer has changed in favour of the consumer.	1	2	3	4	5
We are constantly revisiting the way in which we engage with our readers.	1	2	3	4	5
Consumers are increasingly informing the type of content we produce.	1	2	3	4	5
Consumers are increasingly looking for a sense of belonging.	1	2	3	4	5
Our consumers are increasingly demanding specialist or niche content.	1	2	3	4	5

	Completely disagree	Disagree	Neither agree nor disagree	Agree	Completely agree
Our consumers are increasingly looking to control when and where they experience our content.	1	2	3	4	5
We are increasingly using technology i.e. internet and cell phone to reach consumers.	1	2	3	4	5
We are adopting more informative and interactive features in our product offering.	1	2	3	4	5
Consumer preferences and habits are considered when considering engagement with consumers.	1	2	3	4	5
Consumer engagement has become a critical success factor and measurement item for media organisation managers.	1	2	3	4	5

APPENDIX D: Structured Interview – David Williams

Interviewer: Starting off when you look at consumers, in your opinion how have they changed in terms of how they've engaged with media, if you look at the past five to ten years, what's your sense of how that's changed?

David Williams: I think generally the attention span are shorter, I think it's much easier to get information and they get it from more different places and I think that the internet has done that. So you can go online and Google and find out what you want to know. So the main thing is no one medium can expect to keep the attention of a consumer.

Interviewer: Have you noticed from the FM's perspective has changed in terms of your readers' access to your content and publication?

David Williams: I think you would have to ask the technology people how many hits they are on the website and that kind of thing. But we are very aware that people still like to get the actual magazine and I think there's no question that the actual paper magazine is still going to be there. I think the trick is not whether it's there, but how to compliment that with an online presence. So for example I enjoy reading the newspaper in my hand, but there are times when I want to go online quickly and find out something in the newspaper online. And I think the other thing that the online offers which the daily newspapers or the weekly financial mail cant, it's got archives. So for example, if you subscribe to Time magazine, it has an archive that goes back 50 – 60 years and you can go back and look up stories from 50 – 60 years ago. You obviously can't do that and there are very few people who have kept all the old editions of time going back that long. So I think the behaviour's changing as people find out what's possible with the new technology. I don't think it's replaced the original

product, which is the paper thing that comes out every week, so I think the behaviour's changed but it hasn't changed completely.

Interviewer: Looking at research, has this become important given the trends you are seeing in terms of looking at what your readers are looking for in the publication?

David Williams: you have to ask in how they access the information and you have to build up a substantial insight database if you like on how they behave.

Interviewer: looking at technology in particular, what impact is it having on this relationship that you have with your consumers?

David Williams: I think the impact on the relationship is that you have to be much more alert to what they want. Because before you printed what you wanted to print and they would read it and u assumed you were getting it right if they kept buying your publication or the circulation stayed the same or the advertisers keep supporting it. Now the opportunity for readers to interact with you by blogs and comments on stories sounds much greater. So actually editors are wise if they keep a very close eye on the reactions online and those instant twitters twit or all those sorts of thing, so you got to keep an eye on that. So the relationship's become much more two-way and therefore should in theory improve the product.

Interviewer: I want to pick up on that relationship aspect. Is it fair to say that the relationship has changed in favour of the consumer?

David Williams: yes and no. I would say yes in that the consumer now has a voice which they didn't have before.... to the editor. A more interactive voice, faster more quickly expressed voice. On the other hand, my experience is that a lot of the people who respond are not actually adding

anything to your insight. They might have a view, they might agree or disagree with you; they are not actually going to change the way you cover things most of them. So they feel listen to you, but on the other hand, I'm not sure that they always have that much to offer.

Interviewer: and then if you look at the media landscape itself, South Africa, how has that changed when you look at broadly speaking on media landscape. What changes are prevalent from there?

David Williams: Well, every now and then there's an opportunity or an attempt to create a new paper, a new age is one of them. It hasn't happened yet. It's very difficult to start a new newspaper and you can't expect any new titles to come. I also think there are not going to be any new titles online either, because the paradox online of is it's so easy but there's so much, so who do you trust? Where do you go for your reliable information?

Interviewer: And then also in particular, you talked about technology but is it a big factor in the media landscape?

David Williams: A huge factor and the trick is to make the right call, because you can invest in technology that in five year's time people will say: "But that's ridiculous. Why didn't you save in something else?" You might for example find that Facebook burns out or twitter or twit burns out and other things take their place or one or two of them survive and others don't. And if you are going to invest in technology and human resources to run that technology, you are going to have to make the right call.

Interviewer: Convergence has been a buzz word. What's your sense of that in South Africa?

David Williams: Its clearly happening, I'm not sure that its happening fast enough for most of the big media organisations. I think also in line with the

previous point, convergence sounds wonderful but you have to be careful that you are not investing in things that aren't going to happen or aren't going to happen as you expect they will. I think it's this period that we are in now that's probably the most exciting and dangerous period, because if you make the wrong calls, you could end up like in the old days with videos. There was VHS and there was BETA. And if you invested in BETA, you would have lost your money because that just became obsolete and VHS became the way to go. Now of course, they are both obsolete.

Interviewer: what about the impact that this is having on business models of media organisations, if any?

David Williams: well it's hard to tell, but the business model at Avusa and Financial Mail certainly has moved to accommodate this. Whether they've gone far enough in terms of the revenue model is another matter, and I think that with the revenue issue, people are still confused about where this is going. Do you offer online content for nothing or do you get people to pay? That's the question. My impression is that increasingly they are going to have to offer it for nothing and they are going to have to make money in other ways. I mean the Times newspapers – it's interesting; they sell it R 2, 00 a copy. I think if you subscribe to Sunday Times you get the daily Times free, because you have the online – I mean I can go online and look into the daily Telegraph for nothing. I can get whatever I want, why must I start paying? So I think media organisations are still battling with the business model. I don't think they are sure where the revenue is going to come from.

Interviewer: any idea on the perspective of what they should be doing and how they should tinker around with that model?

David Williams: I think they've got to try a lot of things. They should be experimenting instead of sitting and dithering about what to go for, they should just try out different things. They should have one publication which you don't charge for and one that you do. For example in BDFM, the business day go online for nothing and the Financial mail go on for a fee and see what happens. And then reverse it and see what happens. You should try things.

Interviewer: Social media, its impact.

David Williams: it's clearly pervasive. So everyone's doing it. The intellectual impact I think is limited, is a gossip impact, news travels very fast. So if you combine radio, Twitter, Facebook and email, things happen almost literally with the speed of light when news is transported. Whether the content is of much substance is another matter. In otherwise when it comes to analysis and value add, particularly in the world of investment and politics and that sort of thing. Social media aren't much use. What they do is give people a voice. They don't offer much analysis or judgement.

Interviewer: what about multiple media and the use of various platforms to draw up this content? Is it growing here in South Africa?

David Williams: I think as with the earlier issues, it is growing but people aren't sure where the real growth will come. Again I think you have to try these things in order to see what really works for you.

Interviewer: If you move to the organisation looking at the Financial Mail in particular, has it had to re... implement new consumer engagement strategies to deal with some of the changes that we've been talking about.

David Williams: I think it has. I think it's certainly trying to respond. The online project that they have shows that they are trying to respond. I don't think the product is yet changed sufficiently, for example, some publications have an email address at the end of the end of the story so you can contact the writer, where the FM doesn't do that still. I think the writer should be made as accessible as possible to everyone through blogs. If you like the story, go to the blogs. So I think the FM needs to move fast on that. Needs to get quicker on all the options that it can use to please the reader.

Interviewer: What about the structural change? Have you changed the way the news is processed?

David Williams: Not really and I think this pressure is going to build with that, because for example when they first went live with the online interactive site, they said you must update the FM page every day. Now FM's a weekly. Now if you are going to update it every day, you've either got to pretend to update it by making it look different or you've actually got to put resources into doing say if a cover story is on Eskom, you got to put resources into updating the Eskom story every day. Now that has a big implication on how you run your publication. I know the Sunday Times has done that quite a lot with the Times. I mean before, all that they did was produce a magazine for Sunday or paper. Now a lot of those journalists have to do it also during the week. So it's certainly going to have an impact on the structure and again, not all the consequences are clear. I know there's been talk of Business Day and Financial Mail combining their newsrooms. That's easier said than done.

Interviewer: looking at stakeholders now, what's your sense of how they understand some of these challenges and in particular, media ... stakeholders being management of the group?

David Williams: I don't think they understand it very well. I don't think they understand the things we've been talking about here fully.
Interviewer: and that's obviously causing friction in terms of growth opportunities etcetera?

David Williams: yeah I think management rightly wants the paper to grow its revenue and be sustainable. I don't think they understand particularly the human resource element of changing the business model. It's easy to change the model, more difficult to get people to do what you want them to do – to change cultures, to change habits, to change ways of doing things. I don't think management fully understands that.

Interviewer: Lastly, the role of partnerships in a converged media landscape, how important do you think they are, partnering with people to spread your content?

David Williams: I think the fully functional and responsive media vehicle will be one that has access to television, radio and with all the online opportunities; the cellphone and mobile opportunities, not necessarily all at once all at the same time, but that you have access and you understand them and use them as you wish. So when you need to you can use them, but certainly if you look at the possible convergence between – for example television on a weekly paper and so you could have a Financial Mail story and the Financial Mail writer is interviewed on television regarding the story. And then ideally what you would do is put together a whole lot of graphics and pictures that go along with the story. So it becomes a television story rather than a print story that you've just ... similarly with radio. I think that an organisation that doesn't have that kind of a complex model is going to fall behind.

Interviewer: the last question I wanted to ask while you were speaking is that going forward, how important is content to media organisations?

David Williams: well it's the thing that keeps getting overlooked and one thing the papers like Business Day and Financial Mail do. It's not just content, its value add judgement, analysis stuff you can't get from the facts of the information. So the competitive advantage in the end has to be the value add and the judgement whatever the meaning. So whether you picking it up on paper or online or on a blog or on twitter, that content has to be value add otherwise why would people buy it, because they can get the facts! If it's a listed company for example, you just go on the JSC website, you go on the company website, they are all facts and ... you want. But do you get the judgement about that company? No you don't. Where are you going to get that? Well there aren't many places. One of them is Financial Mail and Business Day. So unless that content is looked after, you run the risk of downgrading the content for the sake of technological variety and access. Particularly why would people want you? So you might have all the access but no one actually wants to access you.

APPENDIX E: Structured Interview – Mondli Makhanya

Interviewer: Starting off with looking at consumers and the basic question is I would like to look at how you think they've changed over time, in particular how they've engaged with your publication per se?

Mondli Makhanya: Okay, that's broad...

Interviewer: It's very broad, sorry it's open for discussion.

Mondli Makhanya: Okay, the consumer. Look I think there are different categories obviously of consumers. Let's take The Sunday Times for a start as a publication, previously you had your very loyal consumer who went out on Sunday morning – it was his..... (??) staple they went out and bought the publication – it was their Sunday staple, their Sunday entertainment and you didn't have much competition from any other activity. Obviously you would have some competition from other newspapers, yes, but there was no competition from other activities. So you had them and they were yours, but as time passed then obviously there were other activities that developed and we've noticed it's been quite a rapid development. Obviously beforehand you – like the advent of TV and radio – not radio that's always been there – and cinema and so on. That then provided competition for time and what we have found is that over a period – whereas people spend hours and hours on the newspaper – they read very smartly now, and what they could not read in that time – the hours that you had them – you'd obviously lost them. But what you also found that with the advent of on-line was that a lot of people then – if they missed their print publication was that then if they didn't have time to read that print publication during that particular period like then they would go on-line during the course of the week. Then the more people discovered that – then some of them started getting hooked to that particular medium and to a point where actually it was felt on a Monday

morning for instance – our hits would go through the roof because people were taking decision that...

Interviewer: We'll get access to it on Monday...

Mondli Makhanya: Yes, and then if people didn't particularly like the headline – if the headline had not drawn them – they wouldn't necessarily want buy the paper there - "I'll check what's on line" and some people would go on-line first and check what's on-line and then decide whether to buy the paper or not. So it was quite an inverse kind of relationship...

Interviewer: kind of relationship...

Mondli Makhanya: Stop me if I talk...

Interviewer: Let's pick up on looking at your readers here in terms of do you carry out research in terms of how their engagement patterns and what are you picking up over there – I think you've already eluded to it – did you carry out research for that?

Mondli Makhanya: Yes, there's always research – it's called Sunday best. Initially it was Sunday Times research but now it's obviously been used for Sunday World- as to exactly what people's Sunday's are like.

Interviewer: What do you track in that?

Mondli Makhanya: We are tracking how much time they're reading the paper – what they're spending on a page – on a section and it's essentially like this category of readers spend so much time on a paper and what the average time that people spend reading the newspapers. Obviously we are tracking areas of interest because it also helps us to make decisions...

Interviewer: Does that also include demographic and social changes?

Mondli Makhanya: Absolutely.

Interviewer: Do you think these are becoming more and more important to news organisations to track these sorts of issues?

Mondli Makhanya: Yes, definitely. In the past you gave people what you believed was what they wanted, not that the role of the editor has gone away or anything like that – the editor still decides what goes into the paper and the journalist still decides what the news editor and whatever. The people who work in the newspaper still decide still set the news agenda – but we are not dictators anymore – our readers are now consumers rather – as involved in the decision making as we are – you don't just hand them what we believe they want. It is important to know what they're interested in and what they want. I know during my tenure at the Sunday Times for instance, I got issues such as... it was fascinating like the, for instance like among black readers who had grown phenomenally over the ten, fifteen years and actually found that now you having to take care of things such as its just gospel(??) because like it's massive – and you actually have to know that. In the world that some of us live in you think that you know music is like R&B, and jazz and whatever and there's this massive movement – so you actually have to know those things. How people's sporting needs for instance – like the assumption is made that previously the assumption this is a black sport this is a white sport – this is a what what sport. Actually you would find that as the society normalised and how people followed sports also normalised, to a certain extent – I don't think it's totally done -so actually you had to listen to the readership. The newspaper reader in as much as he has brand loyalty, he can also be very fickle. With the ST – what you aim for is to have your every reader buy every Sunday – obviously that's what you want, but you find the guys who are two or three times a month buyer and

they're totally dependent on the headline and the news agenda of the day and also on the time of month.

Interviewer: It kind of really speaks to the relationship between the media and the reader - do you think it's a fair statement to say it's changing?

Mondli Makhanya: Totally, totally, totally, as I said earlier on they no longer dance to our tune and publications which do not listen to that actually do suffer the consequences, – and I think if you've seen quite a number of them who've suffered the consequences. We did too at some point there are periods where we've hit some lows on that and directly as a result of us following the important story, so to speak – this little things are important, but it wasn't necessarily important for that guy over there – and he just switches off...

Interviewer: So you constantly have to be in touch...

Mondli Makhanya: No, the reader is clued up. But at the same you don't want to also be too fickle – like there are things that your loyal and long time reader wants and likes and you have to make sure that you've hooked him and he will always keep coming back for that thing.

Interviewer: Let's look at technology – how do you think its impacting this whole you and engaging with your media?

Mondli Makhanya: Hugely, your average office is professional and has access to a desktop at work and he will be logging on during the course of the day. If there is an event that is happening – he knows that this – Jackie Selebe trial on and there's judgement – he's going to keep checking what's happening etcetera – so that has a huge impact on basically how you cover the news not necessarily whether you cover that or not – but how you're going to cover it the next day. I think how a story breaks – a

long time ago you waited for the newspaper before you found out what was happening – obviously radio and TV have changed that – the era of the 24 hour channel has changed that. But also now I think that things such as Twitter have like totally turned the tables on things. This was so apparent during the ANC's National General Council, at every point the news was breaking every second virtually – it's like journalists sitting at a press conference would be Tweeting – sometimes delegates, or else be sending sms's to their friends. I think it's changed the way we tell news because what you tell, whether on line or in the daily's or particular the weekly's – the depth in which you are able to tell the interpretive way that you're able to tell – the story has to actually be sold – because the story is not breaking in print anymore, and it never will again.

Interviewer: And that's obviously changing the way, not only in which you tell the story but in which you distribute the content – and stuff like that...

Mondli Makhanya: Yes, because you know the distribution patterns in particular, like you'll find that because a lot of those consumers who would have necessarily waited for a newspaper the next day are the most technologically advanced and they're getting their news at various places (??) and also that they've got less time than everybody else. So you're actually having to get into other markets which are still very much reliant on the newspaper, but also what you give to that guy – like the guy in the northern suburbs – or in Cape Town in might be the southern suburbs – the guy in the suburbs is still interested in the news but already knows what happened on the JSE yesterday – what are you giving him that is going to add value to his life. What we have done at AVUSA - has had some success in some areas and not such great success in other areas, and that's got something to do with technology but also to do with just people's general behaviour in life – is we found that it goes back to the digital print thing to step back to that, it's about taking the paper to people – what we found that is that the death of the corner cafe took the

immediate chop away from people. Now it is the garage which is a little bit further away so there's that so it's an effort to actually send your child to the garage which is far away, or you just taking that walk so find that people that go and laze around – and he's watching television, and as I said might log on. So both the incentive to go to the shop is less and also the effort is so much greater. What we introduced was door-to-door sales strategy so actually we would knock on people's doors and say "Would you like a newspaper?" – and over time you would get a pattern of okay this one doesn't want his paper, this one doesn't want to bothered on Sunday mornings – leave him alone and he doesn't want the paper anyway but you get a pattern of people who actually want you to come and keep bring the paper to them. They could easily subscribe but for some reason they actually appreciate you knocking on the door – but it's like they may not necessarily want the paper every day of the week. It has had that effect on our distribution factors.

Interviewer: Are you looking to or do you interact with your readers, your consumers in any other way than just through the publication itself?

Mondli Makhanya: We do, look obviously the ground research is one of interacting with them and then we do focus groups quite a lot but then also we host these – I know it is limited – readers dinners and events and that actually gives you a sense of what we want but I mean it won't get your average middle class guy, the civil servant and so on – he is not going to fold and it's not there – that's the bulk of your reader and that's the guy you want, and so you simply rely on him or her giving you feed-back.

Interviewer: Would there be, going ahead, efforts to try and reach that type of person...

Mondli Makhanya: Do you know what, it is something we have thought about in the past and we have resolved to do, but hey, those things every

year, we say we must, but the idea was always to get people in – like a group of 5 people from diverse – just have them around for coffee or tea and just chat to them about their perceptions of the newspaper, without it being a research thing – just to give us that feel.

Interviewer: Let us move on, that was the consumers that we were talking about – very quickly to the landscape generally - South African landscape in particular. What are some of the changes that you have seen that are pertinent for you in particular if we start off looking at technology, maybe?

Mondli Makhanya: I think the one is obviously the cementing of on-line and digital – that is something that has changed the face of things is both on-line and the cell phone - that has been the biggest revolution in media. But interestingly what has happened in South Africa is that you find in other countries in as much as most websites, most on-line media is still attached to the big publications. We find there is a lot of stand-alone media in countries such as the west and so on but in South Africa there is a huge dependence on like the print still drives on-line and I think it is quite a thing. However, the only exception to that, has been Moneyweb, - obviously there are a few others – but Moneyweb has defied that trend. But actually print is still driving on-line and I think it's going to be that way for a long time to come because the investment that comes from them is media houses. The challenge is actually for print to maintain that hold so that we're not being "chowed" by newcomers who just simply get into that field. I think that is the biggest change in the landscape. We have been fortunate obviously - I use fortunate very advisedly - i.e. the slow take-up .... (??) that the government's slow ability to roll out broadband and so on and that has bought us time to do things in as much as you criticize government as the media – hey. But actually it's been beneficial for us, and it's also harmless as well because it's stopped our own progress and it was actually liked to have marketed broadband in order to do the things that we want to do.

Interviewer: Do you think as we get into a place where we have more broadband and we've got all these cables coming on-line – is that going to decrease the hold that print media has ...

Mondli Makhanya: In the very long-term. I don't think it will hit us immediately, I think South Africans are still very much wedded to their newspapers, and many people around the world - not just us – I mean the newspaper is very much a cultural thing .....(?) If you look for instance a newspaper like the tabloids – sorry before I go there – the other huge thing that has happened in South Africa – it might not be in the technologic area but like the arrival of the tabloids about a decade ago at the turn of the century in South Africa was massive, massive and it created its own culture – celebratory culture, we never had a celebratory culture per se in South Africa. Obviously we had our stars in South Africa but now celebrities are big news and you have people who shall not be mentioned, who are just simply in the news because they are in the news, yes. What has happened in the past 10 years is like we've had these newspapers which have emerged and as newspapers in other parts of the world were kind of like beginning to suffer declines many people were talking of the death of the newspaper so we've had several new newspapers doing extremely well – The Sunday World and the Daily Sun and so on are – and I don't want to use the word flourishing – but they're doing very, very well.

Interviewer: What does this say? It is a very interesting conversation that we're having, but what does it say generally about the so-called convergence within the media landscape given that when people are talking about convergence they're normally inferring - newspaper decline – that sort of thing – on-line? What is your sense of where we are at in South Africa given what you've just said?

Mondli Makhanya: I think in South Africa there are two are feeding each other very well. Let's look at the tabloids for instance - the tabloids made the celebrity culture and the celebrities want to be in the tabloids, whether for bad or good they want to be in the tabloids. The fact that they are now famous as a result of newspapers creates space for them in the on-line world, the digital world and then all of them can affect them – Facebook followings, Twitter followings and some even have blogs and so on – what also happens feeds back into print. What these guys are saying on their Facebook pages and on their blogs, it feeds back on to print. I think the two are living side-by-side, not even side-by-side, they're quite symbiotic in their existence and you will find when you open a newspaper..... sort of all said and people are immediately interested in that and the conversations that happens as a result of that happens both on-line and in print. If you look at most newspapers, what they do now, they are taking the on-line conversation and putting it into print. It's like whatever story broke yesterday my, for instance the front page of The Times today you will find a huge conversation happening on-line during the course of the day, and people engage in that, then tomorrow those peoples comments are selected comments and some of them are going to be in print and that's both for those who have not seen it but also for those who may have seen it because somehow print confirms that something happened – that's still that sense.

Interviewer: Those are all changes that are happening and it's interesting that you're saying that they are feeding each other, but how is it for example impacted business models generally speaking of media organisations? How are they changing us if we....(??)

Mondli Makhanya: None of us have found that business model – all of us are grappling with the business model. I think right now it's all about trying to make sure that print grows with on-line and that on-line or digital does not kill print, and that the two rather serve to enhance each other – and

nobody has found that "silver bullet" which says that this is how we are going to make on- line and digital profitable and kind of like work a business model. – primarily because you have to convert the major advertiser to believe that there is as much value in on-line as there is in print, and he still wants his value for his full page advert. In recent weeks you have seen like the launch of Telkom's new mobile network and the strategy was big on print "Let's create the conversation in print." Obviously TV and some billboards were used, but it was about "How can print get the conversation going, and how can print get the mystery of 8-ta out there?" They were very successful with that and paid huge bucks for their print campaigns. On-line was secondary to that so I think it's going to take a long time - maybe one day when you have every household wired and everybody is now reading their newspapers on-line. But the thing is also that the print ad is there and just purely from a simplistic rudimentary point of view – it's not going to go away the whole day it is there and you are going to be looking at it and tomorrow it is still there – and the page is still there.

Interviewer: It has a lasting effect...

Mondli Makhanya: Yes, and you can't get it out, you can insert it, and you as the retailer in particular, the specials for the day or the week are there...

Interviewer: It gives it that whole feel...

Mondli Makhanya: Exactly, and I don't see that changing in the short time.

Interviewer: Multiple media accessing content – we talked about the cell phone and other things – how is it growing in South Africa do you think?

Mondli Makhanya: It's growing but it's still tentative. You have your news junkies who want to know what's happening all the time, but it's not something that's taken off phenomenally – but it will though because it is the one thing that everybody has from your domestic worker to your gardener to your JSE executive to your top executives so it's going to grow, but it's not something that I think should be seen as a threat, because people will get their 200 world sound bites just as you've got your sound bites on radio 702, or whatever, as you're driving somewhere. The thing is like you still want your evening news bulletin on television irrespective; you still want your talk show, you still want your analysis in the evening. That is something in as much as you want your newspaper in the morning so I think it's just the speed of the information...

Interviewer: At the end of the day...

Mondli Makhanya: Yes. Because when you arrive at that lunch meeting you want to be able to say "Hey, did you hear what happened?"

Interviewer: You want to be in the know. The last section let's look at the organisation of the publication itself. How have you if at all, adapted strategy to deal with all the changes that we've been talking about?

Mondli Makhanya: For a start when the Times newspaper started a few years ago, the starting point was that everybody would be in sync and in-tune and all of that with like they converged means of producing news. There was a period of basically people were hired to do every kind of journalism and the people who were already on board and were ready to be trained in this and there was a whole series of training that it would be a seamless newspaper between print and so on, obviously there was a lot of resistance from the seasoned guys who want to go there and come back and right the stories – they are not going to be taking well to media

free deals that are not going to be giving sound bites from outside the court, that's not what ...

Interviewer: It wasn't for them...

Mondli Makhanya: Yes, it wasn't for them. Over time there was recognition that it's not everybody who will do so and we play people to their best strengths. What then happened you had a team that was concentrating on multimedia, but could also write, and those who could write, because some people simply took that toward it like it's weighted. What we then went and did at both the Times each newspaper steps on multimedia unit, but what's happened now is that we've brought them under one roof so there's enough for the multimedia unit. Although at title level there is still a minimal presence of multimedia people who work there but most of them now work for Avusa Live – they would be the ones who do multimedia for the group and that's available for the group. It was idealistic and can still be done, but it is a question that you don't want your print to suffer because the reporter who would have been getting at a different angle on service delivery protest in Balfour – he's busy thinking, eish I need to file for multimedia as well and it can be a distracting thing.

Interviewer: But there's been no real strategic change in direction, or the way that the publication looks at things and where it sees itself going as a result of these...

Mondli Makhanya: No, no, there is, no definitely. I think because The Times spearheaded it and it's working with The Times – it feeds into Times Live every day, so it does. But obviously the Sunday Times was supposed to then follow that model – but it's a lot more difficult for a "big beast" like the Sunday Times to adapt in that way – it is meant to do that and has been doing so, but not to the extent of the speed with which we would have liked to have done. When you are working on a weekly story,

it's a lot more difficult to do so, it's much more in depth and then you got very little of what is done is live – for example sources don't want to be known and so on, and you have to be that more creative about your multimedia strategy.

Interviewer: Broadly speaking the strategy would be to adopt more on-line and multimedia...

Mondli Makhanya: Absolutely, that's what you want to do – you want to do as much of that as possible, particularly with stories that you do like when you do an interview the President, or do an interview with someone – when you go and do a sports story for instance, you should be able to offer people that kind of contact. I think one of the biggest examples of that – it was The Sowetan that actually scored big on that and put the Julius press conference that was held at Luthuli House where he went ballistic – it was the Sowetan that actually captured that first on-line and it became a huge thing and by the time other people actually put it on their websites – including The Times – the Sowetan was way ahead and it was like being distributed from their side. We do want to do for all the papers and as I say the Sunday Times is 140 year old newspaper – it takes time to turn the ship around – it's a monster, and also you have a much more mature staff compliment who have actually been around a lot longer – a lot of people are set in their ways.

Interviewer: What about structural change – I'm talking particularly about production processes, resource allocations – are those also changing?

Mondli Makhanya: Yes. There were changes – there were people who were dedicated to doing that but then because the two publications were siblings we did not need to reinvent the wheel for The Sunday Times – it was the resource which was shared between the two publications. The greatest challenge was merely re-orientating people's minds – structurally

it was all there and at some point we appointed one of the senior editors to be the interface on-line and the print publication and that person would sit in conference and identify the stories which lent themselves to multimedia execution – and it worked. But there comes a point where something like that can only be taken so far – the strategy now - more at a group level – is much more effective, other than that simple publication. I was just about to say, right now obviously there's new things such as kindle and so on which we obviously are looking at and experimenting with and we are going to be going onto that. Starting with the Eastern Cape papers, we are putting all those papers now on those kind of things rather than having your traditional on-line thing where you can actually page through newspapers – it's something that we will take to the other publications as well, including the Sunday Times.

Interviewer: Stakeholders – your sense of how they understand media convergence and the impact it's having on the publications ability to engage with the readers...

Mondli Makhanya: The main stakeholder is obviously advertisers, like that for one stakeholder that you...
Interviewer: Management and Board and so forth..

Mondli Makhanya: No, no, they're very much on board on that – they fully understand it, I think that there have been occasions where we have actually had to pull them back and say "Actually don't forget that – even to very senior management - .....(??) and that newspapers is still your business – you don't want to gallop too far from newspapers – let's get excited, yes – digital on-line is the future, but the future is right now," I mean there is the present and the immediate future and that's newspapers. Yes, let's plan, let's implement – let's not get caught with our pants down. The top management of Avusa is definitely on board the problem and so is the Board, and it is exemplified by the recent spat

between Vela Panda and Avusa and Avusa management in that when it was over how this new acquisition fits into the digital strategy which the management has actually presented to the Board and to shareholders and got the shareholders to buy into it and now we are going to buy a printing company – how does this fit into this digital strategy? So like the company is very much in that space and is fully understood.

Interviewer: The role of partnerships in this whole new media landscape – how important is it, do you think?

Mondli Makhanya: If I understand you correctly the company that we have walked with earns quite a lot in this period has been MTN and that has been because of the historical relationship – Johnnic and so on and as it developed our digital strategy MTN has been there and obviously a lot of our platforms and so on. So it's been easiest thing to do. We could never do it on our own – we actually have to work with them, but not only them, we don't put the rest of them on the outside. You absolutely need those partnerships, but you also need partnerships in terms of content and the one area which is very huge for this company is careers content because obviously careers are big, big earner for the group, so at some point a partnership then developed into almost a joint ownership - career junction for instance – it's not so much as production of news, but it's a production of content and jobs, but also knowledge around jobs and careers and so on - that you absolutely have to do. I think also where you source your content like institutions and so on but it's not something that you recently go out and fly out on your own – I think you will fall flat on your face.

Interviewer: Have you changed the way in which your marketing or your promoting your product to your readers?

Mondli Makhanya: Not substantially, I think that when we do promote the products the two products promote each other, we punt the presence of

on-line and digital which has enabled us to sell subscriptions better. It has actually strengthened the print version of the news paper in terms that we can now get people directly – they subscribe on-line, on our website so that has given us a channel to market the main newspaper and it has had some success but when you are the Sunday Times you are the biggest channel to market so it's very difficult to find other avenues to market yourself, obviously you still have your radio and your TV that you will use to market yourself and then events, but you are the vehicle through which most people would want to market themselves.

Interviewer: You mentioned the whole Kindle thing, could you just comment again briefly because I think that come on sort of an investment to new publishing channels or platforms in which to carry content – would you please comment briefly on that aspect of things...

Mondli Makhanya: Things like Kindle are giving you something that is very different from what we are used to, unlike the people who are loyal to newspapers want to read their newspaper as they know it. What Kindle gives them is an ability to do both things at the same time and you still get your newspaper or the design you are used to and so on and in real time. What we have found from many colleagues who travel a lot – and would not necessarily be at home, they want to be able to lie on their bed and read their newspaper and experience it in that fashion. It's early days and as I said we've experimented with it most emerging newspapers in the world now are already on the list there – and it's something you don't want to get left behind on. But as I say the Eastern Cape experiment will be quite interesting.

Interviewer: So it's something you are investing in?

Mondli Makhanya: Definitely. We are talking, and about in a month or so I will be able to give you a bit more on that.

APPENDIX F: Structured Interview – Paddi Clay

Interviewer: This is on media conversions and looking at the impact it has on the industry – in particular we are looking at the print media industry. The reason I am speaking to you because you're obviously with The Times and also have the other entire experience etcetera. I want to start off by looking at from your perspective, don't worry, we are not going to go through all of this – the idea is that we are just probing questions so that this is the main idea. Firstly, looking at consumers being readers in your perspective, how have they changed, in particular, from the perspective how they engage with print or media?

Paddy Clay: We are still trying to make that shift in our heads the fact that these are readers and they read our papers, but when they are on the website they are users, because by that, I mean, implies that they are not just passive, but are receivers of information – they have to decide to go to the website and they go for, I think, two reasons, they want to just catch up so they want us to feed them our selection, or they may be searching for something – so there are those two drivers, they actually go, whereas somebody getting the newspapers just have it delivered to them. I think they are far more demanding on-line on the website, they are used to an on-line culture which is far more open and because they're kind of effectively anonymous in a way, very often that gives them a certain protection, but I think they expect instant responses from us because we're on-line therefore we must reply immediately, we can't sort of, you know, send them a responding email the next day, we have to send it back immediately and now I'm talking about people who come in on a feed-back system to our website where they've got a complaint, you know, they can't get in or they don't like something or they just want to sound off, or they've been censored on the comment site they feel, they'll come on the feedback site and we have to really respond straight away, and we have to be very open about it, i.s. thanks for pointing out that fault, we will

see to it and they'll be sending us an email again, that evening saying have you seen to it, so it's not like that slow process of somebody – the Sunday Times, gets a letter then it's published and then it maybe responds and in some way a week later – we are expected to respond straight away, and we do, and I think that's part of the pressure on it and they want to have a lot of freedom. We have a particular problem in that we don't have a pre-moderated site so the comments go on straight away without us vetting them, and then we rely on people to report the abuse and we look on the site for the abuse and then we can take it off, but people are supposed to moderate it themselves, so it's a kind of expecting them to participate properly – they haven't yet, so I think it's an educational thing, I don't know if they're still in a little bit of wanting to be spoon-fed, they like to go and make their comments, but they're still at the stage of just wanting to talk their thoughts behind an anonymous name than not yet where they are actually looking after this on-line community themselves, so I think they have to develop into that – to me it's almost like always the first early days of talk-back radio where everybody wanted to "spout-off" anonymously on the radio because nobody had asked them for their opinions before and the most weird and bazaar things came out, now people are a little more sophisticated about how they speak on talk-back radio so I think the same will happen here on line, but they are very demanding, I think.

Interviewer: Has that changed the relationship basically that the media has with consumers – in other words you say " they're very demanding" – are they dictating the kind of content and stuff they want to see and receive?

Paddy Clay: They try to sometimes, but I think the fact is we are in a difficult position because we're still representing, as it were, a newspaper brand. So we are still a professional journalist environment, we're not a user generated environment, so we still have some of those constraints,

we have a separation between the professional journalism environment where we will take their ideas and tip-offs, but we won't necessarily adjust our news agenda to suit them – if we did that you know we would go into that same thing – it's always we want good news – we don't want bad, when you give it to them then actually the audience drops away because actually they did want the bad news, but they like to say morally they want the good news...

Interviewer: That's interesting ...

Paddy Clay: So we're not driven by their agenda, however we do give prominence to stories that that we see they're actively engaged with, so I can see how it does drive the way in which we display our stories – not the one (?) stories we select, but when we put up a story and we see they like it we will keep it there longer, and we will give it more prominence and next time a story like that comes along we will immediately move it to a prominent position, so it's been very directly in contact, and that could drive the news agenda into very sort of tabloid, or should I say, it could make us loose our social responsibilities as journalists because we do have a responsibility to give people news they need, but not necessarily know they need, or it is not news that they particularly want or they are interested in – it's not sexy news, but we still have to give it to them else we would not be a proper responsible journalistic news site.

Interviewer: Are you carrying out or commissioning research on your consumers in terms of their engagement patterns – and how does that inform what you put out there for them?

Paddy Clay: We do look at the research at the moment using Nielson and Goggle and looking very intently at the traffic and the average duration on the site, and the average duration on the page, and all that kind of stuff, but it's still doesn't give us the real qualitative engagement. We also have

used heat-mapping to see what areas on our website people naturally go to – a kind of I-tracking, where are the hotspots for them and we put stories we want them to see, or we think we'll have real traction in those positions. I think more and more information is coming through, but we still haven't got that ideal recipe of what is it that keeps them engaged on the page. We certainly find that although the original belief was that everything on the website had to be short format, you know short stories, short and sharp – we don't necessarily do that -our stories are quite full length print, we don't sub them all the way down and yet they do go in and we have very long average session on our pages and on our website – abnormally long for the rest of the industry – and is that because we leave our stories long?

Interviewer: You've alluded to it, but your sense of the need and demand for niche or specialised content from New York consumers in particular...

Paddy Clay: We have on Times- Live they particularly like politics – they like politics stories, so that is effectively a niche for us. They like entertainment, but entertainment seems to – if you use a big name or global name people immediately go there. A blog, for instance that Gabby is doing which always features a name of some big star, gets thousands of hits – so they are just drawn to the big mega names. What else is our niche, we've created user generated page, but I don't think we're really niche site, we are a generalised site – opinion and columns are always very good so that's another area - we can say we niche in politics and opinion.

Interviewer: Lastly, on this particular topic are you interacting with your readers in any other way, other than through the media?

Paddy Clay: We want to, we're hoping that sooner than later we can sort of almost like loyalty club meetings where people who contribute to the

website via the user generated content page the I-Life page, a couple of them would be randomly selected or the biggest contributors would be invited to a function, or a meal or lunch with The Times Live team and certainly that's something we're building to. We have redone our Facebook page and so that's unrolling now so we want to create a real dynamic in the Facebook thing without it just being a marketing tool – we don't just wasn't to push stories at them and leave them, we actually want to try and engage with them and via Twitter, so we are trying to meet them on other platforms and we would like to meet them physically at some point, even if it were just to use them as focus groups, but I think that is where it should go, we should build up a community that we actually even see in the flesh.

Interviewer: From the consumers perspective, or the reader's perspective – is there a strong demand for that sort of thing – the feeling of belonging to a particular community?

Paddy Clay: Certainly for the hard-core commentators on our site – they do feel they belong to a little community, but I think at the moment they enjoy being hidden in the on-line that maybe it won't work so much when you say come and meet them – it's not quite like a newspaper event or that they may want to retain their anonaminity ...

Interviewer: That anoniminity - is that something that's particular to our media landscape if you compare us, maybe the overseas type media?

Paddy Clay: I think it's always an element of ours, I think probably more so than overseas because I think there's a greater big-brother fear here, there's a greater towing a political line, not coming out of your particular sector and people have always been, since apartheid days specious of the authorities spying on them – and I don't think that's gone away – there is a

feeling that somebody out there can use this information about you some other way.

Interviewer: Let's look at the media landscape generally from your perspective if you look at it 5 to 10 years - how has it changed?

Paddy Clay: 5 to 10 years? I don't think we've quite woken up to the revolution. I think we've been sheltered in South Africa by the fact that we can still open new media products and get people reading them – we haven't saturated the market and because we haven't brought all the possible new readers on board yet. So I think because we have still been able to open new newspapers and make them successful, that we haven't felt the total effects of the revolution. When I've been overseas – there are whole communities of journalists that are out of work or having to repurpose themselves for other jobs. There is a genuine fear and people therefore are making sure they know about the new tools and skills themselves, they're teaching themselves Twitter, they are teaching themselves how to use a video camera, here in South Africa people are still saying "Oh, no well the company must provide me with that training" - whereas there they're not waiting around for that, they kind of have gone off to do it themselves for fear that they will be retrenched if they don't acquire all those skills – here people are just seeing it as it's a nice add on for their own leisure and their own benefit, but they're not seeing that they actually need to become viable in the future and nobody's wanting to overtly say "that print will die-off" – I don't think print will die off, but I think print needs to radically rethink what it gives people. It's more about giving people news when they want it and the type of news they want at that time of their news cycle day, and their news cycle day could be 24 hours, so giving them what they want when they need it and in the form that they need it at that time, so it might just be a mobile message first and then later come the weekend it the "sit-down and read something", that kind of thing.

Interviewer: Particular regulatory changes, there has been interesting developments from that perspective...

Paddy Clay: I think the government is so obsessed with print media that it is not realising that even if it closes down the print media, how is it going to close down on-line media - globally it's not been possible. What are they going to do, are they going to suddenly put up walls and be like China? They are so obsessed with this transformation agenda I think, which is about putting people in jobs and having black-ownership in print media that they're not keeping pace with what is happening on-line. I think that was the same with broadcasting initially. Initially they wanted to regulate everything when it was analogue, when it became digital – you know, this business of only having regional licences, only YFM could only operate from Gauteng, well actually it can be heard across the country via DSTV, but they didn't take that into account, so there were already changes coming in there so they always seem to be a step behind in their media approach – they want to control it and in fact I don't think with on-line you can control it – it is out there, young people don't expect to pay really for the stuff on the web, they are used to the web, they get most of the information on the cell phone or via the web, and they've got to wake up to that. You know, if they had been announcing that they're starting a website before they were starting a newspaper I would have thought okay, you know, The New Age website, now they know they're going for that vast horde of people who can access it – that vast horde of people are not going to buy the newspaper.

Interviewer: Is that at all affecting the way in which newspapers, print in particular, operate – is it causing people to rethink how...

Paddy Clay: I think they are trying to get the best bang for their – they've got reduced resources – they can't spend as much money on staff, so the

news gathering will suffer and so a lot of them are looking at, kind of, as we are, that content hub where all your stuff gets filed into a central thing and repurposed which is effectively what happen with the web – you just took all that content and then you pushed it out into different platforms, or different pages of a website and that's the same thing now they're trying to be more cost effective – you've got the same amount of reporters, but in fact they're reporting for three publications and a website rather than anything else. I think that's going to lead to, again, a huge sameness in the news agenda and the kind of stories we get, so I think journalism will suffer from that.

Interviewer: Talking about that, convergence is a big thing – a sort of buzz word. What is your sense of the reality in South Africa's media's landscape?

Paddy Clay: What type of convergence? In Britain I think there was a great convergence between maybe newspaper sites and their websites. In America they talk about convergence between a broadcasting operation and a print operation, but we haven't really had that – we've got broadcasters having convergence by pushing news out on their website and we've had print going into the new area of a website, but there hasn't been a convergence between two huge media operations in order to tackle website. Broadcasting, print coming together in order to do a website offering as well, that hasn't really happened.

Interviewer: Why is that do you think?

Paddy Clay: Well we just don't have enough broadcasting players, I think.

Interviewer: Social Media – how's that impacting this space?

Paddy Clay: Well social media is certainly making journalists have to speed up and be a little more listening to what's going on around them and

I think they will become very insular. You know, journalists listen to other journalists and pick up other stories from other newspapers or other media, and now yes, they're picking it up from Twitter, but Twitter is say ordinary people out there, or somebody posts something on a Blog, so they do need to scow wider, so I think it's really making journalists up their game and forcing us to speed up on getting things out, and we don't want to look like we're very far behind...

Interviewer: It plays into the thing of multiple media...

Paddy Clay: Yes, you have to have multiple media and you have to be ever widening the sources for your information.

Interviewer: Moving onto the organisation – the final question – is from The Times perspective – how have you adopted your strategy to more to deal with some of the changes that we've chatted about? From adopting strategy, I mean, like engaging with your consumers – how have you changed that, if at all?

Paddy Clay: I don't really know in the engagement with consumers, I think we came into it initially very much like a kind of print perspective. The newspaper opened up some more little features in which the user or reader could feature – there was a feature on what television show I like and individuals are interviewed about their ..... that was to bring them in, but it was still about a very controlled print type of way that the reader was just seen as another source of making a little feature on the paper, so I don't know if there's a real engagement – yes, I don't think we really conquered how we really engage, and I don't think the way of doing things has changed all that much?

Interviewer: Is that again to do with the fact that we haven't got to – or we have a different sort of convergence, as you spoke earlier?

Paddy Clay: Yes, I think our convergence doesn't really mirror how everybody else has converged – we've got parallels still – we don't have convergence – what is convergence. There is that convergence continuing, and I don't know if we're even reflective of that. We do a kind of marketing – at first we marketed the on-line much more through the paper and that's dwindled – you even see how much space we're given in the Sunday Times, it's almost nothing. We found that that cross-marketing is not really what's happening; our audience is probably coming from elsewhere – so where are they hearing about us – maybe people who don't pick up either of our papers. We've realised that we're not just a duplicate in another format, we have another audience, or another set of users to the newspapers.

Interviewer: That's interesting. Does that at all speak to or impact the way you go about producing your content?

Paddy Clay: We don't really produce much on our own, we are reliant on the newspaper gathering process, and then on the wire service. What we add is that how we display it and present it and where we package it, so we do all the packaging part of it and then we are responsive and we allow them to comment – and I think that has great appeal for people, just the notion that they could make input straight away on a story, makes it very appealing for them, but I don't think we're not involved in the gathering process, but we will go out more than the newspaper, we will go out on a single source, and I'm finding people in the print sector don't understand rolling needs – in that a website, like a radio station, could report a single source story because in the next hour somebody could rebut that story, or add to that story, and the second source could come along, and by the end of the day you could maybe have three or four sources on one story, and you must look at what we put out in its totality whereas something in print you delay your publication until you have all the sources in a row, so

it is far more credible in a way, whereas we rely on the fact that once we put it out there somebody can say, no that's wrong and we will then give them equal prominence to say why it's wrong, and you can do that in both radio and website and I find that in the print thinking, people don't realize that.

Interviewer: I want to get onto stakeholders - what is your sense of how they understand all of these challenges, and therefore their impact on the influence they have on the business?

Paddy Clay: Who are the stakeholders?

Interviewer: We could look at them as management, shareholders in the respective companies...

Paddy Clay: I think top management, thinks okay, digital appears to be the way in which we're going – it's worried that it can't still see the perfect business model, but it believes that it's one of the futures, so it wants to explore it. Journalists, as I've said haven't quite realised what it means, and may mean for them, and how it could fundamentally change the way they do journalism, so I think they're in a false sense of security and that you have to be quite brave and take quite a lot of risks and that the time is for risk taking. It's kind of a bit like, to me the whole system is actually eventually going to change – the whole organisational structure and people don't realise that. The editor is still a hierarchy called god, whereas as you get into the web thing the structures flatten out, and the process of production is not in a linear one – I don't know how to describe it – it's a circle going back on its self all the time, so that the process is no longer linear – the structure is no a longer hierarchal pyramid and that change I don't think people have grasped , I don't think management has grasped that, I don't think journalists have grasped that, although they've realised they are doing more at more varied levels than they ever did

before. You know, they can practically take a story and publish it, so they have that power. Journalists, effectively by Twittering, has published the story and it's all been within their own power and nobody has necessarily checked that story – so they've got some power, but there's still this hierarchy exists and I think they haven't really realised that that's going to go.

Interviewer: I want to pick up on three things you raised over there. You said management is looking for the so-called perfect business model – what is your sense of that and how that's either changing or likely to change?

Paddy Clay: Again I think it comes down to advertising – do the advertisers realise how advertising works on- line? They're looking at the model of advertising, but just in a different way and then that relies on re-educating media planner who is always reluctant to try anything novel, so that the media planner level of actually advertising on a website can do a number of different things. They seem to be stuck for instance in a rut where they're still in that early (??) you click through so on advertising on-line is demanding things that they never demanded of print – you pay thousands of rand to put an advert in and you didn't know whether that actually sent people off to the shop, but somehow they want a demand of on the web, that they can count how many people really purchased the product – whereas you could've also used it for corporate advertising the brand, you know, positioning? There is education and agencies and advertising people need to come onto it, but I don't think it's only an advertising thing, I think what we really haven't explored is proper commercial activity on web sites, and I think that explored that far better elsewhere in the world, and that's probably because we specious because of our bandwidth problems, and that there is only going to be a very small amount so far, I mean there's about 15% of people in South Africa are on the web, then you've only got 15% of them, and which of them are your

actual LSM that you want? So as that broadens out, the commercial possibilities of actually doing transactions and having that long tail thing coming into it when you take a percentage of the transaction via your site – will grow in South Africa. I get frustrated by the fact that people, while we call them users, they come onto our site, they only get news, they should be able to get news, and then read about travel and then book their travel thing and read about the book, and then buy the book straight away – at the moment we are trying that by linking them to our Exclusive Books, they should be able to buy on Computicket immediately off our site as well, and we should get something for that, so I think there's transactional business model and there's advertising business model which is the traditional one, and is there something else, I don't know...

Interviewer: It sounds like quite a way off from some of the things that you're describing...

Paddy Clay: Yes, I think it's a big ship to turn around. I think we need more of a threat. It's a push- pull situation, we've been pulled into the future – the company in effect has been pulled into the digital, needs to get a bit of a push – and that's very frightening to contemplate. It can see there's a digital future and it's going towards it, but until it has a shock experience that makes it 'Oh, we must stop now walking towards it, we must run' – it's not going to happen.

Interviewer: Two last things, when you talk about the so called transactional stock where you can link with others, I guess that speaks to the role of partnerships – you need to partner with other organisations – just give me your sense of the importance of that going forward in this evolving media landscape...

Paddy Clay: I think that very important, I don't think – it's so complex that no one person can do everything and also you're more flexible if you

partner. If you set up the whole structure yourself and then one part doesn't work you have to deconstruct it and build up a new one, or you could just slough off a partner and go and find the appropriate partner, and then the risk is run by those other people, and you can go in different directions and I think probably that's why, to me, Media 24 have probably got ahead because it has partnered outside, or brought in things, whereas we try do to it all ourselves. I think that has slowed us down because you have to kind of take the whole thing and bring in a new cult, in a new way, thinking and moving in that direction and then you move it in that direction and it takes a long time to turn the ship around. – whereas if you are a core business and you're just hiring every now and then, the partner, or you do the deal with the partner, if that partner's not working out, or they become passé, or their stuff is out of date, you throw them out, you go for the next one.

Interviewer: Are you guys partnering with people, or not yet?

Paddy Clay: Not that I know of that much. Not in the digital sphere.

Interviewer: But is there a need to...

Paddy Clay: I think there's more than a need to do that.

Interviewer: Then lastly, all of this that we've just talked about, the whole partnership, the business model, the fundamental changes that we're seeing, how is that impacting the organisational structure, you did mention into that earlier, but what does this mean for the way we see current organisational structures?

Paddy Clay: As I say, I just believe that organisational structures should flatten out a little bit in what it probably needs. It's like any project that needs a whole lot of people with different expertise, and different areas

working on an equal footing and then it probably needs something like the charismatic leader to pull them together, and take them into a new area. So I think possibly charismatic leadership, plus a far more flattened structure in which people work according to their particular expertise in driving projects and then a kind of overall project leader. I think one's got to think of the organisation as an on-going project so that there are a whole lot of different experts in the team and then they're drawn together by one single person. At the moment they seem to be drawn together by somebody who is counting the bucks...

APPENDIX G: Structured Interview – Simba Makunike

Interviewer: What I want to look at is how consumers, and by consumers I mean your readers – how they've changed over time in looking at how they engage with the product / publication...

Simba: There's been a significant change, the introduction in the number of media in the country. Initially tabloid journalism, struggle journalism till now we went as far as the black economic empowerment issues, we've also now looked at digital on-line issue that is the current trend at the moment. There have been various changes in the media landscape – we have had a number of offerings that have come up into the media landscape, but they haven't done so well – maybe it's because of this technology that's coming in – IT, digital, on-line journalism, television etcetera, but it's now becoming more accessible to readers, so you'd find out that in as far as print is concerned, - that's the main challenge to get those people who are now on line and the people who are watching TV for their news and that's the current issue that we have at the moment.

Interviewer: Are you finding that more and more of your readers are going on-line, going electronic?

Simba: Yes, a lot of readers are going electronic, but maybe we should look at The Business Day reader, and probably that will help us go into all those things. The Business Day reader is generally the upper end of the market, we have a few pensioners who are very loyal readers of Business Day, those people don't have access to internet, and mostly they want their copy as is – they would want their real copy - so we find there are a lot of them in our subscription list. The young and up and coming, maybe because of the pricing of it – they don't – they just go on line and read whatever they want to read – read everything else, read all the other newspapers and before you know it they've finished the whole spectrum of

newspapers – they don't really see the need of buying the actual copy. But I think what we're trying to do as a newspaper now is sort of add value so that at least people would want to come and buy us other ....(?) we are not only now going to reporting news, but adding value and putting comment etcetera – so that's what we're doing at the moment – we tried bringing in The Weekender so that we can give them a lifestyle, unfortunately because of the economic situation it didn't work.

Interviewer: Something you said that was very interesting was that your readers like their copy as is – it's almost as if we have"stickiness" irrespective of the technology.

Simba: Yes, we do have a substantial number of people who would want their copy. Also the other issue is whether we put it on-line or not, there are certain sections that you don't put on line, you know adverts for example etcetera, that are not on the on-line version – that would be on the main paper. So people would want to read those appointments etcetera, those you could get from the hard copy itself, so I don't think we are about to go out of business yet, but there is that challenge.

Interviewer: Could that be seen as part of your strategy in to keep your readers – the fact that there are certain things that they want, and do you purposely maybe put them...

Simba: Not necessarily. Its sheer coincidence that that is happening, but I think part of the main challenge at the moment is to say how does on-line compliment the print version of the paper, and how does the print version of the paper compliment our on-line offering? So at the moment the thrust is not to ignore the other at the expense of the other – it's just to push the two of them so that one of them actually reflects how the other one looks. We now have an E-edition where people have to subscribe – then they can read their paper early in the morning. It can haemorrhage the main

paper, but we have just launched it so we don't know exactly what the consequences are going to be.

Interviewer: Are you commissioning any studies on your readers in terms of how they're engaging with you?

Simba: We do that regularly, we send out surveys to readers to say 'Are we still together? Is there anything that you would want us to do?' or we tell them this is what we want to try to do. 'Do you think there is an appetite for it?' And all these new offerings that I've told you about they are preceded by that kind of survey, you know, so that at least we see whether there is an appetite for those kinds of things – yes we do that.

Interviewer: It informs your strategy?

Simba: Yes it informs the strategy. We have business intelligence within BDFM – that is responsible for those like goals to the advertisers saying 'would you want to see your advert placed in this offering' and then it goes to the reader and saying 'do you want to read something like this?' – then there is this kind of interchange of ideas.

Interviewer: Do you find that you have to do constant and more research that you used to and do you try and keep up with any developments that might come up?

Simba: Now we have to because of that and not only that because of the coming up of other newspapers. You now have to have relevance – you can't continue the way you serviced business as usual – you need to go to the reader and say 'what do you want from us?' – that's why we have this dedicated unit that does that on a very frequent basis.

Interviewer: And also speaks to the other platform that and when you say relevant, you have to be relevant because there are other platforms...

Simba: I think BDFM gives us a very interesting mix that I think supports the other. We have Summit - the business channel on television, we have Business Day where it is, we have The Financial Mail for those who want more analysis, and so on. Probably the only other area where we find ourselves short is the lifestyle area in terms of giving the business man the whole product. I think we also need to get. Wanted is trying that, but we are trying to put a lot of other you know, The Home Channel, Wanted, the Weekender was part of it etcetera, and you will find out that probably those are the growth areas, you know sport – we have sports offerings as well, those are the growth areas because if you're discovering a result there is internet, there's all sorts of things. The only way you can add value is to do it the way we're doing it but now like I'm saying we're adding value, we are getting more comment, more opinion and more analysis instead of just reporting this company has released results etcetera. I think we are in a better position as BDFM to tell all that. Of course, the new digital thrust that we have, hopefully will allow us to.

Interviewer: Very quickly on this, still on the research are you at all tracking demographic and social changes of your readers?

Simba: Yes, that's our biggest challenge. Traditionally we have the 'white old male' reader – the challenge is to attract the up and coming black-elite and of course these people coming from very diverse backgrounds – you have that kind of challenge, but I think we are getting the mix somehow right at the moment. Female readers is still a bit of a challenge, the last time I read it was about 60% male readers, so there is a challenge in terms of getting female readers. In terms of race, well we have politics that is usually of the black-elite is something they're very interested in – they're also very interested in figures nowadays because they are the

decisions-makers in business so they are buying the Business Day solely because of that – also The Financial Mail as well. We are also going into schools to try to catch them young so that at least people start reading us at a very early age.

Interviewer: I think you've alluded to it already, but if you talk about your sense of the needs – the demand for specialised so-called niche content because BDFM is a niche paper anyway. Is that growing, and are you finding there are more people who want a particular type of thing or are you just packaging everything to cater for as many people as you can?

Simba: Not as many people as we can. We are catering for the top end of the market remember, so you find out that probably the 'old white male' reader – decision maker, or pensioner would want to read us for the politics, business-wise there are so many other platforms including us that have, but they also want them to read and find out what the developments are politically so they would be forced to engage us in that area. The politician, the government Minister, DG's and so on also want to know what's happening in business, so we are very well positioned in our LSM to cater for both, and it's a niche that we hold very dearly, I think, and it's a niche that no other paper currently in the country, can. If you look at business reports, I mean, The Star has business reports, but then you see there's that schizophrenia about more news and this thing just being an insert. For us, we live, breathe and our business, and I think that niche will forever be there for us.

Interviewer: Let's look at the relationship between yourselves and your readers – do you think there's the argument that it's changing where the consumer has greater influence or input into your final product? What is your sense of that relationship – is it changing?

Simba: I think it's healthy. The consumer is the person who wants the goods, we are there to provide what they want to read and we are packaging in such a way that it adds value to whatever they want from that piece of news – even if it's politics it has to add value. We don't just want to report that 'this is what happened' we want to report and tell this consumer of our political news and that after having done that, we pride ourselves with the "So what" paragraph that we always talk about. What are the consequences of 'Vavi snubbing Jacob Zuma' you know that kind of thing, so I think there is that element where we have this relationship with the readers and we are influenced mostly by what they want, but it also doesn't have to compromise our coverage in a way. You know if its journalistic ethics and stuff – we need to follow that, but do it in such a way that we follow what the reader wants, otherwise we might just end up publishing it, publishing it, and no one buys the paper.

Interviewer: You interacting with your consumers – are you trying to interact with them at all other than through publication?

Simba: Yes, on the on-line offering we have, we have blogging, where people are just going there and doing their own thing, and people reporting back to say this what you're saying is not, this and this and this. There is that kind of reaction between us and them using our on-line platform, but we also don't do that we use the other platforms as well – we come to Summit and there is that kind of interaction between us and the readers – Business Day readers are very vocal as to what they want, and as to how they view certain stories and commentaries that we write.

Interviewer: Let's move onto the media landscape generally – how do you think it has changed if you look back maybe five, six, or seven years – what are the prominent changes that stand out for you?

Simba: It has changed in some respects and it hasn't changed in others. It has changed in the way the cover news, you know, in the past we used to used to be prescriptive, we wanted to advocacy journalism – we wanted to channel our leaders in a particular way. Right now, we are much more into that interaction with the readers as a media. There have been newspapers that have come up – interchanges the landscape completely – there is now a broader spectrum of papers from the lowest, The Daily Sun – those are new arrivals and they are doing pretty well – we have The New Age that has come in – it is changing the whole way we are doing business, whereas people would buy The Star because it was what was there, now they have a choice, and now they can even choose which what they can afford and what they cannot afford. So I think the media landscape is changing. The other change that is coming in the media landscape is digital – that has changed the media landscape a lot. There is that immediacy – people talk about issues –people don't have to wait for tomorrow to read news – it's splashed on line – people read it and if you don't add value to that story the following day, people say 'Ag, but we read about it yesterday.' There is TV as well that has brought immediacy so the landscape has changed and I think it will continue to change whether there will be space continuously for print is another issue that probably could be open for an all-night debate. Changes, yes. Then we look at issues of ownership – that hasn't changed – I think there are those issues - those are some of the issues that people need to tackle. Who owns the media in this country? There has been no transformation – we write about transformation as journalists, but we don't even touch our own sector. In terms of management, we admit some gains in terms of transformation, but I am seeing them slowly being eroded, yes, I am seeing slowly black editors taking a back seat – those that are good – some are being taken into the private sector, some into government, and some are just being promoted to offices that don't mean much. Again those issues of transformation and ownership are inter-linked. So there have been changes but there have not been changes so in whichever way

you look at it in terms of content because of the ownership thing it influences content – it influences your relation. If for example Business Day is a top end of the market – our readers are 60% male, there are probably a high percentage white male, we will be very silly to change the editorial policy and face the other way because these are our readers and that's the niche that we have, so in those respects we don't have much change.

Interviewer: The buzz-word has been a buzz-word for a long time – the issue of convergence in the landscape – what are your thoughts on that firstly?

Simba: I'm not so sure that there is going to be that kind of thing, honestly because of the difference of the people we are writing for. It's difficult to achieve – it will be a good thing to have, I think, but to achieve it I don't think we can!

Interviewer: Why is that?

Simba: Because of what I've mentioned earlier. Because of the fact that there are various issues that are there, this particularly the ones who wants that out of the story, this one wants this, this one wants that out of a story – how then do we come together and say this is how we want to shape the landscape in the future? I think it's a very difficult thing to do at the moment given the kind of environment that we're in – I don't know maybe you have different views, but I think it's difficult.

Interviewer: When you look at things like social media – does that play a role at all?

Simba: It would play a role in this country given maybe if you look at the political nature in the environment that has been in this country, but you

have to make money out of it. This is the main issue that is there – how do you make social media viable – I just want to know.

Interviewer: Is that the problem you think many publications will actually have with them?

Simba: Yes, that's what I think. I don't know maybe there are different other views but I kinda think every moment we are a market best product, and what the market wants, is what we should give it as Business Day how can we deviate to those other kind of publications (??)

Interviewer: Are there any opportunities that the situation creates that you think, or even success stories?

Simba: Success stories in terms of?

Interviewer: In terms of when you talk about looking at convergence, you've voiced your concerns, but are there any successes that have come as a result of that, or are there any opportunities that you see coming out of there?

Simba: Successes – I don't think so, I don't know. Opportunities could almost be there, you know, as long as you guys go down and sit and say – this is what we want to try to do, and then like you go back to the initial issue that we were talking about – you research about it and see if there are liabilities and stuff like that, and then you will then move forward. The issue at the moment is you try to do that you are opening so many battles on so many fronts – sometimes it is nice to do what you know how to do best, and improve on it, work on that instead of , you know, this is how it is.

Interviewer: When you say battles do you perhaps mean that you would be inviting – almost like competition from people who are already in that space?

Simba: Oh, yes! We are finding it with digital at the moment, the only reason why we are going ahead with it is because it is the future. Media 24 has been there in that space for a very long time, and all of us are now playing catch-up. The minute we are trying to do this, they already have a new product – a new acquisition – they're doing this, they're doing that – you are vulnerable in those areas, but then with this you have to "slog-on" because it is the future because people become more difficult in adapting and so on.

Interviewer: So it's almost like a turbulent type of landscape where you are looking to the future, but at the same time you're stuck where...

Simba: Where you are, then you have to defend your gains. This is why I'm saying if you open too many fronts sometimes you expose yourself to the whole host of turbulences, you know, you need to do what you do best – do it – and make sure that you're satisfied the people that are your consumers. But at the same time you don't have to sleep and say 'this is what where I am' – look elsewhere and see what you should do, you know, and at least give an offer. This is where I am saying with digital we need to do that, we have no choice, and we can leave everything else for the others, but with digital because this is the way forward.

Interviewer: So it might actually keep South African media landscaping in particular almost – to use the word – static, you know hold it in – I almost want to use the word – in a power play as Media 24 was ahead as far as digital, but the rest of other media publications are trying to catch up, so that there is always that...

Simba: Yes, but you see the strategy then is Media 24's on-line things that are on-line offering – what we are doing here as Business Day is saying 'look there is a wealth of information in the print version of this thing, why don't we compliment this and that way we attract more readers. So, if they think they are ahead in terms of the power politics, they could have something coming they need to come up with. They need to be innovative in that particular area, you know, and I think our most important asset at the BDFM is our content in the business environment. Nobody else in this country has the kind of offering that we have, and if we are to use that very wisely, we can make our digital offering very, very strong. Don't forget we also have a relationship with The Financial Times – we could tap into those resources in terms of the content that we offer, in terms of the technology – and move forward. So it is there, it is going to go forward, but at the same time if you do that and neglect this...

Interviewer: Let's go into the last section, and we've probably been touching on it, and it's looking at the organisation now. Have you had to re-look or implement new strategies to engage with your readers as a result of some of these things that we've been chatting about?

Simba: We have had to, and we are still going to do that. We are "beefing-up" our copy and pages – the main reason being that they add value. People are not buying Business Day these days to find out which company has listed, so on and so forth. They are buying the Business Day to find out the nuts and bolts – is this going to work – what are the weaknesses, what are the strengths – what does the market look like – should they not have waited a little longer and those kind of things. So we are looking ahead and saying 'the key word is to add value – not to report news' and that's what most of the newspapers are doing – those newspapers are reporting news. We are also to a certain extent reporting news, but the way forward I think for us - and we've identified that is just to add value – more analysis, more opinions from the government from the

private sector, from ordinary analysts, from individuals and make it a forum for discussion and decision making at that end. So we are doing that, we have identified that that's the future in terms of newspaper production and obviously when those people who are in there, if we manage to have them blogging for us on-line, it also pushes our on-line offerings so I think the future is a bit secure in that regard.

Interviewer: You've talked about the production processes – have you had to implement maybe structural change reorganise the way production happens.

Simba: We have. We have cut from two editions a day, to one edition, although this was a reaction to the recession and hard economic conditions, but I think it gives us more time to bring about a product that is very impressive. We wanted to put in the American markets when we had two editions - we would send the first edition without because of the time differences – now because we have one edition they (the Americans) are closing late If a game for example, be it sport plays until 21h00 or 22h00 in the evening we now have the opportunity to bring it in. We have streamlined a lot, and there are plans to streamline more, although it's not for public consumption yet, this single user theme and so on and so forth you kind of get more people doing more stuff – if you are a Summit person goes out on a "thingy" and he feels there is a story from that Business Day can benefit from, they write a story for Business Day. If Business Day goes there, and they record something, then they think on-line can benefit, they do that – so we are in that kind of status at the moment where we want to encourage our writers and our staff to work for the various platforms, you know, make that contribution and it makes us richer. There might be a better journalist and he has got a breaking story, that he needs to break – if it doesn't break today – tomorrow someone else will pick it up – there will be an announcement – he can write for Business Day. So that kind of relationship we are positioning ourselves to face the world using

those forums. We have done a lot I think, with the coming of the New Age as well – the more competition you get, the more you dig into your reserves to try to make things not work for the competition – so we are also doing that. We have had some of our staffers going to the New Age and so on, and you get that opportunity to replace them not with junior reporters - you want to now "seniorise" the news room – it's also a blessing for us. You "seniorise" the newsroom and when you "seniorise" the newsroom your content improves, and when your content improves, your product improves and when your product improves you are the leader in the landscape.

Interviewer: It is very interesting. How is, obviously not for public consumption, so the way it is filtered through the organisation at the moment must be very limited, but do you think your fellow colleagues would receive that sort of news well, in fact that they now got kind of realign the way they write and they think that they could be writing a 30 second story for Summit, you know, how...

Simba: It's not a question of acceptance; it's a question of survival. There will come a time in this profession when you will thank God you've got a job – because things are changing. If on-line comes in and does everything – what do the print journalists do? So, we are saying before that happens, let us 'these are the plans that we are talking about'– let us make sure that when it finally happens we are prepared for it. I would not see anything wrong doing that, apart from the fact that it takes time and so on. But my editorship of the Weekender has taught me that it's not the writer who influences the newspaper, it's the editor. We managed to produce a completely different brand newspaper, using the same writers, it was just an editing function – 'this is how I want it – this is how I present it and you can just go to town about this style – it's your own style – you do this, and so you'd find that you can write two stories here and it looks so different after editing, so it's an editing function, but I don't think it would be

an issue. Some people would come because probably it's a question of vision. When something is being introduced it faces an element of more resistance, but it will come second nature. If it's a pod-cast, it's just recorded business and you go move forward, isn't it? If you're going there and you give a little to this and you give a little to that – if it's on-line you don't have to do 800 words, you just give them four or five paragraphs. You can do it when you're right there or when you are driving back, you know, 'this is what Zuma has signed- his agreement blah, blah, blah, and so and so on' and then you come and pick it up as you come in. News agencies journalism – this is what we used to do at SAPA. You go to an assignment, when you're there you give your intro and two three paragraphs and it goes out and then you come and write a lead, you know, you update, and the updating in most cases is background, so people are not very receptive when certain things are being introduced and is also how you introduce them I think, I am not saying we have introduced it in the best of way, but I think there is need to do that. There is need for you guys at Summit to have three, four people up here to work within the news room and feed the television because there will be times when you broadcasting from morning to – where will you get this material from, unless when you're saying you not going to grow. This is the only way you can do it. The people are already being paid anyway by the company, so you'll keep your overheads in check.

Interviewer: Two very quick questions before we end. What is your sense of how stakeholders, and by stakeholders I mean management and shareholders in the business help them understand some of these challenges that we've talked about, in particular how they affect the organisation?

Simba: Management does understand these things, in any case they are implementing strategies that they've come up with, and they've sold to the Board. The issue now is do the owners know the value and wealth of their

offerings. I would want to say there are challenges there having come from The Weekender background where we had a very good product, which I felt with a bit more resilience and pumping in of money we could have made it, but obviously the shareholders look at profit – bottom-lines and stuff – they say they are not bottomless pits and so on, so there is that kind of challenge. They say yes you can go ahead, and start a new newspaper – and they expect the new newspaper to start doing wonders within a month or two. Reading is a habit, it's not something that just "clicks", you know, it's a habit from there you produce, you produce the advertisers are looking at you to see whether you are maintaining that momentum, whether you are cumulating readership and it's not something that happens within a year. Sometimes our shareholders don't understand that – it was what they were faced with in the boardroom – figures and bottom-lines. So whether there is that sink between management and shareholders is a different issue but I have a feeling that it's a beautiful challenge.

Interviewer: Look at your business model; has it changed as a result of media convergence?

Simba: Yes it has – it has changed. In this business if you don't constantly look at what the environment is like, you get left behind. This is why I'm saying if we don't support our on-line offering, based on what we are offering in print in the newspaper, we are leaving it exposed. If our on-line offering doesn't support what we have here, we are left behind. If you guys at ABC don't see where we are going here, and then we don't look at those synergies and say maybe we can do better if you got a very brilliant story here, maybe it can be your lead story – your splash- sheet(?) you can do this, you can do that - radio or copy or Business Day blah, blah, blah, and so on and so on – I think we will be in trouble – so it's a work in progress. You need to constantly look at and re-look at yourself and say 'am I still what the readers want me to be?' – the key word here is – the

reader is the consumer. Never mind this model of business, this business model, this business model, this business plan. If your niche is not getting what it thinks it should be getting then you'll run the risk of being irrelevant.

Interviewer: Just to add on that – does that mean if we look at, for example, in the way that the paper is sold – are you saying a lot of it now depends on the value that you give to the consumer rather than maybe looking at advertisers who want to put their adverts in the paper?

Simba: It's a hen and egg situation. The advertiser wants you to have circulation, right – you cannot get circulation without knowing what the reader wants. This guy will never come in, this guy I think, is the parasite in all this, you know. He won't come in and sometimes even when you have the circulation right he doesn't come in.

Interviewer: Why?

Simba: For a variety of reasons, look at the Daily Sun, it's the biggest in terms of circulation in this country, but it doesn't have adverts – why – because at the bottom end of the market and there is no money there. Here there is 35 000 in terms of circulation, that's where all the money goes to. Well for the Sunday Times is says something different - it also has a mass circulation, but it's a weekly. So there are issues that you need to also consider before you pander to the whims of advertisers. Advertisers to me only look at your LSM and say if we are to advertise swimming pool chemicals - will we get our return? Oh yes we will in Business Day, let's go there – never mind what the circulation is. To me the circulation is always the key.

Interviewer: Lastly, you did mention earlier as well, partnerships – how important are they?

Simba: In terms of?

Interviewer: In terms of you partnering with other media outlets to get your content and your product out there. Do you think it's something – maybe mention Summit and Business Day, that sort of thing?

Simba: It works, it works, and I tell you in terms of marketing. We do this on 702 – they have a different viewership and listenership. Some people in 702 are where we don't get the Business Day right, say in Tzaneen for example and they listen to 702, and there is a topic there and the announcer there says read it in Business Day – what do they do – they go on-line, and they read it – it helps, it works - those kind of partnerships and we have them here, you know, it's not like it is going to cost us an arm and a leg, we have them here we should utilise them. We have The Investor Monthly that has come in – that's part of a partnership. You have people who say to themselves – we are prepared to look for advertisers – we are prepared to put in content but we are not alone, you have the brand can we put ourselves into your brand and increase our circulation to 35 000 without knowing full well all our copies are going to the reader, and developing that habit. Every month end they know The Investor Monthly is coming and so on and so forth and we give you money – those are different types of partnerships.

Interviewer: Do you think they're key though?

Simba: Not very key if you ask me, because of course, there are also issues of haemorrhaging the offerings that you already have. How is the issue of The Investor Monthly and the Financial Mail where you maybe you'd find the same advertiser has a choice going into the two and he ends up going into The Investor Monthly where you are going to share the revenue with someone else because we have the bigger circulation than FM, whereas if they come into the FM that's money that we have got in its

entirety. So there are challenges with that, but I think the pros far outweigh the cons if you plan it well.

APPENDIX H: Structured Interview – Mzi Malunga

Interviewer: We are looking at media convergence. When you look at the consumers, how have they changed over time – put a time frame say between the last 5 to 10 years – what are the major changes that you have seen?

Mzi Malunga: In the case of media, in particular some things have not changed and some have changed, you know because each time a new consumer comes in because I look at it, say 10 years, in the 90's you had Dot-com – people were starting companies and becoming billionaires on paper overnight and people thought that business rules had been changed - no boom bust (?), it's going to be just boom throughout. Then Y2K, and then the Dot-com became the Dot-bombs and the very same new guys, the people who were fanatical about this new phenomenal then later on became mature because they realized that the business rules don't change. The consumption patterns of course; over the last 5 years in particular there have been rapid change – major shift. Internet – people going towards the digital space and gadgets and you know the current new generation that basically still consumes lots of information – what has not changed is the consumption of information – they consume lots of content, but you can decide whether its valuable content or not – but they consume lots of content, but they just don't consume it on the printed word – so that's what has changed for me. The other change what I've seen is the niche – little communities are emerging. In the past you would do a brush and say 'these are the black middle class – they look like this,' generally you might be right, but these days you can't do that because we think the black middle class there is a niche there are conservative elements that do not go spending wildly, and there are those that are the "wannebes" that will buy a big BMW, but live in somebody's back yard, or even live in a shack and so in that community it's not homogeneous. I think, that one of the mistakes that researches do in South Africa in

particular, because South Africa is a very highly racially polarised country so what they will do is that they just say here is the middle class as if the middle class is homogeneous – it is not, it is very, very diverse. There are people who live in northern Johannesburg and there are those who decide to live in southern Johannesburg – even southern Johannesburg it is not someone who will live in Naturena, others play golf, others don't play golf, others read newspapers, others don't read newspapers and so on and so forth. So, it is not a homogeneous group, and I think that's the biggest mistake, but funnily enough when they talk about whites, they always do the niches. But to me the big issue is that – and even within the niche – they still, you know, can always create a niche and say 'well, black middle class who are 40 and above occupying this particular positions in their various niches because some of them might be supporting DA, others support the ANC, and others are not into politics, others play golf, others don't play golf, others like football, others don't go to a football game and so on and so forth.

Interviewer: Let's look at the importance of research, in informing the direction that the group is taking, in terms of the publications. Are you tracking, are you tracking demographical, and social changes that are important as to how you look at the content that you developed...

Mzi Malunga: Are you talking about BDFM?

Interviewer: Yes.

Mzi Malunga: Yes. What is very, very important is research, research is key, it's at the centre of what we do because we basically have to track consumer patterns, we also have to track what readers like and don't like in our publications, but also more importantly, we want to check whether they still believe that we are relevant, in terms of where the general direction. We also want to assess things like brand equity, you know

whether you still have trust because the most important thing in today – you know, we live in an area where there is an information overload. If the baby-boomers – I was interviewing, the person of the JSE, and he was saying to me, "You know, we're the baby- boomers," them – I'm not a baby-boomer. The baby-boomers had a particular problem which was a scarcity of information so you needed to invest more to get information when you were growing up. He says, "the challenge that today's kids face is the same as they faced, but in a different way" – they've got an information overload. The guys will make money otherwise we will sift through the rubbish and then get to the valuable stuff, because there is so much information you don't know what is relevant, or what is not relevant and that's why research is important because you have to know - are you still relevant, do the people still have trust in you and what else would they like to see.

Interviewer: Is there a change in the relationship between consumers, the readers and the publications – do you see it as that are they dictating what they're looking for?

Mzi Malunga: They've always dictated what they're looking for, but in the past they didn't have more options - now, they dictate more because they've got options. In the past you see, you could have it in whatever shape and size as long as it was in black and white, so currently they've got other people and options where they can source information so your information has to be absolutely spot-on, your content that you provide – that's why the customer has become king. In the past, you know this stuff was used to customize king, but it was more a cliché rather than reality – now its reality.

Interviewer: Your interaction with consumers – does it happen on any other level besides for the publications – do you try and engage with them?

Mzi Malunga: I keep on saying to people, we don't actually, we try – but now we're digital a little bit, but mostly it happens through the publications, and mostly through the letter pages, and some anecdotal mainly through the letter pages and some hunches, you know when you meet somebody for lunch the other day, or somebody pulls you aside and says, 'hey ABC is not right, or hey ABC is right,' But I keep on saying, you know, if we look at newspapers there are publications that are growing anywhere in the world are the ones that are found ways of communicating and inter-acting with their audience beyond the letter pages. It's a huge mind shift and it is very difficult – I've been saying it to my guys, I say 'guys let's look at this' – there are no takers so far, but I think over time if you are able to blend because I was saying to people 'just imagine, if for instance you find a way of making your readers part of decision making in terms of what goes on page one of Business Day, every day – what would you like to read about today, tomorrow? I say, if a daily newspaper is going to survive in the future , it is going to be the one that is less about yesterday, more about today and tomorrow. It will be amazing to blend that in, but unfortunately we all still live in the 19th century, - not 19th maybe 20th century – towards the latter part of 20th century but before the digital age and we are still print orientated. I always do an exercise in the morning – I read the posters on the main streets while I'm driving – there is hardly anything that I don't already know on the poster – Buc Star arrested, Buc's captain arrested, Top Soccer Star is arrested – I know who they're talking about because, the previous day, it was already on television – people are Tweeting about it – it's on Facebook and so on and so forth Maka (??) says – she might have been speaking at some conference – Business Day reports it as if it's still news – it's not news anymore. What they should have said is – what are the implications tomorrow – what's going to happen next – that's the stuff that newspapers must learn – someone might just be stripped the captain's armband off Pirates – that's the next thing – they should have found out not to tell us that he's been

arrested because we know he has – it happened yesterday afternoon – so what's going to happen to these captains? – that's the story that people would be interested in.

Interviewer: Those are the consumers, let's move onto the media landscape generally and broadly I'm speaking. How do you think it has changed?

Mzi Malunga: Well, you know it has changed a lot because – and mostly driven by technology and the advent of the internet. But all the gadgets that count of course use the internet as one of the vehicles, but it has also revolutionised the world – it has changed in the sense that not only the media landscape – the whole content industry whether it is entertainment or it's media because going forward you will be able to plug one cord, your television, your computer, your internet access, your telephone, everything – and it can even be portable in the future, and it's happening now already, you just have to upgrade the iPhone and make it a little bit more where you can access books and do this – you can surf the internet, but I still believe that in order to win the sceptics like me – you need to do more, or convert the iPad into an iPhone where you can read the newspaper almost like you reading it in print, but you can still answer your phone, get your calls there, plus you can watch television and it can be your computer wherever you are - you don't need anything else, and all it takes is being, you know, it's going to be very interesting because size will also determine that – the iPad, you can't make it too small, but the phone can't be too big either. So you don't want somebody speaking on the phone when some brick, big, big brick with the iPad you know. The challenge is going to be how you do that – how you marry the two because you need that – one-stop- shop and that will be content, that's where the media landscape is going because what is media – it's about content, it's just about information.

Interviewer: What about regularity changes – are there any significant ones or things that are in the pipeline?

Mzi Malunga: Not with media that much. There are regulatory changes that are being muted – in South Africa the media tribunal – I don't think we will get that, but no I think for media there is not much regulation except privacy I think, there will be a big issue when it comes to things like Facebook and others – more privacy in the world in the future. The bulk of media - because the world is trying to move towards transparency - regulatory environments are going to be slightly less. However, in South Africa of course, there will still be regulations particularly on television – block all content and audio-view – those will stay – and they will change of course in South Africa the media landscape has gone through a revolution in the last 20 or so years. Once they introduce licensing because they licence small radio stations – before, I mean, you know they used to be so many radio stations, and there are many, in almost every community you go to and every area or region you go to there are some radio stations there. But printed word, because it is expensive, it hasn't gone that way – the electronic, the portable one is better.

Interviewer: Convergence, the buzz-word if you want to call it that. What has been the impact on business models of media organisations, do you think?

Mzi Malunga: Look the biggest impact in our business, for instance media organisations is that our traditional business model has always been to produce the content at great expense, but give it away for free, or a nominal price, and then get the money from advertising. But the world is changing and the recession is hitting, companies now and volumes are going down and people are saying 'we must be the only industry in the world that doesn't earn most of the money from money producers.' So we give the content for free – we get advertising and stuff like that which is a

bit of a problem, but I think going forward the value of content is going to be the centre – whoever has content and the value of content for that matter - not freely available because the news, I think is going to be for free – it's a commodity it's been commoditized – to charge for news it's going to be a long stretch, but you know, how do I know well what, what you might find that you've got a situation where you know some people have predicted that newspapers of the future will be free, and I think this past 18 months put paid to that to say 'no actually it's not going to be the case. Free newspapers around the world are having a beating because you see you close another option that you had for a renew which is the cover price for the future newspaper – the prediction was made in 2008 just before 2007, somewhere there, and it's become obsolete now so I could be making a prediction now that says 'content is going to be the king in the future' only to find that in the next year or so, or six months, the landscape changes and content is no longer the future and we're back to traditional models. But I think, looking at what is happening and the challenges that we face by businesses - content will be the future. If you also look at guys that will convert like telecommunications for instance, because they'll look on convergence between media, electronic and print plus digital and plus telecommunications because what do the telecommunications guys face – the biggest challenge they face is if you have Vodacom or MTN – because in the past people to hear their voice, quality voice that is mobile – counted for something you could go to Lagos and still speak to somebody in Johannesburg – one phone call away, you are roaming – you don't have to go though the schlep of buying a simcard whatever, whatever. I can talk on my phone anywhere in the world – it's just that it's more expensive but I can do it and many business people do that. So there's novelty in something like that, whereas with the regulations you see, now that's where the regulator environment is going to have a big impact – saying 'no too exorbitant prices - voice change now voice – the value you can add from voice, that why MTN has run out of markets to go to – that's why I won't buy Zakele shares because I don't

see where the growth will come from for MTN. I said if you sold me Zakele shares 5 years ago, then I would have bought them, but not now, and I won't invest in Vodacom either – nor would I invest in Telkom – I think Telkom will do some exciting things but as to whether it would go? But voice is coming down - what's improving? -what's becoming more valuable - data and content that's what's becoming more valuable. So the content business is like ours, we just have to be smart about it and say well, whoever produces valuable content – so a company like BDFM – if we play our stuff right – we could be standing on the threshold of history and making a revolution because our content is not unlike general content, it's not as widely available as – some of it is freely available – people have alternatives, but if we are to do it well and package it well and stuff like that – the value of it could be..... (??)and that with technology now it doesn't have to be specifically ... (??) for the television or in print – you produce it once, you can sell it a hundred times through various platforms that's where the future money is, in my view.

Interviewer: Social media – how do you see it unfolding or impacting the landscape?

Mzi Malunga: I think it's a novelty at the moment. I think, it has enabled some businesses and video but I don't believe that it's going to be a revolutionary thing. Yes, if you are a musician or you are a consultant so on and so forth, the likes of Twitter are very good in terms of saying 'I'm doing this, or this is interesting are you interested?' you can tweet and then people say Oh, yes Lira was on the way to Bloemfontein - her car lost a trailer – hey, there was nearly an accident' – it's interesting because this is the person if you follow her music or whatever. If you are a consultant, a well known guy, you can then do the same – a lot of business people are going to use social media to do business and do very well and others will get very rich. However, for the bulk of the people who are on social media it's just going to be a novelty because what do people do – they send

mainly pictures of themselves and children and what have you and it's exciting that you can have this community of friends. You can also find your old school mate that you didn't know where they were – they pick you up on Facebook. But that is as far as you can go – it has made the world smaller, and cheaper to communicate, but you know as you go up in the world, the current crowd that he says is not reading newspapers and as you go up in the world you need more than your friends when you are faced with tough decisions to make. The newspapers must just position themselves to say we are the most trusted part – media – of anything that is there in the world. If you are able to give that and say 'if you are to be regarded as serious, anywhere in the world, for your peers to take you seriously, you must be seen with a newspaper in your hand' – that's what newspapers should be doing.

Interviewer: Let's go to the organisation – how have you adapted strategy to deal with some of these changes that you are talking about?

Mzi Malunga: Strategy takes long, you know. If I had my way – I've got a plan, it's very clear in my mind to say "quantum is the future" that's me. Forget about advertising, advertising yes, you know it will always be there, wherever you find quantum there is always going to be an opportunity for advertising, but the volumes will always go down because the competitors – with more gadgets being launched and more competitors, so the competition has grown exponentially and as suddenly volumes will come down. However, if you got content, content is something that you produce whether there is a recession or no recession and that is valuable – you can monetise it and charge a premium for your profile(??) so that's where my headspace is. However, where the big uphill is – is to try and get the rest of my colleagues to see the way I do, and to say 'hey guys, the world has changed.' - some people think that the world is the same as it was in 1978 when we first became journalists. Human nature is very interesting, you see they see change unfolding in front of their eyes, but in their

behaviour, they still behave as if it was yesterday and it's human behaviour because change is always necessarily very disruptive, very, very difficult to sell(??) because it takes you out of your comfort zone – if I had the option to stay in my comfort zone, I will stay in my comfort zone. We are not a publishing business, we are a business content business and we produce a bit of lifestyle as well and whatever we do, we do it for the top 200 000 that run South Africa for the rest of the 15 years. That's where we are, we should be going. Whether this content is the digital space, it's on television, or it's in print, or is on these gadgets or in book format or whatever, it doesn't matter but we should be saying this is what our business is – our business is about that. I'll bet that it's the same as AVUSA business as well because AVUSA either sells somebody else's content under licence or somebody else's content in a book format at a store, or produces content of its own, and stuff like that, or music content under licence, or they record the music themselves and we sell it either physically or digitally.

Interviewer: What is your sense of how stakeholders understand these challenges like media convergence, and how it impacts the way the publications engage with the consumers?

Mzi Malunga: One of the biggest stakeholders, our readers, advertisers, our staff, our management, our directors and maybe the rest of society – if you are a media company because they are expecting more. The outside stakeholders are very clear of what their expectations are and what they think, the inside stakeholders I think are benevolent which is the ones who should be driving this process because it's changed – I think the inside stakeholders are not in tune that way with the environment. It's a pity though, and by the time we wake up – and it's the whole same arrogance of media people because this thing 'what can replace us,' I remember there used to be a place called "Uncle Charlie" when I was growing up – today you live in Johannesburg and if somebody says I was at "Uncle

Charlie" you wouldn't even know about it because it disappeared, and because of the fact that "Uncle Charlie" used to be a great exchange area where most of the buses that were going to the townships passed through – you see where Southgate is, not far from there was "Uncle Charlie" – that's where our activity took place. When they built the freeway, they went to the guy who ran "Uncle Charlie" and the owner said well we want to build a freeway – it's going to affect your business so let's talk about conversations – he said "who do you think you are, that you can bypass "Uncle Charlie?"', you know 'Uncle Charlie" is an institution and is engraved in people's memories." They built the freeway, nobody cared about "Uncle Charlie" – they just saw it and passed – and it died. They had to do other things to bring it back - Builders Warehouse and things like that but it had to reinvent itself, but I don't even think it's the original owners that have done it – they're the new guys that have seen the opportunity. The same thing as a town called Parys it use to be buzzing, a hive of activity, because if you're going to Bloemfontein, Cape Town or anywhere south of here that way, not south-east, south that way, you had to go though Parys – everything went through Parys, people leave Polokwane then Pietersburg and at Parys they stop, and buy something, take it easy for a little bit, even if they're going to Cape Town. So Parys was the hive of activity and then they build the N1, not far from Parys, and Parys disappeared from the face of the map – that's what happens when you don't adapt and you're not scanning your environment and you're myopic. In most case, newspapers, in particular, have been myopic for long about this and .....(??) things about change – that's why we were so hard hit by the recession.

Interviewer: Have the business models been changing as a result of...

Mzi Malunga: Now people are talking about changing this business model. The difficulty though is that some of the stuff is so far down the line like news as a commodity – in print we charge for news, most people

pay for newspapers. On the digital space, they don't pay, we don't earn anything from them, apart from advertising, but in print people buy Business Day for R10.90, but on the internet they read it for free. It means that our models are not synchronised we know what we should be going – my model was that you know ' content is king' – and it's always been to say Business Day used to cost R3.20, when I became MD it was R3.20, I said 'no, this is madness' – this premium product – we invest a lot in it and we use this content at great cost – it should cost you more, so I went to R4.80 on the first year (?) day(?) and I got one complaint. The second year I went to R5.90 – I got two complaints and then it went, but I slowed down because I started getting cold feet – I think I regret not being bold enough, as I was, also being naive at the time because naivety and boldness, sometimes naivety helps because you're not too risk averse – you just use your hunch, and then you get it right, you become a hero. Now when you do all this research and data analyses and stuff like that, you start becoming too rationale and logical and the guys who are making history are often not rationale, they are just daring – and that's what you need now.

Interviewer: Partnerships between organisations in carrying content etcetera – how important do you think it is in today's ....(?)

Mzi Malunga: Oh, partnership for any business irrespective of what it is whether it is in content, media, or whatever - there are very few businesses in the world in the future that will be able to produce everything themselves – in anything whether its Coco Cola – even Coco Cola has partnerships because Coco Cola's model is just that they produce the syrup and they let other people take the risks, because it has become a premium product. Other people know I want to be a bottler of Coco Cola and I can make money because there is a demand for this product – that's a model that works. What you need to do we need to get our content to a point where if they say it is a Business Day – some guy in Knysna, where

Business Day is a scarcity can take that risk to say 'if I open here, I can sell my advertising he pays Business Day a royalty, we franchise it to him and stuff like that. That's when you become premium product – that's when your product has value. That's why with the likes of Nando's, KFC and the like, the formula is the same – they produce, they put a KFC in the middle of nowhere, as long as there is a road next to it and there's access stability. I still believe it will fly because people, over a period of time, need to eat and part of the things they eat, you know.... We should get to a point where our brands and our content that we produce, whether it is BDFM, Financial Mail, or Summit TV – to say to somebody 'No, we'll give you the model of producing Summit you can be in Lagos and you do it from there – this is how you do it and stuff like that and take the risk and then buy the advertising and say – but modelled here and pays out the royalty. If we owned it, is just that you know we own the name, but you know on somebody's platform and they might want to have a say in that, but I mean if I planted a seed in them to say 'how do you produce this model' – I go and do it – I share revenue with you, let me do it. We do the same in Kenya, we do this thing and just say 'call Summit' and Summit Nigeria, Summit this, but the model is the same. This is how you do it, you do news at this time, you do this – it looks like this and stuff NBC – they've replicated that model. It's a franchise model on the African continent – markets that are not at the centre, that are peripheral.

Interviewer: Lastly, looking at the organisation – have you had to implement or change the infrastructure to accommodate some of these changes? In particular looking here at the creation of platforms, publishing channels and platforms to carry content – is that something that's been happening?

Mzi Malunga: Oh yes, there's a big debate right now, not debate but is acrimony because we know that other people have done it, but we are a bit late. In order for you to produce the content and deliver it effectively on

the digital space, you have to do two things you have to get a good content management system – that's infrastructure that you have to invest in which historically you do need. The other thing is of course, is to have invest – which we already have through iNet, but they can do better – I think they can do better than that, which is the syndication infrastructure – how you syndicate content – how you customize it – in fact you have doing it here – that's archive research there – 60 years' of a company – company formation – bosses – no channels – licences – royalty – advertising – annualize pay for and stuff like that. This is there now, you need a platform, there is a platform already to deliver that and you can deliver it beyond what it is now.