

## Effect of E-Paper Subscriptions on Revenue Performance of the Standard Media Group Limited, Nairobi, Kenya

Irene Akinyi Rota\*, Anyira Francis Angogo

Department of Marketing and Management, The Catholic University of Eastern Africa

**\*Corresponding author**  
Irene Akinyi Rota

### Article History

Received: 05.05.2018

Accepted: 16.05.2018

Published: 30.06.2018

### DOI:

10.21276/sjbms.2018.3.6.1



**Abstract:** Content digitization is a current phenomenon that has had a huge impact on traditional media. The era of globalization has had significant effect on the way media houses the world over strive to reach their audience and especially given that the world is so interconnected to a point that any happening in one continent has a significant effect in the most remote location in another continent. This has led to innovations such as the use of E-Paper that's geared towards reaching larger audiences by media houses as well as remain competitive in this era of great competition and liberalization of the economy. The purpose of this study was therefore to determine the effect of E-Paper subscription on the revenue performance of the Standard Media Group Limited, Nairobi. The study was guided by the Schumpeter's innovation theory of entrepreneurship. Descriptive survey research design was adopted. Both primary and secondary data were collected. Primary data was collected by the use of a questionnaire while Secondary data sought historical data on the organisational revenues by department and on the profitability of the organisation for the past twenty-five years between 1991 and 2016. The target population included all the 202 members of staff in the Commercial and Online departments at Standard Media Group, Nairobi. The researcher drew a proportional random sample of 30% of the respondents from the two departments who provided the information required. Data was processed and analysed using descriptive and inferential statistics with the help of the Statistical Package for Social Sciences version 22 and Microsoft's Excel 2013 to generate Frequencies, percentages and regression that were used to answer the research questions. Findings were presented using appropriate tables and graphs that depicted the relationship between the dependent variable and the independent variables. It was established that the rate of revenue growth in the e-paper platform was exponential, and was highly co-related to the overall organizational revenue, and that the combined revenue from the e-paper, and other aspects of digital content provision had exponentially grown from nil in 2009 to over KES 120 million 2016. Further research is suggested on the effect of content digitization on the operational and revenue performance of print media at Standard Media Group, and on the effect of content digitization on revenue performance of the other media houses in Kenya.

**Keywords:** E – Paper Subscription, Revenue performance, Standard media group limited.

## INTRODUCTION

Mass media primarily refers to radio, newspapers, cinema, television, and the internet. It comprises a variety of modes by which senders can record information and experiences and transmit them to a large audience fairly rapidly. This definition summarizes those commonly used in writings on the media. The mass media constitute a powerful and infusing force in our lives. We are bombarded by media messages daily. Today, most of the information that we get about our local, national, and international news comes to us through these mass media [1].

From a historical point of view, Edmund Burke, a British statesman, philosopher, and political

theorist, was the first one referring to the press in the eighteenth century as the Fourth Estate, and this term was later popularized by the Scottish author and historian, Thomas Carlyle. In his book Carlyle reported Burke's views, "there were Three Estates in Parliament; but in the Reporters' Gallery yonder, there sat a Fourth Estate more important than they all. Literature is our parliament too, whoever can speak, speaking now to the whole nation, becomes a power, a branch of government, with inalienable weight in lawmaking, in all acts of authority, the requisite thing is that he has a tongue which others will listen to; this and nothing more is requisite. The nation is governed by all that has tongue in the nation. Democracy is virtually there" [2].

Castell [3] pointed out that throughout the history of information and communication, mass media is considered as a powerful factor that shapes social change. It can construct or deconstruct the norms and values on which the society is built, because the real challenge in society is the battle over the minds of the people. For instance, media has played a significant role in the American society since its “birth”. As access to information is essential to every democratic society, the media has a responsibility to provide objective information to the public. In countries like the United States, freedom of press is guaranteed by the First Amendment of the United States Constitution: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances" [4].

Media as a business thrives on advertising and circulation/audience ratings for revenues but this has changed in the digital technology era. In the past, traditional media controlled large audiences thus selling these numbers to advertisers to generate revenue. The digital era has brought about many competitors, fragmented the market thus leading to a decline in revenue by media houses. Content digitization on the other hand has reduced the volumes of advertisements going into traditional media such as newspapers, magazines, television and radio by providing many options such as websites, mobile, podcasts, videos, among others which are comparatively cheap, interactive and instantaneous. Newspaper circulation and audiences/listeners for electronic media has also declined due to digital media which provides news, general information and entertainment faster and in better formats than the traditional media. A study by Nielsen [5] among eight countries, including the United Kingdom, Brazil, America, India and Germany, indicated that except for a few television stations in Europe, many had dropped their audiences by more than 10 per cent between 1990s and 2012. There is fear within the marketing world that the TV and broadcast model is becoming obsolete and that connected empowered youth are deserting traditional media. Brands are looking for new communications solutions and are increasingly asking market research companies for strategic thinking around this.

Digital media is changing consumer habits and steadily taking the space of traditional media leading to loses of newspaper and magazine sales as well as audience ratings for television and radio platforms. Television and radio broadcasting and the availability of mobile Internet have changed the focus of media investments towards the search for new avenues of communication. The various approaches, including cross media ownership, competition and other forms of inter-organisational strategies combined with declining

prices of mobile handsets, subscriptions to mobile services, and innovative methodologies of delivering popular content like music and news via radio, television and the Internet may be aiding the media [6]. The rising need for convergence particularly technological and economic of media formats by the so-called mainstream media organisations continues to support the notion that traditional media are on a terminal decline [7].

This state of affairs has led to the birth of digital media which includes E-Paper that allows subscribers to read news anywhere they are without the task of carrying bulky papers in their hands. According to Berger *et al.*, for news audiences, reading printed news is much more fun than reading it on electronic devices. However, the ownership of mobile devices influences on this preference and decreases interests in reading printed news [8]. It means that, when people have access to free online news on their mobile phones, it is more likely that they read news online instead of going to a newsstand to buy a newspaper. Over the past years, the Internet has made a war against newspapers by raising interest in online news to consumers. Newspapers are struggling with the challenges the Internet and digitalization has made for them [9]. Media companies are forced by digitization to deliver their content in digital formats like news apps. One of the researches conducted to measure the preference of customers to pay for traditional and digital content showed that customers still like printed news more than the digital ones.

One of the important issues that Berger *et al.* have investigated was the willingness to pay (WTP). Academic literatures demonstrate that reading online news is an important operation for those who use the Internet but WTP is low for online news [8]. One of the most important areas raising doubts for the future of online news is the user's WTP. Unfortunately, the WTP for online news is restricted such that only the younger audiences are mostly keen to pay for online news [10]. One research showed that, when it comes to WTP for digital news, the importance of price is three times higher than format. Another research revealed that, price of online news is a little more important than format for news consumers [8]. It seems that, price and format of online content are the most important factors in consumer's perspective while reading online news.

WTP is considered as the most important cause of failing newspapers in selling online subscriptions. But, the reason for customer's low WTP for digital news subscriptions has not been identified properly in academic literature till now. It is just accepted that acceptance of digital newspaper and WTP between different formats is influenced by device ownership [8]. According to Dekavalla, one of the most important reasons for low WTP of online news consumers is the accessibility to free online news in other websites. It is

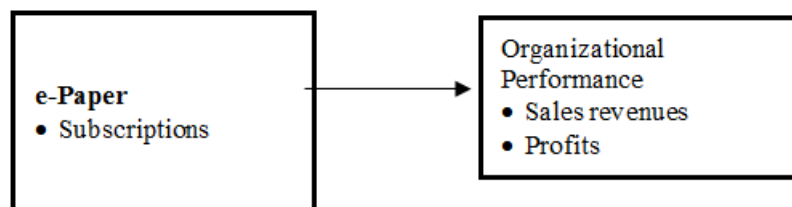
claimed that, the paywall strategy would be improbable to thrive except for the time it is accepted by all players in the market. It requires more market research to find in what situation a reader might accept to pay for online news [11]. Why people should be interested in paying for news that can be read for free? Consumers' habit to read online news without paying any money is difficult to be changed and will need a lot of time to take place. Newspaper companies can get better position in the market by earning more revenue from online content and this thesis is focused on ascertaining whether income generated by media organizations through online news is substantial enough to affect its general revenue performance.

### Statement of the problem

Standard Media Group has experienced declining revenue from mainstream media over the past

few years thus informing the decision to restructure in order to stay afloat. It is suspected that new-age digital rivals that have taken up a huge chunk of their newspaper readers as well as broadcast audience and consequently the decline in advertising revenue and newspaper circulation sales which has seen the management of the company in the recent past sent back to the drawing board to re-strategize and reorganize the business as they seek to reposition themselves in the market in order to remain relevant. This study therefore seeks to determine the effect of news content digitization on the group's revenue performance and consequently detail the challenges and opportunities associated with the adoption and use of digital media platforms within the Standard Media Group Limited.

### Conceptual framework



**Fig-1: Conceptual framework**  
(Source; researcher's own compilation, 2017)

### Schumpeter's innovation theory of entrepreneurship

The relationship between innovation and firms is well elucidated by the notion of creative destruction advocated by Schumpeter almost 70 years ago. As he argued, the primary driver of growth in an economy is the process of creative destruction brought about by entrepreneurs who continuously introduce new products, new ways of production, and other innovations, which create greater buyer utility and stimulate economic activity [12]. From this perspective, the entrepreneurial behaviour of a firm and in this case media houses, in commercializing digital media technological innovations is crucial to the success of the media firms in the wake of digitization of news content. According to Joseph Schumpeter, the key driver to economic change was not primarily competition between companies in a market but innovation and new technologies that enabled new forms of competition, and thereby caused more fundamental changes in the economy [13]. He further argued that in capitalist reality, it is not that kind of competition which counts but the competition from the new commodity, the new technology such as the emerging digital technology, the new source of supply, the new type of organization (the largest scale unit of control for instance) competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives [14]. Schumpeter maintained that the economy developed in cycles, since competition

from innovations like new commodities, technologies or types of organization would annihilate established companies and destroy the old established economic order. This process of creativity and innovation leading to destruction of the established economic order he called creative destruction and in this case, the perceived replacement of traditional media technologies by newer digital media technologies.

Schumpeter's theory was concerned with the impact that innovations had on the socioeconomic system. Furthermore, what is new is not necessarily an invention but more typically new combinations of existing ideas, competences and resources [14]. An innovation can be based on existing technologies as well as off-the-shelf products. A key to understanding innovation and in this case new media technologies driven by digitization is that existing knowledge is implemented in new contexts and that this opens up new possibilities enabling consumers to access news in more varied and innovative ways. Schumpeter was concerned with the impact that innovations had on the socioeconomic system and in relation to this study, the impact of innovations on performance of media houses as current consumer trends tend to lean towards more innovative and interactive digital technologies in regards to consumption of news and entertainment.

### **Gaps in Schumpeter's innovation theory of entrepreneurship**

According to Marz [15], "Schumpeter hardly denied that the process of accumulation is the ladder to social power and social prestige; but he thought the very mainspring of the exercise of the entrepreneurial function is the powerful will to assert economic leadership. The joy of carrying through innovations is the most important motive, the acquisition of social power a subsidiary to it. The entrepreneur is not necessarily the one who invents new combinations but the one who identifies how these new combinations can be applied in production. This line of reasoning implies that a business owner is considered an entrepreneur only if he is carrying out new combinations." The entrepreneur moves the economic system out of the static equilibrium by creating new products or production methods thereby rendering others obsolete. This is the process of "creative destruction"(creating uncertainty) which Schumpeter saw as the driving force behind economic development [12].

Schumpeter's theory is not basically different from the over-investment theory; it differs only in the respect of the cause of variation in investment when the economy is in stable equilibrium. Like other theories of the business cycle, this theory also leaves out other factors that cause fluctuations in the economic activities. Innovation is not the sole factor, rather is only one of the factors that cause fluctuations in the economy. Another criticism of Schumpeter's theory is that it is unable to explain why innovations occur every 45 to 60 years [16, 17]. Schumpeter's innovation theory also has been criticised to ignore the entrepreneur's risk taking ability and organizational skills, and place undue importance on innovation. This theory applies to large-scale businesses, but economic conditions force small entrepreneurs to imitate rather than innovate hence the need to improve the theory such that its practical and adaptable by even the small entrepreneurs.

One of the important issues that Berger et al. have investigated was the willingness to pay (WTP). Academic literatures demonstrate that reading online news is an important operation for those who use the Internet but WTP is low for online news [8]. One of the most important areas raising doubts for the future of online news is the user's WTP. Unfortunately, the WTP for online news is restricted such that only the younger audiences are mostly keen to pay for online news [10]. One research showed that, when it comes to WTP for digital news, the importance of price is three times higher than format. Another research revealed that, price of online news is a little more important than format for news customers [8]. It seems that, price and format of online content are the most important factors in consumer's perspective while reading online news.

WTP is considered as the most important cause of failing newspapers in selling online subscriptions.

But, the reason for customer's low WTP for digital news subscriptions has not been identified properly in academic literature till now. It is just accepted that acceptance of digital newspaper and WTP between different formats is influenced by device ownership [8]. According to Dekavalla, one of the most important reasons for low WTP of online news consumers is the accessibility to free online news in other websites. It is claimed that, the paywall strategy would be improbable to thrive except for the time it is accepted by all players in the market. It requires more market research to find in what situation a reader might accept to pay for online news [11]. Why people should be interested in paying for news that can be read for free? Consumers' habit to read online news without paying any money is difficult to be changed and will need a lot of time to take place. Newspaper companies can get better position in the market by earning more revenue from online content and this thesis is focused on ascertaining whether income generated by media organizations through online news is substantial enough to affects its general revenue performance.

### **Research objective**

The purpose of this study was therefore to determine the extent of effect of e-paper subscriptions on revenue performance of the Standard Media Group Limited, Nairobi.

### **Research Question**

To what extent does e-paper subscriptions affect the revenue performance of the Standard Media Group Limited, Nairobi?

### **Research design**

Orodho [18] defines research design as the scheme, outline or plan that is used to generate answers to research problems. It is used to structure the research, to show how all of the major parts of the research project fit together to try to address the central research questions. The study employed a descriptive survey research design. Descriptive survey research is a design used to investigate social issues and to determine and report the way things are. Mugenda and Mugenda [19] consider this as the best design available to social scientists who are interested in collecting original data for the purpose of describing a population that is too large to observe directly. In this study the E-Paper platform at standard media group was assessed for their contribution to the overall revenue performance of the organization.

### **Target Population**

Mugenda and Mugenda [19] define a population as a complete set of observations with unique characteristics that differentiate them from other populations. The target population of this study was commercial and online department employees of The Standard Media Group in Nairobi. The study sought data from key informants who included key managers

in charge of the sales team within the commercial department as well as those in charge of online department at the organisation of which the following platforms fall under; Streaming Media, Social Media, e-Paper, News website, and Text messaging. According to the Human Resource Department. There were 202 members of staff in both the commercial and online department as at 31<sup>st</sup> August 2017.

### Description of Research Instruments

Research instruments are useful to researchers because they help in data collection.

### Secondary data

The study, sought historical data on the organisational revenues by department and on the profitability of the organisation for the past eleven years between 2005 and 2016. The data was critical in generating the trends in revenue and profitability of the e-Paper.

### Questionnaire

A semi-structured questionnaire was also used to collect data in this study. It mainly included open

ended questions as well as a few closed ended questions. The tool was considered critical because the respondents are fully involved in the entire process of content digitization and marketing. It enabled the researcher to clarify, enhance and verify the information already given by the secondary data. According to Mugenda and Mugenda [19] the administration of the questionnaire makes it possible to obtain required data to meet specific objectives of the study in a standardized situation and allow for clarifications and the elimination of ambiguity in answers.

### Description of sample and sampling procedures

Mugenda & Mugenda [19] say that a sample size of between 10 and 30% is adequate for studies in social sciences. The researcher drew a random sample of 30% of the respondents from the commercial and online departments who helped in providing the information required using simple random sampling technique. This technique gives all members of the target population an equal and known chance of being included in the study. The result of the sampling procedure was as summarized in Table-1.

Table-1: Sampling

Department	Population	Sample 30%
Streaming Media	50	15
Social Media	30	10
e-Paper	34	10
News website	36	11
SMS Marketing	52	15
<b>Total</b>	<b>202</b>	<b>61</b>

### Validity and Reliability of the interview Instrument

Validity refers to the degree to which a study accurately reflects or assesses the specific concept or construct that the researcher is attempting to measure [20]. When designing the interview guides for the purposes of collecting qualitative data, the researcher consulted with two experts drawn from the Department of Business Administration at Catholic University of East Africa who were supervising the study. Orodho [18] asserts that once the interview guide has been constructed, it should be tried out in the field to ensure further validity. In this regard, a piloting was carried out to check the reliability of the data and to identify misunderstanding, ambiguities and inadequacies of the items in the tool.

### Data Processing and Analysis

Kothari [21] states that data analysis includes all activities concerned with the processing and protection of data in the research. Data analysis was based on the research objective and research question.

Data was processed and analysed using the Statistical Package for Social Sciences version 22 and Microsoft's Excel 2013. Table-2 indicates how the quantitative research question was analysed as per the set objective to ascertain the levels of influence. Regression analysis was used and it aimed at determining the effect of the dependent variable on the independent variable and predicting future trends.

Quantitative data was displayed using appropriate tables and graphs that depicted the impact of the dependent variable on the independent variables. Qualitative data obtained was analysed with the help of themes or content analysis and then grouped into different categories that were based on the five objectives. After these two steps the researcher summarized and interpreted quantitative results, as well as qualitative results. The researcher then discussed to what extent and in what ways the qualitative results helped to explain the quantitative results [22].

**Table-1: Summary of Methods Used to Test Quantitative Objective**

Objective	Independent Variable	Variable indicators	Data collection method	Level of analysis	Types of statistical indicators
To determine the extent of impact of e-paper subscriptions on revenue performance of the Standard Media Group Limited, Nairobi	e-paper	Number Of subscriptions	-Questionnaire -Departmental Historical data for the past 11 years	Descriptive and inferential statistics	Mean, percentages, standard deviation Coefficient of determinant (trend) Regression

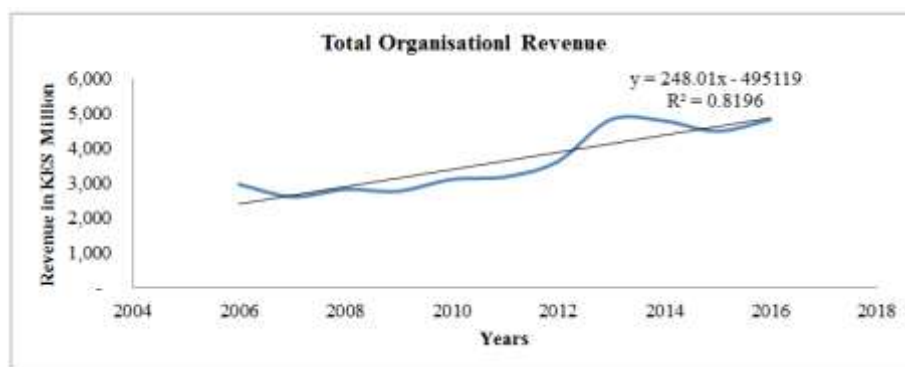
**DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

**Revenue performance trends**

Time series data on the overall revenue performance for the past eleven years was sought in order to determine the overall performance for the organisation in terms of revenue. The data was obtained from the finance department and covered the immediate past eleven years (period between 2005 and 2016).

To establish the trend of the overall revenue, linear regression techniques were applied to the data

collected. This was done by the use of Microsoft's Advanced excel computer software version 2010. The software was used to develop the trend line and also to compute the co-efficient of determinant ( $R^2$ ) which was used to draw the conclusions. The purpose of this exercise was to establish if the overall revenue exhibited linear, exponential, logarithmic, cubic or polynomial kind of growth. To begin with, linear regression modelling was done and the results of the linear trend were as shown in Figure-2.



**Fig-2: Linear function for the overall revenue performance**

As seen from Figure-2 the overall revenues of organisation depict an upward trend for the past 10 years. The linear trend yielded a linear regression equation as:

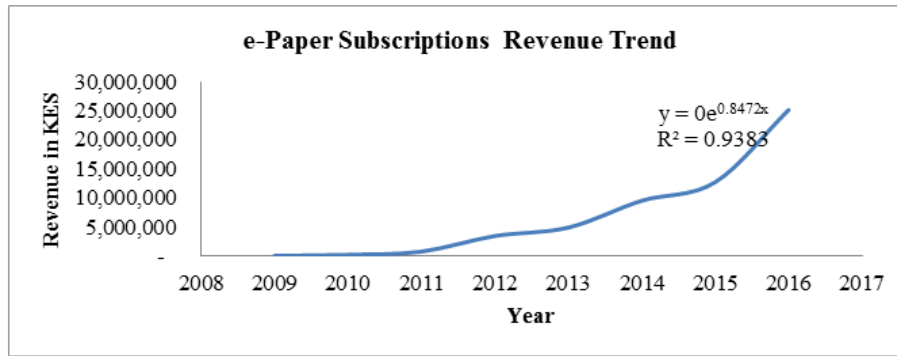
$$Y = 248.01x - 495119$$

The co-efficient of determinant ( $R^2$ ) was 0.8196 suggesting that the predictive power of the regression trend was 81.96% which exhibited a strong predictive growth model

**Effect of e-paper subscriptions on revenue performance**

The objective of the study was to determine the effect of e-paper subscriptions on revenue performance at the Standard Media Group Limited. To achieve this, time series data on e-paper subscriptions for the last eleven years was sought and obtained from the finance department. The data was analysed for trends which were then compared to those of the overall revenue performance.

Linear regression techniques were applied by the use of Microsoft's Advanced excel computer software to develop the most efficient trend line and also to compute the co-efficient of determinant ( $R^2$ ) which was used to draw the conclusions. The results were as shown in Figure-3.



**Fig-3: E-Paper Subscriptions Revenue Trend**

Findings in figure 3 show that the E-Paper Subscriptions Revenue started on a low profile between the year 2009 and 2011. Thereafter, the revenues continued to grow positively at an increasing rate demonstrating an exponential revenue trend. The equation describing the exponent was:

$$Y = 0e^{0.08472x}$$

This implied that the revenues grew from zero in the year 2009 and grew exponentially at a rate of  $e^{0.08472x}$  annually over the period of the study. The coefficient of determinant ( $R^2$ ) was 0.9383 suggesting that the predictive power of the regression trend was 93.83% which exhibited a very strong predictive growth model. The trend was projected to continue for the immediate succeeding years.

Qualitative information provided by the members of staff working in this department is that the only source of revenue for e-newspaper is the number of subscriptions made over the internet. The data obtained from 2009 up to 2016, shows that there was growth in revenue thus depicting that the number of subscriptions grew from the time this platform was embraced as a revenue stream within Standard Media Group Ltd.

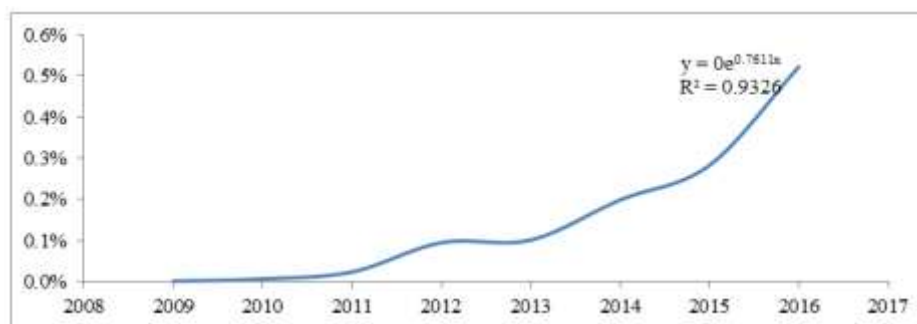
In order to determine whether the e-Paper Subscriptions Revenue Trend was in any way co related to the overall organisational revenues, correlation techniques were applied and the Microsoft's excel computer software was used to generate the statistics. The results were as shown in Table-3.

**Table-3: Correlation between e-Paper Subscriptions and overall revenues**

	E-paper subscriptions
Total revenues	0.743505262

Table-3 shows that the correlation between e-Paper Subscriptions and overall revenues was 0.74. This implied that an increase in one unit of e-paper subscription revenue would lead to an increase in the overall revenues by 0.74 of a unit.

The contribution of e-Paper Subscriptions revenues to the overall revenues over the period of study was summarized as shown in Figure-4.



**Fig-4: Percentage Contribution of e-Paper Subscriptions to overall revenue**

Findings in Figure 4 show that the contribution of e-Paper subscriptions revenues for the past 11 years was less than 1% which could be deemed insignificant. However, the exponential trend in growth over that same period suggests that going into the future, this

revenue segment could be a key contributor to the overall organizational revenues.

According to Berger et al. for news audiences, reading printed news is much more fun than reading it

on electronic devices. However, the ownership of mobile devices influences on this preference and decreases interests in reading printed news [8]. It means that, when people have access to free online news on their mobile phones, it is more likely that they read news online instead of going to a newsstand to buy a newspaper hence the growth in subscription of e-newspapers. According to A key informant of this study who is the Head of Digital at the Standard Media

Group, said in an interview that this trend is expected to experience a more rapid growth in the next 5 years as a result of newer and more affordable digital mobile gadgets in the market as well as more competitive internet subscription rates by the Internet Service providers.

**APPENDICES**

**Appendix I: Organisational Revenues for the year 2006 - 2016**

year	bulk sms	websites	Livestreaming	E-paper subscriptions	Social media marketing	total SG revenue
2016	820,000	80,469,617	10,000,000	25,155,307	9,888,128	4,815,327,000
2015	609,752	49,837,207	6,436,000	12,705,487	6,352,812	4,488,399,000
2014	525,667	33,585,656	5,410,576	9,526,000	3,338,859	4,783,000,000
2013	420,534	28,268,525	3,128,460	4,900,800	2,071,088	4,819,000,000
2012	87,640	11,234,141	-	3,453,564	1,050,121	3,618,000,000
2011	0.00	6,453,765	0	765,543	0.00	3,175,000,000
2010	0.00	0.00	0.00	221,432	0.00	3,105,000,000
2009	0.00	0.00	0.00	54,000	0.00	2,768,000,000
2008	0.00	0.00	0.00	0.00	0.00	2,819,000,000
2007	0.00	0.00	0.00	0.00	0.00	2,608,218,000
2006	0.00	0.00	0.00	0.00	0.00	2,964,610,000

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**  
**INTRODUCTION**  
**Summary of findings**

**EFFECT OF E-PAPER SUBSCRIPTIONS ON REVENUE PERFORMANCE**

The objective of the study was to determine the effect of e-paper subscriptions on revenue performance at the Standard Media Group Limited. It was established that the e-Paper Subscriptions Revenue started on a low profile where revenue generated between the year 2009 and 2011 was less than KES 1 million. However, the revenues thereafter, grew positively at an increasing rate to KES 25 million by the year 2016. It was found out that the revenues for e-Paper Subscriptions grew exponentially at a rate of  $e^{0.08472x}$  annually and was highly correlated ( $r=0.74$ ) to the overall revenue. Whereas the contribution of e-Paper subscriptions revenues for the past 10 years was less than 1%, the exponential trend in growth over that same period suggests that going into the future, this

revenue segment could be a key contributor to the overall organizational revenue.

**CONCLUSION**

The Effect of digitization is being experienced at the Standard Media Group. Every stream that has so far been identified with digitization has demonstrated exponential growth since their identification. The study established that content digitization has led Standard Media group to align its strategies to the new realities and in particular to make it competitive and enable it raise additional revenues. So far strategic departments or revenue platforms have been identified as a direct consequence of the digitisation within the media industry in Kenya. The department of e-paper has been set up together with other digital content platforms such as, live streaming, social media, news websites and mobile messaging platforms that have a big effect on the overall organizational revenue. Their combined revenue was nil in 2009 when none of them had been recognised as a strategic unit. They had however exponentially grown to combined revenue of over KES 120 million in just six years (by 2016) with future



forecast suggesting sustained growth. The rate of growth in the revenue was exponential, which was highly and positively co-related to the overall revenue. Digitisation of media products has brought about new technological production processes that warrant content repackaging and dissemination for radio, television and newspaper products. By embracing digitisation, the Standard Group has identified digital platforms as strategic in sustaining overall organisational revenue which is critical for the perpetual survival of the organisation. The study therefore concludes that adoption of digitized platforms is the future of mainstream media houses hence content digitization by media houses is the way to go.

### RECOMMENDATIONS

Based on the findings of the study, the following recommendations are made to enable media organizations to effectively implement and benefit from content digitization instead of making losses. Firstly, the study established that the traditional media remains the authentic source of revenue judging from the revenue contribution of E-Paper streams to the Group's overall revenue. Standard Media group should capitalize on this by doing research and providing deep insights into pertinent issues to keep it relevant. Additionally, niche content that is not easily available on digital platforms should be developed and sold at premium.

### SUGGESTIONS FOR FURTHER RESEARCH

This study examined the effect of E-Paper on revenue performance of The Standard Media Group. However, it is not in any way conclusive. Based on the findings of the study, the following suggestions for further research are made. Further research needs to be done on the strategies and business models for monetising digital content to increase revenue. In that regard, such a study will come up with recommended strategies that would be adopted by media houses to enable them succeed in a changed media environment.

### REFERENCES

1. Lhamo, T., Oyama, T. (2015). The Role of Mass Media in Bhutan: Accessibility, Influence and its Impacts. *J Mass Communication Journalism* 5:266.
2. Carlyle, T. (2009). *On Heroes, Hero-worship, and the Heroic in History*. New York: John Wiley & Son, 1866. 147. *Google Book Search*.
3. Castells, M. (2007). *The Rise of the Network Society*, Oxford: Blackwell.
4. Perry, R. L. (Ed.). (1978). *Sources of Our Liberties: Documentary Origins of Individual Liberties in the United States Constitution and Bill of Rights*. American bar foundation.
5. Nielsen, R. K. (2012). *Ten years that shook the media world*, Oxford Reuters Institute for the study of Journalism, Oxford University.
6. Küng, L., Picard, R. G., & Towse, R. (Eds.). (2008). *The internet and the mass media*. Sage.
7. McIntosh, S., & Pavlik, J. V. (2011). Converging media: A new introduction to mass communication.
8. Berger, B., Matt, C., Steininger, D. M., & Hess, T. (2015, January). Paper or Screen--Differences in Customer Preferences and Willingness to Pay between Traditional and Digital Content Services. In *System Sciences (HICSS), 2015 48th Hawaii International Conference on* (pp. 3384-3393). IEEE.
9. Fortunati, L., Taipale, S., & Farinosi, M. (2015). Print and online newspapers as material artefacts. *Journalism*, 16(6), 830-846.
10. Kammer, A., Boeck, M., Hansen, J. V., & Hauschildt, L. J. H. (2015). The free-to-fee transition: Audiences' attitudes toward paying for online news. *Journal of Media Business Studies*, 12(2), 107-120.
11. Dekavalla, M. (2015). The Scottish newspaper industry in the digital era. *Media, Culture & Society*, 37(1), 107-114.
12. Schumpeter, J. A. (1950). *Capitalism, Socialism and Democracy*, Union University Books, London.
13. Godo, H. (2008). *Media innovation*. Trondheim: Tapir.
14. Schumpeter, J. (1943). *Capitalism, Socialism and Democracy*, London: Routledge
15. Marz, A. (1991). *Joseph Schumpeter Scholar, Teacher, and Politician*, New Haven and London: Yale University Press.
16. Delbeke, J. (1981). Recent long wave theories. *Futures*, 13, 41, 246-257.
17. Van Duijn, J. J. (1977). The long wave in economic life. *DeEconomist*. 4, 544-575.
18. Orodho, J. A. (2004). *Techniques of Writing Proposals and Reports in Education in Social Sciences*. Nairobi: Masola Publishers.
19. Mugenda, O. M., & Mugenda, A. G. (2003). *Research Methods: Quantitative and Qualitative Approaches* Nairobi: Act Press.
20. Thorndike, R. M. (1997). *Measurement and Evaluation in Psychology and Education* (6<sup>th</sup> ed.). Upper Saddle River, NJ: Prentice-Hall.
21. Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.
22. Cresswell, J. W., & Clark, P. V. L. (2011). *Designing and Conducting Mixed Methods Research* (2nd ed.). Thousand Oaks, CA: Sage.