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DEDICATION

I dedicate this project to my family for their unwavering support, could not have done this without you, will forever be grateful.

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Heartfelt gratitude to the Almighty for the wisdom and guidance right from the first year up to date. I would also like to thank my brother for setting a good example for me, my sister for being supportive and my parents for being there for me financially and spiritually, I salute you. To my extended family and friends Talent Ndemera, Admire Tande, Lazarus Mafunhiya, Blessing Mariga and Emmnauel Mona thank you lots. Many thanks to my supervisor for his contributions; will forever be grateful. To Manica Post staff, thank you very much for your help and support.

ABSTARCT

The aim of the research was to evaluate the influence of digital products on company performance with reference to the case of Manica Post. The purpose of the research was to examine the effects of online news on cannibalization of print media at Manica post, establishing customer perceptions on digitalization of Manica Post news posted online, determining whether Facebook page marketing influences customer preferences as well as examining the effects of websites on increase in web traffic of Manica Post electronic news. Digitalization is the integration of digital technologies into everyday life by the digitization of everything that can be digitized. Many scholars agree that online news are supposed to be a complementary to print newspapers hence online news has not phased out print media. Major characteristics of websites are content, appearance, functionality and usability. Facebook is a social portal with companies and firms that create profiles to disseminate information about products. Exploratory research was used in this study and the target population was customers and employees. Non probability sampling technique was used and under this the convenience sampling method was used. A sample of 100 was used for customers and 16 for employees. The major findings drawn from the research are online news will not phase out print media sales any time soon but rather sales will drop steadily as most of the younger generation prefers to read news online and will not buy newspapers. Customers perceive companies that have gone digital as being innovative. Facebook page marketing affects customer preference of news. Websites have a positive effect on web traffic provided the content and coverage of the news satisfies customers. Majority of the respondents agree that content draws traffic to the website. Results show that it is mostly the content that customer want when they visit a company's website hence companies should offer that. Conclusions were drawn from the research and they show that the younger ages prefer to read news online with the older age preferring print news to online news, online news is only there to compliment newspapers and will not result in phasing out of newspapers but rather sales will decline steadily over the next years. Majority of the customer perceive digitalized businesses as being innovative. Facebook page marketing motivates customers to buy newspapers and website content is an important factor in drawing web traffic. Recommendations given include Manica post finding ways in which it can benefit financially from news posted on online sources such as websites, adverts, price reduction, improve coverage and reduce biasness.

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Definition of terms and abbreviations

Digitalization is defined as the adoption or increase in use of digital or computer technology by an organization or industry.

Company performance is the ability of an organization to achieve its goals in an effective and efficient way

MNP - Manica Post

Zimpapers- Zimbabwe Newspapers

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Chapter One

General Introduction

1.0 Introduction

This chapter provides an insight on background of the study, statement of the problem as well as the objectives. Research questions were derived from the objectives. This chapter also highlighted on the significance of the study; delimitations were included as restrictions in conducting the research. Assumptions and limitations were also discussed. The focus of the research is to find the influence of digitalization on company performance.

1.1 Background to study

A lot of researches have been done in developed and less developed countries on digitalization for instance a research done in South Africa by Rusell (2015) shows that the newspaper industry is declining because people now have access to online news and other digital products. In the research the author says that the projected time line for the extinction of newspapers is getting closer and there is need for newspaper companies to adapt to the changes. However , he goes on to say that South African newspaper circulation is still ‘positive’ but in no time the industry will be in a slump as the internet and free access to news online is gradually grinding down newspaper circulation in the country. Moreover, the research shows that developed countries such as Canada, USA and Australia have a projected timeline of five years before the extinction of newspapers because there is high usage of tablets/ mobile phones, digital news and consumer behavior and demographics are changing.

Furthermore, a lot of industries in Russia went through the transition period and the media industry is not an exception. The newspaper audience in Russia started to shrink in 2008 due to digitization of media. Printed newspapers can be accessed for free online and to remain profitable newspaper companies focused on adverts as the main source of income. To cover for the readers they had lost to the internet, newspapers in Russia increased the price of printed newspapers. They repositioned themselves in the market by creating an image of media for

‘elite’. (Rossiyskaya Periodicheskaya Pechat, 2011). Russia digitized the paper by creating an online version of the paper based on printed version. This is cost effective requiring only 20-30 % of the money used in printed newspapers.

Digitalization which took place in Russia can be likened to the Zimbabwean situation especially the case of The Manica Post. Newspaper audience is decreasing and customers are moving from the print newspapers to online news which they can access at a very low cost. The problem confronting newspapers is how to grow online revenues fast enough so as to offset the losses from print media (Myers 2012, Pew Research 2013, Newspaper Association of America 2013). The previous researches carried out by different authors failed to adequately cover how print media companies can make revenue from the use of digital products thus the aim of the research is to evaluate the influence of Manica Post’s digitalization on company performance in terms of sales growth, customer preferences and market share.

Digital marketing is the use of electronic or digital channels such as websites, emails, social media to spread your message, raise awareness and hopefully increase sales Grays (2013). Manica Post is a subsidiary of Zimpapers which is the only and largest listed media company in Zimbabwe. The company launched digital products so as to keep abreast with the changing technology and keep up with what readers want as they have been migrating from print media to digital products. Manica Post has been facing declining sales and readership levels have been falling drastically over the past 3 years. Volumes for adverts have also been declining as Manica Post is operating in a highly competitive industry consisting of giant players such as its own sister companies – Herald, Chronicle and the Sunday Mail as well as other players like Newsday and Daily news. These have a wider coverage as compared to the Manica Post. Consumer taste and preference are changing rapidly and also the invention of online news has caused a decline in sales for print media.

Table 1.1 Manica Post sales Trend

Manica Post sales	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2015	6,023	5,939	5,900	5,481	5,632	6,368	6,586	6,430	6,354	6,170	6,300	5,900
2014	6,239	6,200	6,198	5,846	5,833	6,574	5,899	5,768	5,805	5,777	5,800	5,500
2013	7,026	6,815	6,799	6,911	6,931	7,502	6,902	5,655	6,240	6,933	6,466	6,000

Source: Manica Post Internal reports (2015)

The above table shows the sales trends for MNP from 2013 January to 2015 December. Sales are decreasing continually. In January 2013 they were 7 026 and in 2015 January they are 6 023 which means that there is a difference of 1 003 of sales between the years. Competition has become so merciless and Manica Post is finding it challenging to sell its products given the stiff competition. Competition offers news on a daily basis for example the Newsday and the Daily news which publish on a daily basis thus most stories which MNP publishes on Friday would have been covered during the week and customers would have read about them already in competitor papers. Sister companies for Manica post have since adopted digital products and Manica post is still in the process of engaging customers to read their digital products. Manica post enjoys a market share of 9% as a weekly regional paper as compared to other weekly papers which are national that is Sunday Mail enjoys 38%, B-metro 14%, Kwayedza 9% and Sunday news 6 % (ZAMPS 2015). To try and curb the problem of publishing stories that would have been published already by competitor daily papers, Manica post makes use of its website (www.manicapost.co.zw) to post stories as they happen and not wait up to Friday as customers would have already read the stories in daily papers.

Newspapers are the most troubled segment of the publishing industry, troubles that result almost exclusively from the availability of alternatives to the printed newspapers as well as sluggish response by management to the opportunity on the internet for news, if not newspapers (Laudon and Traver 2014). According to the Manica Post internal sales report circulation levels have dropped from 347 784 to 312 517 in the period between 2013 and 2014 because readers are opting for online news. However digital media is not as effective to compensate the drop in revenue as it has only contributed 3% to the last year's revenue. The threatened destruction of

the newspaper industry is causing newspaper management to rethink free content supported by online ads placed at the newspaper sites (Kenneth and Travor 2014). The authors add on to say new devices offer newspapers an opportunity to connect directly with their readers anytime anywhere, what has been missing is an online newsstand where newspaper can display their apps. Newspaper audience is decreasing and customers are moving from the print newspapers to online news which they can access for free. According to King et al (2012) online readership of newspapers is growing at more than 10% a year. Internet world stats (2015) shows that there are 6 million internet users in Zimbabwe as on Sept 2014 which is 47, 5% of the population in Zimbabwe. This therefore means that nearly half of the country has access to the internet or digital products.

Mutare Urban has a total population of 187 621 consisting of 42, 7 % child population (Zimbabwe population census results 2012). Manica Post being the first in Mutare enjoys first mover advantage and there are high barriers of entry such as printing equipment, staff costs, media regulatory and licensing. However there are a number of players such as Alpha Media Holdings- NewsDay, Independent and The Standard publishers, Daily News and Gazette. Online, Manica post has totally different competitors from within the country and outside like NewZimbabwe.com, a lot more publishers who do not center on Zimbabwe, bloggers as well as social media platforms like whatsapp, twitter, Facebook, mobile news thus these deny media companies their role of middlemen.

1.2 Statement of the problem

Despite the fact that Manica Post (Zimpapers) has adopted digital products such as NewsHub, sports zone, Zimpapers classifieds and BH24, created social media platforms such as twitter, websites, Facebook page as well as launching a lot of promotions, the company is still experiencing low sales and decline in readership levels. According to the Manica Post internal sales report, circulation levels have dropped from 347 784 to 312 517 in the period between 2013 and 2014 because readers are opting for online news. Given the claim that a large section of the population in Zimbabwe (47. 5 %) are spending time on social media with over 850 000 subscribers on Facebook, the current research aims at finding the influence of Manica Post's digital marketing strategies. Which digital marketing strategies can be adopted by Manica Post so as to increase readership levels?

1.3 Objectives

The research sought to:

- Examine the effects of online news on cannibalization of print media at Manica Post
- Establish customer perceptions on digitalization of Manica post news posted online
- Determine whether Facebook page marketing influences customer preferences
- Examine the effects of websites on increase in web traffic of Manica Post electronic news

1.4 Research Questions

- Will online news cannibalize print media?
- What are the perceptions of customers on digitalization?
- Does Facebook page marketing affect customer preferences?
- What are the effects of websites on increase in web traffic of MNP electronic news?

1.5 Significance of the study

- To the University

The university can use this research for reference to future studies on digitalization. It will also help other students when doing their research as they can make use of reference to this research as it is a must that every student submits a research in partial fulfilment of his/her degree.

- To the Researcher

The research is done in partial fulfilment of the Bachelor of Commerce Marketing Management (Honors) degree. The researcher will acquire ample information as well as skills in tackling a research in future. The researcher will also get knowledge on the influence of digitalization on company performance.

- To the industry

The media industry can use this research to come up with promotions they can use so as to effectively make profits from digital products rather than wait until there is nothing left to newspaper readership.

1.6 Assumptions

- Regulations pertaining to access of electronic media did not change during the study period
- There was cooperation from selected respondents
- Sample size chosen was a true representation of population and true reliable information will be given by chosen respondents
- The researcher had access to relevant information to the study

1.7 Limitations

- Research is more qualitative hence results would differ if a quantitative approach is used
- Sample size of 116 which is taken from the total population of 107 507 is used hence results would be consistent with the sample chosen. However, results may vary if a bigger sample size is used.
- The researcher made use of exploratory design hence results would be different if the same research is done using descriptive research design.

1.8 Delimitations

- Literature used is from 2009 to date only
- This research made use of company data and statistics from 2013 to date
- Research information was gathered in Mutare urban only

- Research information was gathered from newsreaders (customers), employees (circulation, editorial and advertising department) as well as management (marketing and IT)
- Only 2 variables were used that is digital products and company performance in terms of customer preference, perceptions and cannibalisation of print media.
- Study participants were from Mutare only as the paper is a provincial paper
- Research focused on the effects of online news on print cannibalisation, influence of customer perception on digitalization of print media, influence of Facebook (page) marketing on customer preferences as well as the effects of website marketing on customer web traffic.

Chapter Two

Literature Review

1.0 Introduction

This chapter tries to explain the concept of digitalization and company performance. It gives explanation on different views of authors and scholars, similarities as well as differences by different authors.

2.1 The concept of digitalization

Digitalization has changed the world and ICT technology has created a way for innovations ranging from digitalized TVs to social media as well as virtual worlds. Digitalization has changed the way business is done and has affected marketing as it offers faster and more effective ways of distribution. It has affected many industries in both negative and positive ways and the media industry is not an exception. The above view suggests that the existence of Interactive digital media has changed the environment in which businesses exist in many ways. Hennig-Tharau et al (2010) conceded that for some industries the changes have been more dramatic for example in the case of music and printed newspapers industry where products are being transferred into digital format. Gray (2013) suggests that digital marketing is the use of electronic or digital channels such as websites, email, social media to spread your message, raise awareness and hopefully increase sales. The business dictionary defines digitalization as the integration of digital technology into everyday life by the digitization of everything that can be digitized

Festoon media (2010) says most technologies described as new media are digital, often having characteristics of being manipulated, networkable, dense, compressible, interactive and impartial. The author pointed out examples such as the internet, websites and computer games. According to McDonald et al (2012) a digitalized business creates value and revenue from digital assets. It goes beyond further rounds of process automation to transform process; business models and customer experience by exploring the pervasive digital connections between systems, people,

places and things. The author goes on to say technologies such as smartphone, tablet computing, social media, big data, analytics, cloud computing, remote sensing and others provide the raw materials to forge a new edge.

Companies today large or small can therefore use this digital technology to create a winning edge for its business and even industry. According to McKinsey and Company survey, ‘Minding Your Digital Business,’ half of the executives responding view investments in digital technologies as building a comparative advantage in their business. More than 20% overall say that the intent of their digital investment is to build a new business platform or tap new profit pools. Authors agree that digitalization has changed the way in which business is done today and companies need to keep up the changing environment so that they keep their competitive edge. An extensive study by Hilbert Lopez 2012 calculated the extent of the progress of digitalization. In 2007 94% of all world information had been saved digitally, more than 99% of worldwide long distance 2 way communication took place digitally and 25% of radio and TV broadcasting were digital. Henry et al (2010) adds that customers are becoming more important contributors of firm’s marketing messages through creating and sharing film related content (text, pictures and videos) online. It is clear that authors agree that digitalization has changed the way business is done in the world and for companies to keep their competitive edge they must keep abreast with the changes (Feston Media 2010 and McDonald 2012).

Most industries in Russia went through the transition period and the media industry is not an exception. The newspaper audience in Russia started to shrink in 2008 due to digitization of media. Audience changed source of news to internet and mobile applications. Printed newspapers can be accessed for free online and to remain profitable newspaper companies focused on adverts as the main source of income. To cover for the readers they had lost to the internet newspapers in Russia increased the price of printed newspapers. They repositioned themselves in the market by creating an image of media for ‘elite’ (Rossiyskaya Periodicheskaya Pechat, 2011). Russia digitized the paper by creating an online version of the paper based on printed version. This is cost effective requiring only 20-30 % of the money used in printed newspapers.

2.1.2 The concept of company Performance

Company performance is the ability of an organization to achieve its goals in an effective and efficient way. Companies measure their performance in different ways as there is no one way which has been agreed upon. Kihn, Lil-Anne 2010 cites that company performance is the accomplishment of a given task measured against stipulated standards of accuracy, completeness, cost and speed. Different authors agree that despite its relevance company performance suffers from problems such as lack of consensus, selection of indicators based on conveniences and little consideration of its dimensionality (Richard et al 2009, Comb and Todd 2008). Richard et al (2009) adds that if several dimensions exist a researcher should choose the dimensions most relevant to his or her research and judge the outcomes of this choice. Scholars agree that there is no one way which can be used to measure company performance but the researcher should choose one way which is most appropriate on the field which it would be used to measure.

Lil-Anne, Richard et al, Comb and Todd failed to come up with 1 perspective to measure company performance, they suggest that one should choose the dimension most relevant to his or her research and to overcome this situation company performance measurement system can be classified using financial and non-financial measures. Richard et al (2009) propounded that in most cases financial performance has been used (82%) with accounting measures of profitability being the most common choice (52%). The Government Accounting Standards Boards postulates that performance measures are relevant, understandable, timely, comparable, and reliable as well as cost effective. According to the Brazilian Administration Review (2012) company performance has 7 dimensions which are profitability, market value, growth, employee satisfaction, customer satisfaction, environmental satisfaction and social performance. Company performance can be measured using operational and financial performance. Operational performance includes product quality, market share and market effectiveness. Financial performance includes stock price, dividend yield and earnings per share.

2.1.2.1 Performance measurement

Hall (2008) cites that performance measurement is a system that ‘translates business strategies into deliverable results combining financial, strategic and operating business measures to gauge how well company meets their target’. Hasan Fauzi et al (2010) coined the extended measurement of company performance as balance score card where the core idea is to balance the domination of financial and non-financial aspects in company performance. The Office of Financial Management (2009) adds that performance measurement is a numeric description of an agency’s work and the results of that work. Parnell (2008) connotes that performance measures encompasses both financial and non-financial performance of firms that address customer satisfaction, innovation and quality production on top of financial results are crucial to achieve competitive advantage. A close analysis to the above discussion suggests that performance measurement is based and tells a story about whether an agency or activity is achieving its objectives and if progress is made towards attaining organizational goals. Furthermore, from the above views it also suggests that performance measurement is quantifiable in terms of cost, amount or results of activity that show how much, how good as well as what levels the product is made available to customers at a given time.

2.2 Online news

With the advancement in technology new sources of news have been discovered over the past years and this has motivated a lot of media companies to adapt to the changes. In the past people used to access news through newspapers, television and radio but now news can be accessed anywhere because of the invention of digital technologies. Different schools of thought agree that the internet has become an essential source of news in many countries. Kit (2008) was of the view that online news are platforms that provide news in form of online newspapers, online news sites, blogs and social networking sites. It follows that the invention of smart phones, laptops and social media technologies have made it possible for people from all walks of life to be able to access news online. Yang and Chyl (2011) ascertained that consequently the growing need for online news has brought forth the challenges to the traditional news media and sooner or later the shrinkage of readership in print newspaper. A close analysis may suggest that news preference is shifting gradually towards online methods especially for the younger generation. According to

Patel (2010) the internet reached more people than any newspaper had or even could and profits margins, if any have dropped to an average of 5%. In the same view Weinberg (2009) says that online news has made customers to realize websites that offer news and newspapers today are governed by 'wisdom of crowds'. The above views suggest that the internet provides an easy access of information and instant updates threatens the purpose of newspapers and the internet has been the source of competition for newspaper publishers.

Kruse and Tholl (2009) describe the age of the internet by using the genetic psychological triphase model of childhood, puberty and adulthood to describe the development stages of the internet. The author concludes that the internet at present has left its childhood and reached puberty and has just started to develop its real potential of producing societal change. Sivankutty (2011) argues that newspapers are the common globally source of information. However, because of rapid changes in technology news can be accessed online. Mohan (1999) connotes that the internet is a key participant in circulating news worldwide. This becomes the greatest weakness of newspapers as they cannot provide news to all continents unlike online news which give access to news instantly. Laudon and Travor (2014) were of the view that the internet offers the text publishing industries an opportunity to move towards a new generation of newspapers and magazines that are produced and distributed over the web available anytime, anywhere and on any digital device.

However, the above authors say that the same internet can destroy many existing newspaper companies that fail to make a transition and remain profitable. A close analysis shows that many newspaper companies that are faced with extinction are now introducing a complimentary paper online so that sales for the print media do not die out completely. Different schools of thought agree that newspapers are not going to die out anytime soon because online editors need them as their sources of news or as a support as newspapers are usually viewed as having original news. Schaffer (2001) from the Pew center proposes that interactivity is one of the major reasons why people prefer online news as a source of news. In addition online news offer some functions that traditional newspapers do not offer such as comment box and chat rooms or discussion forums which allow customers to get feedback. This entails that the effects of online news cannot be under estimated as it can bring down circulation levels for print newspaper. In disagreement, Ester de Waal et al (2005) connotes that there are differences between traditional newspapers and

online news in spite of the fact that both provide information and news. The authors goes on to say both of the mediums served in different roles, yet the question arose, whereby the online news has substituted the traditional newspaper or it served as a complimentary role. Nguyen and Western (2006) adds on saying online news and print newspapers should have a complementary relationship and not competition based. Andon (2007) in his research agree that online news has not phased out print news or it is not in support of phasing out print media but rather it has caused print media companies to become adaptive to changes and become more transparent in its journalism and quick to respond so that it can easily survive in this era of dynamic engagement. The above view suggests that newspapers will not be phased out but rather they should transform themselves and look for ways to survive and keep circulation figures high.

2.2.1 Cannibalization of print media by online news

The advent of online news has taken over the role of print newspapers in serving as the main source of news and this has brought about many changed in the media industry as companies look for ways to keep up with technology. Grabowicz (2012) postulates that print media was shrinking in the recent years due to the emergent of electronic news and print circulation has dropped. In a research done by Kit he says that people are relying more on online news than print media and they have been suggestions to replace print media with online news. Online news sites are creating a niche of their own, targeting the young and the computer wizards who believe that the internet provides the most reliable source of news. Pew research center (2009) found out that readership between print and online news were different in the year of 2006 and 2009, the use of online news has increased in the recent years from 24% to 33%. This is called cannibalization. Nevertheless, they are arguments that online news and traditional media are complementary and mutually support each other not substitutive. Over the past years a lot of people have shifted from consuming traditional media to online news and sales for print media have been falling drastically. However, contradicting results show that the usage of the internet in accessing news is actually increasing the demand for traditional news sources. In addition a lot of online news readers multi task that is they read news online whilst watching TV or flip through a newspaper after reading news online. Laudon and Tavor (2014) emphasized that the internet is substituting physical mediums, but it can, and often is, supportive and complementary to content owned by traditional media firms, including newspapers and magazines.

Fillistrucchi (2005) examined the effects of online news on newspapers in Italy and the results show that online news has a negative impact on sales of printed newspapers. The author says that they are 'three substituting effects' which are: Due to the availability of the internet people may allocate less time to reading print newspapers because they prefer online news, people will stop buying newspapers because they prefer online news and people can open the online version of the printed newspaper and once they see that it is similar with the printed version they will not buy. In his research he acknowledges that some people regard online news and printed news as complimentary. Conclusively, he says that printed newspapers are not going to disappear but rather sales will drop. Kaiser and Kongsted (2005) carried out a research to determine the effects of online news and the results show that there is no negative effect between print sales and online news. LaPointe (2009) further agrees saying online news is there to compliment newspapers and not to replace them and it is actually an opportunity to flourish them and not to threaten the survival of newspapers. Akin (2009) cited in Lucena (2011) examines the dominance of news by online versions of traditional news in Canada and the author says that Canadian newspapers have only been successful online because of their offline popularity and credibility.

Dorna Logan a newspaper analyst describes the newspaper as the foundation of the entire media game, leading newspapers agenda and paving the way for other sources. The author says that news for radios, TV and the internet are very reliant on print media experts such as journalists (Boswell 2009 cited in Lucen 2011). In agreement, Nicholas (2007) says that the internet is still to come up with a distinctive journalistic workforce with the same ability that traditional newspapers have. The internet is still to enjoy credibility that newspapers enjoy up to today even in this era of rapid technological changes. Newspapers still have a solid presence in most communities because of the influence they have on the society and trust from citizens. In 2013 the Newspaper Association of America found out that print newspaper subscriptions have decreased by 14 million subscribers from 1990, a 2 % decline in newspaper readership every year while online readership is at about 114 million viewers per day and online traffic is growing at 10% annually. Because online news audience is increasing the future of newspapers lies in the online desktop and even as readership and subscriptions to the traditional print newspapers continues to decline at a steady pace (Laudon and travor 2014). In a study carried out by Sudhakaran (2011) on Hi Tech news usage in India 54, 3% of the respondents visit news sites

once every day, 25, 6% visit the sites as much as possible and only 2.3% never visit news sites. The above statistics clearly show that a lot of people are now accessing news online.

Zhanwei and Xigen (2004) studied the influence of online news on the circulation of print media in USA and results show that the increase in online readership of news has an adverse effect on print media circulation. However, online editors did not approve that online news is cannibalizing print newspaper sales to a higher extend. To sum up all the arguments one can conclude that newspapers are not going to be phased out any time soon because they are still contribution enormously to the media industry. However, sales are expected to drop every year as online news is cheaper and convenient.

2.3 Customer perceptions on news posted online

Customers view companies that are digitalized in different ways with many customers preferring to be associated with companies that have online presence. According to Kotler et al (1998) consumer perception is how one acts or reacts to what they see. The works of Hanna (2013) identified perceptions as the process of selecting, organizing and interpreting, sensations into a meaningful whole. Customer perceptions are important to organizations and usually determine the success or failure of products in the industry. According to the business dictionary customer perception is the marketing concept that encompasses a customer's impression, awareness or consciousness about a company or its offerings. A research carried out by Titan to understand their customer perceptions towards their products show that individuals act or react on the basis of their thinking. Customer perceptions are therefore how customers view company products based on their own conclusions.

The Cone business in Social Media carried out a study in 2008 and the results show that of the 60 % people who read news online in America 90 % of them believe that companies should have an online presence in social media, 85 % believe that in addition to being present online a company should interact with its customers and 56 % feel that they have a stronger connection with companies that have online presence. Heinze and Hu (2006) and the theory of impression management suggest that individuals can develop impressions of the company on the basis of interactions they have with companies online. The study also found out that the extent to which

customers have control over the site can influence a customer perceptions that is the degree of interactivity, accessibility of the site and easy navigation. Managers should make use of features that make customers perceive them positively. These features include two way communications that is companies post news online and customers post comments. Braudi (2009) propounded that if the company is able to respond to these comments posted by viewers it is most likely that customers will view the company positively, as more reputable and innovative than its competitors. Jones et al (2008) suggests that a company's unique characteristics that is interactivity, speed, ease of use and vividness can create customer's negative or positive perceptions towards news posted online. Company image is viewed as a path to achieve competitive advantage and encourage repeat purchase (Alwi 2009) cited in Gurneet et al (2014). The views cited above agree that the image of the company affects customer perceptions of news posted online.

2.4 Facebook

An increasing number of people are now getting news from social media sites such as Facebook. The Facebook page is a social networking site which aids interaction between customers and business. Facebook is a social utility that helps people and businesses to communicate more efficiently with their friends and family. It was launched by Mark Zuckerberg in 2000 and ever since then Facebook has launched a lot of functions which enable users to post messages on the wall, news feeds and photos. According to Internet world stats (2012) Facebook is the most used and adopted by individuals and companies. Gray (2013) connotes that Facebook has over a billion members and for this reason alone it is arguably the most important network for both individuals and business. Chaffey et al (2009) connotes that Facebook is a social utility that helps people communicate more efficiently with their friends, family and co-workers. In addition to Chaffey's definition Myers (2013) postulates that Facebook is a social networking site intended to connect friends, family and business experts. Roeder (2013) adds on to say Facebook is a way to meet friends and companies; it keeps one updated on what they are doing by seeing friend's profile and timeline.

The emergence of social media has contributed first hand stories and news to people nowadays such as Facebook. The works of Dean (2009) suggest that Facebook is a popular free social networking site that allows registered users to communicate, create profiles, upload photos,

videos, news messages and send messages to keep in touch with friends. The author goes on to say Facebook is more interactive and hence more personal and enables instant messages. Myers and Roeder (2013) agree that businesses meet and interact with customers on Facebook and Dean (2009) adds that this is done through posting of messages, stories and uploading pictures. Facebook is a social media portal with companies and firms that create profiles to disseminate information about products and services, therefore changing the focus from creating personal relationships to reaching out to customers (Threatt 2009). The above authors (Myers, Roeder, Dean and Threatt) agree that Facebook is a social networking site which provides an interactive platform for both individuals and companies.

Facebook is now a common marketing channel which companies use to reach out its customers. Gray (2013) in his book Social media proposes that comments posted on sites are what social media is all about. The author says that companies post something in the hope that customers read it, but when people actually make comments and click the like button companies feel they are doing the right thing. In addition Gray (2013) propounded that Facebook pages for organizations were created to give organizations the opportunity to engage with prospective customers in a social environment and to be able to target who they wanted to talk to based on the wealth of data that Facebook stores about each of us compiled from our social behaviors. The author goes on to say a company should use its Facebook page as a conduit to enable a conversation to develop with its fans so that they can get to know you and your brand a little more. Facebook for companies should be used for product configuration and probably build trust then proceed to sale later when trust has been gained Gray (2013). Fordar (2013) describes a business Facebook page as a site where fans will receive updates from the company as new information is posted such as news, videos and upcoming events. The works of Gray (2013) suggests that the main advantage of facebook page marketing is you can ask your customers to like your page and once they like it they have given you the permission to chat with them whenever you want to. Facebook pages should therefore have a lot of informative content, regular updates that are interesting and create a sense of community then the number of likes will steadily rise (Gray 2013). However, if customers are not falling for the content then the other way to make them like the stories posted is to create a 'fangate'. This is a barrier that precludes people from having access to some of the news before they become fans of the facebook page

(Gray 2013). Gray 2013 and Fowder 2013 agree that Facebook allows companies to communicate with their customers through regular updates of news.

2.4.1 Facebook page marketing and customer preference

Statistics show that 1 in 8 minutes spent online is spent on Facebook hence companies should engage with their customers on this platform. The works of Gray (2013) suggest that once customers have liked your Facebook page they have effectively given you permission to communicate with them whenever you want to. Facebook can do something that a company website cannot do thus a company should invest in Facebook as a marketing tool (Gray 2013). Edelman (2007) suggests that customers are at present switching to usage of social networks such as facebook and are now spending a lot of time online reading news that the traditional newspaper. Facebook allows companies to interact with a lot of its customers that it can do with any other means such as phone calls, emails or meetings (Luke 2009). In a research carried out by Behan (2014) to determine if customer preferences affect the brand on facebook page, results show that facebook drives more positive passion for the brand which can be argued as a perceptual change. Facebook page marketing offers a large number of marketing opportunities and tools for branding and developing community on its site (Laudon and Traver 2014). The author goes on to say that the like button on facebook gives users a chance to share their feeling about content and other objectives they are viewing.

Kerpen (2011) postulates that Facebook's like button was introduced to the public in 2010 and the like button receives over one billion clicks a day. The author went on to say that the like button is a powerful tool because after it is pressed it shows the entire network what the customer has liked and the individual's Facebook friends can see which pages that person liked. Casteleyn, Mottart and Rutten (2009) cited in Fowder (2013) conceded that Facebook data can be compared to a crystal ball to understand customer. The above authors agree that companies can interact with their customers and the click button on facebook enables companies to know their customers' preferences (Gray 2013, Luke 2009). Duffett (2015) disagrees saying that many companies no longer focus on increasing clicks but are rather placing greater emphasis on what transpires post click. The author supports this by saying the likes are not very important but what customers do after they like our stories is the most important. The above views did not give

adequate reasons on how Facebook page influences customer preference. Gray (2013) emphasized on the use of Facebook as it is a widely used social network for businesses. Hanlon et al (2008) carried out a research expand your Brand Community Online and results show that Facebook has become an important marketing channel to directly reach the company's targeted customers and engage them with the company brands.

2.5 Influence of Websites

Websites are an important tool for a company as they draw traffic to the website. When websites started to gain popularity many companies decided to use them as a way to make their brands known, build the company image and as a competitive edge. It is therefore very important for companies to design their websites in a way that makes visitors stay on the site once they visit your website. As postulated by Joris (2013) a site is an accumulation of archives that are gotten to through the Internet and a page is the thing that you see on the screen when you write in a web location, tap on a connection, or put an inquiry in a web search tool. Joris (2013) goes ahead to clarify that a page can contain any sort of data, and can incorporate content, shading, design, movement and sound. The above authors agree that websites contain information about company's history, logos, colors, products and services as well as contact addresses (Joseph 2004, Joris 2013)

Ndubis (2006) suggests that a website is an internet locomotive that contains all the details of a particular firm. The author goes on to say for a website to achieve its functions it must have the following characteristics- appearance, content, usability and functionality. Jones et al (2008) concurs that a website's unique characteristics that is interactivity, interaction period, challenges can create customer's positive or negative emotions towards the site, brand and employees. The works of Gommans et al (2001) concede that a good website must be designed for a targeted customer segment. Companies should create their websites in such a way that allows easy navigation so as to draw traffic to the site. Websites assist a company in its marketing activities as they enable companies to target their customers and interact with them. According to 2011 Gartner CIO Survey involving 2014 enterprises it concludes that digitalized businesses have higher growth rates, scale efficiency and asset effectiveness than their less digitalized peers. The

conclusion is based on a joint analysis of 2010 financial performance by Gartner and the MIT Sloan Centre for information systems research and McDononald et al 2012 which found out that on an industry adjusted basis, firms with above average levels of digitalization revenue outperform those below average levels in three categories which are improved growth rates, improved cost productivity and improved capital productivity.

2.5.1 Characteristics of a website that make websites draw traffic

Web characteristic is the basic way in which a website is presented on webpages that make up a website Braun et al (2009).

2.5.1.1 Content

Websites content refers to the functions, information and products offered on a website excluding facets of web appearance or design Huizingh (2000), Aladwani and Palvia (2002). Research by these authors has discovered that websites play a major role in consumer decision making. A website should have content that is meaningful, attractive, related to the company and easy for the readers to view. Young (2009) says that content on the website should be related to what the company sells. This is because the content on the websites determines whether visitors should stay on the site or not. The works of Ndubis (2006) suggest that a site should have substance that is, it should have the relevant information that customers are looking for.

Al-Salebi (2010) postulates that content characteristics depend on six aspects which include originality, structure, text and credibility. Content should be credible because viewers pay attention to the information. Young (2009) suggests that websites that offer information that is new and accurate are credible. Text written on websites should be large enough to accommodate everyone who visits the site and the information posted should be grammatically correct (Al-Salebi 2010). Singh (2013) postulates that internet users skim through the content on a website instead of reading every word from top to bottom hence content should be easy to scan through and this is done through the use of headings, subheadings and paragraphs. Porta (2009) proposes that content is the king to the web world. The author went on to say web content should be up-to-

date and unique so as to keep visitors coming back for more. Holden (2001) agrees saying that one of the most important aspects of updating a site's content is checking links to other pages. Companies should include links within the texts to other content of their site (Collin 2000). The above authors agree that websites should be meaningful relevant and credible (Young 2009, Ndubisi 2006, Al-Salebi 2010) On the contrary Macarthy (2014) advocates that one of the biggest mistakes that companies make is posting about themselves only which can be very boring. The author suggests that companies should make use breaking news, holidays and other social events to add relevance and variety of their content.

2.5.1.2 Appearance

According to www.spritzweb.com a website must be appealing, polished and professional as the site reflects the company's image and its products to customers. An unattractive or poorly built site will do more hurt your business than to help it. Laja, P (2013) postulates that it takes a 10th of a second to form first impressions about a person and websites are no different as appearance determines whether one should stay, like or dislike your website. Appearance should be enhanced by good use of color, text that can be easily read, meaningful graphics, quality photographs as well as simplicity. Karvonen et al (2000), Robins and Holmes (2007) as cited by Sauro (2013) were of the view that users tend to trust attractive websites more as compared to unattractive sites meaning appearance does matter. The above authors are in agreement that appearance is an important aspect of websites. However, Heng (2015) disagrees and says that appearance is not the most important issue on a website but rather companies should focus on usability as it is important to archive your purpose and search engine optimization because without it you will get few visitors. To add on Montie (2013) also disagrees saying that website appearance does not keep visitors on the site but rather simplicity of the site does.

2.5.1.3 Functionality

Functionality means to bring interaction between site and site visitors (Barnes 2005). When designing a site a company should ask itself what the purpose of the site is and it should make sure that the purpose is fulfilled. In another view, Barnes (2005) says that the golden rule of

function is “to be quick and to the point”. Thus visitors should not be taken to other pages but straight to the page they would have required. Bobcat open systems states that functionality is the ease with which a viewers can navigate your site and obtain information they are seeking. Ndubisi (2006) advocates that every component of a website should work swiftly and properly because if the site is not swift customers get disappointed and leave the site. Joseph (2005) connotes that the vast amount of information displayed on a website must be presented to the customer in a coherent manner and the customer must be able to obtain information they are seeking. That said, Just imagine a web company adds that websites should not ask for visitors to disclose more information about themselves than what is worth their information, but put a purpose to it, and lastly keep it simply or you will lose potential visitors half way through.

2.5.1.4 Usability

Nielsen (2000) in his book *Designing Web usability* defines usability as an engineering approach to web site design to ensure the interface of the site is learnable, memorable, error free, efficient and gives user satisfaction. According to the international organization for standardization (ISO) 9241-11 cited by Fiserv et al (2012) suggests that usability as the extent to which a product can be used by specified users to achieve specified goals with effectiveness, efficiency and satisfaction in the specified context of use. The Nielson Group (2010) suggests that usability is a quality attribute that assesses how easy user interfaces are to use. Marketingterms.com postulates that website usability is not about ensuring everything works on a site, it is about how fast and easy visitors are able to use the site. A website whose hierarchy of web pages and information feels natural and well-structured is likely to be user-friendly and engaging (Lynch and Horton 2009). According to Nahai (2012) when designing your website there are a lot of factors which can influence your visitors’ actions and behavior. Everything from a website’s layout and graphics to ease-of-use affect a visitor’s click through rate. The above authors agree that usability is the ease of use of websites.

The most common measurement of site effectiveness is the number of visits to the site (Karayanni and Baltas 2003). In disagreement Ghose and Dou (1998) says that web visits will

not completely reveal the site effectiveness as the visitors may be just casual browsers who should not be considered as potential customers or may just have stumbled upon the site. Web traffic should be managed and monitored because the volumes coming to the site have an impact on sales, productivity and inventory turnover Awad (2007). Zahay (2013) states that an important measure of business effectiveness of a site is the number and quality of its visitors. Web traffic helps the organization in determining the activities on a site. A research carried out by Lee and Kotler shows that websites are a critical touch point for your customers one at which only impacts awareness and attitudes towards your organization but also make a difference in whether your audience is inspired to act.

2.6 Chapter summary

The chapter looked at different authors and analyzed their views in connection with digitalization and company performance. The major areas discussed are that online news has taken over sales for newspapers when instead the two are supposed to be compliments. Website's appearance, content, functionality and usability are the main characteristics which draw traffic to the site. Authors debated on the main element amongst these with Heng (2015) and Montie (2013) agreeing that appearance is not a very important factor on drawing traffic to the site. Facebook page marketing offers companies an opportunity to interact with their customers and the click button enables them to know their preferences. Customer perceptions are highly dependent on what the customers think of our business and how they view company products based on their own conclusions.

Chapter Three

Research Methods

3.0 Research Methods

This chapter explains how the study was carried out. Main elements covered in this chapter are research design, population size, sampling method and technique as well as sample size determination. The chapter also covers data sources, collection procedure and administration, validity and reliability, ethical considerations as well as data presentation and analysis tools.

3.1 Research design

Research design serves as the roadmap for the researcher on how to carry out the project under study. It gives the overall strategy the researcher uses to put together the elements of the study in a logical way. Exploratory research design was used for the purpose of this research. It is used when the aim of the study is to get full knowledge so as to reveal the problem and get ideas about the study. Exploratory research aims at exploring research questions, finding out the nature of the problem and help in understanding of the problem under study. Saunders et al (2008) warns that when conducting exploratory research, the researcher ought to be willing to change his\ her direction as a result of revelation on new data and new insights. Exploratory research tends to tackle new problems on which little or no previous research has been done (Brown 2006).

In exploratory research the researcher has some ideas but seeks to explore more about them. The researcher used this method because it helps in understanding the notions of digitalization, digital technologies and company performance. This type of research makes it easy to define problems as well as establishing priorities. The researcher used interviews for management and questionnaires for customers and other staff members. The researcher also made use of secondary data sources such as weekly, monthly, and annual sales reports as well financial statements for the company.

3.2 Target population

Total population defines the elements under study. The researcher gathered information from employees and customers. The population size for employees is 20 and for customers is 107 507 which is the population for Mutare Urban.

3.3 Sampling Methods and techniques

Sampling is used in research because it is difficult to include the total population in the study. It is of great importance that the sample chosen is a true representation of the population under study. Ojawa (2010) says that the aim of sampling is to obtain a representative that looks like the population within an acceptable margin of error. This research made use of non-probability methods.

3.3.1 Non Probability sampling technique

It is a sampling technique that is usually used for qualitative data. The researcher made use the convenience sampling technique.

3.3.1.1 Convenience Sampling

The researcher used convenience sampling technique for customers as well as employees. This is because it is less complicated and inexpensive because it takes advantage of whoever is there. As the name suggests you take what you can get and do your best with it Warren (2011). It is also known as accidental sampling (Kumar 2005). The researcher used convenience sampling because it is easy to access respondents using this type of technique. Customers were conveniently taken from different selling points around Mutare and employees from various departments were also used.

3.3.2 Sample frame

This is the smaller number of respondents taken from the total population. The smaller number represents the characteristics of the larger populace. Sample elements were employees and customers. This sample frame is therefore a true representation of the total population.

3.3.3 Sample size

This embodies the population under study. The sample size for the research is 116. The sample size was derived from the formula by DeVaus (2002). The formula is as following:

$$n = \frac{N}{1+N(\alpha^2)}$$

Where n = sample size

N = Population size for Mutare

α = margin of error

According to DeVaus (2002) there is a 90% level of confidence which then leaves a margin of error of 10%. The sample size was calculated as following:

$$N = 107\,507 \qquad \alpha = 0,1$$

$$\begin{aligned} n &= \frac{107\,507}{1+107\,507(0,1^2)} \\ &= \frac{107\,507}{1076,07} \\ &= 99,9070 \\ &= 100 \end{aligned}$$

$$N = 20 \qquad \alpha = 0,1$$

$$\begin{aligned} n &= \frac{20}{1+20(0,1^2)} \\ &= \frac{20}{1+20(0,1^2)} \end{aligned}$$

$$= \frac{20}{1,2}$$

$$= 16$$

Table 3.1 shows the sample size

Target population	Sample frame	Sample size
Customers	107 507	100
Employees	20	16

3.4 Data sources

The researcher collected data from primary and secondary sources.

3.4.1 Secondary data sources

This is information already in existence in the form of internal sales reports, suggestion box, customer complaints books, account records, newspapers and published journals. Secondary sources of data are easy to access as they are already in existence therefore it reduces monotony to the researcher. Secondary sources of data are also a cheaper way of gathering information hence it reduces costs and saves on time. Because the data is already in existence the researcher can access the data from company archives. The researcher looked for data which is in connection with reduction in sales in the sales reports, from suggestion box the researcher also found out if customers have suggested anything to do with digital products or easy access to news and also see if the company has done something in response to those suggestions.

3.4.2 Primary data sources

The researcher used primary sources because they give information on the problem at hand, that is, problems being investigated. Information obtained includes respondents' sources of news and how reliable they are. Primary sources give firsthand information as the data is collected

specifically for the problem under study. This information was obtained using questionnaires and interviews administered to customers and employees.

3.5 Research instruments

These are tools used in collecting data. The researcher used questionnaires and interviews.

3.5.1 Questionnaires

A questionnaire is a technique used to collect data by use of carefully written down questions in which every participant responds to. According to Saunders et al (2009) a questionnaire is a list of carefully structured questions chosen for considerable testing with a view to elicit reliable responses from a chosen sample. Gall et al (2012) defined a questionnaire as a document that asks the same questions to all participants in the population. Use of questionnaires enables the researcher to obtain standardized and uniform data. These questionnaires can also be kept as records in archives. The researcher made use of the likert scales to enable participants to pick the most relevant rate.

3.5.1.1 Closed ended questions

Closed ended questions or structured questionnaires were administered to customers. This is because they are easier to answer. Questionnaires are uniform and standardized therefore it is easy to analyze the data collected. Questionnaires have high privacy levels therefore respondents are in a better position to give true answers thus customers were given questionnaires.

3.5.1.2 Open ended questions

These are also referred to as unstructured questionnaires. Timpany (2011) defines unstructured questionnaires as a bit more qualitative. The author went on to say that they do not require pre-defined categories and they allow the respondents to express their views openly. Open ended

questions provide more valid data as respondents can express how they feel about the topic under study that is the evaluation of digitalization on company performance.

3.5.2 Interviews

These are face-to-face situations between two or more people with a purpose in mind. They give the researcher a chance to acquire in-depth information by way of further probing. Interviews were used for MNP management. Structured interviews were used for this research as they ask same questions to all the respondents. They are also called standardized interviews. Corbertta (2003) states that structured interviews are interviews in which all respondents are asked the same questions with the same wording and in the same sequence. According to David and Sutton (2004) the other strength for structured interview is prompting can be included with the questions and if a question is inappropriate, data on why no response was made can be recorded.

3.6 Data Collection Procedure and Administration

The researcher made use of appointments. Prior to data collection or interviews the researcher set a date and time convenient to the respondent.

For management to be at liberty in answering the questions, the researcher explained that the study is for academic purposes only and information obtained was confidential.

The questionnaires were filled whilst the researcher waited so that the researcher can assist where the respondents do not understand. The questionnaires were returned to the researcher as soon as the respondents finished filling in.

3.7 Validity and Reliability of the study

These are the measures that the researcher used to improve validity and reliability.

3.7.1 Validity

- Respondents were viewed as active contributors and hence the uses of different sources of data (data triangulation) were used to produce more realistic outcome and reduce bias.
- To ensure that information gathered is valid the researcher made sure that information on the questionnaires is in line with the research objectives.

3.7.2 Reliability

Thomas, Nelson and Silverman (2012) define reliability as the replicability of the research under similar conditions elsewhere.

- The researcher made sure that the sample size is a true representation of the total population hence valid and true representation. The issue of reliability enabled the researcher to bring in in-depth research which can enable the study to be repeated with the same results being produced.
- The researcher also asked simply questions which are easy to understand so that respondents give reliable answers.
- To obtain reliable data a large sample size was used.
- Furthermore the researcher made use of a pilot study whereby she started by administering questionnaires to her roommates and classmates so as to pre-test the research instrument before the date of the research and make adjustments were necessary.

3.8 Ethical considerations

The researcher ensured that ethical guidelines are observed. The aims and objectives of the study were explained in detail. Issues of confidentiality were also explained verbally. The right to privacy, self-determination and freedom to withdraw from the study at any time was also clearly highlighted to the respondents.

The researcher was an emphatic listener and participants were regarded as experts of their own experiences. Thus, the researcher was objective rather than subjective.

3.9 Data presentation and analysis

Qualitative data is presented by way of continuous statements in paragraphs, in first order or second order narrative format with quotations and citations as they come directly from the respondents. Qualitative data is analyzed through thematic or content analysis.

Data collected quantitatively was presented in the form of pie charts, graphs and tables. Meaning was easily derived through interpreting information from the prior mentioned sources. Conclusions were drawn from the analyzed and interpreted data.

3.10 Summary

The chapter looked at research design to be used, target population, sampling methods as well as how the sample size was determined. Data sources to be used and research instruments were also examined. Procedures to be followed in collection of data and how the researcher made sure the data was reliable and valid were also discussed. The following chapter looks at how the data was presented and analysed as well as interpreting findings.

Chapter Four

Data presentation, Analysis and Discussions of Findings

4.0 Introduction

This chapter provides the data from the research carried out to find the influence of digitalization on company performance. This chapter presented, analysed and discussed findings from collected data. Various tools will be used by the researcher to present both qualitative and quantitative data.

4.1 Response rate

Questionnaires were distributed to customers and employees. A total of 100 questionnaires were administered to customers and 90 were completed and returned while 16 questionnaires were administered to employees and 15 were completed and returned. Questionnaires were distributed to respondents as follows:

Employees -16

Customers – 100

Table 4.1 Illustrates the summary of response rate recorded in the study

Category of respondents	Questionnaires distributed	Questionnaires returned	Response rate percentage (%)
Customers	100	90	90%
Employees	16	15	94%
Average response rate			92%

As indicated in the table there was an average of 92% response rate from the study which shows a high response rate. The high response rate produced from the study can be attributed to respondents having an interest to the topic under study.

4.2 Demographic Profile of Respondents

The study took into consideration age group, educational levels and gender as they are appropriate for the topic under study.

4.2.1 Respondents by gender

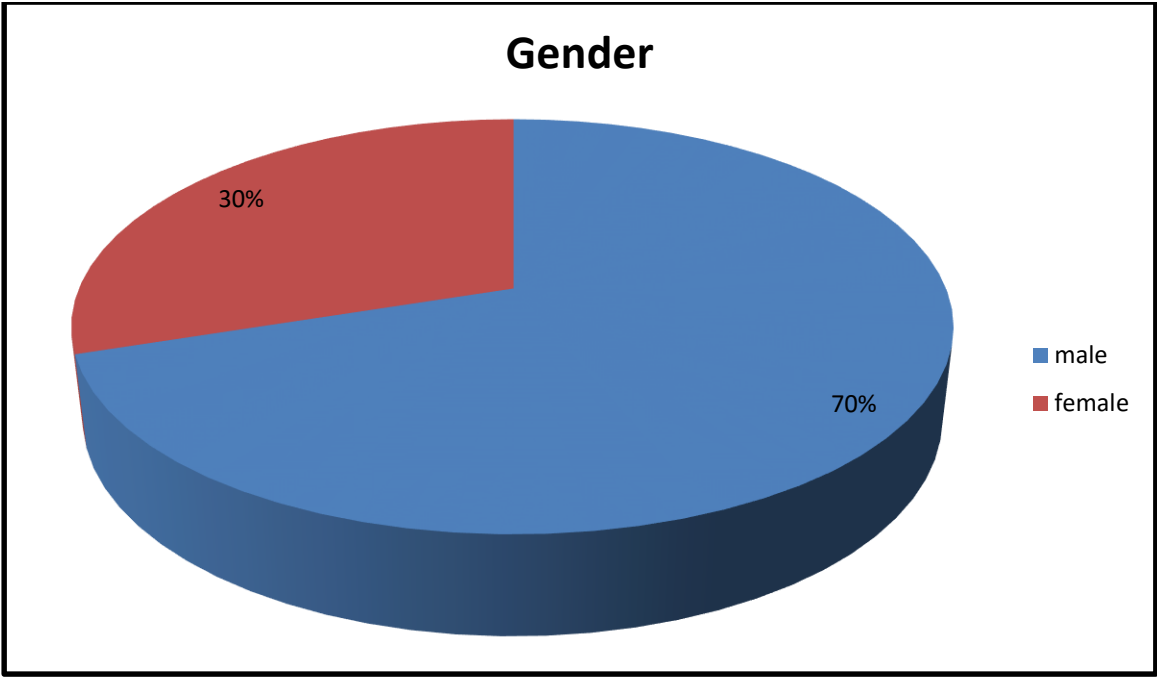


Fig 4.1 Showing respondents by gender

The Pie Chart represents the overall ratio in percentage of the total population that is men and women who took part in the study. 70% of the population who took part in the research were men whilst 30% of the total population were women. This shows that the majority of the people who responded to the questionnaires were men and only 30% were women. It follows that most men buy newspapers as compared to women.

4.2.2 Respondents by age group

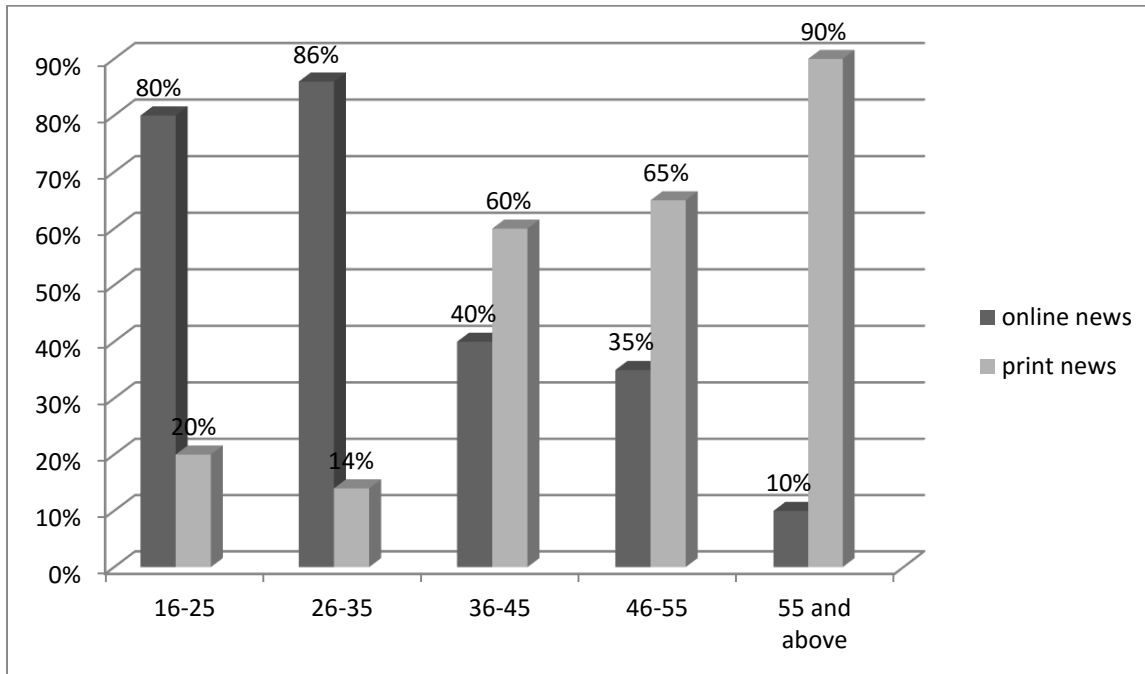


Fig 4.2 Showing the age groups in relation to the type of news preference.

As shown on fig 4.2 the age group of 16-25 has an 80% preference towards online news and 20% preference towards print media, age group of between 26-35 have an 86% preference of online news and 14% preference of print news. As the age group increases news preference differs, the age group of 36-45 has a 60% preference of print media and 40% preference of online news. The age group of 46-55 has a 35% preference of online news and 65% preference of print media. The elderly that is 55 years and above prefer reading the hard copy thus 90% preference and only 10% prefer online news. The above statistics clearly shows that the younger generation prefers to read news online most certainly because they have access to the internet on their phones, or at school or even at work. This age group in responses to why they prefer online news says that, 'it is affordable'. However, this could be generally attributed to the fact that these young ages are technologically active unlike the older ages who even if they have computers or digital products they feel that news can best be read from the newspapers.

4.2.3 Level of education

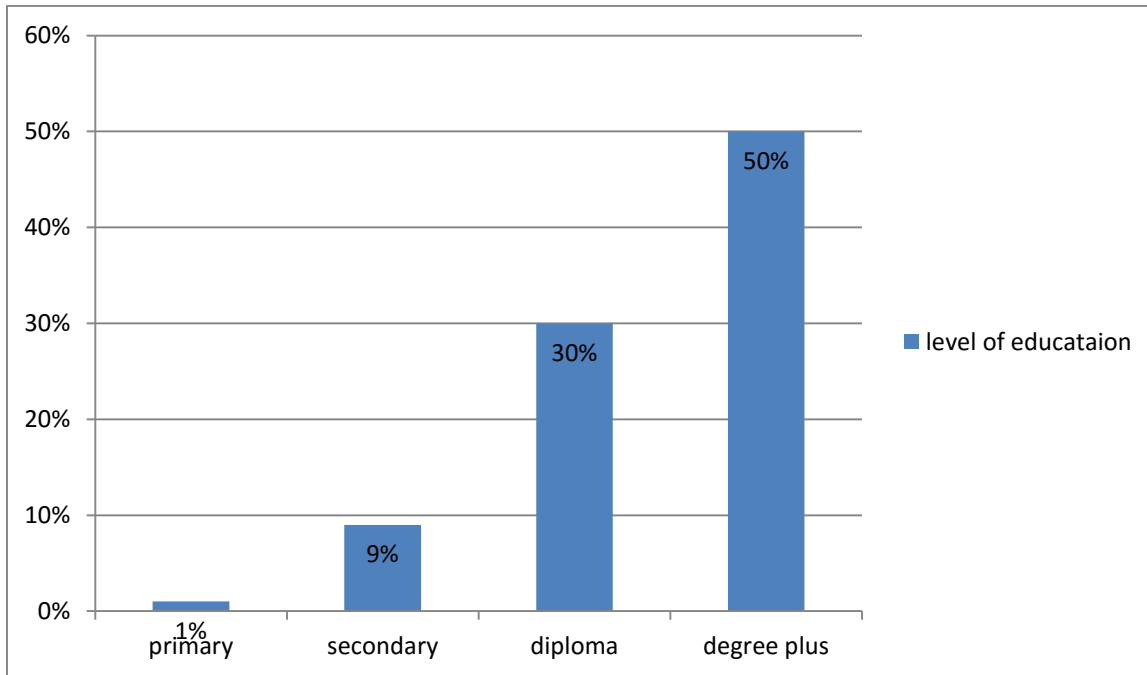


Fig 4.3 Showing educational level of respondents

Most of the respondents who responded to the questionnaires have high educational levels. As shown in Fig 4.3, 50% of the respondents have a degree plus, 30% have a diploma, 9% have a secondary education and only a percentage have primary education. This evidently shows that most of the respondents have a good educational background hence they are literate and they read newspapers.

4.3 Analysis of responses on the effects of online news on cannibalization of print media

The research aimed at assessing the effects of online news on print cannibalization at Manica Post. Research sought to assess the effects of online news on print cannibalization.

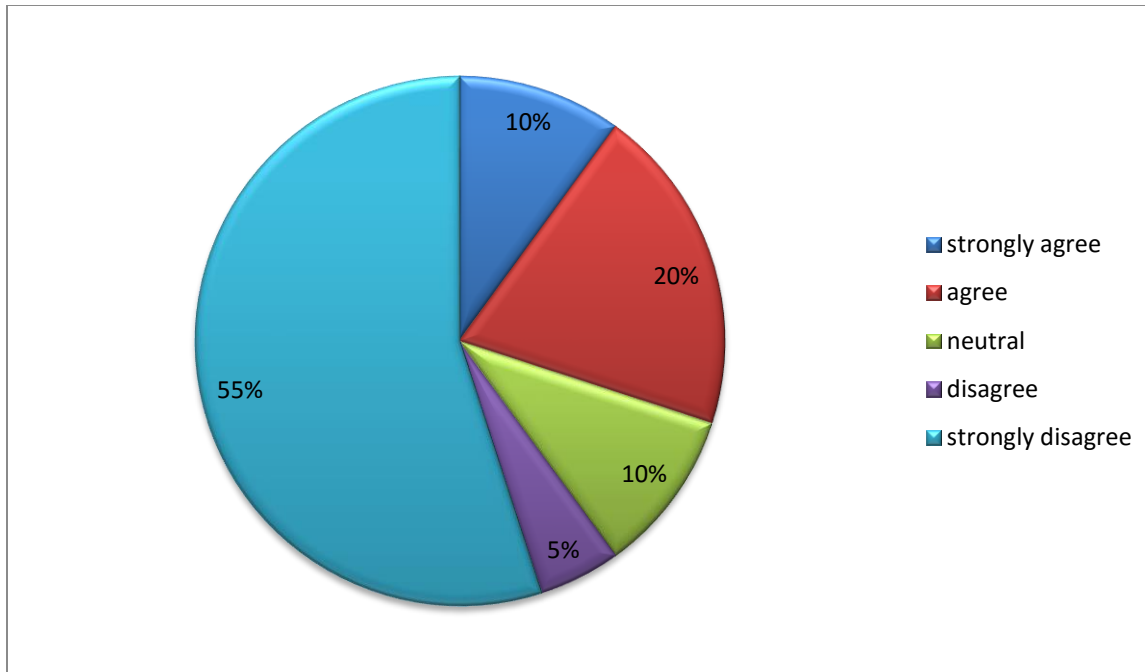


Fig 4.4 Showing respondents' views on the notion that online news will phase out print newspapers

As shown on fig 4.4, 55% of the respondents strongly disagree to the fact that the introduction of online news will result in phasing out of print newspapers, 5 % disagree, 10% mentioned neutral, 20% were in agreement and 10% strongly agree to the fact that online news will result in the extinction of print newspapers. 55 % of the respondents strongly disagree that online news will result in the phasing out of print newspapers and this can be attributed to the fact that Zimbabwe is a developing country and not everyone has access to the internet. Most of the respondents still prefer reading newspapers because they give all the information unlike online news which give headlines or only the news in brief. Customers feel that the newspapers give reliable information and that newspaper sources are trustworthy than online news. Respondents went on to say that online news cannot be consumed in isolation to online news since they do not give all the information and all the stories to news readers. This is in agreement with what LaPointe (2009) suggested as cited in literature review when he said that online news is there to compliment newspapers and not to replace them and it is actually an opportunity to flourish newspapers and not to threaten its survival.

The data from questionnaires were in agreement with what one of the interview respondents said in response to the question, ‘In your opinion do you think the introduction of online news has taken over sales for newspaper’. In his response he says that, ‘Newspaper sales will not be overtaken by online news anytime soon because the company still has a lot of its loyal customers who buy the paper every week even if they have online sources of news’. The respondent gave an average of 6 000 newspaper sales every week to support the fact that newspaper are not being phased out. The respondent however said that the introduction of online news has seen a steady decrease in the sale of newspapers. Responses from questionnaires from employees also show that newspapers are not going anywhere because customers believe in the hardcopy that is newspaper because online news does not give the whole stories and also that a lot of people feel that newspapers are reliable and trustworthy.

4.4 Customer perceptions on digitalization of Manica Post news posted online

It was also the research objective to establish customer perceptions on digitalization of Manica post news posted online. Responses gathered are presented in Fig 4.5.

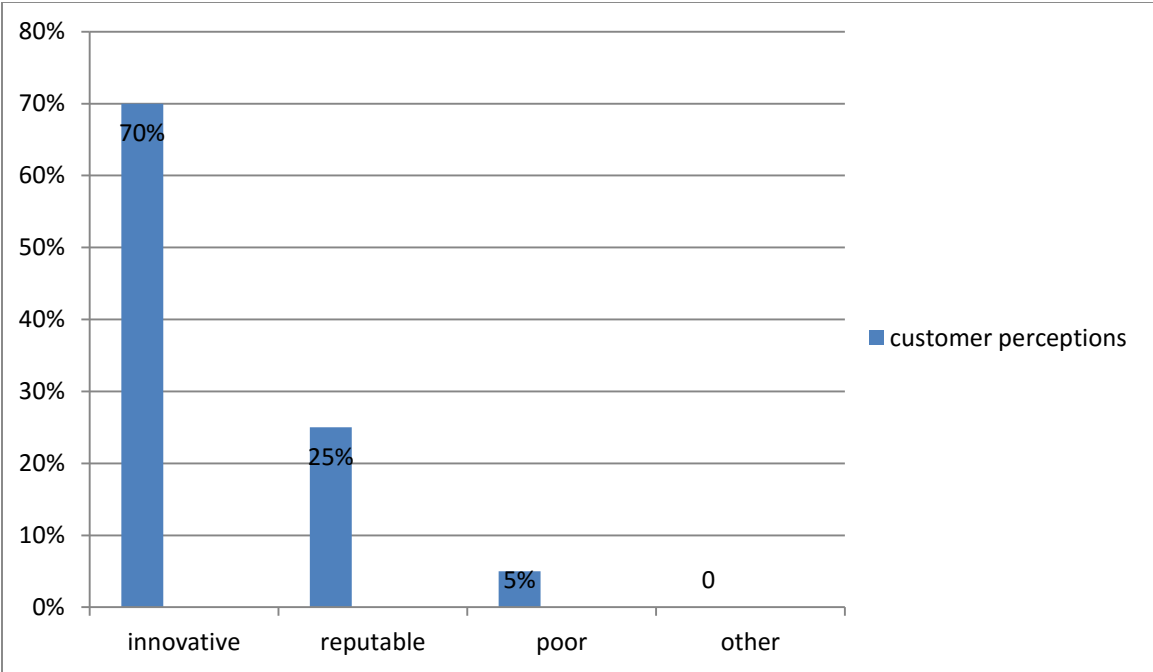


Fig 4.5 Showing customer perceptions on digitalization

Analysis of respondents on customer perceptions on the digitalization of Manica Post news posted online shows that 70% of the customers who took part in this research perceive companies that have digitalized as being innovative, 25 % view Manica post as being reputable and 5 % think that such organizations are poor. In response to the question, ‘How do you think your customers perceive you in terms of innovation ever since you introduced digital news, one of the managers was quoted saying, ‘Our customers have high regards for us from the time we introduced mobile news, facebook page marketing, websites the online version of the printed newspaper –Newshub and sport zone’. The interviewee went on to say, ‘Our customers perceive us as the pioneers of online sources of news especially in Mutare’. This therefore means that customers perceive companies that have digitalized as moving with technology and Manica post is one of them.

According to the responses by employees on what they think their customers feel about digitalization, most of the responses show that customers are very happy about the idea of digital products. The younger age are the most delighted because they might not afford to buy a newspaper every Friday but have access to the internet hence they can always read news on the company’s website or Facebook page. Customers are happy because they can now access news any time of the day through the digitalization of Manica Post news as compared to the print newspaper which at times depending on the content can only be accessible up to a certain time before it runs out.

4.5 Facebook page marketing influences customer preference

The research sought to find out whether Facebook page marketing influences customer preferences. Fig 4.6 shows customers and employee’s answers in response to the question, Facebook page marketing has an impact on your purchase of newspapers and Facebook page marketing motivates customers to buy newspapers respectively.

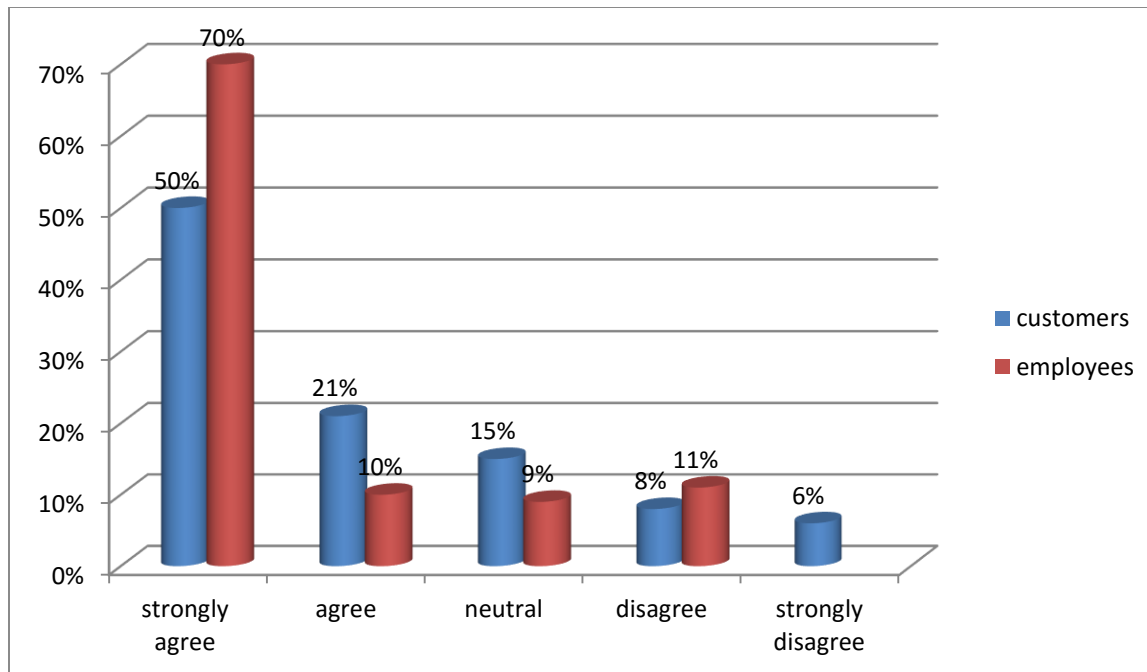


Fig 4.6 Showing the influence of Facebook page marketing on customer preference

The results show that Facebook page marketing draws customers to buy newspapers. 70% of the employees strongly agree that facebook page marketing motivates customers to buy newspapers and 50% of the customers agree also that facebook page marketing has an impact on their purchase of newspapers. 21% of the customers mentioned agree and 10 % of the employees were also in agreement. 15% of the customers stated neutral and 9% of the employees also mentioned neutral. 8% and 11% were in disagreement for customers and employees respectively whilst 6% of the customer strongly disagreed. Of the 70% of employees who strongly agreed that facebook page marketing motivates customers were of the view that customers would want to read the whole story in detail in newspapers hence they will come for the hardcopy after reading the headlines on facebook page. Another respondent suggested that customers after reading headlines become curious and will definitely come for the hardcopy because some of the headlines are very tempting. 50% of the customers strongly agreed to the fact that facebook page has an impact on the purchase of newspapers this is because almost everyone has a Facebook account today and through friendship requests you get to accept a lot of friends and immediately you will see what your friends have liked on their facebook pages. Because of this you get to see stories that your friends would have liked from different paged including the Manica Post pages and once you are interested you become curios and might look for a copy of your own.

Furthermore 21% of the customers agreed that facebook has an impact on their purchasing decision, of the 10 % of employees who agreed that facebook page customers to buy newspapers were of the view that it depends on whether the heading is attention grabbing or not. 15% of the customers were neutral which means that at times they are motivated to buy the paper and at times they are not. Only 9% of the employees were neutral and they feel that it highly depends on content carried by the newspaper. Moreover 8% disagreed saying facebook page does not have an impact on the purchase of news whilst 6 % of the remaining customer strongly disagreed. To add on 11% of the employees disagreed saying customers after reading headlines or news in brief from the facebook page they will not buy because already they have the overall idea hence no need to buy.

This data from questionnaires is in agreement with what one of the interviewee's in response to the question, 'Does Facebook page marketing help in circulation of newspapers' said. In his response he said 'Yes, Facebook does help and at times it brings in new customers who would have found news headlines on the company page or might have saw notifications that their friends have liked a certain story hence they strive to get a hardcopy of the paper. In summary, Facebook page marketing does influence customer preference of news.

4.6 Effects of websites on increase in web traffic of Manica Post electronic news

Research sought to examine the effects of websites on increase in web traffic of Manica post electronic news. Responses gathered are presented in Fig 4.7.

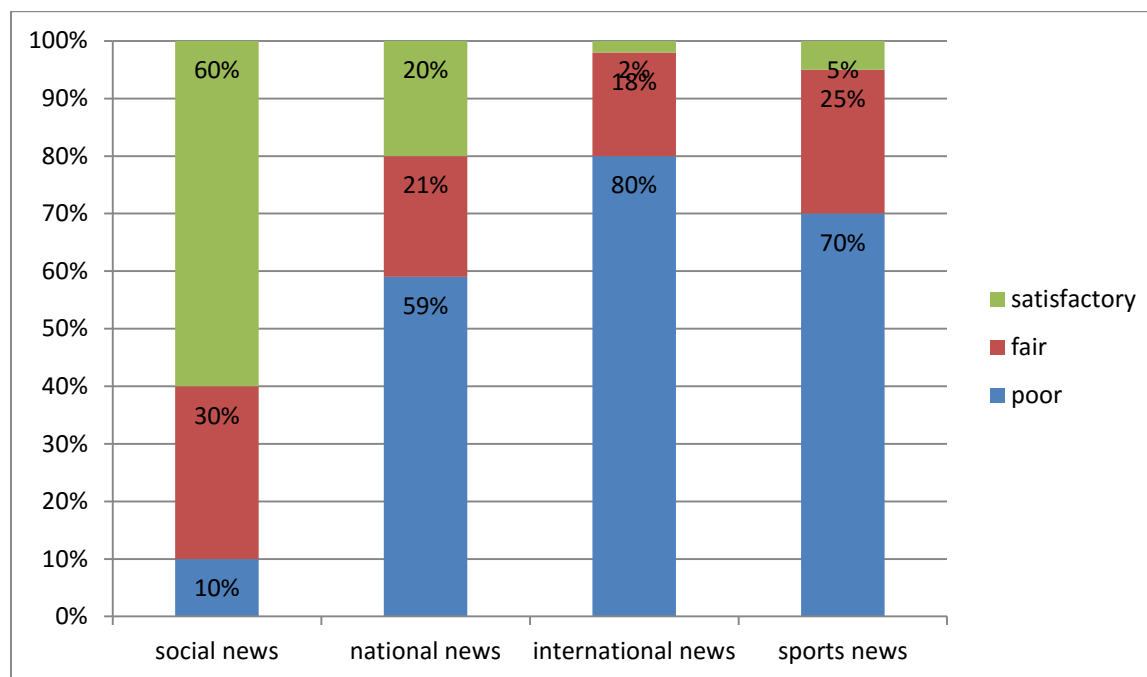


Fig 4.7 shows the effects of websites on web increase

The study aimed at finding the effects of websites on increase in web traffic and the results as depicted in Fig 4.6 show that customers have different views towards the different types of news posted on websites. It can be noted, as indicated in the graph that customers are satisfied with social news that they read on the company's websites as there is 60% satisfactory. 30% of the customers feel that social news is fair and 10% feel that social news is poor. National news coverage on Manica Post's website is poor as indicated by the 59% of the respondents, 21% mentioned that it is fair and 20% of the respondents are satisfied with the national news. The high percentage of unsatisfied customers who say that national news coverage is poor can be attributed to the fact that Manica Post which is a subsidiary of Zimpapers is government owned hence the paper at times is limited in its writing as it cannot always write bad things about the country or its political environment as compared to other individual papers like Daily news who have more freedom. International news coverage is poor with 80% of the respondents in support of this, 18% mentioned fair with 2% mentioning satisfied. This can be attributed to the fact that Manica post is a regional paper and most of the stories covered in the paper are regional and national with very little on international news thus the paper hardly writes on international events. 70% of the respondents mentioned that sports news is poor, 25% feel that it is fair with

only 5% being satisfied with the sports news coverage. Most customers want to read sports news updates which range from soccer, tennis, golf, basketball. However, the paper focuses more on soccer. One of the respondents mentioned that the website only posts news on soccer and not any other games. Responses from employees show that websites increase traffic for the company especially when the posts are current, consistent, have good content and are on time. In an interview with one of the managers, emphasis was given on the fact that coverage and content on all the above issues is the only characteristic of websites that will draw traffic to a company website. The respondent said that even if a company website is not enticing but the content on it is very rich traffic will increase because it is the content that visitors are looking for when they visit our website.

4.6.1 How often customers tell friends about the news that they read on websites

Research sought to determine how often customers tell their friends about the news that they read online. Responses gathered are presented on Fig 4.8.

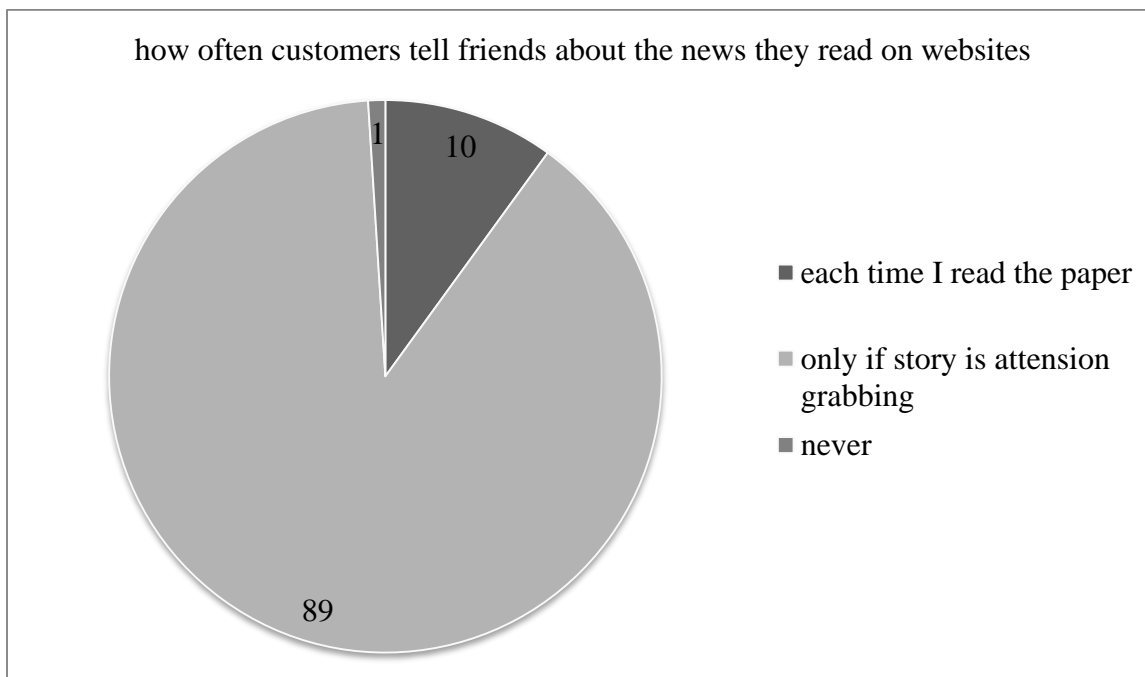


Fig 4.8 showing how often customers tell their friends about the news they read on websites

In support of websites and web increase the research also found out that 89% of the customers mentioned that they tell their friends about the news they read on websites only if the story is

attention grabbing, 10 % mentioned each time they read the paper with only 1% mentioning they never tell anyone about the news they read online. This data from the questionnaires is in agreement with what one of the managers said in response to the question, 'Are websites effective in drawing visitors to the company's web page'. The respondent said that websites are very effective in drawing traffic to the website especially when there are interesting stories on the site. It can therefore be concluded that it is content mostly that drives viewers to the site and make them stay longer.

4.7 Summary of findings

An analysis was done for both qualitative and quantitative data and the chapter presents the findings as following:

- Online news will not phase out print media sales any time soon but rather sales will drop steadily as most of the younger generation prefers to read news online and will not buy newspapers. On average 80% of the ages 16-35 prefer to read news online with the older age preferring print news to online news. 55% of the respondents strongly disagreed to the fact that online news will result in the phasing out of print news.
- Customers perceive companies that have gone digital as being innovative. 75% of the respondents mentioned that they view companies that have digitalized as being innovative, 25 % think that such companies are reputable with only 5% perceiving such companies as poor.
- Responses show that facebook page marketing does affect customer preference of news. 50 % of the customers strongly agreed to this, 21% mentioned agree, 15% were neutral, 8% were in disagreement and 6 % strongly disagreed. Of the employees who responded 70% strongly agreed that facebook page marketing will motivate customers to buy newspapers, 10 % mentioned agree and 9% were neutral with 11 % disagreeing to the notion that facebook page marketing will motivate customers to buy the hard copy.
- Websites have a positive effect on web traffic provided the content and coverage of the news satisfies customers. 60% of the respondents were happy with news coverage on the website but on average at least 68% of the customers are dissatisfied with the content that is posted on the site in terms of national, international and sports news. Results show that

it is mostly the content that customers want when they visit a company's website hence companies should offer that.

The findings in this chapter have helped in coming up with the summary, conclusions and recommendations as seen in the next chapter.

Chapter Five

Summary, Conclusions and Recommendations

5.0 Summary

The aim of the research was to find the influence of digital products on company performance with reference to the case of Manica Post. The purpose of the research was to examine the effects of online news on cannibalization of print media at Manica post, to establish customer perceptions on digitalization of Manica Post news posted online, to determine whether Facebook page marketing influences customer preferences and to examine the effects of websites on increase in web traffic of Manica Post electronic news.

Chapter two looked at the definition of digitalization which is the integration of digital technologies into everyday life by the digitization of everything that can be digitized. Many people today read news online and newspaper readership levels are declining. Authors agree that online news is supposed to be a complementary to print newspapers. Online news has not therefore cannibalized print media but they are compliments and need each other for survival. Websites are an important tool for companies as they draw traffic. Major characteristics of websites are content; which is one of the main elements that draws traffic and make viewers stay longer on a website, appearance, functionality and usability. All these used well together will draw traffic to the company website. Facebook is a social portal with companies and firms that create profiles to disseminate information about products. Facebook helps companies know how their customers feel about them through the comments and likes that customers post on the company's Facebook page.

The researcher used exploratory research design because it gives full knowledge to reveal the problem and to find out the nature of the problem. The target population was 107 507 for customers which is the total population for the adults in Mutare Urban and 20 for employees. Non probability sampling technique was used and under this the convenience sampling method was used because it is less complicated and inexpensive. A sample of 100 was used for customers and 16 for employees which were derived from deVaus (2002). Secondary sources of

data were used which include internal sales reports and suggestions box. Primary data sources were also used because they give information on the problem at hand.

The major findings are as following:

- Online news will not phase out print media sales any time soon but rather sales will drop steadily as most of the younger generation prefers to read news online and will not buy newspapers. On average 80% of the ages 16-35 prefer to read news online with the older age preferring print news to online news. 55% of the respondents strongly disagreed to the fact that online news will result in the phasing out of print news.
- Customers perceive companies that have gone digital as being innovative. 75% of the respondents mentioned that they view companies that have digitalized as being innovative, 25 % think that such companies are reputable with only 5% perceiving such companies as poor.
- Responses show that facebook page marketing does affect customer preference of news. 50 % of the customers strongly agreed to this, 21% mentioned agree, 15% were neutral, 8% were in disagreement and 6 % strongly disagreed. Of the employees who responded 70% strongly agreed that facebook page marketing will motivate customers to buy newspapers, 10 % mentioned agree and 9% were neutral with 11 % disagreeing to the notion that facebook page marketing will motivate customers to buy the hard copy.
- Websites have a positive effect on web traffic provided the content and coverage of the news satisfies customers. 60% of the respondents were happy with news coverage on the website but on average at least 68% of the customers are not dissatisfied with the content that is posted on the site in terms of national, international and sports news. Results show that it is mostly the content that customer want when they visit a company's website hence companies should offer that.

5.1 Conclusions

The following conclusions were drawn from the research.

5.1.1 The effects of online news on cannibalization of print media at Manica Post

On average 80% of the ages 16-35 prefer to read news online with the older age preferring print news to online news. The older age still prefers newspapers to such an extent that even if they read online news they still want a newspaper to compliment. 55% of the respondents strongly disagreed to the fact that online news will result in the phasing out of print news. From the above findings the study can therefore conclude that online news is only there to compliment newspapers and will not result in phasing out of newspapers but rather sales will decline steadily over the next years. It is therefore safe to say the newspaper companies will be in existence until time immemorial.

5.1.2 Customer perceptions on digitalization of Manica Post

75% of the customers perceive companies that have digitalized as innovative, 25% view them as reputable with only 5% regarding them as poor. The study can therefore conclude that most customers view Manica Post as being innovative as it was one of the first media companies in Mutare to introduce digital news. 25 % regard companies that have gone digital as reputable and only 5% view companies that have gone digital as being poor.

5.1.3 Facebook page marketing influence on customer preferences

50% of the respondents agree to the fact that facebook page marketing motivates them to buy newspapers, 21 % agreed, 15 % were neutral, 8% mentioned disagree and only 6% strongly disagree. Based on the 50% who strongly agree and the 21 % who agreed it can be concluded that customers are motivated by facebook page marketing to buy the hardcopy of news.

5.1.4 Effects of websites on web traffic

60 % of the respondents are satisfied with social news posted on websites, 30% mentioned fair and 10% stated poor. On average 68% of the respondents are not satisfied with the news coverage on national news, international and sports news. It can therefore be drawn from the

above that website content is an important factor in drawing web traffic. Furthermore the researcher noted that 89% of the customers tell their friends about the news they read on websites only if it is attention grabbing, 10 % tell their friends whenever they read a stories on the site and 1% never tell anyone. Based on the 1% that does not tell others about the stories they read the study can therefore conclude that customers always tell their friends about the stories they read on websites and this is likely to increase traffic as the friends would want to read the stories on their own.

5.2 Recommendations

The study presents the following recommendations:

- The researcher recommends that Manica Post find ways in which it can benefits financially from news posted on online sources such as websites.
- The company could advertise more about its digital products because a lot of people do not know about newshub, sports zone but they are familiar with company websites and facebook page
- The company may consider reducing prices of the paper to at least \$0,80 so that those who want to read the newspapers but cannot afford are taken into consideration
- Company could carry on with coming up of digital products so that customers continue to perceive them as innovative. Manica Post should also find out why the 5% of customers think digitalized companies are poor and try to tell them on the beauty of digital news.
- News headlines posted on Facebook page could be attention grabbing so that customers are motivated to look for the hard copy
- Regular news updates on websites should be uploaded, the company should also make use communities, online games just to make customers stay longer on the websites
- Improve on coverage of stories written on websites, balance sports news coverage that is write about other sporting activities besides soccer such as basketball, tennis and golf
- Reduce biasness especially when it comes to national news, news could be reported without fear or favor.

5.3 Area of further research

The current research looked at the influence of digital products on company performance. It is important for upcoming researchers to further look at ways to which digital products can be effectively implemented to benefit the organizational performance financially.

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Appendix A

Questionnaire for customers

Questionnaire for customers

My name is MMX12 and in partial fulfillment of my Bachelor of Commerce Honors degree in Marketing Management I am carrying out a research on **the influence of digital products on company performance**. I kindly ask for your assistance and cooperation in answering the following questions. Privacy and confidentiality will be observed and your views and inputs will be used for academic purposes only.

Objectives

The research seeks to:

- Examine the effects of online news on cannibalization of print media at Manica Post
- Establish customer perceptions on digitalization of Manica post news posted online
- Determine whether Facebook page marketing influences customer preferences
- Examine the effects of websites on increase in web traffic of Manica Post electronic news

May you please answer the following by ticking the appropriate box conforming to your response

Demographics of respondents

1. Please indicate your gender

Male Female

2. Please indicate your level of education

Primary Secondary Diploma Degree +

3. Please tick the age group you belong to

16-25 26-35 36-45 46-55 56 and above

4. Which of the following payment methods do you use when buying newspapers?

Cash payment

Subscriptions

Online subscriptions

Other, Specify

5. How often do you buy a newspaper?

Every week twice a month once a month other, specify.....

6. How often do you read news online?

Weekly twice a week monthly other, specify.....

7. Do you prefer reading news online than buying a newspaper?

Yes No

Support your answer

8. What motivates you to read news online?

Affordability Easy access Convenience Other, Specify.....

9. In your opinion how do you view companies that have digitalized?

Innovative reputable Poor Other, Specify.....

10. Which of the following is your favorite source of news?

Facebook page websites print media Other, Specify.....

11. Reading news headlines on Manica Post's Facebook page will make you want to buy a

Newspaper

Yes At Times No

Support your answer.....

12. Do your friends 'like' stories that you 'like' as well

Yes No

Support your answer.....

13. How would you rate news that you read on Manica Post's website in terms of coverage on

i) Social issues in Mutare

Poor Fair Satisfactory Other, Specify.....

ii) National matters

Poor Fair Satisfactory Other, Specify.....

iii) International News

Poor Fair Satisfactory Other, Specify.....

iv) Sports news

Poor Fair Satisfactory Other, Specify.....

14. How often do you tell your friends about the news that you read on websites

Each time you read the paper only if the story is attention-grabbing never

Other, Specify.....

15. What do you find most frustrating about websites?

Site taking too long to open Pop up adverts Other, Specify.....

16. In your opinion what else do you think should be done in terms of digitalization to improve sales performance at Manica post?

.....

17. Are there any areas that you think Manica Post should improve on?

.....

18. Please indicate your opinion to the following statements on a 5 point scale where 1-SA to 5-SD

	1 SA	2 A	3 N	4 D	5 SD
a) Introduction of online news will result in phasing out of print newspapers					
b) Online news is better than print news in terms of accessibility					
c) News headlines posted online is a way to attract you to buy print newspapers					
d) Facebook page marketing has an impact on your purchase of newspapers					

e) Regular posts on Manica post's Facebook will make you 'like' stories and follow the page					
f) Company websites increase web traffic because of news posted on the websites					
g) Many people nowadays prefer reading news on company websites					
h) Would you recommend a friend to read news on Manica Post's website					

NB: *SA-strongly agree A- Agree N-Neutral D-Disagree SD- Strongly disagree*

Thank you for taking time to respond to the questionnaire. Your responses will be taken into consideration.

Appendix B

Questionnaire for employees

Questionnaire for employees

My name is MMX12 and in partial fulfillment of my Bachelor of Commerce Honors degree in Marketing Management I am carrying out a research on **the influence digital products on company performance**. I kindly ask for your assistance and cooperation in answering the following questions. Privacy and confidentiality will be observed and your views and inputs will be used for academic purposes.

Objectives

The research seeks to:

- Examine the effects of online news on cannibalization of print media at Manica Post
- Establish customer perceptions on digitalization of Manica post news posted online
- Determine whether Facebook page marketing influences customer preferences
- Examine the effects of websites on increase in web traffic of Manica Post electronic news

Demographics for employees

1. Please indicate your gender

Male Female

2. Please tick the age group you belong to.

21-30 31-40 41-50 +51 and above

3. For how long have you been working for Manica post?

Less than 5 years 6-10 years 11-15 years 16-20 years 21 and above

4. Please state your department?

Circulation Accounting Editorial IT Other, Specify.....

5. In your opinion do you think newspaper sales are being overtaken by online news?

.....
.....
.....

6. Have you seen any changes in terms of sales growth or decline ever since the introduction of online news?

.....

7. How do you think your customers feel about digital news that the company has introduced

.....
.....

8. In your opinion do you think customers are satisfied in terms of coverage of stories that digital platforms provide

.....
.....

9. Do you think news posted on the company's Facebook page will draw customers to buy a newspaper?

.....
.....

11. How often do you check the 'likes' and read comments that customers post on your Facebook page?

.....
.....

12. After reading the comments what do you do?

.....
.....

13. Have you ever received any complaints from customers who were having difficulties accessing news online? Yes/ No Support your answer

.....

14. Please indicate your opinion to the following statements on a 5 point scale where 1-SA to 5-SD

Statements	SA	A	N	D	SD
Delivery times for newspapers affect newspaper sales as customers will opt for online news					
Customers prefer online news because it is cheap and easy to access					
Digital platforms will make customers buy newspapers					
Customers view companies that have digitalized their newspapers as innovative					
Facebook page marketing motivates customers to buy newspapers					
Many customers prefer reading news on websites					
A well designed website will draw more visitors to the site					

Note: 1 SA-Strongly Agree, 2 A-Agree, 3 N-Neutral, 4 D-Disagree, 5 SD- Strongly disagree

Thank you for taking time to respond to the questionnaire. Your responses will be taken into consideration.

Appendix C

Interview Guide For management

Interview Guide for management

Objectives

The research seeks to:

- Examine the effects of online news on cannibalization of print media at Manica Post
- Establish customer perceptions on digitalization of Manica post news posted online
- Determine whether Facebook page marketing influences customer preferences
- Examine the effects of websites on increase in web traffic of Manica Post electronic news

1. In your opinion do you think the introduction of online news has taken over sales for newspapers?
2. Are newspapers still the main source of news for your customers or they have since moved to online news?
3. Has the introduction of digital products helped the company i) increase its sales
ii) Enhance its image?
4. How do you think your customers perceive you in terms of innovation ever since you introduced digital news?
5. Does Facebook page marketing help in circulation of newspapers? Yes/ No, Support your answer
6. Are websites effective in drawing visitors to the company's web page? Yes/ No, Support your answer
7. Do you carry out any researches to access the impact of digital products? Yes/ No, Support your answer
8. How often do you redesign your website?
- 8b. When you redesign it do you realize any changes in increase or decrease of traffic or it remains constant?