



INFLUENCE OF ADVERTISING ON THE ECONOMY OF NATIONAL RADIANCE NEWSPAPER

Gabriel Tivlumun Nyitse, PhD

Department of Mass Communication,
Bingham University, Karu

Cordelia F. Clayton

Department of Mass Communication,
Bingham University, Karu

Terhile Agaku

Department of Mass Communication,
Bingham University, Karu

Abstract

The media rely largely on advertising revenue to generate income. This paper examines influence of advertising on the economy of National Radiance newspaper. The paper utilized the survey research design with oral-interview as instrument for data collection. Findings from the study indicate that advertising is a major source of revenue that boosts the economy the paper, further findings indicate that the major sources of adverts for National Radiance newspaper are direct contact with advertisers and the government, findings also indicate that the challenges of National Radiance newspaper in sourcing for adverts includes unwillingness of advertisers to place adverts in the paper since the circulation area of the paper is basically Benue State and lack of competition on the part of marketers in the state. The paper concludes that advertising is the life wire of economy of media organizations and the major source of revenue used to sustain the National Radiance newspaper. The paper thus recommends that the publisher of National Radiance newspaper should place value on advertising as a major source of economy for the paper, devise online strategy of sourcing for adverts in addition to direct contact with advertisers as well as employ persuasive strategies as tool to get advertisers advertise their goods and service as a sure way to further boost the economy of the paper.

Keywords: Advertising, Economy, Influence, National Radiance & Newspaper

INTRODUCTION

The media rely more on advertising revenue that they do on subscription and single copy sales to generate income. A common standard for measuring the print media success according to Paxson (2010) in Sambe (2014) is the number of advertising pages it contains. On average, a little over of print media content is advertising approximately 17% of the money that advertisers spend goes to the media.

Since advertising is very important for the print media, publishers strive to provide services that will be comfortable for advertisements. This according to Sambe (2014) is called complimentary copy. For example, an advertisement for men's shaving products may appear next to an article

about how men can make themselves more attractive. The comfort level equally means that publishers must avoid captions that would annoy advertisers and the target consumers. The importance of advertising to the economy of the media in the words of Sinclair (2015) is that, advertising is a crucial media industry, not only in its own right but also because of the intermediary structural relation it holds between the commercial media on one hand and the consumer goods and service industries on the other. This can be conceived as a manufacturing-marketing-media complex.

Before advertising became prominent, the price of a newspaper had to cover the costs of doing business. With the growth of advertising, papers that attracted ads could afford a copy price well below production costs (Ciboh, 2013). This put papers lacking in advertising at serious disadvantage as their prices would tend to be higher, curtailing sales and they would have less surplus to invest in improving the saleability of the paper (features attractive format, promotion etc). For this reason, an advertising based system will tend to drive out of existence or into marginality the media companies and types that depends on revenue from sales alone.

He further argues that with advertising, the free market does not yield a neutral system in which final year buyer choice decides. The advertiser's choice influences media prosperity and survival. The ad-based media receive an advertising subsidy that gives them a price-marketing quality edge which allows them to encroach on and further weaken their ad-free or ad-disadvantage.

The print media particularly magazines remain the major advertising medium of manufacturers. At their inception in the late 19th century, magazines served as important literary and advertising force. The primary reason for this heavy usage level is the high degree of specialization found in magazines. The growth of special interest magazines meant that the manufacturers of unique products such as snow skis, stereo equipments and gardening supplies can reach their selective audience in an efficient and relatively inexpensive manner.

As a source of economy for the media Sambe (2014) argues that adverts whether display, classified or advertorial is essentially the fulcrum on which the print or any other media rests. It is thus important that publishers should identify every sources of advert within and outside the circulation areas and at the same time strengthen his advert canvassing machinery. The funds accruing from advert boasts the economy of the media but this can be possible only where the publisher enjoys wide contact with influential members of the public. The paper examines the influence of advertising on the economy of National Radiance Newspaper.

OBJECTIVES OF THE STUDY

- i. To determine the influence of advertising on the economy of National Radiance Newspaper
- ii. To ascertain the sources of adverts for National Radiance Newspaper
- iii. To identify the challenges faced by National Radiance Newspaper in sourcing for adverts

CONCEPTUAL CLARIFICATIONS

Advertising

Advertising is any paid form of non-personal communication about an organization, product, service or idea by an identified sponsor (Belch, 2001). The paid aspect of this definition reflects the fact that the space or time for an advertising message generally must be bought. The non-personal component means advertising involves the mass media of television, radio, newspaper,

magazine and billboards that can transmit a message to a large group of individuals simultaneously.

Advertising is an integral part of marketing. It is a means of communicating information in persuasive purposes for products (goods, services and ideas) by acknowledged sponsors through numerous media. Advertisement is described as a form of effective media communication about products, services or ideas, paid for by an identified sponsor(s).

Edegoh and Nze (2017) adds that, advertising is a major element in promoting products, goods and services. Advertising has come a long way from symbols, village announcer etc to one-on-one or face-to-face contact to the mass media. Today, the mass media has made it a powerful device that announces the availability and location of products, describes their quality and value, imbues brands with personality and simultaneously defines the personalities of people who buy them while entertaining the audience.

Okoro (1998) in his argument explains that advertising is the business of talking to people or target audience through a media or various media channels in order to persuade them to patronize a product or adopt an idea or service. It is the creation of awareness about an idea, product and service respectively. It equally informs and educates the audience about a product. The advertiser chooses either a medium or various media channels to reach the audience. Some of these channels includes: radio, television, newspaper, magazines and billboards respectively.

Economy

An economy is an area of the production, distribution, or trade, and consumption of goods and services by different agents. Understood in its broadest sense, 'The economy is defined as a social domain that emphasises the practices, discourses, and material expressions associated with the production, use, and management of resources'.

Media economics investigate and explain how the economic, financial and regulatory forces influence the operations of media markets and their effects on the society. The media economics field also involves inquiry that focuses on how economic factors produce the kinds of media systems found in societies, determine the ways in which media operate, affect the choices of content and reveal their implication on culture, politics and society. Such determinants are central to understanding communications systems and in formulation of national policies concerning communication (Picard, 2003).

The field of "Media Economics" includes several interdisciplinary approaches as it is taught and researched in media and journalism schools, economics and political science departments, business schools, and social sciences in general. The term is employed to refer to the business and financial activities of firms operating in the various media industries. The operations of these firms are undertaken in the context of given market conditions and technological alternatives and their anticipated financial implications. Media economics is concerned with how the media industries allocate resources to create information and entertainment content to meet the needs of audiences, advertisers and other societal institutions (Picard,1990).

REVIEW OF RELATED LITERATURE

History of National Radiance Newspaper

National Radiance Newspaper is published by Jimbacks Ventures. The corporate head office is located at NO. 35, former *New Nigerian Bank* Building, New Garage Makurdi, Benue State. The

paper was first published in 2006. It is published forth nightly with the circulation figure of over 500 copies per edition basically within Benue State.

The Economic Dimensions of Advertising Media

Nagwa (2009) argues that advertising is fundamentally an economic activity. Advertisers purchase access to audiences assembled by media organizations, hoping to persuade consumers of media products to become consumers of their products as well. Economists studying the media have focused largely on the interface between media consumers and the suppliers of media products and the structures of markets for media products defined from the consumer's perspective.

Studies have shown that advertising is the principal source of revenue for newspapers and magazine is advertising. Wackman and Lavine (1988) in their study observes that advertising accounts for above 75% of revenue in newspapers and about 60% of magazine revenue, although there is wide variation across different types of print information products. This is an indication that newspaper publishers derive their advertising revenue from different types of advertising such as local, national and classified adverts.

Ciboh (2013) in a study "*Theories and methods of newspaper and magazine management*" argues that advertising revenue typically fluctuate with the well being of economy. More often than not if the economy is thriving then the industry's advertising revenues will rise. Conversely, if the economy is experiencing a growth slowdown, the industry often has lower or negative growth in advertising revenues. Although advertising generates over two-thirds of operating revenues for the industry, the competition for advertising money has become more intense from other sources such as television, the internet, billboards and other forms of media.

The perspective of advertisers, audiences is the primary product of interest created by media firm (Alexander Owers and Rod, 1993). Thus, given the importance of advertising revenues to the financial health of media industries, it is somewhat focused on the economic characteristics of the audience products that media organizations sell to advertisers. A growing number of scholars of mass communication have more systematically referred to economics in order to explain the phenomena of journalism, such as "market-driven journalism" or "all the news that's fit to sell" (Wildman and Napoli, 2006).

Hamilton (2004) also describes news industry as "information good where media managers, journalists, advertisers and media consumers all have their own rational interests in the selection, production and dissemination of news. In particular, media managers and journalist not only try to answer the classic "5Ws" when selecting news, but also five economic "Ws": who cares about a particular piece of information? What are they willing to pay to find it, where can media advertisers reach these people? When is it profitable to provide the information? Why is this profitable? Hamilton illustrates how economic considerations drive content production.

The relevance of advertising revenues in the media has been examined by researchers. Research in this area aim mainly at explaining the connection between the networks' contents and the relationship that media establish between consumers preferences and advertisers using the network for connecting with their consumers. Orlando (2007) explored and illustrated numerically and graphically an advertising model, namely the Kim and Widman for the aim of reaching the profit maximization behavior of a representative TV network. Research has focused

on different types of media, for example, Smith analysed advertising profitability in press (Smith, 1999).

Types of Newspaper Advertising

Chile and Chiakaan (2012) notes that the various types of newspaper advertising includes: Display, classified public notices and pre-printed inserts.

- a. Display adverts run from small boxes to one and two pages adverts. They can be black and white, multi-coloured or full coloured with or without pictures. The display advert looks like editorial matter in the newspaper and charged at higher space rate than normal display advertising.
- b. Classified advert provides a community market place for goods, services and opportunities of every type, from real estate and new car sales to employment openings and business proposals of major magnitude. Classified adverts are usually arranged under subheads that describe the class of goods or the need that such an advert seeks to serve.
- c. Pre-Printed Inserts are inserted into the fold of the newspaper to look like a separate smaller portion of the newspaper. They are printed by the advertiser and then delivered to the newspaper plant to be inserted into a specific edition either by machines or by the newspaper.
- d. Product Advertisements: these are adverts designed to sell a product or service. As a result of the high volume of product ads they receive, newspapers often charge less for them and offer considerable discounts on volume of insertion (Ozoh,2013). In other words, the higher the number of insertion of a single ad, the more the volume discount it is to attract.

Buying Space for Advertisement in the Newspaper

Newspapers derive the bulk of their revenue from advertising (Ozoh,2013). Most times, the money coming in from advertising is greater than the proceedings from circulation. Newspapers therefore ensure that they charged reasonably for advertisements they carry. Space in a newspaper paid is usually for by someone who has goods or services to sell. Advertisements are the main source of revenue for newspapers and magazines. Basically, advertising aims to persuade or inform the public and can be used to induce products differentiation.

Ciboh (2013) argues that the death of Newswatch as well as many newspapers and magazines in Nigeria has been in large measure as a result of progressive strangulation by lack of advertising support. Empirical literature further reveals that radical media also suffers from the political discrimination of advertisers. This is often structured into advertising allocations by the stress on people with money to buy but many firms will always refuse to patronize ideological enemies and those whom they perceive as damaging their interest.

The physical products they offer advertisers are the space on which the latter can insert their advertisements. Usually, newspapers have a variety of spaces which advertisers can use and these spaces are available in different dimensions. The more traditional dimensions are quarter page, half page and full page respectively. Ozoh (2013,p.62) further argues that nowadays, a variety of uncommon formats have evolved. There is the bottom strip which is two inches deep across the entire columns of the newspaper.

Newspapers usually charge for their space using starting unit of one standard column of space which is one inch deep across one column. However, in order to prevent the needless troubles that could arise from computing the actual space an ad will occupy, newspapers often beforehand publish in their rate cards the spaces available. The rate card has two major columns. While the left hand column indicates the unit of space, the right specifies the camera-ready copies for printing. It also lists the series of volume discount offered by the newspaper. For instance, if they will accept something like front page bottom strip, they indicate beforehand.

Financing the Print Media

Financing fuels the media business like any other business. Sambe (2014,p.17) notes that financing the print media requires steady injection of funds since the product of newspaper business is a tangible and physical commodity offered to the consumer periodically, money is needed from edition to edition for such recurrent material cost as purchase of paper and payment for impressions as well as circulation and other mobility expenses. In their models of *media support*, Hiebert, Ungurait and Bohn (1999) stated that there are essentially four categories or types of financial support system for the media, these includes:

- i. **Media Support by Audience:** Media support by audience includes media industries that that derive practically all their revenue from audiences who bear the full cost of production of goods and services.
- ii. **Media Support by Advertisers:** These are essentially media organizations that produce programmes which they provide free of charge to the audience. Such media organizations earn money through advertisements and the advertisers recoup their advert costs when they sell their products to the public.
- iii. **Media Support by Advertisers and Audiences:** Most newspapers and magazines derive revenue from both advertisers and audience members. It is believed that audience provide less than one-third of the total revenue earned by the general circulation newspaper and magazines.
- iv. **Media Support by Public and Private Groups:** Groups such as state and federal agencies, foundations, non-profit organizations and private corporations support some media.

METHODOLOGY

The researcher adopted the survey research design with oral interview as instrument for data collation. The choice of survey research design was informed by its outstanding qualities and experts submission that it enhances efforts at finding meaning and obtaining understanding of the present conditions, attitudes, opinions and beliefs, its relative cheapness considering the amount of information gathered and the large number of people that derive from the entire population and share basic characteristics of elements that make up that population (Wimmer and Dominick,2005).

Research Instrument

The research instrument employed in this study is oral interview. The use of oral interview is justified by Boyce and Neale (2006) argument that " interview as a data collection instrument involve conducting intensive individual interviews with a small number of respondents to explore perspectives on a particular idea, programme or situation. In this study, oral interview was conducted with the publisher of *National Radiance* newspaper to generate data for the study.

Data Presentation and Analysis

On the influence of advertising on the economy of *National Radiance* newspaper, the publisher says advertising is a major source of revenue which plays an important role in boasting the

economy the paper. This because the paper hardly make money from sales of the paper, even the little realised is not adequate to sustain the paper.

On the sources of adverts, the publisher says he source adverts directly from advertisers without passing through ad- agencies. Another source of adverts for *National Radiance I newspaper* is government. The government places in the paper especially during Democracy day, Independence day, Christmas and Easter celebrations.

On the challenges faced by *National Radiance newspaper* in sourcing for adverts, the publishers notes the unwillingness of advertisers to place adverts in the paper since the circulation area of the paper is basically Benue State. Again, since Benue is a civil service state with little or no industries, marketers need not advertise their products or services to boast sales hence they settle for less.

DISCUSSION

The discussion is based on the data generated through oral interview with the publisher of *National Radiance newspaper*.

First, the study found that advertising is a major source of revenue that boasts the economy the paper. This because the paper hardly make money from sales of the paper, even the little realised is not adequate to sustain the paper. This finding conforms with Wackman and Lavine (1988) observation that advertising accounts for above 75% of revenue in newspapers

Finding from the study also indicates that the major sources of adverts for *National Radiance newspaper* are direct contact with advertisers and the government. This finding is supported by Nagwa (2009) argument that advertising is fundamentally an economic activity.

Finally, findings from the study indicate that the challenges of *National Radiance newspaper* in sourcing for adverts includes unwillingness of advertisers to place adverts in the paper since the circulation area of the paper is basically Benue State and lack of competition on the part of marketers in the state. This finding agrees with Sambe (2014) argument that publishers should identify every source of advert within and outside the circulation areas and at the same time strengthen his advert canvassing machinery.

CONCLUSION

The paper concludes that advertising is the life wire of economy of media organizations. This more so that advertising is a crucial media industry not only in its own right but also because of the intermediary structural relation it holds between the commercial media on one hand and the consumer goods and service industries on the other. Advertising is the major source of revenue used to sustain the *National Radiance newspaper*. The paper thus recommends that:

- i. The publisher of *National Radiance newspaper* should place value on advertising as a major source of economy for the paper.
- ii. The publisher of *National Radiance newspaper* should devise online strategy of sourcing for adverts in addition to direct contact with advertisers.
- iii. The publisher of *National Radiance newspaper* should also employ persuasive strategies as tool to get advertisers to advertise their goods and service as a sure way to further reposition and boast the economy of the paper.

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Interview Guide

- a. What is the influence of advertising on the economy of *National Radiance* Newspaper?
- b. What are the sources of adverts for *National Radiance* Newspaper?
- c. What are the challenges faced by *National Radiance* Newspaper in sourcing for adverts?