Chapter 1

Aim and Rationale

1.1 Aim

The primary aim of this study is to investigate the relationship between specialised print media (specifically the *Financial Mail*) and advertisers. In South Africa, magazines are proliferating and competition for audiences and advertising has intensified. This study will seek to explore, from a critical political economy perspective, the extent of the influence of advertisers on the function and operations of the *Financial Mail* and the implications thereof. These issues will be examined by assessing the criteria used and influences operating in the placement of advertising in the publication by advertisers, as well as the strategies used by magazines to attract advertising. By investigating the operations of both the advertisers and the magazine, I hope to outline the dynamics involved in the media selection process by advertisers in South Africa. In order to locate and describe local developments, this research will draw on international critical political economy, looking at its applicability to South Africa as well as inquiring into what South African theorists and media commentators say about the relationship between the media and advertisers.

The research specifically seeks to answer the following questions:

- What is the nature of the relationship between the *Financial Mail* and its advertisers?
- How does this relationship influence day-to-day operations, for example in negotiating deals, placing of advertisements and planning special sections?
- What are the implications for editorial content and independence of the publication?
- What factors do advertisers consider when deciding to advertise in the *Financial Mail*?

- And do the above factors exert an influence on the ways in which the *Financial Mail* does business and plans its editorial, and if so, in what ways?

1.2 Rationale

This paper aims to add to a body of research that already exists in South Africa and abroad on the impact of advertising on print media. Media, locally and internationally, in recent years have had to deal with audiences that are growing at a slower rate than publications, declining advertising revenue and increasing competition. Media organizations operating under these conditions, in an effort to survive, have had to streamline their operations and find new ways to generate income other than a total reliance on copy sales. Consequently, media have increased the reliance on and competition for advertising. However, this has raised questions both globally and locally about how advertising and commercial values influence the operations of media organizations, content, and the independence and credibility of publications.

Globally, critical political economists have argued that heavy reliance on advertising has come to undermine the normative role of the media. Bagdikian (1983) did research on ownership trends in the United States and discovered that profit-making has gradually taken precedence over news-making and more and more publications were becoming willing to play into the hands of advertisers in order to increase revenue or maintain the income necessary to keep them in business. Bagdikian (1983) further noted that newspapers tended to do this through introducing supplements and surveys where promotional news material, disguised as news, is churned out to readers. In the 1990s, there emerged what McChesney et al. (1998) refers to as a global commercial media market utilizing technology and the global trend towards deregulation. Dominant media companies effected mergers, acquisitions and takeovers of small media companies resulting in only a handful of multinational corporations exercising virtual control of all major media. McChesney et al. (1998) concluded that these developments might mean the end of journalism in the traditional sense, meaning that news production (to inform, educate, entertain, be a watchdog) should be independent of advertisers and income-generating strategies.

Newspapers started as a partisan press mainly serving political elites. The idea of objective, professional journalism aimed at a cross-section of society was not yet born and neither was the idea that profits could be made by selling advertising in large-circulation newspapers. Journalism was only a partisan propaganda tool aimed at persuading and informing the polity and most newspapers were tied to political parties (McChesney & Scott 2004). As production costs declined and advertising revenues rose during the late 19th century, publishers increased in size and circulation rose and the number of newspaper publications began a steady decline (McChesney and Scott 2004). Media discarded their partisan stance and began to chase after a large readership, selling single issues for a penny each, to attract advertisers. Media competition increased as advertisers focused on large circulation newspapers and monopoly took root as large corporations bought out small papers. Survival of print media began to depend on the number of advertisers a newspaper could attract and there emerged niche publications specializing in niched markets.

In the last century, some have argued (McManus 1994; McChesney & Scott 2004), this dependence has resulted in a productive relationship between advertisers and publishers of newspapers and magazines. Advertising – brain-powered by market research – came to influence the media in the way they function and operate. Advertisers began to play a huge part in media production (Westen 1998). Market researchers, on the other hand, started to sort the population based on demographic and consumption patterns, and advertisers supported and created publications that could address these markets. While advertisements gradually took up more and more space in newspapers, the pairing of advertising and information found a state of bliss in special interest magazines that could deliver a specific, highly defined audience to advertisers. As a result, the media have increasingly come to address demographic rather than geographic groups, markets rather than individual members of the community. The relationship between advertisers and the media has resulted in, some have argued, a disservice to communities in the sense that local news coverage decreased and competing local papers disappeared and readers ended up with less information as local issues and politics were sidelined (Westen 1998). Mergers of media companies to form large corporate organizations provided a sound base for commercial media to thrive in the 20th Century and this trend has spilled over to other countries around the world. Similarly, media in South Africa has also been moving towards mergers and conglomerations in an effort to survive and maximize profits (Berger 1997).

For the last ten years South Africa has embraced commercial and economic models of media that the rest of the world have been experiencing since the middle of the 19th century (Kupe 2004). South Africa is also a country still in the process of transformation, both politically and economically, and a country sharply defined by economic and racial disparities. With the advent of democracy in 1994, the media sector has grown and become more segmented and fragmented. Of note, the magazine sector has grown tremendously with about 356 consumer magazines available on the market. Sports titles and women’s monthlies top the list with 79 and 50 titles available respectively. Business/financial magazines titles (27) are also in abundance (OMD 2005). Large media companies have tapped into this lucrative market, not only in the magazine market but print as well, South African media houses like Johnnic Communications Limited (Johnnic, now known as Avusa, will be used in this paper to avoid confusion), have unbundled their assets and media giant Naspers's Media 24 have introduced new publications to the market (Ueckermann 2005). Before democracy South Africa's newspapers were mostly in the hands of four media companies with few independent alternative newspapers. But today, ten years later, only two companies dominate the media landscape in the country. Independent Newspapers and Naspers control 69 percent of South Africa's daily newspapers and 72 percent of the weeklies. The two companies took up a large slice of 68 percent of newspaper advertising in 2003 with Johnnic taking up only 18 percent (Harber 2003A).

Johnnic Publishing owns half of *Business Day* and the *Financial Mail*, the business magazine under study, the *Sunday Times* and has a 44 percent passive interest in CTP Holdings through the holding company of Caxton Publishers (Ueckermann 2005). Naspers-owned Media24 Magazines, the dominant player in the magazine industry in SA, controls more than 60 percent of the country's total magazine circulation (www.media24.co.za). The ANC Policy Document (2002) states that the phenomenon of an expanding media without diversity can best be explained by a look at the political economy of the media. The document notes that public, private and community tiers characterise the South African media system. The South African broadcasting corporation (SABC) as a public broadcaster owns the majority of radio stations (both public mandate stations and commercial stations) and TV stations.

All these print, radio and television services in the country rely mainly on advertising revenue for their existence and survival. Even the SABC that draws on licence fees still has advertising revenue accounting for 75 percent of its funding (ANC Policy Document 2002). However, the South African economy and the advertising sector have not recorded a similar growth such that a proportionately smaller “advertising cake” now has to be divided among a large number of media organisations (Ueckermann 2005). The print press in SA, which is mostly privately owned and relies almost entirely on advertising revenue for its operations, existence and survival, has devised ways to attract advertisers by tailoring their products to suit the advertisers' needs. South African audiences have been categorised according to living styles, class, employment status, education, culture and other indicators in order for advertisers to catch their disposable income. The South African Advertising Foundation’s (SAARF) LSM, or Living Standards Measure, and the All Media Products Survey (AMPS) were developed by SAARF as market segmentation tool in order to “differentiate between people with similar behaviour” (www.saarf.co.za). These measures, and other international segmentation tools, have come to be used by South African advertisers and media companies alike to determine where and when to place advertisements.

Media trends in South Africa tended to take on a racial complexion because of the historical economic and social inequalities between Blacks and Whites, a legacy of apartheid South Africa. There is an argument that media in South Africa still largely serves the white population because of this group’s affluence. The argument reflects a discontent with the organizational structure of media companies which leads to a bias in content of most South African media (Dlamini 2003). This structural problem in South African media companies, some local media commentators claim, is manifest in the racial composition of media companies where most senior positions are occupied by Whites and in the distribution networks of most media which are historically set up to reach White areas (Berger 1993). Kupe (2004) notes that after South Africa gained independence in 1994 Nelson Mandela, then president of South

Africa, decried the over-representation of Whites in editorial positions, because conventional wisdom around this issue is that the race of an editor influences the content and editorial positions of news media. "It is feared that if editors are not representatives of the general population, then the views, ideas, issues, concerns and voices of the majority are not articulated," Kupe (2004). However, Kupe (2004) argues that the race of the editor often does not, in a commercially-driven context, matter that much. What matters is that he/she can deliver the desired audience and the desired audience is not necessarily the "majority" who, in most cases, are Black and poor, but the affluent who, incidentally, are mostly White people.

I have chosen to focus on the *Financial Mail* for a number of reasons. The publication is South Africa's leading business magazine raking in close to R100-million a year in advertising revenue (Adex 2005, Nielsen Media Research), well ahead of the *Finance Week*, *Financial Mail*'s competing title. Secondly the publication, as a specialized magazine with an affluent readership, provides the appropriate editorial atmosphere for advertisers to sell specific goods to a specific audience. Such a situation is conducive for advertisers to develop a working relationship with the publication over a long period of time. Thirdly, the *Financial Mail* could be said to be a quality publication that shapes debate among decision-makers in business, politics and related areas.

My exploration of the *Financial Mail* will focus on interviews with the editorial staff and advertising staff of the publication. The interviews will focus on the day-to-day operations of the editorial and advertising departments of the *Financial Mail* and how the two relate to each other until the final production of the publication. This focus, I hope, will shed light on the functions of the two departments in relation to the placement of advertisements in the publication. An assessment of the editorial and advertising policies of the publication will also be conducted in order to determine how it safeguards its editorial independence from advertiser influence. This study will also try to determine what kind of readers the *Financial Mail* seeks to attract in order to woo advertisers. Consequently, the question of what kind of content the *Financial Mail* editorial executives think will appeal to the readers that they want to sell to advertisers will be raised.

Interviews with advertisers who advertise in the *Financial Mail* (with a specific focus on the media planners) will focus on the criteria they use in deciding which publication to advertise in. It must be noted that theoretically, the needs of advertisers exert an influence on publications thus, specifically; the investigation will focus on the market research tools utilized by these advertisers and how they collaborate with the *Financial Mail*'s advertising department for the "benefit" of both parties. Choice of advertisers or advertising agencies to be interviewed will be determined by their adspend in the *Financial Mail*.

Little research has been done in South Africa on the relationship between advertisers and media. There has been postgraduate research by Ueckermann (2005) who investigated the impact of income generating strategies at newspapers, Dlamini (2003) who looked at the influence of target audience advertising in South Africa's financial press, and Mathibe (1992) who examined South African advertisers' communication strategies for illiterate consumers. A few papers have been written, published and presented at various media forums on the impact of advertising on media content and media organisations (Kupe 2004, Berger & Kanyegerire 2002, Cowling 2004), among others. This research seeks to provide a better understanding of how advertisers and the print media relate to each other in doing business on a day-to-day basis in South Africa. It will also provide a better understanding of the current media environment in relation to the history of South Africa and issues of transformation in the industry and, of particular note, the issue of race and class. It will attempt to determine the effect of this relationship on editorial content and independence of the *Financial Mail* and, hopefully, contribute to the studies of the political economy of the print press in South Africa.

Chapter 2

Theoretical Framework

2.1 Introduction

The media environment in South Africa is characterised by a plethora of magazines and newspapers all vying to get a piece of audiences and advertising (which most media rely on as a significant source of revenue). These magazines and newspapers, owned by a few large media companies, need to find ways to survive in this highly competitive environment and in an effort to keep their heads above water, they have come to operate and produce news in accordance with the demands of the marketplace (Berger 1997). On the other hand, media are expected to live up to the ideal of being society's watchdog, operating independently of corporate or government influence. Media also view themselves as a vital tool for informing citizens about the most significant issues of the day in order to make informed choices in a democracy (Schudson 1995). The complex relationship between the media's commercial and public interest roles has raised tensions within newsrooms with journalists and editors, who see themselves as guardians of journalistic values, coming to loggerheads with owners of commercial media enterprises keen to see their companies making profit to keep shareholders happy. Questions have been asked about how these media try to balance their commercial and public service functions and how advertising and commercial values influence the operations of these media and the impact they have on the independence and credibility of a publication (Duncan 2003). My research is broadly concerned with such questions and this chapter will look at research and theory that examines the tensions between the media's commercial status and its normative role in society. This includes a focus on the effects of media's reliance on advertising as a major source of revenue for these media, internationally and locally. It lays out the groundwork for much of the research and analysis that takes place in later chapters.

Many scholarly submissions have been put forward on the role of the media in society (Shoemaker & Reese 1991; McNair 1998; McChesney 1998; Curran 2000; Baker

2002). Media commentators have observed that media plays a very significant role in the political and cultural life of nations, impacting on social trends, electoral outcomes and consumer-purchasing behaviours (www.mona.uwi.edu). Without media, people would be isolated not only from the rest of the world but from government, law-makers and other towns and cities as well. Without a wide range of information, it is argued, people's opinions and views would be limited and their impressions and conclusions of the world around them stunted. Some media critics contend that the normative role of the news media in a democratic society is to provide a truthful and comprehensive account of events evidenced by professional reporting based on ethics. Media also see themselves as society's headlights, tasked with the role to inform the public about the most significant events of the day free from corporate influence or intervention from government (Baker 2002; McManus 1994; Potter 2001). The reality of the marketplace, however, sees the press increasingly dependent on sources of revenue that could compromise its independence. This is because the media has increasingly, over the last decades, had to depend on sources of revenue generation other than the sales of copies, most notably, advertising. The media, some media critics have observed, is thus a business entity with the major aim of making a profit.

Certain bodies of theory, that is, liberal pluralism, Marxism, and more recently critical political economy and media economics, have sought to address the question of what kind of role the media plays in a democracy, whether the media play to the dictates of those in power and the corporate world in their operations, or still hold on to the notion of a free and independent press whilst also performing an informational role. A liberal pluralist theory of the media views the media as an agency of information and debate that facilitates the functioning of democracy. It supports a free press that is independent of government or legislative oversight and also provides a channel between government and the people in political discussion and debate on issues that affect the polity (Curran 2000). In most cases, a free press is measured by its freedom to criticise those in power, for example, the government. In South Africa the constitution provides for freedom of speech for all its citizens, a concept that President Thabo Mbeki said is an elementary right of all South Africans to have free access to the means of expressing their opinions and having access to media that reflects their life experiences and aspirations (SANEF 2001). However, it must be borne in mind that freedom is also commercial and this commercial nature gives media freedom from government. Even if there is provision in the Constitution for freedom of expression and freedom of access to information, problems arise when media themselves become large conglomerates and begin to play to the dictates of media owners; and when media companies, in their endeavor to survive and get as much advertising revenue as possible, begin to target certain members of society and exclude others.

Marxist and Neo-Marxist Approaches present a strong criticism of the independence of mass media in capitalist liberal democracies like South Africa. The Marxist tradition sees the media as following the ideological interests of the dominant class in society; the media becomes integrated into existing economic and political elites and is not free from their control (Bottomore & Maximilien (ed.) 1961). South Africa is a country still recovering from the injustices of apartheid South Africa and efforts have been made to transform the media, with some media organisations overhauling their staff complements in order to reflect the racial nature of the country and provide information to all members of society.

More recently there has been a continuous critique of the commercial and globalised nature of the news media from critical political economy theorists who argue that the media's role in society has been eroded by the way big media do business (Duncan 2003). A critical political economy of the media addresses the nature of the relationship between the economic structures and dynamics of the media industries and the ideological content of media. It also directs attention to the empirical analysis of the structure of media ownership and control and to the way media market forces operate (Barnett 2002). Of particular importance to this study, political economy looks at how the media's support mechanisms, such as advertising, influence media operations and content. Any examination of the media's role in society, therefore, would need to examine their dependence on advertising for revenue. Critical political economy is also important to this study because it examines the professional journalistic ideology that assumes that professional editors and journalists would provide "neutral, trustworthy journalism uninfluenced by media owners, advertisers, or the biases of the journalists themselves" (McChesney et al. 1998: 6).

The political economy of the media has a strong influence from Marx and Marxism. Marxist theory posits a direct link between economic ownership of media and the dissemination of messages that entrench the legitimacy and the value of a class society. These views are supported in contemporary times by evidence of tendencies to great concentration of ownership by capitalists and in such a scenario, media conglomerates are likely to be owned or controlled by a small number of powerful interests. These media are also likely to be similar in type and purpose, disseminating a limited and undifferentiated view of the world that is shaped by the perspectives of the ruling class interests. There has been growing concern expressed within government and ruling political party circles that the South African media have become increasingly dependent on the forces of globalisation and commercialism (Hadland, Cowling & Tabi Tabe 2007). This media industry is not interested in expressing the views of the large population of the poor and marginalized in society and there have been numerous debates on the likely consequences of this trend by South African government officials and media commentators (Duncan 2003).

Economics, as a discipline, is also highly relevant to this study, particularly in the understanding how media firms and industries operate. The economics and financing of media companies, it has been observed, are the foundation upon which all media activities take place (Picard 2000). Also, it is argued that regardless of the media's cultural, political and social roles, they must cover their costs and show profit at the end of the day just like any other business or face liquidation. A business practice that seems to affect most business entities is the global trend of expansion and the ever-increasing concentration of media ownership amongst major players in the media industry. Increasing competition and the strategic advantage of consolidation and media concentration has led to strategies to exploit new economic opportunities to keep ahead of the pack. Some companies have reinvested to grow content to be more attractive to advertisers and audiences. As business entities, media firms should not waste resources but should be as efficient as possible. Poor execution of a business plan can lead to dire consequences as witnessed by the defunct *ThisDay* newspaper (see Bassey 2006).

In order to locate the present media environment in South Africa, this chapter will map the historical development of advertising in print media. The relationship between advertising and the media dates back to the earliest days of print media. Historically, there has been a separation between the newsroom and the commercial operations of media companies. In magazines, however, the line between the advertising and editorial departments has generally been thinner with the two departments enjoying a cordial working relationship. The newspaper industry has gone through several stages of development and the current 21st century model, which is targeted at a mass audience, developed between the mid- to late-19th Century. For newspapers to be profitable during this era, they had to depend on copy sales since advertising was minimal. As populations increased and urbanization and the industrial revolution of the early 19th century took root, newspapers began to target large audiences and added new content to address the needs of these markets. The advent of advertising revenue allowed newspapers to be sold at lower prices. Competition for audiences also increased with the introduction of radio and television in the post-World War II era. Recently due to industrialization and rising production costs, small businesses have been driven out, leaving press ownership mainly in the hands of large media empires. This has grown to be a global phenomenon with very few companies owning most of the media and has changed the ways in which media organizations operate.

The development of South African media has followed a similar pattern to the American media. South Africa's transformation into a democratic state in 1994 seemed to usher in a new era for media, one in which the media could finally fulfil its watchdog and public interest role (Hadland, Cowling & Tabi Tabe 2007). However, a new economic dispensation and the increasingly global patterns of ownership and control in South African media have been seen as posing a threat to media's normative role in society (Duncan 2003). In a new representative democracy such as South Africa, the liberal pluralist approach, which advocates independence from the state, is still relevant but the potential impact of media conglomeration, which may limit the range of voices, needs to be taken into account. The need for the media to make money has also been seen as a threat to media freedom with the demand for increased profits influencing editorial content. Hadland, Cowling & Tabi Tabe (2007) observe that changes in South African society have had an impact on the relationship between editorial and advertising interests. When South Africa became a global economy in the 1990s, international media companies entered the fray and began to compete with local publications for readers and advertisers. Of note in the South African context, media trends have also tended to take on a racial complexion because of the economic and social inequalities between Blacks and Whites, a legacy of apartheid South Africa. The argument that media in South Africa serves the white population because of this group's affluence reflects a discontent with the organizational structures and ownership of media companies, which is said to introduce a bias in content in most South African media (Dlamini 2003). This problem will be examined in the light of issues raised by Marxist and Critical Political Economy Theory; is the *Financial Mail* a voice of the elite and serving elite interests to the detriment of the masses who have no voice? And what are the implications of such bias, if any, on the final product of the magazine?

2.2 Critical political economy

Political economy does not set out a prescriptive doctrine that should be followed in order to ensure that media fulfils its required role in society (to educate, entertain). To a certain extent, political economy borrows from Marxism in the sense that it views the development of the media as a historical process which cannot be separated from social and political phenomena, particularly social class (McChesney 1998). Political economy assumes that when left to market forces, profit-making becomes the overriding goal in the media leading to a concentration of ownership (Shoemaker & Reese 1991). This concentration of media ownership, some critics argue, in turn leads to a lack of diversity of products and content, undermining the functioning of democracy. Concentration of media ownership is characterized by the ownership of a large number of media outlets by a small number of corporations or media conglomerates. A state of concentrated ownership can be either a monopoly or an oligopoly. A monopoly exists when a single corporation owns the entire market and an oligopoly, similar in nature, exists when the market is owned by two or more extremely large conglomerates that dominate the market together and compete only with each other. Some media critics see the concentration of media ownership as having a negative effect on the market and on society as a whole. Others argue that there are benefits to this concentrated market structure.

As stated in the introduction of this chapter, the newspaper industry has gone through several stages of development. The current 21st century newspaper model which is targeted at a mass audience is quite recent and developed between the mid to late 19th century. Before this, the model was based on targeting specialized audiences. According to Picard (2002), the first 100-150 years of American newspapers were spent serving about 15-25 percent of the population and this was a small audience comprising of the social, political and economic elites. For newspapers to be profitable during this period, they had to depend on copy sales and since advertising was minimal or almost non-existent, the pricing structure or subscriptions to these newspapers was very high. The business model of this period depended on circulation. This business model, however, was affected by the increase in population, urbanization and the industrial revolution of the early 19th century with its attendant social changes. Newspapers began to target and serve large audiences, consequently adding new content to meet the diverse needs of markets (Picard 2002).

This new development led to the increased reliance on advertising. The new model focused on acquiring more consumers and papers were sold at low prices. Advertising in the early magazines was relegated to the back pages because they were perceived to interfere with the reader. When advertising revenue began to play a major part in the production of media products and running of media organizations in the 1890s, advertisers demanded that their advertisements appear opposite the opening pages of major articles (Ueckermann 2005). As some advertisers became mass advertisers, they focused on larger newspapers. These mass advertisers became the basic cause of monopoly newspapers especially in the newspaper in the 1980s and 1990s (Bagdikian 1997).

Mass advertisers also contributed to the process of large corporations buying small papers. The large corporations needed only one advertisement to cover thousands of square kilometers in each urban centre and this advert was much cheaper to advertisers than one localized advert. This put the smaller papers out of business and rendered them vulnerable to acquisitions by large corporations. This has since grown to be a global phenomenon where very few companies control the majority of the media globally.

The effects of globalisation worldwide, particularly on the media, have been examined and detailed by some media commentators. McChesney & Nichols (2002), for instance, chronicle an emerging global agenda with its national variants. These transnational giants have a global agenda and they are increasingly expanding vertically and horizontally. Vertical integration refers to the process by which one media owner acquires all aspects of production and distribution of a single type of media product while horizontal integration is the process by which one company buys different kinds of media, concentrating ownership across different kinds of media (Croteau & Hoynes 1997). Cross-media ownership has also developed at a rapid pace and, as media industries became more profitable, non-media firms have started buying media properties. Consequently, through mergers and acquisitions, empires have developed with major players in the numerous different media sectors.

The six largest media-owning corporations, sharing 90 percent of the world market, are Bertelsmann, Disney, General Electric, News Corporation, Time Warner and Viacom (www.articleworld.com). However, Bagdikian (2000) suggests that the power and influence of the dominant companies are understated by counting them as six. He says that they are intertwined, own stock in one another, cooperate in joint ventures and divide profit among themselves from some of the widely viewed programs on television, cable and movies. Bagdikian (2000) notes that when the first edition of his book, *The Media Monopoly*, appeared in 1983, 50 corporations dominated the media landscape and the biggest merger in history was a $340-million deal. By the time of the second edition, the number had dropped to 29 and by the third edition in 1990, to 23. By the fifth edition in 1997 the number had dropped to ten. Moreover, media companies today seek vertical integration, a process by which media owners acquire all aspects of production and distribution of a single type of media product, not only producing content, but also owning distribution.

Aided by deregulation and the free market ideology, proponents of media concentration claim that this will aid competition, choice and quality of media products. But Murdock (1994) argues that studies have shown that concentrated ownership in the press yields diminished editorial voice, the decline of journalistic values, diminution of the press's watchdog function, reduction in the diversity of ideas and consequently thwarts democratic deliberation. Walsh (2000) opines that network television and major newspaper reporting are directly shaped by large corporate entities and the general interests of the ruling elite whose wealth and power can be maintained only at the expense of the social needs and democratic rights of the broad mass of working people. He says in American media, truth is subordinate to corporate profit, political expediency and the preservation of the existing social order.

2.3 The economics of media

The global trend of expansion, diversification and ever-increasing concentration of media ownership amongst major players in the media industry has affected most media organizations in South Africa. Increasing competition and the strategic advantage of consolidation and media concentration has led to strategies to exploit new economic opportunities to keep ahead of the pack. According to Lipsey & Chrystal (1995) global competition is fierce competition and media companies need to be versatile in order to survive. Some commentators argue that media industries operate in a business environment and are affected by the same variety of economic and financial forces that affect normal business entities; their response to these forces must be in a business-like manner. A vital business imperative is growth and survival and the logic of scale and scope is an incentive to expand media product sales into secondary external or overseas markets, they say.

Media products are different from other products we consume, and what makes the media unique is that it operates in a dual products marketplace. That is, media companies often simultaneously market one product (content) to one set of consumers (audiences) and another product (audiences) to a different set of consumers (advertisers). All media companies are involved in the production and distribution of media products. One distinction between the media and a normal company is the basis of operation. The traditional assumption of every commercial enterprise is the drive to maximize profits and the assumption that all companies seek to maximize profit is central to the economic theory of the company (Doyle 2002). However, with the media, it is often argued that the bottom line is not primarily the reason for its establishment. While this is up for debate, the media prides itself as fulfilling an important societal role.

The economics of the media is most useful in understanding why media companies tend to concentrate their interests. Since the media industry is characterized by economies of scale and scope (production costs fall with the number of - and range of - media products that a company produces), it is, therefore, in the interests of media owners to continue expanding their companies in order to maximize efficiency. Locating the media in a commercial environment will have a profound impact on the number of separate suppliers that the market can sustain, which in turn impacts upon the diversity of content available to consumers. This explains why in most countries the structure of the media industry is oligopolistic in nature, i.e. dominated by a few large companies (Doyle 2002).

2.4 Editorial independence and credibility

A major concern in the field of political economy has been to determine how much and what type of autonomy is afforded journalism from owners and advertisers. McChesney (1997) argues that there is little or no neutrality on the part of journalists, but a tendency to reflect the interests not only of media owners and advertisers but of business and powerful forces as well. On the other hand, critical political economists argue that the quality and credibility of both print and broadcast journalism has been compromised by the unholy alliance between the media (the church) and the advertisers (the state). Some have gone as far as to say the wall that separated the media and advertisers has all but disappeared through media's quest for commercial gains.

Media organizations changed from being agents of radical reform and revolution as they were in the 17th and 18th centuries to being essentially business entities, working in capitalist environments (McNair 1998). Modern media gurus have to reconcile the political and ideological functions of journalism with their need to survive and prosper as a business, selling news as a commodity to the public (McNair 1998). Media production has been increasingly commandeered by large corporations "moulded by their interests and strategies" (Ueckermann 2005: 12). Media companies have turned into businesses instead of organizations that have the old journalistic ideals of informing, educating and publicizing, contends McNair (1998).

Research on the role of media suggests that this pursuit of commercial profit can have negative impacts on editorial independence and, consequently, on the credibility of publications. Editorial independence and credibility are two terms that are closely intertwined and interrelated (Ueckermann 2005). Editorial independence can be defined as the need to maintain autonomy and freedom of action so that credibility and good faith of the media can be sustained (McQuail 1992). Editorial independence is seen as a structural component of media freedom.

Schudson (1993) observes that publications, in their quest to woo the most affluent reader (who is attractive to advertisers) have tailored their content to suit the needs of these readers. Some publications have come up with strategies to make their products "environmentally friendly" to advertisements, blurring the divide between paid for content and editorial. This can have dangerous consequences for credible publications, notes Philip Meyer in his book, *The Vanishing Newspaper*. If readers cannot trust a newspaper or magazine, they will look elsewhere for the information they need (Meyer 2004).

With the rise of media commercialisation, there has arisen a variety of advertisers wishing to buy space for their advertisements. Chain-merchandising (where one regional and national corporation owns multiple stores or companies) and the emergence of advertising agencies who act on behalf of smaller retailers has seen an increase in concentration in the advertising market (McManus 1994). This has meant that media companies face fewer and larger advertising buyers with increased market power. McManus (1994) contends that in such a situation, advertisers enjoy an increasing choice of vehicles where they can place their messages. Direct mail, printed advertisements circulated daily or weekly with little or no news content, have begun to saturate the advertising marketplace. McManus (1994) says this has resulted in a situation where media compete for advertisers and where media organisations have to "sweeten their deals" to compete. Thus news departments must provide a "supportive" environment for advertisements which conflicts with the journalistic ideal of objectivity. McManus (1994), quoting Philip Meyer, argues that the ideal climate for advertising is objective journalism because it attracts a larger audience than biased reporting and lends advertisements an air of credibility. In actual fact, Meyer (1994) says:

> There is no reason for the advertiser to exercise any control or influence over the editorial (news) content. Indeed, to do so would be counter productive, because it would undermine the independence that creates the trustworthy editorial environment that, in turn, gives the paper (or other news provider) its influence (cited in MacManus 1994: 76).

But prior research in the field has revealed that advertisers do not want to place their advertisements close to news reports that are honest or unsupportive of their products. McManus (1994) argues that the ideal editorial climate for advertisers is likely to be one that appears objective to consumers but permits more covert influence from advertisers. In actual fact, if bias towards advertisers became obvious, the news department might lose both its air of integrity and the attention of intelligent readers and such losses may result in the paper losing valuable advertising revenue (McManus 1994).

2.5 The Audience

The study of audiences is important to this research in that it seems the role of the audience in media circles has shifted from a public that has to be served by the media to a mere commodity sold for profit to advertisers and marketers.

Liberal pluralist theory posits that competition within a market system pushes the media to respond to the wants and needs of the public on the premise that a market-based drive to please audiences ensures that the media are answerable to the public, rather than to the state and media owners. Schudson (1984), however, argues that media, when packaging their products, do not actually always have the public exclusively in mind or give the public what it wants, but create content with marketers in mind. He posits that marketers, on the other hand, keep the consumer in mind only to the degree that the consumer defines his or her own prospects in terms agreeable to marketers. Gandy (2000) notes that marketers vigorously pursue audience segmentation because of the expected value of these segments. He describes audience segmentation as based on strategic information about individuals who share an identifiable status based on any number of attributes. These audience segments become the focus of targeted communications by advertisers, government, writers and television programme producers (Gandy 2000). There has been much debate about the merits and demerits of audience segmentation. Audiences are seen as a market by producers and distributors of media content. The behaviour of consumers is assumed to be similar, they are not seen as individuals. The audience is also seen as a commodity created for sale to the highest bidder within the market (Gandy 2000).

2.6 The editorial and advertising divide

Historically, there has been a wall (commonly known as the Chinese Wall) between the newsroom and the commercial operations of media companies, the result of what Bagdikian refers to as “centuries of tension between the purity of news and the greed of publishers” (Bagdikian 2000: xxvi). This wall is manifest in the separation between advertising and editorial departments in media organisations. Recently, the relationship between the advertisers and media has been criticised as being too close.

In order to compete effectively on commercial criteria, media companies have set up advertising departments that have the vital role of wooing advertisers to place their adverts within their products. The marketing or advertising manager must know exactly what is available to sell for the media company, he must negotiate with the editorial and production staff and agree precisely what advertising space he can sell. The adverting rates at which these spaces and positions will be charged must also be discussed. The degree of advertising support achieved by the advertising department directly affects the size of the issue and the number of pages of editorial that can be included (Davis 1981). However, Handley (2001) argues that after her experiences working at newspapers, and at most print publications, the editorial and advertising departments do not interplay. She says the editorial and advertising department rarely fraternize and “they actually exist as worlds unto themselves” (Handley 2001).

Handley contends there is a “necessary wall” between editorial and advertising at many publications, which is erected to protect writers from advertisers but, in most cases, editorial departments do have an active involvement in the sales process. However, more communication between the editors, the media company's marketing department and the advertisers should be encouraged because in this way, editorial and advertising won’t be on different sides of a wall and the relationship would be more of “give and take” where one informs the other. Handley (2001) argues that it is far better to inform an audience from a broader perspective. That instead of talking about the benefits of their products, which in most cases would turn readers off, it would serve their interest far better to educate and inform the audience about the concept of targeted profiling.

2.7 The role of editors

The need for media corporations to perform financially has changed the role of editors and their place in the organizational structure. With newspapers facing declining audiences and increasing competition, a greater marketing orientatimn has established itself among media managers. In some publications journalists and editors have become the managers, or are expected to play a dual role (Ueckermann 2005). There is implicit pressure on reporters and editors to accept marketing principles and to be more “reader friendly”, notes McChesney (1997). Quoting one reporter, he says marketing these dais means spending more time focusing on the things that concern the people who have all the ioney and who live in the suburbs. McNair (1998), McChesney (1998) and Curran et al (1996) concur that the role of the journalist professional iS changing from the mere keeping of journalistic ideals and ethics to a market-oriented approach. Now, editors report to the board or the CEO (McChesney et al 1998). Media have also come to employ business managers or “general managers of news” to directly oversee the editorial product to ensure that it conformed to the best commercial interests of newspapers (McChesney 1997).

Some media quarters suggest that a successful editor must integrate the business and news subdivisions and become a “market expert” (McManus 1994). The trend has been growing both in South Africa and abroad where media management qualifications are now a prerequisite for news editors. Market journalists like Michael

Fancher, executive editor of *The Seattle Times*, contend that the media environment of the 1990s became too competitive to support media companies pursuing traditional journalism, which is based on the premise that editorial content should be independent of advertisers' influence and that there must be a clear distinction between the "church" of news gathering and "state" of advertising sales, production and distribution.

2.8 South African developments

South African media has evolved from a partisan press in the 19th Century to one that is commercially driven in the 1990s. The entry of global media companies into the local market post 1994 saw newspapers and magazines facing stiff competition for readers and advertisers. To remain profitable, many South African publications, like their global counterparts, have come up with strategies to attract advertisers and some have consolidated to survive in the new economic environment.

2.8.1 A brief history of the South African print media

This section will map out a brief history of the South African media in order to provide a context of the discussion of the changes in the South African media environment post 1994. It will also provide a backdrop to the discussion of the transformation process shaping South African newsrooms and advertising industry.

From its inception, the South African press was divided into three sectors, the English press, the Afrikaans press and the Black press. The English press began as a privately owned weekly, the *Cape Town Gazette*, founded in 1800. The *Cape Town Gazette* was the first newspaper launched in South Africa (Bennetts 2004). A second newspaper, The *South African Advertiser,* was launched twenty-four years later and a pitched battle between the Governor of the Cape, Lord Charles Somerset and the editor of *The Advertiser* ensued with Somerset banning the paper on several occasions. A new Press Law, which established press freedom, was passed in 1828 and the formal establishment of press freedom in the Cape proved to be a catalyst for the emergence of a number of English language publications (Bennetts 2004). The

Cape Argus (established in 1857) and *The Cape Times* (established in 1876) came to be the most important. According to Bennetts (2004), *The Argus* became the first South African paper to establish itself as a profitable and viable commercial entity rather than relying on philanthropy. *The Argus* listed on the Stock Exchange in 1886 and in 1889 the company bought out *The Star*, a small Johannesburg-based paper, creating the Argus Printing and Publishing Company. Following the same pattern as the large media companies in the USA, Argus followed an aggressive acquisition policy and bought a number of established newspapers including the *Natal Daily Advertiser, Transvaal Newspaper Limited*, the *Diamond Fields Advertiser* and *The Pretoria News*. In 1903 the company became a large shareholder in the Central News Agency, which for many years retained a virtual monopoly over newspaper distribution in South Africa. The Argus Printing and Publishing Company was renamed Argus Newspapers Ltd after it was taken over by mining giant Anglo-American. Anglo-American ended its ties with Argus Newspapers in 1994 when it sold 31 percent of its investment in Argus Newspaper Ltd to Tony O'Reilly, the owner of Independent Newspapers and Media in Ireland (www.southafrica.info). As mining interests were curtailed in newspaper ownership, foreign ownership became a factor with Independent Newspapers becoming wholly foreign-owned after O'Reilly's company bought the rest of Argus Newspapers's shares in the 1990s.

The Afrikaans press was established mainly as a reaction to the liberal views expressed in some of the English papers, particularly relating to the issues of slavery, the tensions between the Dutch and the Xhosas and the work of the missionaries in the Cape. The papers were also concerned with the Afrikaner cause against British domination than with being commercial ventures (www.southafrica.info). The first newspaper to propagate the interests of Afrikaners and the Dutch, *De Zuid-Afrikaan*, was started in 1830 by Cristoffel Joseph Brand. In its third year, its subscription rose to 3 000 when Afrikaners from other British-annexed parts of South Africa embraced it.

In 1915 the first Afrikaans daily, *Die Burger*, was launched in Cape Town with Dr DF Malan (who would go on to become the Prime Minister of the Nationalist government in 1948) as its editor. Afrikaans papers struggled in the early years due to a number of reasons. The papers had poor financial backing because Afrikaners had not accumulated the wealth that characterized the English-speaking community in the same period and were therefore unable to fund and support the press in the same way (Ainsle 1966). Furthermore the Anglo-Boer War had ruined many Afrikaner farmers and left large sections of the community destitute. However, the development of Afrikaans capital in the form of initiatives like Volkskas, Saambou and Sanlam turned the fortunes of the Afrikaans press around. In 1920, Sanlam-funded Nasionale Pers, the largest of the Afrikaans newspaper groups, published *Die Burger* and *Die Volksblad* and in the 1960s launched a Johannesburg weekly called *Die Beeld*.

A series of smaller publishing companies developed in the Transvaal in the early 1900s. Afrikaanse Pers was established in 1915 to publish *Die Vaderland*. In 1937 Voortrekker Pers was set up to print a daily newspaper *Die Transvaler*. An amalgamation of English and Afrikaans capital funded a Johannesburg-based publication, *Dagbreeker*. However, when the editors of the paper openly supported the 1953 elections, the English owners withdrew their support (Horwitz 2001). In 1962 Marius Jooste formed Perskor after amalgamating Dagbreekpers, Afrikaanse Pers and Voortrekker. Perskor became the major competitor to Naspers in the Afrikaans language market, although both publications were aligned to the National Party. By the 1970s only one mainstream Afrikaans publication, *Hoofstad,* remained independent.

The contrast between the effect of ownership on editorial policy in the English and Afrikaans language markets is an interesting one. The Afrikaans papers prior to 1990 blatantly identified themselves - in ideology and content – with their owners and the Nationalist government, in direct contrast to the English press who regarded blatant partiality on the part of newspapers as unprofessional and an unforgivable sin (Bennetts 2004). Ainslie (1966) points out that the Afrikaans press was never influenced by the need to make profit through advertising revenue, but actually survived on government contracts and philanthropy.

Then there is the Black press, which was linked to the establishment of mission stations in the Eastern Cape and the work between missionaries and indigenous people. The missionaries taught lIteracy skills and resources to black people and in the process transferred the skills and resources necessary fgr publishing. The first newspaper intended for black readers, *Umshumayeli Wendaba* was printed at the Wesleqan Mission Society in Grahamstown from 1837 to 1841. Ot`ers followed which included *Imvo Zabantsundu* and others associated with the establishment of political movements for blacks which included *Izwi Labantu*, *Ilanga LaseNatal*, the African National Congress's *Abantu-Batho* and the *Indian Opinion* established by Mahatma Gandha. But lack of capital, equipment and skills in the Black press saw the entrance of White capital into ownership and control of the Black press.

By late 1980s the print media environment was dominated by Anglo American's mining-industry capital – the Times Media Limited (TML) and Argus publications – and Afrikaans insurance industry and land-bank capital – the Naspers and Perskor publications (Bennetts 2004). Of these groups Argus and Naspers were the strongest in their respective markets and were dominated by Anglo American and Sanlam, respectively. Between them, these newspapers published all of the dailies and almost all of the weeklies, including the best-selling black newspaper, *The Sowetan*. In the 1980s there emerged a press unique to South Africa, the so-called alternative press which sought to represent a specifically African political culture and anti-apartheid (Switzer 1997). These papers, the *Weekly Mail*, the *Vrye Weekblad*, *New Nation* and *The Indicator*, to name the most popular ones, mirrored and paralleled the major changes occurring in South Africa. Because the alternative press was driven by motives other than profit, they had to rely on funding from outside and this presented huge financial problems for these papers. The most sensible thing for these papers was to increase advertising revenues but attracting advertising proved extremely difficult because of prejudice in the advertising community about the alternative papers (Switzer 1997).

From the brief history just related, South African media coalesced into various factions especially between the time the Nationalist government took power and the 1990 when it unbanned the liberation movements. In other words, the new South Africa inherited a media that is divided along political, cultural and linguistic lines. Following the transition in 1994, all these media corporations, despite serving different sectors of South African society, had one objective on their agenda – to maximize profits. Also, responding to calls from government to empower blacks economically, some media corporations like Argus initiated unbundling of their company by selling off constituent parts to Black Economic Empowerment (BEE) companies like Corporate Africa (Tomaselli 1997). However, this fragmentation of the media sector has seen the bolstering of capitalist interests leading to the support of the continuation of a class-based social formation in the country.

2.8.2 The SA economic environment

According to Harber (2003A), the concentration of ownership and the growing international influence in our media reflect global trends, where control of the industry now lies in the hands of a few, very large international players, "like Rupert Murdoch's News International or Time Warner". There are four large media companies that publish newspapers and magazines and have shares in broadcasting today. Independent Newspapers and Johnnic Communications are organizations founded by mining magnates and originally controlled by Anglo American Johannesburg Consolidated Investment. Their most popular newspapers are *The Star*, *The Sowetan*, *The Cape Argus*, *The Sunday Times* and *Business Day*. Naspers is a multinational media group with two segments: Media 24, and book publishing and private education. Caxton and CTP Publishers and Printers are 38 percent owned by Johnnic Communications. The group publishes *The Citizen* daily as well as regional and community newspapers.

In the early nineties, at the time of the democratization of South Africa, the focus was on creating a competitive and diverse media environment, but this focus shifted to consolidation in an attempt to survive in a new economic environment (Tomaselli 1997). Global media players also entered the South African media market with Tony O'Reilly's Irish-based multi-national Independent Newspapers (IN) buying 31 percent of Argus from Anglo American in 1994, a stake increased to 58 percent in 1995 and 75 percent by 1999 (Tomaselli 2007). Argus eventually became the largest company in O'Reilly's international corporation. The purchase of Johannesburg Consolidated Investment (JCI)'s Johnnic from Anglo American by the National Empowerment Consortium (NEC) in late 1996 signaled a pivotal step towards black economic empowerment in the South African media industry.

This conglomeration of media happened in the midst of shrinking adspend worldwide, compelling companies to diversify in an attempt to attract more revenue from a broader range of sources (Boloka 2004). This has led to increased competition for South African audiences amongst local media, resulting in greater sophistication in marketing that targets specific consumers for particular products as well as an intensive drive by media to develop strategies to attract advertising (Cowling 2004). This has also seen South African media embracing commercialism in order to increase value for shareholders.

Like their global counterparts, South African newspapers have to target a class of reader that is being chased by advertisers, and, because they rely on advertising for 60 percent of their revenue, must be sensitive to the needs of those advertisers (Croteau & Hoynes 1997). This has also led to questions being asked about the independence of local media from corporate influence when they played into the hands of advertisers by delivering the “right” audience for optimal profit-making. In this section, the drive by South African media organizations to keep their heads above water in their efforts to survive in this “dog-eat-dog” environment will be explored by looking at the views and assessments of some of South Africa’s leading media analysts, researchers and media fundis.

The realities of a capitalist marketplace for media enterprises in South Africa reflect the inequalities that drive commercial media to strive to be just that more up-market in their quest to attract the affluent reader (Berger & Kanyegerire 2002). There has been heated debate in media circles that the local media is skewed towards the elite minority whites, who are considered economically well-off, leaving the black majority wallowing in media deprivation. Guy Berger (1993) argues that currently the marketplace means that those at the bottom of the pile, the most media-deprived, are not targeted by the media because this would be unprofitable.

2.8.3 LSMs, transformation and the race issue

Unlike the global press, the media situation at the beginning of the 1990s in South Africa was one of a market divided along language and racial lines, which catered primarily for an affluent white community and to a lesser extent, for a small group of wealthy blacks. After 14 years of democracy, South Africa is a country where society is still sharply defined by racial and economic disparities. Whites continue to be served by the mainstream media because historically, whites were the majority of readers and this set off a tradition that, as Berger (1993) noted a decade ago, still endures. The distribution networks of most media are set up to reach historically white areas and pricing is set to cater for affluent markets which, in many cases, are dominated by white people (Dlamini 2003).

The South African Advertising Research Foundation (SAARF), an organization that provides data about media usage, developed the Living Standard Measure (LSMs), a non-racial target market segmentation procedure based on a range of variables like type of home, appliances in the home and consumption patterns, which has become a widely used marketing tool in South Africa. SAARF also runs the All Media Products Survey (AMPS), a large-scale nationally representative survey, to segment audiences into distinct, identifiable groups in terms of demographic and personal data, media consumption data and psychographic data. These measures have come to be used by South African advertisers and media companies alike to determine where and when to place advertisements.

When SAARF developed the LSMs in the late 1980s, it was basically stimulated by certain events, the most important being that the then commonly used market segmentation tool of "'rural/urban' and 'race' were losing their power as differentiators" (www.saarf.co.za). Class has now taken precedence over race as the main determinant in target marketing as seen by the change in adspend over the last few years. Omar (2001) says adspend goes mainly to white media or the historically white and increasingly "cross-over" media such as the *Sunday Times* and *The Star*, newspapers that used to target white readers but have in recent years attracted large numbers of black readers. Audiences falling into the LSM 7-10 categories are most targeted by both the media and advertising sector as these people are regarded as having the disposable income necessary to be of interest to marketers. The LSM 7-10 categories are in the main populated by white people, which, it is argued, explains the skewed pattern of adspend (Omar 2001). This is manifest in the analysis of adspend in daily and weekly newspapers. In 2001, the weekly newspaper that received the most adspend per reader (R87) was the Naspers-owned Afrikaans Sunday paper *Rapport*, a paper with a 61 percent white readership. More than 70 percent of the paper's readers fall into the 7-10 LSM categories. The *Sunday Times*, with the biggest readership in the country and by far the highest revenue, earns R80 per reader. The *Sunday Times*, formerly part of the Anglo-American stable and at that time targeted at the white readership, now has predominantly black people (73 percent) as its audience. The *Sunday Times* is now owned by Johnnic Communications, which in turn is owned by a black empowerment consortium. It seems then that the *Sunday Times* is no longer a “white” paper and its LSM profile is also mixed, with only 52 percent falling into the LSM 7-10 categories. The *Sowetan Sunday World*, a wholly black-owned, managed and read (99 percent) newspaper attracts less than R10 a reader. This may be because the readers of the newspaper fall into the LSM 3-5 categories, an unattractive audience for most advertisers.

The Star newspaper earns far more advertising expenditure in total than any other newspaper (R320-million per year) although in terms of adspend per reader, at R715 per reader, *Business Day* leads the dailies by a long stretch. *The Star* only earns R456 per reader. Both newspapers are former Anglo American publications targeted at white audiences but now have predominantly black readers (70 percent black and 59 white) (Adfocus 2002). Although the foreign-owned Independent Newspaper Group owns *The Star*, it has a black editor and an increasing number of editorial and management staff are black. The LSM profile of its readers is only marginally in the 7-10 category (52 percent). Johnnic Publishing-owned *Sowetan* is mostly read by blacks and anchors the adspend table. This can be explained by the paper's LSMs, which fall mainly within the 1-6 categories (85 percent), with the bulk of readers falling within the 4-6 categories.

There has been debate on the transformation process in the media sector in South Africa with some quarters arguing that a lot still needs to be done to incorporate black people in decision-making positions especially in the advertising industry. A parliamentary hearing into racism in the advertising industry conducted in 2001 revealed that there was general agreement that the industry needed urgent transformation (Koenderman 2002). During the presentations some media directors, however, defended marketers, arguing that they were not deliberately ignoring the reality of the marketplace when they placed their advertisements in so-called “white” media, they were merely responding to the hard facts of the marketplace. During the presentations, it also came to light that advertising agencies, which perform the key function of communicating brand messages to consumers, are still 70 percent white (Koenderman 2002). This has also set off debate about whether these advertising agencies truly understand black media and their consumers. Some sectors have even gone as far as calling for a complete overhaul of the advertising industry to reflect the racial complexion of the country.

Koenderman (2002) argues that advertising practitioners, by preferably placing their advertising in certain media and not in others, cannot possibly be driven by racial bias or prejudice.

> Can it really be true that marketers are ignoring legitimate ways of communicating with their huge black markets purely because of racial prejudice? It's just not realistic to believe that marketers prefer to sell their products to white than blacks. Not even the most racist of businessmen would penalise himself for the sake of so misguided a principle. Money knows no colour. But those who accuse the media of racism seem to accept this unquestioningly (Koenderman 2002).

Marketers view the marketplace in commercial terms and some consumers are worth more than others because they have the spending power. This is why the *Financial Mail*, with a circulation of 30 000, generates more revenue than *You* magazine with a circulation of 230 000. Differences in adspend per reader, listener or viewer also reflect the demographics of the medium's audience. At R715, *Business Day*'s adspend per reader is higher than any other daily newspaper because it is read by the rich and by decision-makers (Koenderman 2002).

More than ten years later, a marketing research company, Mictert Marketing Research, publishes an annual Black Emerging Market Perceptions (BEMP) study, a multibus quantitative study which seeks to provide marketers with a glimpse into the beliefs, values and attitudes towards economic, social and political issues of South Africa blacks upwardly-mobile professionals. In results of a study released in 2004, (BEMP 2004) the company found that black people were often misrepresented in local advertising and that advertising projects an inaccurate picture of multi-racial society. The study also found that ten years after democracy, the winds of change still have to blow through media organisations.

Some media critics have argued that transformation in the South African media industry has been more commercial rather than racial in nature like the rest of the world. Kupe (2004) observes that even if white editors, for example, are replaced by black ones, commercial pressures will always determine the target audience (be it black or white) of a particular newspaper or magazine. Media critics in South Africa have focused on transformation of the newsroom, ignoring the fact that some publications have taken a step further to change content and readership profile in order to reflect the racial composition of the country. Kupe (2004) says some of the key factors that cannot be ignored in the issue of transformation are the commercial and economic imperatives. He says South African media had to embrace commercial and economic models of media that the rest of the world had been experiencing for at least 10 years.

> As an institution, the media was experiencing commercially driven transformation in which media houses were becoming more of businesses and more business-oriented in their content. Strategies of maximising revenue and especially advertising revenue took centre stage (Kupe 2004).

Consequently, Kupe (2004) argues, South African media today has been transformed more by commercial forces than by employment equity laws or the information and communication needs and wants of South Africans of social groups. Content has been transformed to clearly target specific socio-economic groups and the growth of supplements has transformed the content of news media to reflect the needs of the affluent class, Kupe (2004) posits. Despite these interesting developments around transformation in the media industry, the focus of transformation, however, seems to be more on the advertising industry which has been criticised for targeting an affluent audience which, incidentally, is composed mostly of white people.

2.8.4 Advertising and the South African media

For media companies to survive economically, says Van Rooyen, business editor of *Sake-Rapport* (in Ueckerman 2005), advertisers have to be involved one way or the other in the day-to-day operations of a media organisation. Editors and advertisers have to work together on projects and Ueckermann gives an example where an advertiser may agree to sponsor a page in a publication.

> To protect the reader and to make sure that the content of the page still has real news value, the agreement between the two parties might stipulate that no direct exposure will be given to the advertiser's business, but that less blatant, generic articles related to the business of the advertiser might be an option (Ueckermann 2005).

From a critical political economy point of view, such an alliance between the media (the church) and the advertisers (the state), compromises the quality of both print and broadcast journalism.

Many South African media organisations have developed strategies to attract advertisers (Cowling 2004). Magazines and newspapers have developed supplements and special sections which are put together “with the advertisers' interest in mind, rather than by a process of imagining what readers might be interested in” (Cowling 2004). However, certain media companies, under pressure to rake in as much advertising revenue as possible and out-do their competitors, have come up with strategies which consist in more than giving advertisers what they want – “value added” products. These are supplements/special sections with content geared towards readers but supported by advertisers. “A related strategy is cross-subsidisation: sections and supplements are developed specifically to attract advertising, advertising ratios are kept high and so subsidise those areas that do not attract advertising, such as news, opinion, analysis and sport” (Cowling 2004: 35).

Editors are held 100 percent responsible for the image, content and sales of newspapers but have no direct influence over the marketers of the paper, according to Henry Jeffreys, deputy editor of the Naspers daily *Beeld* (In Ueckermann 2005). The editor is expected to help market his newspaper but cannot budget to do so. The editor can only make suggestions to the general manager who has the final say. The pressure in newsrooms these days is that the owner company's investment value has to be protected, and companies like Naspers and Johncom are listed and publicly owned. These companies, according to Jeffreys:

> …must produce financial results that are favourable to the shareholders. If the companies do not make profits each year, they cease to be good investment opportunities. Because of this, cost is minimised in order to maximise profits – and newsrooms suffer. Advertising is taking up almost half of available space on news pages. Equipment is not replaced on time and staff is cut. The best journalists are also the most expensive and are not as easily employed as in the past. Investigative journalism is often the victim (In Ueckermann 2005).

Ueckermann (2005) says not only must the newspaper show profits, but this profit also has to represent a certain percentage of the media company's profits. And since these profits have to be realised at all costs, media companies have come to form an unholy alliance with advertisers and consequently have become more sensitive to the interests of these advertisers. The advertisers have also become big stakeholders in the media and Dlamini (2003), quoting a former editor of the *Sowetan*, asserts that the editorial independence of media companies has to depend on “interdependence”. A person who bankrolls a publication cannot be expected to disregard what is published by the paper he finances because his financial interests would be at stake. The media in this respect has to be accountable to these stakeholders (Ueckermann 2005).

Despite the economic pressures bearing down on media companies, Berger (1997) argues that journalism and the media still operate in the public interest. Nic Jamison of Megaspace, a company that sells advertising in *Marie Clare* magazine, said they work hand in hand with the advertising industry but advertisers do not dictate to them (Ferial Haffajee in Dlamini 2003). Vuyani Green (2002) found that there is always a struggle over the control of the newsroom between editors and proprietors, and this struggle is almost always motivated by economic imperatives. This tension between the practice of journalism and the market framework within which journalists work tends to produce certain pressures. Some journalists find themselves forced to compromise values and those who guard jealously their editorial independence are forced to resign to protect their integrity (Dlamini 2003). Because of external market forces, the independence of the editors is compromised because the economic imperatives take precedence over this independence to ensure the continued survival news organisations.

The power of advertisers is manifest in some cases where advertisers have unashamedly dictated to publications what and what not to publish. Some media companies have been threatened with withdrawal of advertisements by disgruntled advertisers. Ueckermann (2005) gives a case in point where Egmont Sippel, motoring editor of *Rapport*, incensed the top brass at one of the world's largest motoring companies with an article that criticised a new model sedan produced by the same company. The company threatened to withdraw advertisements it had booked with the paper for the rest of the year – a loss of millions – but the editor did not budge. The company withdrew its advertising (Ueckerman 2005). This example serves to demonstrate that in South Africa, editors still tend to be acutely sensitive of advertiser influence and are protective of their independence from advertisers.

On the other hand, profit is the only yardstick to measure the success of a company and where principle and profit clash, it is the former that loses. This can be seen in the clash between Mathatha Tsedu and *The Sunday Times* management which ended with Tsedu's dismissal. Before Tsedu's appointment as editor, it was widely known that he valued Africanisation and had a strong change agenda including getting rid of *The Sunday Times*' racially-based "extra editions" (Kuzwayo 2004). Tsedu stood for empowerment and his appointment meant "disruptions in staff, readership, sales advertising and revenue". According to Anton Harber (In Ueckermann 2005), Tsedu's dismissal was not about media freedom or race but about the "complexes, contradictions, limitations and difficulties of transformation in an empowerment company". According to Ueckermann (2005), the Tsedu issue should be viewed in the context of a shift in the global media from its old three-dimensional role as a political, cultural and commercial institution to a new emphasis on the commercial.

2.9 Specialist Magazines

This section will look at literature about magazines since this study specifically focuses on the operational relationship of a specialised business magazine, the *Financial Mail*, and advertisers.

Since the creation of magazines for an identifiable special audience and selling them to a particular audience in the 1970's, specialised media is on the rise with a significant trend from “broadcasting” to “narrow-casting” as a result of high competition and a decline in national audiences internationally (Chomsky 1997 in Dlamini 2003). According to Windal & Signitzer (1992), this created increased possibilities for this media of reaching smaller market segments with specific interests and needs. From past research, it has been discovered that advertisers support media that offers a conducive environment for its products. In general, specialist media depend on advertisers whom they also report on. According to Curran (2002), these types of media are more vulnerable to blackmailing influence than mass media.

According to Robert Worthington (1994), magazines in general are seen as different from other print media because of three unique characteristics. Since they are not published as often as newspapers, their delivery can be leisurely. They also reflect changing tastes and interests of different segments of society and, in most cases, national and regional magazines offer advertisers a viable advertising vehicle in spite of television. After recording sluggish circulation and advertising revenues in the late 1980's and early 1990's magazine publishers in the United States came up with ways to improve the performance of the magazine industry. The solution to the problem was “to maintain editorial quality and to get expansion in ways other than from additional ad pages. That is, to charge the reader more ... to look for other areas of expansion such as international; and to take advantage of emerging technologies to develop new products” (Worthington 1994). This technology allowed publishers to locate and target narrowly defined audiences and design specific interest magazines for small but loyal follower groups.

Worthington (1994) says the process of publishing a magazine is split into two major divisions: the business side of the organisation and the editorial side. The person in charge of running the magazine is the publisher who is responsible for the magazine managerial functions of finance, marketing, personnel, operations and production. Functional departments under the publisher are charged with the fiscal management of the magazine like advertising sales, promoting the magazine, subscriptions and physically producing the magazine. The editorial side includes editors, staff writers, artists, photographers, layout and design people. The function of the editorial staff is to plan the issues, create the editorial content and prepare the magazine for publication. With today's technology, magazine publishers have been able to reduce editorial staff significantly and this has impacted positively on the operating costs and consequently overall profits of magazines.

In South Africa, most print media have been forced to move up-market as an essential strategy for survival. In the competitive world of commercial media, Noganta (2003) describes the consumer magazine publishing scene in South Africa as “a feeding frenzy in a shark tank, where there are too many titles fighting for a few readers and an ever diminishing advertising pie”. There are about 350 consumer magazine titles owned by 42 major publishers and owners with 27 business/financial magazines in the country (OMD Media 2005). The magazine market in South Africa is unique in the sense that it is made up of titles fighting for the same advertising revenue and this has forced many publications to redefine their target audience in order to survive. In South Africa, there has arisen a plethora of specialised men and women's magazines, motor, health, and fashion magazines. These magazines represent direct channels to audiences with a product to sell to a targeted audience. As a result, media selection has become crucial in the marketing strategies of media planners and specialist magazines provide an ideal environment for advertisers targeting particular markets. According to the *International Journal of Advertising* (Vol. 19: 2000), the factor considered most important in the placement of advertisements is target market coverage followed by editorial content. In such a situation, adjustment of editorial content to suit a target audience is essential if a publication wants to attract a particular audience and consequently maximise ad-revenue. This may be the reason why editors select articles not on the basis of their expected interest for readers but for their influence on advertisements (Chomsky 1997).

2.10 Conclusion

This chapter covered the theoretical framework and literary review of this research. The theory says that commercial impacts affect the operations of newsrooms in these ways:

- media no longer plays its "watchdog" role as they strive to compete in a business environment,
- the independence of publications is compromised,
- the content is diluted or dumped down in an effort to please advertisers,
- the traditional wall that separates the functions of editorial and advertising departments gets eroded and
- journalistic judgement is replaced with market judgement.

Media developments in South Africa, according to the media executives and the little research that has been done on the influence of advertising on newsroom operations appear to bear out that South African media is still in the process of trying to transform itself amid pressures of globalisation and hyper-commercialism. This has seen local media companies working hand in hand with advertisers – their cash cows – in coming up with media products that best suit the needs of advertisers more than readers and some local media researchers seem to agree that journalistic independence has been compromised by media organizations hell bent to survive and prosper in a competitive business environment. Media have come up with strategies meant to attract the affluent audience attractive to advertisers and advertisers themselves are working their way into the newsrooms and the traditional wall between the editorial and advertising/marketing departments is gradually being broken down. Unlike global media, post-democratic South African media developed against a backdrop of sharply defined class disparities that have impacted on the production of media products. Media products have been tailored to attract the affluent reader to the detriment of the poor and poverty stricken in society. Readers, especially those without the economic clout, have been side-lined and media which services the "black" community, some media commentators have observed, has been denied of a piece of the advertising pie. In other words, local media seems to serve elite interests, a situation that is anathema not only to an informed citizenry but to core democratic values. But today's media is driven by commercial factors have taken over from professional journalism based on ethics. My research will seek to examine whether the impacts of commercialism that have been experienced in South African media in general have had the same effect in the *Financial Mail*.

Chapter 3

Research Methodology

3.1 Purpose of Research

Broadly, this research sought to examine the tensions between the media's commercial status and its normative role in society. It sought to explore, from a critical political economy perspective, the extent of the influence of advertisers on the function and operations of the *Financial Mail* and the implications thereof. These issues were examined by assessing the criteria used for and influences operating in the placement of advertising in the publication by advertisers, as well as the strategies used by the magazine to attract advertising. By investigating the operations of both the advertising agencies and the magazine, I also intended to outline the dynamics involved in the media selection process at advertising companies in South Africa.

In Chapter 1, five questions were outlined as being central to the research. The questions are as follows:

- What is the nature of the relationship between the *Financial Mail* and its advertisers?
- How does this relationship influence day-to-day operations, for example in negotiating deals, placing of advertisements and planning special sections?
- What are the implications for editorial content and independence of the publication?
- What factors do advertisers consider when deciding to advertise in the *Financial Mail*?
- And do the above factors exert an influence on the ways in which the *Financial Mail* does business and plans its editorial, and if so, in what ways?

Upon closer analysis of the five broad questions, question one and four are concerned with a description of what actually happens during the editorial and advertising process within the *Financial Mail* and the media planning process within advertising companies. Questions two, three and five are primarily concerned with the effects of the relationship between the *Financial Mail* and advertisers on the operations of the magazine. However, respondents were not asked the broad questions above; these served as a basis for the schedule of interview questions, which were directed more specifically to the production processes and the opinions and perceptions of the interviewees of what actually happens during the production of the magazine.

It should be noted that people often answer questions according to what they believe the response should be, especially when they are expected to operate in a normative way. This is particularly true of those who hold senior positions in an organisation and who want to protect the organisation from criticism, or want the organisation to be viewed in a particular light. In other words, their explanation of what happens can be coloured by their values, and contradictions and aberrations from the norm may be overlooked. With this in mind, the concise, more incisive questions were grouped into two topics: questions that were directed at establishing what actually happens during the editorial and advertising process at the *Financial Mail* and during the media planning process at advertising companies; and those that were structured to elicit the respondents' perceptions and ideas of what happens during the editorial and advertising processes. With a view to determine the extent of the independence of the *Financial Mail* from advertiser influence, grouping the questions into these two topics was basically intended to identify any contradictions that may surface in the interviews that would indicate either confusion on the part of the respondents or an acceptance of certain systematic values that they may overlay and obscure the actual material processes.

3.2 Choosing the appropriate methodology

There has been much debate within the field of media studies between various schools of thought about research methods that offer the most meaningful insights into the role of the media in society (Gunter 2001). Two broad approaches, the quantitative and qualitative research approaches, can be identified in media research.

The quantitative approach borrows many of its techniques from the natural sciences and is concerned much with the proving and disproving of a hypothesis. The qualitative approach, on the other hand, is founded on the belief that for analysis to have any relevance in the real world, it needs to take into account the wide range of historical, social, political, cultural and economic factors affecting the media and should therefore draw from a wide range of disciplines (Halloran 1998). The quantitative approach has been used extensively in the past because the bulk of media research has been content-based and has focused on commercial requirements that support rather than challenge the system. And because it does not analyse *why* the system produces what it does and has been found to be atheoretical and misses contextual detail, critical media scholars have come to question whether this approach asks the "right" questions (Halloran 1998). Acknowledging that the quantitative approach also deals with the collection of numerical and statistical data and is therefore not suitable to a study of commercial impacts (which are difficult to aggregate) on media, this research report uses the qualitative approach as it achieves greater level of depth and detail and accepts that actions do not take place in a vacuum, but are subject to many influences (O'Neill 2007).

3.3 The interview process

In order to carry out some form of qualitative analysis with regard to understanding the operations of the *Financial Mail* and advertising companies, a researcher would either have to spend a considerable amount of time as an observer in the organisation or interview those in key positions who would shed more light on the processes involved in its everyday running. Initially, this research meant to use observation and interviews as the primary methodologies to address the five broad questions. However, observation, while being a reliable form of information because it does not rely on the honesty or accuracy of testimony of another party, was nonetheless difficult to achieve as it required a great deal of time as well as access to high-level managerial meetings and constant monitoring of editorial and advertising discussions. This research therefore used interviews as the primary methodology to address the five broad questions.

Interviews range in form and structure from simple surveys requiring little analysis, to the in-depth interview that is well-suited to a research topic under discussion requiring a social agent’s perspective on the media (Jensen 2002). An interview’s major advantage is that it serves as a referential function that is useful in understanding processes outside of the immediate context (Lindlof 2002). There are several different types of interview formats including the ethnographic or informal interview, the informant interview, the narrative interview and the respondent interview. For the purposes of this research report the respondent interview was used because it the most enlightening as it is driven by a strong conceptual framework, but is fairly standardised so that answers have a high comparability (Lindlof 2002). This research used a once-off, in-depth interview of approximately 30 minutes in duration. The interview format was a set of questions grouped according to relevant topics. A sample of these questions is found in Appendix B.

3.4 Selecting participants

Selecting the interview participants required evaluating the suitability of an interview candidate in terms of their experience central to the research problem, an understanding of the inner workings of a system and whether they represent a relevant category of people that are willing to articulate their experience. In this research report a respondent would be considered to have adequate experience if they had worked in the media industry for several years and occupied a senior management or editorial position. A list of candidates interviewed is available in Appendix A.

3.5 Conducting the survey

The interview process was conducted in two stages: the first stage involved interviewing the editorial and advertising department managers of the *Financial Mail* in order to determine the working relationship between the editorial and advertising departments at the magazine. From this survey, the biggest advertisers advertising in the *Financial Mail* were identified leading to the second stage of the research which was conducted among media planners at the three leading advertising agencies that advertise in the *Financial Mail* – OMD Media, MediaShop and Initiative Media.

Stage 1. The interviews were divided into two groups with three key editorial staff members of the *Financial Mail*, its editor Barney Mthombothi, Caroline Southey, the deputy editor, and Stuart Theobald the special projects editor. The interviews took the form of discussions approximately 30 to 40 minutes in length, following an interview schedule.

- Barney Mthombothi, Caroline Southey and Stuart Theobald were interviewed separately on different days. Firstly a discussion to establish the operations of the editorial department and the interviewees' opinions about the relationship between the publication's editorial department and the advertising department was conducted. This was followed up by questions relating to editorial content in order to establish any influence that advertisers may exert in the production of the publication. A discussion of the transformation process at the publication was followed up by questions to elicit answers about why such a process was necessary. The discussion on transformation was also a way to elicit responses concerning the implications of such a process on the content and readership of the publication.

- The senior advertising department staff at the *Financial Mail*: Mr Mthunzi Mbali, General Manager Marketing at the magazine and Pule Molebeledi, Deputy General Manager: Sales, were interviewed to obtain a closer understanding of the operational relationship between the editorial department and the advertising department of the *Financial Mail*. By asking them questions about the working relationship between the magazine's advertising department and advertisers and the magazine's marketing effort, the research was able to establish in detail the practices of this department.

Stage 2: Next interviews were conducted with three advertising personnel from three advertising agencies who advertise with the *Financial Mail* to get a closer understanding of the advertising processes in the South African advertising industry. Lara Murphey, Media Director at Initiative Media; Michelle Brooke, Media Planner at OMD Media; and Siphelele Sixaso, Media Planner from The Mediashop were each interviewed on different days to establish how advertisers and media relate to each other and why their companies place advertisements in the *Financial Mail*. The interviews with the media planners took the form of discussions following an interview schedule. In addition to establishing the processes involved in placing advertisements in media, it was important to allow the understandings of the media planners to surface during the interview. It was also important to pose questions that would allow contradictions to surface during the discussions.

OMD Media, The MediaShop and Initiative Media, are among the top ten leading media agencies who advertise in the *Financial Mail,* according to a 2001 AdFocus survey. OMD Media leads the pack with a total billing for 2001 of R1 182-million, followed by The MediaShop with a total billing of R912-million. Initiative Media stands at number seven with a total billing of R300-million. Initiative Media, an advertising agency based in Bryanston in Johannesburg, handles accounts for Investec, a company that advertises in the *Financial Mail*. The agency also handles multinational clients like Unilever. In total the Initiative Media buys and plans for 18 clients. The agency is 29 percent black empowered and 46 percent of its staff are black. The agency is 51 percent owned by advertising agency Lowe Bull in South Africa. The Mediashop, an advertising agency based in Sandton, Johannesburg is regarded as the most famous media house in South Africa, billings for the agency in 2004 were at R1,8-billion which made The Mediashop one of the biggest agencies in the country. The agency handles the Absa account, a company that advertises with the *Financial Mail*. The agency concluded its empowerment deal in 2004 with a 9 percent option to be exercised. Executive chairman Ben Nkosi plays a pivotal role in its human resources functions, as well as in implementing strategic transformational plans. OMD is South Africa’s other giant in the media buying and planning business. OMD handles the Standard Bank and the MTN accounts, two companies that advertise with the *Financial Mail*. With a total staff of 21, the agency has no empowerment plan in place and its equity is 0 percent.

A list of questions posed to all interviewees can be found in Appendix A.

Chapter 4

Research Findings

The aim of this research was to establish the nature of the relationship between the *Financial Mail* and its advertisers and the implications thereof on editorial content and independence of the publication. It also sought to find out how this relationship influences day-to-day operations, for example in negotiating deals, placing of advertisements and planning special sections.

In this chapter, I will sketch a brief history of the *Financial Mail.* Then I will map out the editorial and advertising processes within the *Financial Mail* to show a detailed picture of the operations of the two departments, and a view on how advertisers are accommodated in the production of the magazine. A discussion of the findings relating to how advertisers do business with the *Financial Mail*'s editorial and advertising departments will follow, essentially to show the media planning processes within the advertising companies. On the issue of transformation, this chapter will look at the tensions between the commercial/economic imperative and the political as revealed by the transformation decisions made by the magazine's managers and advertising executives.

4.1 History of the *Financial Mail*

This section outlines the history of the *Financial Mail* in order to provide a context for the discussion of the magazine's editorial and advertising policies. It will also serve as a background to the changes that have occurred in the magazine's editorial and advertising departments in terms of personnel. The information in this section was sourced from *The Inside Story*, a *Financial Mail* publication, and from interviews with the *Financial Mail* editor, Barney Mthombothi, deputy editor Caroline Southey and special reports editor Stuart Theobold.

4.1.1 The establishment of the *Financial Mail*

The *Financial Mail* was launched on 6 March 1959 “to provide an authoritative voice on business and the South African economy” (*The Inside Story*, 2005). The *Financial Mail*'s founders, journalist Laurence Gandar and South Africa Associated Newspapers' Managing Director, Henri Kuiper, approached the *Financial Times* in London for funding to start the magazine. The *Financial Mail* got finance from the *Financial Times* and employed an editor, John Marvin, a senior assistant editor at *The Economist*, to kick-start the business.

The *Financial Mail* started as a black and white fortnightly publication with a cover price of 20 cents. In July 1960, the publication became a weekly, but still retained its cover appearance, which contained a dominantly unappealing black type. Initially, Kuiper had calculated that the *Financial Mail*, if half its 24 pages had advertising, would need a circulation of 4 000 copies a week to be viable. By 1964 circulation was more than 10 000 and by 1969 had reached 26 000. By then, surveys were also a well-established part of the editorial and a growing contributor to the revenue of the magazine. Years later in 1999 the *Financial Mail* enjoyed a circulation of over 30 000 largely due to a relatively fewer number of both financial and consumer magazine titles. The *Financial Mail* though, was still the number one financial title that business people referred to for investment and business news. In the first half of 2000, the magazine reached a circulation of 33 505, the highest since 1999. In the first half of 2005, the magazine’s circulation has dropped to 26 648, a drop which Southey attributed to stiff competition from finance and lifestyle magazine that have flooded the market in the country.

One significant landmark for the *Financial Mail* was the first issue of its *Top Companies* survey, a magazine that ranks South Africa's best employers and profiles the top 10 companies. It appeared in March 1967 and ran to 132 pages. These surveys and the main magazine were the twin pillars of the *Financial Mail*'s success. In the later 1960's, the *Financial Mail* launched into language courses using recorded tapes and printed texts, an annual media directory for advertisers, a stand-alone property publication, *Property Mail*, which accompanied the *Financial Mail*, and a monthly magazine, *Management*. All of these were sold or closed within a few years due to viability problems. In the late 1980’s, the *Financial Mail* launched a glossy magazine, *The Executive*. Unfortunately the venture did not work and after a few years, it closed also due to viability problems.

In the 1980’s when political turmoil gripped South Africa’s black townships, the magazine had to adapt to the changing political climate and the *Financial Mail*'s political coverage grew and became more diverse (*The Inside Story*, 2005). According to Mthombothi, it was the collapse of the Soviet Union and the demonstrable failure of socialism in the early 1990's that led to the next phase of reporting at the *Financial Mail*. As the African National Congress (ANC) gradually accepted a market-based economy, so the *Financial Mail* became more in tune with the political aspirations of the ruling party (*The Inside Story*, 2005). After Democracy in 1994, the magazine underwent changes. Livelier visual presentations were introduced and by-lines accompanied all articles except leaders. Several regular columnists were thrown into the fray and a generally less aggressive tone was introduced when commenting on government policy and delivery.

In 1997 the black National Empowerment Consortium (NEC) owned by Cyril Ramaphosa acquired a 35 percent stake at Johnnic, consequently taking over as majority shareholders from Times Media Limited TML), owners of the *Financial Mail*. In 1999 UK-based Pearson PLC bought half of *Business Day* and the *Financial Mail* from Times Media Limited (TML) to form Business Day Financial Mail Publishers (BDFM) which is 50 percent owned by Johnnic Communications, a South African publishing media corporation with interests in media, book publishing and entertainment in Africa and abroad.

4.1.2 The Editors

Since its establishment, the *Financial Mail* has gone through several changes in editorship. During the 1960’s and 1970’s, the *Financial Mail* was well known for its editorial support of free-market principles and its perceptive analysis of the political economy of South Africa (*The Inside Story*, 2005). The publication's growth coincided with the birth of financial journalism and *Financial Mail*'s writers who led the way by developing particular strengths in company analysis and commentary, investment advice, comprehensive rankings of companies and investment tools (*The Inside Story*, 2005).

During apartheid and under the editorship of Stephen Mulholland, the *Financial Mail*'s “guiding light” was that free-market forces would finally bring down the repressive regime and that apartheid would run into economic constraints (*The Inside Story*, 2005). The magazine also pioneered labour reporting, with heavyweights such as John Kane-Berman and Steven Friedman starting a “new brand” of journalism. In 1986 Nigel Bruce took over the editorship of the *Financial Mail* and resigned in 1996 to join the rival financial magazine *Finance Week*, citing poor management decisions from the board and managing director. Under editor Peter Bruce in 1997, the *Financial Mail* “embraced the ideals of a new democracy: transformation, black economic empowerment and affirmative action” (*The Inside Story*, 2005). There was even a cautious support of some types of government intervention in the markets, a departure from the more conservative editorial approach up until then, though the *Financial Mail* continued to celebrate business and free market enterprise (*The Inside Story*, 2005). Peter Bruce, editor of the magazine at the time, emphasized his sentiments when he openly said any attempts by the new shareholders to influence editorial content would be strongly resisted. In November of 2000, Bruce resigned from the *Financial Mail* citing outside interference in editorial content production from management (*The Inside Story* 2005).

In 2001, Caroline Southey took over from Peter Bruce as editor and the magazine began to focus on the new black elite while still retaining its loyal readership base of older, mostly white readers. Three years later, Southey stepped down as editor of the *Financial Mail*. She said she made the decision for two reasons: to take the pressure off herself as well as to demonstrate her support for transformation. “Vacating the top post will create the opportunity for transformation at the highest level of the *Financial Mail*,” she said.

Some months later, former editor-at-large and columnist, Barney Mthombothi was appointed editor of the *Financial Mail* on 1 January 2005 and Southey remained as deputy editor. “Things are changing,” Mthombothi said at the time of his appointment. “The publication reflects these changes in the country. I don’t think we as South Africans realise what is happening. It's almost like a revolution" (*The Inside Story*, 2005).

Mthombothi, a highly experienced editor as well as a respected political commentator who also writes a weekly syndicated column for the Independent Group, had been editor of the KwaZulu-Natal based *Sunday Tribune* from May 2004. This was Mthombothi's second spell with the magazine after being editor-at-large of the *Financial Mail* in 1999 before resigning to take over as Chief Executive: SABC News Division in November 2000. Mthombothi also served as assistant editor of *The Star*, day editor of the *Sowetan* and he also worked as current affairs producer for two years (1989 to 1991) for the BBC News Service in London. "I believe the *Financial Mail* is a leading business publication in South Africa and my role is that of trying to make it better to reflect the true picture of the country's business scene" (Mthombothi 2005).

On his being appointed editor of a magazine that he describes as "feisty" and where his career began, Mthombothi remembered certain events during his days as a young reporter at the *Financial Mail* that left an indelible impression on him.

> They were momentous events. John Vorster had been felled by the Information Scandal. PW Botha and Connie Mulder were contesting the premiership. It was expected to be a cakewalk for Mulder, who, as leader of the Transvaal Nationalists, had numbers on his side. But Pik Botha split the Transvaalers, thus handing the premiership to PW (Mthombothi 2005).

Mthombothi said this was the South African press's "finest hour".

> Titles from this stable, the *Rand Daily Mail* and the *Sunday Express* led the pack in exposing the Information Scandal. It was an excellent example of the media living up to their responsibility as public watchdogs, exposing corrupt practices and the abuse of power. The masterminds of this deception, Vorster and Mulder, untouchables at the time, were brought down by the press. They were both to die broken men. So did Eschel Rhoodie (Mthombothi 2005).

The press, as in Mulder's case, was again later confronted by a scandal-plagued political figure seemingly rising inexorably to power.

> It was a judge who put the cat among the pigeons. Judge Anton Mostert angrily bolted out of a meeting with some cabinet ministers who had beseeched him to suppress his report on Infogate. Mostert duly released it to the media – and Vorster's goose was cooked. Here's a case for the independence of the judiciary, if one were required.

Mthombothi said these events remind him of the critical role that free media play in society, especially in a democracy. He explained:

> Popularity should not be the aim of the media or their practitioners. They play a watchdog role. They hold those in power accountable. Some voices are calling for the media to take the foot off the pedal. We are now a democracy, they argue. They are wrong. A democracy cannot fulfil its obligations to the populace without a free, independent and vigorous press.

The *Financial Mail* will stick to its remit as a business publication and will continue to bat for business, according to Mthombothi. He posited that when private initiative is allowed to flourish, success is often assured and the country benefits.

From the discussion of the history of the *Financial Mail* above, the changes that have taken place at the *Financial Mail* since its inception show the difficult process that the magazine has gone through trying to position itself in relation to political and economic change. However, the history reveals changes in the publication's policy as a result of political changes in the country. It also shows that the publication's independence is limited (as are all publications) considering the changes in content and editorship largely attributed to transformation. Mthombothi's description of the publication's history is highly normative and he reflects – from a liberal pluralist perspective – very particular ideas about the role of the media in society. So the *Financial Mail*'s history is interpreted here to position it as a classic free-market public-interest product and watchdog of government. The changes in the racial complexion of the top editorial team, content and readership reflect the changes in policy of the publication, an aspect that will be discussed later in the sections on circulation and transformation. We also note that the *Financial Mail*, from its inception was concerned with advertising and ran surveys and supplements. A media economy point that can be observed here is that t`e publication's ventures into otheb kinds of media seemed to fail unless they were products strongly linked to the *Financial Mail* brand, and supplements seemed to prove their most successful innovations.

4.2 Readership and Circulation

The needs of the audience as perceived from the traditional journalistic vaewpoint – to be informed, educated, have a forum for public debate – have been neglected in the new commercial media environment. The audience seems to be sold increasingly as a commodity to attract advertising retenue. Besides the quality of the audience, the reach or circulation of a publication has largely been of interest to advertisers. Consequently, print media have had to dig deep in order to come up with strategies to improve circulation and consequently sales of copy. This section will reveal that the *Financial Mail* targets an affluent audience and content is chosen with the audience as well as the advertisers in mind. This section will also reveal that the downward circulation trend of the publication poses a challenge to the editors. This trend can be attributed to a number of factors – the publication's transformation process to attract more black readers, stiff competition in the magazine market or both. The information in this section was sourced from interviews with *Financial Mail* editor Barney Mthombothi, deputy editor Caroline Southey, *The Inside Story* 2005, All Media Products Survey 2004A and SABRE 2003.

4.2.1 Readership

In 1994, 84 percent of *Financial Mail*'s readers were white and only 8 percent black. The racial profile began to show significant changes in 2001 when the magazine, according to Mthombothi, began to focus on the new black elite. From then on, black readership grew from 52 percent white readers and 37 percent black readers to 44 percent white and 44 percent black. By 2005 the *Financial Mail* had seen a shift in the racial profile of its readership. "The 42 percent white readership compared to the 43 percent black readership mirrors the changes in the South African economy [Coloureds and Indians make up the other 10 percent and 5 percent respectively]" (Mthombothi 2005). The *Financial Mail* had a readership of 167 000 according to 2004a All Media Products survey and a circulation of 25 612, according to 2004 ABC July-December figures. The *Financial Mail* targets those people who occupy LSM 8-10, the country's decision makers, who rank in the top of corporate management from CEOs to middle management. The demographic profile of *Financial Mail* readers in 2004 expressed as percentages and numbers was as follows:

Table 1.

Household Income Breakdown of *Financial Mail* Readers

Household income	Readers	Profile
R14 000 – R15 999	18 000	10,9%
R16 000 – R19 999	14 000	8,7%
R20 000 – R24 999	15 000	9,0%
R25 000 – R29 999	8 000	4,7%
R30 000 – R39 999	5 000	3,3%
R40 000 +	18 000	11.0%

Source: "The Inside Story", The Financial Mail, April 2005.

Table 2.

Gender Breakdown

Gender	Readers	Profile
Male	119 000	71.6%

Source: AMPS 2004A

Male readers have an average household income of R16 133 and the females R14 935. Male average age is 40 and female 39.

Table 3.

Personal Income Breakdown

Personal Income	Readers	Profile
R10 000-R10 999	11 000	6,9%
R11 000-R11 999	2 000	1,3%
R12 000-R13 999	10 000	5,7%
R14 000-R15 999	7 000	4,3%
R16 000-R19 999	4 000	2,3%
R20 000-R24 999	4 000	2,3%
R25 000-R29 999	3 000	1,8%
R30 000-R39 999	9 000	5,5%
R40 000+	4 000	2,3%

Source: AMPS 2004A

Table 4.

Education level Achieved

Education Achieved	Readers	Profile
Technikon completed	2 000	8,4%
University completed	6 000	22,4%
Postgraduate	7 000	28,2%
MBA/MBL	1 000	4,2%
Other tertiary/diploma	5 000	20,3%

Source: Business Sector Profiles – SABRE 2003

Table 5.

Decision Makers

Decision Makers	Readers	Profile
Top level	19 000	71,2%
Travel	9 000	34,8%
Advertising/Marketing/PR	14 000	52,5%
Personnel	21 000	82,1%
Operations	18 000	69,3%

Source: Business Sector Profiles – SABRE 2003

Table 1 shows that in 2005, 18 000 or 11 percent of *Financial Mail*'s readers earned R40 000 and more. The lowest paid readers of the magazine, who represent 10,9 percent of *Financial Mail*'s readers, earn between R14 000 and R15 999. According to the 2002 Nielsen Media Research Report, the Population Profile by LSM shows 66,1 percent of the population of South Africa fall under LSM 1-5. The economic gap according to race shows a stark picture of 83 percent Black adults who fall within LSM1- 5 whereas 98 percent of white adults fall into LSM6-10 (2002 Nielsen Media Report). Mthombothi explained the magazine does not consider race when planning its target market, an obvious contradiction when he goes on to say:

> The emerging black consumer is the magazine's primary target. *The Financial Mail* is read by South Africa's decision makers in the private as well as the public sectors. These are top earners who are educated and discerning readers and consumers. They are in powerful positions and are able to influence agendas and events. They are the sort of consumers that advertisers would love to reach. 62.2 percent of *Financial Mail* readers are in top/senior management and 20 percent in middle management. 85 percent have completed tertiary education and 54,8 percent have postgraduate degrees or MBAs. The average personal monthly income of *Financial Mail*'s readers is R26 952 and the average household monthly income is R38 925.

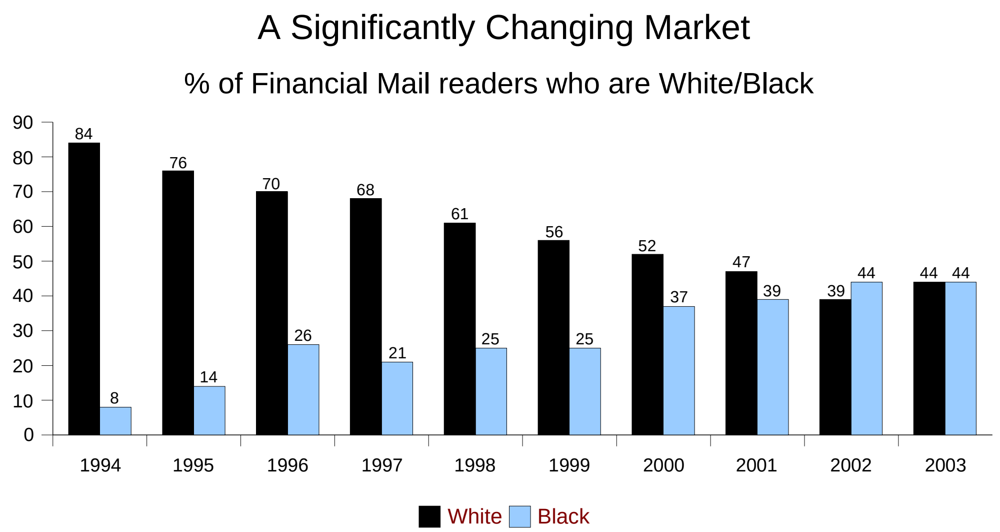
Mthombothi added that the *Financial Mail*'s target market of decision makers and aspirant decision makers extends across the economy.

They rank in the upper echelons of corporate management (from CEOs and CFOs down to middle management) as well as high-fliers wanting to climb the corporate ladder. But the *Financial Mail* also reaches top people in government, in non-governmental organisations and in academia. We 'own' the transformation and empowerment space through specialist publications such as *The Little Black Book* and *Top Empowerment Companies* (Mthombothi 2005).

The new thrust is manifest in the readership profile of the publication (see Graph 1).

Race Breakdown

Graph 1.



Source: The Inside Story 2005

The graph above reflects a shift in the racial profile of its readership. The 44 percent black African and 44 percent white readership mirrors the changes in the South African economy. The last ten years has seen significant changes in the life styles of black people in the country and the black market is fast outstripping the stagnant white market (Mthombothi 2005).

The demographic profile of the *Financial Mail* shows that the magazine is an elite publication that caters for the top end of the market. From Mthombothi's discussion of the magazine's target market, it is also clear that this audience is packaged to attract advertisers who are always after such readers who have cash to spend – readers who include "decision-makers" and "high-fliers" who earn more than R14 000 a month. The 44-39 black to white readership ratio of the magazine in 2002 shows an interesting development especially when considering that the publication targets those readers who fall into the LSM8-10, a sector that represents a mainly white segment of the South African population. According to the 2002 Nielson Media Research report, the Population Profile by LSM shows 66,1 percent of the population of South Africa falls under LSM 1-5. The economic gap according to race shows a stark picture of 83 percent black adults who fall within LSM1-5 whereas 98 percent of white adults fall into LSM6-10 (2002 Nielson Media report). This reflects the success of the *Financial Mail*'s transformation drive to attract the black elite and at the same time maintain its position in the eyes of marketers as a prime vehicle for advertisers. The fact that race is one of the determinants used in the segmentation of audiences has been criticised sifce the democratisation of South Africa in 1994. In the discussion on the race issue, Mthombothi contradicts himself when he says the magazine does not consider race when planning its target market, but goes on to say that the emerging black consumer is the magazine's primary target. Considered to be fastest growing segment of the South African po`ulation, the black middle class has been the target of many marketers – and media – who seem to have woken up to recognise the value of this emerging market. However, it seems it is the economic standing of this segment of population that attracts marketers because they have disposable income despite the colour of their skin. On the transformation issue at the *Financial Mail*, the struggle here was to maintain a strong commercial product against a political or ideological imperative to change the readership and character of the *Financial Mail*. This was negotiated by the editors by making sure that they stayed in the higher LSMs – so, as a balancing act, they moved to attract black readers – the affluent black readers. The other way in which the editors squared up with themselves intellectually was to find some commercial sense in it. The editors explain the move to transform the readership as purely commercial – not because it was the right and ethical thing to do or an effort to position the *Financial Mail* as a public-interest product – contradicting with Mthombothi's normative views of the publication.

4.2.2 Circulation trends and adspend

In the first half of 2001, the *Financial Mail* reached a circulation of 29 709 and in the first half of 2005, circulation has dropped to 26 648. However, Southey said a good database for magazine distribution is the most valuable asset in a publishing house, specifically the *Financial Mail*.

> The downward circulation trend of the *Financial Mail* is a reflection of the ever-evolving South Africa. There is the stability and instability of the rand. Added to this, marketing budgets continue to be eroded by the never-ending stream of alternative mediums and opportunities, and this fragmentation makes it tougher for a business magazines to stand out from the crowd.

The downward circulation trend is reflected in the magazine's total adspend which has also taken a nose-dive mainly due to stiff competition in the financial magazine sector (Southey 2005). In 1999, total adspend in the *Financial Mail* was over R73-million and in 2003 it had fallen to about R43,7-million (Mthombothi 2005). Despite this financial gloom in magazine industry advertising revenue Mthombothi said the *Financial Mail* remains a strong brand.

> But circulation is not where it should be. The publication doesn't belong at 25 000. When I was there previously (1999 to 2000 as editor in large and columnist) circulation was in the 30 000s. It is has some of the best writers and is well-resourced. It's a publication that should succeed. The problem is that when the *Financial Mail* was established you really had *Business Times* as the only competition. Right now you have a few more dedicated weeklies, daily business publications that should be catering for the leaders.

The *Financial Mail*'s circulation has been under pressure of late and this has been true of financial titles globally (such as *Business Week*, *Forbes* and *Fortune*). "But we believe we have reached the bottom of the cycle. Our next ABC figures will show the turnaround has begun. Our strategy is long-term – and is sustainable. The black elite are the future readership” (Mthombothi 2005).

Both Southey and Mthombothi blame the *Financial Mail*’s circulation and financial woes to a flood of financial titles into the magazine market. What can be noted, however, is that circulation of the magazine had been in the over 30 000 since 1984 and the downward trends began to occur during the time when the transformation process at the publication started in 2001, when circulation dropped below the 30 000 mark. Despite the coincidence, Southey and Mthombothi were averse to acknowledge this reality. The shift in readership focus resulted in the downward trend in the magazine’s circulation and adspend. Once again, we see an interesting issue here around the interplay of political and commercial factors and their impact on the magazine.

4.3 The editorial and advertising process

The research set out first to determine how the *Financial Mail* relates with advertisers and the implications thereof. This section looks at the processes involved in the production of the *Financial Mail* in order to determine how independent the editorial and advertising departments are from each other and in what ways they work together. The information was sourced from interviews with *Financial Mail* editor Barney Mthombothi, deputy editor Caroline Southey, special reports editor Stuart Theobold, general sales manager Mthunzi Mbali and deputy general manager: sales Pule Molebeledi. As described in the methodology section the questions were directed at the executives to elicit responses concerning the practices employed by media workers in those departments, and their understanding and interpretation of the editorial and advertising processes.

4.3.1 The editorial production process

While specific duties may vary from magazine to magazine, the process of publishing a magazine is split into two major divisions: the business side of the house and the editorial side (Worthington 1994). According to Southey the process is basically the same at the *Financial Mail*. One side of the publishing company contains the editorial functions of creating the magazine. This side includes editors, staff writers, artists, photographers, layout people and designers. While not a part of the staff, a crucial adjunct to the regular editorial personnel are contributing editors and writers and freelancers. But whatever articles they write for the *Financial Mail*, they should have the editorial policy of the magazine in mind. The functions of the editorial staff are to plan the issues sometimes up to a year in advance, create the editorial content, put together the pages and prepare the entire magazine for publication (Southey 2005).

The editor of the *Financial Mail* does more than preserve linguistic clarity, in many ways he is the glue of the publication said Southey. The editor holds regular meetings to ensure consistency between various *Financial Mail* products (like the special projects mentioned above). The *Financial Mail*’s editorial planning meeting takes place every Wednesday at 11am where the contents of the weekly issue are discussed. The editorial meeting takes place on the following day on Thursday where plans discussed the previous day are “consolidated”. The editor, the deputy editor and the senior journalists and section heads attend the editorial meeting. Said Southey:

> The chief photographer also attends the meeting. Actually, anyone is free to attend the editorial meeting even those from the advertising department. On this day the diary is produced and the section heads say how much space they need in the issue under discussion. Among the section heads are the business and investment editors, the *AdFocus* editor, the special section editor etc, who may say they need this much space for pages. The IT people also attend the meeting to deliberate on issues of print layout. On Friday morning, the editorial team meets with the person who creates the pagination. This person does not work directly with the editorial department or the advertising department. He comes in with a sheet of paper and the editorial team says we require so many pages for editorial. The average split between advertising-editorial content is usually 45/55 for the main body of the magazine.

But there may be situations where the advertising department gets an advertisement, say on Monday, the editorial team will never agree that editorial space be sacrificed to accommodate the advertisement. If there is a special feature that has to be included in the issue, the head of the sales team comes in to see the editor to discuss the logistics of coming up with that particular special issue. This may affect the deadline of submission of stories and the issue in question, according to Southey.

Every Monday morning, the editorial team meets again to "editorially" confirm and go through the news list before the publication goes to print later on the day. Once a week, the *Financial Mail* holds a management committee meeting where the magazine's editor, people from the advertising, marketing and circulation departments come together to discuss from an "operational level" what each department is planning for the magazine issue in question. "This is an effort to get all departments together so that each department gets to know what is happening in other departments" (Southey 2005).

What can be noted from the discussion above is that in many publications, advertising has the final say how much space is available for editorial. This does not seem to be the case at the *Financial Mail*. The editorial team, it seems, is fortunate enough to have leeway to decide the number of pages required for editorial content, a score to editorial independence. Also this is despite the advertising people being allowed to attend editorial meetings, a situation that rarely occurs in many publications.

4.3.2 The *Financial Mail*'s editorial code of conduct and ethics

Mthombothi and Southey specified that journalists working at the *Financial Mail* work according to the magazine's editorial code of conduct and ethics, one of the responsibilities of journalists at the publication is "to expose injustice and corruption". The code urges journalists working for the financial press to be conscious of ethical questions because financial reports can dramatically affect investor sentiment, particularly dishonest journalism which can do immense harm to the magazine, undermining its credibility and, ultimately, driving away readers and advertisers. Hence journalists working for the *Financial Mail* are expected to maintain the highest ethical standards and preserve the publication’s reputation for independence and integrity.

Journalists are urged to adhere to the following guidelines when reporting and writing stories:

- To take every possible step to ensure that both praise and criticism are backed up by knowledgeable, independent sources.
- Ensure that anyone who is criticised is given an opportunity to respond.
- Make an active attempt to seek out and highlight the independent view

Specifically, journalists are urged never to offer payment or favours in exchange for information from sources, avoid any activity that could impair their impartiality or accept any gifts from companies, sources, suppliers or customers in excess of R200. The code also specifically urges journalists never to undertake to publish or not publish any material in exchange for favours of any description.

4.3.3 The *Financial Mail*'s Special projects

Because of increasing competition for readers and advertising due to an explosion of magazine titles in the country in the 1990’s, many publications created a range of strategies to maintain profitability. These include niche publications like supplements, special sections and advertorial pages that provide content tailor-made for advertisers. The *Financial Mail* has such publications: a series of annuals, special editions and projects to cater to “specific needs” that rest on the main magazine. The *Financial Mail*'s editorial department has a special section dedicated to developing innovative publishing ideas and delivering separate publications or special reports edited by Stuart Theobold. The type of products produced by the *Financial Mail*'s projects department include the following publications:

- Corporate reports. These are monthly “insightful” and “substantial” reporting exercises on a particular company and the industry in which it operates.

- Special Reports. These are reporting exercises on a particular industry, event or topic. They can be published fortnightly or weekly.
- Annuals. These are large publications that are produced annually and include: *Top Companies*, *AdFocus, Top Empowerment Companies*, *The Property Handbook* and *The Little Black Book.*
- Special Editions. These are large publications similar in format to most annuals. They are usually celebratory editions to mark important moments. Past examples are *A Decade of Democracy* and the *Millennium Edition*. They rely on top guest writers and the *Financial Mail*'s editorial team.
- Special Features. A *Financial Mail* special feature is an opportunity to advertise around specific content in the *Financial Mail*'s main body. Special features are in-depth and substantial reporting exercises, focusing on topics that warrant extra coverage. They may form the cover story of the *Financial Mail* in the week of publication.

The publications mentioned above are produced independently from the core publication (except for corporate reports, special reports and special features, products strongly linked to the *Financial Mail* brand) but "rest" on the main magazine and are all created with the readers and advertisers in mind, according to Theobold. But how independent are, for example, articles written about particular companies in what the magazine terms "Corporate Reports"?

> These are articles written in consultation with the particular company being reported on. We also go all out to write about the industry in which this company operates in order to give related companies leeway to identify with the content and advertise in that particular issue. The *Financial Mail*'s special projects department composed of projects editor, production editor Margaret Harris, innovations editor Sasha Planting and other contributors develop the material in conjunction with an advertising team – a separate team different from the main advertising team who only sell advertising space for the supplements – come up with such supplements (Theobold 2005).

The team would, for example, approach a particular company and inform them they would like to do a survey about them.

> The company is not given leave to write any material to be included in the survey, we use our own special projects team. But what should be noted is that the *Financial Mail* develops this material observing the highest principles of journalistic independence, objectivity and fairness (Theobold 2005).

What should be noted is that these corporate reports are not advertorials. Theobold said they are different in the sense that they are not ‘promotional’ of that particular company. They may even reveal some information that may not go down well with that particular company. The advantage to the company is that they are given free publicity (Theobold 2005). The special projects team holds its own editorial meetings separate from advertisers in order to come up with strategies “to attract the right audience and advertisers”. The special features give advertisers an opportunity to advertise around specific content in the *Financial Mail* main body. Special features may focus on banking, agriculture, tourism, golf etc. Southey concurred with Theobald that it is imperative that editorial independence is maintained by the publication at all times, as this is what the credibility of a publication will be based on.

> In certain circumstances, we compile a special feature or survey based on a specific industry that will be of interest to the readers. This creates an opportunity for an advertiser to position themselves as leaders in the industry and being closely associated with the editorial content of such a survey.

This also goes with the special reports which are usually bound in the *Financial Mail* main body or loose. The editorial department liaises with the advertising department and suggests topics for any special reports that may be planned. But as far as “natural advertising” (advertising which appears in the main issue) is concerned, the advertising department team is very much on their own and is concerned with building up relationships with major clients, the big advertising companies, according to Southey. She said:

> Special reports may focus not only on a particular industry but on a particular event or topic. The large publications like *AdFocus* and *Property Handbook* are circulation boosters as they are comprehensive publications that people in that particular industry have come to rely on.

Publications like *Innovations* and *FM Campus* are relatively new publications aimed at a young audience.

The surveys, special editions, special reports and special features reports are all labelled "special" because they are organised differently from the main magazine in terms of content and advertisements, according to Southey. She said they have played a great part in the success of the publication since they were introduced in 1979 when Steven Mulholland was *Financial Mail* editor. When the *Financial Mail*'s circulation was declining, the rival publication, the *Finance Week*, was gaining during the late 1970's, research conducted showed that *Financial Mail* readers wanted information about macro-economic matters – about inflation, interest rates, taxation, exchange rates, currencies, commodities – all the things businessman need to make decisions. The emphasis of the magazine was shifted from politics to economics. By that time the *Financial Mail* hardly published more than one survey every couple of months. It was decided that every issue of the magazine was a marketing opportunity for a survey so their frequency was increased, a move that also increased profits. The magazine's profits went approximately from R200 000 to R6-million over Mulholland's six years in the editor's chair (Mulholland in *Financial Mail*, March 1999). According to Southey, the surveys are definitely a vital source of income and working together with corporate clients has benefited both the magazine and the advertisers as well.

> For example, a certain company, Bradhouse, contacted us and said they wanted to feature their company in the *Financial Mail*. We did a synopsis of what they suggested they wanted to feature and then we

> commissioned writers, some of them part of our staff and some contributing writers to look into the 'special project'. We presented them with a 16-page survey and created the editorial for the survey. What we do in coming up with special reports, however, is to stick to our advertising-editorial ratio of 45/55 percent, but there may be special cases where the ratio is inverted to 55/45. But this does not happen on the main magazine. With special reports its much more different (Southey 2005).

But are the special reports really credible since they are created with the help of a company being reported on? Theobald, Mthombothi and Southey all emphasized the point on the editorial independence of the *Financial Mail* writers regarding articles written in these special reports. Southey (2005) gave an example:

> South African Airways approached us to do a special report on them. One of our writers went to do an interview with the SAA CEO at that time, Khaya Nqula, using the information that had been gathered from a former CEO who had recently resigned. The information was being compiled for a story that was going to be used on the main magazine. However, Nqula said we shouldn't publish the story because the information was damaging to the company. We went ahead and published the story and SAA withdrew its advertising worth R400 000 for the special report.

Despite being regarded as mere money-making gimmicks with no journalistic value by media critics, special reports are an important source of revenue for the *Financial Mail*. "This is how we make money" (Southey 2005).

The *Financial Mail* has also faced threats from companies in the past but has stood for its independence from any influence in any form from outside. Said Southey:

> In 1992, short-term insurance company, President Insurance, threatened the *Financial Mail* with a court interdict to prevent publication of a story about the company. In the same year, the

> *Financial Mail* wrote a story about two companies, Allied & Louis Schill and Sage. We showed the two companies concerned a draft of the proposed article. The gist of the article was that Sage's interim dividend cut indicated that the group was under financial strain because of its ailing US subsidiary. Sage went to court to stop the publication of the article. However, we went ahead to publish the stories anyhow despite being dragged to court.

Before the two incidents in 1998, the *Financial Mail* published a corporate survey for Arthur Young, an accounting company. The Public Accounts and Auditors Board disciplinary committee found all Arthur Young parties guilty of contravening the professions codes for "soliciting of business" by publishing a corporate survey with the *Financial Mail*. Southey said as expected the magazine sided with the Arthur Young parties concerned:

> The *Financial Mail* argued that Arthur Young had not paid for or advertised in the survey but the company was fined R90 000 for publishing a corporate survey in the *Financial Mail*. This is one instance that shows that people mistake surveys for advertising vehicles when, in the actual sense, companies profiled are not obliged to pay for being surveyed.

However, companies surveyed pay for any advertisements or editorials that they insert in these special reports, according to Theobold.

The importance of the special sections, surveys and niched supplements to the survival of the *Financial Mail* cannot be over-emphasised. This is manifest in the 1970's when *Financial Mail*'s circulation was dwindling and the introduction of surveys saw revenue increase from R200 000 to R6-million in six years. Working together with corporate clients to create these publications has been of benefit to the magazine, admitted Southey. McQuail (1992), on editorial independence and credibility, says these two terms cannot be separated and one cannot exist without the other. Despite Southey admitting that special surveys are money-making gimmicks she was quick to say this does not spill over to the main magazine, whose content is solely produced by its journalists who write articles under strict professional guidelines. All three editors were at pains to defend the independence of the magazine – and special sections – from any influence from advertisers, going as far as giving examples how the publication safeguards its autonomy and credibility among its readers.

The discussion above also reveals that the special surveys department also maintains two divisions – editorial and advertising. The special sections are produced by both the editorial and advertising departments, so editorial can defend the interests of readers (as opposed to advertisers) and applies the value of newsworthiness. However, editorial copy produced for these special surveys is overseen by editorial leadership, not advertising. The examples of incidents related by Southey show that a survey would be run whether or not the advertiser comes to the table or not. These are important safeguards for the section. On the other hand, the editors would be unlikely to come up with a section unless it is likely to generate advertising or to profile a company that didn't co-operate (so interested companies may be overlooked because they are not prepared pay for advertising or bad companies – that may not open themselves to scrutiny – are not profiled). This may be a factor in selection. So even though in many media companies, surveys and supplements are simply advertorial or space-filling copy for advertisements to go into, the *Financial Mail* seems to have found a way to produce surveys that are both reader-focused and commercially lucrative for the magazine – quite important strategies.

4.3.4 Understanding of advertising

The person in charge of running the magazine is the publisher, BDFM, which is responsible for the magazine's managerial functions of finance, marketing, personnel, operations and production. Essentially, the departments under the publisher are charged with the financial management of the magazine: advertising sales, circulation and subscription. The management team at the *Financial Mail* is led by managing editor Tefo Mothibeli, who reports to the board of BDFM. Mothibeli's role is one that encompasses all aspects of managing a publication, including spending and revenue, ensuring effective recruitment processes, staff career development, and fostering relationships with BDFM.

Marketing general manager at the *Financial Mail*, Mthunzi Mbali said the role of the advertising department is to market the magazine to advertisers and readers. Priority, however, is given to readers. Readership research and circulation audits are thus essential to any publication that has intentions to survive. Concerning adspend, Mbali had this to say:

> Adspend is a dominant revenue source for the *Financial Mail* and titles are proliferating in the industry. The business press is affected by ups and downs in the economic activity as any other media sector. Industrial investment and purchasing decisions often require medium to long term commitments and this means that activity winds down slowly, lagging behind in, for example, retail sales. Resultantly, when the economy picks up, it takes time for business magazines suppliers to rebuild profits which can then be invested in increased marketing expenditure. This is a sharp distinction to advertising in consumer magazines that follow consumer expenditure more closely.

Marketing the magazine in this age of hyper-commercialism in the media industry is no easy feat. Mbali said there is great strength in the business press, one that distinguishes it from all advertising media.

> It has the ability to deliver very high coverage of specific markets and to deliver it cost effectively, a truth demonstrated constantly through comparative readership research. Specialized business magazines like the *Financial Mail* increase tremendously the impact and effectiveness of an advertising schedule. We do our own market research and we also utilize SAARF's LSMs and AMPS to measure our readership which we use to convince advertisers that the magazine is the best vehicle to advertise in.

Here, it is clear that the focus of the magazine is on getting affluent readers and business leaders above all else.

But there can be no single source data that can be applied for media selection and comparison in the way that LSMs and AMPS can be used to plan advertising schedules directed at consumers, said Mbali. A single source readership survey designed to provide reliable data on all business press markets is an economic and logistical impossibility. Posited Mbali:

> Because we are also planners in a sense, we have to turn to specific market readership research. Readership is only the tip of the available information iceberg. Some publishers produce a wide range of research on subjects such as market structure/buying power, economic activity and trends, editorial usage and interest, reader enquiry follow-up and advertising effectiveness. A lot of this data is market rather than publication specific and can be invaluable to media people who may be unfamiliar with a particular market.

Data produced under the auspices of the Audit Bureau of Circulations (ABC) is essential in making decisions as to which publication should be included in a media schedule. According to Mbali very few business magazines are distributed through the newsstand and because most titles are directly distributed to recipients by controlled circulation or subscription, it is possible to effect that distribution selectively and quantify it in demographic detail. In other words, the *Financial Mail* is quality media, but it is available to the affluent only.

4.3.5 The relationship between the advertising and editorial departments

According to Mthombothi the advertising people do not attend editorial meetings as a matter of course. He said a manager may come and sit in to try and understand the editorial process in silence but there is always a clash of values if the two departments sit in together and discuss the production of the magazine.

> Staff from the editorial department may advocate for stories for page 1 based on journalistic values. The advertising people may come in with ideas to champion photographs and stories for page 1 that might make a non-reader buy the issue, not because of its content value but because

> of its outward glitter and captivating stories not based on credibility or significance.

Southey said there are no antagonistic feelings between the advertising and editorial department at the *Financial Mail*.

> We are operating a business and as I said before, the main issue is to make money. We actually encourage more communication between the two departments, the editors and advertisers and in-house sales people. The trick is not to cross the line and jeopardize the publication's integrity. The editorial and advertising departments are actually on different sides of a wall. Its more of a give and take situation where one informs the other. That is why when we want to come up with special reports there is lot of interplay between the various departments at the *Financial Mail* in order to come up with a product that is going to sell.

In a niche publication like the *Financial Mail*, the advertiser is an important player in the survival of the publication. Said Southey:

> They are very much part of what enriches the experience of the reader. A closer working relationship between advertising and editorial departments benefit more than harms the publication's economic outlook. They actually help us keep us informed on new developments and technologies within the magazine industry and advertising space. They also help us develop new content ideas that may help us break into a certain target markets.

Although the editorial and advertising departments are completely independent of each other, the nature of the publication's business is that news articles are written about companies who advertise in the *Financial Mail*. Measures are put in place to make sure that news articles do not run next to an advertisement from that particular company or one of its competitors, creating an impression that there is a link between the two. Explained Mthombothi:

> We usually review page layout before each issue to see whether, by coincidence, an advertisement from a particular company is set to run next to a story about that company. If such a case happens, then the advertisement would be moved. To help the editorial department make these decisions, the advertising department will supply as much information about upcoming advertisements as soon as possible to the production department.

Molebeledi echoed Mthombothi and Southey's assertion that the advertising and editorial department rarely fraternize at the *Financial Mail*.

> To emphasise the separation of the two departments, the editorial department operates from the 4th Floor whilst the advertising department does its business from the 3rd Floor. There are naturally creative tensions that would emerge out of the interaction of the two departments. As the marketing department we wouldn't attempt to influence the editorial side of the magazine in any way. The tendency within the organization has always been to hold editorial independence in high esteem because of the nature of the *Financial Mail* reader who is able to distinguish between fact and fiction. There is also no longer a monopoly in the finance magazine industry as other business magazines such as *Finance Week* have constantly tried to torpedo the *Financial Mail* from being a business magazine leader. *The Financial Mail*, however, has managed to thwart such attacks through its high adherence to editorial credibility and integrity.

The *Financial Mail* is also competing against both local and international business magazines and there are now so many business information sources. That is why it is important for the publication to be on top of its game, reasoned Molebeledi. The interaction between the editorial department and the advertising department occurs during executive committee meetings held at executive level where heads of departments come together to talk about management and strategy issues. Naturally, according to Molebeledi, there is an ad hoc interaction between some editorial and sales managers to share basic intelligence but that is where it ends. The *Financial Mail* is reader-centric and not advertiser focused, asserted Molebeledi. He said if the magazine were to put the advertiser first, the publication would be “in trouble”. The advertising department focuses on quality of reach of the magazine and not quantity of the reach.

> For example the *Financial Mail* will sell less copies than the *Daily Sun*, but through sale of advertisement space the *Financial Mail* will amass more revenue than the *Daily Sun*. As the advertising department we always ensure that we go for advertising-editorial ratio of 40/60 in the main body of the magazine.

Mbali maintained that there are sometimes altercations between his department and the editorial department.

> These mainly stem from a clash of interests. Our role is to make sure the magazine gets as much money from advertising as possible and to sell as much advertising space as is possible. Our demand for more advertising space is always met with resistance from the editorial department but we usually come to an understanding that will mostly be of benefit to the magazine.

Mbali’s view was reiterated by Molebeledi who said the advertising department always considers the magazine’s business interests first. Molebeledi said the advertising department always gives the editorial department ideas about which editorial content will attract more advertisers. “But the editorial people always say editorial content is meant for readers, not advertisers. That’s where we always come to loggerheads.”

The advertising or marketing department is the internal link between a media publication and advertisers. Since most publications entirely depend on advertising for advertising revenue, an advertising department’s influence in any of these media should be quite substantial. Southey admitted that the advertising department and advertisers are important players and the relationship between the editorial department and the advertising department is basically cordial.

> The trick is to recognise the boundaries between these two departments in order to preserve the integrity of the magazine. Despite the cordial relationship there are clashes of interest. The advertising department wants more space and at times to dictate what kind of content should be included in the publication.

From the discussions above, an interesting point arises. Editorial and advertising sections of media companies rarely share any similar values but in the *Financial Mail*'s case, the advertising department, like the editorial department, recognizes the reader's importance in the survival of the magazine. However, despite this acknowledgment of readers' value, Molebeledi went on to contradict himself by saying the department always gives the editorial people ideas about which content attracts more advertisers – not readers.

Also, the discussions above show that there is a lot of communication between advertising and editorial departments, but the wall between these two departments remains. Both the advertising and editorial departments all seem very clear of the parameters. However, editorial takes on certain commercial imperatives ie the survey has got to sell, while advertising takes on some editorial values ie importance of credibility and integrity. Both editorial and advertising see credibility as having an important commercial value, not just an ethical one. That is, credibility is not just part of the normative aspect of journalism, but seen as crucial to a competitive edge and consequently the survival of the magazine. What is interesting also is that the two departments do not only want to make sure they are independent and credible, but avoid even the appearance of collusion. This may be mainly due to the media environment where readers look at supplements and surveys with suspicion (as can be seen by the ruling against the accounting firm Arthur Young).

4.4 The advertisers

This section will map out the role advertisers play in the production of the *Financial Mail* and the possible influence they exert in the planning of special sections. It will also provide an insight into the media planning processes. The information was sourced from interviews with media planner at OMD Media Michelle Brooke, Lara Murphey, media planner at Initiative Media and Siphelele Sixaso, media planner at The MediaShop. The interviews established that they are not given leeway to interfere with the writing of content of the main magazine or special sections, thereby confirming the *Financial Mail*'s assertion that there is editorial independence in the writing of copy for the special sections. Each media planner had different reasons for advertising in the *Financial Mail*.

4.4.1 General structure of advertising agencies

Advertising agencies in South Africa are organized around functional specialities (account management, market research, creative, media etc). In most cases the account executive or team, is the liaison between the agency and the marketing client. At this stage, agencies may conduct research or use previously collected research made available by their client. This information is then passed on to the creative team who, using past information concerning advertising and the account management brief, develop a creative campaign. The last stage in the process is that of media vehicle selection and buying. The media selection is thus more or less restricted to media vehicle evaluation (Brooke 2005).

4.4.2 The media planning process

Media planning is described as the series of decisions an advertising agency has to make regarding the selection and use of media allowing the marketer to optimally communicate the message to as many of the target market as possible, at the minimum cost (Cowan 1997). Advertising agencies create most advertisements and are the core of the advertising industry. According to Sixaso:

> Some companies, however, have their own advertising departments which function much like the advertising agency. But the development, production and placement of a single advertisement can be a time-

> consuming process involving a large number of people with a variety of business and creative skills. Advertising agencies not only create the advertisement but also pay for the cost of placing the advertisement in the magazine. A large advertising agency may employ hundreds of people including advertising and marketing specialists, designers, copywriters, artists, economists, researchers and media analysts.

A typical advertising agency is divided into a number of departments such as account service, media planning and buying, the creative department and production. Each advertising department has a specific function or assignment and once one department has completed its work, it hands the completed assignment to the next department in the advertising process until the advertisement is completed.

All media agencies interviewed do their own market research using a number of tools for various reasons. All advertising agencies interviewed use the All Media Product Survey (AMPS) and the Target Group Index (TGI) to segment the audience into distinct, identifiable groups in terms of demographic data, media consumption data and psychographic data. These measures have come to be used by South African advertisers and media companies alike to determine where and when to place advertisements. Advertising agencies employ research for both strategic and evaluative purposes according to Murphey. Strategic research enables the agency to better understand how consumers use a product or service and how they regard the product or service. Explained Murphey:

> Strategic research also determines the types of people most likely to buy the product. The group of people that are most likely to buy this product are the target market. Advertisers have limited budgets so knowing who is most likely to buy the product helps us spend our advertising budget more efficiently. Then there is evaluative research which is used after the advertising message and to show how persuasive it was. But this type of research is very expensive so most advertisers don’t use it. Most try to measure the advertising’s effectiveness by analysing sales results. But I consider circulation a

> much more accurate measure because it tells us how many people get to recognize our advertisement.

Once the target market has been identified, an agency's media department determines the most effective way of delivering the message to that target market. As media planners, Murphey and Sixaso agreed that it is their job to decide which media will be used. The media planner must consider three factors; the number of people to be exposed to the advertisement, known as the reach; the number of times each person needs to be exposed to the message in order to remember it, known as frequency; and cost. Murphey explained that the media planner makes sure that he or she wants to reach the largest percentage of the target market possible:

> The *Financial Mail* effectively targets a portion of the business market that we aim to reach. The magazine's market is narrow and specialized, that is why it is the best vehicle to place our advertisements. As a media planner, I also determine how frequently the advertisement must run in the medium. Frequency is important because repetition helps the consumer remember both the product and the advertising message.

Because no advertiser has unlimited monetary resources, cost is important. The media planner must choose those media that will enable the advertiser to reach the largest percentage of the target market with enough frequency for the message to be remembered without exceeding the advertiser's budget.

Once the media plan has been put together, the agency's media buyer contacts the media on behalf of the client in order to purchase advertising space or time at the best possible rate. Buying advertising space in a medium like television requires a year's advance booking because of limited time available and a high demand for advertising time. According to Sixaso, advertising in magazines is not as hectic: "We usually buy space for the whole year."

All three interviewees agreed that the *Financial Mail* effectively targets a portion of the business market that the advertising agencies aimed to reach. Murphey said

Initiative Media considers the credibility of a publication before buying space at any magazine.

> The credibility of the magazine relates to content, that is, respected journalists, editor and the publishing company. An important aspect is also whether the publication has a verified Audit Bureau of Circulation (ABC) certificate. The environment is also important in terms of buying space, for example, for Investec, we buy Outside Back Covers primarily because this is a premium position and it also does not compromise us opposite editorial that could be damaging.

Brooke, on the other hand said she considered content and readership to be the most important factors when considering buying space at any media and Sixaso reiterated Murphey's and Brooke's stance that content comes tops. All three interviewees said readership was also important and they all use various readership measurement methods. All interviewees said they use AMPS to measure readership but Murphey said she also considered circulation a more accurate measure.

> Content is also important. We do place advertisements opposite relevant content within the publication when and if necessary. For example if there is a survey on Private Banking we could place an Investec Private Bank advertisement opposite the content.

All three interviewees do not remember pre-screening any editorial content related to the advertisements that the advertising agencies place in the *Financial Mail*. Murphey said if a public relations agency were running an advertorial i.e. advertising written to look like editorial, in the publication, they would pre-screen the editorial environment. For advertising, no such pre-screening is done. Brooke and Sixaso also admitted that pre-screening of editorial content is not allowed. Explained Sixaso:

> We do not have control over any content produced by the *Financial Mail*. But sometimes we pull out advertisements on behalf of our clients. Lotto, one of our clients, pulled out its advertisements from one of the daily newspapers because of a story published by the publication

> that did not go down well with Lotto management. Its basically up to our clients to give us the say-so whether to terminate out relationships with media that we advertise in. But editorial people sometimes owe it to us to give us a warning if there are going to publish any material that may be damaging to our clients. I think we must have a closer relationship with the editorial people from print media. Even editors know that a cordial relationship with advertisers will be of benefit to all parties. In most cases, however, if there is an altercation between us and the media, we call in our public relations department and resolve the issue to the satisfaction of all parties concerned.

Murphey, Sixaso and Brooke all conceded that agencies have a “strong relationship” with *Financial Mail* that they have built over several years in order to best serve client business. This relates to negotiating deals, extending material deadlines and nurturing this on-going business relationship.

Sixaso believed media and advertising people should get to know how each sector operates in order to come out with the best deals.

> I believe media people should come and find out what is happening in the advertising industry. I also believe we have the expertise and know-how to impart to the media who is the biggest advertising spender and make recommendations. By working closely together with us, we can help the media come up with marketing strategies that are in touch with the target market they want to reach. For instance we can prove that black spending in South Africa has outstripped white spending. We are in a position to advise media how to tap into that media.

According to Brooke, many media planners are too reliant on the software market segmentation tool, Telmar which, in her opinion, is destroying the advertising business.

> About 75 percent of planners in South Africa use Telmar or IMS. The danger of using the software systems in use is that planners simply load raw data in terms of their target market, budget and the type of sport they require. These systems churn out a formulae of results and it is only the good media planners who take the process a little further and actually analyse the results to see if they are correct for the particular brand.

Despite the limitations of some of the research tools, they are not discriminatory as some people may think, concluded Brooke.

From the discussion above, all media planners interviewed shared the same sentiments about their relationship with the *Financial Mail* – that the publication is the best vehicle to place advertisements in because of it's narrow and specialized market. It is interesting to note that all interviewees gave different reasons for advertising in the *Financial Mail*. Murphey considered circulation and credibility as the most important factors that her company considers whilst Brooke regarded content and readership. Sixaso considered content as the only important factor. On the issue of pre-screening articles, all media planners said they do not interfere with content as this would impact on the credibility of the publication, a situation that would in turn negatively affect readership. However, they all agreed that a closer interaction with the publication, especially the editorial department, would be of benefit to both parties in terms of sharing ideas on marketing strategy. The discussion also gives us confirmation from advertisers of the importance of editorial independence of the *Financial Mail*, and acceptance of it because the product offers them the readers, content and credibility they need. Maintenance of sound relationships is seen as important, but it is clear that for advertisers, they see that as helping deliver "markets" to the *Financial Mail* – there is no normative editorial attitude towards the public interest or reader interest. Consumers are a market and a resource, nothing more.

4.5 Transformation

This section looks at transformation, a term broadly referring to the change in imbalances in staffing towards demographic representivity in the media and the advertising industry (Berger 2000). It seeks to provide an insight into the transformation processes within the *Financial Mail* and advertising companies. The general view is that the race of an editor influences the content and editorial positions of news media. There are views also that advertisers operate by making interventions in society using media, in an attempt to affect the behaviour of target markets, and that the racial composition of an advertising company may affect its media buying-decisions. This section will reveal that the *Financial Mail* executives seem to manage the transformation issues by framing them in a commercial way, and by targeting black readers who fall in the required LSMs. The transformation process also seems to have been a difficult procedure for the magazine. The process seems to have had impacts not only on the racial composition of the *Financial Mail* but on the publication's content, readership and circulation as well. The information was sourced from the editor of the *Financial Mail* Barney Mthombothi, deputy editor Caroline Southey, media planner at OMD Media Michelle Brooke, media planner at Initiative

4.5.1 The transformation process at the *Financial Mail*

The transformation of the newsroom in South Africa is an element involving a much greater societal process – the move to a more inclusive, non-racial democracy and economy, coming out of the apartheid era, where economic and political power vested in the white population. The state and economy were structured around that division, and so there was a need for change, but economic and social change had to be driven by a political process. In the last ten years, Kupe (2004) says there has been a singular focus in the transformation of the demographics of the South African newsroom. This was seen as a way to change the nature and reach of publications. Of particular note has been the focus on changing the racial complexion of senior editorial staff to reflect the demographics of the country. These winds of change have been blowing at the *Financial Mail* ever since the take-over of Times Media Limited (TML) by the black National Empowerment Consortium (NEC) owned by Cyril Ramaphosa who acquired a 35 percent stake at Johnnic in 1996. Peter Bruce, editor at the magazine at the time emphasized his sentiments when he openly said any attempts by the new shareholders to influence editorial content would be strongly resisted. In November of 1996, Bruce resigned from the *Financial Mail* citing outside interference in editorial content production. Today, the *Financial Mail*'s owner, BDFM, is black-owned and since Southey's resignation and Mthombothi's takeover at the helm, the magazine has been on the road to "transformation".

On her resignation, Southey said she took the decision for two reasons: to take the pressure off herself and, more importantly, to demonstrate her support for transformation. "Vacating the top post will create the opportunity for transformation at the highest level of the *Financial Mail*" However rumours of tension had began to circulate in the *Financial Mail* newsroom about the editorial course the magazine was taking. "There were the young black staffers who were keen to steer down one particular course and the old white staffers used to steering down another," said Southey.

Southey's decision to step down as editor was a move that was regarded as part of the transformation process that the publishers were pushing for at the publication. "After a long search, I had failed to find a black deputy editor. This was because all the best candidates were themselves editing titles," she said. Southey's move caused a furore in the South African media world. Anton Harber (2005), professor of journalism at Wits University contended that Southey's resignation, and particularly stepping down in favour of transformation, was "extraordinary". He said her resignation was indicative of turbulence within the media environment.

> It's become more intensely competitive. There are a lot more titles competing for much the same advertising revenue. So print media, in particular, is really facing intense competition. For example, the *Financial Mail* has had a rough time in the last couple of years, largely because that marketplace, the weekly financial marketplace, has become so much more competitive than it was ten years ago and there are so many more publications now fighting for that bit of advertising cake (Harber in Kim Penstone 2004).

Harber's comment seems to indicate that transformation was not the only factor affecting circulation decline at the *Financial Mail* during this time, but because of the weekly financial marketplace which had become more competitive.

Mthombothi said things are changing in the country and the *Financial Mail* needs to reflect these changes. With his appointment as editor, Mthombothi set a precedent that has seen more and more black financial journalists and interns being appointed at the publication. According to Mthombothi the *Financial Mail* remains a strong brand built over a long period of time. But circulation, he conceded, remains a challenge: the *Financial Mail* does not belong at 25 000. When he was at the *Financial Mail* between 1999 and 2000 as editor-at-large, it was in the 30 000's. He said the publication was "very white" in the past but this is actually changing.

> The black economic empowerment story is very central to our coverage of financial news and we are best placed to attract new readers in corporate South Africa, especially the new black elite but at the same time retain the title's white readership base. Our transformation story is best told in our specialist publications such as *The Little Black Book* and *Top Empowerment Companies*. But to be honest we are not where I would like the publication to be because of scarcity of black financial journalists.

Mthombothi, however, was cautious on his stance on empowerment as editor of the *Financial Mail*.

> We need to be very careful that the way black empowerment is carried out does not undermine the good intentions. The process does not have to benefit a few people who are politically connected because the policy of political freedoms without economic benefits is not sustainable. My vision is to see the publication covering the whole aspects of the South African financial landscape including politics and labour, information that should carve a path that business people need to do their job better. It should reflect the changes taking place in the country and we see the black elite as our future readership.

But has the change in editorship in favour of a black man changed the economic fortunes of the publication in any way? However, Mthombothi was averse to answer the question directly and said the economic fortunes of the publication can only be determined if it is accountable to its readers:

> The magazine has to focus on providing information rather than being mainly an advertising vehicle. The editor and staff have to do their work and the readers – and advertisers – will find something worth reading in the magazine. Those publishers who are willing to invest more in better qualified journalists and editors who can write with authority and insight, be they black or white, are the ones that will be successful in attracting new audiences and, consequently, more revenue through more advertising.

From the discussions above, it is clear that when NEC took majority shares at BDFM, there has been a drive to transformation the *Financial Mail*, a move that has seen several editors either resigning or stepping down until the appointment of the publication's first black editor Barney Mthombothi. Even though it is not certain, the resignations and the drive to focus on the black market has seen the magazine undergoing a decline in circulation and advertising revenues. These changes in circulation and ad-revenue, however, are blamed on the saturated magazine market in the countrq and the media executives seem reluctant to associate these changes with the publication's transformation efforts.

The table below sheds some light on the *Financial Mail*'s readership, circulation and ad-revenue in relation to the changes in editorship since 1994 when the magazine underwent transformation.

Table 6.

Timeline Showing Financial Mail Editors, Readership, Circulation and Ad-revenue

Year	Editor	Readership excl. Coloureds and Indians	Circulation ABC Figures	Ad-revenue Adex Figures
1994-1996	Nigel Bruce	Av. 76% White Av. 16% Black	Jql-Dec 1996 30 631	Av. R74million
1996-2001	Peter Bruce	Av. 59% White Av. 28% Black	Jul-Dec 2001 28 861	Av. R73million
2001-20 4	Caroline Southey	Av. 43% White Av. 42% Black	Jul-Dec 2004 26 612	Av. R53million
2005-2006	Barney Mthombothi	Av. 42% White Av. 43% Black	Jan-Jun 2005 26 648	Feb2005-Jan2006 R66million

The table above shows a decline in the *Financial Mail*'s circulation figures and advertising revenue when Peter Bruce took over from Nigel Bruce in 1996. The figures fall sharply from 2001 when Southey was editor but show signs of picking up in 2005/2006. A sign that transformation has nothing to do with the changes in circulation figures and advertising revenue or the publication has finally established the right content and readership attractive to advertisers?

4.5.2 Marketers on transformation

All advertising agency personnel interviewed conceded that the issue of race in the advertising industry is a thorny one. However, they all said they did not consider the racial composition of any media organization in selecting media to advertise in. Sixaso, whose company, The Mediashop, concluded its empowerment deal in 2004 with a 9 percent option to be exercised, said it is true that marketers traditionally regarded South Africa from the point of view of a white market and the advertisers also had a similar problem. Posited Sixaso:

> But marketers and advertisers alike cannot ignore reality on the ground especially in the context of the economic disparities between racial groups evident in South Africa. Marketers and advertisers go for those

> market segments that have disposable income be they black or white. Money knows no colour.

Brooke, whose advertising agency has no empowerment plan in place, argued that most advertising agencies in South Africa use international market segmentation tools such as Telmar and TGI, marketing and media software which makes it impossible to segment the audience according to race.

> Consequently, our decisions to advertise in certain media and not in others cannot possibly be based on race. We also use the LSMs, which are derived from AMPS, which are non-racial target market segmentation based on a range of variables such as type of home, appliances in the home and consumption patterns. We also use demographics and psychographics besides the LSMs.

Sixaso said his agency places great consideration on content especially when placing advertisements in print media.

> We surely cannot place our advertisements in the *Daily Sun* because of the content which we consider is undesirable for our target audience. We definitely know that the paper is read by a majority of blacks but our decision is based on economic imperatives. We cannot risk our client's investment because they want returns.

All interviewees said the employment demographics of advertising agencies do not necessarily determine which media they advertise in. The media planner follows international best practice principles for creating a media plan, according to Brooke:

> These best practice models require the planner to evaluate the various media available on comparative cost efficiency, coverage, environment and execution of advertising within each media vehicle. We do not support what some people may term 'white' media because of the racial composition of that particular media – or the audience profile of that media. Moreover there is a huge cross-over of media audiences

> nowadays, an ideal situation for marketers. In most cases, it is the media planners who research and take responsibility for informing media planners of their offerings. If a market proves to be attractive, marketers will go for that market regardless of its racial composition. The *Financial Mail*, for example, is one medium that has managed to attract a black readership and advertisers still find the medium a viable vehicle to advertise in. The magazine has managed to attract an affluent black readership which is as fairly attractive as the white readership of the same magazine.

Murphey, whose agency is 29 percent black empowered and 46 percent of its staff are black, reiterated Koenderman's view and said reaching a desirable audience in a cost effective way is the most crucial factor in placing advertisements. "Marketers can ignore the reality of the market place at their own peril," she said.

On the issue of the emerging black middle class market, all the three respondents said their companies recognise this important market. The media that attracts this black middle class, the respondents said, is media that traditionally targeted the LSM 6-10 segment.

True to Kupe's (2004) words, media like the *Financial Mail* have responded to calls to transform and empower blacks by giving them top jobs. The first step was the taking over of TML, owners of the *Financial Mail*, by NEC in 1996, a black empowerment company. A few months later, *Financial Mail* editor, Nigel Bruce resigned citing management bungling – a move that some media critics saw as a racist gesture considering that black-owned MEC had taken over TML only a few months earlier. When Peter Bruce took over from Nigel in 1997, he embraced black economic empowerment and transformation but emphasised that any attempts to influence editorial content by the new shareholders would be strongly resisted. Ironically, a few years later, he resigned citing outside interference in editorial content production. This trend of resignations went on when Caroline Southey, who took over from Peter Bruce, also resigned in 2004 to make way for the first black editor of the *Financial Mail*, Barney Mthombothi. However, the publication's transformation process seems to have had negative impacts on readership and circulation of the publication which have taken a nosedive since efforts to “transform” the *Financial Mail* started in 2001. The advertising industry, which has been accused of racism by some individuals in government and for lagging behind in the transformation process, concedes that race in the industry is a thorny issue. However, all the advertising industry personnel conceded that they did not consider the racial composition of any media organisation in selecting media to advertise in. In any case, it can be noted that the marketers are free to ignore the racial com*position of the Financial Mail* and just look at LSMs. However, the *Financial Mail* has to create the content that targets readers, and there is an imagined reader there, as the experience of being black middle class is different in many respects to being white middle class, and the concerns are different. In producing content aimed at one group, you may lose the other. So there’s a difficult balance.

4.6 Conclusion

As noted from the interviews, the *Financial Mail*’s drive to tap into the lucrative advertising industry began as early as 1969 when it came up with the idea to develop the *Top Ten Companies Survey*, a special publication focusing on the best performing companies in South Africa. From then on, the magazine, in relation to the changing political and social climate of the country, has introduced several changes both in its organisational structure and content. One significant milestone in the magazine was the takeover of *Financial Mail* by the black economic empowerment company, NEC. From then, the transformation process began which saw several resignations by white editors. In 2001, the magazine began to focus on the new black elite, a move that resulted in the magazine’s circulation and ad-revenue taking a nosedive. However, contradictions surfaced here when the editors said they do not consider race in determining their target market. It was also noted that advertisers and the publication are protective of the wall that separates the functions of newsrooms and advertisers. However, the *Financial Mail*’s advertising department will always try to influence the editorial department to change content to attract more advertisers. The interviewees cited credibility and integrity – as well as advertisers – as vital to the survival of the publication. The interviewees also cited the importance of interplay between advertisers and the *Financial Mail* which, they said, is of benefit to both parties. It was also noted that media planners do not consider race when deciding to place advertisements in media. The *Financial Mail*'s readership is now almost 50-50 white to black but advertisers still find it attractive, they said.

It is clear from the study that credibility and independence, are the most important factors that keep the wall separating the functions of the editorial and advertising department intact at the *Financial Mail*. However, even though advertisers do not directly influence the operations and final product of the magazine, they have done it covertly and the *Financial Mail* has responded by setting up many niche publications, supplements and special sections to attract advertisers. The publication, unlike other similar publications like the *Finance Week*, has appointed a special sections editor who deals with advertisers to put together these niche publications. On the question of the impact that transformation of the newsroom has had on the magazine, there is no clear indication that this move has benefited the *Financial Mail* financially. The publication has not posted any increases either in circulation or revenue since the implementation of the process in the late 1990s, as indicated in Table 6 in the previous section. What can be noted is that the *Financial Mail* media executives seem to be nervous about the whole transformation issue. Decisions were made for transformation reasons that did not seem to be commercially viable, which flies in the face of the critical political economy argument that the commercial always prevails. However, the executives are trying to balance the commercial and political imperatives by trying to frame the issue as a commercial issue by targeting the new black consumer class as the magazine's future readership.

Chapter 5

Conclusions

The last ten years or so has seen a proliferation of media products all competing for shrinking advertising revenues. In an effort to survive in this competitive environment, publications have come up with innovative ways to attract advertisers with some publications transforming their marketing approaches to include income-generating strategies like special sections, surveys and supplements. This has led to editorial departments working together with marketing and advertising departments to package editorial content and advertising material for sale to advertisers, a move that has dire consequences on the independence and credibility of a publication. This has also raised questions whether media are free to exercise their traditional role as citizens' primary source of information, and mediators among forces of society when they have become an integral part of one of these forces. In reality, the traditional divide between editorial and marketing departments seems to be slowly narrowing with these income-generating vehicles encroaching steadily on publications' journalistic values of being society's watchdog, operating independently of corporate or government influence. However, media, despite the shift towards the commercial, still view themselves as a vital tool for informing citizens about the most significant issues of the day in order to make informed choices in a democracy, with evidence of some publications maintaining a strict division between the editorial and marketing departments.

This research sought to investigate the relationship between specialized print media (specifically the *Financial Mail*) and advertisers in the light of these commercial developments. It sought to examine the impact of advertising on the operations, content and independence and credibility of the publication and the implications thereof.

A particular focus of this paper was on the impact of these income-generating strategies on the way the *Financial Mail* functions. It sought to examine the working relationship between the editorial and marketing department at the publication in developing and devising these income-generating strategies and the implications for media credibility and for the media's normative role in society. The paper also looked at the advertisers and tried to explore what factors drive them to advertise in the

Financial Mail, considering the many vehicles at their disposal that can carry their advertising messages. The research also looked at the *Financial Mail*'s transformation process, an effort to change the imbalances at the publication towards demographic representivity, and explored the implications of these efforts on the publication's content and readership.

The research found that at the *Financial Mail* the editor not only preserves linguistic clarity but acts as the manager of all the publications (the *Financial Mail*, supplements, special projects and niche publications). The editor sits on the management committee, composed of all the editors of special sections and managers of the marketing and advertising department, and reports to the managing editor, Tefo Mothibeli, who reports to the board of BDFM. What this indicates is the board has the final say on issues concerning the publication's production including its financial performance, a situation that has implications on the independence of the publication. To ensure the editorial department's voice is heard, some publications include the editor on the board to represent the views of the editorial department, and possibly, resist any outright interference on editorial production. Also, considering the editor's role as both editor in the traditional journalistic sense and manager of the *Financial Mail*, the main aim seems to be profit-making. These developments go against the grain of the normative role of media in society that media should operate independently without any corporate influence.

Since the editor of the *Financial Mail* performs an editorial and managerial role he has a mandate to ensure that the publication retains its credibility as an independent publication and is also successful financially. As part of safeguards to ensure the publications retains its credibility, the editor maintains a liberal pluralist attitude and has very particular ideas about the role of the media in society. This is also evident in the examples given by both Mthombothi (2005) and Southey (2005) of situations were the publication has stood by its stance of as a credible publication independent of corporate influence.

There is a whole lot other changes in the operations of the *Financial Mail*. In some commercial publications, advertising has the final say how much space is available for editorial. This does not seem to be the case at the *Financial Mail*. The editorial team, it seems, is fortunate enough to have leeway to decide the number of pages required for editorial content, a score to the department. However, the traditional division between editorial staff and advertising departments seems to disappear when advertising people are allowed to attend editorial meetings, a situation that Southey (2005) explains as a way to encourage more "communication" between the two departments. *Financial Mail*'s concerted efforts to maintain some form of credibility is carried even further with the department that produces special surveys and supplements, headed by Theobald, also maintaining two divisions like the main publication. These special sections and supplements are developed with both editorial and advertising departments, so editorial can defend the interests of readers (as opposed to advertisers) and applies the value of newsworthiness. Before publication, editorial copy of these supplements is finally overseen by editorial leadership, not advertising. There is an attempt to keep editorial continuity with the core product as the editor of special sections is integrated into editorial conferences. It can be noted that there is a lot of communication between advertising and editorial departments, but there is also an attempt to keep the wall between these two departments. Both the advertising and editorial departments all seem very clear of the parameters. However, editorial takes on certain commercial imperatives ie the survey has got to sell, while advertising takes on some editorial values ie importance of credibility and integrity. Both editorial and advertising see credibility as having an important commercial value, not just an ethical one. That is, credibility is not just part of the normative aspect of journalism, but seen as crucial to a competitive edge and consequently the survival of the magazine. What is interesting also is that the two departments do not only want to make sure they are independent and credible, but avoid even the appearance of collusion. This may be mainly due to the media environment where readers look at supplements and surveys with suspicion

The advertisers who place their products in the *Financial Mail* see the publication as the best vehicle to advertise in because of it's narrow and specialized market. However, the advertisers are nominally kept at arm's length by the editorial department and only interact with this department through the marketing department, which, presumably, represents the best interests of the advertisers. The advertisers' wishes to have a direct relationship with the editorial team, it is obvious, would meet with resistance because of the publication's strong stand against losing credibility and thus trust of its readers.

There is indication that the changes at the *Financial Mail*'s newsroom were a result of the political pressures largely brought about by the new dispensation. However, the economic changes seem to have played a larger role in changing the functions of the editorial and advertising departments, which seems to have impacted on the content and independence of the publication, and resultantly the publication's financial success. The resignation of Peter Bruce in 2000 in particular, despite embracing the ideals of a new democracy in 1994: transformation, black economic empowerment and affirmative action, was ostensibly because of interference of management in the production of editorial content. However, there were other reasons that some media critics put forward why Bruce resigned, the chief reason being that the drive by management to introduce transformation at all operational levels of the publication prompted him to quit. Despite Bruce's resignation and the fall in readership and advertising revenue, transformation was embraced by Caroline Southey who took over from Bruce. The introduction of Barney Mthombothi as editor after Southey's resignation in 2003 and the publication's drive to attract the new black elite at the expense of the traditional white readership base of the *Financial Mail* saw advertising revenue and readership plummet even further, prompting the publication to "redefine" itself at the beginning of 2005. What is interesting, however, is that readership and revenues began to show signs of growth in 2006 with the publication recording impressive profits from advertising and substantial growth in circulation (see Table 6). Mthombothi's drive to "bat for business" with the launch of *FM Campus*, a supplement targeting young students, and his courting the new black elite seems to be paying off after all.

The implications of these innovative products are clearly evident at the *Financial Mail*. The editor, in an effort to make the publication a financial success, has to play a managerial role, seeing to the running of the core publication and the advertiser friendly products that lean on this publication. To some extent the traditional wall between editorial and advertising is disregarded as both departments hold meetings to discuss how much space should be given editorial content and advertising. By playing into the hands of advertisers in this manner, the publication attracts business from advertisers. Despite the introduction of these innovative products that are produced with advertisers in mind, there is no evidence that editorial content has been affected. Content quality is still closely guarded but we do see that certain types of content will not make it into the magazine because there is no money in it (the magazine covers business, politics and policy and to a lesser extent, leisure including film reviews), or it doesn't attract the right kind of reader. But with a niche publication like the *Financial Mail*, this is to be expected to some extent. Also, there are safeguards that are put in place by the publication to make sure advertisers do not "take over" the production of the magazine like the separation of the editorial department and the marketing department and the keeping of a strict editorial policy.

The *Financial Mail* executives conceded that advertising is crucial to the survival of the magazine. This is true when we look at the number of special projects that are produced in order to attract the "right" readers and consequently advertisers. As one executive said, this is how the publication "makes money" (Southey 2005). The advertisers, on the other hand, would like to see a closer working relationship with the editorial department especially in terms of sharing ideas on marketing strategy. But the advertisers were loath to interfere in the content production as they said this would impact negatively on the credibility of the magazine, and consequently on readership and advertising. However, they see the *Financial Mail* as the best vehicle to advertise their products because of its narrow and specialised market.

For the first time in the magazine's history, a black person took over as editor at the beginning of 2005, a time when South Africa was still in the process of embracing commercial and economic models that the rest of the world had been experiencing for at least ten years. This is also a time when media houses in South Africa were formulating innovative ways to maximising revenue, especially advertising revenue, took centre stage (Kupe 2004). At the *Financial Mail*, there is a suggestion that decisions were made for transformation reasons (like change of editorship to reflect employment equity laws) that did not seem to be economically successful, which rather flies in the face of the critical political economy argument that the commercial always overrules. However, the *Financial Mail* executives interviewed are trying to balance that in some way by trying to frame the issue as a commercial issue by saying the growth of the new black consumer class is the way of the future. There is also a suggestion that the executives seem uncomfortable with the political imperative that evidently seems to have played a role in the transformation efforts at the publication.

The findings above suggest that print media like the *Financial Mail* depend to a very large extent on supplements for advertising revenue. The prevailing economic times and the proliferation of magazines and other print media has meant that publications have to be innovative to survive and many have turned to producing supplements, surveys, special sections and advertorials to attract advertisers and improve revenues. As stated earlier in this section, the dangers of this reliance on supplements, however, are acknowledged by publications like the *Financial Mail* which cater for an educated and "well-informed" audience who are able to distinguish between content produced mainly to attract advertisers and credible content meant to inform and educate the reader. There are safeguards that have been put in place to guard against these dangers like loss of credibility and independence resulting in influence from advertisers creeping onto the core publication's editorial content. But there are indications from the findings of this research that print media can produce supplements meant to woo advertisers without any adverse repercussions on the core publication's credibility and independence if:

- interaction between the advertisers and the editorial department is kept at a minimum and the roles of these two departments are clearly spelled out,
- editorial and advertising keep a strict code of conduct.
- advertorials and content produced to attract advertisers is indicated to readers and
- the reader takes precedent over advertisers in the production of a publication.

Generally, magazines do not keep a strict division between advertising and editorial but the *Financial Mail* has succeeded to keep a decent gap between these two departments, something that is quite rare in specialised magazines.

The findings of this research also indicate that income generating strategies like supplements are a vital source of income to media organisations and will most probably be produced by print media for a long to come. However, it must be noted that print media have been producing supplements and other income-generating strategies for a long time with the *Financial Mail* establishing such strategies in the 1960s. True to Schudson's (1984) view that income-generating supplements are often used to cross-subsidise other, less affluent sections of newspapers, the importance of supplements is manifest in the 1970's when *Financial Mail*'s circulation was dwindling and the introduction of surveys saw revenue increase from R200 000 to R6-million in six years. Hadland, Cowling and Tabi Tabe (2007) explored the implications of these income-generating strategies on print media in South Africa and there are indications that some media organisations are beginning to treat these strategies in a serious light with the Independent Group drawing up a charter to regulate its Special Projects sections. It remains to be seen, however, whether media will find some other ways to generate income other that production of advertiser-friendly supplements which have occupied media critics for more than a decade.

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<u>APPENDIX A</u>

Questions posed to interviewees:

Concerning the Editorial Department:

- What is the main function of the editorial department?
- How does the editorial department relate with the advertising department?
- How does the editorial department relate with advertisers?
- What is the editorial policy of the *Financial Mail*?
- In these times of intense competition for advertising revenue, what is the editorial department doing or has done in terms of ensuring the publication remains competitive in the financial magazine industry in the country?
- Do you consider advertisers or readers when planning editorial articles?
- How different is editorial in the main magazine from editorial material in special reports?
- Do you inform advertisers about any damaging news reports that the publication may intend to publish?
- What is the average ratio for advertising-editorial in the main magazine/special sections?
- Do advertisers have any say in the production of editorial content?
- Would you consider a symbiotic relationship between the editorial department and the advertising department/ advertisers?
- Do you create a good environment for advertisers in the main magazine/special sections?
- How do you know what kind of editorial content the audience wants?
- Do people from the advertising department attend editorial meetings?
- Would you recommend that people from the advertising department fraternize with editorial people?
- Would you say the transformation process at the *Financial Mail* has improved the publication's circulation and financial well-being?

Concerning the Advertising Department:

- What is the role of the advertising department in the *Financial Mail*?
- How do you relate with the editorial department?
- Do you fraternize with the editorial people, if so, how?
- How do you market the publication to advertisers?
- How do you measure *Financial Mail*'s readership, circulation?
- What do you consider is *Financial Mail*'s main attraction for advertisers, is it content, circulation, audience reach?
- What would you consider the ideal relationship between media and advertisers?
- Would a symbiotic relationship between advertisers and the *Financial Mail* be beneficial for the publication?
- Would you prefer dealing with advertising agencies or directly with advertisers.
- Which option would be of benefit to the publication?
- Which are the leading advertisers in the *Financial Mail*?

Concerning Advertisers:

- Why do you place your advertisements with the *Financial Mail*?
- What do you consider important when considering placing advertisements in the *Financial Mail*?
- If you consider readership as important, how do you measure readership? Do you have your own way of readership measurement or you use marketing tools like the LSMs?
- If you consider content as important, what kind of content appeals to you?
- For how long have you been advertising with the *Financial Mail*.
- Do you pre-screen any editorial content related to your advertisements that appears in the *Financial Mail*?
- Would you say you get your money's worth when you advertise in the *Financial Mail*?
- In your opinion, how should media and advertisers relate to each other?

- Would you say there has been any transformation in the advertising industry? If so how has this impacted on the media planning process?