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The impact of income-generating strategies at newspapers: a study of Geld

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Chapter 1

Aim and Rationale

1. 1 Aim

The aim of this research is to investigate how newspapers generate income in times of dwindling audiences and growing competition. It will study income-generating strategies from a critical political economy perspective and intends to show the possible impact of such strategies on the independence of a publication. The study will explore how the relationship between news executives and the advertising sector is, in some cases, changing to play into the hands of the latter as the print media struggles to keep publications alive. This research will be undertaken with specific reference to Geld, a personal finance magazine which is published bi-monthly inside the Afrikaans Sunday newspaper Rapport.

The research specifically seeks to answer the following questions:

- What strategies and factors have contributed to the financial success of Geld in its present form?
- What implications do these strategies to attract advertising have for the journalistic operating approaches of the publication?
- How do these strategies contribute to changes in media organisation and culture, as well as to aspects of content?

1.2 Rationale

In recent years newspapers in South Africa and elsewhere in the world have had to deal with declining audiences, a decline in advertising generated revenue and increasing competition. In South Africa specifically the media sector has grown and has become more segmented and fragmented. Media organisations like Johnnic have unbundled their

assets, newcomers like Independent Newspapers want their share of the advertising market and media giant Naspers's Media 24 has introduced several new publications to the market.

Under apartheid, South Africa's newspapers were mostly in the hands of four companies with few independent alternatives on the side. Today, ten years later, only two companies have overwhelming dominance. Independent Newspapers and Naspers between them control 69% of SA's daily newspapers and 72% of the weeklies. The two together took 68% of newspaper advertising in 2003, with Johnnic only taking 18% (Harber 2003A). Columnist Anton Harber argues in his Business Day column The Harbinger that "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" (Harber 2003A).

Johnnic Publishing today includes titles like the Sunday Times, half of Business Day and the Financial Mail as well as a 44% passive interest in CTP Holdings through the holding company of Caxton publishers. Caxton, in turn, is the publisher of The Citizen as well as approximately 70 community newspapers and about 20 magazines (www.johnnic.co.za).

Media24 Magazines (in the Naspers stable) is the dominant player in the South African magazine industry and controls more than 60% of the country's total circulation. It publishes more than 30 titles. Some of Media24's magazines, such as YOU, Fairlady, Drum and True Love, are sold as far afield as Kenya (www.media24.co.za). The five Media24 Newspaper dailies, Die Burger, Beeld, Volksblad, The Natal Witness and Daily Sun, are published countrywide. The Sunday papers, Rapport, City Press and Sunday Sun, are printed in four cities and distributed nationally. All the newspapers are market leaders. The Newspaper section also comprises three weekly publications, Soccer-Laduma, Noord Son and Kaapse Son, and a strong group of 37 English and Afrikaans regional and community newspapers concentrated in specific geographic areas: the

Western Cape, Eastern Cape, Free State, Northern Cape, Vaal Triangle and Northwest (www.media24.co.za).

The South African economy and the advertising sector have not boasted a similar growth, with the result that a proportionally smaller "advertising cake" now has to be divided between a bigger group of media participants.

Newspapers in SA suffer from difficult economics. Because of the size of the country high distribution costs are a factor and the number of newspaper readers is relatively low (25% of SA adults read a daily paper) (Harber 2003). The industry was also distorted in the apartheid years when the mining industry controlled the English-language newspapers and the paper industry with the result that competition and pricing went askew. The end result is that South African newspapers are overly reliant on advertising revenue, rather than cover price, and this makes for some unhappy economics (Harber 2003). It also leads to fierce competition, new marketing strategies and indeed a new kind of journalism. It seems that to win a bigger piece of the advertising market new norms have become acceptable to newspapers. It seems that a new kind of journalism has emerged, journalism that is closely tied to marketing efforts and often ruled by marketing efforts. A new breed of journalist-marketers who want to niche and add value to advertisers by giving them more say about the positioning of their advertisements. Advertisers may, for example, be allowed to dictate that their advertisement be on the same page as certain article content or, in some cases, that certain topics that may be detrimental to the advertiser be avoided altogether in the editorial output. The goal seems to be to get a good advertising spend combined with good stories.

Globally, media has seen similar trends. Shoemaker and Reese (1991) argue that a greater marketing orientation has emerged among American media managers in an effort to maximise productivity and to ensure profits. To further the profit-making goal, managers have been installed in positions that were formerly exclusively filled by news people. As a result, the professional values of the craft of journalism often collide with the 'MBA' values of the managers. The traditional "wall" that used to separate the business side of a

newspaper from the editorial side appears to be crumbling and in some cases may be disappearing completely. This changes the extent to which one set of values holds sway over another and affects the entire organisational culture of newspapers. If the editor controls both the editorial and business sides of the paper, the relative power of the journalistic side is less. The person making decisions primarily on journalistic grounds occupies a position that is not equal to that of the commercial editor-manager, reason Shoemaker and Reese (1991).

Changes in organisational structure may have an impact on news content as well as editorial independence and credibility. Editorial independence and credibility are two terms that are closely intertwined and interrelated. Media independence can be defined as "the emphasis on the need to maintain an essential autonomy and freedom of action so that the credibility and good faith of the media as well as personal integrity can be sustained" (McQuail 1992). According to McQuail (1992) it can be said that "media independence is related to the willingness of the authorities to allow it, to an independent judiciary to safeguard it, to the economic conditions for achieving it, to the interests of the public in it, and to the commitment and professionalism of the journalists themselves". McQuail (1992) points out that media independence is seen as a structural component of "media freedom". A free media is supposed to, through openness, produce truth, which in turn is supposed to be the outcome of the contest of argument. McQuail (1992) reasons further that "in the free press or 'libertarian theory' media has become identified with property rights that will safeguard as much diversity as exists and is expressed". The liberal model of the press implies that market competition and private ownership of the media are the most important preconditions of press and broadcasting freedom, understood as freedom from state interference, as the right of individuals to communicate their opinions without external restrictions.

As well as organisational structure, news content is also a product of the professional ethics, routine practices and bureaucratic organisation of journalists (McNair (2000:62, also see Shoemaker and Reese 1991:140 for a similar definition). These influences make themselves felt through the process of journalistic education in colleges and universities

or are passed on in the workplace as taken-for-granted assumptions about how things are done. Either way, they represent a significant influence on the output of journalism (McNair 2000:62). Journalism is presented to its audience as a truthful discourse about the real world, and it must command legitimacy on these terms or, it is argued, it loses value in the cultural marketplace. Journalistic ethics can be seen as a device to facilitate the social construction of legitimacy and to mobilise the trust of the audience. According to McNair, to be accepted as a professional group, journalists must be seen to work to a code of conduct that guarantees their integrity and trustworthiness (McNair 1998:65).

The changing economic and advertising environments in South Africa, the resulting changes in marketing strategies and organisational structure and the impact thereof on the independence of journalism and news content appear to be evident at Geld. This Afrikaans personal finance magazine which is carried in the weekly Afrikaans mainstream newspaper Rapport, has grown from a few (as few as two or three) weekly broadsheet pages to a quarterly and, very recently, a bi-monthly personal finance magazine of no less than 60 pages in less than a year. The phenomenal growth of the magazine seems to be partly the result of the wider appeal that personal finance journalism has come to enjoy over the last two decades. Investment tools like unit trusts have brought the stock market and investment (other than by insurance policies) within reach of the broader population. It is not the exclusive domain of the elite any more. Joe Average can invest small amounts of money on the stock exchange and this accounts for the growing interest in personal finance reporting in newspapers and magazines. However, Geld seems to be financially successful also because its staff – consisting of the editor, one full-time journalist and one marketing/communications/public relations specialist – seem to have defined their role as marketers of a product rather than being led by the professional ethics of journalism.

I have decided to focus on Geld for this study because the staff and management of the magazine seemingly don't adhere to traditional journalistic ideals and only one of the staff/management has ever been a journalist in the true sense of the word. The others all have marketing or economic backgrounds. While making a profit has always been a goal

at newspapers, at Geld there seems to be a distinct shift of the balance between profit-making and news-making and the audience and advertisers are approached from that perspective. This research attempts to examine Bagdikian's contention that "the printed media have not escaped the pressure, or the desire, to shape their non-advertising content to support the mood and sometimes the explicit ideas of advertisers" (Bagdikian 1983).

I want to examine the ways in which the audience of Geld is used as a commodity by the editor to reach commercial objectives. I also want to take a look at the role advertisers play; in what manner they are attracted to the magazine and for what reasons. Another interesting aspect to explore is the fact that the magazine's readership cannot be measured. The South African Advertising Research Foundation's (SAARF) All Media and Product Survey (AMPS), for instance, only measures the readership/circulation of publications that appear daily, weekly, bi-weekly and monthly. Since Geld is published bi-monthly and until very recently was published quarterly, there is no way to measure its real readership apart from including the audience of the magazine into that of Rapport as a weekly newspaper. As such Geld has a potential captive audience of about 1,7 million readers, but how many actually read the magazine has not been possible to determine.

This raises interesting questions with regard to the ways in which advertisers do business. They are apparently, judging by the size of the magazine, more than willing to part with their money for advertising space in Geld, even though they probably don't have a realistic idea of who will be reached. They only know for certain who potentially *could* be reached. Advertisers and their advertising agencies claim to place advertisements with the specific aim of reaching the best target market for their product. What then is their motivation for advertising in the magazine? Do they act on perceptions and the persuasiveness of the marketing strategies that are employed by Geld instead of facts? Could the fact that the marketing strategy of Geld includes sidestepping advertising agencies, and thus the middleman, play a role?

The rationale of this study is further to look at the impact of such strategies on

- Editorial content

- Editorial independence (also the impact on the editorial independence of the closely related finance section Sake-Rapport and the main section of the paper).
- Editorial ethics and journalistic ideals, i.e. objectivity, fairness, truth telling, accountability, watch dogging
- The division between management and editorial staff and functions
- Income potential (income of the personal finance section has soared since the new team implemented its techniques and the section appears in magazine format)
- The audience

This research seeks to provide a better understanding of the shifting relationship between the print media and the revenue-producing advertising sector. It will attempt to demonstrate the specific effect and the implications of financial constraints on Rapport and hopefully contribute to studies of the political economy of the print media in South Africa.

Chapter 2

Theoretical Framework and Literature Review

2.1 Theoretical Framework

Newspapers need to find new ways to generate income because of dwindling audiences and growing competition. Advertising is the main support mechanism of newspapers. This raises the question of how advertising and commercial values influence the nature of media content as well as the impact they create on the independence and credibility of publications. Since the 1970s profit-making has gradually taken precedence over making news and media owners and news executives of publications are increasingly willing to play into the hands of revenue producing advertisers in order to increase or maintain the income necessary to keep them in business (Bagdikian 1983). According to Bagdikian (1983) newspapers tend to do so in their fringe sections like supplements and surveys. Bagdikian (1983) argued more than two decades ago that this growing trend among American newspapers to turn over sections of the 'news' to the advertising department usually produces copy that is not marked 'advertising' but is full of promotional material under the guise of news. McChesney et al. (1998) a few years later raised the point that this development might even mean the end of journalism in the traditional sense, meaning that news production (to inform, educate, entertain, be a watchdog) independent of advertisers and income generating strategies as well as independent mediation between "the forces of society" (Bagdikian 1983) might become something of the past.

It has been argued that changes in newspapers are no longer made in response to what readers want. According to Bagdikian (1983), surveys done by the American newspaper industry make it clear that what readers want is more hard news. In one study a majority of American readers, 57 percent, found advertising only 'somewhat interesting', he notes. Bagdikian discovered that newspaper publishers have been converting newspapers into agencies for merchants. In the words of Harold Evans (as quoted in Bagdikian,

1983:139), former editor of the London Sunday Times, the challenge of American newspapers 'is not to stay in business – it is to stay in journalism'.

Bagdikian further argues that advertising is not a luxury to large corporations but an activity with profound economic and political consequences. The American media were even in the 1980s dependent upon these corporations for most of their revenue and increasingly they were owned by such corporations. According to Bagdikian the media became partners in achieving the social and economic goals of their patrons and owners. Yet newspapers remained, among other media, citizens' primary source of information and analysis of precisely this kind of economic and political issue. This raised the question whether the media were free to exercise their traditional role of mediating among the forces of society at a time when they have become an integral part of one of those forces (Bagdikian 1983). Research showed that the influence of advertisers and publishers' fear of offending advertisers created a no man's land of taboo subject matter that few newspapers, magazines or broadcasters would enter (Bagdikian 1983).

This trend to play to the market to maintain or increase the income necessary to keep the news media in business has led to a shift in the media. Nowadays journalists are accountable to managers and editors to the Chief Executive Officer. Today the executives are the important people in media organisations. Managers rule the newsroom and journalists have become second class 'citizens' (McNair 1998). However, in some publications journalists and editors have become the managers. Doyle (2002) says most of the decisions taken by those who run media organisations are influenced by resource and financial issues and McManus (1994, in MacGregor 1997) argues that much of the news industry is moving to replace journalistic judgement with market judgement, with the inevitable result that news 'becomes a commodity to fit the market demands of a collection of special interests'. According to MacGregor, McManus witnesses numerous 'objectivity violations' in news production (in this case local television news in America), the result of economically determined practice, the result of 'organisational and corporate self-interest' (MacGregor 1997).

In relation to the workings of the market, observers in the field of critical political economy have argued that the quality of both print and broadcast journalism has been damaged by the need of media organisations to compete effectively on commercial criteria and that the normative role of the journalist in a democratic society has been sacrificed to the business needs of the organisation which employs him or her (McNair 1998). Doyle (2002) notes that audiences have become the main currency for many media companies, as these are sold as a commodity to advertisers and in so doing provide advertising revenue, which is a primary source of income for newspapers and magazines as well as commercial television and radio broadcasters.

The South African media are at least 10 years behind the rest of the world in respect of these economical and commercial developments. As the transformation process in newsrooms progresses, particularly on the level of key decision makers as well as for commercial reasons, it has become impossible to ignore international trends. The South African media as an institution has undergone a commercially driven transformation which has left it more business orientated. Strategies have been developed and implemented to improve income and especially to get a bigger piece of ad spend. Commercial factors, more than labour laws and the information and communication needs of South Africans, transformed the local media (Kupe 2004).

2.2 Literature Review

It seems that almost no research on this topic has been done in a South African context. For this reason I will draw on the diverse studies by researchers of mainly American origin like Shoemaker and Reese, Bagdikian, Schudson, Croteau and others who have made sizeable contributions in the field. I will also draw on South African newspaper and magazine articles, opinion pieces, personal interviews and some research that cover the subject. This literature review has an overlapping focus on the fields of media economics, political economy, advertising, audience research and the status of journalists and journalism in a market-driven industry as may be relevant to this study.

We will start with a look at the changing role of journalists and how they deal with the marketing strategies that are imposed on them. After that will follow a review of literature concerning global trends in media economics, political economy of the media, organisational structures, the audience, advertising and the objectivity debate. Lastly we will take a look at an overview of the South African situation and specialist magazines.

2.2.1 The changing role of journalists: The conflict between journalistic professional ideals and marketing strategies

Researchers – McNair (1998), Shoemaker and Reese (1991), Curran et al (1996) and McChesney (1998) – agree that the role of journalists is changing from the mere keeping up of journalistic professional ideals and ethics to a more market-orientated approach and that economic factors have a definite influence on the profession and the media industry. Some, like Bagdikian (1983), also remind us that there are conventions that can protect the journalist and that this tendency to change need not necessarily mean the end of traditional journalism, as McChesney (1998) seems to fear.

Journalistic organisations have changed from being agents of radical reform and revolution as they were in the 17th an 18th centuries, to being essentially business organisations, working in capitalist business environments (McNair 1998). This means that liberal journalism's essentially conservative function is often in conflict with the competitive demands of the media marketplace. Modern media 'barons' have to reconcile the political and ideological functions of journalism with their need to survive and prosper as businesses, selling news as a commodity to a public increasingly used to publicity risk (McNair 1998). As a result much of what journalists produce is predetermined by the goals of media owners (McNair 1998, McChesney et al. 1998). McNair (1998) argues that journalists are employees subordinate to line management all the way up to the proprietor. The work of journalists is the result of a production process

centred on the newsroom and the working environment of the newsroom is the starting point for the individual journalist's activity, defining its routines and limitations. The journalist produces his goods, within the constraints set by deadlines and competitive pressures. Those who criticise journalistic output often overestimate the extent to which journalists are free agents (McNair 1998).

Media production has been increasingly commandeered by large corporations and moulded by their interests and strategies. Media companies have turned into businesses instead of organisations that have the old journalistic ideals of informing, educating and publicising, argues McNair (1998). While mainstream liberal tradition portrays the media as agencies of communication and influence, as independent institutions which give voice to the people and reproduce the collective conversation of society (Curran et al. 1996), and as distinguished from the ideological and the value-laden, claiming the status of objective truth, disinterested fact, fair and balanced reportage of the world, political economists have shown how commercial pressures have driven the news media to be more prurient and sensationalist. The information, education and publicity functions of the press have, it is argued by some critics, been diluted to a pale shadow of their ideals (McNair 1998). Lower wages are paid for non-elite journalists and media conglomerates are willing to censor and distort journalism to suit the corporate interest (McChesney et al. 1998). That the journalistic media are used in this way should not be surprising if we assume that their owners are rational economic actors. Or is it just a matter of "someone who is investing millions in a newspaper is going to run it as he or she likes", argues McNair (1998).

On the other hand, research in the field of political economy has shown that the influence of economic factors on journalism is not all that predictable. McNair (1998) argues that ownership and control give proprietors outlets through which to pursue their political agendas, but they cannot afford to go against market trends or ignore the views of their audience. They may try to change those views, but not to the point of putting their businesses at risk (McNair 1998).

It has therefore been argued that because of increasing financial pressure journalists can never be entirely free, despite the ambitious demands of liberal democratic theory (McNair 1998). They must work within a political (and economical) environment, which contains a certain amount of regulation, control and constraint, exercised through a variety of formal and informal channels. Sometimes these controls and constraints are justified by the need of good government and social cohesion; sometimes they are the product of self-interest risk. According to McNair's somewhat pessimistic opinion, journalists must constantly struggle against the political and economical apparatus for their freedom to report and analyse events and be prepared to defend this role against financial and other considerations that may impede the flow of information (McNair 1998).

The need of media corporations to perform financially has changed the role of editors and their place in the organisational structure. Shoemaker and Reese (1991) have done research about this phenomenon and found that with newspapers facing declining audiences and increasing competition, a greater marketing orientation has established itself among media managers (Shoemaker, Reese 1991). In some publications journalists and editors have actually become the managers, or are expected to play a dual role. This has a certain impact on content and also on the power and autonomy of journalists, they reason. One indication of the erosion in journalistic autonomy is the way in which editors relate to the organisation. Do they feel allegiance to the news or business side of the enterprise? In an analysis of news management trends in daily newspapers, Underwood (1988:23, as quoted in Shoemaker, Reese 1991:161) maintains that "as corporations have extended their hold on U.S. newspapers, the editors of these newspapers have begun to behave more and more like the managers of any other corporate entity". For example, upon becoming executive editor at the Gannett-owned Seattle Times, Michael R. Fancher outlined his goals in 1986 to his manager, saying that 40% of his time would be devoted to monitoring newsroom budgets and coordinating its marketing role (he failed to mention anything about news per se). He would oversee a newsroom management reorganisation and be liaison with the circulation department (Underwood 1988, as quoted in Shoemaker, Reese 1991). Underwood then concludes that profit pressures and

the "corporate MBA mentality" are transforming the newspaper business, a traditional haven for, what he calls, the "independent, irreverent and creative spirits". These trends lead us to the question whether a top-down organisation management structure can be carried to such an extreme that the lower level workers no longer have the freedom traditionally associated with journalists (Shoemaker, Reese 1991). Fancher is then further quoted in Schoemaker and Reese:

> . . . editors must understand dollars and cents today better than ever before. Keeping newsroom operating expenses within budget isn't enough. Editors must understand where their budgets fit with the larger financial picture of their company, and where news priorities fit in the overall strategic plan (Shoemaker and Reese 1991:161).

Fancher argues (Shoemaker, Reese 1991) that the editor of a newspaper is responsible for keeping the organism as a whole functioning by coordinating both journalistic and marketing efforts:

> Today the editor's job is more a function of 'management' than of editing – managing people, managing systems and managing resources (Shoemaker, Reese 1991:162).

However, in the 1980's Bagdikian (1983) argued that there are conventions that can protect the journalist. They hold that news should be produced fearlessly and fairly by professional journalists working without coercion from outside forces or from the business side of their own corporations. The force of the conventions is supported by a general ethic in the trade, which is a helpful shield from gross subversion of the news (Bagdikian 1983). The continuing violations of the ethic of independent journalism over the years has an important message for the future, Bakdikian predicted: the unwritten rules of traditional journalism will be respected until they represent a threat to the power of the media corporations. "When the status of corporations in general and of media corporations in particular is in jeopardy, no conventions, no professional ethics, and no individual protests by angered journalists will prevent corporations from using their prerogatives of ownership to protect their power by altering news and other public information" (Bagdikian 1983:49).

2.2.2 Media Economics

Most of the decisions taken by those who run media organisations appear to be influenced by resource and financial issues. Doyle (2002) argues that economics, as a discipline, is highly relevant to understanding how media firms and industries operate. Media firms often sell their wares simultaneously in two separate and distinct types of markets. Media industries are unusual in that they generally operate in a dual product market. The two commodities that they generate are *content* and *audiences*. The entertainment or news content that listeners, viewers or readers 'consume' constitutes a form of output which media firms can sell. Doyle reasons that the audiences that have been attracted by this content constitute a second valuable output, insofar as access to audiences can be packaged, priced and sold to advertisers. Audiences are the main currency for many media companies, as these provide advertising revenue, which is a primary source of income for commercial television and radio broadcasters as well as for newspapers and magazines (Doyle 2003).

McNair (1998) explains that economic forces impact on journalism in two ways:

Firstly, the production of journalism is largely the business of an industry, owned and controlled by private individuals and conglomerates.

> Journalism is in a real sense the private property of these individuals and conglomerates, and they are free within the law to dispose of and use it as they like. Journalists are employees, strongly influenced by those who own or control their organisations. They are subject to direct economic power in the same way as other employees of capitalist enterprises, although some journalists with 'star' value bring their own reputations to the market and use them to buy autonomy (McNair 1998:101).

Secondly, while journalism is an industry, it is also a commodity with a certain value, offered for sale in an ever more crowded information marketplace.

> As such, and like all commodities, it must have a *use value* and an *exchange value* for potential customers. It must be both functional and desirable, a fact which has had considerable impact on the content, style and presentation of journalism in

recent decades. Journalisms must compete with each other for market share (McNair 1998:101).

2.2.3 Political economy of the media

What is of importance for this study is that the political economy of the media examines the role of advertising as the main support mechanism and introduces a new variable for understanding the production of communication, i.e. how do advertising and commercial values influence the nature of media content? Presently researchers seem to concentrate on studying the concentration of corporate media ownership, which flows from the logic of the market, whereas a previous generation put the emphasis on conglomeration (McChesney et al. 1998). To provide some background perspective it is necessary to explain that political economy of the media is primarily concerned with capitalist societies and commercial media systems as they dominate throughout the world. It emphasises structural factors and labour processes in the production, distribution and consumption of communication. There are two dimensions of political economy of the media: (1) it addresses the nature of the relationship of the media and communication systems to the broader structure of society. It examines how media and communication systems and content reinforce, challenge, and influence existing class and social relations. (2) It looks at how ownership, support mechanisms (like advertising) and government policies influence media behaviour and content (McChesney et al. 1998).

The struggle in the political economy of the media seems to be between the editors and the owners of publications, with the editors pursuing the traditional values of journalism and the owners of publications representing broader, powerful forces in a society. According to Altschull (1995) "it is not the media that shape public opinion, it is rather the holders of power who shape public opinion by using the media as their agents". He further implies that "no newspaper, magazine or broadcasting outlet exceeds the boundaries of autonomy acceptable to those who meet the costs that enable them to survive" (Altschull 1995) while McQuail (1992) mentions that "proprietorial influence on the content . . . may conflict with media claims to offer fully disinterested truth of independent opinion". Economic influence may result from "official advertising or other

financial relationships; or from pressures on media content from market competition in the private sector" (McQuail 1992). Owners seem to love editors who think like them for a variety of reasons. When an editor is successful in improving a newspaper's market position, or gains a positive reputation for quality, he or she may acquire a relatively high degree of autonomy from the proprietor (McNair 1998). Proprietorial control of journalistic output is exercised, as in any other capitalistic organisation, through the appointment of like-minded personnel in key management positions who are delegated to carry out the boss's will, argues McNair, while Bagdikian concurs that in the normal hiring and firing of reporters, editors, writers and producers, the owning corporations quietly eliminate those who do not conform to corporate wishes in the news and popular culture (Bagdikian 1983).

According to McNair (1998) critical observers have argued that the quality of both print and broadcast journalism has been damaged by the need of media organisations to compete effectively on commercial criteria and that the normative role of journalists in a democratic society has been sacrificed to the business needs of the organisation which employs them. In a study of local television news in America McManus arrives at the pessimistic conclusion that maximising profits is incompatible with maximising public understanding and declares finally that market journalism is an oxymoron, "a contradiction in terms" (MacGregor 1997:76)

Croteau (1997) however, has a more positive view and argues that economic forces do not fully determine the action of media professionals and that media organisations are not passively compliant in the face of political constraints. In both cases media personnel are still active agents, making decisions and perusing strategies within particular economic and political frameworks. Media personnel try both to control the environment as much as possible and to operate most effectively given specific constraints. Their actions sustain, and sometimes help change, the basic structural constraints, but they are not determined by them (Croteau 1997).

2.2.4 The Objectivity Debate

The question arises how journalists can continue to produce objective news output if they are pressured by financial considerations to produce news for specific niche markets with specific interests. Some researchers agree that news can never really be objective, although some, like McNair (1998) and Manning (2001) attempt to define the characteristics of objective journalism.

Manning (2001) argues that news is always influenced by the processes that make it. Organisational pressures, selection processes and source strategies can never be left out of the equasion. Objectivity cannot be achieved by producing value-free and comprehensive accounts of 'real' events; rather the term describes a set of practices that journalists can defend as objective (Manning 2001:68). Bagdikian (1983:132, 133) concurs with this viewpoint as he writes that news, like all human observations, is not truly objective. Human scenes described by different individuals are seen with differences, he argues, as each journalist's perspective is tinted by his own past experiences and personal values. On top of that:

> The doctrine of objectivity, despite its positive accomplishments of strict rules of observation and verification of simple, physical events, has led to some of the most damaging failures of reporting – in wars and social explosions as long as a certifying authority could verify the 'facts'. It has given American standard news a profoundly establishmentarian cast under the guise of a press independent of established authority (Bagdikian 1983:132).

"Journalism has moved beyond the most unintelligent strictures of objectivity, substituting instead the ideas of fairness and balance," argues Bagdikian further. "A competent journalist is no longer expected to remain passive when an authority figure utters a 'fact' for which there is documented contrary evidence" (Bagdikian 1983:132, 133).

McNair (1998) concurs with Manning's (2001) views on objectivity by arguing that objectivity closely structures the work of journalists in liberal democratic societies and is

cited frequently by them in defence of their output. According to McNair (1998) journalists wanted to believe they could stand apart from the real world, observe it and report back the "truth". McNair (1998) identifies three characteristics of "objective journalism": The separation of fact from opinion, a balanced account of a debate and the validation of journalistic statements by references to authoritative others (McNair 1998). McNair (1998) also quotes Robert Entman as saying that objectivity rules contain two primary requirements: depersonalisation (refrain from inserting into the news own ideological or substantive evaluations) and balance (aim for neutrality, present conflicting views with roughly equivalent attention). In order to be objective, the journalist's statements must be founded on facts, which can be seen to be independent of the journalist. The journalist has licence to interpret facts but cannot be seen to invent them (McNair 1998:71), the constraint of having to write "accurately" about actual (objectively real) occurrences in the world is always present (Schudson 2000:184).

In relation to the objectivity debate it can be argued that journalism is a profession and as such it must have an ethical code that supports balance and fairness in reporting as well as "accurate" writing about "objectively real" occurrences. McNair (1998) argues that to be accepted as a professional group, journalists must be seen to work to a code of conduct which guarantees their integrity, their trustworthiness and thus their status as reporters of 'truth' (McNair 1998). The journalist's profession might be described as that of 'authorised truth teller', or 'licensed relayer of facts'. Journalism is presented to its audience as a truthful discourse about the real world, and it must command legitimacy on these terms or it is without value in the cultural marketplace. Thus journalistic ethics can be seen as a device to facilitate the social construction of legitimacy, to mobilise the trust of the audience in what they are reading, hearing or seeing. Ethical standards therefore also have a major impact on journalistic content (McNair 1998).

2.2.5 The Audience

The argument most often proposed in liberal accounts is that competition within a market system compels the media to respond to the wants, needs and views of the public on the

premises 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. Curran et al (1996) mention the example of commercial television where the ratings antennae are on constant alert to pick up the first perceptible tremor of a change in public preference. Much of the effort, energy and creativity of commercial enterprises goes into pleasing the audience in a fiercely competitive environment, it is argued (Curran et al. 1996):

> Media corporations have developed strategies for doing this: researching and pre-testing products, building creative teams, repeating or recreating formulae that were successful in the past, creating stars, promoting heavily and over-producing as a way of managing demand, integrating businesses horizontally (i.e. across media) or vertically (from production to sales outlets) in order to gain economies of consolidation and increased market control, developing ways of selling the same or spin-off product in different media packages (Curran et al. 1996:123).

However, Schudson (1984) argues more realistically that the pseudo-populist rhetoric of "discovering needs" and giving the public what it says it wants is misleading on at least four counts:

- Marketers do not actually seek to discover what consumers "want" but what consumers want from *among commercially viable choices.* Schudson argues that one can hardly blame marketers for this, but because of it, one cannot accept the rhetoric of "we have the consumer always in mind". Marketers keep the consumer in mind only to the degree that the consumer defines his or her own prospects in terms agreeable to marketers (Schudson 1984).
- Marketers do not listen to all people equally. Schudson holds the contention that there is nothing democratic or populist about an approach that "listens ten times as carefully to the person with $10 000 in discretionary income as to the person with $1000. But that is what marketers do. The point is to make money, not to please people. The marketers keep their eyes on the main prize – pocketbooks (cheque books), not persons" (Schudson 1984).
- According to Schudson marketers wrongly assume that since "good advertising kills a bad product" they can do little harm; people will only buy what they find satisfying (Schudson 1984).

- Lastly, Schudson argues that the marketing ideology mistakenly assumes that responding to discovered, felt needs among consumers is an innocuous activity – that "the people say they want it" is defence enough of a business practice. Obviously a conscientious marketer would want to circumscribe such a view to say that some goods are harmful and should not be sold or promoted even if people want them (Schudson 1984).

Gandy (2000) contributes to the debate about audiences by discussing the political economy of audience segmentation under the headings of differences between the media, demographics, tastes and preferences, market value and ideology. On the topic of market value he reasons that the construction and pursuit of audience segments is governed in large part by the logical calculus of expected value. He reasons that information about the expected value of any segment is often as unreliable as the information about its size and demographic composition. Advertising agencies play a critical role in determining the perceived value of audience segments. The incentive for an agency to promote the value of the segment is to be found in its claim of special competence in reaching that segment. The value of the segment may be inferred in part from the number, visibility and reported billing of agencies that claim expertise in reaching those segments (Gandy 2000).

Gandy (2000) defines audience segmentation as based on strategic information about individuals who share an identifiable status based on any number of attributes. It is part of a complex process through which the great variety that sets people apart as individuals is cast off, or ignored, in order to emphasise the similarities that help to shape and define people as members of groups. These audience segments become the focus of targeted communications by advertisers, governments, writers and programme producers. (Gandy 2000). Audience research seeks to identify and describe the relationships between the characteristics of audience segments and the attributes of the content they prefer (Gandy 2000). There are different ways of looking at an audience: it can be seen as a potential consumer; it can be seen as composed of citizens who must be reformed, educated, informed and entertained; it can be understood as a commodity that has been 'produced'

for the market with the important distinction that it can be the object rather than the subject of marketing efforts; it can be seen as victims who are likely to be harmed by exposure to dangerous content or by contact with others who have been exposed to such content (Gandy 2000).

Lastly, Gandy (2000) looks at audiences from four perspectives: publics, markets, commodities and victims.

The audience as public: Audiences are assumed to have interests and, in some formulations, those interests can be understood as rising to the level of rights (Gandy 2000). The rights, interests and reasonable expectations of publics are often used as the basis for evaluating the performance of mass media systems and organisations (McQuail 1992 in Gandy 2000).

The audience as market: Consumers and potential consumers are seen as a market by producers and distributors of media content. The behaviour of consumers in the market is governed by tastes and preferences that vary between individuals, but are assumed to be more similar within, rather than between definable groups, or population segments (Gandy 2000).

The audience as commodity: the audience is seen as a product created for sale within the market. Owen and Wildman (in Gandy 2000) reason for instance that broadcasters are in the business of producing audiences. These audiences, or the means of access to them, are then sold to advertisers. They continue that the price of the product is quoted in dollars per thousand viewers per unit of commercial time, typically 20 or 30 seconds (Gandy 2000). The production of audiences for the market can be understood as an industrial process through which different combinations of inputs (such as scripts, music, acting and special effects) can produce audiences with varying degrees of efficiency. Not all audiences are however equally valued by the market. If particular audience segments are undervalued in the market, advertisers will be unwilling to pay the same ‘cost per

thousand' they would pay for more 'desirable' audiences. The perceived value of an audience is therefore very important (Gandy 2000).

The Audience as victim: Media critics have historically charged the media industry with bringing harm to individuals and society at large. The critics have argued that the victims are incapable of defending themselves (Gandy 2000).

The study of audiences is relevant to this research insofar it seems that the role of the audience in the modern media environment in certain instances has shifted from a public that has to be served and pleased by the media as the traditional "fourth estate" watchdog to that of a mere commodity that is used or even produced to ensure maximum profits in a market-driven environment.

2.2.6 Advertising

The research of Bagdikian (1983) and Schudson (1984) shows that advertising follows affluence and that the desires of advertisers are of a higher importance than that of the readers. Advertisers spend billions of rands to promote products, and will take no chances about who will see their advertisements (Bagdikian 1983). Schudson (1984) defines advertising as a relationship between a producer (or distributor) who advertises, an agency that creates the ad, a medium that carries the ad, and an audience of consumers to whom the ad is directed.

Bagdikian relates that advertisements in early magazines were segregated in the back pages as they were perceived to be an intrusion on the reader. When advertising revenue became important in the 1890's, advertising agencies insisted that ads be moved from the back of magazines to the front and before long, major advertisers demanded that their ads appear opposite the opening pages of major articles. The influence of advertising on magazines reached a point where editors selected articles not only on the basis of their expected interest for readers but for their influence on advertisements (Bagdikian 1983). In the mid-twentieth-century magazine articles were often commissioned solely to attract

readers who were good prospects to buy the products advertised in the magazine. In the 1970's magazines were created for an identifiable special audience and then sold to particular advertisers (Bagdikian 1983). Newspapers and magazines entered a stage in which the immediate desires of advertisers have a higher priority than the desires of readers, opines Bagdikian (1983). As Leo Bogart (as quoted in Bagdikian 1983) pointed out:

> In its expanding feature content, the daily press increasingly partakes of the character of the magazine – non-threatening and easy to take. Embedded in a tissue of gourmet recipes, instruction on furniture repair, and councel on premarital sex, the breaking (and unsettling) news is swathed in reassurances (Bagdikian 1983:140).

Schudson (1984) argues that the various media do their utmost to attract the advertisers' attention and money. They try to demonstrate that they are the best outlets for the advertisers' purposes. Schudson (1984) argues that they try to do so by:

- Presenting to a potential advertiser their cost per thousand (CPM), which is the cost of an ad per one thousand audience members reached. The lower the CPM, the more people who will see the ad per dollar spent to buy advertising time or space (Schudson 1984).
- Boasting to advertisers that it can reach a larger total number of people than other media – network television, of course, can often make this claim (Schudson 1984).
- Arguing that though it may not reach the biggest audience, it has the *best* audience in terms of some desirable audience characteristic like high average annual income (Schudson 1984).

The news media are also a prime target for public relations efforts, says Schudson. Public relations and advertising are both marketing functions for firms and are, in some respects, difficult to distinguish.

> Corporate image advertising is hard to distinguish from public relations. It has the same aim public relations does – not directly to sell a product, but to aid the firm

> indirectly by promoting its reputation with the public or with significant segments of the public. In other respects advertising and public relations are very different business functions. Advertising is a publicity that a firm pays for; public relations seeks publicity that does not require payment to the media for time or space. (Schudson 1984:100).

Public relations has two advantages over advertising from the firm's perspective (Schudson 1984):

- It does not cost money. It may cost to hire a public relations agent, but when the agent places an item, it is placed as news and not paid for as advertising.
- If an item appears as news, it has a legitimacy that advertising does not have. Consumers discount or discredit advertising to some extent, because they know it to be a message from an interested source. A news story is not so easily discounted (Schudson 1984).

From the advertising industry perspective, billions are spent on newspapers, magazines, radio and television each year, and it will not be left to chance who will see their ads, argues Bagdikian. By means of surveys and computers they establish with some precision the income, education, occupation and spending habits of newspaper and magazine subscribers and broadcast audiences (Bagdikian 1983):

> The greater the pressure on newspapers, magazines and broadcasters to increase their profits, the more they push not just for larger audiences, but for higher quality audiences, as each newspaper, each magazine, each broadcast station insists to the major advertisers that it has the highest-quality audience (Bagdikian 1983:117).

Bagdikian further argues that for the same reason advertisers no longer leave the demographics of their ad carriers to rhetoric and speculation. Audited subscription statistics and scientifically gathered audience data tell them exactly what kind of individual is exposed to a particular kind of advertisement in a newspaper, magazine or broadcast. The surrounding articles in newspapers and magazines and the type of broadcast programme in which their commercials are inserted, in other words the context, becomes increasingly important (Bagdikian 1983). The quality of an audience as well as

the non-advertising content around the ads have not only become dominant in the thinking of major advertisers, but also in the thinking of owners of newspapers, magazines and broadcast stations. The media have become vital instruments needed by major corporations to maintain their economic and political power (Bagdikian 1983). Schudson (1984) holds a partly opposing view. He argues that advertisers or their agencies do not definitely know what they are doing or who they are targeting. They work with a lot of variables and seem to be in the dark at least some of the time. Schudson (1984) holds that "the advertising practice employs a vast array of notions of the consumer and ideas of human nature in an utterly ad hoc and opportunistic way". In spite of this, Schudson (1984) reasons, demographics is still the most consistently employed kind of data in advertising work.

2.2.7 South African perspective

In South Africa, the media market tends to cater for the economically well off: the elite white minority (Dlamini 2003) and nowadays also the upcoming black middleclass. The media has over the past few years, with little shifts and changes, gradually become more market driven and commercialised, publications have to fight for a piece of the advertising pie or starve and therefore often have no choice but to play into the hands of advertisers by delivering the "right" audience for optimal profit-making. Some say commercialism is dominant in the South African media environment, while some take a stand against it. There has been some debate and research about the situation in South Africa and in this section the dependence on external revenue by South African media companies will be demonstrated by the experiences of some of South Africa's top journalists, researchers and media experts.

In the early nineties, at the time of the democratisation of South Africa, the focus was on creating a competitive and diverse media environment, but the focus shifted to consolidation in an attempt to survive in a new economic environment caused by globalisation.

According to Boloka (2004) this has shaped the SA media market since the demise of apartheid. Global players who entered the market transformed the way the SA industry operates with some titles like ThisDay, Pace and Tribute falling by the wayside, unable to survive under the new circumstances of more players who have to share the advertising pie. This 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). According to Cowling (2004) these changes have led to increased competition for South African audiences, resulting in a 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) argues that marketers do not only target very specific audiences for their advertising, they also niche their products by associating them with particular kinds of content. According to Cowling (2004) whole "sections are constructed with the advertisers' interest in mind, rather than by a process of imagining what readers might be interested in". Cowling (2004) concludes that the financial pressure of making it in a commercialised environment has pushed some print companies to develop other strategies, like "value-added" products whereby strategies are devised from which readers, advertisers and the media companies can all benefit. These strategies are mostly aimed at the affluent living standard measure categories (LSM's) 6 – 10.

Kuzwayo (2004) argues that the role of the media in its new environment has changed. They have become businesses who need to increase value for shareholders. "When private media companies listed on the stock exchange they ceased to be guardians of society " (Kuzwayo 2004). Kuzwayo argues that this focus on profit might even be the media's undoing in the end.

The dependence on external revenue by South African media companies has revolutionised the profession of journalism (Dlamini 2003). In pre-television days newspapers were all-powerful, dominating the South African advertising industry and "gave considered thought as to whether they really wanted to carry your ad the next day" (Herber 2004). Those were the days, in the 1970s, when advertisers had to book the centrespread of big Sunday newspapers for major consumer launches months in advance.

Advertisers of a wide range of products – from cars, durable or non-durable products, retail sales or corporate campaigns – would organise an entire launch around available media space. According to Herber (2004) 30 years later the Sunday papers generally sell no more than they used to and the dailies individually sell considerably less than they used to, in many cases a deliberate move to concentrate circulation and reduce distribution costs – a reduced exposure for which the advertiser, according to Herber, has never been compensated. What has changed is the role of newspapers in the ad mix. Herber (2004) argues that only a couple of newspapers would be able to survive if it weren't for retail advertising, i.e. Shoprite/Checkers, Pick 'n Pay and Spar as well as the three cellular operators Vodacom, Cell C and MTN.

South African newspapers, like their global counterparts, have to target a class of reader that is being chased by most advertisers; they have to identify people with enough disposable income to buy the products of their advertisers. Because newspapers rely on advertisers for over 60% of their revenue, they have no choice but to be sensitive to the needs of those advertisers (Croteau & Hoynes 1997, in Berger & Kanyegerire 2002). To reach a more affluent reader, content has to be geared to interest such readers. This in turn can lead to a decline in circulation amongst readers who are less appealing to advertisers, which in turn can lead to rising advertising revenues. To prevent this, newspapers strive to improve the demographic profile of their readership in terms of average household income. This can be achieved by attracting more affluent readers by including extensive business sections, stock market reports and articles that reflect the needs of upscale consumers. The second way in which the demographic profile can be improved is by shedding those readers who are less ad-desirable through pricing and distribution strategies. This is done by price hikes and limiting distribution in poor areas while prices in more affluent areas may be reduced (Croteau & Hoynes 1997, in Berger & Kanyegerire 2002).

Two examples of newspapers that paid the price for moving in the opposite direction, from elite-orientated publications to catering to the less-privileged markets, are the Rand Daily Mail and the Cape Times. The Rand Daily Mail – in the era before democracy and

the effect of globalisation and commercialisation – increasingly felt the pinch of financial pressure because it chose to go against the political stream of the day. The paper had a growing circulation amongst black readers who did not appeal to advertisers (white) for reasons of race and class. The result was that advertisers took their business and revenue to other publications with demographics that better suited their needs. In the absence of advertising, copy sales revenue did not cover costs and the paper eventually had to close down. A few years later, in the 1990s, the Cape Times, under editorship of Ryland Fisher, tried to build readership in the African and Coloured communities. This meant a shift in content, aimed at promoting tolerance and understanding in the diversity of Cape Town. The new readers were gained, but the readers in the wealthy white sector were lost together with the advertisers that preferred a white middle class market. Fisher was replaced with a new editor who was to refocus on its middle class consumers (Berger and Kanyegerire 2002).

Berger and Kanyegerire (2002) stress, however, that "circulation and readership figures are far less important for advertising than the specific character of the people involved. Further, that this character is not entirely a question of current wealth of the audience members, but also of their aspirations, their consumption patterns and responsiveness and their reachability".

Harber (2003) is of the opinion that South African editors still tend to be acutely protective of their independence from owners, managers and politicians. In the South African situation, he relates, involvement in the media seems to have decreased the political clout of those who got involved in it. Media players would find themselves sandwiched between an interventionist government pushing for media reform and a fiercely independent editorial tradition. Harber (2003) compares this to global media magnate Rupert Murdoch who "could count on the fact that all 158 of 'his editors' would share his support for the recent war in Iraq. They were hired because they shared his views" (Harber 2003).

A case in point is the experience of journalist Egmont Sippel, motoring editor of Rapport, who holds the opinion that motoring journalism in South Africa has been corrupted to such an extent that many journalists no longer understand the basic principles of journalism. In fact, Sippel argues, many journalists in that field have lost their principles and do not adhere to the ideals of journalism – to inform, be a watchdog, educate, entertain and above all to be independent. Motoring journalism has become nothing more than an extension of the marketing arm of the South African motoring industry (Ueckermann 2003).

According to Nielsen Media Research motor manufacturers were responsible for R440 million of the media industry's total R11,7 billion spend in 2003 (Bloom 2004A). Bloom reasons "that is a figure that sheds light on why so many media owners are all too happy to have their journalists sucking up to car companies". It is when one looks at the exceptions that the rule starts to make less sense (Bloom 2004A).

Sippel incensed the top brass at one of the world's largest motoring companies in 2003 with an article that criticised a new model sedan. According to the article the gearbox and the way the gears functioned would be unsatisfactory to the majority of drivers and there also was a problem called fuel starvation, which could be potentially dangerous to drivers. After he test-drove the vehicle and weeks before the article was published, Sippel informed the company about the car's fuel starvation problem. The company decided to have the car tested (Ueckermann 2003). After regular inquiries, the motoring company informed Sippel that there was no problem with the model whatsoever, and that there never had been. Sippel decided to run his story. The result was that a meeting was held between representatives of the company and Tim du Plessis, the editor of Rapport. The company threatened to withdraw advertisements it had booked with the paper for the rest of the year – a loss of income of millions. The company's argument was that they saw no reason to advertise in Rapport if their products were knocked in the editorial space. The editor did not budge. The ads were withdrawn (Ueckermann 2003).

This anecdote demonstrates the power of advertisers and the huge amounts of money behind them in a media world that is increasingly dominated by the bottom line and profits. It also demonstrates that journalists and editors do not always throw ethics, independence and other journalistic ideals out of the window in the face of financial strong-arm techniques and threats by corporate giants.

Corporate giants rule the world today and the South African print media industry is no exception. We are living in an era of worldwide economic pressure. This pressure is in evidence not only worldwide, but also society-wide and since the media are part of society, there is no escape – even though we like to believe that we can be independent watchdogs and informers (Kupe 2003).

The dismissal of Mathatha Tsedu as editor of the Sunday Times is another case in point. It raises questions not only about transformation of the media, but also about the transformation of South African society (Kupe 2003). Before his appointment it was no secret that Africanisation was important to Tsedu and it was known that he had a strong change agenda, particularly concerning the Sunday Times' lucrative extra editions. He also often annunciated the slogan "Journalism must serve the poor and the powerless". All this made him a surprise choice for the most powerful job in South African journalism. The Sunday Times, being the money-making machine of Johncom, generating a profit of R110 million a year and accounting almost entirely for the success of the company, after all never pretended to be the voice of "the poor and powerless" (Harber 2003B). Johncom, owners of the Sunday Times, should have known that Tsedu's appointment would mean disruption in staff, readership, sales, advertising and revenue. Johncom's status had been precarious, reports Harber (2003B). A beacon for empowerment, its "status has been precarious because the National Empowerment Consortium that controls it, is deeply debt-ridden and very vulnerable to fluctuations in share price and profit levels. The bottom line is top-of-mind" (Harber 2003A). According to Harber (2003B) Tsedu's dismissal was not about media freedom or race but about the complexities, contradictions, limitations and difficulties of transformation in an empowerment media company. One thing is clear, Harber (2003B) adds: "There is no

point to transformation if the end-product is not a healthy and profitable newspaper. There is little value to empowerment if you have been empowered to control a shell." Tsedu had to win over staff, hold on to traditional readers, take advertisers with him, withstand political pressures and keep shareholders happy as well. All of this in an increasingly competitive, even overtraded, market (Harber 2003B). 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. As such, media have become more sensitive to the interests of advertisers, who in turn are more demanding about audiences. Media owners and managers have gained an upper hand over editors and journalists (Kupe 2003).

Dlamini (2003) quotes for instance the former editor of Sowetan, Mike Siluma, who holds that "editorial independence has to depend on interdependence". Siluma added that a person who bankrolls a publication cannot be expected to disregard what is published by the paper he finances because his monetary interests would be at stake. The biggest stakeholders in the media also comprise the advertisers who provide the revenue needed for the existence of media organisations. The media is in that respect accountable to the interest of stakeholders. On the other hand, he also quotes Berger (1997) arguing that despite the economic pressures bearing down on media companies, journalism and the media still operate in the public interest rather than any particular interest (Dlamini 2003).

Today's journalists have to perform an incredibly intricate balancing act. On the one hand, readers, viewers and listeners must be able to trust journalists in terms of being given the no-holds-barred truth. On the other hand, they have to give their advertisers value for money. Chris Moerdyk, a fellow of the Marketing Federation of Southern Africa, wrote in a column in Business Times: "In the days of apartheid editors reigned supreme in the corporate pecking order, dictating policy to chief executives and chairmen of boards. They seldom deigned to lower themselves to discuss the subject of advertising, let alone actually come into contact with ad agencies or their clients. Advertisers who complained about unfair treatment by the media were arrogantly told to get stuffed." He

ended his column with the words: “Editors have to start thinking like businessmen. Just like everybody else” (Moerdyk 2003). Because of apartheid policies and the resulting reluctance of international media conglomerates to invest in South Africa, this process has been delayed locally until after 1994. Now that international big business has entered the local arena in the form of among others the Independent Group (owners of The Star in Johannesburg and the major English newspapers in Cape Town, Durban and Pretoria) and the Nigerian owned daily ThisDay, South Africa goes through a phase of adjustment. We are catching up with the rest of the world (Kupe 2003).

Financial constraints seem to have a definite effect on what is published and also changes the rules of journalism. Willem Kempen, Sake-Beeld night editor, argues that publishing surveys and promotion articles take the choice of copy out of the hands of editorial staff. Whoever advertises on such pages, is always favoured when copy is selected. As a result the newsworthiness of copy is lost as well as a measure of independence. It is not even a question of pressure being applied; it is rather that journalists really have no say in a matter that is decided on advertising and management level. Sometimes it feels as if a financial vice is applied from which there is no escape (Ueckermann 2003).

Here the role of the editor is crucial, believes Sippel (Ueckermann 2003). To work under the pressure of financial constraints can become unpleasant. “Advertisers may decide to use strong arm techniques to prevent negative publicity, but we as journalists have to stand up for what we believe in. In the case with the international motoring giant I was fortunate to have an editor like Du Plessis who is prepared to stand up for the principles and ideals of our profession. Were it any different I might have considered it time to leave the profession. Without integrity good journalism is impossible. I considered it my job to inform the reader, to give them the full picture of the new model so that they could make up their own minds” (Ueckermann 2003). Sippel argues integrity is the most important ingredient of a newspaper. The reader can then decide whether he wants to accept the content or not. Unfortunately this is not always understood by big business. Editors should also be well informed and have a say about the financial side of newspaper publishing, says Sippel, but only in order to protect journalistic ideals and

principles. “The power of the editor should be protected, but this is no longer the case. Decisions are forced upon us due to financial considerations” (Ueckermann 2003).

On the other hand, it can be argued that Rapport is one of the biggest newspapers in the country with weekly sales of 325 807 and revenue of a tidy R162 million from ad sales in 2003 according to AIS/Adex: 2003 (Davis 2004) and can afford to take the moral high ground on certain issues. Or, as Bloom (2004A) reasons, maybe the paper is in this position precisely because it doesn’t bend to the pressure of advertisers to the disadvantage of their readers. It could be that so many people buy the paper because they trust the content. Even though he admits that it may be naïve and even a dream, Bloom (2004A) argues that “in the long run advertisers need the reach of respectable media more than respectable media needs the spend of advertisers” with the assumption that the “audience know when they are being sold down the river”. The media has to rebuild its integrity and salvage its credibility in the eyes of the public, particularly in the light of the media scandals of 2003. Without “journalists-for-hire” advertisers would eventually again want to be where the consumers are (Bloom 2004A).

Advertiser influence over media content has over the last decade been well illustrated by the way media companies have published articles on the health hazards of smoking, depending on whether they received revenue from tobacco advertisers or not. The charge that magazines that depend on revenue from tobacco advertisements are less likely to publish articles dealing with the dangers of smoking for fear of alienating advertisers, has been made by health professionals and critics of the media (Marais, 2002). In a paper investigating the relationship between tobacco advertising and the amount of articles and references related to the dangers of smoking, journalism student Manette Marais of Technikon Pretoria looked at six South African magazines comparing Cosmopolitan, Sarie and Bona (who accepted tobacco advertisements) to Living & Loving, Longevity and Your Baby (who refused tobacco advertising). A statistical analysis of these magazines indicated that the latter three “have restricted their coverage of the dangers of smoking out of fear of losing advertising revenue”.

According to Marais the South African tobacco industry spent R35 per second on cigarette advertisements in 1996, a total of R180 million of which R75 million was in the printed media and another R35 million in magazines. Cosmopolitan, Sarie and Bona received R1,96 million of the tobacco ad spend. Marais argues that it is difficult to prove whether magazines are systematically punished by the withdrawal of tobacco advertisements, but that it remains a possibility. She mentions the example of Bona publishing an article, "Smoking Can Kill" in a month that the magazine derived R92 500 from four tobacco advertisements. A month later, in December 1996, the magazine's revenue from tobacco advertisements dropped by a huge 80%. Cosmopolitan was the only magazine that portrayed smoking as "something everyone does" and while the magazine earned R790 000 in 1996 with 42 full-page tobacco advertisements, no more than 20 cm of copy was allocated to health information on tobacco. On the other hand Living & Loving, Longevity and Your Baby had no problem publishing regular interesting and newsworthy articles on tobacco-related illnesses. Marais' findings show that advertisers' influence over content can be considerable and "questions the integrity of journalism practised by magazines accepting tobacco advertisements" (Marais 2002).

The lines in the relationship between advertisers and women's magazine editors have become blurred in the effort to survive in an increasingly commercial environment. South African journalist Ferial Haffajee (1997) examined the impact of advertisers' demands on local women's magazines. She found that with magazines the line between advertising and editorial is "far less antagonistic than in other print media". Advertising seems to be seen as an integral part of the magazine package and not as something threatening editorial space. She found some editors recognised that they are part of a commercial environment and that they are prepared to give advertisers the right to reply before publication in the instance of the publication carrying a critical article on the product. In the beauty industry some advertisers expect a certain amount of "mentions" of their products in articles when they advertise in a magazine. Haffajee writes that the lines blur even further in the case of advertorial copy – promotional material that often looks like an article, but is nothing more than thinly disguised advertising. Haffajee concludes by

mentioning "the number of supplements carried inside publications is growing steadily and the ratio of advertising to editorial is rising" (Haffajee 1997).

Van Rooyen (2004) reasons publications can no longer survive economically if advertisers are not involved in some way or another. According to Van Rooyen (2004) editors and advertisers have to work together on projects. An example is that an advertiser might 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 advertisers' business, but that, less blatant, generic articles related to the business of the advertiser might be an option. Van Rooyen, who is editor of Sake-Rapport, the business section of Rapport, has accompanied advertising representatives to many presentations to advertisers. "It all depends on how the process is managed from the editorial side. On the other hand, advertisers have lost interest in so-called write-ups and advertorials, they know it has no value any more. They would rather place an advertisement in a news related context that has a bearing on their business interests" (Van Rooyen 2004).

Kupe (2004) holds that as a result of the commercially driven transformation of the South African media industry, editors and managers have little choice but to increasingly socialise with advertisers and journalists write ever more advertorials for surveys or special broadcasts. The increase in surveys has transformed the content of news, Kupe argues, and the function of the surveys is mainly marketing or business aimed at the higher income groups (Kupe 2004).

According to Henry Jeffreys, deputy editor of the Naspers daily Beeld and chairperson of the South African Editors Forum in 2003/04, editors are held 100% responsible for the image, content and sales of newspapers but have no direct influence over the marketers of the paper. "The editor is expected to help market his newspaper, but cannot budget to do so. He can only make suggestions to the general manager who has the final say. In order to successfully publish a newspaper the editor and general manager of a publishing house don't have to agree on everything, but they must at least have the same vision. In a

competitive business environment this is difficult, but not impossible." The position of the editor has weakened, they are not in charge any more, says Jeffreys. In the past editors were board members of companies. Today there is a new generation of general managers who hold that editors should report to management, which reduces editors to mere heads of departments (Ueckermann 2003).

Jeffreys agrees that a newspaper has to be commercially viable. The question is what exactly "commercially viable" means. The pressure felt in newsrooms today is that the owner company's investment value has to be protected. Jeffreys reasons that companies like Naspers and Johncom are listed and publicly owned. "They *must* produce financial results that are favourable to the shareholders. If the companies do not make profits every 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." And not only must the newspaper show profits, but this profit also has to represent a certain percentage of company profit. The mother-companies and conglomerates are absolutely ruthless in obtaining the maximum benefit for their shareholders (Ueckermann 2003).

What Jeffreys finds refreshing is that the average journalist in the newsroom seems to be unaware of these pressures. He mentions an example where a story about the cell phone service provider MTN was placed right next to an advertisement of Vodacom. "To them news still is first and foremost what publishing a newspaper is all about" (Ueckermann 2003).

Independent News & Media's SA chief executive Ivan Fallon was quoted in May 2002 in Adfocus, a supplement to the Financial Mail, as saying that the company had made big savings in using pooled copy and common pages, an idea pioneered by Business Report, which is carried in main papers countrywide. "The days when you could run your newspapers as if each of them were The Times of London are long gone. Our papers are

not big enough and costs are too high. If one persists with old-style thinking, newspapers will die," Fallon said. This may be true, but diversity in reporting falls by the wayside. Fallon was quoted in the article as saying that there is no reason why film reviews or car tests should be different in Johannesburg than in Cape Town. According to him "it is the same car and the same film". Looking after the bottom line like that, and ignoring important journalistic issues like diversity, it is no wonder Fallon mentions that Independent remains a very profitable part of the international Independent Group's business (Ueckermann 2003). In an editorial, Kevin Bloom, editor of media magazine The Media, calls the Independent Group a "foreign media behemoth" and "the country's most direct exposure to the operational mindset" of an international media giant (Bloom 2004). According to Independent News & Media's 2003 year-end presentation to the financial press, the group is active in four continents and eight countries with 11 500 people on its payroll. It "operates 165 newspapers and has market leading newspaper positions in Australia, New Zealand, Ireland, Northern Ireland and South Africa. It dominates the radio market in Australasia and the outdoor market in Australasia and South Africa. It is listed on the London, Dublin and New Zealand stock exchanges, has gross assets of R25,9 billion and an annual turnover of around R12,2 billion" (Bloom 2004). Bloom asks how extensively the financial imperatives of these dimensions impact on the South African media scene. "The group is running at an operating profit of over 20% and its margins have increased from 12,5% in the early 90's to 17% today, but has local journalism suffered at the hands of its global cost-saving measures, especially the staff cutbacks?" The question is answered by Gavin O'Reilly, chief operating officer and heir apparent to Independent News & Media: "All these issues, such as editorial excellence, which rightly seem to be tattooed on the foreheads of journalists, are ultimately a function of economic independence. Today, without economic freedom, there is no freedom" (Bloom 2004).

From a South African perspective one could then conclude that although the dependence of the print media on external revenue seems to be growing, some are making a stand against it with the understanding that cooperation with advertisers is to some extent unavoidable in order to generate enough income to keep a publication on its feet

financially. The trend to play into the hands of advertisers to generate more income seems, in accordance with the research of Bagdikian (1983) and Schudson (1984), to be tolerated in the fringe sections that are not directly linked to the news and opinion content of publications. Others opine that there is no other way than to colaborate with advertisers and media owners.

2.2.8 Specialist magazines

Because this research centres around the effect that economic factors may have on the organisational and cultural structures in media organisations and specifically the financial specialist magazine Geld, it is appropriate to have a closer look at such specialist magazines in South Africa.

Tailor-made specialist magazines aimed at specific audiences are offering advertisers just the right market for their products and services and by offering readers editorial content that is tailored to meet their interest. The South African magazine market is made up of specialised titles that compete for the same advertising revenue. This has forced many publications to redefine their target audience in order to survive (Noganta 2003 in Dlamini 2003). These magazines represent direct channels to audiences with strong and demonstrated involvement in a specific field and are therefore invaluable to advertisers with a product or service to sell to such audience segments (Hulteng 1979 in Dlamini 2003). 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 (Dlamini 2003), because to be cost effective advertising should only be considered for placement in those media where buyers and readership closely match. Magazines form the best medium in which advertisers can sell their goods to a “select readership” because they have a longer lifespan than most media and appeal by way of editorial content to a select readership (McCarthy 1978 in Dlamini 2003). According to the International Journal of Advertising (Vol, 19, No 2, 2000) the factor considered most important in the placing of advertisements is target market coverage followed by editorial content. It follows that if a publication wants to reach or attract a

particular audience, editorial content must be adjusted to suit the target market. According to Chomsky 1997 (in Dlamini 2003) this could be why editors may select articles for their influence on advertisements and not because of their expected interest for readers. McChesneys' (1997 in Dlamini 2003) research showed that the "most common practice in the magazine world has been the disguising of advertisements as editorial copy, where advertisements are made in the form of news reports. Of these are placed near or beside the advertisement itself". Potter (2001 in Dlamini 2003) is of the opinion that specialist magazines seldom adapt a political stance that is disagreeable to advertisers but rather "a political-economist line that is pro-capitalist in nature, a line that advocates for a free market ideology that enhances commercialism in media circles" (Dlamini 2003).

2.2.9 Conclusion

This chapter, covering the theoretical framework and literary review of this research, seems to confirm that there is a shift in journalistic operating approaches and culture internationally and locally as a result of financial pressures and constraints. These pressures and constraints call for new strategies to attract much needed revenue, often to the detriment of journalistic values and standards. Researchers seem to agree that journalistic independence is on the wane and that advertisers are gaining importance. The political and ideological functions of journalism have to be reconciled with the need of media organisations to survive and prosper in a competitive business environment and, in order to achieve that goal, some journalists and editors already have to fulfull a dual role and have become managers as well. This trend results in a breaking down of the traditional "wall" between the editorial and marketing/advertising departments in media companies and journalistic judgment is gradually replaced with market judgment. Some hold that media personnel are not passive victims of this process but that they attempt to make journalistically sound decisions within particular economic and political frameworks. Nevertheless, the needs and wants of the audience journalists seek to serve are no longer as important and marketers are only interested in what the public want from among commercially viable choices which in turn are determined by the need for

income-generating advertisements. Although South Africa is about ten years behind the first world regarding these trends, its media have also become market-driven and commercialised and often have no choice but to play into the hands of advertisers in order to attract a piece of the advertising pie, delivering to advertisers the right audience to ensure maximum profit. However, it is suggested that South African editors are still fiercely protective of their independence while at the same time understanding that the media are accountable to the shareholders of the big media corporations and that it is therefore necessary that editors and advertisers sometimes have to work together for a publication to survive economically.

This shift in journalistic operating approaches and culture in order to attract revenue as described in this chapter are also evident at Geld and corresponding strategies have contributed to the financial success of the magazine. These tendencies have also contributed to a change in media organisation and culture at Geld.

Chapter 3

Methodology

3.1 Purpose of research

The purpose of this research is to establish what strategies and factors have contributed to the financial success of the personal finance magazine Geld, what implications these strategies and factors have for the editorial content and independence of the publication and how it has been affected by the apparent shift in journalistic operating approaches, and how this, in turn, has impacted on the media organisation and culture of the magazine.

The time period under study is the year 2002 in which the first four quarterly issues of Geld were published in its new magazine format. This specific time frame was chosen because it was the first year that new marketing and income-generating strategies were employed to attract new revenue in the form of advertising, new strategies were employed to fill editorial space, the role of journalism in the production of the new magazine changed completely from what it had been before when the publication was published in broadsheet format, while, lastly, the role of the editor changed from that of journalist to marketer and manager. These changes reflect to a large extent the shift in journalistic operating approaches that seem to occur globally and in South Africa as has become evident in the literature review in Chapter 2 of this study.

3.2 Methodology

The following methods have been employed in an effort to find answers to the research questions as posed in Chapter 1, Aim and Rationale, of this research.

The research for this project has been conducted in two phases.

Phase 1: An editorial and advertising content analysis of Geld has been conducted using quantitative and qualitative research methods. The purpose of this analysis was to establish whether, and if so, to what extent, there was a manifest link between content and advertisers in Geld in 2002, the first year of the magazine's existence. A frequency table has been developed for this purpose. I specifically looked to find a connection between the advertisers and the feature writers as well as the topic of features. I also tried to determine whether the independence of the editorial content of Geld was affected in any way.

Content analysis can be defined as "a technique of interpretation that can be applied both quantitatively and qualitatively. Quantitatively it includes word counts, space measurements (column centimetres in the case of newspapers), time counts (for radio and television time) etc. Qualitatively it can involve any kind of analysis where media content is categorised and classified" (Wikipedia 2004). Content analysis is a method of observation which focuses on the characteristics of communication messages. According to Berger (1982) the purpose is to learn something about the content and those who produced the messages. The eventual interest might lie with the effects the content might have on the receivers of the message, but to ascertain such effects, it would be necessary to link the content analysis with another method such as survey research (Berger 1982). Researchers quantify and analyse the presence, meanings and relationships of words and concepts, then make inferences about the messages within the texts, the writers, the audience and even the time and culture of which these are a part. One of the uses of content analysis that may be applicable to this study, is to identify the intentions, focus or communication trends of an individual, group or institution (Writing@CSU Writing Guides, undated document) or in the case of this research, a specialist magazine.

Quantitative research can be defined as "a formal, objective, systematic process in which numerical data are utilised to obtain information about the world" (www.fortunecity.com). It is mainly concerned with numbers and data that can be easily quantified. The most popular quantitative technique is the survey which can be

administered by mail, telephone, face to face or the Internet. It deals in numbers, logic and the objective (Asia Market Research Dot Com).

Qualitative research deals in words, images and the subjective that is not easily coded into numbers. It tends to work with fewer subjects or respondents but analyses each case to a deeper level. Data collection techniques may include depth interviews, in-situe (or spot) interviews and observational techniques. Qualitative research output is by its nature subjective, rich and unstructured (Davies 2000). Over the past decade "the competing paradigms of quantitative and qualitative research have become almost working partners in . . . research" (Fierro, undated document). Fierro explains that the two research methods are now used in conjunction in studies that cannot adequately describe or fully interpret a situation. According to her the two are so intertwined that a study of quantitative research is almost impossible without referring to both methods (Fierro, undated document). According to Davies "using quantitative research alongside qualitative research offers a synergy whereby objective data can provide a structure to analysis of subjective qualitative data" (Davies 2000). Both designs are systematic and have a system or are following a process, which are defining principles of research (www.fortunecity.com).

The above three research methods have been useful to this research because on a quantitative level articles, advertisements and guest writers in the magazine issues under perusal were counted and compared in order to establish manifest links between them, for example how many articles could directly be linked to certain advertisers, be it through an advertisement in the publication or through the writer of an article. This provided a structure against which the qualitative research in the shape of comments and explanations extracted during in-depth interviews could be measured. For the purpose of this study a combination of the three methods was necessary to bring insight and perspective to the organisational and cultural structures of Geld and also to demonstrate the impact of the shift in journalistic approaches on the magazine.

This phase also entailed a short history of Geld from its beginnings as a 12-page broadsheet publication to the end of its first year as a magazine to create context.

Phase 2: Survey conducted by way of in-depth interviews among executives and senior personnel of Geld and the advertising department of Rapport.

The purpose of the survey was to determine the editorial, advertising and management strategies/policies of Geld and to come to an understanding of the relationship between the product and the production thereof, as well as to determine organisational structure and culture. Responses to findings resulting from the quantitative research method and content analysis were solicited from the interviewees. Here I followed a qualitative research method in that I interviewed these key players by means of personal in-depth interviews with open-ended questions adhering to an interview schedule. It needs to be made clear that I was not just asking for opinions, but that the intention was to interrogate working processes and production processes which would reveal the links between advertising and editorial in Geld. While in Geld the manifest link between content and advertisements is rather obvious and can be clearly seen, this is not always the case. The interviews were therefore important as part of the process to establish how this tendency to "add value" to advertisers impacts on the rest of Rapport. The outcome of this kind of interviewing reflects the subjective views of editorial agents, journalists and managers. These views are important in establishing how they perceive their roles and the impact of those roles on journalism. I believe that these interviews have led to more in-depth findings and perspectives on the attitudes and motives towards the marketing and editorial drive of the staff at Geld.

The interviewees were divided into five groups, identified as groups A to E:

A. **Senior editorial staff of Rapport:** Mr. Tim du Plessis, editor of Rapport, was interviewed on his perceptions about the importance of the advertising, marketing and editorial strategies of Geld to the rest of Rapport, i.e. the impact and possible dangers or advantages for the newspaper. Mr. David van Rooyen, editor of

Rapport's finance section Sake-Rapport, was interviewed on his perceptions of these strategies on the closely related Sake-Rapport. This was done to establish whether the relative independence of those sections could be under threat as a result of the magazine's income-generating strategies, i.e. whether the magazine's success in attracting revenue would tempt those sections to follow suit to some extent.

B. **Senior advertising staff at Rapport:** Ms. Itha Opperman, senior advertising consultant, and Mr. Johan Geertsema, advertising consultant and marketing, communications and public relations specialist, were interviewed to obtain a closer perspective on Geld's marketing effort and to determine how the magazine's marketing strategies are put into practice and with what effect.

C. **Senior management of Rapport:** Mr. Daan de Bruin, former general manager of RCP Media, fathered the idea of the new magazine and conceptualised it. He was interviewed to shed some light on why it was necessary to start a new magazine, the repositioning of the magazine from its former broadsheet format, what the magazine was intended to represent, its content, the opening of new income-generating markets, which audience segment was targeted and what role the editor was to play. Mr. Ettienne Naude, financial manager of RCP Media, was interviewed about financial matters and Mr. Gerhard Wentzel, circulation manager of RCP media, was questioned about circulation figures and the readership of Rapport.

D. **The editor of Geld:** Dr. Fanus Gous was interviewed as editor/manager on the same issues as the advertising and management staff, but in addition was questioned on his perspectives on editorial approach, a modern editor's allegiance (news or business?), his main goals, the editorial mission and other factors that could reveal how far the shift in journalistic operating approaches had moved away from the traditional to the market-orientated.

E. **Advertisers:** Four advertisers, two of whom had also featured in the former broadsheet Geld-Rapport and two who were newcomers to the new publication, were interviewed in an effort to establish whether the marketing and income-generating strategies of Geld also worked to their advantage as was claimed by

the editor, dr. Fanus Gous, who described the strategy as a win-win situation for all involved. These interviews were also intended to clarify whether the high advertising income of the magazine was purely as a result of excellent sales techniques.

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

Chapter 4

Research findings

4.1 Content Analysis of Geld

4.1.1. Objective

The objective of the content analysis of Geld is to establish whether there is a manifest link between content, the writers and advertisers and if so, how frequent and to what extent. The time span under research is 2002, the first year of the magazine's existence. Four magazines of that year, dated 3 March, 2 June, 1 September and 24 November, are under scrutiny. The aim of the research is to examine whether there exists a relationship between the content, writers and sources of the advertisements featured and whether that relationship is in favour of the advertiser. The hypothesis is that the articles do not reflect news but are in fact thinly disguised advertorials with a personal finance slant, with the possible exception of the lead articles where there might be a correlation to current affairs. The hypothesis is further that advertisers come first and the communication and information needs of the audience are met by choosing topics for articles from what is available after advertisers have staked their claim. These factors point to certain income-generating strategies that may demonstrate a shift from journalistic operating approaches, from traditonal values to a market-orientated approach. These factors may also impact on the editorial independence of the magazine.

4.1.2 Data categories

After close perusal of the four magazines under scrutiny four categories were identified in order to determine whether relationships exist between advertisers, story origin and editorial content. I counted the number of advertisements in the magazines and assigned them to a number of categories. I also counted the number of articles and assigned them

to categories. Lastly I counted the number of invited guest writers and journalists who contributed to the editorial content of the magazine and looked to find a link between the writers and the advertisements. The categories are (a full description and explanation of each category and the sub-categories can be found under the heading 4.1.3 Definition of data categories):

1. Advertisements
2. Advertising ratio
3. Article origin
4. News related articles

Sub-categories were developed in order to show how frequently, per magazine and in the year 2002, there were links between advertisers and articles and whether "linked" advertisers and articles appeared on the same or adjoining pages. The sub-categories also shed light on the ratio between the number of pages per magazine and the number of advertisements per magazine. It also explores whether income-generating strategies included the use of special sections. Lastly the ratio of advertisements to editorial content was explored.

Description	**Categories**	**Sub-categories**
1. Advertisements	a. Loose standing advertisements	
	b. Advertorials	
	c. Advertisements linked to content on same or adjoining pages	i. Through writer ii. Through brand/ product mentions iii. Through related topic article

		d. Advertisement linked to content not on same or adjoining pages	i. Through writer ii. Through brand/ product mentions iii. Through related topic article
2.	Advertising ratio	a. No. of advertisements to total no. of pages over the year 2002	i. Full page, full colour ii. Half page, full colour iii. Black & White
3.	Article origin	a. Unspecified	i. Loose standing articles ii. Articles linked to advertisements on same or adjoining pages iii. Articles linked to advertisements but not on same or adjoining pages
		b. Staff-written	i. Loose standing articles ii. Articles linked to advertisements on same or adjoining pages iii. Articles linked to

			advertisements but not on same or adjoining pages
		c. Special correspondent	i. Loose standing articles ii. Articles linked to advertisements on same or adjoining pages iii. Articles linked to advertisements but not on same or adjoining pages
4.	News related articles	a. Link: article origin to special linked topics	i. National budget ii. Tax issues iii. Bear market iv. Property v. Wealth creation vi. Offshore investm. vii. Health care
		b. Link: Advertisements to special linked topics	i. National budget ii. Tax issues iii. Bear market vi. Property v. Wealth creation vi. Offshore investm. vii. Health care

4.1.3 Definition of data categories

The four main categories (descriptions) can be defined as follows:

1. Advertisements: Printed displays in the magazine designed to sell goods, services or publicise an event.
2. Advertising ratio: The number of pages containing advertisements in relation to the number of pages per issue of Geld.
3. Article origin: The origin or source of articles will mainly be determined by a byline, i.e. who wrote or provided the content for an article.
4. News related articles: Articles with a certain amount of news value that seem to be linked to current financial affairs. The articles are not written from a news angle, but rather from a personal finance perspective, i.e. when the national budget has been announced, articles may be published about how the results of that announcement may impact on the personal finances of readers and advice about how to best take advantage thereof.

Definitions of categories:

1. Advertisements
    a. Loose standing advertisements: advertisements that seem to have no manifest connection to articles placed in the magazine.
    b. Advertorials: advertisements in the form of a paid article promotional of a particular business or company designed to appear as news articles or editorials, usually marked as “promotion” or “advertorial”.
    c. Advertisements linked to content on same or adjoining pages: When articles and advertisements not only originate from the same source, but are also placed on the same or adjoining pages, i.e. pages 3 and 4 (back to back) or pages 4 and 5 (opposite pages).

d. Advertisements linked to content *not* on same or adjoining pages: When articles and advertisements originate from the same source but are not placed on the same page or adjoining pages.

2. Advertising ratio
    a. Number of advertisements in relation to total number of pages over full year: This refers to the percentage of available space in a magazine taken up by paid material in the form of advertising, including advertorials.

3. Article origin
    a. Unspecified: Origin of the article not known.
    b. Staff –written: Articles with or without a byline that are identified as coming from staff-writers in the employ of the publishers of the magazine.
    c. Special correspondent: Articles with or without a byline that are identified as coming from sources outside the magazine, i.e. invited guest writers.

4. News related articles
    a. Link: article origin to special themed topics that are newsworthy at certain times, i.e. the national budget: When advertisements seem to have been placed to support a specific editorial theme.
    b. Link: Advertisements to special themed topics that are newsworthy at certain times, i.e. the national budget: When article content and origin seem to have been generated to support a special editorial theme with the possible aim to encourage more advertising.

Definitions of sub-categories:

1. Advertisements
    i. Through writer: When there is a clear link between an advertisement and the writer of an article in the magazine, whether on the same or adjoining pages or elsewhere in the magazine. This link often manifests through a byline-tag at the

end of articles that identifies the writer, and makes mention of his occupation and the company he works for – in this case usually the same company that advertises.

ii. Through brand/product mention: A "mention" can be defined as when a company buys advertising space in a publication, it also insists that its brand name or products gets mentioned a certain number of times in the editorial content of the publication. If an advertisement is thus linked to an article by a product or brand "mention" its brand or product have been mentioned in articles in the publication.

iii. Through related topic article: When there is no direct manifest link between an advertisement and an article, but there is an article on the same or adjoining pages that covers a related topic to that of the advertisement. An example is an advertisement placed by the Union Association of South Africa, accompanied by an article that advises readers how to choose the right labour union for their specific needs, but the article is not linked via the writer or product or brand "mentions".

2. Advertising ratio

i. Full page/full colour: This is an advertisement that covers a whole page in a publication and is printed in full colour.

ii. Half page/full colour: This is an advertisement that covers the equivalent of a half page in a publication and is printed in full colour.

iii. Black & white: Advertisements printed in black and white, either full or half page.

3. Article origin

i. Loose standing articles: Articles that show no manifest link to advertisements either through the writer or content.

ii. Articles linked to ads on same or adjoining pages: Articles that are linked to advertisements on the same or adjoining pages either through the writer who has connections to the company that advertises, through content that is related to what is advertised, i.e. an article on unit trusts accompanied by an advertisement on the same topic, or through product or brand "mentions" in the content of the article.

iii. Articles linked to ads but not on the same or adjoining pages: Articles that are linked to advertisements in the same way as discussed under (ii) but not on the same or adjoining pages.

4. News related articles

i. National budget: Advertisements or articles relating to the announcement of the annual national budget as presented by the Minister of Finance.
ii. Tax issues: Advertisements or stories relating to tax issues.
iii. Bear market: Advertisement or stories relating to the state of the financial markets.
iv. Property: Advertisement or stories relating to the property industry.
v. Wealth creation and retention: Advertisement or stories relating to the creation and retention of personal wealth.
vi. Offshore investment: Advertisements or stories relating to the international investment of funds.
vii. Health care: Advertisements or stories relating to healthcare insurance.

4.1.4 **Coding schedule and analysis**

A frequency table (Table 1: Content Analysis of Geld 2002, see page 56) covering all four issues of Geld in 2002 was used as coding schedule. The table consists of four main categories, under the heading *description*, namely Advertisements, Advertising Ratio, Article Origin and News Related Articles and their sub-categories. The table was drawn up to provide a condensed review of possible manifest links that may exist between content, the writers and the advertisers in the magazine and how frequently these occur. The first main category, Advertisements, indicates the number of advertisements that appear in the magazine and was constructed to determine in what way and how frequently advertisements are linked to content either through the writer, a brand or product "mention" or through an article with a topic related to what is advertised on the same or adjoining pages or elsewhere in the magazine. What is not clear from the table,

but was established beforehand by studying the magazines under scrutiny, is that Geld carries exclusively company advertisements and no consumer advertisements. Full page advertisements on double spreads, i.e. one advertisement spread over two full pages, were counted as two advertisements, in other words, the number of pages containing advertisements were counted, rather than the advertisements themselves. The second main category, Advertising Ratio, was constructed to indicate the number of full page advertisements and the number of half page advertisements in relation to the number of pages, thereby determining the percentage of available space in the magazine that is taken up by paid promotional displays, including advertorials. Again, full-page double spread advertisements, i.e. one advertisement spread over two full pages, were counted as two advertisements. The third main category, Article Origin, was constructed to determine who wrote the article by studying the writer as a source and how frequently or not the writer has a manifest link to advertisers. The last main category, News Related Articles, takes a look at how news events may be used in a strategy to generate income by determining how often advertisements have been procured in support of personal finance articles that relate to current financial affairs.

The rows in the table represent the categories and sub-categories under scrutiny, while the columns represent the four issue dates of Geld under study, as well as the number of pages and the number of units as indicated by the different categories. The sum of all units in each row was calculated into a total for the year 2002 and percentages were then calculated mirroring the content of the magazine for the year 2002. The columns were also added up to verify the total number of advertisements and articles in the magazines and to rule out miscalculation.

4.1.5 **Results and Discussion**

The results of the content analysis of Geld are extracted from Table 1, presenting the quantitative analysis of the four issues of Geld under study and from a qualitative study of the articles and advertisements that appeared in the magazine in 2002. The hypotheses for the discussion of the results is that publishers and editors in income-generating

strategies woo advertisers with promises of added value and that they deliver on that promise by giving advertisers a say in who provides and writes editorial content and that this is done to the possible disadvantage of the audience who's needs for information and communication are met by choosing subjects for articles from what is available according to the choices of the advertisers.

From the frequency table it becomes clear that the bulk of the total of 133 advertisements (61,65%) in the four issues under study are linked to article content on the same or adjoining pages (see main category 1). Most of these (46,62%) are linked through the writer of the article, while 12,78% are linked through related topics and just 2,26% through brand or product "mentions". Only 4,51% of the advertising is linked to content that does not appear on the same or adjoining pages. Loose standing advertisements with no manifest ties to articles in the magazines amount to 30,83%, almost half of those linked to article content on the same or adjoining pages. In the entire 2002 only one advertisement, of PSC Guaranteed Growth, did not appear on the same or adjoining page as the article it was linked to. The advertisement was displayed on page 5 of the 3 March 2002 issue and the linked article – written by Marlene Britz, then Chief Marketing Executive of PSC Guaranteed Growth – was published on page 14 of that issue. In all other cases advertisements linked to articles through the writer are always placed on the same or adjoining pages. Almost all of the 109 articles that appeared in 2002 (96,33%) originate from special correspondents (see main category 3). Most of the articles written by special correspondents are linked to advertisements on the same or adjoining pages (62,39%) while almost half (32,11%) represented loose standing articles without manifest links to advertisements. This is in sharp contrast to articles generated by staff (0,92%) and articles from unspecified sources (2,75%). The staff-written articles and those from unspecified origin were always linked to advertisements on the same or adjoining pages.

These results may point to certain links between advertisers, writers and the editor and/or marketing team of Geld, possibly to the extent that agreements have been made according to which advertisers have a say in who writes articles and how these will be placed in

relation to the advertiser's display. This implies that the traditional dividing wall between the editorial and advertising departments has crumbled. Association with the right editorial environment seems to be popular with the advertisers in the magazine. There is in other words a clear tendency to skew the selection of articles towards personal finance advice that is also provided by advertisers, mainly by links to the writer or through content. This may have been done to the distinct advantage of the advertiser, which places the communication and information needs of the reader in the backseat. It may also indicate that the ideals of journalism, to inform, be a watchdog, educate, entertain and above all to be independent, play a minor role in the compilation of the magazine. The results may point to the possibility that Geld is aimed at a specific audience that will offer the advertisers just the right market for their products and services and by offering readers editorial content that is tailored to meet their interest and will therefore continue to deliver them to advertisers as an audience. This in turn would make the editor more of a businessman than a journalist, someone who may find working under financial pressure a challenge to generate more revenue rather than a constraint and who may reason that the media is accountable to the interest of stakeholders in media organisations, which nowadays often comprise those same advertisers who provide most of the revenue needed to successfully run a media organisation. This raises the question what influence critical or negative reporting on the activities of the advertisers may have. It seems improbable, in the light of the apparent income generating strategy of Geld and its non-news slant, that such reports would appear in the magazine. Other sections of Rapport newspaper are however reporting on hard news and may be pressured to compromise on the truth in order to retain revenue.

Main category 4, News Related Articles, shows that certain special themed topics like Property, Offshore Investment and Health Care generated respectively 30,43%, 30,43% and 21,74% of advertising income in 2002 while respectively 15,63%, 28,13% and 12,50% of editorial space was committed to these topics. On the other hand, a topic like Wealth Creation, which generated 5 articles or 15,63% of special themed editorial in 2002, did not generate any advertising revenue and topics like the National Budget, Tax Issues, and a Bear Market each generated less than 10% of revenue for the year.

Although these special themes are indicated as such in the index of the magazines, the articles and advertisements are not necessarily grouped together in special sections. This may indicate that moderately successful attempts were made to generate income by attracting advertisers to specific themes.

As for the Advertising Ratio (main category 2), indicating that 54,51% of the pages in the magazines carry full or half page full colour advertisements, it will become clear from the interviews conducted and discussed in the next part of this chapter, whether the magazine is seen as an income generating tool rather than a tool to inform and communicate, and whether it is expected to financially support other sections of Rapport.

All the articles in the magazine, even those related to current financial affairs, are written from a personal finance angle and seem to be aimed at giving a select readership advice about financial matters. The articles are aimed at a readership with the financial means and background knowledge to enable them to invest their money for personal gain. The fact that over 96% of the articles are written by special correspondents who are financial experts in their respective fields, may indicate that the magazine, despite its seeming efforts to play into the hands of advertisers, remains serious about maintaining credibility with its readers. Readers know that the writers are business/economics/personal finance fundi's because the byline-tags at the end of such articles explain how the writer is employed and what his position is, i.e. "Johan Gouws, Chief Investment Officer: Absa Investment Management Services (AIMS)" (page 37, issue 2 June 2002). The discerning reader would also realise that an Absa advertisement is displayed on the adjoining page 35. In other cases this goes further by providing the writer's contact details in the form of telephone numbers and e-mail-addresses right next to a display of an advertisement of the same company. An example here is the advertisement of Multifund International on page 24 in the 2 June 2002 issue, accompanied by an article on world funds (an area that Multifund specialises in) which ends by providing the following details of the writer: "Louis Botes is managing director of Multifund International. E-mail: louisbotes@multifund.co.za. Telephone 0860-113-302". A photograph of the writer is also provided, which makes it more personal and provides an extra psychological link for

the reader. Although the company's name or products are never mentioned in the article, the implication seems obvious: if readers want more expert advice on the subject of world funds, they have to look no further than the details provided at the end of the article, while the credibility of the writer is further compounded by the advertisement display by the same company on the same page. This tendency is paramount in all four issues under study.

4.2 Survey findings

4.2.1 The repositioning of Geld

4.2.1.1 History of Geld

During interviews conducted in 2004 with Dr. Fanus Gous, editor of Geld, and Mr. Daan de Bruin, former general manager of RCP Media, who conceptualised Geld, the history of personal finance reporting in Rapport emerged. Documents of the initial proposal or business plan to verify this history could not be obtained from Rapport.

According to Gous (2004) and De Bruin (2004) Geld kicked off in October 1999 as a separate 12 page broadsheet personal finance section called Geld-Rapport after research among Rapport readers showed that respondents chose personal finance as the single most important subject on a list of finance subjects. The idea was that the section would carry news from the personal finance sector, some in-depth advice articles and would also be the home of "focus pages" (surveys) that previously appeared in the business section, Sake-Rapport. However, it soon seemed clear that the broadsheet personal finance section had shortcomings and could not meet the expectations of readers and advertisers.

According to Gous (2004) and De Bruin (2004) they identified several problem areas. The first of these was that financial experts, with the exception of one or two who wrote specific columns to that effect, did not address the readers directly with in-depth personal finance advice, but were quoted by journalists in short articles. Gous (2004) argued that

financial journalists are often not financial experts themselves, but rather operate as "messengers", relaying the information, now second-hand, from the expert to the reader. Another problem with personal finance advice was, according to Gous (2004), that the broadsheet Geld-Rapport was in the first place news orientated, with hard news on personal finance always in the front seat, which limited efforts to establish in-depth advice functions as a result of a lack of space. The focus pages, or surveys, also seemed to present problems for the publication. According to De Bruin (2004) the focus pages were meant as income generating vehicles, in which advertisers could buy space and then promote themselves or their products in a news-like fashion, but these gradually lost their appeal with advertisers when research among Rapport readers showed a credibility problem with readers perceiving stories about advertisers or their products as advertorial material rather than independent editorial output. De Bruin (2004) explained that advertisers soon realised the disadvantages and preferred to display elsewhere in Rapport where they perceived the positioning to be better. Advertisers didn't believe it would be to their advantage to display loose standing personal finance advertisements in a news-driven environment and the section soon shrank from its initial 12 to sometimes only 3 pages that had to be re-incorporated in the business section Sake-Rapport.

On top of this Gous (2004) was of the opinion that an important factor in personal finance reporting is that readers like to keep in-depth articles for later reference. This seemed unlikely while the articles were published in a broadsheet format that has little or no shelf-life.

In short, the broadsheet newspaper medium seemed an unsuitable vehicle for the advertisers, readers and writers. According to De Bruin (2004) and Gous (2004) towards the end of 2001 it became clear that publishing in a magazine format could not only eliminate all these disadvantages, but allow for full colour as well. There seemed to be a clear gap in the market. It seemed time for a new plan and strategy. According to De Bruin (2004) and Gous (2004) a new product needed to be conceptualised to draw advertisers and satisfy readers at the same time, a product linked to current affairs but where news would not be first and foremost, in-depth articles would get enough

exposure, advertorial would be kept to a minimum and faces would be linked to companies by introducing experts who would take responsibility for what they were saying to the readers.

4.2.1.2 The new plan and strategy

According to De Bruin (2004) and Gous (2004) the new magazine was to eradicate the shortcomings of the old broadsheet format by providing the opportunity for in-depth articles, full colour issues and a longer shelf life so that readers could at a later stage refer back to advice given previously. This would be done on the understanding that a large percentage of Rapport's business readers do not have a deep knowledge of economic and financial matters and that the content therefore would have to be in plain language, easy to understand and digest while addressing the widest possible audience (Gous, 2004). According to De Bruin (2004) and Gous (2004) it was decided to employ a combination of a communication and marketing strategy, a holistic approach whereby neither the advertiser nor the reader would be more important than the other. The same rules would apply for Rapport's advertising department and the editorial staff: the traditional wall that separated the two departments would have to go if success were to be achieved (De Bruin 2004, Gous 2004).

Gous (2004) reasoned that the traditional values of journalism would have to be cast aside on the understanding that one can't "buy" news with advertisements. Gous (2004) further held that news exists for its own intrinsic information value and that business journalism had to be separated from the new magazine. Because the secret of a newspaper, according to Gous (2004), is its objectivity, business journalists could not be allowed to compromise themselves by negotiating or discussing terms with advertisers. According to Gous (2004) even business journalists highly educated in financial matters could not necessarily be considered to be experts in personal finance and could only be trusted in "conveying a message" but not to give direct advice. De Bruin (2004) and Gous (2004) argued that the solution was to find, instead of staff writers, financial "gurus" or experts in consultation with advertisers who would provide articles in which

they would address the readers directly. The experts would be expected to give in-depth objective advice – and not speak out of the mouths of advertisers – on topics covering how to make money, how to invest, how to save and how to spend money wisely. The key question would always be: How does it affect the individual's pocket? They would in their articles create a clear frame of reference and give useful tips. These experts would write by special invitation only (Gous 2004, De Bruin 2004).

Gous (2004) explained that, as part of the new strategy, the editor of Geld would have to wear two cloaks and be in the market for the reader, but also for the advertiser, otherwise it would for financial reasons (advertisers being the main source of income) become impossible to reach the reader. At the same time if the magazine had no impact on its readers, advertisers would gain nothing. A way had to be found to dovetail the needs of the readers, the advertisers and the magazine to the best advantage of all involved (Gous 2004). Geld would in the first instance be a personal finance instrument for the readers in the knowledge that, if it lost its value with the audience, its value would cease for the advertisers as well. De Bruin (2004) argued the fact that a magazine full of expert personal finance advice would be delivered to readers for free as part of the Rapport package, would add 100% value to them. The needs of the advertisers would be met by an added value approach whereby the advertiser would have the option of an article on a topic in his field to accompany and reinforce the message of the advertisement and would also be involved in decisions about who would write such an article and what the content of the article would be. According to Gous 2004) this would be done in consultation with the editor of the magazine. By identifying the writers of articles in a byline-tag as experts employed by or connected to certain advertisers, nothing would be hidden from the readers who would therefore accept that the advice given would be as objective as possible. If any space in the magazine were left open, independent writers would be invited to write additional articles (Gous 2004). Lastly, the advertising agencies, the middleman, would be cut out completely and companies that were prospective advertisers would be approached directly by the editor accompanied by an advertising representative (Gous 2004). Geld would be the only Afrikaans magazine specialising in personal finance with this strategy. Its editorial mission would be to create the opportunity for

personal finance experts to share their expertise with a market where there exists a great need for such advice. Top decision makers would have direct contact with the reader and the editor would be the instrument to bring the two together (Gous 2004).

From the marketing perspective the magazine would open new markets to exploit and since it would draw magazine-type advertisements, become a contender in the magazine market (De Bruin 2004). It would make the Rapport package more substantial and attractive and would hopefully also boost Sake-Rapport's flagging readership. The aim was to publish the magazine first quarterly, then bi-monthly and eventually monthly (De Bruin 2004).

4.2.2 The strategy in practice

4.2.2.1 The editor

Dr. Fanus Gous, the editor of Geld, was also editor of Sake-Rapport for ten years in the 1990s and the broadsheet Geld-Rapport for two years and before that a professor of economy at the then Rand Afrikaans University. As such he has an extensive contact network in the business world, not only because many of his former students are now playing major roles in companies that advertise in Geld (Opperman 2004), but also because his ten years as editor of Sake-Rapport have taught him that "an editor can get an appointment with anybody" (Gous 2004). He has a certain credibility with this market and is therefore very well positioned to fulfil the role of editor of Geld where one of his most important functions is to get access to advertisers directly and explain the advantages of taking part in the magazine either as advertiser, writer or both. He has access to managing directors of companies that the average advertising representatives don't have (Geertsema 2004).

Gous (2004) argues that the editor of a news-driven publication plays by different rules than the editor of an instrument like Geld. "A news-driven editor has to answer to different demands. He must have a news-nose and be able to present the news in the best

possible way. The editor of Geld also has a marketing role and must have a high level of acceptance with companies in the field. He must be perceived as someone with a certain image and status. People must want to associate with him and his product" (Gous 2004). According to Gous the editor must be "sold" to the advertisers by reputation even before he shows up for an appointment. He is the middleman who brings together the advertisers (through expert writers) and their audience (the readers/buyers). Even the way he looks, how he speaks, how he dresses is important to this process (Gous 2004, Geertsema 2004). It is imperative that the editor must still have journalistic abilities because the expert-writers may have a wealth of financial information at their disposal, but can't necessarily translate this into the language and style that the publication demands. The editor must therefore still accept the responsibility to see to it that the content of articles is objective, factually correct and of a suitable length to fit the publication. Gous (2004) says that although it is made clear to writers and advertisers that articles must consist of objective advice, they (as a result of their marketing function) still tend to push their own products if given the chance and articles must continually be checked, shortened and rewritten in order to keep the content objective, to the point and understandable and digestible for the reader. For this purpose the editor leans heavily on the expertise of an experienced business journalist and a team of freelance top financial sub-editors who play a substantial role in assuring that the end product complies with "all the normal journalistic demands" (Gous 2004).

The editor's allegiance seems to lie far more with the marketing side of the publication than with news matters, possibly because Geld is not in the first place news-driven. Gous (2004) readily admits that "when current financial affairs are however of such a nature that readers can benefit by personal finance advice in that respect, news enters into the picture, but it doesn't have to".

And what chance of survival would Geld have were the editor to resign or to be replaced? To what extent are the editor and the product the same thing? Some opine that Gous is the essence of Geld (De Bruin 2004) and that it would be extremely difficult to maintain the same success rate if he were to leave and just as difficult to replace him (Opperman

2004). Opperman (2004) also believes that advertisers have more confidence in the editor than in advertising consultants and that the editor's personal attention to every detail is crucial. Others say Gous is about 60% of the magazine and all the other activities together make up the other 40% (Geertsema 2004). Gous (2004) himself describes the magazine as a team effort, but admits after some prodding that the magazine functions in a certain way because of the person he is. "I am the torch bearer" (Gous 2004). The role of Gous as the editor is of such importance that advertising consultants cancel or postpone appointments if he can't make it. According to Gous (2004) the reason is that the strategy works best when the editor and a consultant work together as a team. This is also the reason why advertisement sales in areas other than Johannesburg, where Gous is based, are noticeably lower. The secret is that the process is expert-driven and without the editor the doors of the experts remain closed (Gous 2004).

4.2.2.2 The marketing effort

According to Gous (2004) in the past, when the personal finance section was still published in a news-orientated broadsheet format, the advertising consultants did not have direct access to decision makers at prospective advertisers. They had no choice but to approach the companies' advertising manager or the advertising agency that was appointed to handle such matters. When the new magazine format came into existence advertising consultants could bypass advertising executives because, accompanied by the editor of the magazine, they obtained access to management representatives of advertisers and personal finance experts at the highest level, among others heads of investment departments or the managing directors of companies that specialise in investments (Gous 2004). The reason for cutting out advertising agencies was that it was felt that the agencies are in the business for their own objectives and profit and would not be interested enough to explain the finer details of the package that Geld wanted to offer advertisers (Gous 2004, Geertsema 2004).

The marketing team of Geld, with the editor as marketer in a dominant position, go about their marketing effort in two ways, both involving a "package deal" of a combined

advertisement and article as the ideal end result. According to Gous (2004) the first is to approach an expert with an invitation to contribute to the magazine in the form of an article. It is made clear that the placement of advertisements will be a result of this process and that the expert might want to have a representative of his company's marketing division or their advertising agency present. According to Gous (2004) in "nine out of ten times" an advertising or marketing person will be present, but sometimes the expert will attend the meeting on his own and just give an order to advertise, depending on the individual's management style. At the meeting it is explained to the expert that he has a unique opportunity to address 1,7 million potential clients, the readers of Rapport. This seems to be by far the biggest reason why decisions are taken in favour of contributing to the magazine. It is made clear that the expert's contribution, although it will cost him some money to advertise somewhere in the magazine, will mean that he has the opportunity to carry his investment message and his face by means of a picture into "every Afrikaans household" (Gous 2004).

"We make the expert feel important, we play his ego. This is a very important aspect and before we go into a meeting, every detail of how we will go about it is discussed. The expert and prospective advertiser is made to feel important and the extra benefit of added value in the sense of a double impact, two for the price of one (article plus advertisement), is pressed on him (Gous 2004, Geertsema 2004). It is further explained that the advertisement is necessary not only because the writer cannot promote his own product or company in the article and the company will get that exposure only by advertising, but also because the magazine cannot provide space for an article or even exist without the revenue, i.e. the decision maker is educated about the workings of a publication. Possible subjects for an article are also discussed, but not a word is said about advertising tariffs – these are discussed later with the relevant people. In some cases, for instance when an expert writer is a lecturer employed by a university, it is unlikely that the institution will buy advertising space. The solution that Gous and his team have implemented is to find an advertiser with similar interests and "sell" the article to them. An example is an article in Geld of 3 March 2002 about the country's annual budget by prof. Niek Schoeman from the University of Pretoria accompanied by an

advertisement by financial services company KPMG in which help is offered to readers with analysing the budget in detail and understanding the effects it has on South Africa's communities and businesses. Another example is prof. Hugo Lambrechts, expert on unit trusts, incidentally also from the University of Pretoria, whose article on the growth of unit trusts in South Africa is accompanied by an advertisement for Plexus Batebestuur, a company that specialises in managing unit trust portfolios (p. 59, issue 1 September 2002).

The second way the magazine is marketed to advertisers is to approach an advertiser Gous and his team feel would add value to the publication and then, in consultation with the prospective advertiser, appoint an expert to cover a topic that will benefit the advertiser as well as the readers. "Whatever comes first, article idea or advertisement, will be suited to fit the other" (Gous 2004). Participation in the magazine is not a free-for-all and is by invitation only. If there is any indication of dishonesty or that prospective advertisers don't have an appropriate message or product, they are denied participation. Gous (2004) reasons that in this way, by showing decision makers new ways they can benefit by advertising, he creates new excitement under clients.

4.2.2.3 The readership and circulation

It seems that the needs of the audience as perceived from the traditional journalistic viewpoint – to be informed, educated, have a forum for public debate – have taken a back seat in the new commercial media environment. The audience seems to be sold increasingly as a commodity to attract advertising revenue. However, Gous (2004) argues that Geld still aims to give its readers what they want and need and that content is chosen with the audience as well as the advertiser in mind.

As part of the Rapport package, Geld has a potential captive audience of about 1,7 million readers, but exactly how many of them actually read the magazine and what demographics they represent is impossible to determine. In 2002, the year under study, the magazine appeared quarterly and lately, in 2004, bi-monthly. The All Media and

Product Survey (AMPS) measures only the readership of publications that appear daily, weekly, bi-weekly and monthly. This raises interesting questions about who and how many the readers of Geld are. If this can't be measured, why are advertisers (who usually place a high premium on such information) seemingly still more than willing to display in the magazine while they can't have a realistic idea about who will be reached by it, but only who potentially *could* be reached, and how does Gous know for sure that he gives Geld's readers "what they want and need"?

The demographic profile of Rapport and Sake-Rapport in 2002, the year under study, expressed in percentages and number of readers, was as follows (AMPS 2003B):

Table 2

	Rapport		**Sake-Rapport**	
	000's	**%**	**000's**	**%**
Totals	**1.652**		**992**	
Gender				
Male	889	53.81	594	59.88
Female	763	46.19	399	40.22
Age Groups				
16 – 24	304	18.4	118	11.9
25 – 34	345	20.88	196	19.76
35 – 49	536	32.45	349	35.18
50+	467	28.27	329	33.17
Race Groups				
White	1,065	64.47	722	72.78
Black	82	4.96	44	4.44
Coloured	501	30.33	226	22.78

	Rapport		Sake-Rapport	
	000's	**%**	**000's**	**%**
Totals	**1.652**		**992**	
Indian	3	0.18	0	0
LSM Groups				
LSM 1 – 4	95	5.75	45	4.54
LSM 5 – 6	313	18.95	150	15.12
LSM 7 – 8	521	31.54	303	30.54
LSM 9 – 10	724	43.83	494	49.8
Household Income				
Up to R499	31	1.88	13	1.31
R500 – R899	51	3.09	23	2.32
R900 – R1399	55	3.33	22	2.22
R1400 – R2499	137	8.29	73	7.36
R2500 – R3999	189	11.44	106	10.69
R4000 – R6999	364	22.03	190	19.15
R7000 – R11999	406	24.58	263	26.51
R12000+	418	25.3	302	30.44
Provinces				
W. Cape	659	39.89	326	32.86
N. Cape	71	4.3	37	3.73
Free State	133	8.05	77	7.76
E. Cape	88	5.33	52	5.24
KwaZulu-Natal	64	3.87	39	3.93
Mpumalanga	89	5.39	79	7.96
Limpopo	52	3.15	31	3.13

	Rapport		Sake-Rapport	
	000's	**%**	**000's**	**%**
Totals	**1.652**		**992**	
Gauteng	395	23.91	274	27.62
Northwest	101	6.11	77	7.76
Level of Education				
None	2	0.12	2	0.2
Some primary	45	2.72	12	1.21
Primary complete	51	3.09	26	2.62
Some high	573	34.69	292	29.44
Matric	577	34.93	350	35.28
Technikon diploma/degree	143	8.66	103	10.38
University degree	134	8.11	119	12
Other post matric	127	7.69	88	8.87

Sake-Rapport's demographics have been included because according to Gous (2004) and De Bruin (2004) it is thought that Geld and Sake-Rapport mainly have the same readers, although Gous also considers the possibility that some readers might only be interested in investment issues and not necessarily in company results or other hard business news and might therefore only read Geld.

Table 2 shows that about half (49,61%) of Rapport's readers in 2002 earned from R7 000 per month upwards with 25,3% of these earning upwards of R12 000 per month. Just over half were male (53,81%), 64,47% were white, most of them lived in the Western Cape (39,89%) or Gauteng (23,91%), 34,69% had some high school education or matric (34,39%) while 24,46% completed tertiary education at technikons, universities or other tertiary institutions.

According to the South African Advertising Foundation's (SAARF) market segmentation tools like the Living Standard Measure (LSMs) as reflected in Table 2, 75,37% of Rapport's readers in 2002 fell into LSM 7 – 10. According to Dlamini (2003) the SAARF provides data about the use of the mass media and about the consumption of products and services by users of the media. This information is used by South African advertisers and media companies to determine who is likely to buy their products and as a result where and when to place advertisements. The fact that race is one of the determinants used in this segmentation of audiences has been criticised since the democratisation of South Africa in 1994, but the SAARF argues that because of the countries' history it is inevitable that race and economic standing be considered when planning advertising strategies (Dlamini 2003). According to Cowling (2004) the conventional wisdom among marketers is that there is no point in advertising a wide range of products to LSM categories 1 – 5, as they are mostly black or coloured and poor and cannot afford them. Cowling (2004) relates how, although LSMs 1 – 5 form 65% of the population, they only attract 32% of ad spend, which skews the market sharply in favour of LSMs 6 – 10 which represents a mainly white, more affluent segment of the South African population. Dlamini (2003) argues that such figures show why South African advertisers are interested in the race structure of our society, even a decade after democratisation: they try to capture the best audience and the best vehicle to invest in and in South Africa this still remains the white community as the group with the highest disposable income.

It is this select group of mainly white Afrikaans readers as presented in Table 2 that are sold as a commodity to the prospective advertiser in Geld. "The demographics are sold to advertisers together with the bonus that Rapport is the only Afrikaans Sunday newspaper and already stands strong in certain areas of the country. A niche product like Finansies & Tegniek has less than 20 000 readers per issue, that is, according to Gous (2004), about equal to the circulation jump that is experienced when Geld is inserted. In contrast Rapport boasts almost 1,7 million readers every Sunday. Rapport assures that Geld is distributed to the total Afrikaans market. For our advertisers this, together with the package deal of article and advertisement, seems to be enough reason to advertise. By studying the demographics they know they are addressing a specific market and so make

sure that they don't communicate their message to a sector that is not interested in their message" (Gous 2004). Another aspect in favour of the advertisers is that Rapport has a monopoly in that it is the only Afrikaans Sunday newspaper in South Africa. The readers are also less inclined to look at a Sunday newspaper as segmented. They see it as a package for the whole family. In contrast, readers of daily newspapers tend to look at the paper as different sections of which certain parts might interest them (Opperman 2004). According to Opperman (2004), if advertisers are still not convinced, they are persuaded to advertise in Geld just once and at the same time educated that the results of advertising lie in repetition. Gous (2004) agrees that advertisers can't get more than just a rough idea of who they address through articles or advertisements by the non-scientific figures that are available for Geld, but says that the little information that can be given is supplemented by letters and e-mails from readers praising the magazine and references from companies that advertised in the past.

According to Gous (2004) advertisers are also shown how the circulation of the newspaper increases by several thousands on weekends that Geld is included in the Rapport package. "There is a discernable pattern in circulation jumps every time that Geld is published. There are however certain conditions that have to be met in order to achieve that jump. The upcoming issue must be advertised in Sake-Rapport, in Rapport's main body, on streetpole posters, in other newspapers and on radio. People forget when the next magazine will be inserted and must be reminded" (Gous 2004). At certain times the publishing house is not prepared to spend money on radio advertisements, for instance on long weekends and public holidays, when circulation is not measured by AMPS. Gous (2004) and Opperman (2004) reason that advertisers know by readers' letters, advertisers references and circulation jumps that the magazine is read.

According to RCP general manager Sarel du Plessis, Rapport has witnessed a steady downward curve in circulation over the past few years. It is currently pegged at 325 807 (ABC Jan-Jun 2004), almost 1 000 up on the end of 2003, but there is no getting away from the fact that at the end of 1998 it was at over 360 000 (Davis, 2004). Du Plessis explains this has to do with the editorial content of what makes the newspaper work. "If

you go back over the last four years and look at some of the front page stories, we had some very interesting developments that affected the Afrikaans entertainment, business and sport markets. Rapport in particular is extremely sensitive to what happens in society for it to have a good sale. In the past few years Saambou folded and that affected the Afrikaans market dramatically. People like Tolla van der Merwe and Bles Bridges, those icons of Afrikaans culture, were killed or died in freak accidents. When that happens we have a very high sale. It shoots up dramatically. ” But even if the news front is rather quiet, Rapport’s market is deemed highly desirable by advertisers and media agents and the paper earned a tidy R162 million from ad sales last year (AIS/Adex: 2003) (Davis 2004).

This raises questions about the circulation jumps that, according to Gous (2004), occur when Geld is inserted. Are these “jumps” actually the result of an issue of Geld inserted in the Rapport package, or are other factors at play? Mr. Gerhard Wentzel (2004), circulation manager of RCP Media, explains circulation, apart from news, can also be affected by other factors like late production (circulation can easily fall by as much as 40 000 if the newspaper is late off the printing press), the time of the month (circulation rises if the publication date is just after “payday” when people have more spending money), the weather (on rainy days sales on the street as well as in shops diminish because people don’t want to go out) and even sport events that are broadcast on television and keep people at home. According to Wentzel (2004) rugby is a definite circulation booster and news about a Currie Cup Rugby final can raise circulation by 10 000 to 20 000 in the province of the winning team, but in the province of the losers, people don’t want to read about it. Certain public figures don’t boost circulation either: Rapport’s readers have for example shown very little interest in lead articles concerning the activities of politicians like pres. Thabo Mbeki, the former Cape premier Peter Marais and the former leader of the New National Party Marthinus van Schalkwyk (Wentzel 2004).

According to figures provided by Wentzel (2004) the circulation of Rapport on the dates that Geld was inserted in 2002 was as follows (insertion of Geld indicated in bold):

3 March 2002:	**324 251**
Sunday preceding insertion:	311 923
Sunday after insertion:	300 825

2 June 2002:	**338 422**
Sunday preceding insertion:	305 950
Sunday after insertion:	324 491

1 September 2002:	**317 901**
Sunday preceding insertion:	303 230
Sunday after insertion:	305 733

24 November 2002:	**295 955**
Sunday preceding insertion:	306 517
Sunday after insertion:	310 044

The above figures reflect that with the first three insertions of Geld, on 3 March, 2 June and 1 September, the circulation figures of Rapport were indeed not only higher than Rapport's 2002 overall annual average circulation of 304 074 (Wentzel 2004) but also higher than circulation on the preceding and following Sundays by a respective average of 3,80%, 9,60% and 4,61% (compared to preceding Sundays) and 7,22%, 4,12% and 3,83% (compared to following Sundays). With the last insertion, on 24 November, circulation dropped by an average of 3,57% (compared to preceding Sunday) compared to 4,76% (following Sunday). Firstly, the rise in circulation in the first three instances can, aside from the insertion of Geld, in part be explained by the fact that the dates represented the first Sunday after payday, when people have more spending money while the lower circulation in the last instance can be attributed to the fact that it was the last Sunday before payday, when people seem to have little spending money left and omit buying newspapers. According to figures provided by Wentzel (2004) circulation can increase with an average of 15 000 copies (about 5%) on the first Sunday after payday

and when there was an important rugby match on the preceding Saturday, it can be even higher. Secondly, news content has to be considered. The lead story on 3 March was about popular Springbok rugby captain Bobby Skinstad who was in danger of being fired by the newly appointed Bok coach Rudolf Straeuli, a very strong story in the sport-obsessed Afrikaans market. On 2 June there was a similar situation with an even stronger news item in the lead: South African cricket captain Hansie Cronjé's death flight. The sport icon died just the previous day in an aeroplane accident in the Outeniqua Mountains. On 1 September there was a lead article about a plan to keep Stellenbosch University an Afrikaans-language institution that probably did not have a strong bearing on circulation figures. On 24 November the lead article was about the Rugby Springboks' "80 minutes of hell" in a match against England, with a humiliating negative score of 53-3. With a rugby mad audience, such news items will keep Rapport's readers away as they do not wish to re-live the experience, according to Wentzel (2004).

To summarise: during the year under review, circulation indeed rose three out of the four times Geld was inserted. In three instances, this was also on the Sunday after payday when sales normally increase and in two instances very strong news stories appeared as lead articles on the front page of Rapport. In the fourth instance, the circulation dropped, arguably due to a disappointing performance by the rugby Springboks and the fact that the paper was published on the Sunday before payday. The situation is, in other words, highly speculative and there is no clear indication that Geld, at least in its first year, was instrumental in any increase in circulation, but that circulation was rather determined by readers' financial situations and hard news content. Gous (2004) claims that he provides Geld's audience with the content they want. This seems an expedient argument because it cannot really be determined who the audience of the magazine are. After an in depth look at the organisation I found that the audience in fact seems little more than a commodity to be sold to advertisers and has little power in this relationship.

4.2.2.4 The content

However, Gous (2004) maintains "the most important aspect concerning content remains to give the reader the best advice at a certain time". This is, according to Gous (2004), achieved by establishing what readers would like to read about, not an easy feat since it is near impossible to establish who the readers of the publication are (see section 4.2.2.3 on Readership and circulation). Article topics are holistically approached with the best interest of all – the reader, the advertiser and the magazine – in mind (Gous 2004). In his dealings with personal finance experts, who in most cases are also industry leaders, the editor discusses relevant topics for articles with them. "Because the experts are mainly financial advisers who move around in the market place and deal with the needs of people every day, they know what investors' current needs are (Gous 2004).

The content analysis conducted earlier in this research showd that the editorial mix of Geld covers anything concerning the personal financial affairs of the reader. Most of the topics are repeated in every issue because it is important that different aspects of the same subject, i.e. property, unit trusts, or retirement, are covered on an ongoing basis (Gous 2004). Current financial affairs are covered from a personal finance perspective, for instance when economic crime is prominent in the news, an expert will be picked to write about that for as long as the subject is current (Gous 2004). In addition it was clear from the very start and from previous experience and research done that a lot of investment money was lying around in retirement and government retrenchment packages and that readers would be interested in articles covering how such funds can be put to best use (Gous 2004). Readers also come with requests and reports in other media are an indication of actuality levels as well. According to Gous (2004) once he is aware that readers have a need for certain information or advice, he will go and look for it. On the other hand if an advertiser comes up with a good idea, that will be accommodated as well (Gous 2004).

Gous (2004) stresses that Geld will never carry content just to please or keep an advertiser. "The moment we publish so-called fluff, we lose the reader as well as the

advertiser. Even if the content is not fluff but is too technical for the reader to grasp or if it is just not clear what is meant, the advertiser loses due to a lack of reaction."

Gous (2004) and Geertsema (2004) believe that the credibility of the content is protected even though the bulk of writers are in some way linked to an advertiser. The advertiser can decide whether "his" article should be on the same or adjoining pages as his display or not. "A few decide to separate the two out of fear that readers may see the article as advertorial, but most believe the readers to be intelligent enough to understand that even though an advertisement is displayed right next to an article, the content can still remain objective. The reader shouldn't be underestimated, they know that if they want to know more about a subject, they can just contact the writer whose details appear in the byline-tag at the end of articles and that the writer in turn can lead them to the product advertised. They understand that the writer does not have to promote his goods in the editorial" (Geertsema 2004). Du Plessis (2004) agrees, reasoning that while the journalistic model used is not entirely pure if compared to journalistic ideals, the readers experience the articles as legitimate and they know how the process works.

4.2.2.5 The advertiser

Telephone interviews were conducted with four advertisers and/or experts featuring in Geld during 2002. Two of the experts interviewed, who previously wrote investment columns and advertised from time to time in the broadsheet Geld-Rapport and who are also managing directors of medium sized asset management companies, had mixed feelings about the benefits of advertising in Geld, while a third one – employed by a financial services giant and requested by his employer to produce an article to accompany an advertisement – felt had it been his decision where to advertise, he would be better off elsewhere. These three interviewees also differed in their opinion about the package of an article and advertisement combined. The fourth interviewee, from a company that advertised regularly but never contributed by means of an article, felt that their presence in Geld was an extension of their brand as part of an existing advertising campaign and as

such successful, but that this was mainly due to the excellent relationship between the editor of the magazine and the managing director of Allan Gray, Mr. Arjen Luchtenburg.

Mr. Louis Botes, managing director of Multifund International, advertised and/or featured as an expert writer in three of the four issues of Geld that were published in 2002. Botes has mixed feelings about the success for the advertiser. Although he felt it was a good strategy to get free editorial space and the opportunity to provide a contact number when placing an advertisement, the generic content that was prescribed did nothing to generate new business for Multifund. According to Botes he fared far better with his regular column on international investment he wrote when Geld was still published in broadsheet format. “I was perceived as an expert and received a lot of reaction from readers and new clients as a result while I was under no obligation to advertise” (Botes 2004). Botes was unaware that the magazine’s readership and demographics cannot be measured. In answer to a question how he then knew whether he was targeting the right market, he said “one could measure readers’ reaction afterwards” (Botes 2004). Readers’ reaction to his articles and advertisements in Geld were minimal and Botes decided to stop his contributions to the magazine.

Mr. Prieur du Plessis, managing director of Plexus Asset Management, advertised in all four issues in 2002, three times on the same page as a topic related article and once as a lone standing advertisement. “There was absolutely no reaction to the advertisements and from our perspective the venture was a total failure. I knew from AMPS that the readers of Rapport and Sake-Rapport are very similar to my client base and I thought it would be beneficial to have a presence in Geld because it reaches that same audience as part of the Rapport package. I later realised that although this is true, advertising was about repetition and that quarterly exposure in Geld wasn’t enough to establish the Plexus brand and extract a reaction from readers” (Du Plessis 2004A). Du Plessis also contributed to the old style Geld where he wrote a weekly column about unit trusts, for which he got “fantastic” reaction from readers. With this previous success in mind Du Plessis in later issues of Geld opted to buy space for a column in which he answers

readers' questions about unit trusts. This elicits a far better reaction from readers and, as a form of advertising, suits his needs (Du Plessis 2004A).

Mr. Kobus Engelbrecht of Sanlam, who markets the company's products to a niche market of entrepreneurs and farmers, featured on page 55 in Geld of 1 September 2002 as an expert writer on retirement annuities and deferred compensation. He wasn't responsible for the placement of the topic-related advertisement that was displayed on the adjoining page (page 54) in that issue, but as part of his responsibility to market to entrepreneurs and farmers, he is expected to place advertisements in a variety of publications on a regular basis. "In 2002 I was asked to write an article for Geld to go with the Sanlam advertisement. However, when I am responsible for placing advertisements, I make very sure that my target market will be reached. I want to know how many people I can reach with a certain amount of money. I do my own research and want to know what the profile of the readers of a publication is." Engelbrecht did not know that the magazine's readership or demographics cannot be measured, but when informed, he remarked: "If Geld's readership can't be measured, I don't see it as a very valuable marketing tool to reach my niche market and would then rather advertise in Landbou Weekblad, because the demographics of that publication assures me that half of the readers are farmers" (Engelbrecht 2004). Engelbrecht prefers the package deal of advertisement and article that is offered by Geld and would never agree to buy advertorial space because he believes it has a negative connotation. "It is far more beneficial to place an advertisement and write a generic article to go with it. Advertorials water down the effectiveness of advertising" (Engelbrecht 2004).

Investment company Allan Gray placed advertisements in all four issues in 2002, none of them directly linked to articles or expert writers. One of the advertisements could be linked to an article elsewhere in the magazine wherein an expert of the company was quoted. According to marketing manager Ms. Tracy Hirst (2004) the company has excellent relations with the editor of Geld and this is one of the main reasons for its continued advertising in the magazine. It is also made easy to advertise in that a deal is made in the beginning of the year to, for instance, place four advertisements and is then

further refined to include editorial if so required by the company. This means that for the rest of the year advertising representatives do not bother the company further. “Our advertisements in Geld are not a mere extension of our advertising campaign, although it is a part of it. Geld is one of a kind, a new idea that reaches a broad Afrikaans market through the only Afrikaans Sunday newspaper in South Africa. We know it is well read and believe we reach our target audience through the readership of Rapport, even though the readership of the magazine itself can’t be measured” (Hirst 2004).

From the interviews it seems that in the first year of Geld’s existence smaller companies struggled to get results from the marketing strategy, while bigger ones seemed to view it as an extension of their branding and marketing campaigns. This means the holistic approach that the editor is trying to follow is not always beneficial to all involved and thus does not necessarily represent a win-win situation as was envisaged. The respondents also had differing views on critical reporting on their respective companies in the news-driven sections of Rapport. Botes said if a critical report on his company appeared in Geld or other sections of Rapport, he would withdraw his advertisement immediately. “I believe that is a reality with all advertisers. If an advertiser sees negative reporting on his business activities, he would probably approach the publication and subtly explain where their income is coming from” (Botes 2004). Du Plessis understands that the other sections of Rapport are focussed on hard news and would understand if critical reports were to be published about his company. He would not stop advertising, provided that he would be given the right of reply to any allegations made and that the reporting is fair (Du Plessis 2004). Engelbrecht (2004) opines that a newspaper should publish critical news reports on the companies that advertise if the occasion arises, but such reporting should be reliable, fair and unbiased. Hirst (2004) says at Allan Gray the advertising and public relations functions are separated and were negative reports to be published about the company, it would be seen as something to be handled by the public relations department and would have no bearing on the advertising strategy.

4.2.2.6 The long term sustainability of Geld

The strategy affected the long-term sustainability of Geld in a positive way (Opperman 2004, Gous 2004, De Bruin 2004). According to Gous (2004) it is now an instrument with unique attributes that will always be in demand and doesn't have to be replaced. "Initially, in the first year, there was a lot of tension because we had to get the product on its feet. When it became known at Media 24's head office in Cape Town that we were planning to bring out the magazine there was strong reaction against it. There was fear that Geld would be to the disadvantage of the Afrikaans finance magazine Finansies & Tegniek and that it would take advertisers away from them. This indeed happened to a very limited extent and the impact was minimal" (De Bruin 2004). According to Gous, in 2004, Geld was feasible "before even one advertisement has been sold. Existing and new advertisers book ahead for a full year which gives an existing life-span of 6 – 12 months" (Gous 2004). According to him there is no indication that Geld might have a limited lifespan of say the next five years. "We have identified a need that will not disappear overnight" (Gous 2004). Opperman (2004) and De Bruin (2004) add that the magazine generates a predictable income because advertisers tend to plan for a series of displays and according to Opperman (2004) the advertiser "knows the amount of money he spends will come back to him in value".

4.2.2.7 The impact of the strategy on the rest of Rapport

Gous (2004) reasons that the impact of Geld's strategy on the rest of Rapport is a positive one, despite some tension about journalistic values that occurred between him and the editor of Sake-Rapport about "news" items. The business editor maintains that there must be a very clear line of demarcation between the content of the two sections (Van Rooyen 2004). "Geld has an advice function and they fulfil that function very well, but it is not good journalism. The magazine publishes soft copy whereas Sake-Rapport is out and out focussed on hard news with the exception of a few columns" (Van Rooyen 2004). Van Rooyen relates that Gous will sometimes ask him a "favour" which entails the placement of an item from one of his clients. If the story can't stand "on its own legs", Van Rooyen

will not accept it. It has to have good news value to make the paper. Gous (2004) explains that he and his team had to learn quickly that they were wearing "a different hat" than the journalists. "Initially, if one of our expert writers had a news item, we would write the story and hand it to the business editor with a request to run it. It became clear immediately that Van Rooyen judges stories on news value only and was not interested in the marketing needs of our clients" (Gous 2004). Journalistic values and ethics clashed with Geld's marketing strategy and tempers flared on a few occasions. Van Rooyen (2004) relates how the team of Geld on one occasion sold advertising space to the property giant Aida and how they tried to convince him to quote spokespeople of Aida in property stories in Sake-Rapport. "If we give in to that kind of pressure, and allow our news and journalistic values to be tampered with, we will loose credibility and that is unacceptable. What is published in Geld also reflects on Sake-Rapport and therefore I like to keep an eye on it, but I am under no obligation to 'help' them to promote their business" (Van Rooyen 2004).

Gous and his team had to understand that journalistic values would not be allowed to fall victim to the needs of his clients and could not, in the business pages, promote their clients' case just because they might loose them as advertisers if they didn't. Van Rooyen (2004) also makes it clear that he won't hesitate to publish critical reports if one of Geld's clients are involved in scandals or other negative newsworthy behaviour. Although Gous (2004) admits he found this difficult to accept at first he later realised that the best way to handle the situation was to inform the business editor about possible news items, who can then decide if he wants to send a reporter to cover the event. He now sees his clients as additional news sources that can be used to the advantage of Sake-Rapport (Gous 2004). Geertsema (2004) still maintains that the business editor should give his cooperation in the marketing effort. "The expert writers that feature in Geld should be quoted in Sake-Rapport in order to strengthen the business ties we have built up with them. I find it hard to understand why the business editor will not accommodate us" (Geertsema 2004).

Within the newspaper, Geld is seen as a compartmentalized, income generating extension of the Rapport brand with the same leverage as the newspaper with advertisers, but with a

different journalistic model. “The magazine is but a room in the big Rapport-mansion,” according to Tim du Plessis (2004), Editor in Chief of Rapport. The income generating strategy of Geld is not perceived to be a danger to the editorial independence and integrity of the rest of the newspaper. The magazine functions in its own “compartment” and its strategies are not allowed to filter through to the rest of the newspaper. “There is complete honesty about the strategy towards the readers and the advertisers and it is clear that the magazine maintains a different kind of editorial integrity. The fact that the magazine was created as a tool to generate income does not mean that the rest of Rapport will bow to the wishes of advertisers in Geld. We will report news, whether this negatively reflects on an advertiser or not and whether they continue their support or not” (Du Plessis 2004). Du Plessis (2004) concurs that a leading, profit-making publication like Rapport can afford to make a stand on editorial independence but at the same time concedes that “spaces are closing up” and that it becomes increasingly difficult to refuse income generating opportunities. “In the past an editor could afford to say no to a product like Geld, but today one has little choice but to accommodate this kind of opportunity” (Du Plessis 2004). Du Plessis (2004) concludes that if the process is managed carefully, the fact that a magazine like Geld is operated in close proximity to a mainstream news publication need not be problematic.

According to Du Plessis (2004), Naude (2004) and De Bruin (2004) Geld was never intended to cross-subsidise other sections of the newspaper. “Cross-subsidisation occurs in all companies to a certain extent, but sub-titles at Rapport, like Geld and Tydskrif, are self-funding and work independently from other sections of the newspaper” (Du Plessis 2004).

On the advertising front representatives through Geld make contact with more advertisers and so attract more revenue than before. A whole new market has opened up to them that can be exploited without having to establish a magazine from scratch (De Bruin 2004). New representatives can be appointed to tap the wider resources. The extra revenue filters through to the rest of the newspaper because advertisers show interest in advertising in other sections of Rapport as well (Gous 2004).

Chapter 5

Discussion of research findings and conclusion

5.1 Discussion of research findings

This research project aimed to answer three questions:

- What strategies and factors have contributed to the financial success of Geld in its present form?
- What implications do these strategies to attract advertising have for the journalistic operating approaches of the publication?
- How do these strategies contribute to changes in media organisation and culture, and aspects of content?

My interest in this research arose from my observations as a journalist working in an environment where journalists assumed to uphold the traditional values of journalism was enough to keep a publication going while fiercely resisting interference from the marketing and advertising departments in their work. In reality the traditional divide between editorial and marketing departments at newspapers seemed to slowly be narrowing with surveys and other income-generating vehicles encroaching steadily on these values. This research was further informed by concerns about the role of journalism and the media in South Africa and the debate around how the media environment is experiencing a gradual shift towards commercialism.

In answer to the first research question, the strategies and factors that contributed to the financial success of Geld in its present form, seem to be that in the changing market-driven media environment it is financially beneficial for the magazine to give advertisers the chance to associate their products with the right editorial environment. At Geld it was therefore decided to adapt a holistic strategy where the needs of the advertisers, the magazine and the audience would be dovetailed to the benefit of them all. Closer

investigation brought to light that in fact the audience has very little power in this relationship and that the needs of the income-generating advertisers come first to the ultimate benefit of the magazine.

The second research question deals with the implications of these strategies to attract advertising on journalistic operating approaches. These implications are clearly evident at Geld. The editor, in order to give advertisers the opportunity to associate their products with the right editorial environment, had to adapt his role as editor in the traditional journalistic sense to that of a marketer/manager who could make a financial success of the publication. Financial journalists were replaced by invited guest writers who were not only experts in their fields, but also had links to advertisers in some way. Gous admits that content has changed, with news falling by the wayside, to make room for generic advice – mainly as indicated by advertisers – in order not to offend or alienate such advertisers. By playing into the hands of advertisers in this way the magazine attracts business from advertisers who want to sell upmarket personal finance products and services to its audience, who are presumably – as part of the greater Rapport package, since they cannot be measured as this research has shown – interested in these products.

The third research question looks at the contribution of these strategies to changes in media organisation and culture, as well as certain aspects of content. It is often true that members of an organisation, in this case personnel of a media company, tend to modify their behaviour to comply with the requisites of that organisation. At Geld this was not an issue as financial journalists were moved out of the picture in the conceptualisation stage as it was recognised by De Bruin (2004) and Gous (2004) that they could not be seen making deals with advertisers and compromise their independence, as is discussed in Chapter 4 of this research. However, it may be true of the editor of Geld, who had to put on a new hat as marketer/manager in order to be suited to his new role. From the perspective of a cultural approach to study of the media, commersialisation seems to have completely permeated the culture at Geld and all decisions, including those about content, seem to be taken in that light.

In order to obtain answers to the research questions, a content analysis of Geld and a survey amongst role-players were conducted, which were then discussed. As a result it became clear that Geld has a different journalistic model that may not be entirely pure if compared to journalistic ideals, but, although it may not operate according to traditional ways, this does not necessarily mean that no service is delivered to readers. Gous and his team seem to have a very good commercial strategy, with advertisers flocking to fill between 60 and 80 pages per issue. They also believe that the readers' intelligence should not be underestimated and that they (the readers) understand how the process works. It may therefore very well be that the readers of Geld find its content legitimate and worthwhile. However, because it is not clear who the readers of the magazine are, checks and balances are not in place to confirm this other than by readers' reaction in the form of letters and e-mails. The audience of Geld are imagined to entail a certain percentage of Rapport's readers, and more specifically, more or less the same as Sake-Rapport's readers, but in effect there is really no way to construct the audience because AMPS does not measure the readership of quarterly or bi-monthly publications. Gous and his team think of journalism in a different way. They think of serving the reader in terms of giving advice. There is therefore a certain kind of ethos present, although it still represents a sharp contrast to its financially distressed broadsheet predecessor Geld-Rapport where traditional journalistic values and ethics were valued and the goal was, with the exception of a few advice columns, to bring personal finance news to readers.

Readers' needs are taken into consideration in a limited fashion because ultimately advertisers and/or expert writers make the decisions about content and will therefore touch on subjects that will best suit their marketing needs. Despite the marketing drive there still seems to be an honest effort from the editor to get the best personal finance advice to the readers of Rapport within the constraints of advertisers with enough leverage to control content. This is attempted by assuring that the articles, described by some as personal finance advice (Gous 2004) and others as straight forward advertorial (Du Plessis 2004), are kept at a high standard with quality information that can really benefit readers (Gous 2004). The fact that the writer is identified with a photograph and his contact details seemingly ensures that readers experience the articles as legitimate.

The writer can be contacted directly and therefore has to be prepared to take responsibility for what he conveys to the reader (Gous 2004). It is held, in accordance with liberal pluralistic views, that the reader is intelligent enough to realise that there is a link between the writers and advertisements in the publication. This seems to be proof that there is to a certain extent a journalistic mind at work. Gous seems to clearly understand that guest writers need to be identified to achieve credibility with the audience and he also understands the needs of the audience in that he stresses that Geld will, under his editorship, never carry content just to please or keep an advertiser. This is proof that he has not abandoned all journalistic ethics.

The content analysis and interviews conducted for this research suggest that advertisers play a premium role in the production of Geld and that they have a definite say in the production of editorial content as well. The liberal pluralist approach to study of the media also holds that competition within a market system compels the media to respond to the wants, needs and views of the public (Curran 1996). At Geld this approach seems to be non-existent – in spite of Gous's (2004) seemingly expedient argument that the needs of the audience of Geld are indeed taken into consideration – and the operating approach leans closer towards Schudson's (1984) political economist opinion that what consumers want is taken into account only as far as the commercially viable options available and that marketers only "listen" to people who can afford to buy their products. The operating approach at Geld also corresponds with the view of Gandy (2000) who reasons that the pursuit of audience segments is governed mostly by the expected value that can be derived from it.

As McNair (1998), Shoemaker and Reese (1991), Curran et al (1996) and McChesney (1998) concur in their studies of the American media, the changing media environment impacts on the role of journalists (see Chapter 2 of this research). They state that economic factors have a definite influence on the profession and the media industry. The same can be said of Geld. The editor of Geld, who in his past role as editor of Sake-Rapport and Geld-Rapport functioned as a journalist, now seems to be a marketer/manager who keeps one eye on the content while making deals with advertisers

on a full time basis. The main aim seems to be profit-making, while the readers, secondarily, also have to be kept happy. The editor, in his role as manager in the marketing strategy of Geld, seems to be the driving-force behind the magazine's financial success. It seems debatable whether the magazine will be as successful as an income-generating instrument without him. It seems that advertisers and/or contributing financial experts are prepared to act on the perceptions and persuasiveness of the marketing strategy and a good relationship with the editor which in some cases has been built over years, rather than on facts. There exists a possibility that they are prepared to "buy" the person rather than the product.

An indication that the editor perceives marketing as his most important function is that he describes everything in marketing terms and the fact that he never contributes as a journalist in the form of an article, or even an editorial column. He simply is the middleman who brings together the advertisers (through expert writers) and their audience (the readers/buyers). The traditional division between editorial staff and advertising departments seems to have disappeared completely. There also seems to be a lack of understanding about what traditional journalistic ethics and values entail. In personal interviews Opperman (2004), Gous (2004) and Geertsema (2004) referred without hesitation to the hired financial expert guest writers as their "team of journalists". At the same time there seems to be no effort to comply with any journalistic standards, with the possible exception that the content has to be "informative, digestible and easy to understand" (Gous 2004). The truth might thus even be that there are in fact no journalists present at Geld, with the exception of one full time and a few free-lance sub-editors who see to the "digestible and easy to understand"-part.

Advertisers in some cases seemed to be unaware that the readership and demographics of Geld cannot be measured, but still advertised during the year under review in the hope that they would reach their target market. Some admitted they did not know a lot about advertising and seemed to think that whether a target market is reached is something that is determined after the fact, by readers' telephone calls in reaction to an article or advertisement. Some of these advertisers later said they did not get a good response from

advertising exposure only once every three months as opposed to the more regular exposures they enjoyed in the broadsheet Geld-Rapport. In retrospect, they indicated that the marketing strategy was not advantageous for them and that the quarterly exposure in the magazine was too far apart to have an impact. This relates to Schudson's (1984) question of how often advertisements should be repeated. According to Schudson (1984) a study of the Association of National Advertisers in America suggested that a single exposure of an advertisement has little or no effect, while two or three exposures will have a good effect and more than three in a four to eight week period increases effectiveness, but at a declining rate. Schudson (1984), however, argues that the accuracy of the association's findings still depend on the medium, time of day or month – with the result that there is in effect no general information on the frequency of placing advertisements available. Bigger advertisers seemed to perceive Geld as an attractive way to extend their brands and existing advertising campaigns. However, advertisers and expert writers who also featured in the broadsheet Geld-Rapport opined that they had far better reaction then. Other advertisers interviewed seemed to find the demographics of Rapport, as the only Afrikaans Sunday newspaper, enough reason to advertise (mainly upper class elite white readership in LSMs 6 – 10 with enough disposable income to consider investing). This once again points to the possibility that advertisers may respond to the editor as a person, rather than to Geld as an effective marketing tool. What also seems to be at work here, is Schudson's (1984) argument that the media, increasingly dependent on advertising revenue, actively promotes the use of advertising by convincing businesses that it pays to advertise, and that, in particular, it pays to advertise in one specific medium.

The fact that circulation increased on some weekends that Geld was inserted in the bigger Rapport package seems to be "sold" by the marketing team to advertisers as proof that the magazine is well read. However, a closer look revealed that an increase in circulation could, at least during the year under study, not be solely attributed to the magazine's presence. This means that the only "proof" of the readership of Geld seem to be the e-mails and letters of praise that the editor receives from readers.

The findings in this research concerning advertisers who are badly informed about how big a part of their target market they reach, correspond with Schudson's (1984) argument that advertisers do not definitely know what they are doing or who, in reality, they are targeting. As discussed in Chapter 2 of this research, Schudson holds that the advertising practice employs a vast array of notions of the consumer and ideas of human nature in "an utterly ad hoc and opportunistic way". These findings are also echoed in the opinion of Gandy (2000) who argues that information about the expected value of audience segments is often as unreliable as the information about its size and demographic composition. Gandy reasons that the incentive to promote the value of a segment to an advertiser is to be found in the marketers' claim of a special competence in reaching that segment. The value of the segment may then be inferred in part from the number, visibility and reported billing of agencies (or marketers) that claim expertise in reaching those segments (Gandy 2000). These arguments of Schudson and Gandy seem to further imply that advertisers, although claiming that they will not invest their money if they are not sure who is reached by their efforts (Bagdikian 1983), still have to rely on the "ad hoc" and "unreliable" information that is presented to them by advertising agencies, or in the case of this research, by the marketers of Geld who seem very succesful in persuading advertisers to partake in the magazine – sometimes apparently without informing them that the readership can't be measured.

Although Geld's marketing strategy was supposedly developed to create a win-win situation where the needs of advertisers, readers and the magazine itself were to holistically dovetail, the magazine itself stands out as the clear winner. Rapport's business editor as well as the papers' editor-in-chief deny negative impact on the rest of the newspaper and specifically the business section. They perceive the magazine as compartmentalised and as such not part of the main body and purpose of the newspaper. They do however admit that it is becoming increasingly difficult to ignore the wishes of advertisers in a market-driven media environment (Van Rooyen 2004, Du Plessis 2004).

It is true that the study of one publication and the findings thereof cannot necessarily be generalised and assumed to be true of the South African media industry as a whole, but it

does indicate certain issues that may be worth discussing and some lines may be drawn. The sample of Geld issues studied for this research may not be enough to reflect the trends of change in the South African print media in general. The results from the content analysis of the 2002 issues and the strategies that have been used by the Geld-team to reposition the publication and greatly improve income-generation, provide proof that advertisers do in some instances directly influence the content of media and play a certain role in the shaping of media products and the placing of advertisements within these media products. South African advertisers seem to respond well to these income-generating strategies. At Geld, for instance, they don't seem to mind that the middleman – the advertising agent – has been cut out of the relationship and they also seem to understand that the audience is not fooled by the relationship between the advertiser and the publication.

My theoretical reading on advertising as a revenue-generating vehicle clearly established that the income-generating strategies at Geld are not isolated to South Africa, but are evident worldwide.

The findings in this research also correspond to other developments in the media, particularly globalisation and its effect on the South African media landscape as Cowling (2004), Kuzwayo (2004) Dlamini (2003) and Boloka (2004) among others have argued in Chapter 2 of this research. Geld, and Rapport as a whole, have to find ways to generate income amidst dwindling audiences and growing competition but are, from a global perspective, in fact experiencing nothing new as Schoemaker and Reese (1991) more than a decade ago already reasoned that profit-making had taken precedence over making news. The changing media evironment has influenced the operating approaches of the media in South Africa. Not even the largest publications, among these Rapport, can escape – or afford to escape – its grip. The broadsheet Geld-Rapport was transformed into the personal finance magazine Geld with the specific goal of becoming an income-generating, "money-spinning" tool (De Bruin 2004). Although the first aim may not have been to protect the hard news sections of Rapport from the pressure of financial constraints, the fact that the profit Geld makes goes directly into the coffers of Rapport,

may relieve that tension and ultimately may contribute to protecting the news sections of the newspaper from the demands of advertisers for a time to come. This may be the reason why the paper is prepared to compromise its regular news-orientated operating approach to accommodate the much needed revenue producing efforts of Geld.
While Schudson (1984) argues that income-generating supplements are often used to cross-subsidise other, less affluent, sections of newspapers, this seems not to be the case at Rapport, where Geld and its sister magazine Tydskrif are self contained units that are not used to subsidise other sections with a low advertising pull. Instead, the income derived from the magazines contributes directly to the income of Rapport (Du Plessis 2004).

It has already been stated in this research that the effects of these strategies on journalistic operating approaches and their contribution to changes in media organisation and culture are not new from a global and even a South African perspective, but are part of the media's struggle to survive in a changing world. However, the implications of the income generating strategies of Geld, seen on a broader basis as applied to the South African media environment, may be manifold.

The successful income-generating strategies at Geld already help to make acceptable and normalise the trend to put profit-making before news-making. Inside RCP Media and Nasionale Pers several attempts have been made to duplicate this success recipe with similar publications.

If advertisers continue to gain influence over publications this may lead to a new version of media oppression. Whereas in the past the South African media struggled with the apartheid regime, this may be replaced with a commercial regime where the media is dictated to about content not only by the political and commercial interests of media owners, but also by outside forces that to a certain extent hold the financial reins of the media company's future. This, in turn, may restrict democratic governance by the state as there cannot be democracy without an informed citizenship. The importance of the role of the media in a new commercial dispensation is therefore to be questioned. According to

Schudson (2000) in liberal societies public and privately owned media have a variety of roles like “cheerleading the established order, alarming citizens about flaws in that order, providing a civic forum for political debate, and act as a battleground for contesting elites”. In South Africa freedom of speech and a free media are critical elements of the transformation process, and a free media is necessary as a watchdog to probe and investigate as part of the attempt to tear down the old order (www.sanef.org.za) that in some instances is still very much in evidence, even after more than 10 years of democracy. According to Kupe (2004) the redress of former and existing inequalities may be undermined by commercial imperatives because of the effects of reliance or dependence on advertising on media content. Under these effects Kupe (2004) counts low information value in general news and information, a bias towards business and economic news because of the affluence of the audience created for such news and information, a bias towards lifestyle coverage for affluent audiences which favours consumption and leisure, a bias towards low budget entertainment and mass sport for less affluent audiences, marginalisation of languages of minority audiences or languages used by audiences which are not affluent even if they are majority languages, stereotypical representations or a narrow range of representations of the aged, the disabled, women, blacks and working class people, stereotypical representations of rural areas and depressed urban areas where working class people live, and overrepresentation of the rich and powerful, professionals, the youth and men.

According to the Sanef website the media already reaches far less people than generally accepted, with access predominantly urban, 30% newspapers, 10% internet and 20% of the population who do not receive FM radio signals. On top of that, there is illiteracy, aliteracy and alienation from news agendas and ownership. In order to reach the community with news to inform, educate, entertain and to fulfill its role as watchdog, there should be unimpeded access to information, free of the influence of roleplayers with their own political or capitalist interests, otherwise the media might gradually cease to be a platform for critical and independent analysis.

From a critical political economy perspective one could ask the question to what extent the economic structure of Rapport, RCP Media, Naspers, and, for that matter, the entire media environment in South Africa, allows or prevents forms of expression from finding an outlet or an audience. As commercial pressures increase, the experience level of journalists may wane because increasingly young and inexperienced journalists are appointed. These may cost less, but their appointment results in a rapid turnover as they gain some experience and leave for more lucrative careers in related fields. This leaves the media with a weakness in investigative skills that come with some journalistic experience. This kind of cost cutting, which on another level also leads to a lack of resources, has as one of its results telephone and internet journalism – a deskbound and therefore cheaper type of journalism – while promising young writer's careers are cut short to be promoted to management level. In the case of Geld commercial pressure and the resulting strategy to play into the hands of advertisers, has not just led to a lowering in the quality of journalism, but seemingly has put a complete stop to traditional journalism in an attempt to not alienate affluent advertisers and in so doing, protecting corporate interests. Like Schudson (2000), we may well ask what the limits are and what structural and cultural features can work toward keeping news "porous, open for dissident voices and encourage genuine debate".

From an organisational media theory perspective it is seen as fundamental that members of an organisation tend to modify their own personal values in accordance with the requisites of the organisation. On the other hand organisations also impose constraints in spite of the personal intentions of the individual (Schudson 2000). At the same time, from a cultural approach to studies of the media, it becomes clear that commercialism can permeate the culture of a media organisation with "a cultural air that filters the news we write, what can be said and what not" (Schudson 2000). These arguments by Schudson indicate that in spite of journalistic values, as well as the fact that Harber (2003A) argues that SA editors still fiercely defend their independence, journalism can from within their own ranks, even without initially realising it, conform to the new order.

This means that the pressure on present and future journalists to deliver to the public may become immense. It also seems clear that journalists on all levels will have to adjust to the new circumstances in a market-driven media environment. Market judgement and journalistic judgement will have to go hand in hand as the wall between the editorial and marketing departments crumbles. Journalists will have to be on guard against violations of the integrity and independence of their publications for the sake of profit. This has implications for the training of future journalists. They will have to be trained to deal with the new developments, particularly how to keep up the values of the journalistic profession while at the same time keeping a publication afloat financially. It is similarly true that time constraints, work demands and the juniorisation of editorial staff may make journalists more susceptible to ready-made, neatly packaged news that may be slanted in favour of advertisers.

5.2 Conclusion

The indications above imply that in future the print media will have to make a clear distinction between content that has manifestly been influenced by advertisers and content that has been shaped against the background of traditional journalistic values. In that way the audience is not misled and will retain their trust in the media's capability to present them with honest reporting while understanding that in certain sections of a publication content has been influenced by advertisers. In the last instance the audience should, guided by the publication, be able to distinguish further between advertorials and generic content that in some way may be linked to an advertiser. Readers are intelligent and know when they are taken for a ride as was shown by research into the flagging effectiveness of the "focus pages" or surveys in the broadsheet Geld-Rapport.

I believe this research has confirmed that the implications of income-generating strategies at newspapers indicate that reason exists to be concerned about the impact of commercial pressure on content, journalistic operating approaches and changes in media organisation and culture in a South African context. It is not always easy to prove manifest links between advertisers and content, but it can be assumed that, because other South African

media have to survive and adapt in the same commercial circumstances as Geld, they have mapped out their own, possibly similar, strategies to ensure a good flow of income. Without external income publications cannot survive. There may in future be very little choice but to turn the audience into a commodity that can be sold to the highest bidder or else be forced out of business.

Commercial media seem to have endangered the traditional role of the media in society, i.e. to serve the community and to reflect the views of community members regardless of economic and political standing. Instead I believe the media should take into account the interests of their readers, if not ahead of advertisers, then at least on equal footing in different sections of publications. A clear demarcation line must be sustained between news sections and income-generating sections. If newspapers let journalistic values fall prey to the needs of advertisers, they will lose credibility with their audiences and that is unacceptable. The answer is probably that income-generating sections should maintain a different kind of editorial integrity and be honest about their modus operandi, keeping in mind that even if the audience has lost its power over content, it can still decide whether or not it will accept and consume that content. This may be especially true for the financial media which "attracts a lot more heat than the rest of the media world. It carries more weight, bears a bigger responsibility" (Kouakou and Bloom 2003).

It remains to be seen whether the media will be able to uphold itself and its values in the face of commercial pressures or whether it will find sources of income other than advertising that will free it from these pressures.

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