

EXECUTIVE SUMMARY

For many decades, the broadsheet dominated the media scene as the major news provider. Today, the Newspaper is not only vying with TV and Radio for a bigger share of the news-dissemination market but is up against a more challenging form of news media i.e. the Internet. Facilitated by rapid technological penetration since 1990's, the Internet has opened up choices for the readers and users to access news and information round the clock at the click of a mouse. As a result, people's media consumption habits are changing, particularly among the young in the western world at a much faster speed than in other countries (with an exception of China). There is a widespread belief that the internet, as a new media form, is replacing the newspaper for accessing updated news and views. This possible prospect is fuelled by reports of declining newspaper circulation, winding up of established newspapers and increasing web-access among the newspaper reading clientele. These reports emanating from the western countries, predominantly describe the current situations in countries like US, UK and some Nordic countries. However, in India, the current media situation appears to counter these trends and speculations. The future of newspapers seems to be secured by the rising demand for newspapers all over the country, primarily fuelled by demands from cities and towns, other than metros, where literacy levels are going up.

In this changing scenario the entry of new media types, most recently the Internet, poses certain new challenges which require close scrutiny to establish if newspapers face a potential threat. There could be two ways of mapping the course of Internet development in the news-dissemination domain: as an alternative to the newspaper by being first with the news, offering variety of news and at faster speed, coupled with other services modeled on changing preferences of the consumers; the others relating to barriers, major being inadequate infrastructure which could inhibit fast spread of web technology in the country. Lack of technical know-how, unavailability of broadband or dial-up infrastructure, lack of electricity supply and the cost factor are some of the major factors that prevent easy online accessibility.

Against such a scenario, mapping contemporary changes in newspaper readership and circulation becomes not only relevant but important for understanding the implication of technology interface with media in India. The present report is based on a study conducted by IIMC to assess the changes in reading habits of newspaper readers, their preferences and dependence on Internet for sourcing news and information and gauging the prospects of Internet, especially the popularity of e-newspapers as a choice for news and information.

A multistage sampling method was used to select four states (Assam, Uttar Pradesh, Maharashtra, and Tamil Nadu) to represent four different geographical regions of India (north, south, east and west) to match the diversity of readership, circulation of newspapers and number of internet users. At the second stage, four cities, Guwahati, Lucknow, Mumbai and Chennai were selected. The criteria for selection was based on the technological

penetration of Internet and broadband services; headquarters of major newspapers with high circulation and presence of high net users.

The population sample selected thereby comprised of Readers of newspaper, Managers (Marketing Managers, Circulation Managers,) and Editors of print editions and web versions of the newspapers. A total sample of 300 readers and 24 newspaper managers were selected from each city.

Both quantitative and qualitative research tools, comprising of questionnaire and in-depth interview schedules, were used to collect the data. The primary research captured regional variations in internet

use, its impact on newspaper readership, preferences in choice of contents and people's attitudes and perceptions about both media types.

Results

- Overall results indicated a high level (96.7%; 1160/1200 respondents) of newspaper readership amongst the surveyed population with some variations in the consumption patterns across different geographical locations spanning northern-eastern on one hand, and a shift in southern and western regions on the other hand. Trends in internet use were also overall promising, with a total of 743 (61.9%) respondents accessing internet for various reasons. The majority of the users of internet were from major metros like Mumbai (230; 76.6%) and Chennai (214; 71.3%), showing a higher density in the use of internet as compared to northern and eastern non-metro cities of the country: Guwahati had a moderate number (154; 51.3%) of internet users, whereas Lucknow had the lowest number (145; 48.4%).

- The users of internet were primarily the younger age group (15-34) and constituted nearly two third (506; 68.5%) of the total internet users. Gender differentiation in use of internet was distinct with two out of every three internet users being men. Education was an important factor in determining internet usage with graduates (48.04%; 357) and post graduates (40.78%; 303) showing higher access to internet. Majority of them were from the upper income group i.e. 59.62% (443/743).

- In contrast only 12.24% (91/743) of users were from lower income group and within this lower income section, majority of internet users were from Mumbai (i.e. 70 out 91). 3 out of 4 internet users possessed a computer at home, but cyber-café's were primary places for 44.5% (331 out of 743) of the population for accessing internet. Internet access from home was the second favored choice with as many as 43.2 % (321/743) using it at home.

- Reading news was not a universal practice among the Internet users since 53% (393/743) of those using internet read news online, indicating that newspaper was the preferred source for news for all. The majority (75%) of this group constituted of internet users from the metro cities of Mumbai (142) and Chennai (152), whereas a smaller group (25%) comprised of internet users from Lucknow (39) and Guwahati (60).

○ But those who read news online did so for a **shorter duration of time**. There was a variation between metros and non-metro cities in time spent: the average time varied between 0-15 minutes for Lucknow and Guwahati; it was less than 30 minutes for Chennai and more than 30 minutes for Mumbai. 88% of those who accessed news on-line reported that the primary purpose was to get an update on news/stories. Other reasons given were (i) additional information on the subject (68.7%), (ii) news about the world (58.3%), (iii) access tailor-made news (58%).

Interviews were conducted with Editors, Circulation and Web Managers of leading newspapers in the country to elicit their views about the future of newspapers and how internet was shaping the reading habits. The interviews with Editors yielded responses and opinions that negated any perceived threats to the industry from the internet.

- The prospects of Internet undercutting the newspapers' significance anytime in the **near future were remote**. They however acknowledged that the young readers were becoming very demanding with their preferences changing in a mercurial fashion.
- These findings provide a suggestive picture that in India replacement of newspapers by the internet seems to be more of a distant prospect. At present the print media industry faces no perceptible threat. This threat, if it exists, will depend upon how the relative growth of technology and broadband speed in smaller towns affects the print medium since both are expected to grow phenomenally in the near future

As per the current scenario, the spread of literacy seems to have secured the future of newspapers. In the northern regions where literacy rate is showing an upward trend, it is believed that the print media prospects are bright since it is poised to achieve its optimal potential growth in these states. The southern region could witness a faster growth in the number of online users of news due to existing higher literacy levels and technological penetration. In Mumbai, the younger generation could be the first to move towards the e-newspapers due to their internet usage habits and reading patterns. After Mumbai, Chennai could be the next city spawning a generation of e-newspaper readers.

Overall, Newspapers and Internet can be seen as partners in an alliance which would help each other in mutually reinforcing their own readership base. This would not be at the cost of each other since a class distinction can be seen among those who have made the transition to e-edition newspaper without however giving up the habit of reading its print edition, and another section of readers mushrooming in the *mofussil* towns who just made it to the list of ever burgeoning newspaper readers.