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Print Media Versus Digital Media and the Expected Results Based on the Results of a Comprehensive Trend Research

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Abstract. In this publication we analysed Hungarian media market with the help of qualitative research. During the primary research we used expert deep interviews, focus groups interviews, and standardized questionnaires too. In this study we present the main results of our qualitative primary survey.

Keywords: Digital Media, Print Media, Qualitative Research.

1. Introduction

A great number of international research and expertise support the opinion that the media market is undergoing a substantial transformation. The measure and trends of changes have different characteristics by country, however, tendencies seem to emerge on a global scale and have fundamental influence on the media market and media consumption habits of a country.

The aims of our research were to analyse these changes and the expected market trends and tendencies. A comprehensive nationwide research had been conducted in December 2011 in co-ordination with the experts of Magyar Posta (Hungarian Post), CMS Ltd., RadarResearch Ltd. and BGF-KKK (Budapest Business School, College of International Management and Business). The methods of research had been complied according to global trends. Apart from the opinion of the most renowned experts in the Hungarian media market, our research focused on the preferences and expectations of the media consumers with a special emphasis on the changes caused by digitalization. Based on the results of the research we observed that media consumption differs significantly by age and regional disparities. A great number of consumer characteristics had been analysed in the research that may provide a guideline for media market experts in strategic planning.

2. Methodological background

2.1. The Aims of Research

In the last quarter of 2011 a trend research was conducted with the objectives to analyse how consumer habits in print media had changed in consequence of economic events of the past few years and also the influence of the continuous spread of digitalization. Based on the results future estimates had been conducted.

2.2. The Phases of the Research Project

(1) Secondary data analysis
(2) Expert personal in-depth interviews
(3) Consumer surveys
Qualitative consumer survey
Quantitative and standardized customer questionnaire based survey

In our present paper we demonstrate the partial results of secondary data analysis and expert and qualitative consumer survey. During the interview semi structured guide was used. The result were analysed

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with the help of conventional content analysing methods. The recruitment of interviewees was according to snowball methods.

3. Secondary Research Results

3.1. Global Trends, a Brief Analysis

The global economic crisis has had a major impact on the media market: both advertisement and commercials related and also consumer end-user expenditures have significantly decreased. As for the whole media market concerned, a 3% decrease occurred in 2009. After 2010 this tendency has changed and experts foresee a period of rapid increase based on estimates of an average growth of the media market by 5,8% per year. This growth does not affect each and every category of the media pie uniformly. According to international research internet advertising, video games and internet subscription are to grow at the fastest rate on a global scale. Even by 2014 half of the entire media market will be made up by television subscription and advertising, alongside with internet subscription. In addition to that, press and the B2B segment represent a significant proportion, altogether a 23% stake of the market.

The media market is continuously shifting towards digital markets and the total revenues from digital markets have been increasing with a speed high above the average. In parallel, by 2014 two thirds of all revenues from the global media market will constitute of traditional non-digital markets, therefore companies and firms should endeavour to be present on both markets with appropriate measures.

However, the loser of the media market is the press market as this segment was most affected by the crisis and also the lowest growth is expected at this segment by 2014. After a significant setback in 2009 both outdoor and radio segment have slower growth prospects by 2014.

News feed on the internet is one of the "products " that substitutes newspaper. The internet also has its technological and business advantages over print media with its continuous content refresh and spontaneous breaking news without having the publishing costs of printed media. This threat is partly offset by the online availability of the publishers' publications in part or as a whole.

In Western Europe and in the United States some decline is foreseen for this product group. On the contrary, the magazine market might demonstrate a more diverse and interesting future! There is a definitely significant increase of demand for glossy magazines with their quality content and design no matter their print run figures, their actual circulation is still lagging behind the number of expected sold copies that had been anticipated at their content enlargement and this might lead to changes of market behaviour. Specialized journals and magazines are published on-line in an increasing measure while the e-version of fiction-entertainment and fiction still play a minor and subordinate role.

Consumers feel free and comfortable to move in this rapidly changing dynamic media environment.

The boundaries between categories of the media market are becoming increasingly blurred, thus consumers can easily switch to new channels or media sources more easily, in most cases consumers are unaware of what competition they actually generate between media products.

3.2. Evolution of Major Trends in Hungary

The situation is quite specific on the Hungarian digital media market since the life cycle of the traditional print media has entered its decline stage. The market is shrinking gradually and unable to make use of its opportunities optimally and make use of its potential. The digital media market, however, as a substitute product is still at the early stage of its growth path. The market growth of digital media is influenced by several market drivers and the influences of these drivers taken together are shifting the proportions of demand and offer and also the orders of magnitude.

As a consequence of the crisis the publishers are suffering significant revenue shortfalls and contrarily the commodity, manufacturing (printing) and distribution costs, their expenditures are not decreasing specifically. Their decisions in order to reduce costs is manifested in cutting wage costs, reduction in the number of posts, merger of editorial offices alongside with publishing media with the same content.

The way out of this situation can be seen in online media and the only problem is that the willingness to pay for (or subscribe to) digital content in Hungary is very unlikely.

There are two possible opportunities for the solution for the payment for digital content. One of them is reaching market agreement with internet service providers (contracts, mergers, acquisitions and package based subscriptions to news content) while the other is the legislative solution that may include sharing the revenues calculated by downloaded news content between the providers or the incorporation and offering of compulsory news packages in the subscription. In addition, the following major trends can be monitored on the domestic media market:

(1) The ageing of the society has an impact on the press market. Since the primary media consumer target group (45+) is going to substantially increase all over the world, this process will influence the press market in a positive way. At the same time, the generation of young people of today is already part of the „ digital society „ and it will facilitate and strengthen the decline of print media.
(2) The Hungarian population reads 3, 2 papers an average and it's decreasing.
(3) The presence of free daily papers (e.g. Metropol) gives a push to the segment since they increase the share of the advertising market still this cannot stop the continuous shrinkage of daily press market.
(4) Between 2005 and 2010 there has been a gradual decline in daily paper and magazine reading but we can notice a similar decline in almost all type of media. This effect had been amplified by the crisis. The most important source of information is still the television.
(5) Compared with the figures of 2007, a significant decrease can me observed as for average read papers concerned.
    - Men in general read fewer papers, women read more printed media.
    - In 3010 the 50-59 and the 60+ age group read more printed media than in 2008.

4. Primary Research Results

4.1. Expert Interviews

The opinion of the major experts on the Hungarian media market is that our media market is shifting towards the digital markets and the revenues from digital markets are increasing above average with rapid growth. The strengthening of the on-line media is characteristic both in the segment of news service and also that of the media revenues. The development of digital technologies and the free on-line services continuously increase the media market size and penetration.

There are market challengers of the print media that thrive to capture the attention of the consumers, also intend to satisfy the consumers' need for information, entertain them or appear as an alternative for spending leisure time of media consumers. The increased competition intensifies the challenges from the consumers' side: the requirements for more demanding, much faster and more reliable information, with the emergence of their financial constraints. The loser of the media market is the press market, this segment has been most affected by the crisis.

The respondents, however, did not foresee the future and perspectives of print media that bad since print media's being an integral part of their everyday life. Print is gradually shifting towards cheaper categories, while on-line towards pay-services. The interviewed consider that not masses but only certain layers of society can afford paying for on-line pay content. Being so, then the payment service users are to receive really valuable and original content.

The respondents had differing opinions on whether a stable consumer layer of on-line pay content users could be formed. However, it is understood that pay content should be personalized, be the content related to leisure, information, science or technology. All the respondents predict the decrease of daily newspapers (except for free daily newspapers, so called free-sheets) and also the same tendency for the periodicals, the magazine market. The average daily paper readers are getting older. The primary newspaper reading target group is 45+.

The advantages of print publishing for the consumers are the filtered and focusing by conception information in abundance. However, the on-line surface enables consumers an instant search for further information. The cyberspace is vast and unlimited and it can also be a disadvantage at the same time. Print media give the consumer the excitement of reading, the consumption of print media is more comfortable and for many people more transparent and clear than on-line media. Many respondents consider print media more trustworthy as well.

Media consumption is related to socio-demography, education, income, place of living, all these factors define media consumption. There is a wider and a more restricted social effect that influence also the attitude and the media with the content influence consumption as well.

4.2. The Results of the Qualitative Research of the Focus Group

The first stage of the research study process targeting consumers was a qualitative research, in the framework of which focus group interviews had been conducted. The fundamental goal of the focus groups was to ground the follow-up consumer quantitative research phase for the future and also to outline the topics of the standardised survey. In the focus group research semi-structured interviews have been applied, the major topics of which were the following:

- Media consumption habits
- Appreciation of on-line and print media
- Changes for future

4.2.1. Media Consumption Habits

During the course of focus group research the group members were asked to let us know what media they were using and were also asked about their media preferences in general. According to the results by age distribution there have been substantial differences between the various age groups observed.

The internet turned out overwhelmingly to be the winner as for the youngest respondent age group concerned and also among the 20-30-year-olds, accompanied by print media and television. The media consumption of the 40+ age group is more colourful: their focus and concentration on the internet is not as strong as that of the younger age group. The print media, radio and television were mentioned by more respondents in this age group when compared to the younger age group. At the same time the internet tops as for the majority of the older generation concerned..

The next question of our research concentrated on the respondents' reaction to our question how their media consumption habits would change, in a spontaneous way and how they could foresee it, in the forthcoming five years. For respondents under 30 years of age the usage of technical appliances was characteristic in a greater extent and also the expansion of them. The majority of the interviewed 40+ segment forecast the spread of the internet in their own future media consumption as well. According to the opinion of the interviewed group aged between 30 – 40 and also over 40, the media preference is very unlikely to change, unless there is a technical innovation or a new device or gadget that make the flow of information even faster than today.

4.2.2. The Appreciation of On-Line and Print Media

Many of the respondents aged 20 – 30 mentioned that apart from on-line reading they also favour browsing print media as well. While the latest news for them means watching them on-line, when it comes to longer news coverage with more serious content they prefer certain print products. Similar replies could be observed from the younger generation, this age group chose the print media not for obtaining information but for leisure and the excitement of reading as such. The consumption of print media in order to obtain information from was not particularly characteristic for the 40+ age group either. In their case the general opinion is that on longer journeys and in leisure time „ with a good print magazine man can relax and unwind."

The main reasons for obtaining information on-line also similar arguments have been manifested:

- Time
- More articles at one site, the opportunity to read comments, opinion
- More objective: this was characteristic for the older generation, this news source was looked upon as more independent from everyday politics and less manipulated source of information

4.2.3. The Appreciation of Print Media: Advantages Versus Disadvantages

After analysing the advantages and disadvantages of print media by age groups it can be concluded that the answers demonstrate some differences, overall the following advantages and disadvantages have been mentioned:

(1) Advantages:

- One can touch, paper
- Traditional
- More prestigious
- More credible and verified information
- Eye-friendly, offers more aesthetic sensation
- More transparent than the on-lone surface on monitor
- No need for personal computer or access to the internet, easy access. Print media can be read anywhere

(2) Disadvantages:

- Costly
- Environmentally unfriendly: more deforestation
- Slower flow of information
- Paper may tear to pieces, can get crumpled, content may become unreadable
- More difficult to archive content.

We asked the respondents if they had to pay for on-line information how would it change their current on-line habits in obtaining information. In this issue almost overwhelmingly consistent answers were given: if media consumers had to pay for on-line information they would rather opt for print media. There was a small number of respondents, mainly between 20 – 40 years of age, who would even under these circumstances prefer obtaining on-line information.

5. Acknowledgements

Based upon our primary and secondary research it can be concluded that despite the emergence and strengthening of digitalization certain consumers still insist on print media. The dual and parallel consumption of both media can be noticed as for the majority of readers concerned. According to the set of preferences related to certain information content media consumers are most interested in contents on culture, lifestyle, weather, economy and travel. In case media consumers had to pay for content, - similarly to the Slovak 'Piano' model - the involvement in pay media of all content had substantially decreased. Most subscribers would pay for content related to lifestyle, followed by economy and culture but more in a smaller proportion. It could also be concluded based on our research that the most open to on-line media is the segment of the population with secondary and higher education, urban, either lives in the capital or in Central Hungary.

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