

Impact of Covid-19 Pandemic on the Survival Ability of Private Media Houses during the Lockdown

Mercy I. Obichili[§], Ijeoma A. Ikwueze[↔] & Joel Asogwa^f

Abstract

The COVID-19 pandemic has disrupted activities in every industry. For the media sector, coronavirus creates both opportunities and challenges. The impact of the pandemic on the media industry was swift, hitting the advertising revenues that were keeping the already fragile organizations afloat. This study was designed to examine the impact of Covid-19 pandemic on survival ability of private media houses. This study adopted In-depth Interview research method to generate data from 10 staff of different media houses. The key objective of this study was to examine the ability of media houses with limited adverts to survive during the first wave of covid-19 pandemic. Findings showed that the selected media houses were at a loss as a result of limited adverts during the first wave of Covid-19. The study recommends that media houses should develop an economic strategy where they save or invest in other activities or sectors in order to avoid a total shutdown during a similar pandemic.

Keywords: Advertising, Media Survival, Media, Covid-19, Revenue

Introduction

Covid-19 hit the world with a global shock leading to global pandemic and unrest. It originated from, China and spread like wildfire to Europe and down to Nigeria. Drastically, the pandemic reduced the economic and financial stability of many organizations today, of which media houses are included. The pandemic caused media outlets to experience drop in revenue, as a result of drop in advertisement and sales.

The outbreak of Covid-19 pandemic had negative effect on trade and development of many organization today which as well, shaken their survival ability and growth. The pandemic led to a great lockdown of many businesses, organizations and trade both nationally and international.

Media is playing an important role in the COVID-19 response, even as it poses challenges to the industry. The industry faces key challenges in the future of advertising and attention.

The COVID-19 pandemic is disrupting every industry. For the media sector, coronavirus creates opportunities and more challenges. On one hand, social distancing adds to a spike in at-home media consumption, and growing numbers are turning to news providers for timely and trusted information on the crisis. At the same time, some of the most valuable broadcast content such as live sports were postponed or cancelled, leading to spending reallocations by advertisers and a subsequent drop in income for media companies.

Since the turn of the century, digitization of content, the rise of social media and acceleration in mobile consumption have all forced changes to the way media companies monetize contents.

To survive and keep running, media organizations must have an inventive way of getting steady revenue to fund their expenditures, or else the vision of running will die immediately after its establishment. This issue of revenue affects the private owned media

[§] Obichili, Mercy I. PhD, is a Lecturer in the Department of Mass Communication, Alex Ekwueme Federal University, Ndufu Alike, mercy.obichili@funai.edu.ng; +2347030988287

[↔] Ikwueze, Ijeoma A. is a Lecturer in the Department of Mass Communication, Enugu State University of Science and Technology

^f Asogwa, Joel is a Lecturer in the Department of Mass Communication, Enugu State University of Science and Technology

more. Since advertising is the major and main sources of revenue then it becomes a serious issue in media houses. Expectedly, business organization that do advertisement from time to time shut down temporarily or could not afford the resources for advertisement. And on the other hand, the media houses in the bid to perform their information/ Education functions to the society took down some program and replaced them with series of educational messages and information concerning Coronavirus.

Unarguably, media ownership in Nigeria determines the funding. But in the understanding of McQuail (2010,p. 191) media contents always reflect the interest of those who finance them. Advertising sector is inseparable from the economic model of the media. Limited advert in a media house therefore means little revenue, to take care of their expenses. Expenditures of media houses includes payments of staff salaries, procurement and servicing of equipment, media trainings for staff, payment of electricity bills, fueling the generator and many more. Media houses need to think of different means to survive aside from adverts.

Statement of Problem

The outbreak of covid-19 pandemic has impacted on business sector all over the world. Covid-19 pandemic has wreaked havoc on global development rarely seen in history. The impact of the pandemic and the lockdown on the media industry was swift, hitting the advertising revenues that were keeping the already fragile organizations afloat. Most media houses are yet to bounce back after the blow Covid-19 dealt on advertising and circulation revenues. The financial blow of the pandemic could see media ethics starting to slip.

Despite the huge impact of the pandemic, only few studies have been conducted on the impact of Covid-19 pandemic on the survival ability of private media houses. This study therefore seeks to examine the Impact of COVID-19 pandemic on survival ability of private media house.

Research Questions

- R1.** What are the sources of revenue of the private media houses in aside from advert?
- R2.** What is the Survival ability of the private media houses during the Pandemic?
- R3.** What impact does the Covid-19 pandemic has on the sources of income of the private media houses?

Conceptual Review

Media is the communication outlets or tools used to store and deliver information or data. The term refers to components of the mass media communications industry, such as print media, publishing, the news media, photography, cinema, broadcasting (radio and television), digital media, and advertising. The Term media in its modern application relating to communication channels was first used by Canadian communications theorist Marshall McLuhan, who stated in *Counterblast* (1954): "The media are not toys; they should not be in the hands of Mother Goose and Peter Pan executives. They can be entrusted only to new artists because they are art forms." By the mid-1960s, the term had spread to general use in North America and the United Kingdom. The mass media are channels of mass communication to a large often heterogeneous audience. A mass medium is basically characterized by the fact that it reaches many people at the same time and it uses a technological device located between the source and the receiver. The mass media exist in two broad categories, print and electronic media. The print media include newspapers, magazines, and books while the electronic media include radio, television, films and recording devices.

The coronavirus (Covid-19) outbreak is causing widespread concern and economic hardship for consumers, businesses and communities across the globe. Covid-19 pandemic

has wreaked havoc on global development rarely seen in history. Industries were under immense strain and media houses were not exempted. The Life of media houses became tough during the first wave of Covid-19 and have gotten tougher due to the pandemic. Many independent and government owned media outlets are struggling to survive the financial fallout of the coronavirus pandemic .Worldwide, media business models are collapsing with the new economic downturn, and attacks on media freedom have increased sharply. But if there is one ray of hope in the tragedy of this pandemic, it could be that Covid-19 is re-awakening people to the vital role that independent media plays in their societies and their struggle for Survival.

The impact of the pandemic and the lockdown on the media industry was swift, hitting the advertising revenues that were keeping already fragile organizations afloat. The impact of the Covid-19 pandemic on the business of press and media has been devastating. The imposition of lockdowns in many parts of the world and African countries harmed the media business in several aspects. The loss of advertisement revenue brought several industry players to drastic decisions such as reducing personnel or staff layoffs, cutting off and sometimes simply suspending broadcast operations (due to low circulation, hence low sales), downsizing operations, etc. This aligns with the study conducted by Olufunmilayo (2020) on Impact of COVID-19 on Nigerian Newsrooms where the Chairman of Nigerian Union of Journalist (NUJ) of Lagos stated that, “the media being a service industry is badly affected by the pandemic, and this organizations have resorted to salary cut for employees as low as 20-40% of their initial salaries before the pandemic and sending staff on compulsory leave.

The impact of this global pandemic on the media industry is being felt acutely. Restricted by loss of advertising revenue and low sales, newsrooms across the country had to probably engage in staff layoffs, suspended or cancelled programs and downsizing expenses. The traditional business model for media houses supported by advertising and circulation, has imploded. Due to Covid-19, revenue from these two sources and others declined rapidly over that past year. Advertising apart from the function of airing and marketing also generates revenue for the media organization

PengZou, Di Huo and Meng Li (2020) research on the impact of the Covid-19 on firms which finds that during the pandemic, firms faced various pressures like employees' salaries, loan repayment, and loss of orders and rent payments. This study's findings further shows that most firms' barely maintained production because of the impact Covid-19 had on them. This survey in Guangdong Province, China, further shows that firms in Guangdong Province faced great challenges during the pandemic. Their production and operation activities were limited, and they were faced with significant risks. It is necessary to implement policies that would profoundly lower production costs for firms, help them survive the difficult period, and gradually return to normal business. The findings further revealed through the survey that out of 524 firms, 48.7% of firms maintained stability, and 35.1% experienced a halt in operation or faced closure. Nearly 70–90% already exploit online commerce, and also remote office work, and digital operations, 46% believe that they will certainly incur losses for 2020, and 83.5% expect the city's GDP to decrease.

W. Arens, M. Weigold& C. Arens (2008) define advertising as 'a structured and composed non-personal communication of information, usually paid for and usually persuasive in nature, about products (goods, services and ideas by identified sponsors through various media'. The advertising practitioner council of Nigerian (APCON) Defined Advertising as a communication in the media pared for by am identified sponsor and direct at a target audience with the aim of impacted information about a product, services, idea or curse.

The pandemic has added fuel to the fire, unless radio stations take swift and decisive measures, the survival ability of such stations will be at a minimal. For so long now, radio

stations have been the lifeblood of democracy they have pushed for strong and credible journalism, developing a public good that is now under threat.

Theoretical Framework

This theory is anchored on Survival Based theory.

Survival Based Theory

Survival based theory was advanced by Herbert Spencer. He maintain that organization have to constantly adapt to changes in environment so that they can survive. According the Herbert, its only natural for an organization that changes with environment. This theory further reiterate that an organization cannot focus on one strategy, they have to select a set of strategies that lead to efficiency and by nature the best strategy is the one that adapt to the current environment (Lynch 2000).

Therefore, this theory connotes that if an organization does not adapt to the environment which is ever changing it basically will not survive. The Media Organization should not only depend on one main source of generating funds as strategy to survive because it can fail, and also when this revenue is generated they must manage their resources well.

This theory can be used to analyze media survival strategies. Media houses are faced with different changes in its environment such as low rate of generating revenue, increase in cost of reportage due to the pandemic, and increase in competition for survival. So, if such media house do not adapt to changes and sought for survival strategies, such media house will collapse.

Methodology

Method selected to be used in this study was In-depth interview. In-depth interview is used in generating qualitative data. It is a qualitative research method that involves conducting intensive individual interviews with a small number of respondents to explore their perspective on a specific idea or situation. It also enables the interviewer set semi-structured questions that may change during the interview process.

Here, questions would be asked directly from the staff who oversee the day to day running of the media for in-depth knowledge of how they get revenue and how the Covid-19 pandemic affected them. The need being is to get a well detailed information of the survival means of private media houses. The population of this study is 10 staffs from different private media house. This is adequate for this study because it represent different media houses. The researchers applied also, random sampling techniques, randomly selecting qualified respondents for the interview, from different private media house to answer questions from the research objectives above.

Data Presentation, Analysis and Discussion of Findings

The respondents agreed that advert, program sponsorship and paid announcement is the sources of revenue for media houses. And during the covid-19 pandemic, station was denied means of surviving through this. The researchers found that due to the pandemic, private media houses faced setbacks and difficulties in paying staffs salaries, funding of reporters on assignments, paying of rents, providing network services, funding media trainings for staffs, payment of electricity bills, procurement and servicing of equipment, and coping with paying NBC fines as the case may be. This findings agree with PengZou, Di Huo and Meng Li (2020) research on the impact of the Covid-19 on firms which finds that during the pandemic, firms faced various pressures like employees' salaries, loan repayment, and loss of orders and rent payments. This study's findings further shows that most firms' barely maintained production because of the impact Covid-19 had on them.

Advert and program sponsorship fees came in quarterly, or yearly, so most of this funds have been received before the covid-19 outbreak, on that, some were able to sustain themselves through and survive the hardship. According to one of interviewee Mr. Kelvin's statement, shows that Covid-19 pandemic affect private broadcast station to the extent that some of them employ strategies for surviving like; cutting down the power of their transmission, temporarily retrenching of their staffs pending when finances improved, cutting down the number of assignment they send their reporter/ correspondents to cover, reducing staff's salaries instead of sacking or retrenching, beg employees to endure for them to pay later, borrow loans from bank, seek and gets intervention funds either from government or corporate organization and lastly most switched to online publication and broadcasting, the more people click, the more money they get. This aligns with the statement of the Chairman of Nigeria Union of Journalist (NUJ) of Lagos with stated that, "the media being a service industry is badly affected by the pandemic, and this organizations have resorted to salary cut for employees as low as 20-49% of their initial salaries before the pandemic and sending staff on compulsory leave.

They also survive through new placed advert even though it was at a low rate. Companies producing hand sanitizer, nose mask, and other preventive or testing kits product placed advert in some media houses and this was able to stand as a source of revenue for them. Due to some companies dropping from business the rate at which advertisement comes in reduced drastically. However, at the peak of the pandemic, the study finds out that estimate of 60%, advert rate dropped and start rising back after the lockdown. Even at the midst of all the financial crisis the private owned media houses are facing, NBC still placed fines on the ones that violated the code of ethics laid down by them. Meanwhile posing more threats to their survival.

However, media houses, are silently still struggling with the impact the pandemic had on them till now. Because some media firm has not balance up the salaries, they are owing their staffs, more so, due to the fact that some of them limit the extent at which they send their reporters out for report gathering to cut down expense, their bulletin changed from the rich contents they do have before. This make them to lose some of their audience and potential supporters or advertisers. This study is in line theoretical framework upon which the study rest; that is the survival based theory, that contends that private media houses should not only depend on one strategy to survive during a crisis on in an ever changing environment.

Conclusion and Recommendations

The major objective of this research was to access the impact of Covid-19 on the survival of the private media houses. Three research questions guided the study. Based on the findings of the study and existing body of knowledge in this area, the researchers conclude that this study hereby affirms that the Covid-19 pandemic has a negative impact on the survival of private owned media houses. Media houses survives on advert revenue of which the pandemic has denied them of and by so doing, they need to imply other strategies that will enable them to thrive during a similar pandemic.

The researchers, therefore, recommend that:

1. Media houses should look for ways to seek for public support like grants, donations from civil society or international organization (Direct fund raising from audience) interested in media development because relying on their revenue from advertisement, paid announcement and program sponsorship is not enough since the country is not immune of any pandemic for now.
2. The study further recommends that media houses should develop an economic strategy where they save or invest in other activities or sectors in order to avoid a total shutdown during a similar pandemic.

3. The private media stations should improve their online presence so as to get more revenue from their audiences online.
4. Private media station should also have crisis management team that will establish a plan which will help the stations handle financial issues during similar pandemic.

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