

THE STATE OF INNOVATION AND MEDIA VIABILITY IN EAST AFRICA

FROM INDEPTH MEDIA HOUSE SURVEYS



© Aga Khan University, Graduate School of Media and Communications

Hesbon Hansen Owilla, Rose Kimani, Ann Hollifield, Julia Wegner, Dennis Reineck
and Roland Schürhoff

In the context of:

The Media Futures EA Project

Implemented through:

Aga Khan University's Graduate School of Media and Communication
DW Akademie

Supported by:

Kreditanstalt für Wiederaufbau (KfW)
Bundesministerium für wirtschaftliche Zusammenarbeit & Entwicklung (BMZ)

Survey by Infinite Insight

Table of Contents

| | |
|---|-----------|
| EXECUTIVE SUMMARY | 7 |
| INTRODUCTION | 10 |
| Why the Innovation and Media Viability Research | 10 |
| Background to the Study | 10 |
| Data Collection and Response Rate | 11 |
| NEWS MEDIA ORGANISATIONS' AGE, OWNERSHIP AND GENERAL BUSINESS MODEL | 13 |
| Age of NMOs in East Africa | 14 |
| NMOs Ownership Models in East Africa | 15 |
| NMOs Ownership Models in Each Country at the Sector Level | 15 |
| East African NMOs' Business Models | 16 |
| Estimated Likelihood of Survival as News Producers for Different Business Models | 19 |
| NMOs' FINANCIAL TRENDS, SITUATION AND REVENUE SOURCES | 20 |
| East African NMOs' Financial Trends from 2018 to 2019 | 20 |
| NMOs' Financial Trends in Each Country between 2018 and 2019 | 21 |
| East African NMOs' Financial Trends and the Likelihood of Survival | 23 |
| East African NMOs' Financial Results in 2019 | 23 |
| NMOs' Financial Results in Each Country in 2019 | 24 |
| East African NMOs' Financial Results and the Likelihood of Survival as News Producers | 24 |
| East African NMOs' Revenue Sources | 25 |
| The Most Used Revenue Sources by Print NMOs | 25 |
| The Most Used Revenue Sources by TV NMOs | 25 |
| The Most Used Revenue Sources by Radio NMOs | 26 |
| The Most Used Revenue Sources by Digital NMOs | 27 |
| EAST AFRICAN NEWS MEDIA ORGANISATIONS' INVESTMENTS IN NEWSROOMS | 28 |
| Percentage of Budget Devoted to Newsrooms | 28 |
| Change in Newsroom Budget Share Between 2018 and 2019 | 28 |
| Changes in Newsroom Resources | 29 |
| Stories Journalists Produce in Each News Cycle | 30 |
| Journalists' Access to the Equipment and Technology they need | 31 |
| Journalists' Access to Training | 31 |
| NEWS MEDIA ORGANISATIONS' TARGET MARKETS, LANGUAGE AND TYPES OF CONTENT PRODUCED | 33 |
| NMOs' Target Market | 34 |
| NMOs' Language of News Content Production | 35 |
| Print, Radio, and TV NMOs Content Diversification across East Africa | 36 |
| Kenya: Print, Radio and TV NMOs Content Diversification | 37 |
| Uganda: Print, Radio and TV NMOs Content Diversification | 38 |
| Tanzania: Print, Radio and TV NMOs Content Diversification | 38 |
| Video content production and distribution | 39 |

| | |
|--|-----------|
| NMOS' INNOVATION CULTURES AS ASSESSED BY THEIR STAFF, THE RELATIONSHIP BETWEEN INNOVATION CULTURE AND ORGANIZATIONAL PERFORMANCE IN OTHER AREAS | 40 |
| Innovation Culture in East African NMOs | 41 |
| NMOs Innovation Culture in Kenya | 41 |
| NMOs Innovation Culture in Uganda | 41 |
| NMOs Innovation Culture in Tanzania | 42 |
| Innovation and Journalism Quality in East Africa | 42 |
| East African NMOs Innovation Culture and Likelihood of Survival | 43 |
| QUALITY OF JOURNALISM CONTENT THE NMOs PRODUCE, AND THE FACTORS INFLUENCING THAT QUALITY | 44 |
| NMOs in East Africa and Quality of Journalism | 45 |
| Financial Trends/Results in 2019 and Good Journalism Practices | 46 |
| Financial Trends/Results in 2019 and Journalist Pay | 47 |
| Financial Trends/Results in 2019 and Editorial Independence | 47 |
| Journalists Arrested or Physically Attacked as a Result of Journalistic Work | 47 |
| Verbal Attacks on Journalists | 48 |
| Published Stories Because of Business Pressure | 49 |
| Stories Not Published Because of Business Pressure | 50 |
| Stories Published Because of Political Pressure | 50 |
| Stories Not Published Because of Political Pressure | 51 |
| THE IMPACT OF COVID-19 ON NMOs IN EAST AFRICA | 52 |
| COVID-19 and Financial Revenues of Legacy Media platforms | 52 |
| COVID-19 and Financial Revenues of Digital Native and Multimedia Platforms | 53 |
| Overall Financial Impact of COVID-19 Pandemic on Revenues in 2020 and NMOs' Estimated Likelihood of Survival | 54 |
| COVID-19 and NMOs' Revenue Sources | 54 |
| COVID-19 and Trends in Demand for Advertising | 55 |
| COVID-19 and Audience Trends During the Pandemic | 55 |
| Audience Trends During the COVID-19 Pandemic in Kenya | 56 |
| Audience Trends During the COVID-19 Pandemic in Uganda | 56 |
| Audience Trends During the COVID-19 Pandemic in Tanzania | 57 |
| NMOS' ORGANISATIONAL CAPACITIES | 58 |
| Print NMOs' Organisational Capacities | 58 |
| TV NMOs' Organisational Capacities | 60 |
| Radio NMOs Organisational Capacities | 61 |
| Reflection on Staff Diversity as an Organisational Capacity | 63 |
| CONCLUSION | 64 |
| REFERENCES | 66 |
| APPENDIX | 70 |
| Appendix one: Measures of Innovation | 70 |

List of Figures

| | |
|---|----|
| Figure 1: Response Rate according to Industry Sector' | 12 |
| Figure 2: Age of Media NMOs | 14 |
| Figure 3: Age of NMOs by Sector Across the Three Countries | 14 |
| Figure 4: Ownership Models of NMOs Across the Three Countries | 15 |
| Figure 5: Kenyan NMOs' Ownership Models | 15 |
| Figure 6: Ugandan NMOs' Ownership Models | 16 |
| Figure 7: Tanzanian NMOs' Ownership Models | 16 |
| Figure 8: Business Models of NMOs in East Africa | 17 |
| Figure 9: Business Models of NMOs in Kenya | 17 |
| Figure 10: Business Models of NMOs in Uganda | 18 |
| Figure 11: Business Models NMOs in Tanzania | 18 |
| Figure 12: Financial Trends of NMOs in East Africa Across all Sectors | 21 |
| Figure 13: Financial Trends of Kenyan NMOs | 21 |
| Figure 14: Financial Trends of Ugandan NMOs | 22 |
| Figure 15: Financial Trends of Tanzanian NMOs | 22 |
| Figure 16: Financial Results of NMOs Across East Africa in 2019 | 23 |
| Figure 17: Kenyan News Media Organisations' Target Market | 34 |
| Figure 18: Ugandan News Media Organisations' Target Market | 34 |
| Figure 19: Tanzanian News Media Organisations' Target Market | 35 |
| Figure 20: The Primary Language of News Production by Kenyan NMOs | 35 |
| Figure 21: The Primary Language of News Production by Ugandan NMOs | 36 |
| Figure 22: The Primary Language of News Production by Tanzanian NMOs | 36 |
| Figure 23: Content Diversification by Print, Radio, and TV NMOs Across East Africa | 37 |
| Figure 24: Content Diversification by Print, Radio, and TV NMOs in Kenya | 38 |
| Figure 25: Content Diversification by Print, Radio, and TV NMOs in Uganda | 38 |
| Figure 26: Content Diversification by Print, Radio, and TV NMOs in Tanzania | 39 |
| Figure 27: Innovation Culture of NMOs in Kenya | 41 |
| Figure 28: Innovation Culture of NMOs in Uganda | 42 |
| Figure 29: Innovation Culture of NMOs in Tanzania | 42 |
| Figure 30: Arrest and Physical Attack of Journalists as a Result of Journalistic Work | 47 |
| Figure 31: Journalists Verbally Attacked as a Result of Journalistic Work | 49 |
| Figure 32: NMO Published Stories because of Business Pressure | 50 |
| Figure 33: NMO Did Not Publish Stories Because of Business Pressure | 50 |
| Figure 34: Published Stories Because of Political Pressure | 51 |
| Figure 35: Stories Not Published Because of Political Pressure | 51 |
| Figure 36: Legacy Media and Financial Revenues During the COVID-19 Pandemic | 53 |
| Figure 37: Digital Native and Multimedia NMOs and Financial Revenues During the COVID-19 Pandemic | 53 |
| Figure 38: Decrease in Demand for Advertising and COVID-19 | 55 |
| Figure 39: Audience Trends in Kenya at the Peak of COVID-19 Pandemic | 56 |
| Figure 40: Audience Trends in Uganda and the Peak of COVID-19 Pandemic | 56 |
| Figure 41: Audience Trends in Tanzania and the Peak of COVID-19 Pandemic | 57 |

List of Tables

| | |
|---|----|
| Table 1: Aggregated Response Rate _____ | 12 |
| Table 2: Estimated Likelihood of Survival as News Producers, by Business Model _____ | 19 |
| Table 3: East African NMOs Financial Trend and the Likelihood of Survival as News Producers _____ | 23 |
| Table 4: NMOs' Financial Situation in Each Country in 2019 _____ | 24 |
| Table 5: East African NMOs Financial Situation and Likelihood of Survival as News Producers _____ | 24 |
| Table 6: Print NMOs' Revenue Sources _____ | 25 |
| Table 7: Most Used Revenue Sources by TV NMOs _____ | 26 |
| Table 8: Most Used Revenue Sources by Radio NMOs _____ | 26 |
| Table 9: Most Used Revenue Sources by Digital NMOs _____ | 27 |
| Table 10: Budget Devoted to Newsroom _____ | 28 |
| Table 11: Change in Newsroom Budget Share between 2018 and 2019 _____ | 29 |
| Table 12: Changes in Newsroom Resources _____ | 29 |
| Table 13: The Number of Stories Journalists Produce in Each News Cycle _____ | 30 |
| Table 14: Journalists' Access to the Equipment and Technology they Need _____ | 31 |
| Table 15: Journalists Access to Training _____ | 32 |
| Table 16: East African NMOs Innovation Culture and Likelihood of Survival _____ | 43 |
| Table 17: Journalism Quality in East African NMOs _____ | 45 |
| Table 18: Financial Impact of COVID-19 on Revenues and Likelihood of NMOs' Survival _____ | 54 |
| Table 19: Print NMOs Top Three Ranked Organisational Capacities by Calculated Mean (1-5) _____ | 59 |
| Table 20: Print NMOs Lowest Ranked Organisational Capacities by Calculated Mean (1-5) _____ | 60 |
| Table 21: TV NMOs Top Three Ranked Organisational Capacities by Calculated Mean (1-5) _____ | 60 |
| Table 22: TV NMOs Weakest Ranked Organisational Capacities by Calculated Mean (1-5) _____ | 61 |
| Table 23: Radio NMOs Top Three Ranked Organisational Capacities by Calculated Mean (1-5) _____ | 62 |
| Table 24: Radio NMOs Bottom Three Ranked Organisational Capacities by Calculated Mean (1-5) _____ | 62 |

EXECUTIVE SUMMARY

Media houses globally are grappling with how best to produce quality content and remain financially viable in the wake of shrinking revenues, technological disruptions, the emergence of peripheral content creators, competition for advertisement revenues from big tech platforms, the COVID-19 pandemic and a myriad of other changes in the media ecosystem. Despite these challenges, **it is in the interest of the public that news media organisations produce quality content and do so in a financially sustainable fashion.** Media viability, that is, producing quality journalism in a financially sustainable way, is therefore a growing area of focus.

To this end, the Media Futures East Africa Project, jointly implemented by the Aga Khan University's Graduate School of Media and Communications and DW Akademie, set out to investigate the state of innovation and media viability in Kenya, Uganda and Tanzania. The research was conducted in two phases. The first phase studied the ecosystem - the political, economic, social, technological and community environment - that East African news media organisations operate in at the national level, and reports can be found on the [project website](#). The second phase of the research set out to examine factors at the organisational level that impact media viability and specifically analysed eight major variables which include: newsroom structure and resources, media ownership and business models, organisational capacity, innovation culture, journalism culture, financial trends and results, content quality and COVID-19. The data was gathered via an in-depth survey of media managers and journalists from **a total of 437 media houses in Kenya, Uganda and Tanzania from 2020 to 2021.** This report presents the results of that second research phase.

Generally, the findings on age of the media indicate that the East African media sector is considerably young. Save for the print NMOs that are predominantly 11 years and older, about 60% of TV, radio, digital and multimedia platforms have existed for 10 years or less. Young age of media firms may be a disadvantage in terms of lack of experience and high startup failure rate, but studies have also shown that **young media organisations experiment more with new areas and explore possible new business models without the added hurdle of undoing systems entrenched for decades.**

A significant percentage of news media organisations (60%) in the region are independently owned, especially in Uganda and Tanzania. Independent, rather than group ownership, may perhaps suggest a higher financial vulnerability to pressures impacting editorial independence, but then ownership that is predominantly characterised by group/concentrated ownership or part of a conglomerate gives the illusion of media pluralism even when editorial diversity is nonexistent. Therefore, independent ownership presents the opportunity for media pluralism and diversity of sources of information in a society and pathways to editorial independence without additional organisational hoops.

The financial trends in the pre-COVID-19 period indicate that TV and radio news media organisations in East Africa were improving in financial strength going into the pandemic, with over 70% reporting that their financial performance in 2019 either remained the same or was stronger than in 2018. Of all the media sectors, print NMOs had the weakest performance in 2019 compared to 2018. This is in keeping with the trend in the rest of the world, where, because audiences are moving to consume more audiovisual material, **there is a shift away from print** which also has to contend with emergent content producers on the digital platform who are eating into the advertising dollar cake.

Commercial advertising was found to be the top source of revenue used by the majority of the NMOs in East Africa across the sectors, while government funding was only used by a mere 6% of the NMOs. However, of the 12 revenue sources used by the East African NMOs surveyed, the study found that it is only **subscription revenue and government funding that are linked to financial stability**. Still on finances, for the 2018/2019 period, over half of the NMOs in the region (55%) indicated that their newsroom resources remained the same. On the other hand, over half of the organisations reported that the number of stories journalists were expected to produce per news cycle had increased. Suggested herein is the fact that NMOs stretched the available resources in order to keep the organisations afloat. Nevertheless, the study noted that stronger financial trends were positively related to the increased number of expected stories per news cycle. However, the direction of influence is not clear. This is worth exploring further.

The study established that slightly less than 50% of NMOs had their journalists provided with access to the equipment and technology they need, and access to training to stay current with journalistic techniques. The other half of NMOs disagreed or was non-committal about having sufficient access to these two newsroom resources. Yet, these two variables were found to be positively related to financial performance, much as the direction of influence was not assessed. This suggests that for at least half of the NMOs in East Africa there is still **a gap in access to equipment and technology**, on the one hand, **and training to stay current with changing journalism techniques**, on the other hand.

As regards target markets, about half of the news media organisations in the three countries target the regional (in-country) market, that is, provinces, districts and counties. This is important to note, because it suggests that one diversification strategy that these media houses could explore further is the use of the local languages spoken in those regions, as well as providing news that is specific to the regions served. Indeed, the study found that the **NMOs in all the three countries use a variety of languages** in for their news content, apart from English and Kiswahili.

Generally, news media organisations in the region rate themselves highly – at over 60% - as far as innovation is concerned. Furthermore, media houses that rated themselves as very innovative/creative also rated themselves highly in terms of likelihood of survival as news producers. This is positive when it comes to media viability, because **viability is not only about surviving as a media house, but about surviving as a news producer**.

Journalism quality – boiled down to editorial independence, sufficient and regular payment for newsroom staff, and good journalistic practice (e.g. factchecking) – was analysed against the NMOs financial trends. All three aspects were positively related to

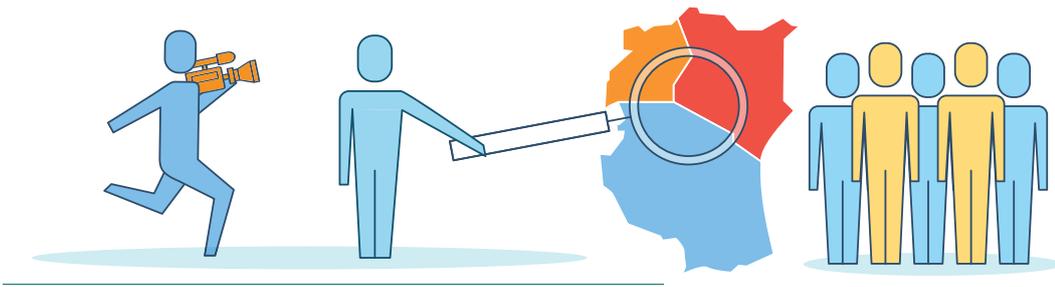
better financial performance over time, although the direction of relationship could not be not ascertained through the statistical techniques used. Nevertheless, **this positive relationship does imply that it is worth it to invest in journalism quality** in the long run and, specifically, in enhancing editorial independence, pay for newsroom staff and good journalistic practice.

In the region, pressures on news media organisations are still present. In each country, the news media organisations agreed that in 2019, at least once, their journalists had been arrested or physically attacked as a result of journalistic work, as well as verbally attacked. The organisations also agreed that **they had been compelled to publish or kill stories at least once in the same period due to business or political pressure**. Ugandan NMOs recorded the highest number of such incidents, while Tanzania reported the lowest. From these reports, it is clear that efforts to enhance journalist safety are still needed, as are efforts to strengthen editorial independence.

The impact of COVID-19 on East African NMOs was also examined in the study. Across the region, the pandemic had a negative impact on financial revenues. Additionally, there was a decrease in demand for advertising. This situation highlights the need for media houses to diversify from commercial advertising as their main source of revenue. The study found that some types of revenue sources provided a better buffer than others against the negative financial effects of the pandemic. Specifically, subscription revenue and direct government funding were related to better revenue performance during the COVID-19 pandemic, and government advertising was related to less of a decrease in revenue. This makes the case for exploring not only audience subscriptions as a revenue model, but also the possibility of structured government support to news media organisations. Understandably, the latter would have to come with **checks and balances to ensure that such finances do not compromise editorial independence**.

On a positive note, **the pandemic had a positive impact on audience numbers**. A majority of media organizations across the region reported increased audience numbers – likely as a reflection of the increased need for information during crises. Much as the pandemic is progressively more manageable, the audiences that plugged in to media houses are a potential area that East African NMOs can maximize on for their viability, through for example, researching on these audiences and providing relevant content to keep them.

As regards organizational capacities, media organisations across the board rated themselves highly in the aspect of having diverse staff from different backgrounds including women and marginalised groups – despite the well documented gender disparities in the newsroom by numerous other studies. One may surmise that if the ‘obvious’ category (gender) is clearly still skewed, it is likely that other minorities are also underrepresented in newsrooms. This suggests that there is a blind spot as far as diversity is concerned, and more efforts are needed to ensure a more balanced picture in the newsroom in all aspects. When it comes to lower-rated organizational capacities, different sectors across the three countries presented a mixed picture. For radio, however, across the three countries, audience research is an area that was ranked as needing strengthening. Given the popularity of radio across the region, **audience research skills for radio are an area that media development organisations could focus efforts on** and possibly see a tangible impact.



INTRODUCTION

Why the Innovation and Media Viability Research

Media viability – producing quality journalism in a sustainable way – is a growing issue of concern. All over the world media houses are faced with the challenge of devising strategies to make sure they survive and thrive in the face of a rapidly changing ecosystem. Issues of concern that require **innovative approaches include finding stable sources of revenue that provide resources to support excellent journalism; fragmented audiences; evolving technology; and the need to create excellent content across multiple platforms** that incorporates the voices of not just top journalists but also influencers and citizens. All these demands are occurring in the context of rising competition from tech platforms, increasingly precarious political and economic contexts, and the growing threat of major market disruptions caused by climate change, social and political upheavals and pandemics - like Covid-19. These factors have intensified the pressure on media houses and media managers and necessitate that news organisations around the world find new ways of working.

It is in this context that Aga Khan University Graduate School of Media and Communications (AKU-GSMC) and DW Akademie undertook to study Innovation and Media Viability among news media houses in East Africa. The study examined the status of East African News Media Organisations' (NMO) viability, and factors that might be related to their strengths and struggles. This report presents the results of the research.

Background to the Study

The project drew upon research from around the world on management, media management, media viability, and organisational innovation. The review of previous research was used to identify the specific areas of management and operations the media viability study needed to examine, and to shape the questions that were asked.

The Innovation and Media Viability in East Africa research was conducted in two parts. Phase I was an in-depth analysis of the political, economic, social, technological, and journalistic ecosystems in which news media organisations in Kenya, Tanzania and Uganda are embedded. It used DW Akademie's Media Viability Indicators to guide data collection. The final reports from Phase I can be found on the [project website](#).

This report presents the overall findings of Phase II of the project, which was an in-depth survey of NMOs across Kenya, Tanzania and Uganda. Survey respondents were the senior executives managing the individual news media organisation and journalists working in the organisations. The report presents a snapshot of the following topics in

“ *All over the world media houses are faced with the challenge of devising strategies to make sure they survive and thrive in the face of a rapidly changing ecosystem.* ”

East Africa's news media, with most results broken down by country and media industry sector.

- News media organisations' age, ownership and general business model
- News media finance and likely sustainability, including organisations' financial condition in 2019 and the trends in their finances going into 2020; the number and type of sources they use for revenue and their level of dependence on different sources; their staffs' perception of their sustainability as news producers over the next five years
- News organisations' target markets in terms of geography, language and types of content produced
- News organisations' internal innovation cultures as assessed by their staff, the relationship between innovation culture and organisational performance in other areas
- News organisations' organisational capacities in management, revenue generation, technology, research, and content creation, as assessed by managers and journalists
- Managers' and journalists' assessment of the quality of journalism content the news organisations produce, and the factors influencing that quality
- The degree to which East African journalists and news organisations are affected by attempts at intimidation or interference in journalistic independence
- The impact of the Covid-19 pandemic on the finances and practices of East African news organisations.

Data Collection and Response Rate

The data collection took place at the height of the COVID-19 pandemic, in 2020 and 2021. Media managers and journalists provided data by responding to an online survey, which they received via a link shared through email and WhatsApp. They provided these responses over a period of six months per country.

The study targeted news media organisations (NMOs) in East Africa. International media organisations with offices in East Africa, such as the BBC and CNN, were excluded from the study. From a population of 683 East African media organisations that were producing in-house news at least once a week at the time, 437 had at least a journalist or a media manager participate. This gave a response rate of 64% across the region of all the NMOs at the time of data collection. In Kenya, the study got at least one response from 78% of the 167 news media organisations that were in operation in the country at the time of data collection. In Tanzania, the figure is 77% from 221 NMOs and in Uganda¹, it is 46% from 295 NMOs that were in operation and producing news at the time.

Across all three East African countries' NMOs that were in operation at the time of data collection, 273 media managers responded, for a response rate of 40%. That is, 40% of managers from all the identified media houses in East Africa participated in the study. In Kenya, the response rate from managers was 45%, in Uganda it was 29% while in Tanzania, the figure was 52%.

¹ *Uganda has a fairly high number of NMOs, but the response rate in Uganda was considerably lower than Kenya and Tanzania, because Uganda had very strict COVID-19 control measures coupled with internet disruptions in the 2021 election period, which made it difficult to access most of the media houses.*

In total, 814 journalists responded from 342 NMOs in East Africa. In other words, 50% of NMOs in East Africa that were in operation at the time of data collection had at least one journalist respond. In Kenya 291 journalists responded from 110 NMOs, which represents journalists from 66% of the NMOs that were in operation at the time of data collection. In Tanzania the number of journalists is 321 from 132 NMOs, or journalists from 60% of NMOs, while in Uganda the number of journalists is 202 from 100 NMOs, which represents journalists from 34% of NMOs in Uganda at the time of data collection.

The analysis was done at the news media organisation level. The responses from all the journalists and media managers from each participating news organisation were aggregated into a mean organisational score for that organisation on each question. That mean was used in the analyses. Aggregating all responses from each organisation resulted in data from 437 NMOs in total.

| | Frequency | Percent |
|----------|-----------|---------|
| Kenya | 131 | 30% |
| Uganda | 136 | 31% |
| Tanzania | 170 | 39% |
| Total | 437 | 100% |

Table 1: Aggregated Response Rate

The data per sector and country are presented below. However, two NMOs did not indicate their media sector, therefore, out of the 437 NMOs only 435 are represented below. Radio made up the largest group of responding news media organisations, reflecting the popularity of radio across the region. It was followed by TV – whose numbers across the region have grown since the migration to terrestrial digital broadcasting from analogue broadcasting in 2015. Digital outlets were the next largest group, before both print and multimedia organisations respectively.

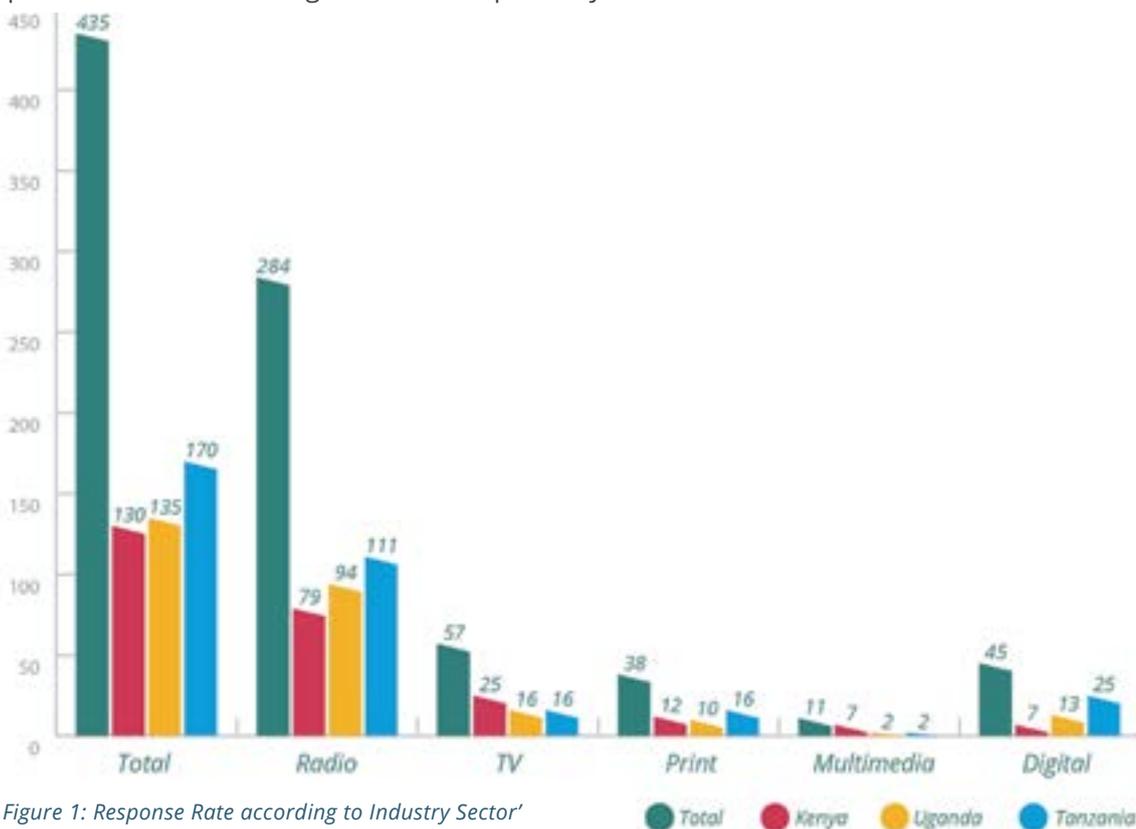
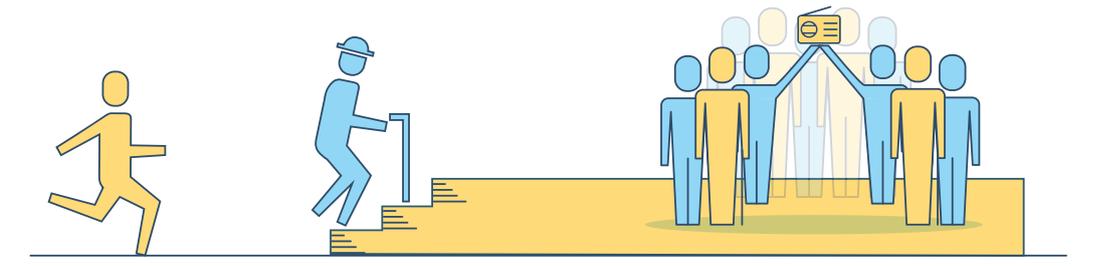


Figure 1: Response Rate according to Industry Sector



NEWS MEDIA ORGANISATIONS' AGE, OWNERSHIP AND GENERAL BUSINESS MODEL

Extensive research in organisational management has found that organisational age and ownership structures influence firm performance and sustainability. **Long-term organisational research in the United States has established that only about 35% of all business start-ups survive more than 10 yearsⁱ**, so any industry with a high percentage of start-ups and young firms would be expected to have a high failure rate among individual companies. Organisational age also has been found to be related to a firm's resilience during major market disruptions such as pandemics and natural disasters, with middle-aged firms tending to be more resilient than either very young or older organisations.ⁱⁱ

Ownership structures and/or business models also play a role in firm performance and resilience. In media ecosystems such as in East Africa, where many media houses are owned and at least partly subsidised by government, communities, or religious institutions, it is nearly impossible to fully disentangle media ownership structures from business models.

Research shows the relationships between company ownership and company performance are complex, but a number of studies have found that government-owned firms tend to underperform privately held firms, but that privately owned media firms can be difficult to sustain when forced to compete directly against government subsidised media.ⁱⁱⁱ Community owned media in Nigeria were found to suffer from the unreliability of donors as a primary revenue source.^{iv}

Ownership by a larger company with resources beyond just what the independent media house generates can improve sustainability, if the parent corporation is committed to more than just profit-taking. Research also shows that firms with more resources also tend to be more resilient during market disruptions than firms with less resource slack.^v

“

...a number of studies have found that government-owned firms tend to underperform privately held firms, but that privately owned media firms can be difficult to sustain when forced to compete directly against government subsidised media

Age of NMOs in East Africa

Print NMOs are by far the most established in East Africa with 96% of print NMOs aged 11 or more years. This is followed by multimedia, radio, and TV. Digital NMOs are the youngest, with only 8% having existed for 11 or more years.

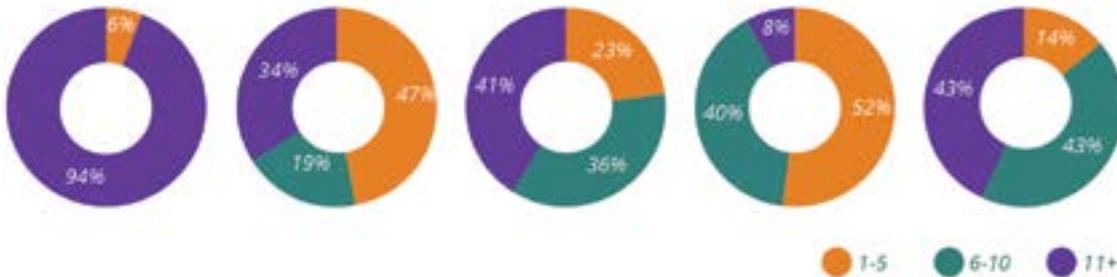


Figure 2: Age of Media NMOs

The same trend obtains in each country, with Kenya and Uganda print NMOs all aged 11 years and above, while Tanzania has a few print NMOs that were established in the last five years.

Compared to Kenya and Uganda, Tanzania has a relatively higher percentage of TV NMOs (57%) that have been in existence for 11 or more years while Kenya has a significantly high percentage of new TV NMOs (63%).²

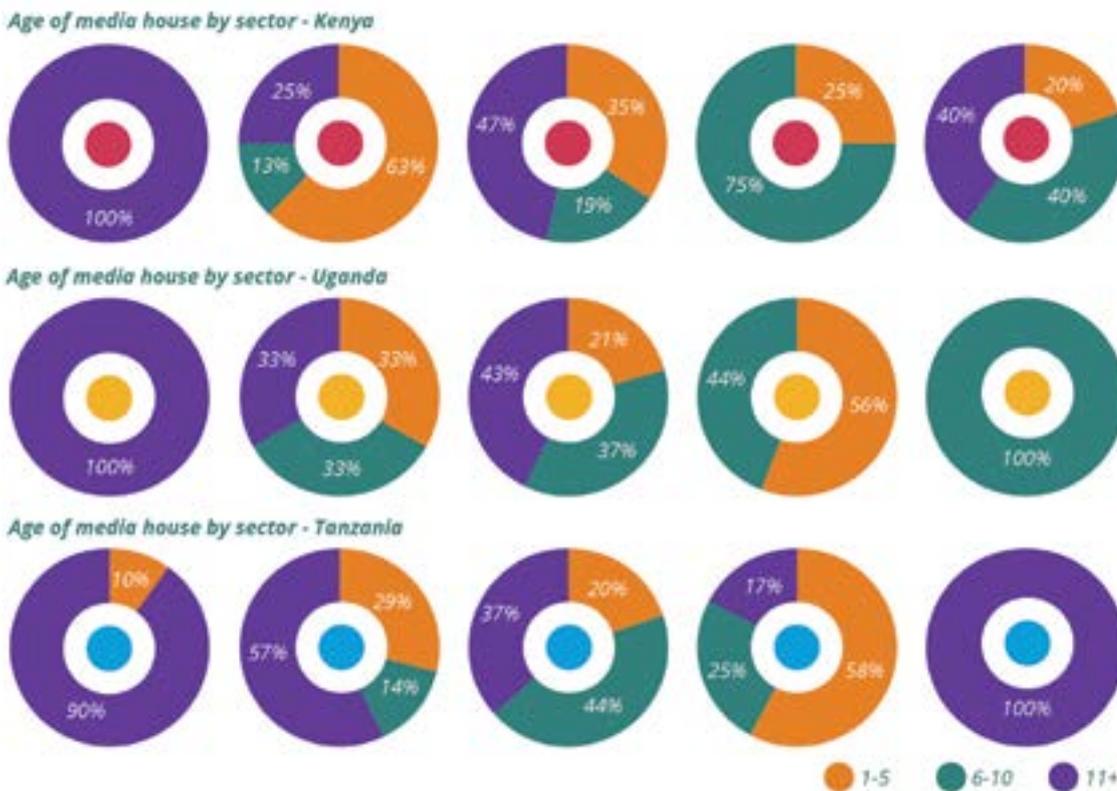


Figure 3: Age of NMOs by Sector Across the Three Countries

² Percentages that are more than 100% are due to rounding off error and negligible

NMOs Ownership Models in East Africa

The study established that even though slightly more than half (58%) of the participating NMOs in East Africa are independently owned, Kenya has a comparatively high number of NMOs (58%) that reported they are group owned, either as part of concentrated ownership or part of media conglomerates.³

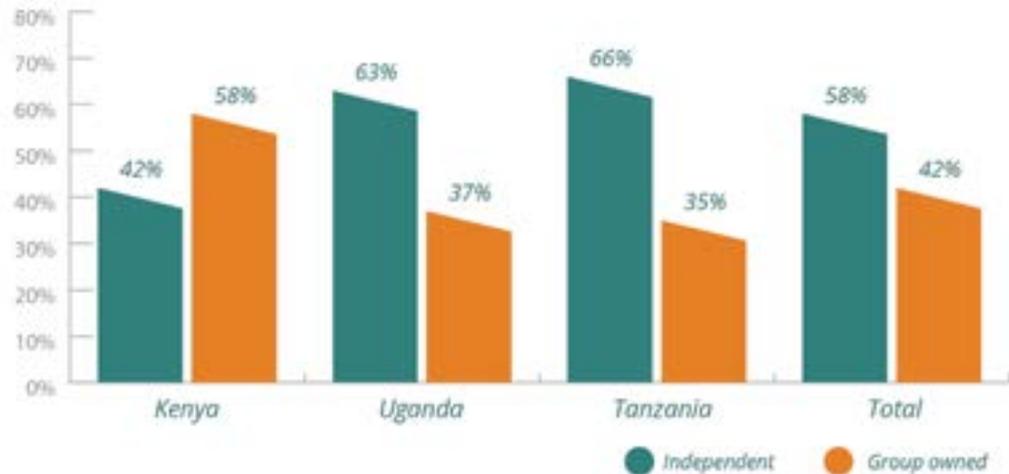


Figure 4: Ownership Models of NMOs Across the Three Countries

NMOs Ownership Models in Each Country at the Sector Level

At the sector level, the findings indicate that in all the three countries, print NMOs are predominantly group owned, which is also true for TV NMOs in Tanzania. Digital NMOs and radio are predominantly independently owned in Uganda and Tanzania, with Uganda having a slightly higher percentage of independently owned digital and radio NMOs, standing at 75% of those surveyed. Across the sectors, most NMOs in Kenya are group owned, led by print and multimedia NMOs, with only digital reported as predominantly independently owned.

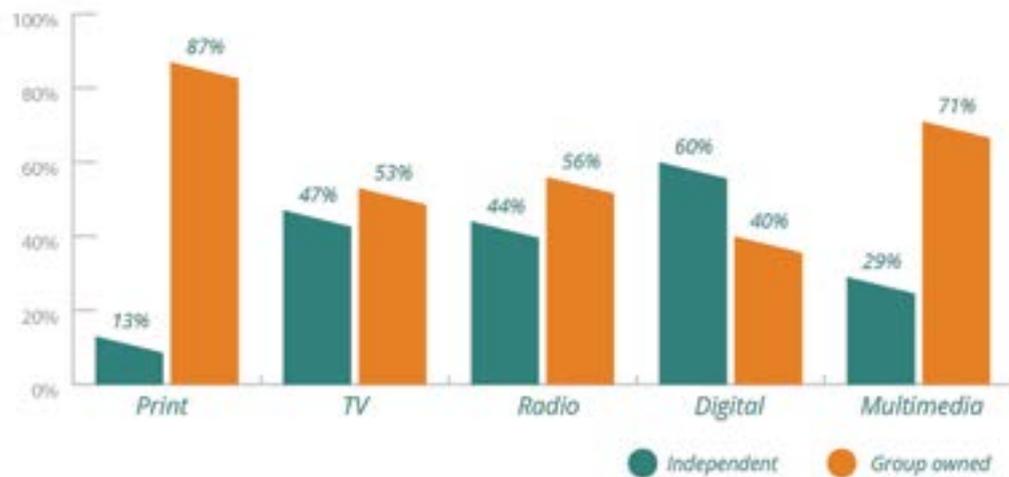


Figure 5: Kenyan NMOs' Ownership Models

Generally, Uganda and Tanzania tend to have a higher percentage of independently owned NMOs, and it is only in the TV and print sectors (and, in the case of Uganda,

³ Concentrated ownership and conglomeration in the current study respectively refer to many news media organisations under one ownership, and news media organisations that are owned by a group whose interests transcend the media business.

multimedia) that these two countries have relatively high percentages of group owned NMOs, with Uganda leading in the percentage of TV stations that are group owned (85%). However, unlike Kenya where the majority of NMOs in the radio sector are group owned (56%), only about a quarter of Ugandan (25%) and Tanzanian (31%) radios are group owned.

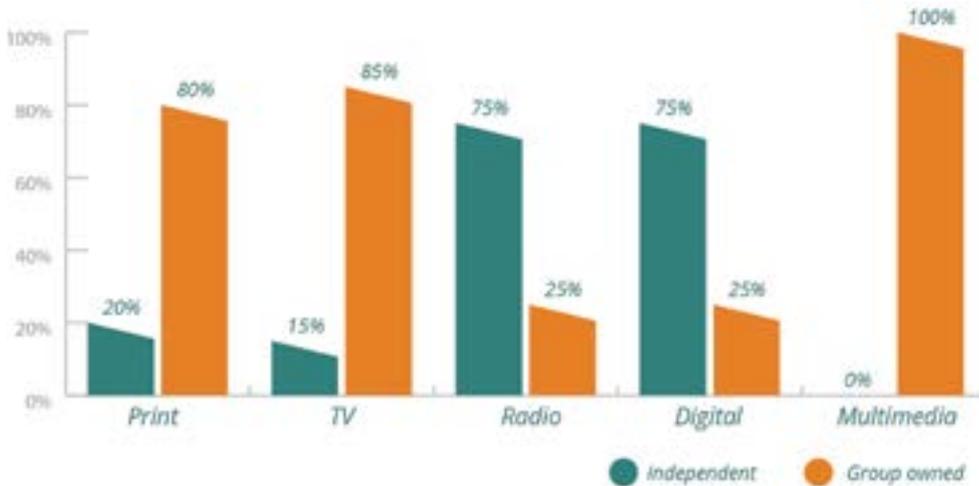


Figure 6: Ugandan NMOs' Ownership Models

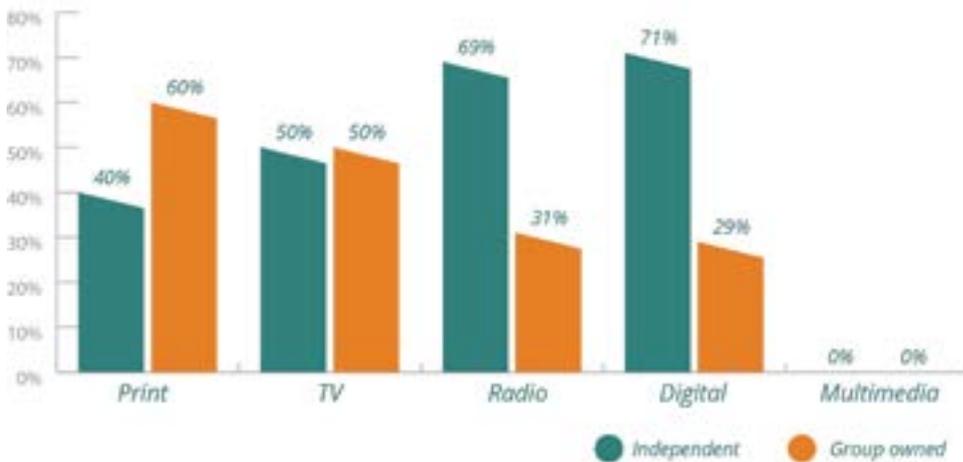


Figure 7: Tanzanian NMOs' Ownership Models

East African NMOs' Business Models

The media in East Africa are predominantly commercial, with 57% of all the media houses reporting that they are commercial/for-profit. The findings also indicate that a good number of NMOs are non-profit/community media, with the digital sector having the highest percentage (40%), followed by legacy media NMOs of print (26%), radio (28%) and TV (16%).

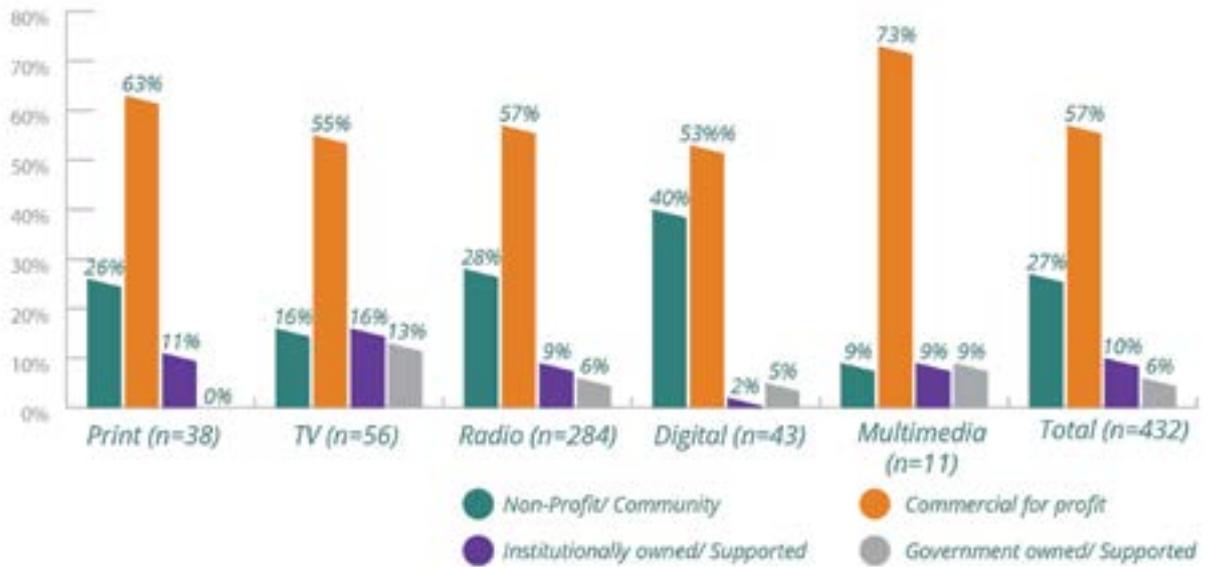


Figure 8: Business Models of NMOs in East Africa

Kenya and Uganda’s NMOs are predominantly commercial with a relatively higher percentage of NMOs that participated in this study from Uganda (79%) indicating that they are commercial/for-profit compared to Kenya (70%). In Tanzania the number of commercial/for-profit NMOs is low at 31%. Tanzania presents a non-commercial picture of the NMOs with print (63%) and digital (57%) leading as non-profit/community media followed by radio (48%) and TV (44%).

In all three countries, there seems to be a limited number of the government owned or supported business model. The average across the three countries is 6%.

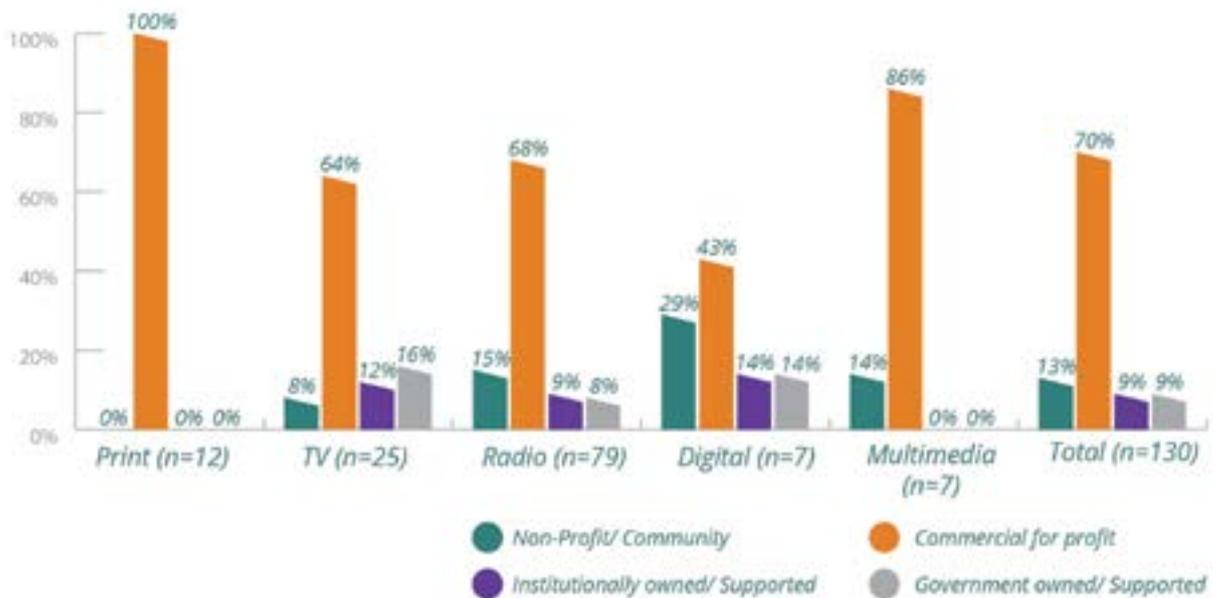


Figure 9: Business Models of NMOs in Kenya

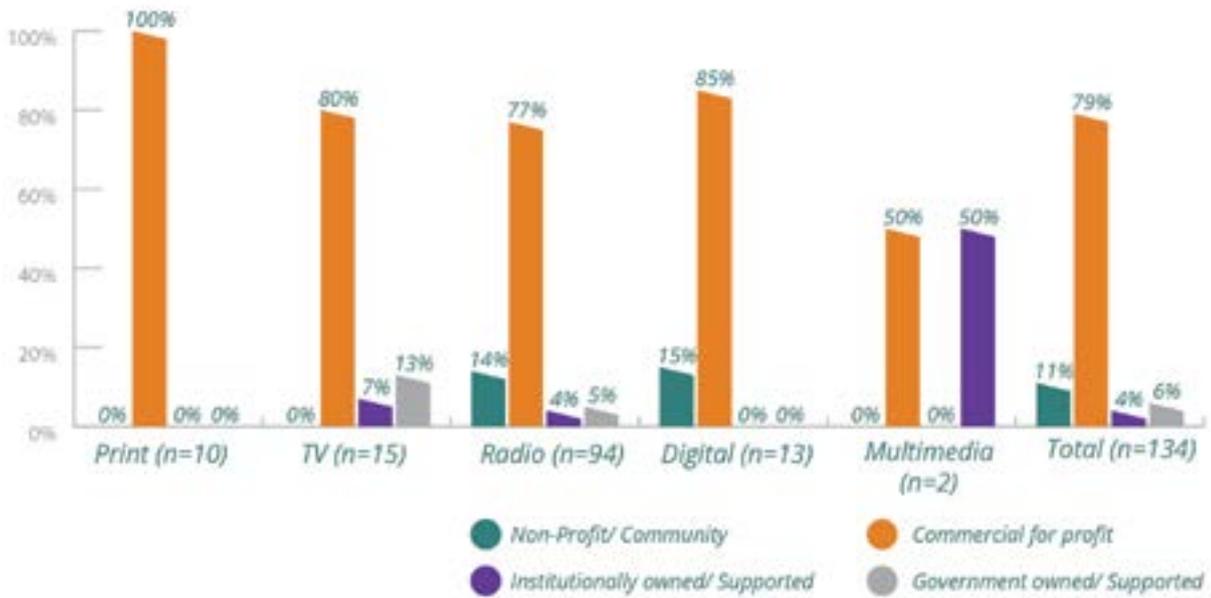


Figure 10: Business Models of NMOs in Uganda

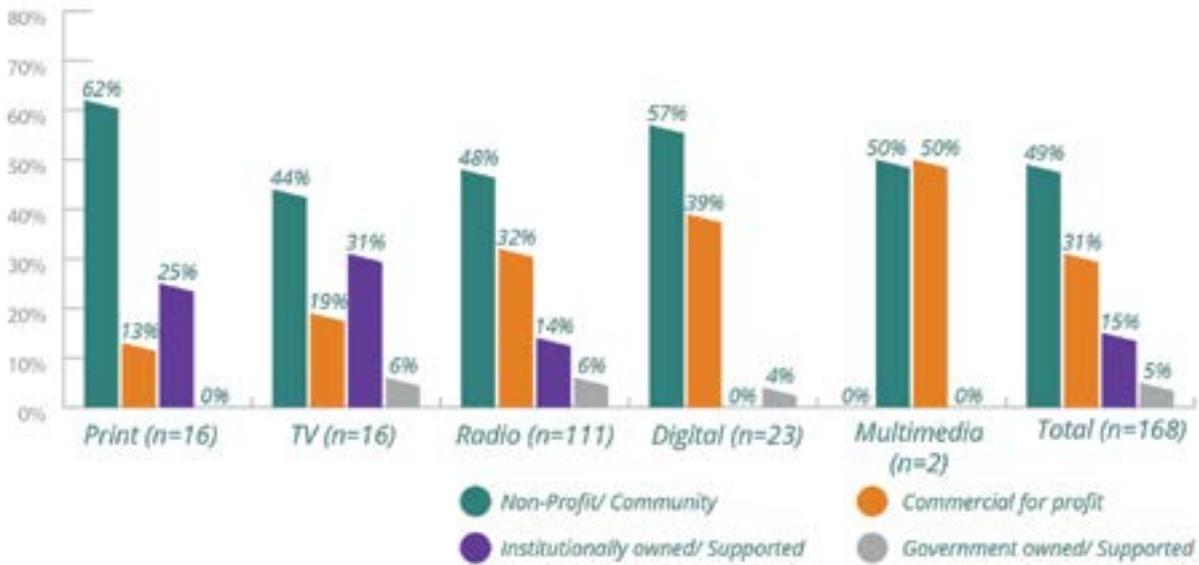


Figure 11: Business Models NMOs in Tanzania

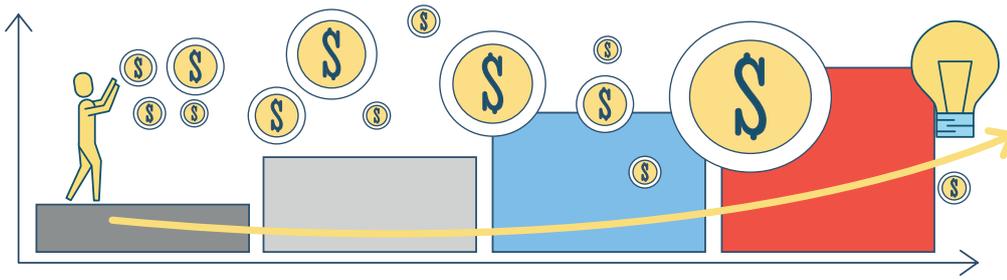
Estimated Likelihood of Survival as News Producers for Different Business Models

The findings indicate that most of the media managers and journalists working for government owned or supported media houses perceive their NMOs as more likely to survive as news-producing media organisations, with 86% estimating that their NMOs have a 61% or more likelihood of survival as news producers. Commercial for-profit NMOs also seem to have a high likelihood of survival as 80% of respondents from these media houses estimate that they have 61% or more likelihood of survival as news producers. These findings suggest a case for equitable support of the media by government, not necessarily through ownership, but through equitable distribution of government advertising spend. The key herein is equitable distribution of government support, especially in advertising, given that skewed support by the government distorts the market and makes the independent non-government supported media more vulnerable in a competitive market. Further studies have established that government and state advertising can be a powerful tool for political favouritism, censorship, market distortion and the emergence of an uncritical media pushing the government rather than the public interest agenda ^{vi}.

| | Non-Profit/ Community (n=116) | Commercial for-profit (n=249) | Institutionally owned/ supported (n=41) | Government owned/ supported (n=28) | Total (n=434) |
|---|-------------------------------------|-------------------------------------|--|---|---------------|
| 60% or less estimated likelihood of survival | 22% | 20% | 27% | 14% | 21% |
| 61% or more estimated likelihood of survival | 78% | 80% | 73% | 86% | 79% |

Table 2: Estimated Likelihood of Survival as News Producers, by Business Model

“
...skewed support by the government distorts the market and makes the independent non-government supported media more vulnerable in a competitive market



NMOs' FINANCIAL TRENDS, SITUATION AND REVENUE SOURCES

Media viability requires financial strength and stability as a necessary condition for consistently producing high-quality journalism over a long period of time. This section provides a snapshot of the financial situation and trends of East African media in 2019, just prior to the COVID-19 pandemic, which disrupted business and economic activity around the world. Research on media management suggests that, in some cases, having multiple sources of revenue can strengthen a news organisation's finances, depending on the source of the revenue.^{vii} Some sources of revenue, such as subscription revenue, provide a more stable revenue stream than others, such as single-copy content sales or even advertising, in an increasingly competitive advertising environment. But even as many experts have urged news organisations to develop multiple revenue streams^{viii} counter evidence for that strategy has emerged. At least **two studies have found that Digital News Native organisations that depend on only a single revenue stream are more likely to succeed than those that try to manage multiple revenue sources.** On the other hand, in the United States, television networks that draw revenue from both subscribers and advertisers appear to be more resilient than those that depend on just one source or the other, leading even such a powerhouse as Netflix to consider diversifying its revenue streams in the face of growing competition.^{ix}

News media finance and likely sustainability, including organisations' financial condition in 2019 and the trends in their finances going into 2019 were surveyed. The study also sought to establish the number and type of sources NMOs use for revenue, their level of dependence on different sources and their staffs' perception of their sustainability as news producers over the next five years. The following presents the findings on the financial situation and trends in East African news media sectors in 2019.

East African NMOs' Financial Trends from 2018 to 2019

The financial trends in the study covered the pre-COVID-19 period, where media managers and journalists gave an assessment of their media houses between 2018 and 2019. The findings indicate that more print NMOs in East Africa reported weaker financial performance in 2019 compared to 2018 and compared to the other four sectors. TV and radio NMOs fared relatively better, with 80% of TV and 71% of radio NMOs reporting that their financial performance in 2019 either remained the same or was stronger than in 2018. The digital and multimedia platform NMOs fared only better than print, as 41% and 40% respectively of their NMOs indicated that their financial performance in 2019 was weaker than in 2018.

“
...sources of revenue, such as subscription revenue, provide a more stable revenue stream than others, such as single-copy content sales or even advertising, in an increasingly competitive advertising environment

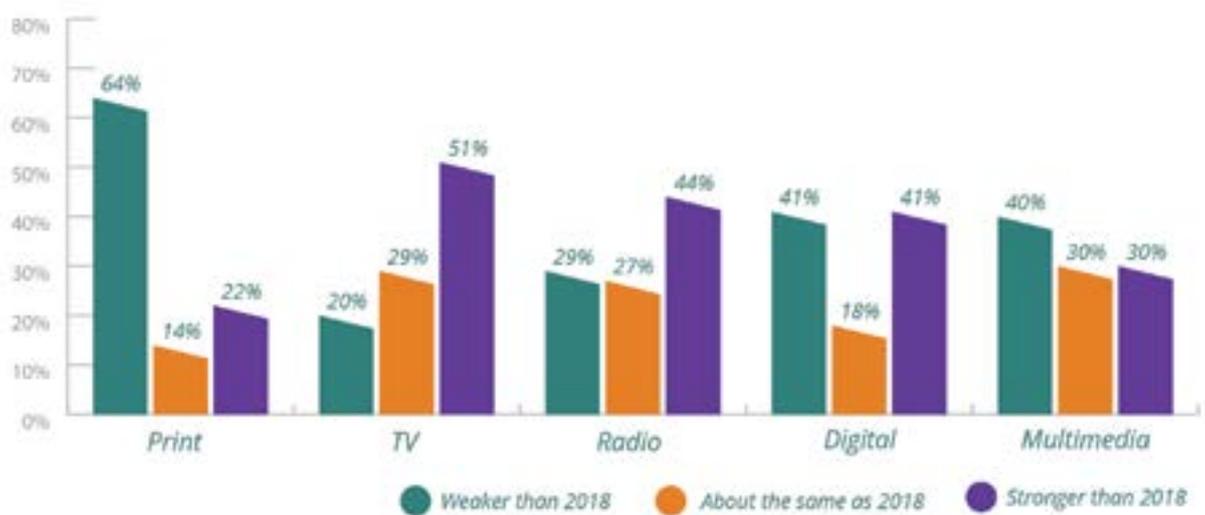


Figure 12: Financial Trends of NMOs in East Africa Across all Sectors

NMOs’ Financial Trends in Each Country between 2018 and 2019

All three countries experienced similar trends in the print sector: 67% of Tanzanian print NMOs reported weaker financial performance in 2019, as did Kenyan (64%) and Ugandan (60%) ones. In the TV sector, financial performance going into 2019 was slightly encouraging compared to radio. The Ugandan TV sector appeared the strongest of the three countries, with 87% of Ugandan TV NMOs indicating that their financial performance improved or remained the same between 2018 and 2019, while Kenya (80%) and Tanzania (75) had comparatively fewer NMOs reporting the same, but still higher than print.

In the radio sector, the findings indicate that a higher percentage of radio stations in Uganda (85%) either had stronger financial performance in 2019 or had their financial performance remain just about the same, followed by Kenya (76%) and then Tanzania (53%), which had a relatively high percentage of radio NMOs reporting weaker financial performance in 2019 compared to 2018.

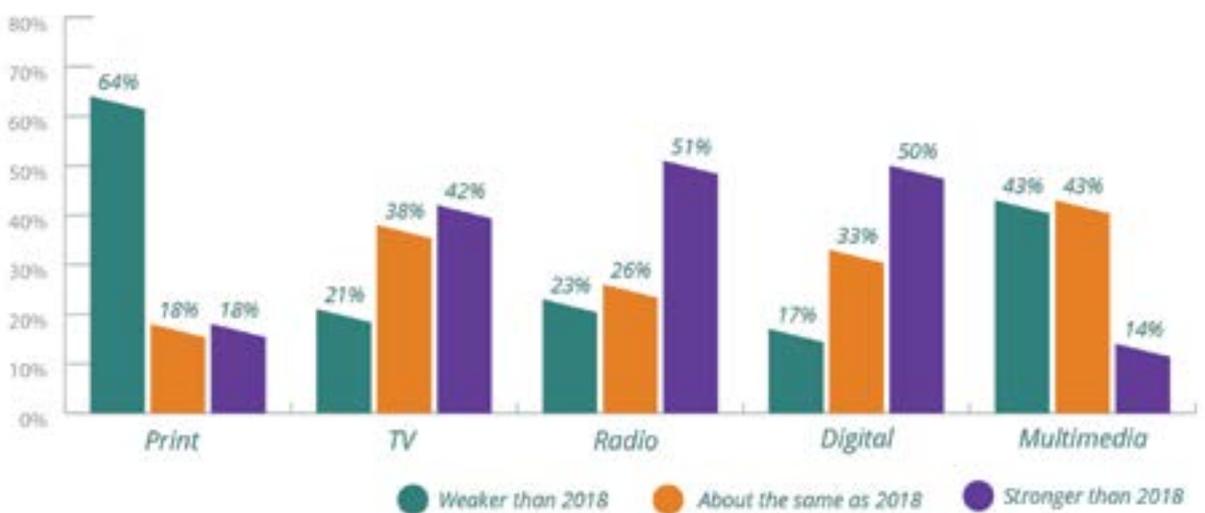


Figure 13: Financial Trends of Kenyan NMOs

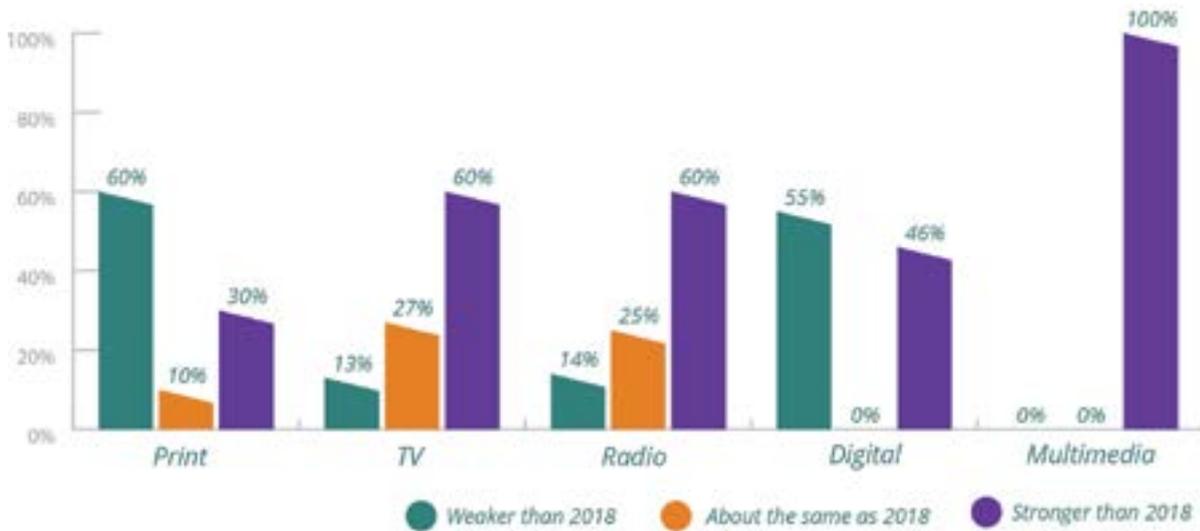


Figure 14: Financial Trends of Ugandan NMOs

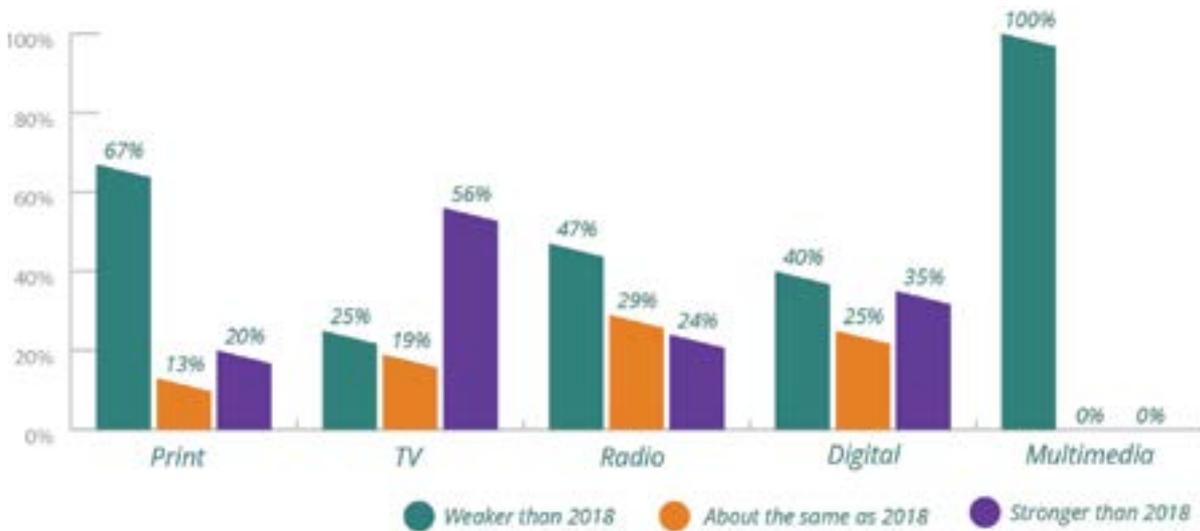


Figure 15: Financial Trends of Tanzanian NMOs

The findings above seem to suggest that whereas in the print sector the financial trends are similar across the three countries, in the TV and radio sectors, Uganda and Kenya NMOs appear to be having better financial trends compared to Tanzania. From the data a good percentage of Tanzanian radio NMOs experienced worse financial performance compared to Kenya and Uganda. The digital media findings indicate that Kenyan digital NMOs fared better while the Ugandan and Tanzanian digital NMOs had relatively poor performance going into 2019. For the multimedia NMOs, whereas all the Tanzanian NMOs reported weaker financial performance in 2019 compared to 2018, the inverse is true for Uganda where all had stronger performance, while in Kenya 14% had stronger performance.

“
 ... for some respondents whose news media organisations were not having favourable financial trends, the option of abandoning news production for non-news content was a consideration

East African NMOs’ Financial Trends and the Likelihood of Survival

Generally, the findings indicate that journalists and managers in 80% of the East African NMOs estimated that their NMOs had 61% or more likelihood of survival as news-producing media organisations regardless of what their 2019 financial performances were. However, compared to NMOs that had weaker financial performances in 2019, the findings indicated that more NMOs that had about the same financial performance as 2018 (87%) and the ones that had stronger financial performances than 2018 (89%) were estimated to be having 61% or more likelihood of survival as news producers. It does appear, therefore, that better financial performance by NMOs across the years instils in the journalist and managers the belief that their NMOs are likely to survive as news-producing media organisations going into the future. It also emerged from the open-ended responses that, for some respondents whose news media organisations were not having favourable financial trends, the option of abandoning news production for non-news content was a consideration.

NMOs Financial Performance in 2019 compared to 2018

| Estimated likelihood of survival | Weaker than 2018 (n=131) | About the Same as 2018 (n=102) | Stronger than 2018 (n=169) | Total |
|----------------------------------|--------------------------|--------------------------------|----------------------------|-------|
| 60% or less | 38% | 13% | 11% | 20% |
| 61% or more | 62% | 87% | 89% | 80% |

Table 3: East African NMOs Financial Trend and the Likelihood of Survival as News Producers

East African NMOs’ Financial Results in 2019

Although many East African NMOs reported their finances were improving going into 2019, a substantial number were in fairly poor financial condition in 2019, despite those positive trends. **Print media were particularly suffering, with 77% of the NMOs saying they either lost money or cut their budgets in 2019.** Multimedia platforms on the other hand seem to have been enjoyed better financial results in 2019, while for TV, radio and digital slightly more than half of the NMOs either broke even or had a profit/surplus.

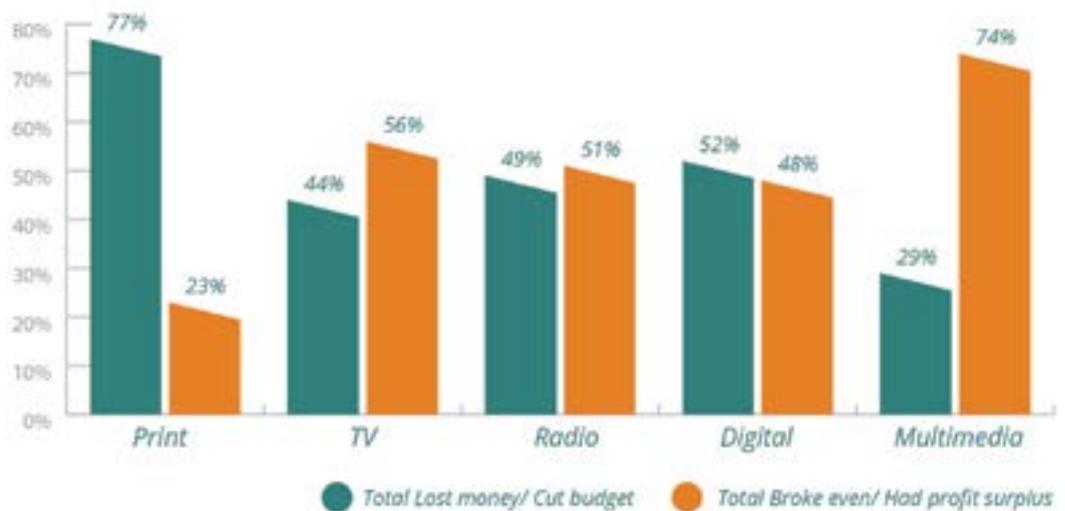


Figure 16: Financial Results of NMOs Across East Africa in 2019

NMOs' Financial Results in Each Country in 2019

Print NMOs in Kenya and Tanzania experienced comparatively poor financial results in 2019 as the findings indicate that 80% and 89% respectively either lost money or cut budgets. Ugandan print NMOs surveyed in the study fared better in 2019; only 33% lost money or cut budgets. In broadcast, there seems to be not much of a difference between Kenya and Uganda. Just about half or slightly more than half of the radio and TV NMOs in Kenya and Uganda lost money or cut budgets. In Tanzania, TV (75%) had comparatively better financial results, but the radio results in 2019 in Tanzania were similar to Uganda and comparably worse than Kenya.

| | Kenya | | Uganda | | Tanzania | |
|------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|
| | Lost money/ cut budget | Broke Even/ Had profit surplus | Lost money/ cut budget | Broke Even/ Had profit surplus | Lost money/ cut budget | Broke Even/ Had profit surplus |
| Print | 80% | 20% | 33% | 67% | 89% | 11% |
| TV | 50% | 50% | 44% | 56% | 25% | 75% |
| Radio | 42% | 58% | 50% | 50% | 51% | 49% |
| Digital | 33% | 67% | 44% | 56% | 62% | 38% |
| Multimedia Platform | 40% | 60% | 0% | 100% | 0% | 100% |
| Total | 46.20% | 53.80% | 47.40% | 52.60% | 54% | 46% |

Table 4: NMOs' Financial Situation in Each Country in 2019

East African NMOs' Financial Results and the Likelihood of Survival as News Producers

Across East Africa it does seem that most of the NMOs that lost money or cut budgets moving into 2019 were nevertheless optimistic about survival as news producers. The findings indicate that 69% of the NMOs that cut their budgets or lost money estimated a 61% or more likelihood of survival. On the other hand, the findings also raise some concern because, even though 83% of the NMOs that broke even or had profit/surplus estimated 61% or more likelihood of continuing to produce news, a total of 17% of NMOs that broke even or had profit/surplus estimated 60% or less likelihood of remaining as news organisations. This suggests that financial results are not the sole predictor of employees' perceptions of their organisation's likelihood of survival. These findings further underscore the struggles that news media organisations generally are facing in their endeavours to produce quality journalistic content and remain financially sustainable.

| Estimated Likelihood of Survival | NMOs' Financial situation 2019 | | |
|----------------------------------|----------------------------------|---|---------------|
| | Lost money/cut budget (n=121) | Broke Even/Had profit surplus (n=122) | Total (n=243) |
| 60% or less | 31% | 17% | 24% |
| 61% or more | 69% | 83% | 76% |

Table 5: East African NMOs Financial Situation and Likelihood of Survival as News Producers

East African NMOs' Revenue Sources

NMOs in East Africa use up to 12 different revenue sources. These include subscriptions, single-copy sales or paid downloads, commercial advertising, government advertising, sponsored programs or stories, fundraising events or crowdfunding, government subsidies (tax reliefs or user and set fees), institutional support (NGOs, foundations, major donors, etc.), sales of related products (content, photographs, branded merchandise, etc.), sales of related services (workshops, training, marketing or public relations), loans and investment capital or start-up funds.

Commercial advertising is the top source of revenues used by a majority of the NMOs in all the three countries. In all the media sectors save for print in Kenya, where single copy sales/paid downloads is the leading source of revenue, commercial advertising is reported as the top revenue source.

The Most Used Revenue Sources by Print NMOs

Six revenue sources were found to be dominant for print NMOs in East Africa. The six are single copy sales/paid downloads, commercial adverts, government adverts, sponsored content, related services, and institutional donors. Most of the print NMOs indicated that the two most used revenues sources are single copy sales and commercial adverts. In Kenya single copy sales, commercial advertising and government advertising are the most widely used revenue sources and the findings indicate that all the print NMOs draw their revenues from single copies, commercial adverts, and government adverts while 80% and 40% of them respectively reported that they generate revenues from sponsored programmes and related services. In Tanzania 90% of print NMOs draw revenues from commercial adverts, 80% from single copy sales or paid downloads. Both countries also draw revenues from sponsored content, though the percentage is relatively low in Tanzania. The sale of related services is also a source of revenue for 40% of media houses in Kenya, while in Tanzania institutional donors were found to be a source of revenue for 20% of print NMOs. The print NMOs' data from Uganda was not sufficient for analysis.

| | Kenya (n=5) | Tanzania (n=10) |
|----|-----------------------------------|----------------------------|
| 1. | Single Copy/paid downloads (100%) | Commercial Advert (90%) |
| 2. | Commercial Advert (100%) | Single Copy (80%) |
| 3. | Govt Advert (100%) | Govt Advert (60%) |
| 4. | Sponsored Programmes (80%) | Sponsored Programmes (30%) |
| 5. | Related Service Sales (40%) | Institutions Donors (20%) |

Table 6: Print NMOs' Revenue Sources

The Most Used Revenue Sources by TV NMOs

In the three countries, most TV NMOs predominantly draw their revenues from commercial advertising, government advertising and sponsored programs. In Kenya and Tanzania, about a third of TV NMOs also listed government funding among top five sources of revenues, while in Uganda sale of related products was reported by a significant number of TV NMOs (50%) as a source of revenues.

More TV NMOs in Uganda (100%) are using commercial advertising compared to Kenya (82%) and Tanzania (71%). Sponsored content seems to be a source of revenue for more media houses in Uganda (88%) and Tanzania (71%) than Kenya (65%). Government advertising is a source of revenue for fewer TV NMOs in Tanzania (57%) compared to Kenya (76%) and Uganda (75%). The findings also indicate that unlike Kenya and Tanzania where a third of TV NMOs indicated that they get government funding, there is very little government funding of the TV NMOs in Uganda. Nonetheless, the findings suggest that though relatively fewer in number compared to Kenya and Tanzania, TV NMOs in Uganda appear to be a lot more enterprising because a good number indicated that they are drawing revenues through sale of related products and get loans and capital, which appears not to be a trend in Tanzania and Kenya. However, **it is worth noting that even though loans and capital are ideal for business expansion, using either loans or capital to pay operating costs is not a sustainable business model. Previous studies indicate that the use of loans and injected capital for business operation expenses is usually a sign that a company is having problems.**

| | Kenya (n=17) | Uganda (n=8) | Tanzania (n=7) |
|----|-----------------------------|-----------------------------|----------------------------|
| 1. | Commercial Advert (82%) | Commercial Advert (100%) | Commercial Advert (71%) |
| 2. | Govt Advert (76%) | Sponsored Programmes (88%) | Sponsored Programmes (71%) |
| 3. | Sponsored Programmes (65%) | Govt Advert (75%) | Govt Advert (57%) |
| 4. | Govt Funding (35%) | Related Product Sales (50%) | Govt Funding (29%) |
| 5. | Related Service Sales (35%) | Loans Capital (38%) | Other (29%) |

Table 7: Most Used Revenue Sources by TV NMOs

The Most Used Revenue Sources by Radio NMOs

Radio NMOs in all the three countries appear to be the only sector that draw revenues sources from the public and other donors through crowdfunding. Moreover, the top five revenue sources for radio NMOs in the three countries are the same. Commercial advertising is the leading revenue source for radio NMOs in all the three countries, but besides commercial advertising, radio NMOs in all the three countries also predominantly draw revenues from government advertising, sponsored content, institutional donors, and fundraising/crowd funding. The number of Ugandan radio NMOs that draw their revenues from government advertising (74%) and sponsored content (89%) is relatively high compared to both Kenya and Tanzania.

| | Kenya (n=43) | Uganda (n=62) | Tanzania (n=82) |
|----|--------------------------------|--------------------------------|--------------------------------|
| 1. | Commercial Advert (93%) | Commercial Advert (95%) | Commercial Advert (85%) |
| 2. | Sponsored Programmes (79%) | Sponsored (89%) | Govt Advert (63%) |
| 3. | Govt Advert (70%) | Govt Advert (74%) | Sponsored (62%) |
| 4. | Institutional Donors (53%) | Institutional Donors (55%) | Institutional Donors (44%) |
| 5. | Fundraising/Crowdfunding (47%) | Fundraising/Crowdfunding (29%) | Fundraising/Crowdfunding (27%) |

Table 8: Most Used Revenue Sources by Radio NMOs

The Most Used Revenue Sources by Digital NMOs

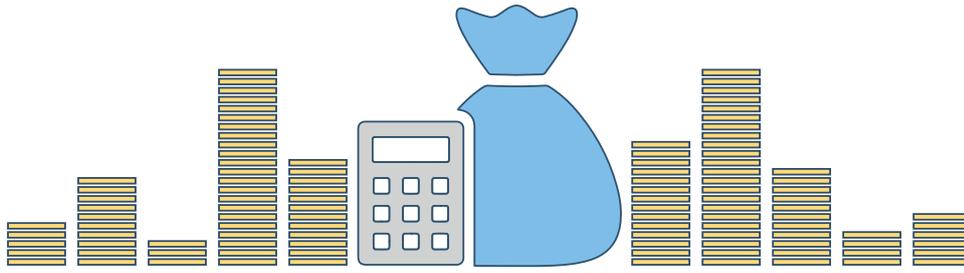
Most of the digital NMOs that participated in the study and responded to the question of revenue sources appear not to be as innovative in revenue generation. They all appear to favour the traditional revenue sources in legacy media like commercial advertising, government advertising and funding, sponsored content, and institutional donors. However, in Tanzania digital NMOs are drawing some revenues from paid downloads (29%) and in Uganda, some generate revenues from sale of related services (22%) and related products sales (22%). It does appear that crowdfunding, which is a trend that is gaining traction in other markets, is not a source for most digital native NMOs or they have not quite ventured into crowdfunding. Though only four digital NMOs from Kenya responded, it is instructive to note that none of these four draws revenue sources beyond the traditional sources of commercial advertising, sponsored content, and government funding.

| | <i>Kenya (n=4)</i> | <i>Uganda (n=9)</i> | <i>Tanzania (n=14)</i> |
|----|-----------------------------------|------------------------------------|-----------------------------------|
| 1. | <i>Commercial Advert (100%)</i> | <i>Commercial Advert (100%)</i> | <i>Commercial Advert (64%)</i> |
| 2. | <i>Sponsored Programmes (50%)</i> | <i>Sponsored Programmes' (78%)</i> | <i>Sponsored Programmes (43%)</i> |
| 3. | <i>Govt Funding (50%)</i> | <i>Govt Advert (44%)</i> | <i>Govt Advert (29%)</i> |
| 4. | | <i>Related Service Sales (22%)</i> | <i>Institutional Donors (29%)</i> |
| 5. | | <i>Related Product Sales (22%)</i> | <i>Single Copy Sales (29%)</i> |

Table 9: Most Used Revenue Sources by Digital NMOs

“

... besides commercial advertising, radio NMOs in all the three countries also predominantly draw revenues from government advertising, sponsored content, institutional donors, and fundraising/crowd funding



EAST AFRICAN NEWS MEDIA ORGANISATIONS' INVESTMENTS IN NEWSROOMS

Percentage of Budget Devoted to Newsrooms

On this question, there were responses representing only slightly over half of the 437 NMOs in the aggregated data - attributed to the fact that it was a question asked only in the management questionnaire. Of the 225 that did respond, 53% reported that they devoted 41% or more of their budget to the newsroom operations. These findings suggest that at least a quarter of the NMOs in East Africa seem to be dedicating a fairly high percentage of their budgets to newsrooms.

| <i>Estimated Newsroom Budget Share</i> | <i>Frequency</i> | <i>Percentage</i> |
|--|------------------|-------------------|
| 0.1-20% | 48 | 21% |
| 21-40% | 58 | 26% |
| 41-60% | 67 | 30% |
| 61-80% | 39 | 17% |
| 81-100% | 13 | 6% |
| <i>Total</i> | 225 | 100% |
| <i>Did not respond</i> | 212 | |
| <i>Grand total</i> | 437 | |

Table 10: Budget Devoted to Newsroom

Change in Newsroom Budget Share Between 2018 and 2019

Almost half of the NMOs in East Africa that responded (44%) either indicated that they significantly increased their newsroom share of the NMO's total budget or had slight increase. On the other hand, a total of 33% of NMOs indicated that they slightly or significantly decreased their newsroom share of the total budget.

“
... findings suggest that at least a quarter of the NMOs in East Africa seem to be dedicating a fairly high percentage of their budgets to newsrooms

| <i>Change Newsroom Budget Share 2019 compared to 2018</i> | <i>Frequency</i> | <i>Percent</i> |
|---|------------------|----------------|
| <i>Newsroom's share of the NMO's total budget increased significantly</i> | 33 | 14% |
| <i>Newsroom's share of the NMO's total budget increased slightly</i> | 68 | 30% |
| <i>Newsroom's share of the NMO's total budget was stable</i> | 52 | 23% |
| <i>Newsroom's share of the NMO's total budget decreased slightly</i> | 56 | 24% |
| <i>Newsroom's share of the NMO's total budget decreased significantly</i> | 21 | 9% |
| <i>Total</i> | 230 | 100% |
| <i>Did not respond</i> | 207 | |
| <i>Grand total</i> | 437 | |

Table 11: Change in Newsroom Budget Share between 2018 and 2019

The statistical analysis indicates that financial trends have a relationship with changes in newsroom budget share and that there is a significant and negative relationship between changes in newsroom budget share and financial trends ($r(225) = -.292$, $p = .000$). Further, changes in newsroom budget share have a significant and fairly strong and positive relationship with the financial results of NMOs ($r(218) = .304$, $p = .000$). However, the NMOs financial trends ($r(218) = .118$, $p = .082$) and financial results ($r(209) = .163$, $p = .018$) both seem to be having significant, positive but weak relationships with newsroom budgets.

Changes in Newsroom Resources

The NMOs largely indicated that their newsroom resources remained the same with 24% of the participating newsrooms indicating a decrease in newsroom resources and 22% indicating an increase in newsroom resources.

| | <i>Frequency</i> | <i>Percent</i> |
|------------------------------|------------------|----------------|
| <i>Decreased</i> | 77 | 24% |
| <i>Stayed about the same</i> | 175 | 55% |
| <i>Increased</i> | 69 | 21% |
| <i>Total</i> | 321 | 100% |
| <i>Did not respond</i> | 116 | |
| <i>Grand total</i> | 437 | |

Table 12: Changes in Newsroom Resources

“
... financial trends data from previous studies suggests that companies start boosting resources to the newsroom when their finances show signs of improvement

Whereas the statistical analysis indicates that NMOs newsroom resources have a significant and fairly strong relationship with financial trends of NMOs ($r(303) = .346$, $p = .000$), the relationship between NMOs newsroom resources and their 2019 financial results is statistically nonsignificant and very weak ($r(149) = .086$, $p = .296$). This could mean that financially struggling NMOs based on 2019 results are investing a little bit less in newsroom resources; whether that's because of weaker results or the cause of weaker results cannot be ascertained from the data. The financial trends data from previous studies suggests that companies start boosting resources to the newsroom when their finances show signs of improvement.

Stories Journalists Produce in Each News Cycle

More than half of the participating NMOs (52%) reported that the average number of stories that journalists were expected to produce in each news cycle increased, with a further 37% indicating that the number remained the same. These findings suggest that NMOs in East Africa increasingly pushed journalists to produce more stories in each news cycle, as only 11% of the participating NMOs had journalists and managers indicate that the stories produced by journalists in each news cycle decreased.

| | Frequency | Percent |
|-----------------------|-----------|---------|
| Decreased | 48 | 11% |
| Stayed about the same | 155 | 37% |
| Increased | 220 | 52% |
| Total | 423 | 100% |
| System | 14 | |
| Grand Total | 437 | |

Table 13: The Number of Stories Journalists Produce in Each News Cycle

The statistical analysis further indicate that stronger financial trends are closely associated with increased number of expected news stories ($r(392) = .365, p = .000$) and that NMOs with a higher number of news stories produced by journalists are likely to have better financial results ($r(236) = .283, p = .000$). These statistical findings suggest that **with journalists filing more stories in a news cycle, the NMOs probably end up maximising on the journalists' capacities to produce more news and save on resources which puts them in better financial situations**. Is it worth noting that this relationship between journalist capacities and better financial results departs from findings from earlier research in the US which established that newspapers that gave their journalists more resources, including time, to do better stories performed better financially. But fundamentally, the findings in the current study raise concern because the suggested inference herein is that there is an upside and no downside to pushing journalists to churn out lightly reported easy and short stories, rather than producing the important hard ones. However, the current study collected data during the pandemic and there are possibilities that the pandemic conditions may have pushed editors to demand more stories per journalist because most media houses had laid off some newsroom staff.

“
... the current study collected data during the pandemic and there are possibilities that the pandemic conditions may have pushed editors to demand more stories per journalist because most media houses had laid off some newsroom staff

Journalists' Access to the Equipment and Technology they need

Access to equipment and technology is very key for quality production of journalistic content. The current study sought to establish the extent to which NMOs availed the equipment and technology journalists need. The findings indicate that journalists and managers in close to half of the participating NMOs (48%) either strongly agreed or agreed that journalists in their respective media houses have access to the equipment and technology they need. These findings suggest that a fairly good number of media houses in East Africa have invested in the equipment and technology that journalists need in their line of duty, though the 24% who either strongly disagreed or disagreed raises questions because that represents a quarter of NMOs that responded.

| <i>Journalists have access to the equipment and technology they need</i> | <i>Frequency</i> | <i>Percent</i> |
|--|------------------|----------------|
| <i>Strongly Disagree or Disagree</i> | 106 | 24% |
| <i>Neither Agree nor Disagree</i> | 121 | 28% |
| <i>Agree or Strongly Agree</i> | 207 | 48% |
| <i>Total</i> | 436 | 100% |
| <i>Did not respond</i> | 1 | |
| <i>Grand Total</i> | 437 | |

Table 14: Journalists' Access to the Equipment and Technology they Need

Statistical analysis indicates that NMOs financial trends and financial results both have statistically significant relationships with journalists' access to equipment and technology. However, the relationship between access to equipment and technology that journalists need, and financial trends is comparably stronger ($r(401) = .241, p = .000$) than the relationship between access to equipment and technology that journalists need and the financial results ($r(242) = .136, p = .034$).

Journalists' Access to Training

The findings indicate that almost half of the media managers and journalists either agreed or strongly agreed (46%) that journalists in their NMOs have access to training to stay current with journalistic techniques. However, journalists and managers from 25% of NMOs indicated that they either strongly disagreed or disagreed, and this suggests that there could be a sizeable number of NMOs in East Africa with journalists and managers who feel that their media houses can improve on providing journalists with access to training. The need to train, reskill and retool journalists cannot be over emphasised given the rapid technological advances that require journalists to be at the cutting edge in the current evolving digital world.

“

... there could be a sizeable number of NMOs in East Africa with journalists and managers who feel that their media houses can improve on providing journalists with access to training

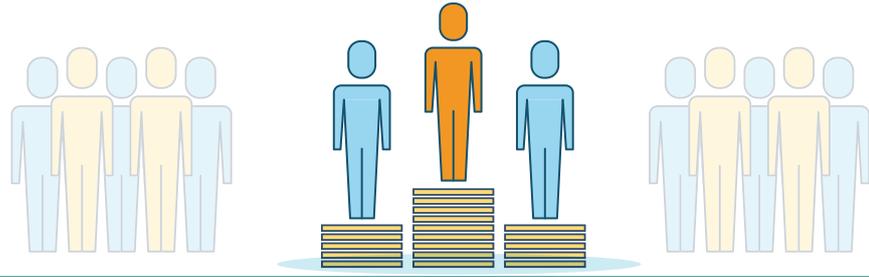
| <i>Journalists have access to training to stay current with journalistic techniques</i> | <i>Frequency</i> | <i>Percent</i> |
|---|------------------|----------------|
| <i>Strongly Disagree or Disagree</i> | 110 | 25% |
| <i>Neither Agree nor Disagree</i> | 125 | 29% |
| <i>Agree or Strongly Agree</i> | 200 | 46% |
| <i>Total</i> | 435 | 100% |
| <i>Did not respond</i> | 2 | |
| <i>Grand Total</i> | 437 | |

Table 15: Journalists Access to Training

Further statistical analysis indicated that journalists’ access to training and NMOs financial performance have a fairly weak but statistically significant relationship (401) $r = .175, p = .000$). The relationship between journalists’ access to training and financial results in 2019 is weaker and comparably less significant ($r(242) = .087, p = .176$) than the relationship between journalists’ access to training and financial performance. These analyses seem to suggest that though weak, there is a significant relationship between journalists’ access to trainings and financial performance. And because more investment in trainings may not immediately produce better financial results, the findings also seem to underscore the need for media development stakeholders to support journalism trainings in order to strengthen NMOs, especially the small ones, which often have to choose between investing in training – which has a long term benefit - and attending to more urgent financial needs.

In a nutshell the statistical analysis showed that NMOs’ stronger financial trends and results are closely associated with increased number of expected news stories produced by journalists, increased newsroom resources, increased newsroom budget share and access to better technical equipment that journalists need.

“
... the findings also seem to underscore the need for media development stakeholders to support journalism trainings in order to strengthen NMOs, especially the small ones, which often have to choose between investing in training – which has a long term benefit - and attending to more urgent financial needs



NEWS MEDIA ORGANISATIONS' TARGET MARKETS, LANGUAGE AND TYPES OF CONTENT PRODUCED

Research in media management and economics shows that a news organisation's target market in terms of geography directly impacts financial strength and viability. News organisations serving larger markets tend to be financially stronger and more profitable than those serving smaller communities and areas, because large-market media are a more efficient "buy" for a wider range of advertisers. ^x The economic strength of the city or region a media house serves also impacts the company's finances. Regions with weak local economies, where the population has less disposable income, are less attractive to advertisers regardless of how large the potential audience is.

Media also are a language-based product. Print and digital media are not only language-based, but also require people to be literate - and for digital media there is also the aspect of technical literacy - to use them. Thus, a news media organisation's market is limited by the match between the language and formats in which it produces content, and the languages and literacy rates of the audience it serves.

News media play a critical role in society, and the need for people to have news available to them in forms they can consume is clear. ^{xi} **But in most culturally diverse countries, there are socioeconomic differences between ethnic, linguistic and religious groups. Thus, from a business perspective, a news media organisation's potential for financial performance is related to the socioeconomic power of the cultural subgroups it chooses as its target audience, while some local or vernacular media may, in some instances, play a role in maintaining or increasing divisions between language and cultural groups in society.** ^{xii}

Finally, in the digital age, many legacy media houses have diversified their content beyond the single format – radio, TV, print – they originally produced. By building digital platforms and distributing news in multiple formats, they seek to give audiences – and advertisers – more options. While such diversification would seem to be a good strategy, research has found that product diversification can, in some cases, hurt financial performance, if staffs are stretched too thin and managers find themselves in charge of products and markets they do not fully understand. ^{xiii}



... a news media organisation's market is limited by the match between the language and formats in which it produces content, and the languages and literacy rates of the audience it serves

NMOs' Target Market

Kenyan TV and print NMOs target the national market, while radio predominantly targets the regional (within a country) market. The same is the trend in Uganda and Tanzania. Instructive to note, however, is that print NMOs in Uganda (80%) and Tanzania (75%) target the national market more than Kenyan ones (42%). Kenyan print NMOs, in contrast, are more likely to target either the regional (33%) or international markets (25%). Publications like the Daily Nation, Sunday Nation, Business Daily and The East African by Nation Media Group (NMG) and The Standard newspapers by Standard Group (SG) not only target the market in Kenya but also have consumers within the regional and international market. These findings can be attributed to the growth and development of the media industry in Kenya over the last two decades, which has thrust Kenyan publications onto the international market. On the other hand, the inception of devolved governments in Kenya in 2013 arguably created more resources and centres of political power at the regional levels, which may have encouraged a focus on regional markets.

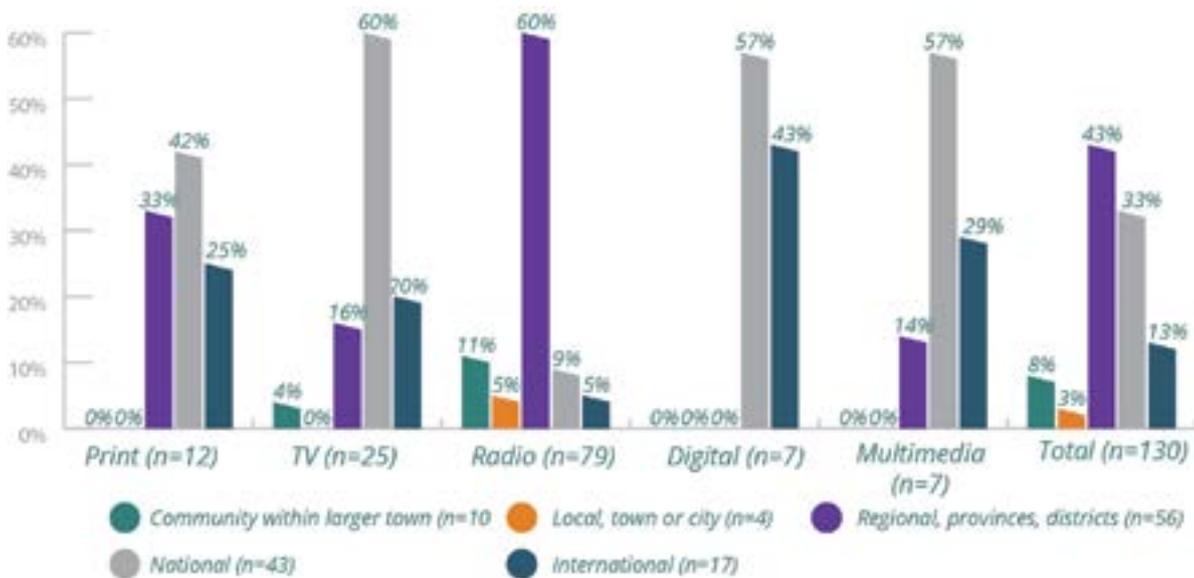


Figure 17: Kenyan News Media Organisations' Target Market

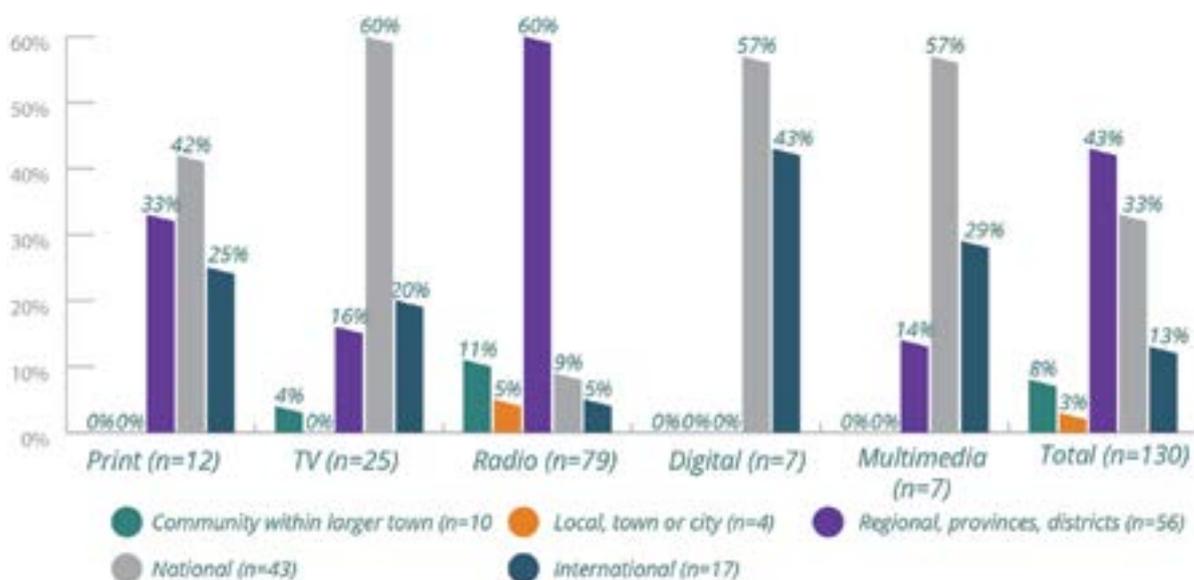


Figure 18: Ugandan News Media Organisations' Target Market

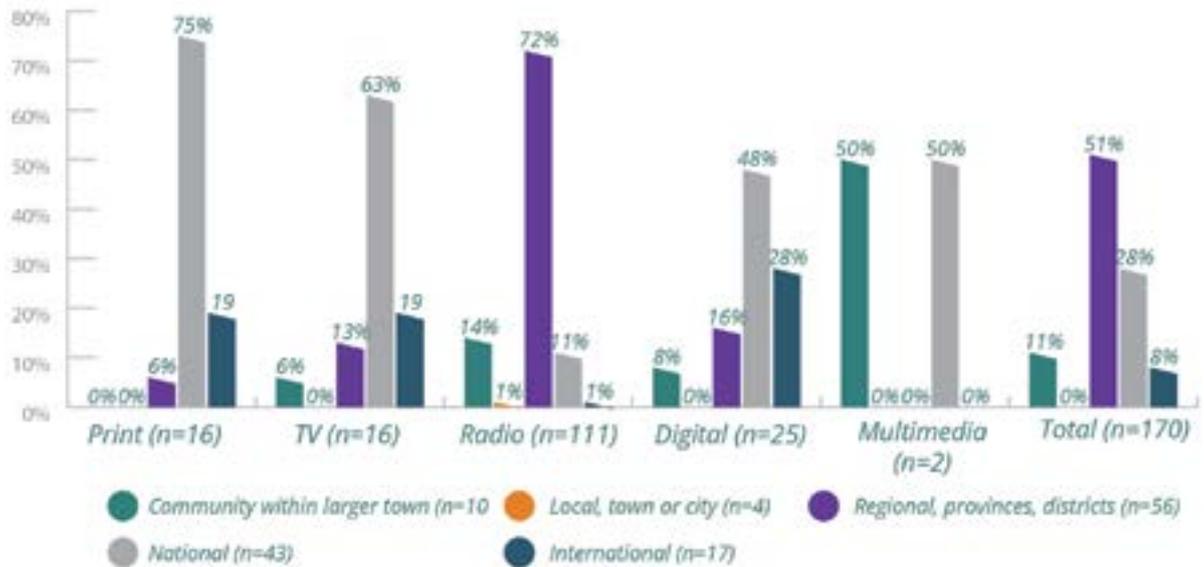


Figure 19: Tanzanian News Media Organisations' Target Market

NMOs' Language of News Content Production

In terms of language of media content, the NMOs in all three countries use a variety of languages for their news content. In Kenya and Uganda, print, digital and multimedia NMOs predominantly use English, while in Tanzania, all media sectors predominantly use Kiswahili. The use of other languages (apart from English and Kiswahili) for media content was noted for Uganda and Kenya, but not for Tanzania. This may be explained by the fact that Tanzania’s broadcast policy mandates only the use of national languages – Kiswahili and English - for media content.⁴

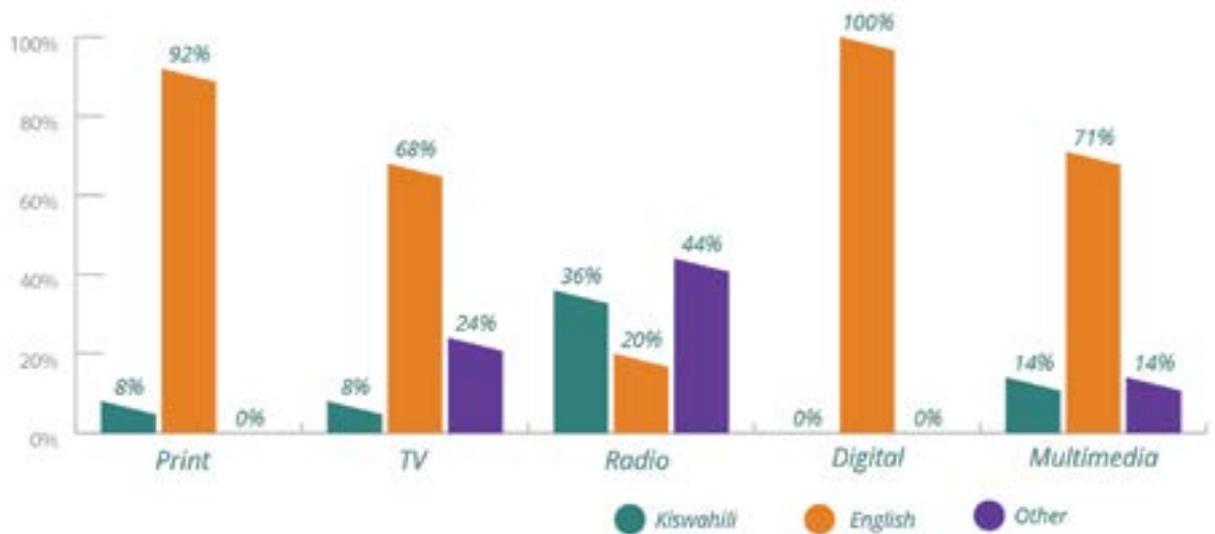


Figure 20: The Primary Language of News Production by Kenyan NMOs

⁴ See p.9 and p.15 of Tanzania’s broadcast policy of 2003, which specifies broadcast languages as Kiswahili and English: <https://www.michezo.go.tz/uploads/publications/en1548233720-SERA%20YA%20HABARI%20NA%20UTANGAZAJI.pdf> accessed 12.07.2022

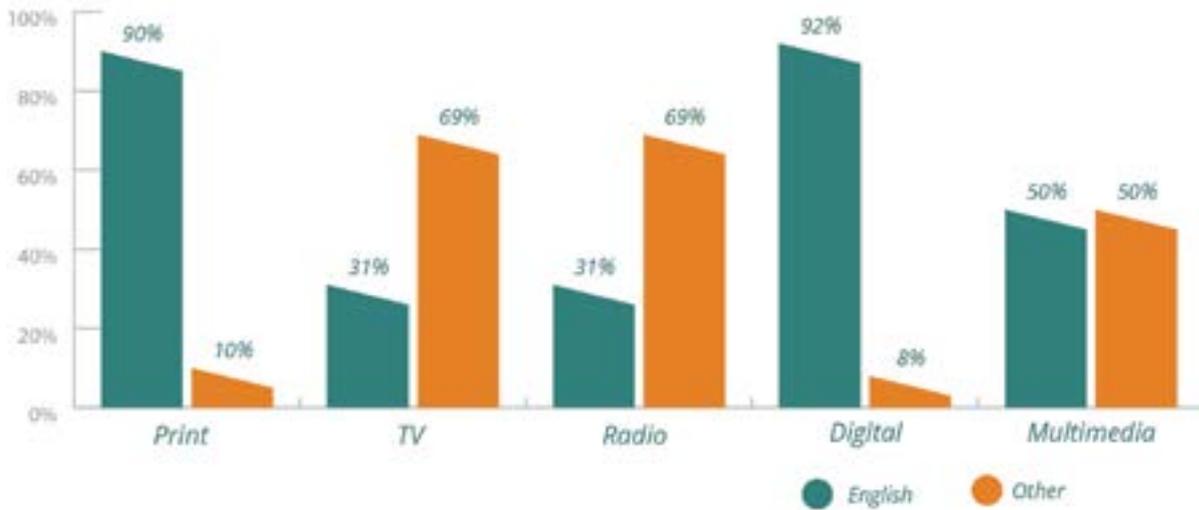


Figure 21: The Primary Language of News Production by Ugandan NMOs

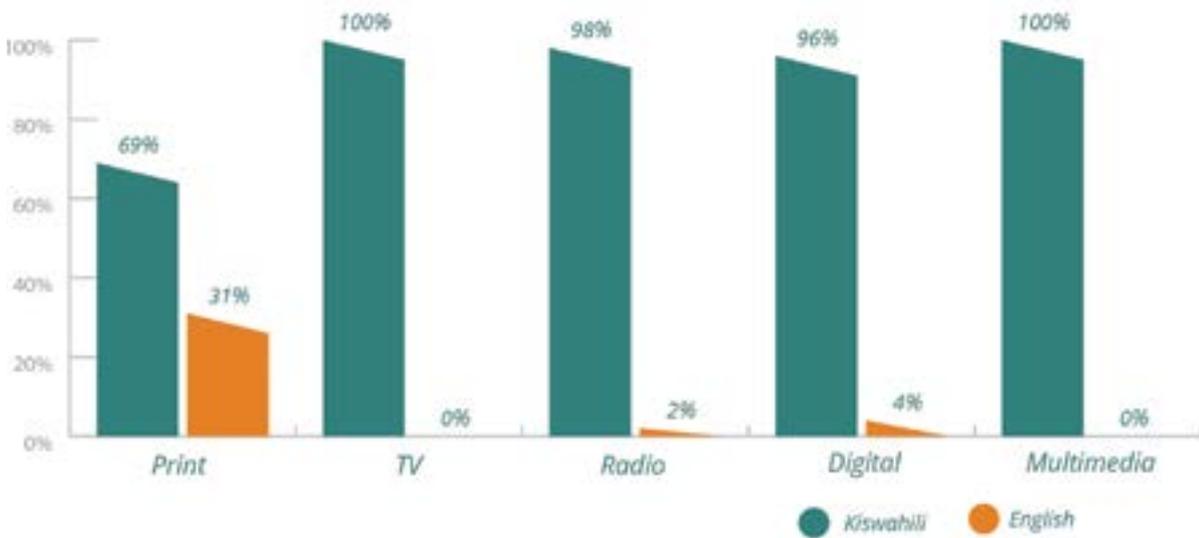


Figure 22: The Primary Language of News Production by Tanzanian NMOs

Print, Radio, and TV NMOs Content Diversification across East Africa

Print, TV and radio NMOs across East Africa produce and distribute news content over various platforms and in different formats. The survey established that social media, digital text, audio and/or podcast, multimedia, infographics and still photos are produced and distributed to varying extent by NMOs across the three countries. Print, TV and radio NMOs, besides producing for their root platforms, also predominantly produce and distribute their content through audio and/or podcast, and social media, across the three countries. In Uganda 93% of the media across print, TV and radio reported that they produce and distribute content in podcast/audio format and the numbers are equally high in Kenya (81%) and Tanzania (74%).

Social media use across all the three legacy platforms as a distribution channel is reported to be relatively high in Tanzania (71%) and Kenya (70%) and comparably low in Uganda as only 58% of NMOs in Uganda reported that they produce and distribute news content via social media. In 2018 Ugandan parliament passed the over-the-top

tax (OTT) popularly known as the social media tax, which required internet users to pay 200 Ugandan shillings (\$0.055) to use social media applications such as Facebook, Twitter, and WhatsApp among many other mobile communication applications. Further, effective July 2022 the Ugandan parliament replaced the social media tax with a 12% tax on internet data bundles. It is possible that the cumulative tax on the internet of 30%, which also includes an 18% Value Added Tax (VAT), has impacted the use of social media for distribution of content in Uganda.

Infographics is the least produced and distributed format by print, radio and TV across the three countries with Kenyan respondents reporting the highest percentage of NMOs (20%) that produce and distribute content in infographics format.

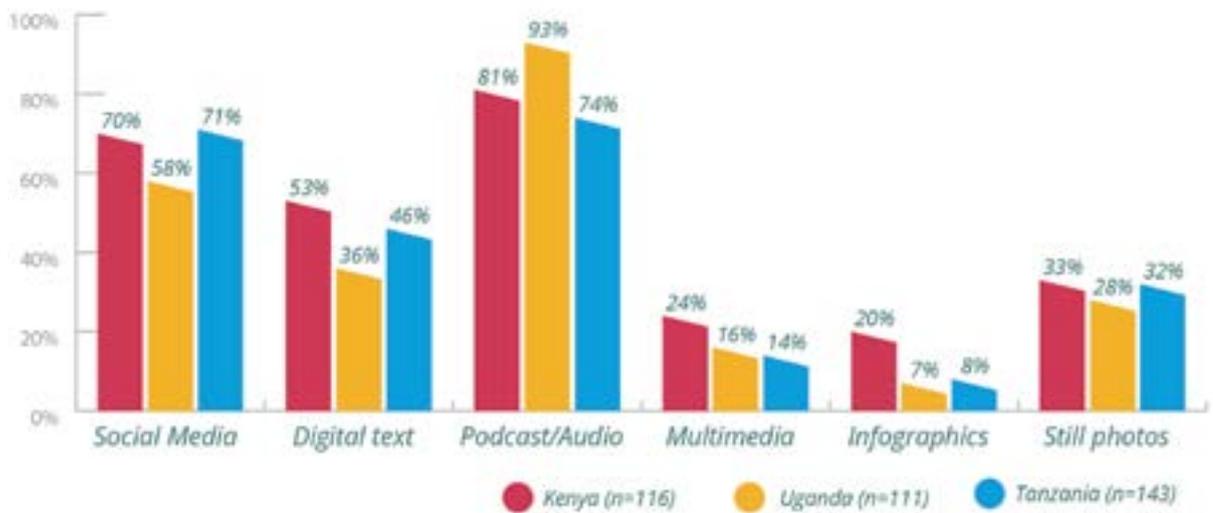


Figure 23: Content Diversification by Print, Radio, and TV NMOs Across East Africa

Kenya: Print, Radio and TV NMOs Content Diversification

The survey revealed that for print, radio and TV, the **respondents reported audio and/or podcast, social media and digital text as three of the topmost produced formats for distribution by these legacy NMOs in Kenya.** More TV NMOs indicated that they produce and distribute content through the social media platforms. Generally, more TV NMOs reported that they are diverse in content production and distribution as the findings indicate that, save for infographics (44%) and still photos (44%), more than half (52%) of the TV NMOs reported that they produce and distribute content for social media (88%), digital text (68), audio and/or podcast (52%) and multimedia (52%).

Print NMOs in Kenya also appear to be relatively diverse in their content production and distribution. Digital text (83%) and social media (75%) are the two leading content diversification platforms/format for print. The findings indicate that audio and/or podcast is the least reported as a platform for distribution by print NMOs, but still slightly more than a third (33%) of print NMOs reported that they produce and distribute news content via audio and/or podcast, which is fairly high.

Many radio NMOs produce for and distribute content on social media (63%), audio and/or podcast (98%) with a significant number of radio NMOs (43%) also reporting that they produce and distribute news content in the form of digital text, probably on their digital platforms.

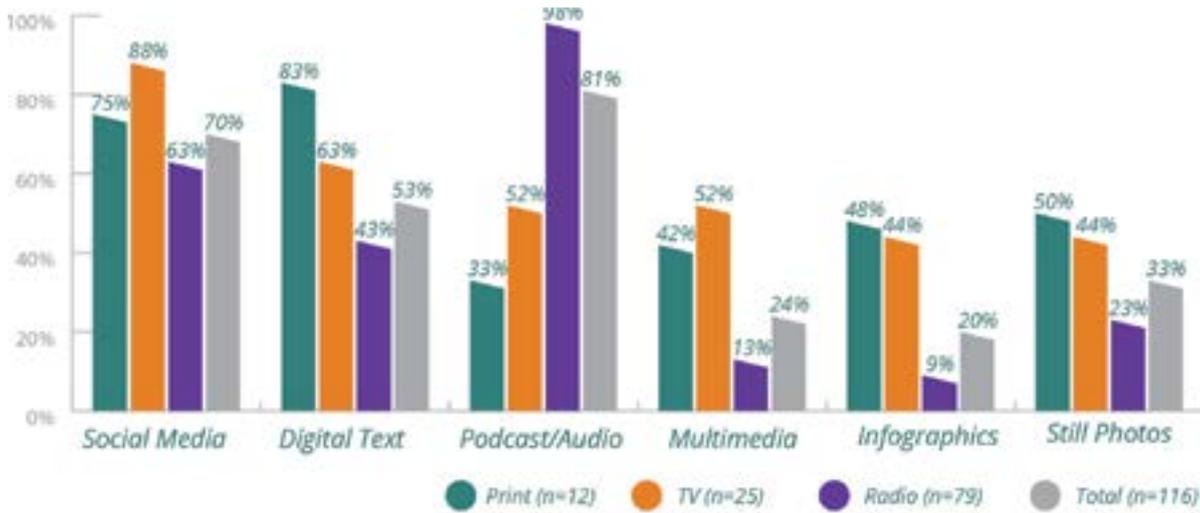


Figure 24: Content Diversification by Print, Radio, and TV NMOs in Kenya

Uganda: Print, Radio and TV NMOs Content Diversification

In Uganda, a high percentage of TV NMOs (94%) and print (80%) reported using social media, while infographics (19%) and multimedia (38%) are the least used by TV NMOs. Radio NMOs in Uganda do not seem to be big on social media (50%) and neither are they big on digital text (36%) production compared to Kenya and Tanzania. Print NMOs in Uganda report that they predominantly produce for and distribute content on social media (80%), digital text (80%) and still photos (60%). Unlike Kenya (33%) and Tanzania (25%) more print NMOs in Uganda (50%) reported producing and distributing content in the form of audio and/or podcast.

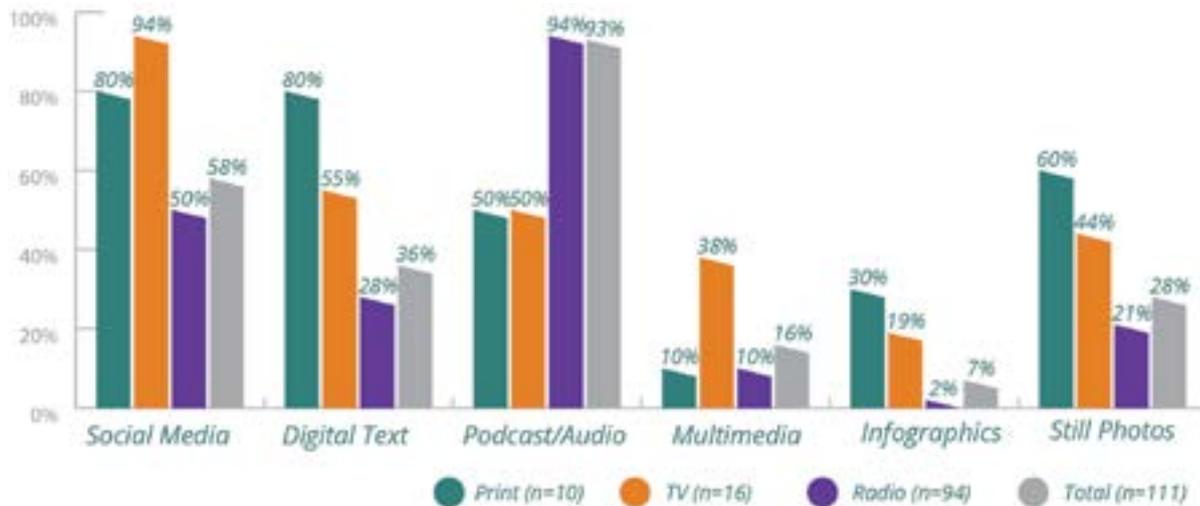


Figure 25: Content Diversification by Print, Radio, and TV NMOs in Uganda

Tanzania: Print, Radio and TV NMOs Content Diversification

In Tanzania, just like in Kenya and Uganda, print, radio and TV NMOs predominantly use social media. The findings indicate that Tanzanian print NMOs (81%) reported relatively high use of social media compared to radio (69%) and TV NMOs (69%) in the country.

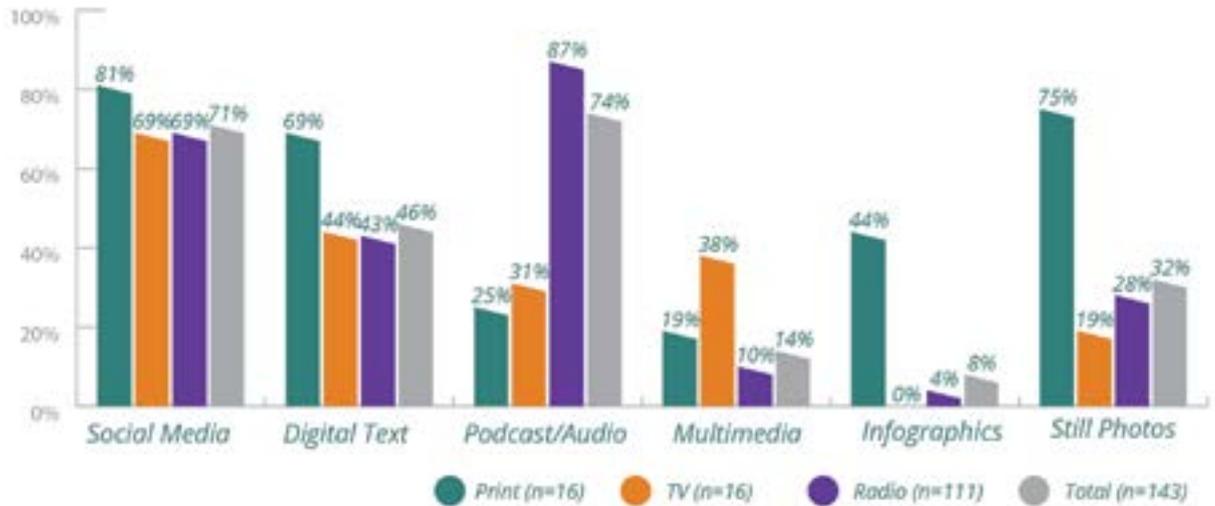


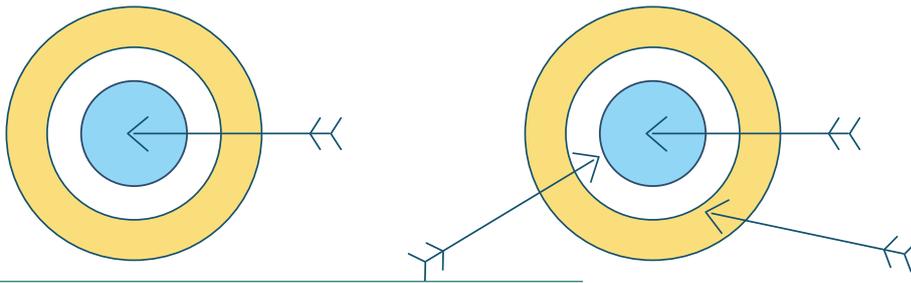
Figure 26: Content Diversification by Print, Radio, and TV NMOs in Tanzania

Video content production and distribution

Video, probably because of its resource demands in production and distribution does not seem to be a popular content format for non-TV NMOs. The findings indicate that production and distribution of video content is predominantly a preserve of TV in East Africa. Across the three countries the respondents reported that video is only among the top three content types produced and distributed by TV, digital and multimedia NMOs in Kenya, Uganda and Tanzania. Print and radio in Kenya and Uganda and all the media sectors in Uganda do not seem to prioritise video content as a content diversification stream. Video production is resource intensive, and it does appear that the lack of diversification through video content compared to social media and audio and/or podcast is a strategy by most NMOs to diversify production and distribution in a cost-effective manner.



Video, probably because of its resource demands in production and distribution does not seem to be a popular content format for non-TV NMOs



NMOs' INNOVATION CULTURES AS ASSESSED BY THEIR STAFF, THE RELATIONSHIP BETWEEN INNOVATION CULTURE AND ORGANIZATIONAL PERFORMANCE IN OTHER AREAS

In a rapidly changing media ecosystem, the ability of an organisation to innovate, adapt and develop new products and strategies can be the difference between viability and failure. The ability to innovate is a capacity that varies widely among organisations.

Research has shown that there are certain characteristics common to organisations with the ability to successfully innovate^{xiv}. Those include having a flatter, less hierarchical and authoritarian structure; leadership that encourages staff to share ideas across organizational departments and boundaries; and a diverse staff who bring to the organisation broad expertise and perspectives across different areas of knowledge and personal experiences. Other studies on innovation have established the importance of the organisation and individuals within it having broad external contacts that allow them to gather information about what is happening in the environment and among key organizational stakeholders, and to encounter new ideas.^{xv}

Leadership and organisational culture greatly influence an organisation's capacity to innovate. Although creativity and innovation are not the same thing, creativity often is the spark that leads to innovation.^{xvi} Research on the factors key to encouraging creativity and innovation include creating a diverse team with different skills and perspectives to work on the project, providing the team autonomy of action without close supervision, including the freedom to fail without penalties; and enough time and other resources to succeed, but not so much that they lose focus and efficiency.^{xvii}

Other factors in successful organisational innovation are organisational age, organisational demographics, and market share. Younger organisations, and organisations with younger staffs who are less ingrained in the organisation's and industry's traditional practices, are more likely to develop and adopt innovations than older, established organisations or organisations with older, more experienced workers.^{xviii} An organisation's competitive position in its market also affects its innovation capacity, with market strength being a double-edged sword. Research shows that many firms that succeed at developing transformative innovations are those that faced lower levels of direct competition and, therefore, had more resources to devote to innovation and more protection in the event of failure.^{xix} However, well-established incumbent firms also face a difficult dilemma in times of industry change and disruption. Adopting a new innovation or process risks sacrificing current revenue and alienating

“ Leadership and organisational culture greatly influence an organisation's capacity to innovate. Although creativity and innovation are not the same thing, creativity often is the spark that leads to innovation

existing customers, with no guarantee that the gamble will eventually be repaid with more customers and greater revenue. Business history shows that managers in many organisations choose to optimize their returns for as long as they can, until forced to cede their market to more innovative competitors.

Innovation Culture in East African NMOs

Managers and journalists were asked to rate on a scale of 1-10 the innovation culture of their news media organisations on several measures widely used to assess organisations' innovation cultures ⁵. The indicators of innovation culture mostly speak to the organisational innovation culture, relationships and processes and not the outcome. However, measures of innovation culture are good indicators of organisational innovativeness.

NMOs Innovation Culture in Kenya

The study established that NMOs in the TV sector (72%) and multimedia platforms (71%) are perceived by their managers and staff as the most innovative in Kenya, and print is perceived to be comparably the least innovative. Generally, in Kenya, more NMOs (60.5%) are perceived by both managers and journalists to have innovative cultures.

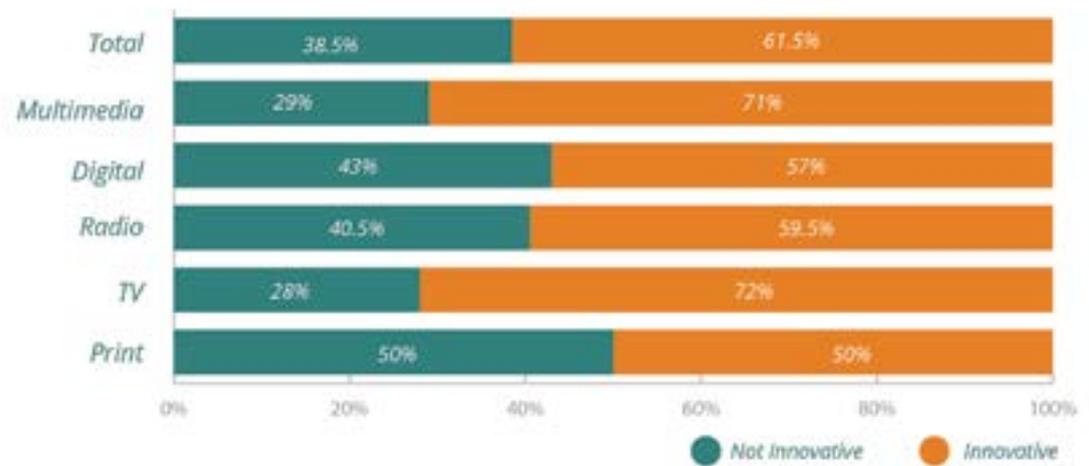


Figure 27: Innovation Culture of NMOs in Kenya

NMOs Innovation Culture in Uganda

Ugandan NMOs, just like the Kenyan NMOs, are generally perceived to be innovative, with the findings indicating that the managers and journalists in 64% of the NMOs that participated in the study see their media houses as innovative in their culture. However, unlike Kenya where TV and multimedia are leading in this positive perception about innovation culture, in Uganda it is NMOs in the print (70%) and radio (65%) sectors that are leading.

⁵ Measures of innovation culture used in this study attached as appendix one

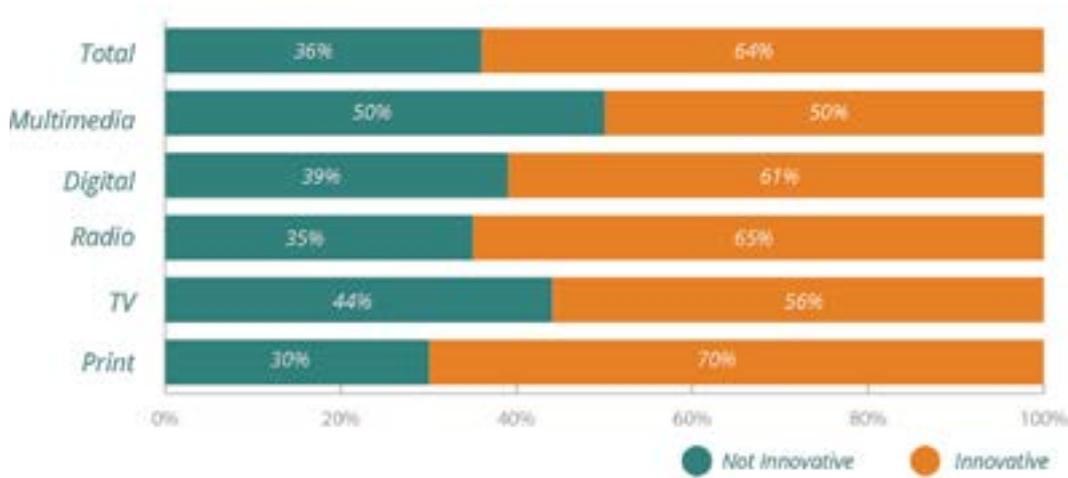


Figure 28: Innovation Culture of NMOs in Uganda

NMOs Innovation Culture in Tanzania

Tanzanian managers and staff assess their NMOs to be having the most innovative culture in East Africa, with the findings indicating that 73% of the NMOs are perceived to be innovative in their cultures - higher than either Kenya or Uganda. The findings further indicate that across all the media sectors, the response for innovativeness is high, with the lowest innovation rating still relatively high, at 68%, for the digital sector.

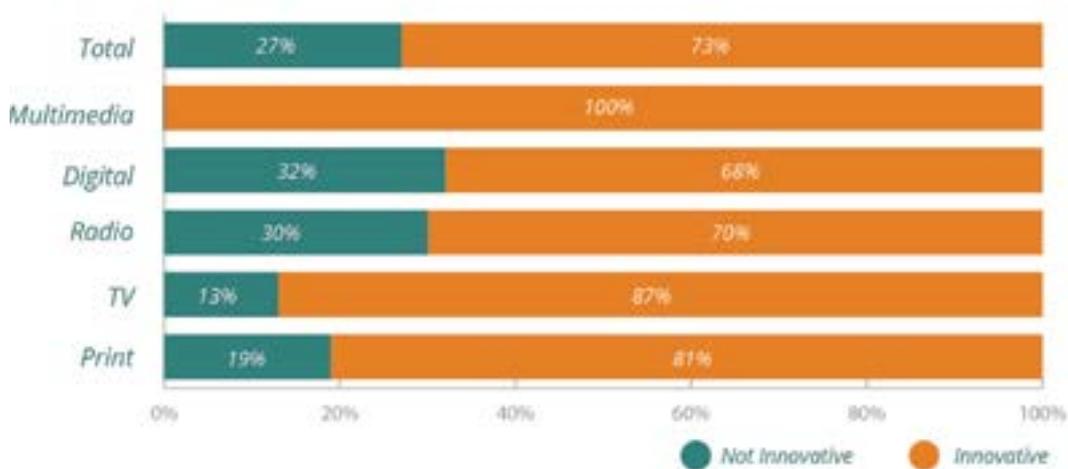


Figure 29: Innovation Culture of NMOs in Tanzania

Innovation and Journalism Quality in East Africa

The research assessed journalism quality through a series of questions that clustered around three aspects of journalism widely considered to be important measures of journalism quality: editorial independence, journalist pay (sufficient and regular payment for newsroom staff), and good journalistic practice (newsroom management and processes as discussed in the next section on journalism quality). Statistical analysis indicates that there is a positive, weak, but significant relationship between the journalists' pay and their assessment of their NMOs as innovative ($r(318) = .244, p = .000$). These findings suggest that NMOs that are assessed as innovative are more likely to pay their journalists better and that NMOs that pay their journalists better are also more

likely to be innovative or at least assessed as innovative. In addition, the findings also established that there is a weak, positive but significant relationship between NMOs independence and innovation ($r(318) = .247, p = .000$), which suggests that innovation is likely to encourage independence in editorial decisions and the inverse is also true - that independence in decision making is also likely to encourage innovation. Suffice to note, the direction of the relationship is not absolute and one way.

The statistical analysis further indicates that there is a positive, weak but significant relationship between NMOs that employed good practices in their quality journalistic content production and assessment of innovation ($r(318) = .170, p = .002$). The findings suggest that across East Africa, the relationship between NMOs' investment in good journalistic content production and perception of innovativeness by the staff is significant and worth further investigation.

East African NMOs Innovation Culture and Likelihood of Survival

The findings indicate that journalists and managers estimate media houses that are perceived as more innovative/creative as having higher likelihood of survival as news producers. Whereas 68% of NMOs that were perceived to be not as innovative as they should be were estimated to have 61% or more likelihood of survival as news producers, the figure was 85% for NMOs that were perceived to be innovative/creative. Nonetheless, a significant percentage of NMOs (15%) that were rated as innovative were also estimated to have a 60% or less chance of survival.

| Estimated Likelihood of Survival | NMOs' Innovation Culture | | Total (n=437) |
|----------------------------------|---|---|---------------|
| | My media house is not as innovative as it should be (n=145) | My media house is a very innovative/creative organization (n=292) | |
| 60% or less | 32% | 15% | 21% |
| 61% or more | 68% | 85% | 79% |

Table 16: East African NMOs Innovation Culture and Likelihood of Survival

“
... a significant percentage of NMOs (15%) that were rated as innovative were also estimated to have a 60% or less chance of survival.



QUALITY OF JOURNALISM CONTENT THE NMOs PRODUCE, AND THE FACTORS INFLUENCING THAT QUALITY

The survey sought to establish the managers and journalists' assessment of the quality of journalism content their NMOs produce, and the factors influencing that quality. "Journalism quality" is a difficult concept to define because the idea is influenced by both culture and personal viewpoints. **Some of the characteristics professional journalists globally tend to point to as indications of quality journalism include accuracy, balance, independence from direct or indirect outside influences, fairness, and relevance to the audience.**^{xx}

Among the factors research has identified as being important in influencing the quality of the journalism a news organisation produces are the organisation's ownership, internal culture, a moderate but not excessive level of journalism competition in the market, and adequate resources.^{xxi}

Among the resources key to a news organisation's ability to produce quality journalism are equipment and staff. Research has found that in order to produce quality journalism, news organisations must have a large enough staff to give journalists the time they need to ensure their stories are balanced and accurate, and to pursue difficult and complicated stories.^{xxii} News is a "talent good,"^{xxiii} meaning that its quality depends on the knowledge, talent and experience of the individuals who produce it, so being able to hire and retain experienced journalists also is necessary to the ability of a news organisation to produce quality journalism for its audiences. Low wages or an organisation's inability to consistently make payroll make it difficult, if not impossible, to attract and keep top professional talent. When such problems become common in an industry, it becomes increasingly difficult to compete against more stable industries in attracting new generations to the profession.

External social and economic factors in a news organisation's market also can be an obstacle to quality journalism. Too many or too few news organisations in the market may make it easier for governments or business interests to control and influence news content.^{xxiv} Community taboos that make some topics unacceptable to cover or to cover in a fair and balanced fashion, political pressure on journalists or news organisations, economic pressure from advertisers or funders, and direct threats and acts of intimidation, whether from the authorities or members of the public all seriously erode the ability of journalists and news organisations to produce "quality journalism" and serve the public interest.^{xxv}

“*News is a “talent good,” meaning that its quality depends on the knowledge, talent and experience of the individuals who produce it, so being able to hire and retain experienced journalists also is necessary to the ability of a news organisation to produce quality journalism for its audiences*”

NMOs in East Africa and Quality of Journalism

The study used a series of questions about journalism quality to measure respondents' assessments of the quality of journalism that their organization was producing. The questions used a Likert Scale where 1 stood for "Strongly Disagree" with a positive statement about the quality of journalism practice in their NMO, and 5 stood for "Strongly Agree" with a positive statement. A factor analysis identified a three-factor solution, with the questions measuring three separate aspects of journalism quality: (1) journalism quality as a function of good journalistic practices (newsroom management and processes); (2) journalism quality as a function of journalists pay and; (3) journalism quality as a function of editorial independence.

The first factor measured journalistic quality as a function of journalistic practices (management-standards and practices) that seek to produce high-quality, fact-based news products. Specifically, in this first factor the measures include whether in the NMO, **news stories are reviewed by an editor before publication; whether major stories are subjected to a formal fact-checking process before publication; whether newsroom managers emphasise the need for facts and evidence in stories; whether newsroom managers will take direct action to stop journalists from engaging in professionally unethical behaviour when they learn of such behaviour; and whether newsroom managers are open to new ideas and innovations in the newsroom.** The analysis of the data shows that managers and journalists who responded generally rated their NMOs fairly highly on these measures, and that results were consistent across all three countries as shown in Table 17 below.

| | <i>Journalistic Practices (newsroom management and processes)</i> | <i>Journalist Pay (sufficient and regular payment for newsroom staff)</i> | <i>Editorial Independence</i> |
|-----------------------|---|---|-------------------------------|
| <i>Region/Country</i> | <i>Mean</i> | <i>Mean</i> | <i>Mean</i> |
| <i>East Africa</i> | 4.23 | 3.64 | 3.64 |
| <i>Kenya</i> | 4.18 | 3.62 | 3.62 |
| <i>Tanzania</i> | 4.24 | 3.62 | 3.62 |
| <i>Uganda</i> | 4.22 | 3.66 | 3.64 |

Table 17: Journalism Quality in East African NMOs

The second factor of journalism quality identified in the factor analysis centred around issues of the payment journalists in East Africa receive from their employers. The factor analysis identified three questions that clustered together in terms of respondents' answers. Specifically, the measures for the second factor of journalism quality - journalist pay - included whether NMOs pay their journalist regularly; whether the pay is enough to help NMOs attract and retain qualified talent; and whether NMOs pay their journalists well enough to discourage professionally unethical behaviour. News media content is a talent product, which makes it critically important for NMOs to attract and retain excellent, experienced, professionally well-prepared journalists. Equally important, journalists must be paid well enough by their employers to discourage them from making up for inadequate or irregular pay by engaging in professionally unethical behaviour. The analysis of the data indicates that managers and journalists who responded rated journalist pay fairly highly with an East African mean of 3.64 out of 5.00 and a consistency across all the three counties as shown in the table above.

The third aspect of journalism quality that was measured in the survey was related to the newsroom's editorial independence. Specifically, the measures of the third factor of journalism quality – editorial independence - included: whether the NMOs' owners/managers respected the newsroom's editorial independence; whether advertising was not allowed to influence news decisions and content; and whether the NMO had enough different advertisers or sources of revenue to prevent important clients or funders from interfering with content decisions. Again, the organisational means across NMOs showed a fairly high level of consistency across the three countries with an East African mean of 3.64 out of 5.00. However, in as much as the general assessment of the level of editorial independence was in line with responses to the journalist pay, both having a mean of 3.64, the differences in their assessment and that of journalistic practices raises germane questions. **These findings suggest that the NMOs in East Africa are rated highly in terms of journalistic practices (newsroom management and processes), that is, both journalists and managers seem to agree that their processes and practices are probably sufficient to guarantee quality journalistic content.** The findings also show that journalist pay and editorial independence are not rated as highly, therefore it is safe to surmise that issues of poor-quality content are probably occasioned by journalist pay and editorial independence issues.

Financial Trends/Results in 2019 and Good Journalism Practices

The three aspects of journalism quality - editorial independence, journalists pay (sufficient and regular payment for newsroom staff), and good journalistic practises - discussed above were analysed against the NMOs financial trends and results. The statistical analysis indicates that there is no significant relationship between NMOs good journalistic practices in content production and better financial results in 2019 ($r(155) = .042, p = .605$). In other words, the Pearson correlation indicates that the level of significance shows that the negligible relationship between financial results and good journalism practice is in fact a relationship that occurs by chance to the tune of 60.5%.

However, the study established that there is a weak, positive, and significant relationship between NMOs good journalistic practices in content production and financial trend between 2018 and 2019 ($r(302) = .169, p = .003$). That is, even though weak, there is a significant relationship between the quality of journalism, especially with regards to good journalistic practices, and the financial performance of NMOs and this relationship is not by chance as indicated by the significance level. These findings suggest that there is a relationship between investment in good practices such as fact checking, and editorial independence, and good financial performance to some degree. A study by Lacy and Fico on newspapers circulation established this positive relationship between investment in editorial quality and circulation.^{xxvi} These two scholars built on previous studies and concluded that it is in the media managers' and owners' interest to invest in quality journalism if they are to increase circulation and enhance financial performance. However, in the current study, whereas good quality journalism is positively related to better financial performance, there is also a likelihood that media houses with better financial performance may be channelling more finances to better journalistic practices. The current study did not measure the direction of the relationship and future studies need to focus on these variables to establish the direction of the relationship.

“ issues of poor-quality content are probably occasioned by journalist pay and editorial independence issues

Financial Trends/Results in 2019 and Journalist Pay

The Pearson correlations analysis indicates that there is a positive, weak but significant relationship between journalist pay (sufficient and regular payment for newsroom staff) and the NMOs financial results in 2019 ($r(155) = .173, p = .030$) and a positive, comparably strong and significant relationship between journalists' payment and the NMOs financial trends in 2019 compared to 2018 ($r(302) = .255, p = .000$). These findings suggest that the NMOs that have better financial trends or posted better financial results are likely to pay their journalists better. However, there is a remote possibility that better journalists' payment is a forerunner of better financial trends and results, which future studies should strive to establish.

Financial Trends/Results in 2019 and Editorial Independence

The findings indicate that there is barely a relationship between journalists and NMOs editorial independence and financial results and that whatever relationship exists is nonsignificant ($r(155) = .019, p = .816$). These findings suggest that whether a media house is editorially independent or not in their editorial decisions is not related to the NMO's financial results. On the other hand, the statistical analysis established a positive, weak, but significant relationship between independence and financial trends ($r(302) = .147, p = .010$). These findings suggest that NMOs that are independent in their editorial decisions with journalists free to cover and publish stories without undue influence from other sources are likely to have better financial trends in subsequent years.

Journalists Arrested or Physically Attacked as a Result of Journalistic Work

External pressures on news organisations that undercut journalism quality were also assessed. The study sought to find whether to the respondents' knowledge, their news organisation had had at least one instance of specific types of journalistic intimidation during the year 2019. Both media managers and journalists reported higher incidences of journalists in Uganda experiencing arrests and physical attacks because of their journalistic work as compared to journalists in Kenya and Tanzania.

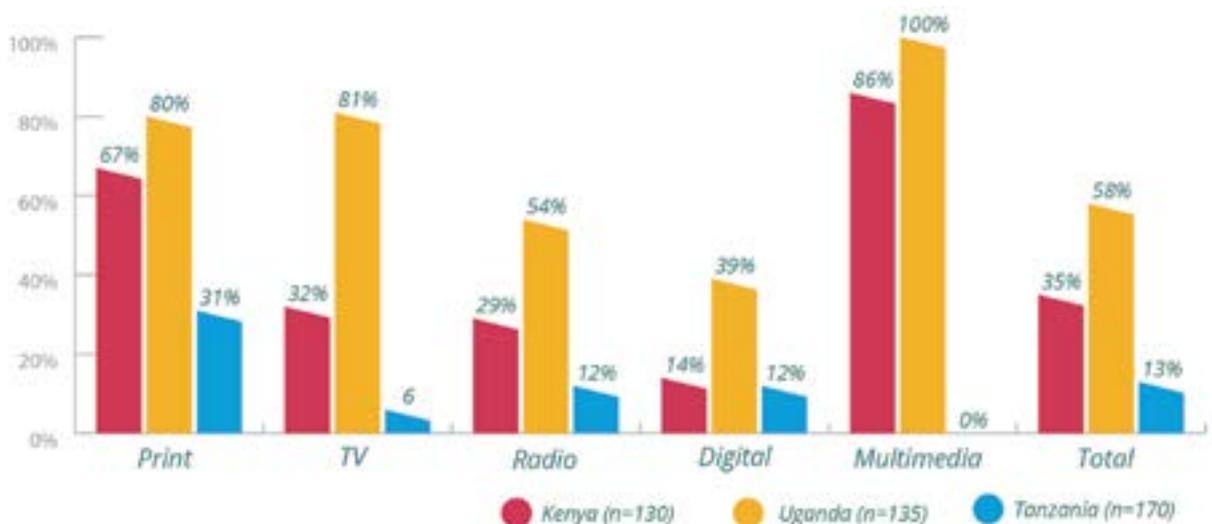


Figure 30: Arrest and Physical Attack of Journalists as a Result of Journalistic Work

More than half of the NMOs that participated in this study from Uganda (58%) reported that they had had at least one journalist arrested or physically assaulted in 2019, and the findings also showed that attacks or arrest of legacy media journalists in Uganda were relatively high with print at 80%, TV at 81% and radio at 54%.

In Kenya, it is print NMOs that appear to have had more journalists arrested or physically assaulted because of their work, with 67% of print NMOs indicating that they had had journalists arrested or attacked. The picture for broadcast media was better but still concerning, with 32% of TV NMOs and 29% of radio NMOs reporting that they had experienced negative incidents. Overall, 35% of Kenyan NMOs indicated that they had had at least one journalist arrested or attacked in 2019.

Tanzanian NMOs reported experiencing fewer instances of arrests and attacks with only 13% of NMOs indicating that journalists in their media houses were arrested or attacked because of their journalistic work in 2019. The incidences were particularly low for TV and multimedia platforms, which stood at 6% and 0% respectively.

For Uganda, the findings indicate that even though the numbers are not as high as for legacy media, digital and multimedia NMOs had more journalists attacked and arrested, followed by Kenya, while Tanzania had the least arrests and attacks on digital and multimedia journalists.

A 2021 report by the Media Innovation Centre^{xxvii} notes a decline in the freedom of the media in Tanzania from 2015 and the onset of self-censorship, occasioned by an intolerant political environment that clamped down on journalists and media outlets. This situation led to a dearth of critical journalism. As the Media Innovation Centre report notes, government officials, civil society organisations and thought leaders from different industries, including the academia, muted their dissent. Consequently, it is possible that the media had nothing much to report that would offend the regime and attract arrests or physical attacks of journalists.

Verbal Attacks on Journalists

Verbal attacks on journalists seem to be more prevalent across the three countries compared to physical attacks and arrests of journalists. Uganda respondents were most likely to report that they or their colleagues had been subjected to verbal attacks, including through social media, at least once during the year. Out of the 136 Ugandan NMOs that participated in the study, 85% reported that journalists in their media houses experienced verbal attacks. The legacy media in Uganda seem to be the hardest hit on verbal attacks with over 80% of print, TV and radio NMOs that participated in the study all reporting that at least one of their journalists experienced verbal attacks.

More than half of Kenyan NMOs (54%) also indicated that at least one journalist was verbally attacked, with print (75%) reporting the highest incidences followed by TV (52%) and radio (48%). In Kenya, just like in Uganda, all the multimedia platform NMOs (100%) indicated that their journalists experienced at least one incident of verbal abuse in 2019.

In Tanzania verbal attacks overall seem to be relatively high (34%) compared to arrests and physical abuse (13%) in the same country, but still comparatively low when looked at against Kenya and Uganda. Nevertheless, the verbal attacks reported by print NMOs in Tanzania was high (75%) and the same as in Kenya.

“
... government officials, civil society organisations and thought leaders from different industries, including the academia, muted their dissent. Consequently, it is possible that the media had nothing much to report that would offend the regime and attract arrests or physical attacks of journalists

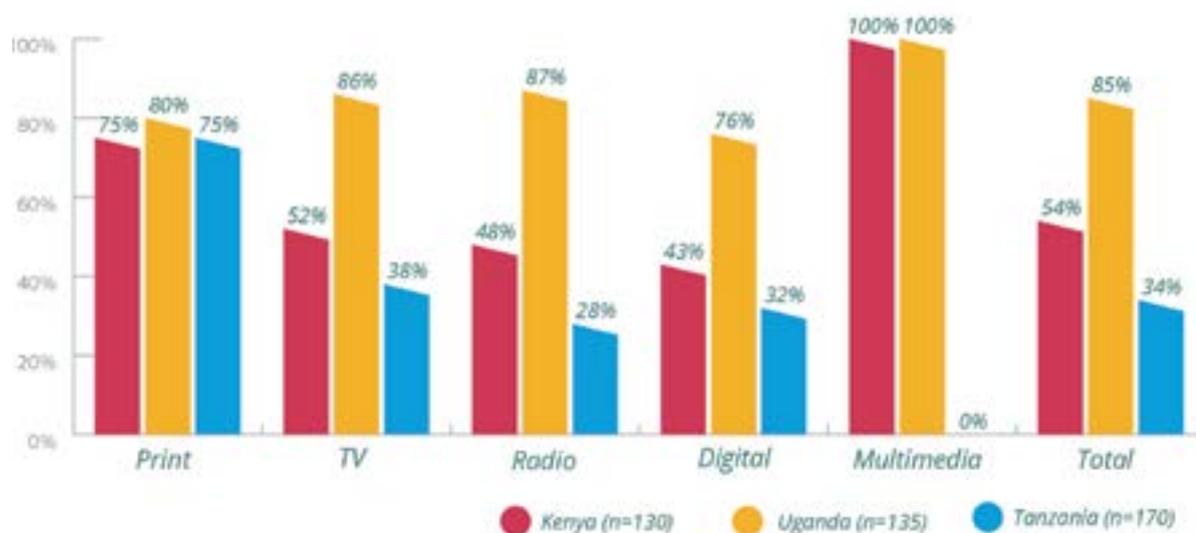


Figure 31: Journalists Verbally Attacked as a Result of Journalistic Work

Whereas the number of multimedia platforms is relatively small, the high percentage of verbal attacks for Kenya and Uganda can be explained by the fact that most of these platforms bring together different outlets by media conglomerates in one digital platform. On these digital platforms, consumers of content have instantaneous and interactive engagement with journalists. For print journalists or even broadcast journalists whose content appears on these platforms, the audience is afforded a platform to respond and, thus, the higher numbers of verbal abuse reports.

Published Stories Because of Business Pressure

The study sought to establish whether published stories are affected by business pressure exerted on journalists and the editorial staff. Business pressure in the current study is operationalised as direct pressure from advertisers or funders to publish stories that these advertisers and funders wanted to see published. Across the three countries Ugandan NMOs seem to be the most affected by business pressure as 45% of the NMOs that participated in the study indicated that they published at least one story because of business pressure in 2019. Tanzania had the least number of NMOs (18%) report that they had to publish stories because of business pressure.

For legacy media, the findings indicate that across the three countries the business pressure to publish stories was consistently high for print NMOs, with Tanzania having the least number of print NMOs (50%) indicating they had published a story due to pressure from advertisers or funders in 2019. It is only in the print media sector where all the three countries have 50% or more of respondents reporting this influence.

A very high percentage of TV NMOs in Uganda (85%) reported pressure to publish stories because of business. But in radio, the likelihood that respondents reported having published stories due to business pressure in 2019 was not as high compared to other sectors of the media industry. In Kenya, 23% of radio NMOs and 13% in Tanzania reported influence from business pressure, while in Uganda the number was 35%. The findings further indicate that more Kenyan NMOs on the digital and multimedia platforms reported publication of stories because of business pressure compared to Ugandan and Tanzania NMOs on these platforms.

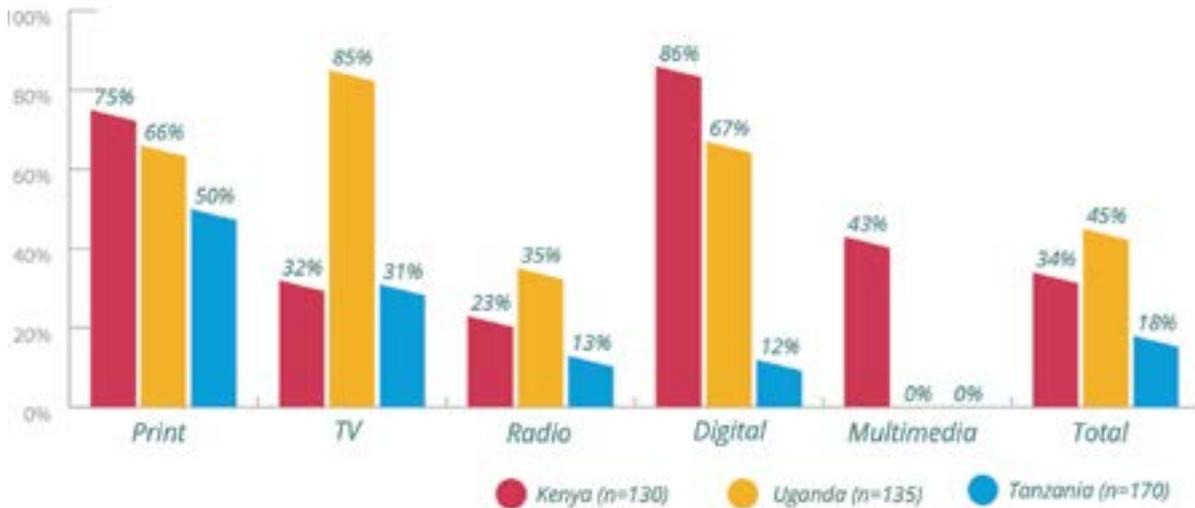


Figure 32: NMO Published Stories because of Business Pressure

Stories Not Published Because of Business Pressure

Across the three countries, the findings indicate that more NMOs in Uganda (48%) failed to publish at least one story in 2019 because of pressure from advertisers or funders, followed by Kenya (38%), while Tanzania had the least number of NMOs (16%) reporting doing that year. For legacy media, Uganda still led in the number of print NMOs (77%), TV NMOs (60%) and radio NMOs (44%) that reported failing to publish stories in 2019 because of business pressure. The trend for legacy media is the same as Kenyan print, TV and radio NMOs reporting the second highest number of NMOs with at least one story killed in 2019 while Tanzania reported the least of the three. Kenyan digital and multimedia NMOs reported comparatively high numbers of NMOs that failed to publish stories because of business pressure.

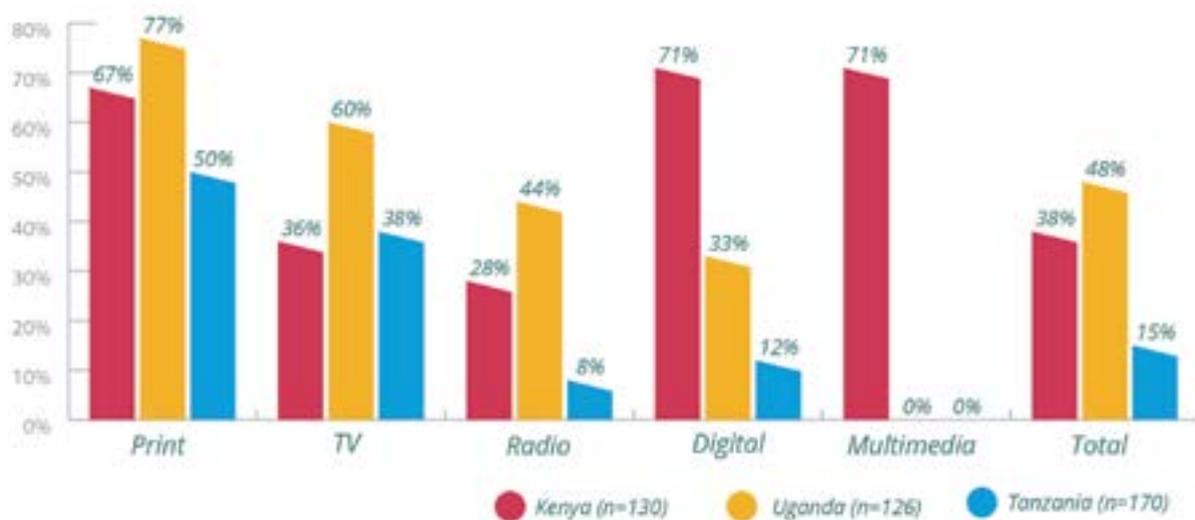


Figure 33: NMO Did Not Publish Stories Because of Business Pressure

Stories Published Because of Political Pressure

Political pressure seems to be a lot more pronounced in Uganda as 41% of NMOs in Uganda reported that they published at least one story because of political pressure

in 2019. Print (67%) and TV NMOs (62%) in Uganda reported relatively high numbers of NMOs that experienced political pressure to publish stories compared to both their Kenyan and Tanzanian counterparts. Tanzania reported comparably higher cases of TV NMOs that published stories because of political pressure than Kenya and the same is the case for print NMOs in Tanzania.

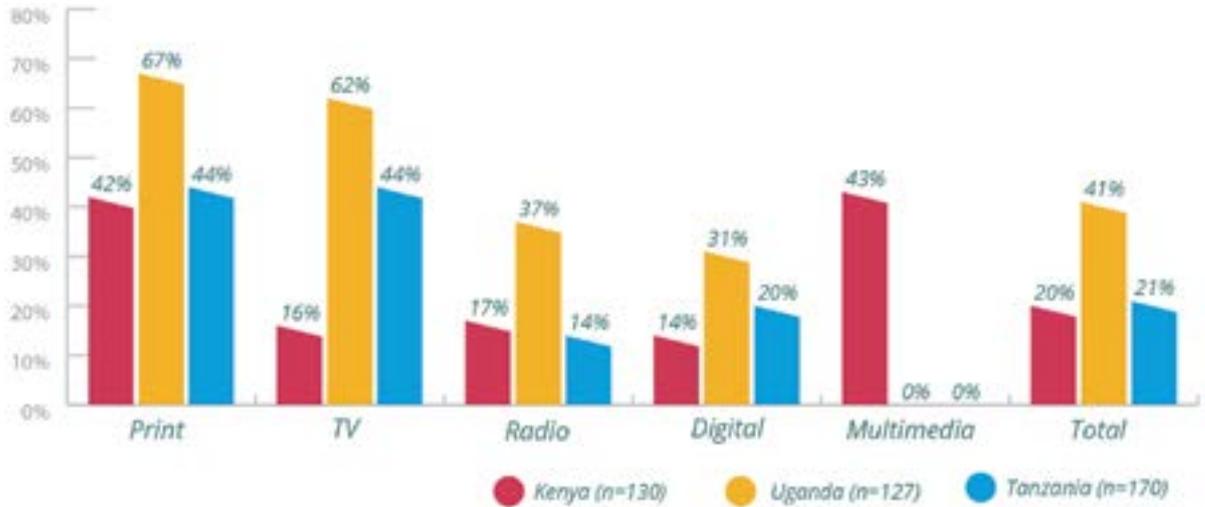


Figure 34: Published Stories Because of Political Pressure

Stories Not Published Because of Political Pressure

As with the other sources of influence, Uganda leads in the number of NMOs (60%) that failed to publish at least one story in 2019 because of political pressure. Other than Kenya where the multimedia platforms reported a relatively high percentage of NMOs (60%) that did not publish at least one story in 2019 because of political pressure, print NMOs in all the three countries had 58% or more reporting that their NMOs killed at least one story in 2019. The findings also indicate that 74% of Ugandan TV NMOs reported that they failed to publish at least one story in 2019 because of political pressure.

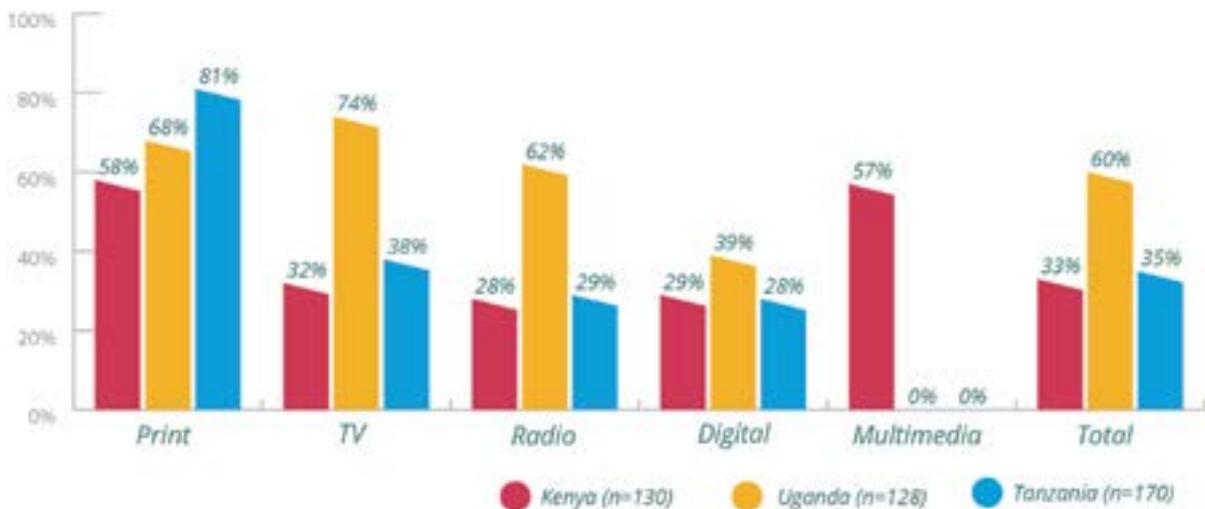
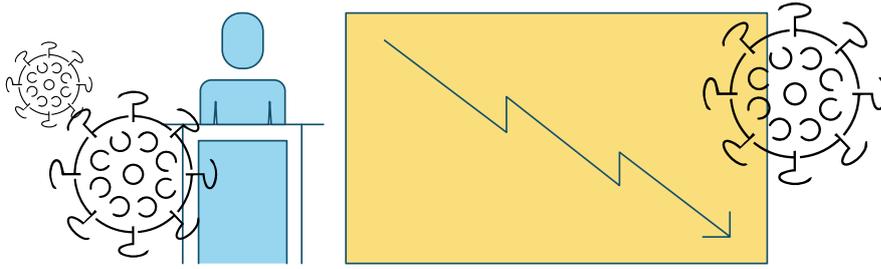


Figure 35: Stories Not Published Because of Political Pressure

The findings on interferences seem to indicate that Ugandan NMOs suffer more editorial interferences compared to both Kenya and Uganda. TV NMOs in Uganda appear to be suffering the biggest brunt from political interest, business pressure, verbal attacks, arrest and physical attacks for their journalistic work.



THE IMPACT OF COVID-19 ON NMOs IN EAST AFRICA

The first cases of COVID-19 in East Africa were reported in March 2020. Government protocols in Kenya and Uganda disrupted the production and distribution of news content as media houses lost revenues, reported declines of up to 33% in total advertising spend in the first half of 2020 compared to the first half of 2019 (IPSOS, 2020) and had to contend with staff layoffs. Globally, however, the trends in both developed and emerging markets indicated remarkable increase in media consumption on both digital and legacy news platforms ^{xxviii}. Media houses had to inform the public and journalists had to work under circumstances they were not accustomed to and in a socioeconomic and political dispensation that was disrupted by a novel pandemic. Suffice to note that the increase in media consumption at the height of the pandemic was challenging, but also provided opportunities for monetisation and expansion of advertiser reach.

COVID-19 and Financial Revenues of Legacy Media platforms

The impact of the COVID-19 pandemic on financial revenues was significant across the three countries and across all the media sectors. Print was the most affected in Kenya and Uganda, with 100% of the print NMOs that participated in this study reporting they had decreases in revenues as a result of Covid. In Tanzania the picture was not much better: 90% of print NMOs reported that they had decrease in revenues because of the pandemic.

While a significant number of radio and TV NMOs across the three countries reported that they had decreases in revenues, comparably fewer radio NMOs in Kenya reported decreased financial revenues as a result of the COVID-19 pandemic. In Tanzania, more radio NMOs (82%) compared to TV (57%) reported decreases in financial revenues because of COVID-19. In Uganda, in addition to the impact on all of the print NMOs who responded to this survey, TV (87%) and radio (80%) NMOs also reported high percentages of decreases in financial revenues because of COVID-19. This trend in Uganda compared to Kenya and Tanzania can be explained by the COVID-19 experiences and measures in the three countries. Uganda, for instance, had stricter COVID-19 measures that technically had the country in complete lockdown for longer periods of time compared to Kenya. Kenya, in contrast, had Covid measures but did not at any point lock down the country completely, although movement was restricted. In Tanzania, COVID-19 was not officially acknowledged, especially by the late President John Pombe Magufuli, and it was not until his passing on in March 2021 that the country started instituting public health measures.

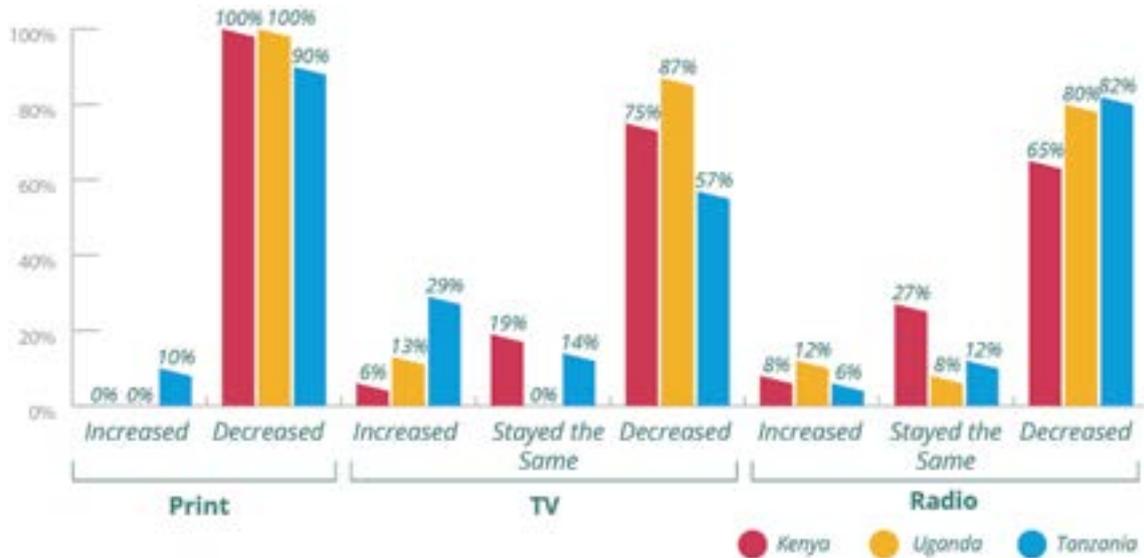


Figure 36: Legacy Media and Financial Revenues During the COVID-19 Pandemic

COVID-19 and Financial Revenues of Digital Native and Multimedia Platforms

The findings about COVID-19's impact on the revenues of news organisations were particularly interesting because they were so different in the different countries. In Tanzania, the two multimedia platforms that responded reported they had increased financial revenues during the pandemic. In Uganda, in contrast, the two multimedia NMOs that participated in the study reported that their revenue trends remained the same. In Kenya, seven multimedia platforms participated, and they all reported that they had a decrease in revenues because of the COVID-19 pandemic. The trends for the digital native NMOs are fairly encouraging for Uganda and Tanzania, with about one-third in Uganda and Tanzania showing either stable revenues or a slight increase during the pandemic. All of the multimedia respondents in Uganda and Tanzania had stable or positive revenue during the pandemic. In Kenya, all the digital native NMOs and multimedia platforms reported decrease in revenues.

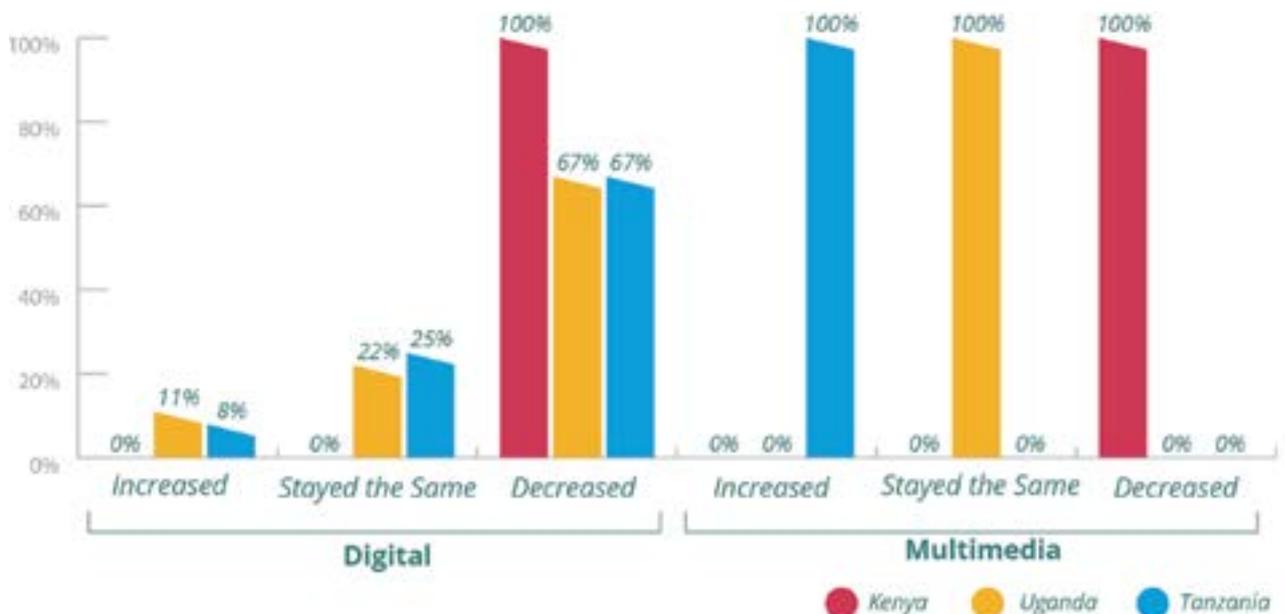


Figure 37: Digital Native and Multimedia NMOs and Financial Revenues During the COVID-19 Pandemic

Overall Financial Impact of COVID-19 Pandemic on Revenues in 2020 and NMOs' Estimated Likelihood of Survival

The findings seem to suggest that East African NMOs that weathered the COVID-19 pandemic by either realising increase in financial revenues at the height of the pandemic or having their financial revenues remain the same appear to be having a fairly optimistic picture of their future as captured on the table below. For the NMOs that realized increase in revenues, 77% also estimated that they have 61% or more likelihood of survival as news producers, while for the ones whose revenues remained the same, 89% estimated that they have 61% or more likelihood of survival as news producers.

Overall financial impact of COVID-19 pandemic on revenues in 2020

| <i>Estimated Likelihood of Survival as News Producers</i> | <i>Increased (n=22)</i> | <i>Stayed the same, despite Covid (n=27)</i> | <i>Decreased (n=196)</i> | <i>Covid has not affected our community or business operations (n=17)</i> | <i>Total (n=262)</i> |
|---|-------------------------|--|--------------------------|---|----------------------|
| 60% or less | 28% | 11% | 23% | 29% | 22% |
| 61% or more | 77% | 89% | 70% | 71% | 78% |

Table 18: Financial Impact of COVID-19 on Revenues and Likelihood of NMOs' Survival

COVID-19 and NMOs' Revenue Sources

A correlational analysis between the percentage of revenue a media house reported getting from different sources and the financial impact of COVID-19 on NMOs found that some types of revenue sources provided a better buffer than others against the negative financial effects of the pandemic. Subscription revenue ($r(251) = .206, p = .001$) and direct government funding ($r(251) = .184, p = .003$) are two sources of revenue that had a positive, weak but significant relationship with better revenue performance during the COVID-19 pandemic in 2020. Subscription revenue tends to be a more stable source of revenue than advertising, particularly during times of economic uncertainty. Similarly, direct government subsidies can be a more stable income source for news media than competitive market sources.

In another indication of the potential for government funding to help financially stabilize news media organisations, the study found evidence that government advertising helped cushion negative pandemic effects among NMOs. Specifically, among NMOs that reported decreased revenue because of Covid-19, the decline was slightly, but statistically significantly smaller among NMOs where government advertising provided a larger percentage of their total revenue ($r(165) = -.239, p = .002$).

In many countries around the world, however, government funding and government advertising are mechanisms for controlling news media content. Under the definition of media viability used as the basis of this study, stable revenue from government funding would be undesirable, if it came at the price of government control or greater interference with the independent journalism a NMO produces. In some Western European and Pacific Rim countries, however, legal, and organisational structures have been established that provide NMOs access to a steady flow of financial support through the government while maintaining strict barriers that protect journalistic independence.

COVID-19 and Trends in Demand for Advertising

A total of 71 (Kenya), 78 (Uganda) and 104 (Tanzania) NMOs responded to the question on the impact of COVID-19 on trends in demand for advertising. The findings indicate that 82% of all the participating NMOs in Kenya, 73% in Uganda and 68% in Tanzania reported that the demands for advertising space and time decreased at the height of the COVID-19 pandemic. Legacy media were the hardest hit during the COVID-19 pandemic and across the three countries, the findings indicate that most of the print, TV, and radio NMOs reported decreases in demand for advertising.

In Kenya and Uganda all the print NMOs that participated in the study reported that they had decreases in demand for advertising, while in Tanzania 89% of the print NMOs had decreases in demand for advertising. Tanzania appears to have fared slightly better than Kenya and Uganda, with 60% of TV and 69% of radio NMOs in Tanzania experiencing decreases in demand for advertising. Comparably, Kenya and Uganda had 75% or more of radio and TV NMOs reporting decreases. For print, whereas all Kenyan and Ugandan NMOs experienced decrease in advertising demand, in Tanzania the percentage stood at 89%, suggesting that at least 11% did not experience decrease in demand for advertising.

The multimedia platform NMOs in Kenya and Tanzania all indicated that they had decreased demand for advertising during the peak of the COVID-19 pandemic. In Kenya, all digital native NMOs that responded reported decrease in advertising demand due to COVID-19, whereas in Uganda and Tanzania, only half of the digital native NMOs reported decrease in advertising demand. These findings suggest that Ugandan and Tanzanian digital native NMOs weathered the pandemic better than Kenyan digital NMOs.

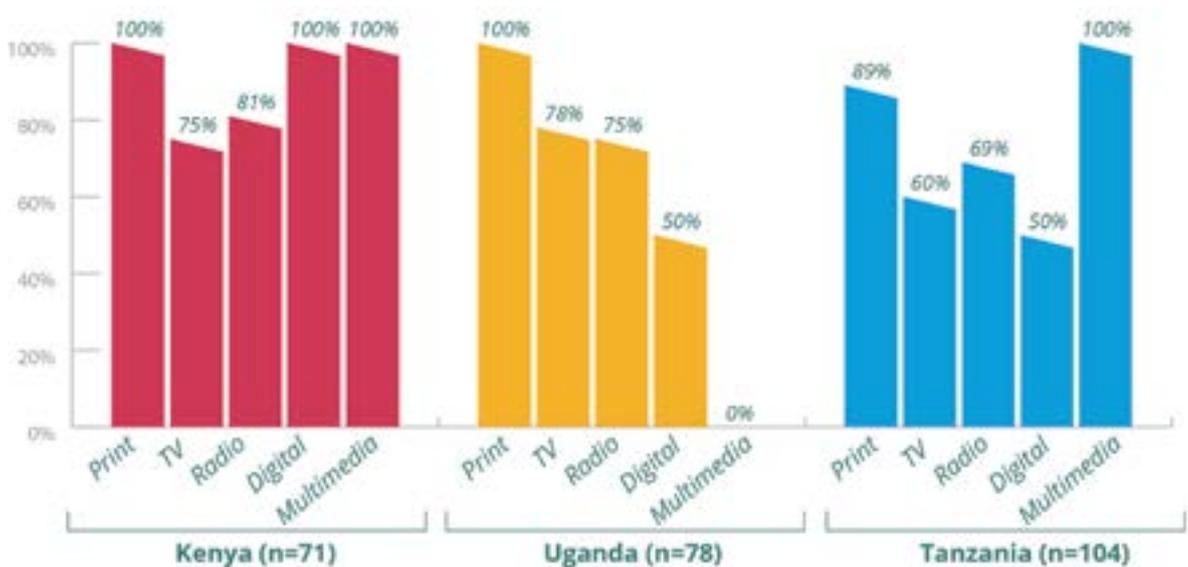


Figure 38: Decrease in Demand for Advertising and COVID-19

COVID-19 and Audience Trends During the Pandemic

Across the three countries, audience numbers across all the sectors increased, with 46% (n=397) of the NMOs reporting that audience numbers increased in 2020. In the region, TV reported the highest percentage of increase in audience numbers in 2020 (65%, n=33), followed by digital NMOs (58%, n=22) and radio (46%, n=120).

Audience Trends During the COVID-19 Pandemic in Kenya

The audience trends in Kenya indicated a considerable increase across all media sectors in 2020 compared to 2019. A total of 56% of the NMOs in Kenya reported that they had increase in audience numbers. The respondents reported considerably higher increase in audience numbers for TV (63%), radio (57%) and digital (50%). Print (30%) and multimedia (43%) NMOs, on the other hand, reported decreases in audience numbers. These findings suggest that more Kenyans appeared to have preferred the broadcast media, as the percentage increase in audience numbers in the TV and radio sectors is relatively high.

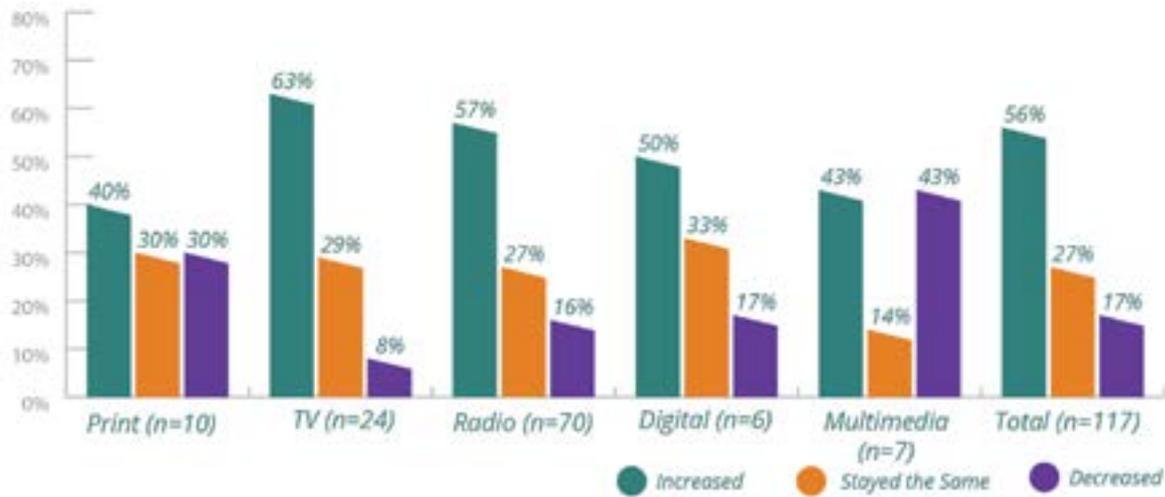


Figure 39: Audience Trends in Kenya at the Peak of COVID-19 Pandemic

Audience Trends During the COVID-19 Pandemic in Uganda

The trend in Uganda is similar to Kenya, with more than half of the NMOs across the platforms (54%) reporting that they had increases in audience numbers. The findings also indicate that NMOs in the broadcast and digital sectors reported a larger increase in audience numbers, with TV leading at 87%, which is very high compared to both Kenya (63%) and Tanzania (42%). Print in Uganda had the lowest percentage of NMOs that reported increases in audience numbers.

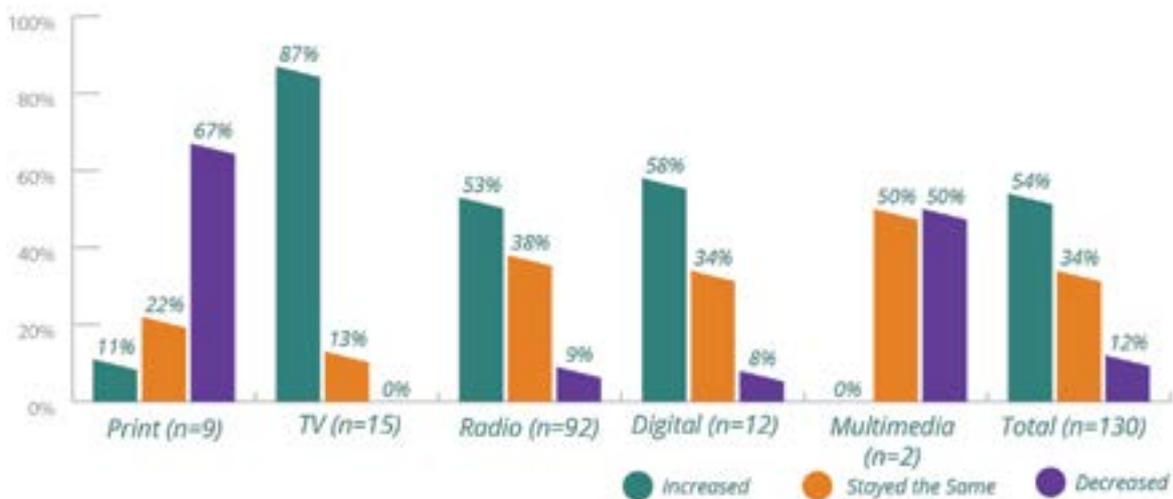


Figure 40: Audience Trends in Uganda at the Peak of COVID-19 Pandemic

Audience Trends During the COVID-19 Pandemic in Tanzania

Tanzania had the smallest increase in audience numbers, with only 33% of all the NMOs that participated reporting that they had increases in audience numbers. Tanzania also had the highest percentage, 44%, reporting that audience numbers remained the same. However, it is important to note that the digital NMOs in Tanzania reported a relatively high percentage increase in audience numbers (60%), which is higher than both Kenya and Uganda. The approach by the Tanzanian government to not acknowledge COVID-19 as a pandemic might explain the increase in audience numbers reported by the digital native NMOs. In June 2020, the then President of Tanzania, John Pombe Magufuli, announced that God had saved Tanzanians from COVID-19, and the country stopped reporting new cases of COVID-19 to the World Health Organisation (WHO). Therefore, there is a possibility that Tanzanians who sought news around the pandemic did not do so from the legacy media that probably stuck with the government position. They would have sought more information on the pandemic from the digital native NMOs. Digital NMOs were most likely to get more sources of information from international sources and links that the government had little control over at a time when the public in East Africa was generally anxious and yearning for more news about the corona virus which was and is still novel to many.

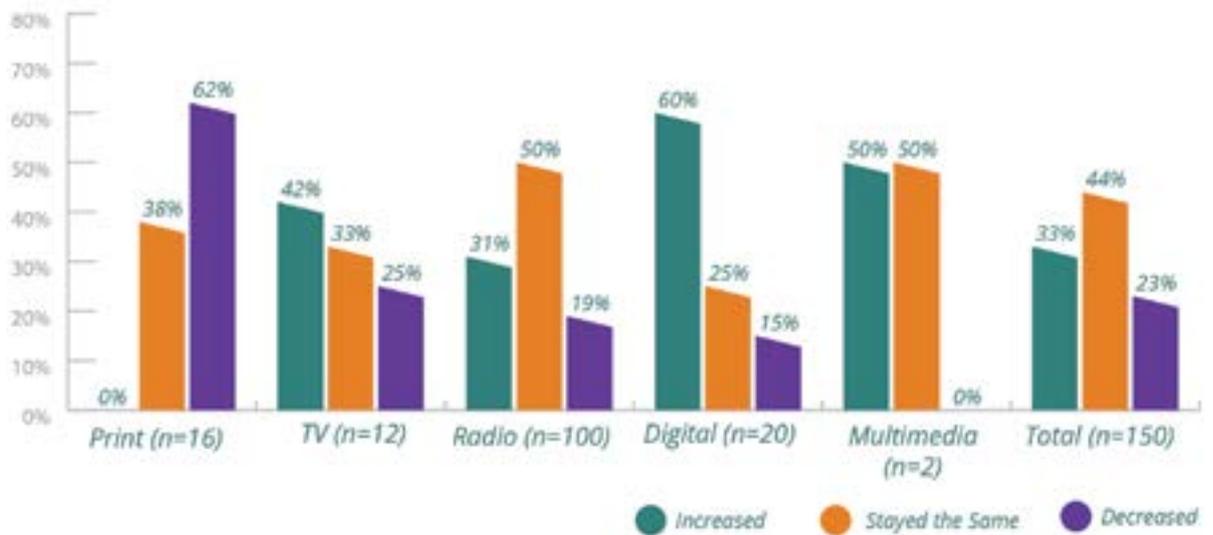


Figure 41: Audience Trends in Tanzania and the Peak of COVID-19 Pandemic



NMOs' ORGANISATIONAL CAPACITIES

One of the key approaches to understanding the successful strategic management of firms operating in competitive environments is known as the Resource Based View (RBV) or theory. The resource-based view argues that firms may gain long-term competitive advantage based upon the internal resources and capacities they control.^{xxix} While a firm's resources include capital and financial resources, at least equally important, according to the RBV, is a firm's knowledge resources – that is, the knowledge, expertise, experience, and creativity embedded in the organisation's staff. The value of knowledge resources as a competitive advantage is that they are rare, non-substitutable and - unlike tangible and capital resources - non-imitable by competitors.

Research shows that the knowledge resources embedded in an organisation's staff are critical to the staff's innovation capacity and resilience to market disruptions and unexpected events.^{xxx} Moreover, as an information product, news is also recognized as a "talent" good, that is, a product wholly dependent on the knowledge, experience, and talent of the individual or team that creates it for its quality. As producers of talent goods, news media houses are particularly dependent upon their internal knowledge resources and staff capacities they have available. Thus, in the face of rapidly changing technological and market conditions, knowledge resources and staff capacities are central not only to an NMO's ability to compete and serve audiences, but also, increasingly, to its survival.

Print NMOs' Organisational Capacities

In print, the three countries' journalists and managers seem to identify different organisational strengths and weaknesses, although the results indicate that the difference in mean scores between the top ranked and the lowest ranked is fairly small. NMOs' "diverse staff from different backgrounds including women and marginalised groups" and "senior managers high skills in management" are the most highly rated organisational capacities media houses feel they have. Across the three countries the other key organisational capacities reported by print NMOs' journalists and media managers are: education and vocational training in marketing, sales and advertising; staff expertise to innovate content and processes; and journalists' expertise to help audiences find content through search engine optimisation and on social media. The top three areas in each country are shown in Table 19 below.

| Kenya Print (n=12) | Mean |
|---|-------------|
| <i>Staff education and vocational training in marketing, sales and advertising</i> | 3.83 |
| <i>Diverse staff from different backgrounds including women and marginalised groups</i> | 3.75 |
| <i>Senior managers highly skilled in management</i> | 3.67 |

| Uganda Print (n=10) | Mean |
|---|-------------|
| <i>Senior managers highly skilled in management</i> | 4.10 |
| <i>Diverse staff from different backgrounds including women and marginalised groups</i> | 4.10 |
| <i>Staff have expertise to innovate content and processes</i> | 4.10 |

| Tanzania Print (n=16) | Mean |
|--|-------------|
| <i>Diverse staff from different backgrounds including women and marginalised groups</i> | 4.50 |
| <i>Journalists in our MH have expertise to help audience find content (SEO, social media, etc)</i> | 4.38 |
| <i>Senior managers highly skilled in management</i> | 4.33 |

Table 19: Print NMOs Top Three Ranked Organisational Capacities by Calculated Mean (1-5)

Whereas “staff expertise to innovate content and processes” is ranked as one of the top organisational capacities in Uganda, in Kenya the print NMOs rank it as a capacity they are weak at. Nevertheless, across the three countries the key perceived organisational weaknesses that cut across seem to be in areas of the digital platform and the technological aspects. They range from knowledge and skills in advertising on the digital platform, monetisation of content across platforms, new revenue sources and audience research. All these can be summed as challenges related to the digital disruption because they either touch on the digital platform or issues related to the disruption of the business models which calls for new revenue generation models. The table below presents the organisational weaknesses as perceived by journalists and managers from the three countries’ print NMOs.

| Kenya Print (n=12) | Mean |
|---|-------------|
| <i>Staff expertise to innovate content and processes</i> | 3.42 |
| <i>Advertising staff knowledge and skills in selling digital adverts</i> | 3.42 |
| <i>Cooperative partnerships with at least one other NMO to share resources or content</i> | 3.36 |

| Uganda Print (n=10) | Mean |
|---|-------------|
| <i>Staff skills in working on development of new revenue sources</i> | 3.70 |
| <i>NMO expertise to monetize content across platforms</i> | 3.60 |
| <i>Cooperative partnerships with at least one other NMO to share resources or content</i> | 2.80 |

| Tanzania Print (n=16) | Mean |
|--|-------------|
| <i>Revenue sources and the staff skills in working on development of new revenue sources</i> | 3.94 |
| <i>Skills of NMOs staff in audience research</i> | 3.94 |
| <i>Advertising staff knowledge and skill in selling digital adverts</i> | 3.93 |

Table 20: Print NMOs Lowest Ranked Organisational Capacities by Calculated Mean (1-5)

TV NMOs' Organisational Capacities

The findings indicate that the assessment of the capacity of TV NMOs is generally relatively high compared to print across the three countries. The top three organisational capacity strengths across the three countries include: "staff diversity including women and marginalized groups," "managers skills in managing people through organisational change" and "content monetization." Table 21 below shows the three top ranked organisational capacities for the TV sector per country. The ranking seems to suggest that in the three countries staff diversity is pronounced and in Kenya, unlike the other two countries, organisational capacities related to journalists are highly ranked. In Uganda the highly rated organisational capacities are related to the managers while in Tanzania it is a mix of both managers and content areas that are highly ranked.

| Kenya TV (n=25) | Mean |
|--|-------------|
| <i>Staff diversity including women and marginalized groups</i> | 4.48 |
| <i>Journalists' expertise in helping the audience find content</i> | 4.36 |
| <i>Staff technical knowledge and skills in keeping the organisation current with digital and technological changes</i> | 4.32 |

| Uganda TV (n=16) | |
|---|------|
| <i>Managers skills in managing people through organisational change</i> | 4.25 |
| <i>Staff diversity including women and marginalized groups</i> | 4.19 |
| <i>Highly skilled senior managers in management</i> | 4.13 |

| Tanzania TV (n=16) | |
|--|------|
| <i>Content monetization</i> | 4.20 |
| <i>Highly skilled senior managers in management</i> | 4.13 |
| <i>Staff diversity including women and marginalized groups</i> | 4.13 |

Table 21: TV NMOs Top Three Ranked Organisational Capacities by Calculated Mean (1-5)

In the three countries, TV NMOs seem to be struggling with training in the areas of advertising and marketing, financial management and skills in development of new revenue sources. The findings as shown in table 22 below seem to suggest that NMOs in East Africa can do with more trainings in the areas of advertising and marketing, audience research and development of revenue sources in the digital era, given that development of new revenue sources and selling digital adverts are ranked as some of the weakest capacities.

| Kenya TV (n=25) | Mean |
|--|-------------|
| <i>Advertising and marketing education or training</i> | 3.92 |
| <i>Skills in working on development of new revenue sources</i> | 3.88 |
| <i>Financial Management</i> | 3.84 |

| Uganda TV (n=16) | |
|---|------|
| <i>Skills in audience research</i> | 3.56 |
| <i>Advertising and marketing education or training</i> | 3.44 |
| <i>Cooperative partnerships with at least one other NMO to share resources or content</i> | 3.13 |

| Tanzania TV (n=16) | |
|--|------|
| <i>Staffs' skills in working on development of new revenue sources</i> | 3.60 |
| <i>Advertising staff knowledge and skills in selling digital adverts</i> | 3.53 |
| <i>Advertising and marketing education and training</i> | 3.50 |

Table 22: TV NMOs Weakest Ranked Organisational Capacities by Calculated Mean (1-5)

Radio NMOs Organisational Capacities

Staff diversity including women and marginalized groups, and journalists' expertise to help audiences find content through search engine optimisation (SEO) and social media were found to be radio NMOs organisational strengths that cut across the three countries. Generally, journalists and staff in radio NMOs seem to be ranked highly with regard to their capacity within the organisations, and it also does appear that radio journalists and managers seem not to rank managerial capacities highly, as shown in the table below.

| Kenya Radio (n=78) | Mean |
|---|-------------|
| <i>Staff from diverse backgrounds incl. women and marginalized groups</i> | 4.63 |
| <i>Journalists in our MH have expertise to help aud find content (SEO, social media, etc)</i> | 4.33 |
| <i>Staff have technical knowledge to keep NMO current</i> | 4.17 |

| Uganda Radio (n=94) | |
|--|------|
| <i>Staff from diverse backgrounds incl. women and marginalized groups</i> | 4.36 |
| <i>Journalists in our MH have expertise to help audience find content (SEO, social media, etc)</i> | 4.26 |
| <i>Our Media House has a sound business plan</i> | 4.05 |

| Tanzania Radio (n=111) | |
|--|------|
| <i>Journalists in our MH have expertise to help audience find content (SEO, social media, etc)</i> | 4.17 |
| <i>Staff have expertise to innovate content and processes</i> | 4.11 |
| <i>Staff from diverse backgrounds incl. women and marginalized groups</i> | 4.00 |

Table 23: Radio NMOs Top Three Ranked Organisational Capacities by Calculated Mean (1-5)

The findings indicate that audience research and capacities in dealing with challenges occasioned by the digital disruption ranks among the lowest three organisational capacity areas for most of the radio NMOs in all the three countries. These areas include monetisation of content across platforms, optimisation and maintenance of a production distribution system, skills in selling digital adverts and cooperation to leverage on resources or content. However, generally the differences in the mean scores for the three areas that radio professionals ranked low on organisational capacity and the ones they ranked highly are small.

| Kenya Radio (n=78) | |
|--|-------------|
| | Mean |
| <i>Technical knowledge to optimise and maintain production-distribution system</i> | 3.86 |
| <i>Skills in audience research</i> | 3.79 |
| <i>Cooperative partnerships with at least one other MH to share resources or content</i> | 3.76 |

| Uganda Radio (n=94) | |
|--|------|
| <i>Expertise in monetisation of content across platforms</i> | 3.18 |
| <i>Skills in audience research</i> | 3.79 |
| <i>Cooperative partnerships with at least one other MH to share resources or content</i> | 3.76 |

| Tanzania Radio (n=111) | |
|---|------|
| <i>Skills in audience research</i> | 3.34 |
| <i>Vocational and academic trainings for staff working in marketing and advertising</i> | 3.14 |
| <i>Staff knowledge and skills in selling digital adverts</i> | 3.13 |

Table 24: Radio NMOs Bottom Three Ranked Organisational Capacities by Calculated Mean (1-5)

“
... audience research and capacities in dealing with challenges occasioned by the digital disruption ranks among the lowest three organisational capacity areas for most of the radio NMOs in all the three countries. These areas include monetisation of content across platforms, optimisation and maintenance of a production distribution system, skills in selling digital adverts and cooperation to leverage on resources or content

Reflection on Staff Diversity as an Organisational Capacity

Generally, the NMOs' staff and management seem to rank staff diversity highly for almost all the NMOs. Yet looking at the data from the survey, there is a huge absence of female respondents among respondents at both the manager and journalist level: only about a quarter of the manager responses are from female managers, while only about a third of the journalist responses are from female journalists. In the survey, only one manager – the most senior executive in the media house – was asked to respond to the manager survey. But all journalists in each media house were encouraged to respond. Thus, the data suggest that women are under-represented in the ranks of senior media house management in all three countries. Among journalists, possible explanations for the small percentage of female respondents are that women may be either under-represented, or are less likely to have responded to the survey invitation or both. However, the apparent gap between respondents' perception of their organisation's level of diversity and the limited gender diversity among survey respondents, particularly at the senior management level, is consistent with previous studies which contend that male managers are almost always oblivious to the structural barriers and discriminatory attitudes towards women that prevent women from being hired and advancing when they are hired, or female managers did not just participate in the study.

CONCLUSION

As outlined in the preceding pages, media viability is complex, especially when looked at from an intra-organisational perspective. Organisations are unique and therefore one size does not fit all. Nevertheless, some general factors may aid in carrying further the thinking about media viability in East Africa. For instance, the young age of news media organisations is an opportunity to think innovatively about how to tap into unfilled niches in the media sector and, in the process, hopefully, have each media house stand a better chance of survival.

From a regulatory perspective, **the prevalence of the non-profit/community media model continues to make the case for actively strengthening legislation that is facilitative of the growth of the third media tier**, that is, non-profit/community media.

The fact that about half of the news-producing NMOs categorise themselves as having insufficient newsroom resources as far as equipment, technology and training are concerned suggests that **there is still need to look into equipping newsrooms technologically and continuing efforts to upskill journalists in the region**.

As regards positive journalistic practices in content production, such as fact-checking and adhering to ethics, **there is generally confidence that the right systems and procedures are in place**. Sufficient and regular pay for newsroom staff is however lower ranked. Considering that journalism is a talent good and the best talents are retained by, among other factors, **sufficient remuneration, this is an issue worth keeping an eye on, if media houses in the region want to retain high quality staff who will produce high quality content in the long run**.

On finances, the fact that government funding was a stabilizing factor during the COVID-19 pandemic argues for creating structures that would enable media houses to access government support in times of need – such as a permanent fund – but only so long as it does not come at the price of editorial independence. For instance, during the pandemic the Media Council of Kenya instituted grants to cushion community media. Such models could be explored further.

“

... the fact that government funding was a stabilizing factor during the COVID-19 pandemic argues for creating structures that would enable media houses to access government support in times of need – such as a permanent fund – but only so long as it does not come at the price of editorial independence

Given the high reliance on commercial advertising by media outlets in the region, while the use of intra-country regional languages may be a good diversification strategy to secure new audiences, it however also argues for exploring alternative sources of revenue. This is because potential commercial advertisers would be likely to base their decision to buy advertising space or not on the reach of the media house, as well as on the financial strength of the target audience. Given the economic inequalities in the various parts of East Africa, commercial advertising may not sustain all media outlets targeting a regional audience.

Finally, editorial independence is another area to keep in mind. **From the recorded negative incidents experienced by journalists and media outlets in the region, journalist safety and media freedom in general are still areas that need to continue being strengthened.** Similarly, media house diversity, upskilling journalists to deal with the digital disruption, and audience research are areas in which to continue focusing efforts.

Ultimately, as the mixed results of this research show, there is no magic formula to ensure media viability across the board. However, **each news media organization stands a chance if they tailor their viability efforts to their unique individual context.**

REFERENCES

- i U.S. Bureau of Labor Statistics [USBLS], 2016 U.S. Small Business Administration, Office of Advocacy (2016). Survival rates and firm age. <https://advocacy.sba.gov/2016/11/01/startup-rates-and-firm-age/>
- ii Halkos, G. E., & Skouloudis, A. (2019). Investigating resilience barriers of small and medium-sized enterprises to flash floods: A quantile regression of determining factors. *Clim. Dev.*, 12, 57–66.
- iii Ojo, T. (2018). Media ownership and market structures: Banes of news media sustainability in Nigeria? *Media, Culture & Society*, 40(8), 127-1280.
- iv Ogbu, B. E., & Onekutu, P. (2018). Analysis of frameworks for management and sustenance of community radio in Niger a. *Ebonyi State University Journal of Mass Communication*, 5(1), 93-106. ISSN: 2449-0369.
- v Arsovski, S., Arsovski, Z., Stefanović, M., Tadić, D., & Aleksić, A. (2015). Organisational resilience in a cloud-based enterprise in a supply chain: A challenge for innovative SMEs. *International Journal of Computer Integrated Manufacturing*, 1–11. <https://doi.org/10.1080/0951192X.2015.1066860>; Meyer, A. D. (1982). Adapting to Environmental Jolts. *Administrative Science Quarterly*, 27(4), 515-537. doi:<https://doi.org/10.2307/2392528>; Sahebjamnia N, Torabi S.A. and Mansouri S.A., (2018). Building organizational resilience in the face of multiple disruptions. *International Journal of Production Economics*, 197, 63-83.
- vi Attila Bátorfy & Ágnes Urbán (2020) State advertising as an instrument of transformation of the media market in Hungary, *East European Politics*, 36:1, 44-65, DOI: 10.1080/21599165.2019.1662398
- vii American Press Institute. (2022, August 22). Newspaper Next: *A blueprint for transformation for transformation*. Retrieved from American Press Institute: <https://www.americanpressinstitute.org/training-tools/newspaper-next-blueprint-transformation/>
- viii Pallotta, F. (2022, July 13). *Netflix with ads is coming*. Retrieved August 23, 2022, from CNN Business: <https://edition.cnn.com/2022/07/13/media/netflix-ads-microsoft/index.html>;
- ix National Association of Broadcasters. (1995-2015). Television Financial Report, annual editions.
- x Owilla, H. H., Chege, N., Awiti, A., & Orwa, C. (2020). Mapping Broadcast Media Outlets and Accredited Journalists in Kenya: Towards Understanding News and Information Inequalities. *Communicatio: South African Journal for Communication Theory & Research*. Dec2020, Vol. 46 Issue 4, p96-131. 36p.

- xi Hollifield, C.A., Vlad, T. and Becker, L.B. (2004). Market, organizational, and strategic factors affecting media entrepreneurs in emerging economies. In Robert Picard, (ed.), *Proceedings from the international conference on strategic responses to media market changes*; (pp. 133-153). (Jönköping, Sweden: Media Management and Transformation Centre, Jönköping International Business School, Jönköping University, Sweden;
- Cohen, M.S., & McIntyre, K. (2019) Local-Language Radio Stations in Kenya: Helpful or Harmful?, *African Journalism Studies*, 40:3, 73-88, DOI: 10.1080/23743670.2020.1729830
- xii Jung, J. (2003). The bigger, the better? Measuring the financial health of media firms. *The International Journal on Media Management*, 5(4), 237-250; Stern, J. M., & Chew Jr., H. *The Revolution in Corporate Finance*. Oxford: Blackwell Publishers; Copeland, T., Koller, T., & Murrin, J.. (1991). *Valuation: Measuring and Managing the Value of Companies*. McKinsey & Company, Inc.
- xiii Damanpour, F., & Aravind, D. (2012). Organizational structure and innovation revisited: From organic to ambidextrous structure. In Mumford, M.D. (Ed.). *Handbook of Organizational Creativity* (pp. 483-514). London, U.K.: Elsevier Inc.
- xiv Clegg, S., Josserand, E., Mehra, A., & Pitsis, T. S. (2016). The transformative power of network dynamics: A research agenda. *Organization Studies*, (37)3, 277-291; Damanpour & Aravind, 2012, *Ibid.*; Ernst, D. & Bamford, J. (2005). Your alliances are too stable. *Harvard Business Review*. June. Online. <https://hbr.org/2005/06/your-alliances-are-too-stable#:~:text=The%20overall%20success%20rate%20of,just%20five%20to%20seven%;20years.>; Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology* 78 (6), 1360-1380.
- xv Küng, L. (2016). *Strategic Management in the media: Theory to practice*. Sage.
- xvi Küng, L. (2016). *Ibid.* Küng, L. (2004). What makes media firms tick? Exploring the underlying drivers of firm performance. In Robert G. Picard (Ed). *Strategic Responses to Media Market Changes* (pp. 65-82). Media Management and Transformation Centre Jönköping International Business School
- xvii Hollifield, C. A. (2019). Lebanon. A pilot test of the News Media Viability Index. *DW Akademie*. <https://learngerman.dw.com/en/first-ever-media-viability-assessment-of-lebanon/a-58101358>
- xviii Küng, L. (2016). *Ibid*
- xix Becker, L. B., Beam, R., & Russial, J. (1978). Correlates of daily newspaper performance in New England. *Journalism Quarterly*, 55, 100-108; Rosenstiel, T., Gottlieb, C., & Brady, L. A. (1999, November/December). Quality brings higher ratings, but enterprise is disappearing, *Columbia Journalism Review*, 84-89.

- xx Breed, W. (1955). Social control in the newsroom: A functional analysis. *Social Forces*, 33(4), 326-335; Geiber, W. (1964). News is what newspapermen make it. In L. A. Dexter, & D. M. White (Eds.), *People, society and mass communication* (pp. 173-182). New York, NY: Free Press; Lacy, S. (1989). A model of demand for news: Impact of competition on newspaper content. *Journalism Quarterly*, 60, 40-48, 128; Lacy, S. (1992). The financial commitment approach to news media competition. *The Journal of Media Economics*, 2(1), 5-21; Lacy, S. (2000). Commitment of financial resources as a measure of quality," in R. G. Picard (ed.), *Measuring media content, quality, and diversity: Approaches and issues in content research* (Turku, Finland: Turku School of Economics and Business Administration, pp. 25-50); Litman, B. R., & Bridges, J. (1986). An economic analysis of daily newspaper performance. *Newspaper Research Journal*, 7(3), 9-26.
- xxi Lacy, S., & Bernstein, J. M. (1992). The impact of competition and market size on the assembly cost of local television news. *Mass Communication Review* 19(1 & 2), 41-48; Lacy, S., Fico, F., & Simon, T. (1989). Relationship among economic, newsroom, and content variables: A path model. *Journal of Media Economics*, 2(2), 51-66.
- xxii Reza A.A. (2006). Ibid.
- xxiii Besley, T., & Prat, A., (2001). Handcuffs for the grabbing hand? Media capture and political accountability. London School of Economics and Political Science. <http://www.iq.harvard.edu/NewsEvents/Seminars-WShops/PPE/papers/timbesley.pdf>; Jacobson, A., & Jacobson, E. M. (2004). Freedom of the press, economic development, and market concentration. Paper presented to the Global Media Economics Conference, Seattle, WA, July.
- xxiv Geiber, (1964), Ibid.; Ojo, (2018), Ibid.
- xxv Lacy, S., & Fico, F. (1991). The link between newspaper content quality & circulation. *Newspaper Research Journal*, 46-57; Johnston, M. (2022, February 17). *How Disney Makes Money: Disney's Parks, Experiences and Products business generates most of its profits*. Retrieved from [Investopedia.com: https://www.investopedia.com/how-disney-makes-money-4799164](https://www.investopedia.com/how-disney-makes-money-4799164)
- xxvi Media Innovation Centre. (2021). Media viability in Tanzania. Graduate School of Media and Communications, Aga Khan University and DW Akademie. Available at "Media viability in Tanzania" by Aga Khan University (aku.edu)
- xxvii Oxford Business Group. (2020, September 30). COVID-19 Economic Impact Assessment: How has Covid-19 changed media consumption? Retrieved June 11, 2021, from Oxford Business Group: <https://oxfordbusinessgroup.com/news/how-has-covid-19-changed-media-consumption>
- xxviii Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*. 17(1), 99-120. <https://doi.org/10.1177/014920639101700108>

- xxix Lengnick-Hall CA, Beck T.E. and Lengnick-Hall M.L. (2011). Developing a capacity for organizational resilience through strategic human resource management. *Human Resource Management Review*, 21(3): 243–255; Sengul, H., Dilem, M., & Gun, T. (2019). Survey assessment of organizational resiliency potential of a group of Seveso organizations in Turkey. *Journal of Risk and Reliability*, 233(3), 470-486.
- xxx Reza, A. A. (2006). Issues in media product management. In A. B. Albarran, S. M. Chan-Olmsted, & M. O. Wirth (eds.), *Handbook of Media Management and Economics* (pp. 181-201), Mahwah, N. J.: Lawrence Earlbaum.

APPENDIX

Appendix one: Measures of Innovation

Instructions: Please use a scale of 1 to 10 to rate the news outlet where you work on each of the following statements, where 1 is “Not at all innovative/creative” and 10 is “Highly innovative/creative.” (A slider was used).

1. How innovative/creative is the leadership/management of your news outlet when visioning the future of your news outlet?

1 2 3 4 5 6 7 8 9 10

2. How innovative/creative is the leadership/management of your news outlet in solving the problems your news outlet faces?

1 2 3 4 5 6 7 8 9 10

3. How innovative/creative are the employees in your newsroom –managers, journalists and other newsroom staff – in the way they think about journalism?

1 2 3 4 5 6 7 8 9 10

Instructions: Please use a scale of 1 to 10 to rate the news outlet where you work on each of the following statements, where 1 is “Not at all open” and 10 is “completely open.” (See Next 3 questions) (A slider was used).

1. How open are leaders/managers of your news outlet when employees suggest new and creative/innovative ways of doing things or solving problems?

1 2 3 4 5 6 7 8 9 10

2. How open are managers in your news outlet to new ideas suggested by outsiders such as audiences, advertisers, funders?

1 2 3 4 5 6 7 8 9 10

3. How open are journalists in your news outlet to new ideas suggested by outsiders such as audiences, advertisers, funders?

1 2 3 4 5 6 7 8 9 10

Instructions: Please use a scale of 1 to 10 to rate the news outlet where you work on each of the following statements, where 1 is “Completely False” and 10 is “Completely True.” (A slider would be good here).

1. We take time to understand our competitive environment to the point where we can anticipate industry shifts.

1 2 3 4 5 6 7 8 9 10

2. We constantly work to better understand our stakeholders in ways that allow us to create a strategic advantage in the marketplace over our competitors.

1 2 3 4 5 6 7 8 9 10

3. There is consensus across both management and staff about how we can best be successful and sustainable as a business that produces news.

1 2 3 4 5 6 7 8 9 10

4. There is consensus across both management and staff about how we can best serve society as a news organization.

1 2 3 4 5 6 7 8 9 10

5. I am given the time/opportunity to develop our news outlet's creative potential.

1 2 3 4 5 6 7 8 9 10

6. I am prepared to do things differently, if given the chance to do so.

1 2 3 4 5 6 7 8 9 10

