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Nigeria Media Market Failure, Causes, Implications and Solutions

Ekwutosi Sanita Nwakpu

Assistant Lecturer, Department of Mass Communication, Alex Ekwueme Federal University
Ndufu-Alike Ikwo, Nigeria

Dr. Jude Ogbodo

Assistant Lecturer, Department of Mass Communication, Ebonyi State University, Nigeria

Abstract:

The media industry, especially the newspaper genre is arguably failing slowly, and the reason is because the information product is characterised by fixed and low marginal cost. In other words, media content is expensive to produce but cheap to reproduce and passed to consumers via the new information technologies that have made information services more 'competitive' and 'commodified'. The media organisation has been described as a market owing to its structure, functions and regulations in the society where it operates. Although this is the case in Europe, Asia, and North America, there is no known study that focuses on the media market failure in African and Nigerian contexts respectively. The implication of this is that studies carried out in other areas could be generalised on the rest of Africa, and it may not truly paint the picture due to culture, media preferences and consumption rate, politics and other local dynamics. It is against this backdrop that this study focuses on media market failure in Nigeria contexts. The paper unveils the different factors that led to newspapers market failure in Nigeria which include the social media, corruption and physical challenges. Solutions are also proffered in order to resuscitate the ailing print media industry in Nigeria. The paper argues that in the event of lack of urgent intervention, this vital sector that provides alternative sources of information for a vast majority of audiences will face extinction in addition to loss of jobs.

Keywords: Media market, public good, newspapers, new media, externalities

1. Introduction

As it may sound, market failure does not mean that market is not functional rather a 'situation whereby the market does not organise production or goods allocation effectively' (Cunningham 2011, p.13). Picard (2013, p.1) refers to it as 'a predicament where the market is unable to efficiently allocate resources, especially public goods'. Nigeria is one of the largest populated countries in Africa with a lot of its populace getting information, entertainment, and other satisfactions through the print media. Many Nigerians do not let a day pass by without reading one or more national and international dailies and magazines. As the country grows in population, there have been growing demands for different goods and services. This demand for goods does not include in newspaper. The print media have seen low patronage in the recent years, shut down of media houses (newspaper organisation, radio and magazine houses) and some of the existing ones are suffering from lack of tangible contents and maintenances to this end, media practitioners and researchers have wondered why this is the case. If there are growing demands in other goods and services, why are the demand and contents for newspapers declining? Does this say anything about the dwindling reading culture in the country and elsewhere? Or does it mean that the happenings around the country do not require media attention? Before delving into the cause, it is pertinent to take a look at the history of Nigerian newspaper, news as public goods and what led to their failure in the recent time, its implication to journalism profession and lastly, confronting the market failure.

This paper thus looks at the print media aspect of market failure, starting from the meaning of market failure, the structure of Nigerian print media which makes it a market, their performances and regulations. It also extends to those contingencies that contribute to media market failure, their implications and finally the solutions offered by experts to revitalise the failing print media market.

1.1. Brief Historical Background of Nigerian Print Media

Apart from the first newspaper, Iwe Irohin, set up by a missionary called Rev Townsend, ownership of early Nigerian newspapers was dominated by people who could be addressed as 'journalist-politicians. There are factors that contributed to the development of newspaper as means of passing information across to the masses in Nigeria. These include the abolition of slave trade in Nigeria, colonialism and nationalism (Anibueze, 2005). Anibueze recounted that before the year 1807, the coast known as Nigeria today was a slavery coast which came to an end following the abolition of slave trade. Some of the freed slaves later find their way to Nigeria. In order to ensure that the slaves are taken close to God, A missionary group of the Church Missionary Society (CMS) an outfit of the Church of England was sent to Nigerian in Abeokuta to minister to the freed slaves. This was what preceded the emergence of the first Iwe Irohim which in full is Iwe

Irohin Fun Awon Ara Egba Ati Yoruba and it translates as a newspaper for the Egba speaking people of Yoruba that was established in 1859 by Rev Henry Townsend and was produced fortnightly. The purpose of the paper was to spread gospel to its audiences.

According to Tador (1996), the establishment of Iwe Irohin had its importance to the masses as it helped in the development of its readers particularly the Egba people of Abeokuta. Odorume (2012) also noted that the paper helped teaching its audiences the importance of education as subject like religion, geography, mathematics and spelling were taught to the masses through the paper. Not only that, the paper was more devoted to the things of the church such as marriage announcement and child dedication. It was also used in creating awareness/adverts for church clerks and houseboy. However, this paper closed down because of its involvement in the crisis that erupted in Egba 1867 which led to the expelling of the European and the newspaper treasury looted (Anibueze, 2005).

Iwe Irohin, opened the door for other newspapers to come in, such as Anglo African newspaper often regarded by some people who were not aware of Iwe Irohin as the first Nigerian newspaper. After the lunch of Anglo African, many newspapers were established which were short lived until in 1930. Such short-lived papers are Lagos Times and Gold Coast Advertiser which lasted from 1880 to 1883 founded by Richard Blaize and taken over by Andrew Benjamin; The Lagos Observer from February 1882 to December 1888, founded by J.B Benjamin; The Eagle and Lagos Critic from March 1883 to October 1888 (Odorume; 2012), founded by Owen Macaulay. This paper seriously criticized the then government of the country and immensely helped Nigerians to gain independence from the British colonial grip. The Mirror founded in 1887 to 1888 by Adolphus Mark, the Lagos Weekly by John Payne Jackson from 1891 to 1930, the Nigerian Pioneer established in the year 1914 by Kitoyi Ajasa, a lawyer who was educated in England. The paper went out of circulation in 1937. Then came the African Messenger established in 1921 by Enerst Okoli and was a weekly newspaper. The paper was later sold to Daily Times and the owner Enerst Okoli emerged the chief editor; the Daily News established by Herbert McCauley in 1925 which served as a voice for NDP party; Nigerian Daily Times jointly established by Adeyemo Alakija and a Briton called Richard Barrow with Enerst Okoli as the chief editor because his own paper (the African Messenger) folded up because of lack of fund, the Nigerian daily times became known as London Daily Mirror (Anibueze, 2005).

In the year 1937 a newspaper called the West African Pilot was established by Nnamdi Azikiwe when he was an editor of African Morning Post. The paper did its best in carrying news about plight of the people, such as farmers, unemployed graduate, market women etc. This paper did its best in closing the partial journalistic hole as it changed the overall layout of the paper, length of the paragraph and sentence and headline. Following the success of West African Pilot and being the 'best' out of all the newspapers established in the Nigeria with about 20,000 copies sold on daily basis. The founder, Nnamdi Azikiwe established other papers such Eastern Nigerian Guardian established in Port Harcourt in 1940, Nigerian Spokesman in Onitsha in 1944, Daily Comet in Kano in 1949, Northern Advocate in Jos 1947 and Sentinel in Enugu in 1947

Another paper established before the contemporary newspapers we see today is Nigerian Tribune established in 1951 in Ibadan by Obafemi Awolowo which contributed in the struggle for independence when the founder became a member of the of Action Group (AG) party. This is the only surviving newspapers from the pre-independent Nigeria. Apart from their contributions to the politics in the country these papers crumbled because of lack of finance, breakdown of equipment, non-payment of workers' salary that resulted in strikes, fights among the staff and subsequent segregation and dismissal of workers.

1.2. Media Content as Public Goods and its market failure

The media content should not be seen as a product of nothing; it should rather be seen as an outcome of a social process that has manifested within an institutional framework (Croteau, Hoynes and Milan, 2012). For this reason, it is pertinent to note that the individual that creates the contents of the media which we consume everyday work within the peripheries of existing media, the broader media industry, as well as the larger social context (Croteau, Hoynes and Milan, 2012). The larger social context to which media activities operate is where the media in the economics point of view can be situated.

As earlier hinted, media market failure does not necessarily mean that the market is not functional. It is rather a "situation whereby the market does not organise production or goods allocation effectively" (Cunningham 2011, p.13) To Picard (2013, p.1) market failure "refers to a predicament where the market is unable to efficiently allocate resources, especially public goods. Often this occurs when private enterprise will not invest in critical social services because it cannot extract the profits that would justify necessary expenditures". Furthermore, Naom (2004) argues that market failure in the media exists when price cannot reach a 'self-sustaining equilibrium', (p.1). Naom, (2004) further contends that media market fails when it cannot produce and allocate resources in the efficient way, when it fails to control the power of monopoly, when it cannot meet the need for the public goods and when goods or commodities become highly unstable. For one to understand the nature of print media market failure, one has to look at the media industry from an economic point of view in terms of their structure and performance. The media industries are not just any business but a business that is characterised like other goods which their activities are standing in both political and economic peripherals if not at the pore or rivet of both; their activities in the production of goods and service that are both private and public are connected to their political function, and also because the ideas, information and culture they transcend are seen as collective property just like air and sun are available to everyone (McQuail, 2010). The theoretical aspect or approach of media as market that explains the nature of media market in relation to its socioeconomic and political structure is the political economy of the media theory. It is considered suitable for this study. Media activities in production of goods and services that are both private and public are seen just like air and sun which are available to everyone (the idea of media being public goods. This theory believes that the media should be studied in relation to its

broader economic and social contexts (Winseck and Jin, 2011). The theory explains the nature of control applied in the economic institution like stock market and bank and tries to ascribe it to how it affects media (Murdock, 1989). The theory also looks at how deeply constrained the product and distribution of media content and process are (Baran and Davis, 2012). It situates the industrial organization of the print media on a socioeconomic level which has to do with the problem when the firm's revenue from sale is less than common costs due to insufficient market demand. In the economic point of view, the economic point of theory believes that market failure if there is not a specific rule such as cross-subsidiary to apportion exposed cost showed in the area of public infrastructure (Faulhaber, 1975).

From Faulhaber's explanation of this theory, it is pertinent to know that market failure occurs when the media industries fail to meet up to their consumers' demands on news worthiness, and when also there is a low patronage to news content, low advertisement, low readability and inability of the media practitioners to meet up to the demand of their consumers (audience). Corroborating this, Murshetze (2005) quoting Collins (1998) and Doyle (2002) said that the media market may fail because of other related activities such as economic television, economic radio that are categorized as public goods. According to Penning (2015) media public goods have two key characteristics — non-rival and non-excludable in consumption, which means that when media commodities are consumed by one person, it does not reduce the sizes and qualities that are available to others and also some audience of the media (consumers) cannot be prevented to access media content when it is produced. Furthermore, if one cannot be deprived of access to media content, then such a person has no need to pay and this leads to under-provision of such media content (Penning, 2015).

1.3. Why Print Media Market failure in Nigeria?

Nigerian press is mainly dominated by private ownerships, the bargaining strength of which are based essentially on salary agreement and wage negotiation. Arguably, while this is fair advantage to experienced journalists, majority of other journalists are left to their own disadvantage and this exploit the level of Nigerian mass unemployment and give the editors and proprietors bigger advantage during salary negotiation. However, while there are different factors that have triggered media failure in different countries around the globe, Nigerian print media market failure have been linked to physical challenges, corruption and the emergence of new media (Jatula, 2017; Adeyemi, 2013).

Physical challenges as one of factors that triggered or triggers print media market failure in Nigeria has to do with the environment where media outfits exist or operate. From the interview conducted on media practitioners by Jatula (2017) on the challenges facing Nigeria press, it was argued that Nigeria is the most dangerous place for professional journalists. This was in line with the report from *The Punch* which described "2012 as a deadliest year for journalist" (*The Punch*, 30/12/2012). It goes further to assert that historically, Nigerian violence and insubordination against the journalists ranged from the military regime down to even in the so-called democracy. In the year 1986 during the military regime, the Editor of *NewsWatch* magazine, Dele Giwa was killed via a letter bomb. Also, in 2013, the Committee to Protect Journalist (CPJ) based in UK ranked Nigeria as one the countries where the lives of journalists are endangered and where killing of journalist is seen almost on a daily basis as emphasised in the article "World press Freedom Day: Nigeria 11th worst nation for journalist (Leadership, 03/05/2013). Apparently, a lot of unnatural death of the journalists have been recorded in Nigeria even when the country claims to be practicing democracy where freedom of speech was not supposed to be hampered. Such deaths include: the murder of Nathan Dabak and Sunday Gyang Bwede of the *Light Bearer* in Jos, Plateau State on 24th April 2010; Udendu Ikechukwu of *Anambra News*, who was bloodily murdered in Anambra in January 2013 and the murder of Sallah Nansok in January 2012 (Jatula, 2017). Not only that the lives of the journalists are constantly under threat, this act of killing a journalist who writes against a particular group or individual has contributed to the market failure of the print media. This has made journalists to be mindful of what they write even when they have glaring evidence on newsworthy happenings.

Secondly, another cause of media market failure in Nigeria is corruption. The journalists have drifted from their watchdog function in the society in ensuring transparency and accountability in government to collaborators as they are today "deeply entrenched in allegations of controversies, corruption and cheque book journalism" (Jatula, 2017, p.23). Corruption in the media has to do with misuse of the media outfit for unofficial ends. Klitgaard (1998) asserts that corruption includes bribery, influence peddling, extortion, embezzlement, fraud, and nepotism.

According to Horby (1974, p.104) corruption is "something given, offered or promised to somebody in order to influence or persuade him (often to do something wrong) in favour of the giver." In Nigeria, corruption in the media also called brown envelope syndrome is prevalent. It is a cankerworm that has eaten deep into the fabrics of Nigeria journalism profession (Adeyemi, 2013). Brown envelope involves giving money to a media person or journalist to make him or her do what the giver wants and this influences news gathering, dissemination and reporting (Okoye, 2001). This can be seen from Easterman (2003) cited in Obianigwe (2009) on the influence of politician regarding the brown envelope syndrome:

"In political processes, the journalists themselves are seen as barrier to free and fair reporting. In 2003, the PDP chairman, Alhaji Makama Rigachikum once regarded the Nigerian journalists as corrupt, but he demonstrated how politicians like himself make journalists corrupt. After a press conference, he offered a gift of N50, 000 to journalists. Although very generous, yet unethical. In Nigeria, it is very routine as politicians pay what is called "dash" in brown envelopes to make sure they get favourable coverage"

Thirdly, new media, loss of advertising shares and high cost of production are also the reasons print media is failing not just in Nigeria but elsewhere. New media is gradually displacing the traditional function of the printing press. According to Noam (2004), information product of the society is characterized by fixed and low marginal cost. In other words, media content is expensive to produce but cheap to reproduce and passed to consumers via the new information technologies that spread everyday thereby making information service more 'competitive' and 'commodified' (Noam, 2004, p.1). Changes brought by new media in the newspaper industry are said to have narrowed readership, worn away

news standard and concentrated ownership which have made the newspapers industries face uncertain future. Newspapers have been known to be effective in conveying more detailed information by giving background necessary for understanding complex issues more than television (Norris, 2000), but because of its failure to reach the wider part of the community particularly the young and less educated people which new media being flexible has filled the gap by not only the audience become consumers but becoming decision makers in sharing information with different languages, images and sign for both less educated and young ones.

1.4. Implications of Print Media Market Failure

Every media market that fails always has implications for both the media industry and the society. The implication of media market failure to the media consumers is lack of access to information, the consumers are not fully informed which if it is in broadcasting service will restrict the watching of a particular programme that has been made accessible to everyone 'at no extra charge which leads to welfare losses and inefficiency (Chuma, 2005; Review of Future funding of BBC). Ludig (2000, p.189) adds that "with respect to elasticity of demand strategy like this would initiate a vicious circle of lower sales, rising unit costs, reduced print run, high prices and therefore further reduced sale' which further led to worsening the market failure. From the above listed implication of media market failure, it could be summarised that when the media market fails, consumers pay high price of news content and may even suffer low access to information, the media organisation will invest less or no investment in the development of their staff skills, the production will be less to reach some of their loyal consumers, it will encourage monopolies and sky-rocked price of news commodities by creating a barrier for new entries and lastly, it will set back the development and also cause stagnancy in the existing media industry especially those in developing countries (Cunningham, 2011).

Also, the implication as asserts by McChesney (2008: 422) has do with understanding the societal importance of the news media:

Media have enormous externalities. If the market generates a lousy journalism that keeps the citizens poorly informed, the entire society suffers—not just the consumers of particular media—because the resulting political governance will be shoddy. If it leads to an unnecessary war or to massive corruption, for example, we all pay. It does not affect the buyer and seller. Conversely, if the market generates a splendid journalism that leads to wise policies, everybody benefits, even those who are not purchasing specific media products.

1.5. Confronting Market Failure among Nigerian Print Media

For the news organisations that are witnessing market failure because of externalities to regain their place in the Nigerian market, the advice of Naom (2004) should be followed. Naom urges government to encourage the media contents producers who are not closely correlated with the health of information sector by helping them spread their economy to a more balanced position. Supporting Naom, Toumanoff (1987) said, government should step into the system and help proffer solution by using price mechanism to implement policies that will change the behaviour of the media owners and the media practitioner and the government could also use legislation and force to make things work for better for both the media and their consumers. This method is effective in France as the Sarkozy government decided in 2009 to inflate the existent subsidies (both direct and indirect) by an addition of €200 for private press per year which amounted to 4.7% which tote up the public support for journalism to enable them with a structural adjustment to the new media environment and equally help the deal with the effect of global financial crisis, (Nielsen and Linnebank, 2011). Consequently, individual public support is needed just like developed countries such as Finland, US, UK and others have received which helped to keep their print media going.

Consequently, Picard (2015) argues that, strengthening the already existing public media should be the first step towards revitalising the already collapsed market and funding an alternative media infrastructure isolated from the commercial pressure that accelerates media market failure. Picard further suggests that immediate action should equally be taken like squeezing a tax law that will help the struggling media outlet transition to new low and non-profit business while also eliminating barriers to new venture (Picard, 2015). Allocation of public subsidies does not mean that the state should exert direct control over the media, rather it should help foster the structural condition necessary for public service media to thrive. To do this, all public media subsidies should be based on complete transparency, system of accountability and multiple firewalls to prevent them from becoming the instrument of the state. Also, government and media organisations should employ consultancy service to according to Anibueze (2005) to conduct research studies in order to generate reasonable recommendations for improvement and greater effectiveness.

In order to sustain the traditional print media in the market, Iris Chui (2013, p.21) pointed out we should embrace 'information surplus' which means that the news will have to compete with every other thing, 'the decline in the attention share of any traditional news media is natural and inevitable'. Which however according to Allern and Pallock (2017, p.22), the solution to the challenge 'should not be a technology-driven approach, focusing on digital distribution channels while downsizing editorial staff, but instead, a focus on journalistic quality and unique content that users consider noteworthy'. And for thosenewspapers that have failed as a result of corruption, physical challenges and economic challenges emanating as a result of inconsistent and inadequate salaries. Government intervention is needed to revive them.

2. Conclusion

This paper has explored the causes and implications of print media market failure. It draws substantially from the political economy of the media theory. The paper notes that institutional weaknesses, media ecology coupled with social

media emergence have played significant roles in the failure of Nigerian print media. It also offers some recommendations on how to revive the ailing industry by embracing the opportunities of new media to stay in the already saturated market.

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