



# Namibia's Media: Facing the Digital Challenge



IPPR



Hanns  
Seidel  
Foundation



OSISA  
Open Society Initiative  
for Southern Africa



FREE SPEECH FOR AFRICA

## International Trends – Growing Relevance for Namibia

Like most other industries the media business is being disrupted and re-shaped by digitalisation. The most straightforward definition available is for the term digitisation which from a technological perspective broadly refers to “the process of converting information into a digital (i.e. computer-readable) format.” This disruptive, transformational process can be described as the ‘digital revolution’ or the third industrial revolution. For the media industry it has and continues to profoundly transform how their products are produced, accessed and consumed. Conversely, consumers today have far more control over their media use in terms of what, where and when to access.

“...consumers today have far more control over their media use in terms of what, where and when to access.”

Thus, consumers are increasingly likely to only access a few stories from newspapers or TV stations, rather than reading a newspaper from cover to cover or watching an entire news bulletin. These stories are accessed online via social media platforms, digital media or search engines – mostly for little or no monetary gain for the respective media outlet.

Internationally, this growing trend is disrupting long-held beliefs around branding and the power of brands – instead an individual news stories or feature units is gaining in economic importance. This “unbundling” of aggregated media and news content has led to some Western media observers and theorists arguing that journalists need to become more “entrepreneurial” and build their own personal brand. Others have noted that journalists should re-package content in innovative ways to ensure that stories remain relevant to consumers and to generate revenue. As a matter of fact, this evolution, spurred on by digitalisation, has already led to new formats and experiments with presenting content and engaging with consumers. This complex unbundling process is still on-going and it is difficult to predict what other transformations it will bring to the media business and the journalism profession.

## Media Business Under Pressure

Since the early 2000s, more than half the jobs in the US news industry have disappeared; and while online news provision has created employment it has not been enough to replace the lost newspaper jobs. This trend has been replicated around the world - although to different extents and sometimes with different dynamics at play. But this ongoing transformation is not just about job losses. Journalism’s ability to hold powerful leaders and entities to account has been undermined. Newsrooms have been closed or decimated and the capacity for investigative journalism has been diminished.

Digitalisation has significantly disrupted and eroded long-established sources of income for media houses, particularly for traditional media such as newspapers and magazines. However, TV and radio are also being affected. Marketing and advertising revenue

– the primary source of income for many media operations - is shifting to online platforms and their associated technology companies. Print media - specifically newspapers and magazines - have been especially hard hit by this trend. In addition, newspaper circulation figures have declined in most regions of the world over recent years, resulting in falling sales revenue and further decreasing print’s attractiveness for advertisers.

“Digitalisation has significantly disrupted and eroded long-established sources of income for media houses, particularly for traditional media such as newspapers and magazines...”

- Media businesses, particularly those focused on news and public interest issues, traditionally base their business on a “dual market” system to generate revenue; Essentially selling to individuals & as well as selling advertising space – this adds to the complexity of media houses operations as they cater for two greatly differing clients
- At its core the challenge of digitalisation to media businesses is two-fold:
  - Media businesses’ dual market system is crumbling as customers increasingly prefer to access free content online and advertisers shift their money to online platforms such as Facebook and Google
  - Many media houses have and continue to invest into an online presence. However in general these investments have not resulted in significant new revenue streams; for media businesses worldwide, there is still no clear method of making money from online content

# Namibia's Media & Digitalisation

This disruptive transformation of the media business environment places significant emphasis on sustainability concerns for the industry. It can be argued that Namibia's media has not yet undergone a comprehensive and far-reaching transformative disruption process brought about by digitalisation. However, this does not mean that local media houses can be complacent with regards to this phenomenon. There are strong indications, that digital media and related challenges are already transforming Namibia's media landscape. A local media industry that finds itself increasingly under financial pressure due to a failing business model also means that objective reporting standards, quality journalism and media diversity is constrained. Namibia's press freedom is likely to suffer if media houses fail to adequately address the digital challenge.

There is only limited quantitative data tracing the digital transformation of Namibia's media landscape. Nevertheless, there are mostly concerning indications that digitalisation is affecting the country's media houses:

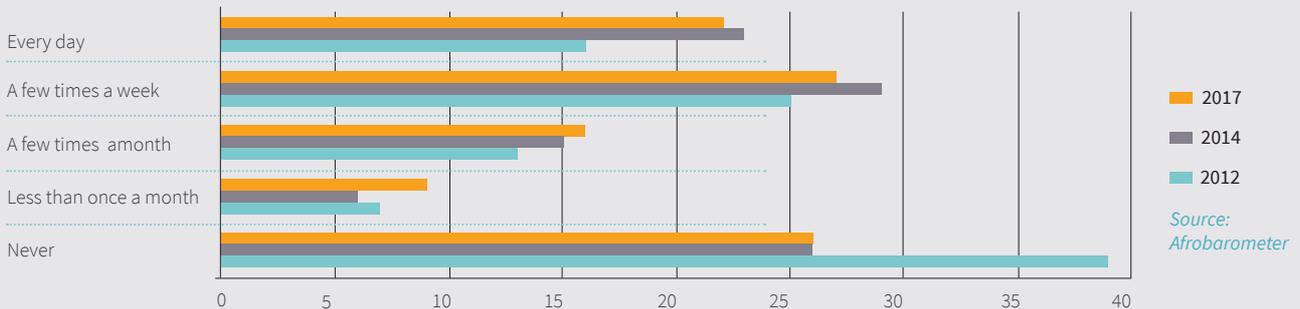


- Stagnating numbers of Namibians consuming media via traditional mediums especially newspapers
- Growing numbers of citizens having access to and preferring to consume media offerings via the internet – especially among young people
- Declining revenue from advertising for traditional media as marketers shift advertising budgets towards online platforms
- The stoppage of some newspapers' print editions; downsizing of media operations; increasing focus on selling advertising & capturing customers
- The cut back of staff by local media houses including journalists and a perception that cost-cutting measures and the loss of many senior journalists is leading to a loss of quality in reporting standards

**“There are strong indications, that digital media and related challenges are already transforming Namibia's media landscape.”**

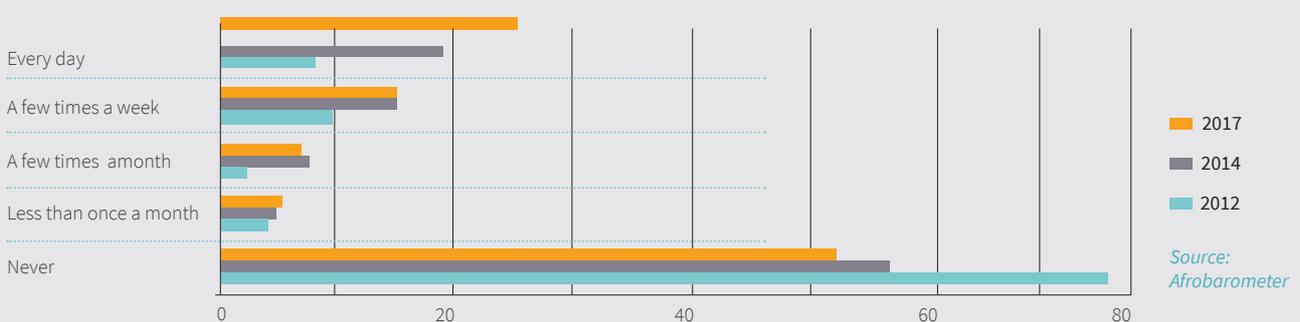
## How often do you get news: from newspaper?

% of respondents



## How often do you get news: from the internet?

% of respondents



## Where To From Here?

Overall, most business respondents from Namibia's media houses argue that the current pressure on the industry is primarily due to the poor economic situation and that they are working to address quality concerns and introduce new products – including digital offerings – to remain relevant to their customers. While there are some positive developments it is far from certain if Namibia's media industry is fully aware and has the leadership, resources and vision to deal with the digital revolution.

The full report may be downloaded from <http://bit.do/DigitalChallenge>