

AN EMPIRICAL STUDY OF CONSUMER BEHAVIOR ON FINANCIAL DAILIES

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Abstract-

Financial Newspaper is a product which is required by all the stakeholders who deals in the financial market. Delay in the distribution can cause many problems to the readership figures. It is a product which loses its value as day goes on. It is a product without which a day cannot be started for this specific crowd.

Most of the financial daily newspapers are published from Monday to Friday. It covers most of the sector and industry news in 10 to 12 pages. It also covers few pages of very important news and tips regarding stock markets which are very much helpful to the investors and stock brokers.

A company needs to know the behaviour of their consumers to know what they think about the product or service which they are offering. The study has been done to understand the consumer behaviour on financial dailies. The comparison has been done between various financial newspapers. There was comparison done on the basis of the time of reading the newspaper by the readers and various features the readers wanted in a particular paper. The survey has been done on the basis of various parameters by comparing the features of various newspapers.

Index Terms- newspaper, investors, consumer, behaviour

A company needs to be in constant touch with its customer as we know that customer is the king of any business and it's necessary to know the behavior of the consumers so that a company can frame the strategies accordingly. Due to increase in competition in various business industries, it is necessary to provide the customer with best service or product as and when necessary.

A company needs to know the behavior of their consumers to know what they think about the product or service which they are offering. Here, in this project we have done a survey on consumer behaviour on financial dailies. The comparison was done between various different financial newspapers. There was comparison done on the basis of the time of reading the newspaper by the readers and various features the readers wanted in a particular paper. The survey is done on the basis of various parameters by comparing the features of various newspapers.

We have carried out a survey on consumer behaviour for Business Standard here. A detail analysis has been done in every respect. We have found out many loopholes and have come up with suggestions for the company. We have come up with good suggestions for the company to improve their market share and how to maintain the customers and create new one. The various needs a customer wants in the company's product. The expectations of people in respect of the service of the business standard and their newspapers content and printing details. Various other suggestions as in how to improve the competitive strategy or maintaining the market share in the industry due to new entrants in the industry.

RESEARCH METHODOLOGY:

The study is an empirical study based on the survey method and the data is collected with the help of questionnaire. The study is Descriptive research where the data is collected by non-random sampling method.

RESEARCH OBJECTIVES:

- 1) To identify the current market situation of Financial Dailies.
- 2) To understand the consumer behavior towards financial daily newspapers.
- 3) To study awareness of consumer about various financial daily newspaper

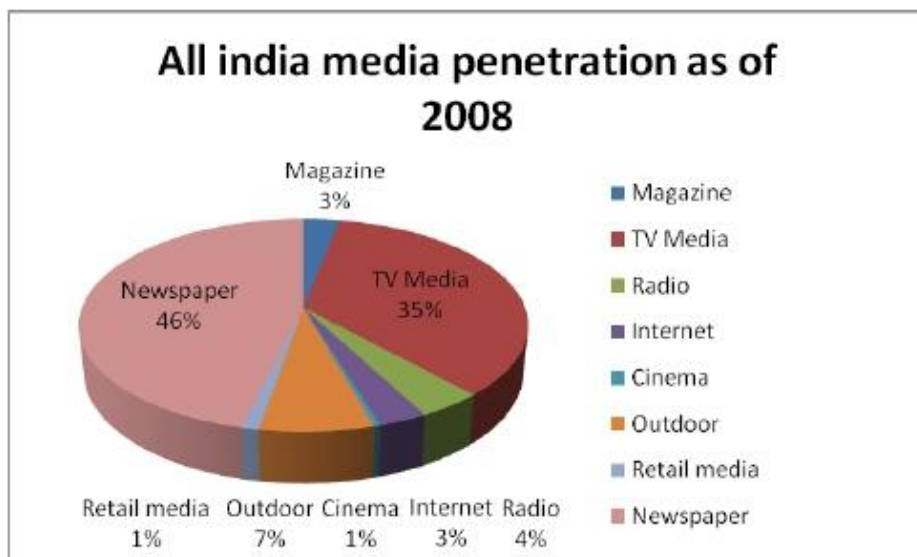
RESEARCH METHODOLOGY, TOOLS & TECHNIQUE:

The data was collected with the help of structured questionnaire. A sample of 100 readers of financial daily newspaper from Ahmedabad city were selected from different occupation and designation. Proper care has been taken in asking the questions, in wording them and in maintaining the sequence of the question.

ALL INDIA MEDIA PENETRATION AS OF 2008

- Here we can say that in the present scenario media has been spread widely. The share of Media is as below :

Figure 1.1



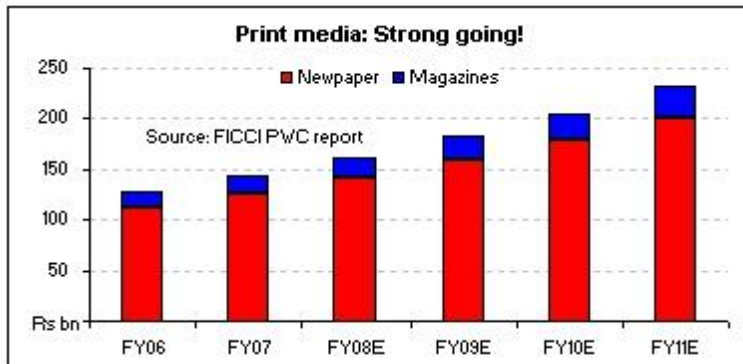
- Newspaper 46%,
- Magazine 3%
- TV Media 35%
- Radio 4%
- Internet 3%
- Cinema 0.4%
- Outdoor 7%
- Retail media 1%

Source: www.scribd.com/doc/.../GroupM-Indian-Media-Forecasts-2008

INDIAN PRINT INDUSTRY: AN OVERVIEW:

The structure of the Indian print media industry is highly fragmented with importance to regional dominance. The Indian print media segment primarily comprises newspaper and magazine publishing. Book Publishing also forms part of the print media though currently the share is not substantial.

Figure 1.2



Source: www.equitymaster.com/detail.asp?date=9/14/2007&story=5

As per PwC report, the print industry is expected to grow from Rs 128 bn in 2006 to Rs 232 bn by 2011, at 12.6% CAGR. While the newspaper industry is estimated at Rs 112 bn, the magazine segment is valued at Rs 16 bn.

Growth drivers

- **Higher literacy levels:** In 2006, the literacy levels increased to 71.1% as compared to 69.9% in 2005. While rural literacy is at 64.8%, urban literacy touched 85.3%. Currently Indian print media is estimated to reach over 220 m people, and has immense growth potential since close to 370 m literate Indians are believed to not be served by any publication. Also, the reach of newspapers is only 27%, as compared to the global average of 50%.
- **Lower cover prices:** Earlier, due to strong hold over a region, the newspaper had higher cover charges. However, with increasing competition and venture into newer regions the companies have reduced the cover prices to augment more sales. Many English dailies are sold for as low as Re 1 or Rs 2. The initial subscription offers of 'DNA' and 'Hindustan Times' in Mumbai, during their launch period, further reduced the cost of the newspaper to around 50 paise for an average issue

- **Higher ad spends:** Print media accounts for 48% of the total Rs 137.5 bn advertising spend in the country. However, the ad spend in India is just 0.4% of GDP as against 0.5% in China, 1.3% in the US and a world average of nearly 1.0%. With rising consumerism and growing interest from domestic and global brands in Indian market, the growth in ad segment is expected to be strong.

As per the registrar of newspapers, there were approximately 6,529 daily newspapers as of March 2005. No single newspaper had a national circulation. In 2006, India had the second largest circulation of newspapers with 88.9 m copies per day; second only to China with 98.7 m copies a day.

	Urban & Rural		Urban		Rural	
	(m)	%	(m)	%	(m)	%
Any Publication	184	23.6	99.9	42.2	84.3	15.6
Any Daily	170	21.9	93.8	39.6	76.6	14.2
Any Hindi Daily	62.9	8.1	35.6	15	27.3	5.1
Any English Daily	17.4	2.2	15.9	6.7	1.6	0.3
Any Magazine	58.9	7.6	33.8	14.1	25.1	4.6

Source: <http://www.equitymaster.com/detail.asp?date=9/14/2007&story=5>

DATA ANALYSIS & INTERPRETATION:

1. Which newspaper do you read?

- **Purpose:** The main purpose behind asking this question is to know readership of different financial newspaper.

TABLE 1.1:

PARTICULARS	RESPONDENTS
ECONOMIC TIMES	43
BUSINESS STANDARD	24
FINANCIAL EXPRESS	22
BUSINESS LINE	11

Interpretation:

From the above graph we can clearly see that as per as responses regarding reading of different news paper is concern economic times is highest in readership with 43 respondents this can be because of loyalty and brand name of times group and after that there is business standard in terms of readership is concern which followed by financial express and business line. So in this way economic time is highest in terms of readership is concern among financial dailies are concern.

2. How long have you been reading this newspaper?

Purpose: This question is asked to know about the time period in terms of years spend in reading of financial news paper

TABLE 1.2:

PARTICULARS	RESPONDENTS
≤ 1	16
1 to under 3 year	13
3 to under 5 year	25
$5 \geq$	46

Interpretation:

From the above chart we can come to know that maximum number of people are reading the financial daily for more than 5 years. So we can conclude that maximum number of readers are loyal to their newspaper.

3. Which are the news that you look for when you read financial daily?

Purpose: To know what type of information do people look into while reading a newspaper.

TABLE 1.3:

PARTICULARS	RESPONDENTS
Corporate news	12
Financial news	23
Stock market news	30
Economy news	15
Advertisement	5
Sports	1
Commodity market	8
Political	6

Interpretation:

From the above Table we can come to know that maximum numbers of people are looking for stock information followed by financial news, economy news and accordingly.

4. Where do you read the financial newspaper?

Purpose: The purpose behind this question is to know the place where a reader read financial news paper so that we can able to target market according to this

Table 1.4:

Office	49
Home	30
Library	10
Other	11

Interpretation:

Maximum number of people are reading the newspaper in office and then followed by home, other and library.

5. When do you read financial daily?

Purpose: The main purpose of this question is to know about how frequently reader reads financial news paper

Table 1.5:

Particular	Respondent
daily	56
Weekly	18
twice a week	12
more than twice	10
Occasionally	4

Interpretation:

From the above graph it is clear that most of the respondents prefer to read financial news paper on daily basis. Around 56% of total respondents read on daily basis and all are on yearly subscription base. After that 17% read on weekly basis. There are some people who read occasionally also.

6. Other than newspaper, where do you get the business news from?

Table 1.6:

Particular	Respondents
Vernacular daily	14
Internet	29
Word of mouth	12
Radio	10
Television	23
Other	12

Interpretation:

From the above Table we can come to know that other than newspaper people get information maximum from internet followed by television, vernacular daily and accordingly.

7. Reading of Financial Daily helps you in?

Purpose: Here the main motive behind this question is to know the benefits or knowledge reader gets from financial daily news paper

Table 1.7:

Particular	Respondents
Self development	10
Social conversation	4
Increase your business knowledge	25
Decision making	14
Effective at work	12
Investing insight	29
Any other	6

Interpretation:

From the above chart we can come to know that readers get more information about increasing their business knowledge.

8. How much importance do you give to following factor at a time of purchase decision?

Purpose: This question give us a data regarding various factors which are consider at a time of purchasing

Table 1.8:

Particular	Very important	Slightly important	Average	Low important	Very low important	Total
Price	1	3	2	12	4	22
News coverage	36	7	1	0	0	44
Stock info	6	3	1	0	0	10
Discount	0	4	5	0	0	16
Gift	0	4	0	0	0	4
Free magazine	0	0	0	0	0	4
Total	43	21	20	12	4	100

Interpretation:

From the above chart we can come to know that people give more importance to news coverage.

9. Are you an investor?

Purpose: Here the basic motive behind this question is to know whether the news reader is an investor or not, because most of the investors prefer this financial news papers

Table 1.9:

Particular	Respondents
Yes	67
No	33

Interpretation:

From the above information of the chart we can say that maximum number of people reading financial news paper are investors

10. If yes, than you get any benefits in your investing decision after reading the financial daily?

Purpose: This question is mainly asked to know whether the readers are getting benefits by reading the newspaper or not.

Table 1.10

Particular	Respondents
Yes	76
No	51

Interpretation:From the above chart we can come to know that maximum number of people get lot of information for stocks and help them invest them wisely.

FINDINGS:

- We came to know about the preference of customers after doing the activity of market tapping.
- People have different needs and wants, so one should be able to understand their needs and wants in order to sell the product.
- Economic times is the first & Business standard is the second most preferred newspaper in the areas surveyed.
- News covered by the newspaper i.e. the coverage plays an important role. Readers feel that the lack of news coverage may lead them to change the newspaper they read. Some of vernacular readers have switched to English daily only because of their need to improve their English but the percentage is negligible.
- News channels and Internet media has affected the reading pattern of the readers up to a considerable extent.
- The basic idea of reading a newspaper is to gain information and knowledge; hence the news coverage is a dominating factor in newspaper purchase as well as reading.
- Due to increase in the usage of Internet, people prefer to do surfing on the net and thereby collect more information on the different aspects simultaneously.
- Agriculture industry news is not provided.

RECOMMENDATIONS:

From the study carried out and the analysis of the result obtain from the survey, the following

suggestion and recommendation can help the firm to improve upon the product.

- 1) Add the news on IT and Information in much more detail
- 2) Give scrip code BSE and NSE companies
- 3) Increase the font size of stock detail
- 4) Improve print quality
- 5) Come up with new creative advertisements
- 6) Build proper positioning in the minds of the readers
- 7) Increase the no. of supplement throughout the week
- 8) Service check calls at regular intervals
- 9) Publishing their Club and giving membership to regular customers
- 10) Improve circulation service

LIMITATIONS:

- The main shortcoming of the study is that the generalizations have been made based on a restricted sample of 100 respondents.
- Because of a small sample size consisting of Ahmedabad city consumers only it might turn out that introducing new strategy for financial daily cannot be completely applicable throughout the country.
- Respondents to whom we questioned about the product due to lack of time they may have given answers without thinking much on the questions.
- Samples are taken among the corporate only, so there may be some variation in analysis if households and non-corporate are also added.

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