CHAPTER : TWO

RESEARCH METHODOLOGY
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Any research is a mother of new knowledge; and any newly generated knowledge gives germs to undertake new research endeavour. Thus research is an unending and constantly on going process. The process of development of knowledge for the betterment of society is a continual activity; furthermore; it is an essential ingredient of any civilized and modern society. Shib K. Mitra Former director, National Council of Educational Research and Training has correctly observed that.

A Study of the History of education shows that there has been a concern in all societies to develop a system of education, which will help the society to maintain its tradition and culture and yet provide for the possibilities of further development of the society along new direction.\(^1\) (Mitra, 1980, P. IX).

Its true that, education is essential for development of society and for development of education, we need knowledge creation; that too scientific creativity. “It is lately with rapid developments in science and technology, that creativity and its study has become important. It is now realized that any system of education in a society should encourage
creativity so that a society can be saved from stagnation and the individual can also have his own fulfillment."2 (Mitra Shib K., 1980, p.IX)

Thus to remove the prevailing stagnation in society, and keeping the society moving in forward direction, we have to have generate knowledge. The basic function of any science, whether; physical or social, is to generate knowledge. Furthermore, "Science is a cumulative enterprise. Each new endeavor is a creative effort building on past efforts. Science is not a series of discrete, isolated achievements. It is on-going. Good science does not rest on its achievements. A good study opens the door to many new studies.... Good Science whets the creative appetite and sharpens the questions probed in subsequent investigations."3 (McCombs Maxwell, 1983, P IX).

The importance of science can not be neglected. Also it must be noted that, human behaviour is more complex than the phenomena of physical and biological sciences or to say basic science. "... Social Science research is the gradual process of making explicit ant clear that which was implicit and vague in previous thought."4 (McCombs Maxwell, 1983, P. X). The complexities in Social Science research are more than the Physical Science or basic Sciences. Because the basic factors of physical Sciences like forces of gravity, elements of molecules, atom, neutron etc. are seen little changed over a long period
of time. On the other hand, the Society, which is a field of research of Social Sciences, always faces change. It goes on changing from time to time. Therefore, the development of knowledge in the area of social science is very vital in understanding reliable truth about social issues and problems. The Scientific investigation satisfies this need of modern society. Media researches Prof. Sheron Lowery and Melvin DeFleur have rightly stated that,

"As a mean of developing reliable and valid knowledge about some subject matter, Science is in an ideal sense both innovative and cumulative. Supposedly, it breaks new ground with every study and moves the cutting edge of theory and method in a systematic way. Each new theoretical development is tested definitively and accepted or rejected as a valid description and explanation of the event under study. Presumably, science also retests its findings so that, it is self-policing and only those conclusions that have been found to be reliable remain in the accumulating body of knowledge".5 (Lowery Shearon and DeFleur Melvin L., 1983, P.2).

Thus the research, in any discipline, is an attempt to identify or dig out true nature of truth. To reach at the roots of the realities of the subject matter. Prof. Therese Bakers, who an American Social Science research expert opines that, "Thus the purpose
of each study is to seek to know something better, more deeply, more clearly, by applying rational, logical rules of analysis to the empirical evidence gathered through observation".  

(Baker Therese, 1988, P.42). He further argues that, "... I [Prof. Baker] would prefer you to think of science in more dynamic terms as an activity, a means of finding things out. To carry out scientific activity means that the science must do something... Science in other words is empirical. It is based on observable evidence...

Hence, an Art of Science is an activity of Scientifically and systematically, analysing them and finding out the result. World-known Social Science research experts William J. Goode and Paul K. Hatt in their very popular book "Methods In Social Research" view that. "Science is a method of approach to the entire empirical World, i.e. to the world which is susceptible of experience of man.... It is merely a mode of analysis that permits the scientists to state propositions in the form of "If -, then-.

...Put succinctly, the sole purpose of Science is to understand the world in which man lives. What is meant by understanding the empirical World is, however, very complex and will require considerable explanation.  

(Goode William J., Hatt Paul K., 1952 and 1989, P.7). Thus we try to know and understand
about the World in which we live. According to Prof. Dr. O.R. Krishnaswami, "Curiosity or inquisitiveness is a distinctive feature of human being like us. We are curious to know about ourselves, our institutions, our environment, our planet, other planets and the universe... we try to find solutions to them. Such seeking answers and solutions is as old as human civilizations. A systematic search for an answer to a question or a solution to a problem is called research".9

Thus to know the realities of our World Scientifically and methodologically, is researching. "... Research is a truth-seeking exercise. It is a tool to know our universe by applying scientific methods".10 (Gote Shubhangi, 1997, p. 46).

The above discussion, sufficiently proves the nature and importance of Scientific investigation or research.

**MEDIA RESEARCH**

The research in the area of mass communication is increasing in contemporary world, as they are powerful cultural weapons to shape and build the public opinion. Seeing the impact and influence of mass media on mass society, the research relating to these media are undertaken more and more the media researchers and researchers in the disciplines of Psychology, Sociology, Information Technology and others. With consideration of the media effect, Prof.
Lowery Shearon and Prof. DeFleur Melvin states that, "The media were capable of insidious erosion of moral standards of persuading people to spend their money on goods and services they didn't need; and they presented dreadfully distorted views of the world to their audiences, who confused them with reality"\textsuperscript{11}. (Lowery Shearon, Melvin L. DeFleur, 1983, p. 367). In view of above said importance of mass communication research, it is warranted that multi-dimensional and micro level research covering all possible aspects of media, must be undertaken. This research is a very small step in that direction.

**MEDIA ECONOMICS—NEW RESEARCH AREA**

"Media Economics" is comparatively new research area in the field of Journalism and Mass Communication. There are very few attempts of probes covering this very important but neglected area of research. Even media scholars have given very scant attention to this area; particularly in India.

"Media Economics" is as said, new research area which is concerned with how media operators meet the informational and entertainment wants and needs of audiences, advertisers, and society with available economic resource. It examines, in which economic system it works, which system would be better or otherwise for media?. "... To understand economic
milletu in which media operate, this requires knowledge of the nature of economic study and the development of economic principles and market capitalism. (Picard Robert G. 1992, p.7)

In the light of above views of media economist like Robert Picard, unless we understand deeply, the economic structure of any medium like newspapers, and its impact on its nature and contents, it becomes difficult to examine the role of fourth estate in the democracy.

Therefore, the present research project was undertaken to probe into the existence of monopoly or oligopoly in newspaper industry and its possible effects on the opinion making function of newspapers. This research is noteworthy on another account, as it attempts to investigate impact of concentration of ownership on the economic viability of small newspapers. In any democracy, voices of small newspapers are equally important as they are basic ingredient of democratic polity of any given country. The plurality of thoughts and diverse opinions is the heart of democratic system. As such, we must know, in what kind of economic structure this diversity and plurality is preserved and maintained with all dignity and respect, without any threat to their existence. Thus whether concentration of ownership in newspaper industry in India, affects existence of small newspapers
and their economic viability is a vital problem in contemporary journalism, in the context of globalization of Indian economy. Therefore, this particular research work on the topic "Monopoly of Chain Newspapers And Its Impact On Economic Viability of Small Newspapers In Maharashtra" was undertaken by present researcher.

**Objectives of the Study:**

1. To study the nature and patterns of ownership structures in the newspaper industry of India.
2. To review the global scene of ownership concentration in media and newspaper industry.
3. To identify the existence and extent of monopoly oligopoly in newspaper industry in India.
4. To find out economic and socio-political effects of monopoly and/or oligopoly in India.
5. To probe the nature of chain ownership in language press and overall Indian print journalism.
6. To identify the impact of monopoly/oligopoly, on the economic viability of small newspapers.
7. To suggest definite measures to prevent monopoly/oligopoly and to preserve the viability of small newspapers.

**Hypotheses:**

In any research endeavour, hypothesis is considered as a key to solve a given research problem. "... a hypothesis is a provisional formulation; a
tentative solution of the problem facing the scientist ... if hypothesis is proved, the problem of which it was a tentative solution is answered. If it is not proved, alternative hypotheses or solutions would need to be formulated and tested. Thus hypotheses are put forth for testing their validity. They are probable solutions of any given research problem.

On the basis of the survey of literature done by the researcher and on the basis of his own observation and understanding following hypotheses can be put forth for this study:

1. In Indian newspaper industry there exists either monopoly or oligopoly of chain newspapers.
2. The concentration of ownership in the newspaper industry in India, is high and it is higher at regional and language level.
3. The concentration of ownership in Indian newspaper industry is growing during post-independence period.
4. The monopoly or oligopoly of newspapers at national or regional level affects badly on the economic viability of small newspapers.
5. The death ratio of small newspapers increases as the chain ownership grows.
6. Concentration of ownership is a global phenomena in journalism and it is more concentrated in developing societies like India than developed world.
7. The lucrativesness of press industry and only profit motives are undermining and defeating the socially responsible character of this opinion-making industry.

**RESEARCH DESIGN:**

Without developing research design, it is not possible to undertake and complete any scientific investigation. To put in simple words, a research design is a manner and method by which we complete our research endeavour. It's a scientific pre-plan or we can call it as a blue-print of research. In words of Wilkinson and Bhandarkar "The decisions in respect of the data to be collected, the sample to be selected, the manner in which the collected data are to be organized etc. which constitute the body of research design, must be based on good grounds. The design decisions must be based on an accepted methodology. The researcher must investigate or make investigable the method of making design-decisions."\(^{14}\). (Wilkinson, Bhandarkar, 1991, p.87) According to Seltiz, Cook and Jahoda, "A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure."\(^{15}\). (Seltiz, Cook, Jahoda, 1969, p.31).

In view of above-stated importance of the research design, in the present research work, keeping
in mind, the study objectives, it is found that, the "descriptive research design" is the most appropriate research design. Because, through this research the researcher was to attempt to find out economic characteristics of the Indian newspaper industry, the level of monopoly, its comparison and other properties.

Russell Ackoff aptly states that, "To design is to plan; that is, design is the process of making decisions before the situation arises in which the decision has to be carried"\(^{16}\). According to Prof. Krishnaswami, "Descriptive study is a fact-finding investigation with adequate interpretation .... It has focus on particular aspects or dimensions of the problem studied"\(^{17}\). (Krishnaswami D.R., 1993, p.44) Thus in this research the Descriptive Research Design was employed, as it suffice the study objectives.

**DATA COLLECTION:**

The data collection work is the most important activity in the process of research. Data are the related facts of the subject matter of the research. This data must be reliable, objectively collected applying scientific data collection techniques. If the data is faulty, it gives faulty results. Therefore, to achieve flawless results of research the data collection work must be done scientifically. For this purpose, we have to apply data collection techniques, appropriate to our specific
study. "Techniques thus, appear as tools of research put to use for a general strategy that has been outlined by the method"^{18}. (J.L.L.D. Bayle/Johari J.C., 1980, p.12) Thus, the task of data collection is a complex and valuable phenomena by which, we collect methodologically authentic data for a specific research purpose. It is clear from above discussion that, facts or data play a vital role in researching. There are two main sources of data collection work in social science research. One is "Documentary Data" (which is available in the library) and the other one is "Field Data" (that is data collection work done by going directly to the field—people—society". "Two main sources of data in social science research come from inner world of library and outside world of living people. We may label these two main sources simply, the "paper and people"^{19}. (Wilkinson, Bhandarkar, 1984, p.144)

In this research work following data collection sources are applied.

**Documentary Data : Multi-Source Data :**

1. The documentary data used for this research work, is an authentic report of the Registrar of Newspapers of India (RNI), popularly known as "Press In India". With help of this official and authentic data source (using reports published by the RNI, Government of India), the development of newspaper industry, share of chain press, level of monopoly etc. is analyzed.
2. The other documentary data used for this work, is the data available in the world-known MacBride Commission Report on Communication published by the UNESCO. This report gives global and continent-wise comparison of disparity in media infrastructure. The title of the report is "Many Voices One World".

3. The third important and authentic data source used for this research is first "World Media Handbook" published by the United Nations Organisation in the year 1990. This handbook gives country-wise information about all mass media, their spread, reach and other related information, which enable us to construct comparative analysis of media structure on global level. UNESCO's World Communication Report is also used.

4. The Reports of the Press Commissions (India) are the fourth very valuable and authentic data source used in this work. Both, the first and second Press Commissions of India are the indepth studies with support of sound evidence about the issues of press industry in India. Both the commissions have dealt with the monopoly, concentration of ownership and economic viability of small newspapers. Particularly the Second Press Commission has conducted extensive survey as well as the working papers covering economic aspect of small and medium newspapers along with other aspects. These reports are indeed pioneering work in
the socio-economic analysis of the press industry in India.

5. The National Readership Surveys (NRS) conducted nation-wide I to IVth, are the fifth very valuable data source to examine media scene in India. These are major nation-wide surveys and data produced by these surveys are considered as great contribution in the area of media research.

6. The authentic data about the circulation of the newspapers are available in the form of the Audit Bureau of Circulation (ABC). To know the circulation trends and patterns of Newspapers in India, the ABC reports are the essential documents.

7. Monopoly Inquiry Commission (India) report and other works related to the concentration of Indian industries were of great value for this research work.

8. Prof. Ben Bagdikian, renowned expert of media monopoly, his work and recent paper gave insight to the present researcher in the present subject-matter. Another International contributor Prof. Dr. Nixon, who made comparative study of concentration of newspapers in developing and developed countries provided an appropriate research model for this study.

9. The other data sources used for this work include, the British Press Commission report, Journalism
Quarterly, Palekar and Bachawat Awards for working journalists, Unpublished research works undertaken by Second Press Commission, Prof. Robert Picard’s contribution in the area of ‘Media Economics’, Ashok Desai’s work ‘Economic Aspects of The Indian Press’ and many other research papers were utilized in this study.

DATA ANALYSIS:

The analysis of the data collected is another important step in any given research process. In words of Kidder Seltiz, Cook et al "It is the purpose of analysis to summarize the completed observations in such a manner that they yield answers to the research questions. It is the purpose of interpretation to search for the broader meaning of these answers by linking them to other available knowledge." 20. (Kiddler Liouisc H., 1981)

Keeping in mind the importance of the data analysis, in this study, the researcher has applied economic theory techniques and tools to measure and analyze the data like concentration curve, and other industry’s concentration measuring and analyzing techniques. With tabulation, comparative study, national, regional trends were analyzed. For analysis of data, the modern computer technique was also applied, for the cross-comparison. Attempt is also made to suggest most suitable tool to measure monopoly/oligopoly in the press industry. With vast
amount of data, international, national and regional, relating them into a meaningful way to a theoretical preposition was a complex and difficult task.

**Two Ways of Measurement**:

Commonly used measurement techniques are mainly of two types. Prof. L.A. Joshi in his work "The control of Industry in India" states these two ways. According to him, "Studies on concentration in individual industries by Federal Trade Commission (USA), Temporary National Economic Committee (USA) and by others have distinguished between different degrees of concentration mainly in two ways, viz, by number of companies that accounts for certain percentage (say 60 to 80) of the industry's assets, income etc. or percentage share of the first three or first four". (Joshi L.A., 1965, p.123)

As stated by Prof. Joshi, the second method measures the effect of industrial combination in terms of concentration of control for leading firms of managing agents and companies. According to such standards the degree of concentration is counted as follows:
## Table 2.1

**Measurement of Degree of Concentration**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Percentage control by the First Four</th>
<th>Nature of Concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>60% or more</td>
<td>Extreme</td>
</tr>
<tr>
<td>2.</td>
<td>30 to 59 percent</td>
<td>High</td>
</tr>
<tr>
<td>3.</td>
<td>20 to 29 percent</td>
<td>Moderate</td>
</tr>
<tr>
<td>4.</td>
<td>Below 20 percent</td>
<td>Low</td>
</tr>
</tbody>
</table>

Source: Joshi L.A. "Control of Industry In India", p.124.

**Four Quantities to Measure Concentration:**

To measure the level of concentration in the economic theory, different factors are studied and compared. "Frequently, as many as four different economic quantities may be available. Sales, value added, employment and assets"\(^{22}\). (Uttam M.A., 1970, p.41) Here the sales means the total receipts from the sale of the firm's products and value-added means the difference between the sales figures and the cost of such purchases as raw material, fuel, power. But there is some difficulty in measuring concentration by this way. Two companies may have same percentage of sales but one of them can be working with complete production set up and another may be purchasing component from other firms and assembling the product.
Thus the assets of the first firm are naturally larger than the other, because the first one has the whole production infrastructure and the other one just does the assembly work. Thus, such a comparison can be faulty some time.

In case of assessing the concentration level with the variables of assets and employment, there also exists difficulty to some extent. "There are good reasons to believe that a measure based on capital would tend to overstate, and one based on employment to understate, the actual level of concentration." (Uttam M.A., 1970, p.41)

It is obvious that, the large firms are likely to be more capital incentive than small firms, since the scope for labour saving machinery in many industries tends to increase with size. Employment ratio in large firms may be low, as they go for automation. Smaller units do not possess requisite capital to develop labour saving machinery.

Assets of any firm grow with the time and firm accumulates assets over a considerable period. Secondly, the value of assets are different as firms are established at different period. The rate of purchases are naturally different. Every company may have its different pattern of assets measuring, then also difference exists. All this leads to an uncomparable position. Though there are aforesaid difficulties in measuring concentration level, considering
the nature of the industry, most appropriate method is adopted".

**Concentration Ratio/Curve:**

The concentration ratio is the measure, which is widely used while counting concentration level of any industry. This is being considered as the best suited to the purpose of indicating degrees of monopoly and competition in individual industry.

The concentration ratio is indicated by way of concentration curve, which is plotted on a graph with horizontal scale marked off from left to right in terms of the largest firms and the vertical scale showing cumulative percentage of industry output (or other measure of size) produced by the number of firms indicated in the horizontal scale. The concentrations curve drawn in such a manner, would suggest the level of concentration in a particular industry.

**Concentration Coefficient:**

The economist Fellner, has suggested to find out concentration coefficient, which give size distribution of firms in an industry. He suggested a three-number Index composed of the share of the largest firm, the number of firms with share exceeding 10 per cent and joint share of firms with shares exceeding 10 per cent.

To identify oligopolistic structures using 8 information on the proportion of output or capacity
accounted for by the largest four, eight and twenty firms together with proportion supplied by all other firms.

**Lorenz Curve:**

The another measure frequently been used in the studying of industrial concentration is of Lorenz Curve. Here, the vertical axis shows the cumulative percentages of relevant economic measure of size such as output or assets. The horizontal axis shows the cumulative percentage of firms in the industry from smallest to largest. If all the firms in an industry, are of equal size then the Lorenz curve coincides with diagonal. It is straight line and called as "Line of Equal Distribution". If the Lorenz curve is away from the line of distribution, the concentration in the industry is greater and if Lorenz curve is nearer to the line of equal distribution then the concentration in that industry is at lower level.

**Gini Coefficient:**

The 'Gini Coefficient' the factor by which we can summarize the information shown by a Lorenz curve. The 'Gini Coefficient', measures the area between the line of equal distribution and the Lorenz curve. To say in other words, this concentration coefficient is a measure of the extent to which firms in the industry are unequal size. In Lorenz curve and
Gini's coefficient, reflection is based on the entire distribution of firms, changes at any point in the distribution, rather than simply a change amongst the largest firms. Lorenz curve or Gini's coefficient shows the proportion of inequality in a particular industry.

Thus to measure, the complex nature of any industry's concentration, the economists suggest two lines of approach: the concentration ratio or a measure of absolute concentration and the 'Gini Coefficient' to measure inequality or relative concentration.

Here one observation of Prof. M.A. Uttam is noteworthy. He says, "It should be remembered that the body of received theoretical analysis, particularly that relating to oligopoly, is not at all definite and clear cut in its predictions of market behaviour"25.

All these measurement techniques shall be applied to the Indian newspaper industry in this research and attempt would be made to identify the level of concentration or existence of monopoly or oligopoly.

**CONCEPTS:**

The concepts are considered as the language of science. Without implicit and explicit definition of concept, it is not possible, to complete research
successfully. Therefore, conceptualization is considered as an important process in any study. In this study the major concepts used are as follows:

1. **Monopoly**: A market structure in which a single or two/three sellers of a product exist and control the market.

2. **Oligopoly**: A market structure in which competition exists among a limited number of producers of similar product and services.

3. **Monopolistic competition**: A market structure in which there are a number of sellers of similar, but differentiated, products and services competing.

4. **Inputs**: Those factor necessary to create a product or service.

5. **Outputs**: The end good or services created by producers for consumers.

6. **Concentration**: The degree to which the largest companies in the same product/service and geographic market control the economic activity in that market.

7. **Concentration of ownership**: The degree to which activities of an industry or related industries are owned or controlled by leading firms.

8. **Corporation**: A business firm organized with limited legal liability for the owners of its shares.
Publicly owned corporations are firms whose shares are sold on stock exchanges. Privately owned corporations are those whose stock is not publicly traded; they tend to be owned by a smaller number of shareholders.

9. Common ownership unit: A newspaper establishment owning two or more news-interest newspapers, of which at least one is a daily, has been termed as a common ownership unit of newspapers.

10. Multiple Unit: Publication of more than one daily of the same title and language at different centres under one ownership.

11. Group: Publication of more than one daily under one ownership, in the same language (e.g. morning and evening paper under different names) or in more than one language.

12. Chains: Publication of more than one daily under one ownership from more than one centre.

13. Combines: These are in essence chains, groups or multiple units but the units appear outwardly as different concerns.

14. Big Unit: News-interest newspapers belonging to common ownership units had a circulation more than one lakh copies are termed as big unit.
15. **Very big newspaper**: A newspaper with circulation over one lakh is termed as very big newspaper.

16. **Big newspaper**: A newspaper with a circulation ranging between 50,000 to 1 lakh is termed as big newspaper.

17. **Medium newspaper**: A newspaper with a circulation ranging between 15,000 to 50,000 is termed as medium newspaper.

18. **Small newspaper**: A newspaper with a circulation ranging between 5,000 to 15,000 is termed as small newspaper.

19. **Very small newspaper**: A newspaper which has a circulation less than 5,000 is termed as a very small newspaper.

20. **Dominant undertaking**: Mean an undertaking which either by itself or along with inter-connected undertaking:

   a) Produce, supplies, or distributes at least one third of newspaper's total circulation in a particular geographical area.

**LIMITS OF STUDY**:

Every investigation has its own limits, this study can't be exception to it. This study has limits:
1. This study is completely dependent on the official and Government data.

2. The researcher has to rely on the economic and financial data, as stated by the firms to the Government agency.

3. This is a generalized study; along with this a few case studies of small and big units could have highlighted undercurrents of newspaper industry.

**FURTHER STUDY:**

"Newspaper Economics" or to be more broadly speaking "Media Economics" is a new research area. In the process of development, and information explosion, media infrastructure is expanding day by day. Along with this, cut-throat competition is also growing. Monopolistic trade practices are also seen in newspaper industry. It is common place, that newspaper and other mass media play a vital role in keeping democracy vibrant. Therefore, their freedom and independence is very important. For that their economic independence is equally important. IN the process open economy/global economy, this area needs more such probes.
REFERENCES


2. Ibid., p. IX.


4. Ibid., p. X.


7. Ibid., p. 42.


11. Ibid. Ref. 5, p. 367.


23. Ibid., p.41.
