

PERCEPTION AND ATTITUDES OF READERS TOWARDS NEWSPAPER'S CREDIBILITY: CASE STUDY OF BUSINESS STANDARD AND ECONOMIC TIMES

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Abstract: *These paper researchers on the Academic professional perception of Financial Newspaper as readers and investors based on financial information which is published in Business Standard and Economic Times. Questionnaires were distributed to the readers to get a better perspective of financial information. The aim of this paper is to determine the accuracy of credibility of financial information published based on their perception. Findings of the study indicate that both the financial newspaper meets up their expectation of financial information.*

Key Words: *Business Standard, Economic Times, Credibility, Readers, Financial information*

1. INTRODUCTION:

The prime objective of any media house is to meet up the expectation of their readers. It is important for any media house to know the perception of the readers about their product and to find out the alternatives to improve the quality and presentation of information in order to increase their readers. It is important for any media house to know that readers can only be motivated by the quality, credibility, and accuracy of information and it is the duty of such media house to understand the perception and need of their readers. As reviewers of information from the media, we are faced with the constant problem of determining what sources are credible. Some researcher has highlighted in their study that perception of credibility and depends on users (Berlo, Lemert, & Mertz, 1969) and also depends on the knowledge, demographic profile of the readers to evaluate the credibility of a source (Westley & Severin, 1964). Lippman, 1922 has rightly stated that “what we know of the world around us comes directly from the media as receivers of messages from the media” we realize how important the credibility of a news source is.

American Society of Newspaper Editors (ASNE) study revealed that newspapers fail to show respect for readers, suspects that stories are influenced by biases of journalists, and believes that sensational news stories get more news coverage because they sell newspapers rather than for being important credibility (Stockwell, 2006).

In this paper, we use the questionnaire method that was collected from the respondents to judge the reader's perception of the Business newspaper as a source of financial information and their acceptance level to such financial information. This allows us to access whether the Indian financial newspaper published biased information or credible information for its esteem readers. Researchers in their recent study has tried to demean the information content of news by media in political scenario (Groseclose and Milyo 2005; Gentzkow and Shapiro 2006), but our work focuses only on Business Standard and Economic Times of India. This allows us to investigate how such intellectual investors think about the content of information that is being published in financial newspapers and to link the user's trust with the Business Standard and Economic times.

2. FACTORS OF FINANCIAL NEWS CREDIBILITY :

Media credibility is affected by various factors which researchers have highlighted in their study. Trustworthy and expertness are the main factors of source credibility as highlighted by (Hovland & Weiss, 1951) in their studies. Some researchers conveyed in their findings that credibility is a multidimensional concept (Meyer, 1974). Different scales were used to trace the various credibility factors, one such scale was 83 scales to find out exactly what factors were important while measuring credibility (Klebba & Unger, 1983), which was then reduced to a scale of 35 based on educational ability and enthusiasm of the readers. (Tseng & Fogg, 1999) found that impartiality, trustworthiness, and completeness are some influential factors on which readers judge the credibility of a medium. (Singletary, 1976) tested six factors: ‘knowledgeability,’ ‘attraction,’ ‘trustworthiness,’ ‘articulation,’ ‘hostility,’ and ‘stability,’ and found ‘knowledgeability’ the most accounted for among them. The findings of these earlier studies are consistent. Accordingly, ‘Fairness,’ ‘currentness,’ ‘objectivity,’ ‘completeness, comprehensives, accurateness’ is some of the factors that have been adopted in this research project.

In this study, a total of fifteen important credibility factors have been incorporated in the study to judge reader's acceptance level to such financial information which is published in the top four financial dailies i.e. The Business Standard and The Economic Times. Fairness, accuracy, factualness, can be trusted, tell the whole story, is concerned about public interest, well presented, is biased, cares about investors need and interest, comprehensiveness, responsiveness, authoritatively, completeness and objectivity based on users perception on the characteristics of the stock recommendation information and their perception of the Financial newspaper as a medium of stock investment.

The Financial newspaper media publishes a wide range of financial information for their readers for investment purpose, so how fast and comprehensively media delivers information for their readers are the important factors that influence media credibility. In this study, business newspaper credibility is measured by the following factors: 'authoritative,' 'currentness,' 'reliability,' 'fairness,' 'accuracy,' 'source reliability,' 'Comprehensiveness,' 'trustworthiness,' 'concerned with public interest,' 'presentation of information,' 'cares about investors needs,' 'responsiveness,' 'objectivity,' and 'level of biases.'

3. METHODOLOGY:

Financial newspaper credibility is a dependent variable. Credibility is measured by fifteen variables as explained above. Respondents were asked if they agreed that thirteen items representing Financial Newspaper characteristics. They were required to rate each response by "Strongly agree", "Agree", "Uncertain", "and Disagree" & "Strongly disagree".

3.1 SAMPLING

This study was limited to only those financial newspapers readers who read business standard and Economic Times, financial information for making financial judgments. All the respondents were above the age category of 20 and above and the main purpose of this research is to seek reasons why they think financial newspaper stock recommendations as being credible. If respondents were below 18 years it will be difficult to obtain what influences them on newspaper financial information.

3.2 STUDY DESIGN

This study examines how Business Standard and Economic Times readers of India more specifically the investors evaluate the credibility of Financial Newspaper Information. Therefore the research question is RQ: How do investors perceive the credibility of Financial Newspaper?

Previous studies have confirmed that newspapers are the most credible source of information in comparison to other information media (Flanagin & Metzger, 2000). Newsworthiness and reputation of the media organization are considered to be the most important aspect to fulfill readers information needs (Mings, 1977). Therefore my Hypothesis is

H₀. Both Newspapers do not serve as a valuable document as they do not carry accurate and credible information.

H₁. Both Newspapers serve as a valuable document as they carry accurate and credible information.

3.3 GENERAL INFORMATION:

The Socioeconomic profiles of respondents are included in this section. It relates to the male-female distribution of users who reads such financial dailies for their investment purposes.

Gender Wise distribution of Readers:

Majority of the respondents who read such financial dailies for their investment are males signifying the dominance of male investors over the female investors' Table below explains this:

Sl no	Gender	No of Readers	Percent
1	Female	29	22.48
2	Male	100	77.52
	Total	129	100.0

Source: Questionnaire

The analysis of Questionnaire shows that 77.52 percent of member's male readers and only 22.48 members are females. The figure clearly highlights the dominance of male readers over female readers who read financial tabloids for their investments.

4. PROCEDURE:

A survey was employed in the City of Kolkata. Since most of the respondents who read Business Standard and Economic Times were unavailable in Shillong the researcher administered a survey in Kolkata. Few readers were identified from some relevant sources. As it was difficult to track all the respondents, the researcher applied snowball sampling method. From the few respondents others respondents were tracked forming a chain of networks and in the

process, 150 questionnaires were distributed in all out of which 129 filled questionnaire were filled and received in a period of two months survey in the city of Kolkata. The questions were closed-ended questions.

5. ANALYSIS OF DATA:

The fifteen items measuring perceptions of the credibility of top four Financial Newspapers of India were scored so that the higher numbers (on a scale of 1 to 5) indicated higher agreement that his or her Financial Newspaper possessed that quality. The mean, mode, standard deviations and percentage of respondents indicate strong agreement with each item is shown in table I

TABLE 1: Rating of Credibility variables of the Financial Newspaper read most often

SL no	Credibility variables	Economic Times			Business Standard		
		Mean	Std Dev	Mode	Mean	Std Dev	Mode
1.	Credible than other sources	3.49	0.84	3	3.38	0.76	3
2.	Completeness	3.13	0.81	3	3.26	0.81	3
3.	Authoritative	3.29	0.92	3	3.35	0.85	3
4.	Currentness	3.71	0.77	4	3.79	0.64	4
5.	Comprehensiveness	3.19	0.96	4	3.38	0.94	4
6.	Reliability	2.94	0.90	3	3.02	0.83	3
7.	Fairness	3.59	0.91	4	3.50	0.81	4
8.	Accuracy	3.73	0.68	4	3.82	0.65	4
9.	Is factual	3.73	0.72	4	3.88	0.57	4
10.	Trustworthiness	3.63	0.66	4	3.76	0.61	4
11.	Concerned with pub interest	3.30	0.78	4	3.42	0.80	4
12.	Presentation	3.44	0.82	4	3.62	0.92	4
13.	Level of Biasness	3.08	0.79	3	2.89	0.66	3
14.	Responsiveness	3.79	0.70	4	3.89	0.56	4
15.	Objectivity	3.40	0.75	3	3.38	0.82	3

To obtain a clearer picture of the dispersion of responses, the mean mode and standard of each credibility variable was computed. As Table I indicates, average scores were all on the positive end of the neutral midpoint of 3 on the “Strongly Disagree” to “Strongly Agree” Scale. The above table highlights that most of the credibility variables are having a mode of 4 which indicates which indicates that readers agree that Business Standard and Economic times are a valuable source of financial information for investment, whereas a value of 3 indicates that readers are uncertain about those credibility variables. Out of the given variables altogether of 9 credibility variables were rated with reader’s acceptance of Business standard and economic times as a source of financial information.

6. TESTING OF HYPOTHESIS:

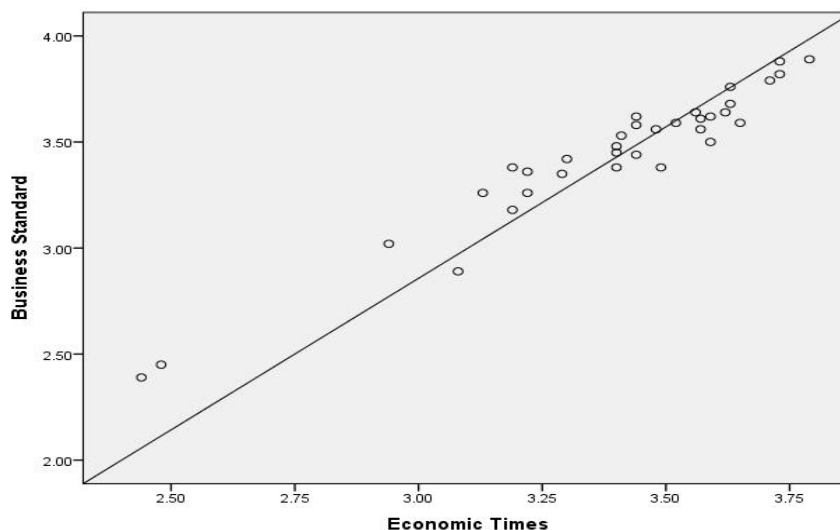


Fig: Correlation between Credibility variables of Business Standard and Economic times

A Scatter plot shows the relationships between two quantitative variables measured for the same individuals. The values of one appear in the x-axis and the other in the y-axis. Each individual in the data appears as a point in the graph (Mindrila & Balentyne, n.d.). Business Standard variables are plotted on the Y-axis and Economic times are plotted on the X-axis. The above figure clearly reflects that there is a strong correlation between the credibility variable of Business Standard and Economic times. Both the variables are moving in the same direction. As the variables of the Business standard are increasing, the credibility variables are also increasing in the same direction forming linearity. The above scatter plot clearly indicates that both the Newspaper is strongly and positively correlated. The above scatter plot represents a linear relationship as both the variables are increasing approximately at the same rate.

Table II: Correlation between Business Standard and Economic Times variables

		Correlations	
		Business Standard	Economic Times
Business Standard	Pearson Correlation	1	.969**
	Sig. (2-tailed)		.000
	N	34	34
Economic Times	Pearson Correlation	.969**	1
	Sig. (2-tailed)	.000	
	N	34	34

** . Correlation is significant at the 0.01 level (2-tailed).

A Pearson correlation was employed to test the Hypothesis whether both Business Standard and Economic times are accepted as a valuable document as a source of Financial information. The above table clearly depicts that there is a strong correlation between the two variables as the Pearson Values of .969 is close to 1. The correlation is statistically significant at the 0.01 level (2- tailed). Based on the above results we reject the null hypothesis that Business Standard and Economic times do not serve as a valuable document as they do not carry accurate and credible information. An alternate hypothesis is accepted as both the newspaper is found to be a credible source of financial information.

7. RESULTS:

Pertaining to the hypothesis and research questions each credibility factors and their medium of a source of financial information were calculated. Each factor was rated 5= “Strongly Agree” to 1= “Strongly Disagree” based on Likert five-point scale. Table I Clearly shows that respondents agreed that newspaper publishes accurate and credible information on stock recommendations.

Scatter plot and hypothesis testing also highlight the reader's trust towards these dailies as both the newspapers carrier accurate and credible information from user’s perception.

8. DISCUSSION AND CREDIBILITY:

As evident from the finding there is a link between investors and the content of financial information published on stock recommendations credibility in terms of ‘authoritative,’ ‘currentness,’ ‘reliability,’ ‘fairness,’ ‘accuracy,’ ‘source reliability,’ ‘Comprehensiveness,’ ‘trustworthiness,’ ‘concerned with public interest,’ ‘presentation of information,’ ‘cares about investors needs,’ and ‘responsiveness’ .

Media plays a vital part in reporting financial information. In such aspects, the importance given by print media towards financial news consumers, depends on the news quality, comprehensiveness, timeliness, reliability coverage of media in all stock recommendation related information & issues. As media is one the important pillar of the society it should look through and provide all vital information for the financial news readers (Sharma & Kumar, 2017). From the findings, it is concluded that Financial Newspapers meets the information need of such readers, whereas analysis of the questionnaire shows that users trust the medium for financial judgments as it fulfills their interest on financial recommendations.

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