

# Ownership and financial performance of newspaper publishing companies

## Abstract Topic: Strategic Management

### Abstract

*The Finnish newspaper publishing industry faces notable challenges in its business environment. These challenges are results from technological developments and changes in consumer or audience and advertiser behaviour (Björkroth & Grönlund, 2015). Understanding and examining the newspaper publishing industry is important when discussing the changing character of media business environment. The results of this paper shed light on whether concentration of ownership has affected the financial performance of newspaper publishing companies. By also illustrating the main trends of several aspects in the economic stance of newspaper publishing, we will present a picture of financial and economic performance of newspaper publishing industry in Finland and conclude what determines the profitability in the market for newspaper publishing.*

*The first research question is: "Which factors and trends characterize the development of Finnish market for newspaper publishing? This question is answered in a descriptive way, concentrating mainly on economic issues. The analytical part aims at answering the second research question: "How has concentration of ownership in newspaper publishing influenced the financial performance of the newspaper publishing companies during the last two decades?" In addition to development of some key indicators, such as concentration in the advertising market, this answer provides a more complete assessment analysis referring to the two-sidedness of newspaper markets.*

*Our primary dataset consists of financial key figures of the Finnish newspaper publishing companies. As financial performance may differ between firms, we extend the analysis to consider the firm structure. We do this by grouping the companies according to the number of paid for dailies published, enabling a distinction, for example, between publishers that own multiple paid-for newspaper titles and those newspaper companies that have only one paid-for newspaper title. A comprehensive financial statement analysis (profitability, solidity, liquidity, productivity etc.) is done for these groups. As a third research topic, we analyse whether there is a statistically significant difference in some key figures depending on the firm structure. The time span of the analysis is 2000-2019.*

**Keywords:** newspapers, ownership, financial statements analysis, profitability

*Title of the Paper*