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Other Revenue - Earning Strategies Of Small To Medium Newspapers:
A Presentation

By

Arup M Roy
"Other Revenue - earning Strategies of small to medium newspapers". A presentation.

Arup M. Roy

It would certainly be very interesting to know as to how does one go about to define a newspaper and categorise it as 'small' or 'medium'.

Is it judged by the circulation? Or is it by its revenue? or is it judged by the size of the Group it belongs?

The Indian Express, one of the biggest newspaper Group in India has a publication coming out from Bangalore, Karnataka. Its circulation is small compared to another language daily from that region. But because of its combined advertisement rates with the flagship, Indian Express, as also with other Southern region language publications of the same Group, the advertisement revenue is far from small. In this case while the circulation is low the revenue is big.

In a similar manner, a Hindi daily launched very recently by the same Group in Calcutta, West Bengal, has a lower rate for advertisements in order to start with. But the circulation has almost caught up with the only other widely circulated Hindi daily of the locality.

Therefore while the advertisement revenue is small for the time being for the new-launched daily in Calcutta, its circulation is by no means smaller to its contemporary. Moreover the lesser revenue earning new-launched daily belongs to a bigger Group of Publications. Hence it cannot be labeled as a small newspaper.

Having said thus it is perhaps best to acclaim a small or medium newspaper as the one which has a limited to fairly wide circulation, a meagre to moderate revenue earning capacity and accordingly belong to a small or medium newspaper Group.

Now to begin with revenue earning strategies of the smaller newspaper...
or for that matter any kind of newspapers the main thing is to sell advertising space for it. But to successfully get good advertisement support the publication must have good circulation.

At the same time it is well known that a publication looses—the-more it—sells (that is more the print order the more the loss). This is, at least, the case in India due to the high price of newsprint and production costs. But this loss has to be off-set by advertisement revenue. It is like a Catch-22 situation: To make profit you need to sell more advertisement space. And to sell more advertisement space you need good circulation. But in order to keep up with good circulation you make loss.

However, in order to do both that is sell space as well as get good circulation one has to properly market the product. And to properly market the product one must know the product itself very well. A good marketing personnel must be fully aware of the strength as well as the weaknesses of the products he or she is going to market.

Whatever the size of a newspaper may be, I totally believe that it must have its inherent strengths and weaknesses both built within itself. To successfully market the publication one must find out the plus points and highlight them while selling. And similarly avoid the areas in which the publication is weak. He has to tap the opportunities arising from the strengths and by pass the threats which are apprehended from the weaknesses. Simply, this is what is known as the SWOT analysis.

To cite an example I am reminded of an incident which took place in the recent past in the Capital of India, New Delhi. The Southern part of Delhi is the habitat of the upper-upper Class. Pioneer, a new comer and puny in comparison to the Giant Hindustan Times there, sold rather well in parts of South Delhi. Pioneer, printingwise as also editorially classy. Whereas Hindustan Times is a mass circulated popular and age old conventional choise of Delhites. Obviously only those who can afford to purchase more than one English daily had
bought essentially, the Hindustan Times, the necessary, morning daily paper and went for one extra which in this case/locality was the Pioneer.

Pioneer had correctly observed the phenomenon of this area of South Delhi where people could go for a second paper if properly pushed. Pioneer realised its strength as a classy paper and pushed its circulation in South Delhi thereby successfully seizing the opportunity lying in front of them. The result was fairly good circulation in the upper class of Delhi. There was more success to come. At that time Hindustan Motors was doing an advertisement campaign for its premier vehicle Contessa. It is the car for upper class owners. The advertisement campaign was to be naturally in colour, only restricted to English dailies and magazines having good circulation in Delhi essentially for exposure to the up-market, in selected pockets in Delhi. When the two marketing managers, one of Pioneer and the other of Hindustan Motors discussed the subject, HM decided to do a spot survey in South Delhi to find out how well Pioneer was doing in that area. Because South Delhi was their prime target too. They found out that Pioneer was indeed having substantial circulation where the affluent people lived. The advertisement rate of Pioneer in comparison to Hindustan Times was meagre. Pioneer was well reproduced. Whereas Hindustan Times, having huge circulation was not up to the mark with regard to reproduction of colour advertisements. Hence Pioneer was cost effective as there was no spill over of circulation to middle or lower class. Therefore Pioneer was selected. In a stiff competition with the Giant, Hindustan Times, Pioneer bagged the half page, prestigious colour advertisement campaign of Hindustan Motors' Contessa Classic in Delhi. Thus David won yet another battle against Goliath.

Here the strength of the seemingly small/medium Pioneer was in its finding a niche in the affluent readers of South Delhi and the Good reproduction of colour ads which the client just could not do away with.
This is an example of an effort to earn revenue while competing with the Big brother.

All clients are now cost conscious. They all want to stretch the advertising rupee as far as possible. They want to save wherever there is an opportunity to save. So that the money saved can be utilised to spend in other areas. Which are very many.

Hence here is an example where a small newspaper which grabbed an opportunity to increase its sales at the right market, exploited its strength of good reproduction and earned a plump revenue under tough competitive conditions.

Competition will be there. Big or small. But this is a healthy sign. It keeps the young ones up on their toes.

I will give you another instance. This time a specialised magazine published from Madras, South India, wanting to create a market and establish itself in Calcutta, West Bengal. The magazine had already successfully marketed in the whole of South India and even in the West and North. They came to the East recently and wanted to make their presence felt there.

The magazine is called the Express Star Teller which is all about Horoscopes and palmistry i.e., astrology and astronomy and the works.

With a bit of a distribution stint in South Calcutta, Lake market area where there is a heavy habitat of South Indians, the magazine sold about 2000 odd copies each and every month, being a monthly.

A new-appointed manager in Calcutta thought of a plan to widely distribute complimentary copies to all Gems and Jewellery shops in Calcutta. One Bow Bazar Street is the concentration of 50% Gems & Jewellery shops there. Most of these shops have an astrologer attending for sometime during the day to do brisk business for both
himself as well as for the shop by predicting welfare or alerting danger through the prescription of purchase and use of various types of Gems.

Seizing this opportunity, the manager of this low circulated monthly magazine set out meet all the shops in Calcutta connected with selling of Gems and gathering their names and addresses thereby building a data bank. It took him approximately 6 (six) months to find out the exact names and addresses of all, about 3500 or more Gems & Jewellery shops in Calcutta. He worked making 15 to 20 calls per day for 25 days per month distributing complimentary copies of the magazine and saying hello.

With this data/information in the kitty the plan for development was chalked out in three phases. First, the current months complimentary copy of the 72 page glossy, colourful magazine was again sent out to the owners of each of these Gems shops by their individual names. Next month the same exercise was followed up with the current months issue of the Express Star Teller. This time a covering letter was attached. The letter simply greeted its reader: (please note how the Express Star Teller acquired 3500 readers) and requested him or her to kindly communicate giving their most valuable comment about the magazine. Their opinion would of course count most as the magazine dealt only in their line of business.

While the Gems & Jewellery shop owners were happy to receive a complimentary copy (who does not welcome a free gift?) they were, on going through the covering letter, curiously looking forward to receive a representative from the publication who would perhaps come to follow up and ask them of their "valuable" opinion about the magazine. There are various aspects of anything to talk about regarding anything for that matter. In order to be prepared more than 80% literally went through the magazine thoroughly as was requested by the covering note.

Next, as per phase two of the game plan, a representative did visit
the shop. He patiently heard what they had to say about the periodical and noted them down. It so happened that in fact they did have a point to take note of. Most of them wanted a page or two devoted to Calcutta. Its market, its business, its problems and so on. The management was however trying to introduce a column by contributors from Calcutta. This started taking place by inviting write-ups from well known astrologers in the city. Whoever went through the magazine immediately recognised the well known person in their trade in the shape of the author of the article and felt a sense of involvement. The articles were of interest. Horoscopes or palms were shown of famous personalities like the Chief Ministers' Shri Jyoti Basu of Calcutta, Then Uttam Kumar the late famous film actor of Calcutta, etc., etc. were being introduced while the marketing venture was going on. The representative of course mentioned these developments to the clients.

They also came up with a proposal that the shop owner give a few names along with full addresses of some of their favourite clients/customers. Surely they had at least a few regular customers. Did they not? Who would say no? It was a matter of prestige. Even if they did not have a ready name of their (most of them did have) favourite customer they in any case came up with some names which even could be of their relatives. The idea was this: the cost of one years subscription of the magazine was only Rs. 120/- per annum. That is in effect an expenditure of Rs. 10/- only per month. The shop owner was requested to buy a few subscriptions and send the magazine with their compliments to a few of their regular customers. The Office of the magazine in Calcutta would take care of the deliver by hand each and every month. There would be a sticker taged on the front cover of the magazine announcing with best compliments" from the shop owner addressed to their favourite client. It is I am sure a common phenomenon with most of us that we like to visit one particular shop for say the stitching clothes, buying groceries and even visiting a favourite restaurant. This is only in order to get more familiar and get good service. We even introduce friends to our regular shops. In similar fashion a particular Gems & Jewellery shop know their regular
customers and give a special treatment to them. May be they offer a cold drink which cost them say Rs. 10/- @ Rs. 5/- each. Or something else like offering a ciggarette or something. My wife gets a greetings card regularly on Poila Baishak the first day of the Bangali Calendar.

On being remembered by that shop, she went and introduced some of her friends too. Who now perhaps also get this greetings card etc. Our magazines representative pointed out this expense of an average of Rs. 10/- per customer per month and mentioned that a similar gift by way of a complimentary magazine would also go a long way to be appreciated by the valued customers. The shop owners name would be written right in the front cover. The magazine would be kept in the drawing exposed for a full month to the other visitors in the House. They would perhaps go through the forcast of the month and even enquire as to how they got this magazine when the proud host would say that it was a compliment from a Gems & Jewellery shop they frequent etc., etc. Certainly it would be worth spending Rs. 120/- only per annum for this kind of Public Relations.

80% of the shop owners agreed to the bright idea and bought several subscriptions, to be delivered to their regular customers residences/offices with their own name tag in the front cover.

The result was an immediate hike in circulation from a mere two thousand to fourteen thousand copies, sold.

The third and the final phase (at least for the time being as one never knows what will come up next!) was to start getting advertisements which gradually came in due to the substantial increase in circulation. Since it was also a fact that mostly ladies went through the magazine Saree shops also came in to advertise. Apart from Gems & Jewellery shops.

This situation of developing sales in Calcutta City for a magazine published in Madras was altogether established through increase in
circulation, income through advertisement revenue and stability through the introduction of columns/pages from Calcutta for Calcutta by Calcuttans. In fact a particular shopowners article on 'Gems from Sri Lanka', when seen by another competitor induced another article 'Rubies from Burma' which came along with 12 half page advertisements.

All said and done a SWOT analysis, a clear concept of marketing and a smooth implementation or execution of strategies are a certain way of increasing revenue earning for small, medium or for that matter for any publication.

I suggest that wherever one is working be it a small or big newspaper he or she should keep at least half hour at the end or the beginning of the day for creative thinking. Attending to correspondences, sales conferences and going out to sell space whatever one does during the day one should keep at least 20 minutes to half an hour for creative thinking. For idea session. To think of something new or novel. The scenario is fast changing one has to be something unusual, fresh and acceptable.

To end my talk, I am tempted to cite another instance of a Hindi language daily in Calcutta, West Bengal.

The daily was launched recently about two years back in Calcutta where there are two other Hindi dailies already existing for the past 60 years or more. The total readership of the Hindi reading public in Calcutta is around 1,00,000 or so. The circulation of one of the other existing dailies was around 70-80,000 copies. The circulation of the other one was negligible.

In order to compete with the big brothers, the new Hindi daily introduced a column and named it "Badhai Bachchon" which means 'congratulations Kids'. This column in size 20 cm x 2 columns roughly every day carried a passport size photograph of kids up to 10 years of age on their Birth days and announced their names, parents names, address and age at the bottom of the picture. The cost of
having this picture and matter was only Rs. 50/- (now they may have increased the rate).

Who does not like their names and pictures to appear in newspapers? The parents jumped on to this idea and gladly paid Rs. 50/- and got their child's name and picture published in a local daily, as a birthday surprise for them. The birthday child's friends got to see this and they also decided to have their own names and picture carried on their respective birthdays, not to be left out.

This is not all.

A local ice-cream company has come forward with a proposal to the Hindi daily with regard to this column.

The ice-cream company is willing to sponsor this space. That means apart from the revenue of publishing the picture, the entire space of 20 cm to 40 cm per day will now be paid. The advertisement rate of the daily is Rs. 100/- per col. cm. Which is Rs. 2000/- to Rs. 4000/- income per day. Rs. 90,000/- per month!

The USP of the ice-cream company is that they will use approximately 2 cm space either at the top or bottom of the column and announce that the birthday child whose picture has appeared can go to the nearest vendor or parlour of that company and get one ice-cream free by showing the paper. The idea is that the child will certainly not go alone. He or she will certainly take along some friends apart from their parents. And it is also certain that the parents will not go to get the child's free ice-cream and let him have while others just watch. They will also buy some more for the friends of their child. So in effect by giving one ice-cream free the company is paving a way of selling two or more at cost.

There are many ways of revenue earning for small or medium newspapers who have to compete with tough ones. One has got to be smart, knowledgable and active. Results are bound to be profitable.