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Paper No. 34
I am happy to be able to address the 8th Annual Conference of AMIC being held here at Chennai. That this is the last annual conference of this century when the media all over the world is at the cross roads, makes it particularly significant.

I have been asked to talk on the subject "Positioning Print Media in an Online World" and address the following questions. As more newspapers get into cyberspace, is there cause for hope or fear? How can the print media meet the opportunities and challenges of the Online World?

Let me first give you a brief overview of the media scene in India to provide the context and then go on to talk about print vs online media.

In just over 50 years of India's Independence, the print media in the country can hold its head high for its role, growth and proven resilience. The remarkable aspects of the Indian press are its pluralism and diversity that in a way mirror the socio-economic, linguistic and cultural diversity of a vast country, of sub-continental proportions. As you are aware India is the most populous democracy in the world with a population close to 980 million. The press in India which is one of the freest in the world has emerged as a strong pillar of its democracy.

As literacy levels in India are relatively low at just over 50 per cent and the physical distances to cover are huge, it is indeed a daunting challenge for newspapers to tackle the twin problems of time and distance in their effort to spread their reach. Given these factors, the growth and development of the press in both quantitative terms and qualitatively can be described as fairly satisfactory. However, there is still a long way to go for the press in India to catch up with its counterparts in the developed world in terms of dispersion with only about 30 daily newspapers per 1000 population.

In terms of total newspaper circulation, however, India is in third place behind Japan and U.S.A.
Let us capture a bird’s eye view of the media landscape in India. One of the primary sources of data on the press is the annual publication titled “Press in India”, brought out by the statutory authority, the Registrar of Newspapers in India. That its veracity is at times disputed is another matter.

According to “Press in India 1997”, that refers to the year 1996, and is the latest one available, there are a mind boggling number of 39149 newspapers registered, out of which dailies constitute 4453. The total circulation based on reporting by 4895 papers was 89.4 million copies. The circulation of daily newspapers on the basis of over 1000 reporting dailies in 1996 was 40.2 million copies.

Newspapers are published in as many as 100 languages and dialects mainly in the 18 official Indian languages and English. In respect of circulation, Hindi newspapers lead with 37.2 million, followed by English with 11.7 million and Malayalam with 7.9 million. For all purposes, we need to take into account only around 5000 newspapers that are significant and in regular circulation.

For accurate data and trends, however, we need to look at the Audit Bureau of Circulations (ABC) certified figures.

The ABC which has a membership of 337 newspapers but accounts for a significant proportion of serious newspapers circulated, certified a total circulation for the period January-June ’98 of 40.1 million copies and 36.3 million the previous year.

The aggregate ABC certified circulation has increased over the last five years by 34.5% and in 1998 over 1997 by 10.5%. However, dailies registered a growth of 16.7% in 1998 which comprises growth as well as a larger number of dailies certified.

According to the Annual Report of the Indian Newspaper Society (INS), the aggregate circulation of its member publications as on 30th June 1998 was 46.4 million as against 45.6 million in 1997.

The total circulation of I.N.S. members grew by 1.7% in 1998 over 1997, while dailies grew by 6.4%.

There are National Readership Surveys being conducted periodically -- the
National Readership Survey (NRS) and Indian Readership Survey (IRS).

According to the latest round of IRS'98, the press reaches 32.9% of individuals aged 12 years and above in urban plus rural India, while TV reaches 46%, radio 17.8% and cinema 11.7%. In urban India, however, the reach is -- Press-57.8%; TV-76.2%; cinema-19.3%, while radio has the same reach as in rural India.

It would be fair to state that till the nineties, the growth rate of Indian newspapers was by no means spectacular. In the wake of the economic liberalisation launched in the early nineties and the opening up of the economy, restrictions relating to newsprint imports were also eased.

Riding on the crest of the economic boom between 1992 to 1996, newspaper advertising volumes and revenues reached new heights and newspapers also attained new levels of growth in their circulation. With cover prices of newspapers remaining untouched, their advertising rates were increased steeply and frequently. Newspapers also made increased investments in technology, product improvements, improved colour and new supplements and started new editions to spread their geographical reach.

The advertising pie in India expanded rapidly in the wake of the economic liberalisation policies embarked upon by the country in the early nineties. However, the last two years have witnessed a sharp slump in advertising volumes as a result of the slowdown in the economy as a whole. The print medium is still the dominant medium for advertising in India with 56% share of total ad spend in 1998 while TV's share was 36%. The ad spend in the press increased in the last 3 years by 55.9% whereas in the case of TV, the growth was 119.6%. The ad spend in the press grew by 17% owing to rate inflation and in TV by 24.9% in 1998 over 1997. Ad media spend, as a whole, grew by 20% in 1998 over the previous year and stood at approximately US$.1586 million at current exchange rate.

Newspapers are not only facing stiff intra media competition but from the electronic media as well. From one satellite channel in 1991, there are about 60 channels now beaming an array of programmes.
This, then, is the media scenario in India in brief. I would like to emphasise that Indian newspapers are amongst the lowest priced anywhere in the world. This gross under recovery of costs from the selling price automatically places unduly high reliance on advertising for not only covering direct costs and overheads but also to provide for newspapers' profits and investments in product improvements, in technological upgradation and also in marketing initiatives. And when an advertising slump comes along as presently seen, one can well imagine the plight of newspapers which are literally burning the candle at both ends.

India's largest English newspaper started a price war a few years ago in certain markets, which has further distorted the balance between advertising and circulation revenue.

Another discernible trend is the emergence of the winner take-all situation. In almost all markets, invariably the Number 1 newspaper and Number 2 in some cases take away the cream of advertising and the smaller players are left fighting for the crumbs. In many markets, the competition is so fierce and the numbers game has become so critically important to attract advertising that it has virtually become dog-eat-dog business. In India to-day, unfortunately, it is the numbers' game in politics and it is numbers' game in the newspaper business too! Perhaps, this explains why the press is obsessively preoccupied with politics!

It is this difficult terrain that sets up the battleground for newspapers in India as they are currently going through the throes of unprecedented competitive pressures and revenue squeeze.

Now, on to the Internet. The internet revolution started in late 1993 when Marc Andeesson and his team in U.S. developed the first robust graphical browser, making the internet far more accessible. The internet is an exciting new medium which is ubiquitous.

The world over the advent of every new medium brought in its wake dire predictions of the demise of the print medium. That was the case with radio, network TV
and cable TV. Now it is the turn of the internet. The last decade or so has seen tough times for the newspaper industry in the developed world with declining circulations, technological advancements, changing habits among readers and advertisers and of course the rapid growth of the internet.

An example of the dire prediction on the print medium is contained in a report in January of this year from Forrester Research of Cambridge, Massachusetts, entitled “old Media’s New Role”. This report says that, while, newspapers may not become ‘dinosaurs’ any time soon, they will become ‘niche products’ appealing to a narrow audience.

In spite of the intense pressure on both circulation and advertising revenues seen in so many countries throughout this decade, there seems to be a turnaround in the fortunes of newspapers that is clearly evident. There is a lot of positive news these days in World Newspaper Conventions. After several years of decline, daily circulation is again increasing or stabilising in many countries.

Newspaper advertising income has shown strong or even very strong growth over the past five years.

Newspapers are increasingly taking full advantage of the potential opened up by electronic media, and web sites and build competitive advantage.

All things considered and regardless of the trends of the moment, it is important to underline that newspapers remain a tremendously powerful medium which continues to enjoy unparalleled reach and impact.

Over the last few years newspapers have had to contend with a lot of new competition, increasingly fragmented media markets, some migration of revenue streams to the internet and declining circulation -- all in all an industry in crisis.

It is fair to say that the industry itself has too often portrayed itself in this way, thus underlining and perhaps even strengthening negative trends.

To-day, from a global newspaper perspective there is a clear change in the situation and in the mood as well.
While the internet is a threat to newspaper revenue streams, it is also a potential. Newspapers all over the world acknowledge and respect the new challenges but wisely and often with great skill are adapting to the new situation, turning a possible threat into a resource for new activities and new income.

The media world is indeed becoming more and more fragmented. But that process makes the competitive edge of newspapers even more visible. The credibility of a newspaper, its traditions and trust in the market, its relationship with readers and advertisers become even more important and valuable assets in a time of confusion and new kids on the block all the time.

It is true that many more players are to-day reaching people with information, news, entertainment and advertisements. Radio, TV, Internet have changed the media landscape for ever. But, when it comes to reach, no other single medium comes even close to delivering what newspapers can offer with their broad reach. Newspapers are consolidating and building their businesses. Network TV is losing viewers and is fragmenting into niches.

New technology offers many new ways for readers to find information. The Information Age is well and truly upon us. But the information overload also creates a greater need to have the information flow sorted and assessed by people you trust and you know you can find them in your newspaper. Research shows that reading is growing in many countries among the young and that young people with PCs and the internet often read more newspapers, not less.

And finally professionals still make the difference. There are numerous examples where strong, dedicated personalities, talent and hard work can reverse trends and create enormous success just by being professional, committed and believing in what they are doing.

The World Wide Web, unlike, the one-way broadcast challenges of radio, television and cable TV before, is a challenge that is a truly interactive explosion that is racing ahead at a breathtaking pace.
To-day's "new era" of newspapers has an entirely new dimension. It is an age of communications in which the individual has become all-powerful.

Newspapers the world over are doing survey after survey, conducting focus group after focus group to discover what readers want. They are asking them about content. And advertisers are clamouring more and more for value added, more reach, more effective marketing for the increasing money they are spending.

Challenges faced by newspapers to-day are much the same as they have been throughout their history. How to maintain the base of readers and advertisers they now have as well as expand it to attract new business? And how do newspapers become more compelling to earn new readership and advertising business? This is especially challenging in an age when the choices people have for what newspapers offer are almost limitless and more timely. The Web more than its predecessor mediums of radio and television, is not only transforming the way newspapers are presented and then "read" or "consumed". It is changing the way readers and users interact with the news and with them as publishers.

Most newspapers have a premier franchise built on a powerful brand. And while this medium is redefining how people get news, information and advertising, newspapers are well positioned to leverage the transformation.

The raison detre of newspapers is to publish, to educate and inform the community. Who better can do it than those who have built their business on years of credibility ... so long as they embrace the interactive imperatives of the new medium?

It is still the early days of the online world in India and the internet is set to explode in the next couple of years. THE HINDU has been the first Indian newspaper to go on the net in 1995. Soon other newspapers, both in English and Indian languages followed suit as also the magazines. According to Samachar.com, in India there are almost 40 newspapers on the Web including the language dailies. As is the predominant practice the world over on the Web, access to Indian newspapers is also free.
Internet access in India has not reached a critical mass yet in view of the limitations of the infrastructure and bandwidth. There are an estimated 3,00,000 internet users and the number is expected to grow exponentially in the next couple of years. The internet has been recently opened up to private service providers too.

Online editions of India newspapers are in a happy situation of primarily having overseas readership in the form of hundreds of thousands of Indians residing abroad. These editions have not yet cannibalised the print editions in their home markets. But this situation may not continue for long.

There have been far reaching changes taking place on the media scene in India over the last five years. There has been a virtual explosion of the electronic media as we saw earlier. There are about 60 TV/Satellite channels now. The print medium has also been making good strides and as literacy levels increase, the reach of newspapers will also go up.

There are also rapid changes taking place in our country on the economic, technological, advertising and communication scenes which are bound to have an impact on our media, particularly print media. Competition is fiercer than ever before. The electronic media other than the internet still have a long way to go in terms of software and content. Indian newspapers will have to adopt new technology to enhance the value of their publications. More and more online editions will have to be introduced. Colour and graphics will play an increasingly important role in newspaper publishing. State-of-the-art, computerised systems that integrate graphics and text in full page make-up and also remote imaging will be adopted by more and more newspapers. The printed newspaper in India will become increasingly digital in its production processes.

Competition from the electronic media cannot be wished away. Newspapers will have to innovate as their counterparts abroad are doing. The competition is both a challenge and opportunity for them to improve the quality of the product. They have to develop closer empathy with their readers and respond to their changing needs and aspirations. While retaining their basic characteristics, they may have to cater
increasingly to provincial and local needs and the news values of their readers. The reader would want more analyses and depth rather than a mere proliferation of news items. Market research will play a bigger role. Lifestyles of people are changing and so are media habits. Research and surveys will have to be not only concerned with quantitative aspects but should also aim at finding out more about qualitative attributes like psycho-graphics and so on.

As I said earlier, more on-line versions of our newspapers will also come out. While internet would not become a mass media, it has the potential for segmented and pinpointed targeting and communication. There will be synergies developed across regions and across media categories. Tie-ups for increasing the media share as a whole would take place. There will be both qualitative and quantity jumps as never seen before. At the end of the day, the printed word can and will never be replaced, but it will undergo a transformation.

In the Information Age, in the maze and overload of information of all kinds, people will increasingly value the newspapers which prioritize that information and provide the context, analyses and opinion that makes that information understandable and usable.

The print media will help people cut through clutter and get to the heart of what they need to know and want to know. It helps people understand facts, events and issues.

The readers choose newspapers as their editors of information. There is a choice available among newspapers, increasing number of niche publications, television and radio stations and the World Wide Web. Newspapers have remarkable flexibility to fit coverage to the issue and readers appreciate it, which is difficult for radio or television. A newspaper's kind of one stop 'shopping' is an exceptionally efficient and valuable way to get a broad spectrum of news and information. The World Wide Web also has a broad spectrum of information but by its very nature requires the information seeker to be his or her editor. The Web is the epitome of information glut with uneven quality.
If newspapers can be interesting and compelling in what they do and earn the readers’ trust they should continue to let them serve as their news and information editors for a long time to come. But newspapers will have to increasingly focus on four major aspects; integrity, independence, have lively imagination and function in a more integrated way.

Newspaper circulation will continue to be the key driver of both sales and advertising revenues. Newspapers need to focus on operating their core business in increasingly innovative ways. They should be continuously inventing and re-designing editorial sections and attracting new readers. They would be marketing their papers and their brands in new ways. And they would be creatively partnering their advertisers. Newspapers will be run more effectively and efficiently. Execution will have to be fast, flexible and focussed. Quality and customer service will improve significantly.

Newspapers would be aggressively developing new businesses. These will extend from their core and over time account for a growing source of new cash flows. A key to success is addressing the market in an integrated way in the quest for continually improving their products and services, reaching new readers and advertisers.

It is a question of integrating quality journalism with superior marketing, strong promotion and superior sales. Newspapers would be building information market places that bring readers and advertisers to-gether, uniting audiences by common areas of interest.

I am very optimistic about the growth and future of newspapers.

On the Internet, online editions of Indian newspapers can draw appropriate lessons from the experience of their counterparts especially in the developed world and suitably adapt them to suit our conditions.

The challenge on the internet in India, as indeed elsewhere, is to create a community of people who are seeking quality in an environment where quality can be very hard to find and from where trust and reliability are amorphous.

I recently came across a good case study of how a strong and established
regional newspaper in the U.S., "The Boston Globe" has built a successful franchise on the net.

The Boston Globe did not just want to be online but a Big part of the internet, particularly in its region, if it were to attract the younger generation, reared on television and now the internet without a newspaper habit.

The Globe made a hard choice, which was in the nature of an investment or insurance for the future. If the Web was indeed going to make it, "it needed to be there". But how was the question.

The goal for its new media efforts, expressed in simple terms, was: to support, defend and extend the franchise of The Boston Globe.

Apart from information and content it was also particularly true for its classified advertising. The Globe wisely said if it were to lose business to online efforts, then let it be to itself.

The business plan for the Globe web site had to take into account the competitive environment in the New England area. Apart from a multiplicity of different kinds of media, New England is in many ways, intensely 'wired'. In the Boston market, online usage stands at a high 46% of adults. The audience is indeed "web-savvy".

Against this background of the intensively competitive media market, the high tech nature of the region, the base of potential users and the highly educated market place The Globe spun itself on to the Web with the establishment of its own site in 1995.

But its approach was different from most other newspapers. Those involved with the online initiative at the Globe decided to go beyond the newspaper by creating a regional site for news and information built on partnerships with other local organisations and content providers.

The anchor, of course, would be The Boston Globe, but because of the "partners programme" the site would offer more than just Globe content -- thus appealing to a much wider audience more quickly.

Even the name had to be different -- Boston.com -- as opposed to "Boston
Globe.com. Under the partners' programme, the Globe joined hands with local content providers of all kinds -- even competitors like radio and TV stations. Other print publications including magazines and newspapers, museums, art and music organisations, community resources and many other content providers.

The approach has proved beneficial both from a content and traffic perspective as well as with mutual promotion. The partners get a link from the Globe site, their own key word, mentions in its advertising and promotion efforts and links from its Who's Here Page.

To build a site of extraordinary strength in the market place, the Globe set certain criteria for partnership:

- the partners should have valuable, dynamic content;
- offer an off line promotional ability;
- have a recognisable brand in the market place;
- be part of the landscape of New England;
- provide technological or other expertise and offer a potential for cross promotions or applications.

This approach has proved to be highly successful. Boston.com is now the most visited site in New England and the site has become a brand unto itself.

The paper is posted by 5 a.m. It has a fully searchable format and access to 19 years worth of Globe archives.

News is updated continuously throughout the day and its features are packaged with interactive tools such as polls, votes, chat sessions, links to other web sites and a growing amount of audio and video.

The Globe is also one of the founding organisations for Careerpath.com, now the Number 2 employment site on the World Wide Web with listing from about 83 affiliate newspapers throughout the U.S.

Last year, the Globe launched a new redesign of its site with added features, offering users much more content and flexibility.
Earlier this year, it entered into an agreement with Cars.com, the industry’s fastest growing automotive web site, to be the exclusive provider of automotive classified listings on Boston.com.

The Globe’s online initiative has been a great success. Success as evidenced by page view growth has been remarkable. Revenue growth bears out the success as well, from banner advertising, sponsorships, fees for Globe archival material, personal advertisements and online commerce.

Well, ladies and gentlemen, I thought I could share with you this fascinating success story that I only recently heard about in detail. Whether such a thing is possible at all in a country like India is a moot question. But it has great lessons for our online publishers. Who knows? Such an initiative could well succeed in India, sometime in the future.

In conclusion, I am optimistic about the future of the print media in India and also about the prominent part and place of newspapers in the online world too. Print and online will complement each other.

Thank you for your attention.