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Newspaper Circulation And Marketing

By

Gita Narayanan
NEWSPAPER CIRCULATION AND MARKETING

by Gita Narayanan

The 'deadline' is a concept commonly associated with the editorial department of a newspaper. It conjures up pictures of reporters rushing in their stories and editors making up pages in a race with the clock. But the ultimate deadline of the newspaper is not met when editorial sends the pages down to the printer. The ultimate deadline is the delivery deadline and the people who meet this are the circulation department.

The average reader comes into contact with the circulation department of his daily paper at least once a day, at the moment of delivery; periodically, when he pays in a subscription; and occasionally, when he writes or phones in with a complaint or enquiry. But 'circulation' has a very low profile in comparison to the writing, editing, or even printing of a paper and it is the rare reader who is impelled to find out the details of how the paper gets to him so promptly every morning.

The circulation department of a newspaper has two major responsibilities: distribution and selling. To fulfil these two responsibilities, it has staff working both in the office and outside. The in-house staff keeps track of indents and orders from newagents, takes care of accounts and billing, keeps in touch with the other departments both to see that the printing schedule is maintained and to pass on feedback obtained from customers, and sees to the packing, transport and delivery of the paper. Most of the staff in the department consists of full-time, trained employees. There is, however, the possibility of part-time and/or casual labour being employed in packing and loading the paper. Office staff would also include employees in other centres of distribution, like regional sales/circulation managers and representatives.

Field staff working under the circulation department would include supervisors of newsagents, sales promoters and bill collectors. Where the paper undertakes to deliver to newsagents, field staff may include delivery vehicle drivers. Alternately, such delivery may be done with vehicles hired on a contract basis. Delivery to out of town areas would usually be by bus or train, and occasionally by air (for example, small numbers of certain Madras newspapers are airlifted to Sri Lanka). Where the paper has a door delivery commitment to their direct subscribers, staff would include delivery 'boys'. These would invariably be part-time employees.
The distribution chain outside the newspaper's employment usually begins with the agent. Most papers prefer to engage exclusive agents who do not distribute publications other than their own. It is possible for large papers to ensure this, especially in urban areas and in areas where they have substantial sales. In small rural communities, however, two or more papers, each with a small number of readers, may have to share one agent. An agent may, according to agreement with the paper, either have his copies delivered to him, or arrange for their collection from the newspaper's office. Depending on the area he covers, he may then send the paper to other pick up points by train, bus or van, to sub-agents or hawkers. Sub agents do not stay exclusive to one paper but distribute several over their area through their newsboys. Besides the sub-agent, the agent's other outlet is the small shop which stocks newspapers for casual sales. The agent also may have his own door-to-door delivery system for his subscribers.

Right down the distribution chain, from the paper's circulation department, through agents, sub-agents and newsboys, the numbers sold do not vary significantly from day to day. But some variation exists, mostly in the casual sales made through shops and hawkers. This daily fluctuation has two consequences. Unsold copies are returned up the chain, back to the newspaper's circulation department. The numbers returned are normally negligible and unlikely to cause heartache in the department. The other consequence of the daily fluctuation is that sub-agents and agents send in their orders on a daily basis for the next day's paper. Most papers do not supply extra copies above those indented for and it is a measure of a paper's efficiency that, day after day, indents are recorded and transmitted accurately up to the last minute and delivery is made of the exact number of copies, on time and in good condition. At the other end of the chain, it is because of agents' and sub-agents' accuracy in estimating their daily requirements, that the number of unsold returns is low.

Newspapers first came into existence in England and the development patterns which determined their present character took shape largely in the countries of Europe and America. There is a basic pattern to newspapers throughout the world, in terms of their role, publication and distribution. The differences are the result, not only of the political affiliation and ownership pattern of individual papers, but also of conditions obtaining in particular countries. To understand how Indian conditions affect both the nature of Indian newspapers and their circulation, we would need to draw a 'Profile-India' which includes the relevant factors.

Profile-India

The two most important factors are the low literacy level and the existence of several languages, each spoken by relatively homogeneous population groups within specific geographical areas.
English is the only language that is used without regional restrictions. But it is the language used by a minority, educated, relatively westernised, urbanised, and more or less corresponding to the country's social, economic and bureaucratic elite. The only 'national' newspapers are, therefore, English newspapers. Compared to the non-English language papers, they are prosperous, highly visible, extremely vocal, and no doubt influential. They are representative of their readership and therefore cannot be regarded as representative of the majority which is poor, rural, non-English speaking and, of course, illiterate.

A newspaper, of course, can cater only to a literate readership. The non-English newspapers (or, the language papers, as they are more simply referred to) together cater to a broader-based readership within the literate population than do the English papers. But if we take all the papers published in any one language, they would together cater to only one geographic region; their readership, even in the fairly widespread Hindi-speaking area or in the highly literate Malayalam-speaking one, would not constitute a majority of the country's literate population.

Readership, and hence circulation, is first defined by the reader's language; in the case of the reader knowing English, by the preferred language since he/she is also likely to know and read another language. Readership is also defined by economic and social class. This class definition has already been made in the case of English newspaper readers. Some of these English readers may also take in a language newspaper. In such cases the language paper may be for those in the family who do not know English, for example, the women. Where all newspaper readers in a family read English, subscription to a language newspaper would be unlikely, unless such a paper is required for reasons of work or political belief. Indian language magazines do not suffer the same loss of readership. In upper and middle income groups, it is quite common for a family to take in one newspaper -- in English -- and magazines in both English and the Indian language spoken at home.

It follows that language papers cater to a lower socio-economic level than do the English papers. Within the language paper readership, further class distinctions exist. There are those which find their readership among the middle class, the urban office-goer and the rural farmer. Readership at the lowest economic level would be mainly in urban industrial areas, since the rural poor are largely illiterate.

A newspaper's 'image' (of which economic class is a part) helps determine its circulation. The English papers, by and large, follow the western, liberal, 'free' press model. Except for a very few with stated political leanings, they claim to be without political affiliation, independent papers holding themselves free to support or criticise any party on 'merit'. Still, there are those among them which are felt by readers to be more anti-
government than others!

Language papers in India, given the constraints within which they exist, find it difficult to compete with English papers in prestige. Those that cater to the middle class maintain a 'respectable' image. This includes, usually, the non-party, 'free' press stance. Papers which find their readers among the lower economic groups are more frank about their political loyalties. Several of them are the organs of regional political parties.

Distribution

Regional and class concentration of readership affects distribution. Language papers read by low-income groups are sold more through shops (mostly 'paan' and cigarette stalls) than through monthly or annual subscriptions entailing door delivery. Possibly, this is due not only to the fact of cash being available for small daily expenditure rather than for large monthly payments, but also because the newspaper is not necessarily seen as home reading. It is picked up to and from work and shared with fellow workers or friends. Often, the illiterate or not so literate will have the paper read aloud to them. For these papers, the readers-per-copy ratio is very high: five or over, as compared to between three and four for high-income group papers. (The readers-per-copy ratio in the USA is around 2.5.) Conversely, long-term subscription and door delivery are more common for the English newspapers and the middle-class language papers.

There are also regional peculiarities in the distribution set-up which do not derive from the nature of the readership. In some cities, like New Delhi, Calcutta, Hyderabad, Trivandrum and Bangalore, hawkers are a strong, well-organised force in the distribution chain. Newspapers and agents cannot distribute on any sizeable scale except through the hawkers. Areas of distribution are demarcated and trespassing not tolerated. The hawkers will not hold themselves exclusively for one newspaper but pick up required numbers of all papers and magazines from specific points. Late delivery at the pick up point may mean that the paper does not get delivered that day. Hawkers in some of these cities are known to have successfully stalled hikes in newspaper prices. They are also able to bargain for a higher commission than would be possible in other cities.

In a city like Madras, newspapers and their agents are able to distribute through a number of outlets, not least among them being the agents' own string of newsboys for door to door delivery. These newsboys are employed individually and are not an organised force. They are part-time, but usually long-term, employees whose work finishes by 7 a.m., leaving them the rest of the day for other employment. Delivery is usually by bicycle. Monthly earnings from a newsboy's job may range from Rs.60/- to Rs.100/-, depending on the copies delivered.
Marketing

The circulation department not only distributes the newspaper; it also sells it. As in the case of most products, there are several ways of selling a paper. Some of these are the sole responsibility of the circulation department. But major campaigns would involve other departments like public relations and editorial. A paper will editorially undertake a public interest campaign on, for example, a civic issue like cleaning up the city, not only for altruistic reasons, but also because it believes the issue to be of interest to its target readership and, therefore, likely to increase the paper's circulation. A newspaper will endow scholarships or run competitions with attractive prizes. Such campaigns would be in the hands of the public relations department and would be seen as contributions to boosting the image of the paper with long-term gains. Advertising in print, in one's own or other publications, is more common to periodicals than to daily newspapers. A periodical has the time to advertise the contents of its next issue. Newspapers will sometimes advertise in this way a series of features that may be carried over several days or weeks. Other ways to advertise a paper are through hoardings and newbills. A hoarding, especially one in a choice situation, can be expensive with many advertisers, including sellers of other products, competing for available space. Newbills are easy and inexpensive to produce and can be displayed near points of sale. But since they usually display only the paper's lead headline, a sensational story would be needed to capture attention. They are also more useful to evening papers since the hours before the paper comes out are daylight hours, suitable for the display of newbills. This form of advertising is most gainfully used by papers with large casual sales which are most susceptible to such influence.

The selling done by the circulation department is less 'public'; it also has more evident results in terms of day to day sales. The department's basic sales job is to hold on to its regular buyers and to make its casual customers regular. Part of this job is done by maintaining an efficient distribution system and by a ready response to all complaints and enquiries. Where a paper distributes through exclusive agents, these agents share the paper's interests and contribute to keeping the customer satisfied. Agents and their door to door distributors are also important in channelling feedback from readers to the paper. In areas where distribution is in the hands of non-exclusive hawkers, newspapers suffer a lack of feedback and have to compensate with readership surveys, etc.

Newspapers also resort to sales efforts such as offering potential readers free copies for a week, in the hope that several of them may then become regular readers. But, according to one experienced manager, there is no better way to increase sales than by door to door canvassing. Most newspapers have sales personnel in the field who canvass regularly. So do agents who deal exclusively with one newspaper. Some agents have their
representatives visit small wayside shops regularly to persuade them to display and stock the paper. This helps increase casual sales. Brand loyalty to particular papers, for reasons of either usage or politics, is very strong in India. The percentage of change from one paper to another is very small and increase in circulation has to be sought either among the newly-literate (who are most likely to be literate in the regional language) or among young readers who are just beginning to read newspapers. There is more potential for change in readership, and therefore very fierce competition, among periodicals of the same kind.

The circulation to advertising equation

A paper's circulation figure is important not only because there is a monetary return on sales or because it is an indicator of the number of persons with whom the paper communicates. An important, sometimes the most important, fact about circulation is that it draws in advertising. Among the more prosperous papers, the advertising revenue is very much higher than the circulation revenue, but that large advertising revenue is a result of the paper's circulation figure. Traditionally, there has been a direct equation between circulation and advertising. So much so, that a paper not only had to attract the advertiser with its circulation, but would also have to justify any increase in advertising rates by showing substantial increases in circulation. Ten years ago, newspaper advertisers, through the Media Rates Committee of the Indian Society of Advertisers, were able to insist that advertising rates be strictly related to circulation. However, with rising production costs, especially the cost of newsprint, newspapers have been able to dissociate rates from circulation to some extent. Nevertheless, paper sales remain an important factor in obtaining and fixing rates for advertisements.

A factor which qualifies the application of a simple circulation to advertising ratio is the advertiser's need to identify and zero in on a target audience. Here, the economic class of the readership becomes more important than gross circulation figures and the paper with the highest sales is not necessarily the best advertising medium. Most consumer and business advertising is aimed at people in higher economic groups whose spending capacity is also likely to be high. They are also the people who set the trend in what to buy. In the sixties, The Times, in London, in a major drive for increased circulation, went in for a more 'popular' image. Circulation rose by more than 50% but the new readers were not of the same social class as the existing readers. The Times continued its promotional campaign by highlighting this fact and emphasising that the paper was not exclusive; that it was not, in fact, all the things that had until then made it a good advertising medium. The paper's advertising appeal, and therefore the quantum of advertising it could obtain, went down. By 1971, the policy was reversed, the Times returned to its old image, lost the bulk of its new readers, and regained its accustomed share of print advertising.
A 'quality' newspaper has a well-to-do but relatively small readership which expects the paper to maintain high standards in editing and production as well as paper quality. The paper's costs are high and it cannot usually make a profit per copy sold. It needs substantial advertising revenue and is able to get it because of its readership status. A mass circulation, 'popular' newspaper does not have the same access to advertising revenue. It has to make a profit on circulation and does so because its unit cost can be kept low, not only because it prints more but also because its readers will accept lower newsprint and production standards.

In India, the major English dailies fall into the 'quality' newspaper slot and bag most of the advertising. The language papers which cater to the middle and lower economic classes, are faced with a problem peculiar to Indian conditions. They do obtain some retail and classified advertising of local relevance. But they certainly cannot aspire to the quantum of advertising available to the English papers, or to the rates they charge. On the other hand, circulation is circumscribed not only by competition, but also by the use of different languages in different regions and by low literacy levels. That large numbers of language papers do manage to survive and prosper may be a measure both of low production costs and of high professional efficiency not to speak of the demand for newspapers among the literate, even the poor among them.

Among the English papers themselves, competition for advertising exists but has not reached the fiercely sophisticated levels found in more advanced countries. Despite the claim of most of these papers to be 'national' newspapers, they each have strong bases in specific regions and advertisers are aware of these: the Hindu in the South, the Times of India for Bombay and its hinterland, the Hindustan Times for Delhi and the North, the Statesman (and now also the Telegraph) for Calcutta and the East; the Indian Express with its several editions runs second in each area and provides the advertiser with extra exposure for his product. Then there are regional (by definition) English papers like the Deccan Herald and the Deccan Chronicle which provide a second line for advertising.

In western countries market research and advertising methods have reached a high level of sophistication not only because of competition among newspapers but because the print medium as a whole is threatened by the broadcasting media. Television and direct mail advertising are both drawing advertising revenue away from newspapers in the USA. As a trade journal pointed out recently, the newspaper is still the nation's top advertising medium, but its No. 1 position is a declining one. The newspaper is 'making a profit with a declining share of a rising market' and the reason, according to this particular analyst, was lack of market research. He goes on to point out that newspapers form the oldest medium as far as advertising is concerned and yet, 'a lot of our competitors beat us going into research; and the reason
was that we had all the business and they had to find a way to compete better'.

In India, newspapers are still in that initially advantageous position of 'having all the business'. The press obtains about 70% of all advertising. But television advertising is increasing rapidly, especially with the increasing popularity, among viewers and advertisers, of sponsored programmes. People in the newspaper business may not have to worry that television viewing may reduce the newspaper reading habit; but they are beginning to worry about competition for advertising revenue. Government advertising, which is substantial because of the number and size of public sector undertakings, may become more readily available to television, which is itself government-owned.

**Circulation counts**

But, finally, whether it is a 'quality' newspaper competing with television and with other papers for advertising revenue, or a 'popular' paper looking for some retail and classified advertising to supplement its sales revenue, circulation forms the basis of evaluating the paper. A paper's circulation figure measures its health, both over time and in comparison with its peers, and provides substantiation for the expenditure of the advertisers' money.

In countries like Japan and the UK, which have homogeneous populations with a single common language, newspapers can be distributed nationally and attain high levels of circulation. The two largest Japanese papers have circulations ranging around 7 and 8 million. The press in Japan has attained near saturation in both circulation and advertising, with 37 million Japanese households all getting at least one newspaper each.

British circulation figures do not reach Japanese levels but a mass circulation paper like the Daily Mail sells very much more than, for example, any American paper. Despite the advantage of one common language and very high levels of technology, American papers are regional in circulation because the very size of the country makes for wide differences in news interest from region to region. The only American paper with pretentions to national circulation is the Wall Street Journal. It is also the only one which has crossed the two million circulation mark. Four other dailies across the country distribute in excess of one million copies.

Indian papers, as pointed out earlier, suffer both regional and language constraints, plus a literacy constraint. Twelve English papers have six digit circulation figures. Leading them is the Hindu, the only English paper to have crossed the 4 lakh mark. (One lakh equals 100,000). The Bombay edition of the Times of India and the Madras edition of the Indian Express both distribute in excess of 3 lakh copies; the Hindustan Times (New Delhi) and the Statesman (Calcutta) each sell more than 2 lakh
papers daily.

Language papers are confined to linguistic regions or States. But in both Kerala and West Bengal the combination of a very high literacy level with a high political consciousness has made for massive circulations for papers in Malayalam and Bengali. The highest circulating daily in India is not the English Hindu but the Malayala Manorama which, according to the latest ABC (Audit Bureau of Circulation) figures, sells 5,89,044 copies every day. Another Malayalam daily, Mathrubhumi, also sells more than the Hindu and is approaching a circulation of 4.5 lakhs. From Calcutta, the Ananda Bazar Patrika in Bengali has also crossed the 4 lakh mark; Jugantar sells over 3 lakh copies; and there are two other Bengali papers with circulations of over one lakh. Five Gujarati, four Tamil and three Marathi papers distribute over one lakh copies each, a few of them crossing two or even three lakhs. Other languages with at least one paper with more than one lakh circulation are Kannada, Oriya, Punjabi and Telugu.

Hindi newspapers are in a class by themselves because the region in which Hindi is spoken is very large. There are ten Hindi papers with circulation figures in excess of one lakh (the Punjab Kesari of Jullunder over 3 lakhs; the Navbharat Times of New Delhi over 2 lakhs). Fifteen others have each a circulation above 50,000.

Most language papers have low advertising revenue, are priced very low, and use not very high quality newsprint. They aspire to a crusading, public service image and many of them have explicit political affiliations. In their style of writing and in their use of photographs, those language papers which cater to lower income groups are likely to be 'sensational'.

There are some circulation characteristics which are common to most Indian papers. For example, there is a summer (April-May) slump in sales which invariably makes the circulation figure for the first six months of the year less than that for the last six months. Outside factors which cause rises in newspaper circulation are mostly major political events. Examples in recent Indian political history would be the Emergency of the mid-seventies, the elections of 1977 and 1980 and the assassination of Indira Gandhi. While such events lead to a general rise in circulation for all papers, particular newspapers are sometimes able to cash in on them more than others. A recent example is the rise of the Telugu newspaper Eenadu. It was started at the time of a strong political movement against the ruling Congress party in the State of Andhra Pradesh. It threw itself wholeheartedly into the election campaign of a newly-formed regional party, which was then swept into power. The initial impetus to the paper's circulation came from its strong political commitment. Subsequently, the paper recognised that there was a gap in the region which it could fill and did so by establishing a strong network for regional news reporting.
Major sporting events like the Asian Games or a World Cup series in cricket also provide a temporary impetus to newspaper sales. But the impact of sports on circulation is stronger in the case of sports magazines than of daily newspapers.

Prospects

Given the constraints already described, prospects for growth in newspaper circulation in India are limited. Growth in literacy rates is higher in the regional languages than in English and this, in itself, limits the growth potential of English newspapers. Recent attempts to publish new English dailies have invariably failed. The only exception has been the Telegraph, in Calcutta, which has taken advantage of a certain stagnation from which its long-established rival, the Statesman, was suffering.

Prospects appear more hopeful for the language papers. Not only is language literacy increasing, so also are political consciousness and awareness of the world outside. The geographical constraint may even turn out to be an advantage in that, for papers which have to keep their overheads low, it keeps the distribution area compact, so that selling is intensive rather than extensive. Where the geographical area is larger, as in the Hindi belt, it would seem that the trend is for the growth of several small local papers rather than of a few giants.

What Indian newspapers do not have to fear in the immediate future is the kind of readership saturation facing Japanese, British and even American newspapers. Potential readers there are, in plenty. As literacy increases, they continue to join the ranks of newspaper readers. Indian newspapers also have a 'blind' readership: the 'listeners' who, though illiterate, nevertheless have the contents of their newspaper transmitted to them by a literate reader. Optimists in the newspaper industry may consider it better to have the future before them than to belong to a medium of the past as may be the case in some western countries.