

OPPORTUNITIES & CHALLENGES

DR. N. BHASKARA RAO*

40 The process of changes and shifts in the very structure and paradigm of media in the country today are unprecedented and deserve to be discussed. The interesting aspect is that these changes and shifts are not because of a decline or stagnation but because of phenomenal growth in the news media, in particular

in the last few years, since emergence of TV as a news media. An even more curious aspect is that the recent boom in the mass media is not on account of government policies or initiatives but because of private enterprise and competitiveness sweeping the media scene. Formation of linguistic states in 1956, emergence of regional parties, public controversies, political uncertainty, and of course growth in literacy and economic levels have all contributed to the phenomenal growth of newspapers in India, both vertically and horizontally.

Between 1964 and 2002, newspapers have increased by more than six times. About 90 percent of the total are periodicals. Dailies increased to 11 from 6 percent until a few years ago. During the last 40 years, the number of daily newspapers increased 12 times, from about 500 to about 6000. The over all growth in circulation had kept up during the period although the circulation of periodicals had not kept up. Circulation of dailies increased from nearly 80 lakhs in 1964 to 600 lakhs. The annual growth in terms of numbers in the last decade (1990 - 2001), when the television boom was all over, was steady at 5 to 6 percent. However, in terms of circulation, the growth has not been steady and nowhere matching the potential. That is why the structure and scope need to be speeded up.

*Founder and Chairman of Centre for Media Studies (CMS).

REACH OF MASS MEDIA

Going by the latest readership surveys, television reaches little over 50 percent of population of adults against nearly 40 percent of newspapers of all periodicity. This was hardly 15 percent in early 1970s. Interestingly, even in rural India, newspapers reach hardly a quarter of population against much less than 10 percent 30 years ago. In fact, hardly one-sixth of adults are "heavy readers" - 25 percent in urban and about 7 percent in rural. English publications today have about 10 percent readers against about two percent 30 years ago. Readers of daily newspapers comprise 90 percent of the total readers. Readership for magazines works out to hardly one out of every five and there has been a decline in the number of magazines

An Overview of growth of number of newspapers: 1964 - 2000

Selected years	Dailies	Numbers	All
1964	514		8,161
1968	636		10,019
1969	650		10,281
1974	822		12,653
1975	835		12,423
1976	875		13,320
1991	3,229		30,214
1999	5,157		46,655
2000	5,364		49,145

Uneven growth in circulation: During 35 years

Years	Circulation (in millions)		% increase in circulation over previous year	
	Dailies	All	Dailies	All
1964	7.3	26.5	3.2	1.9
1968	7.6	27.0	5.7	5.5
1969	9.2	33.0	-	(-1.0)
1974	9.4	33.8	2.2	(-3.5)
1975	9.4	34.0	1.1	5.6
1991	58.8	130.0	-	-
1999	59.1	127.0	0.55	(-2.40)

Newspapers had gained steadily until 1989 - 1990 when the TV explosion started. Rajasthan in the Hindi belt is a case in this regard.

recently as also in the case of circulation. In fact, readership for magazines declined by 22 percent since 1999.

Male-female differences in readership have come down during the last two decades. But they are still glaring. In fact, even in urban areas, readership among women is hardly a quarter against nearly half among men. Younger age groups are not reading newspapers as much as their elders. This phenomena requires serious note. For, almost half the people of India are young now. Not all those who do read a newspaper are illiterate. Half of them are literate. Is this to do with affordability or location or occupation? Or is it to do with "total dependence" on TV, which keeps them away from newspapers? Then, there are nearly one-fifth of readers, who read newspapers "irregularly". This aspect also needs to be understood, so that they could be made readers of newspapers earliest. And those "light readers" could be converted into "heavy readers" (of more than one). Almost one-third of adult population in the country are outside the reach of "all mass media" put together in 2002.

READERSHIP

Notwithstanding inconsistencies in readership surveys, a time series analysis at macro level for 1972-2002 period reflects broad trends. Whatever spurt there was in readership of dailies in particular has come more along with the TV boom. Since 2000 the reader base in India has grown from 163 million to 180 million, a growth of 10 percent. In fact, in the case of daily newspapers the growth during the period was 20 percent. Today nearly 160 millions read a daily. Also more housewives read a daily today than ever before. But taking a long-term view one could also say that TV

has slowed down the growth of print media. And, as could be seen, the growth rate in readership was higher in rural than in urban areas. The trend calls for a breakthrough to come out of a slow phase since the growth potential is many times more.

In the last couple of years the overall readership of newspapers has increased by about 4 percent both in urban and rural areas. Language publications obviously continue to dominate the scene.

Over the years readership for daily newspapers in the four southern states increased a lot more. This is significant for two reasons. Firstly, both circulation and readership of dailies in these states has been growing all along in the earlier years too and the growth of dailies of Hindi is expected to be much higher in the 90s but not as yet. Second, the spread and proliferation of television in the four Southern states has also been a lot more with language TV channels originating local programmes, including 24-hour news. This has not slowed the growth of readership in the South. This is also the case with Marathi dailies. Interestingly, although circulation of Hindi dailies increased by about 4 to 5 percent, readership increased by only 4 percent. Whereas in the case of the four Southern states, the readership increased a lot more than the growth rate of circulation of local language dailies. In fact, in the case of Tamil dailies, readership increased by 12 percent despite no increase in the growth rate of circulation of dailies.

READERSHIP AND CIRCULATION

Growth in readership and circulation of dailies did not keep parity. In fact, growth in readership has declined in the case of leading dailies although their circulation increased, marginally or significantly, except in a cou-

Newspaper readership vis-a-vis TV viewing: 30 years			Newspaper readership vis-a-vis TV viewing: 30 years		
(Percent of adults)			(Percent of adults)		
Urban			Rural		
		No TV			No TV
1972-NRS	37		1972-NRS	7	
1978-NRS	53	9	1986-NRS	8	5
1983-NRS	47	18	1989-NRS	9	27
1986-NRS	56	-	1995-NRS	10	30
1990-NRS	44	71	2000-IRS	15	35
1995-NRS	46	76	2002-IRS	24	-
1997-NRS	45	78			
2000-IRS	45	78			
2002-IRS	54	-			

ple of cases like *Eenadu*. This is because more readers are buying it today than in the earlier years.

The multi edition dailies, which have the largest circulation in the respective language region, have higher per copy readers. English dailies have on an average 3 to 4 readers per copy against 5 to 7 readers for leading dailies in Telugu, Tamil, Kannada and Gujarati. Even leading Hindi dailies have 5 to 6 readers per copy. In 1972 the first NRS brought out per copy readers as 9.

This ratio is indicative of untapped potential in each language region. That the cost of daily newspaper in the case of many of these languages has been hiked more than once in the last couple of years, but that has not really effected the circulation.

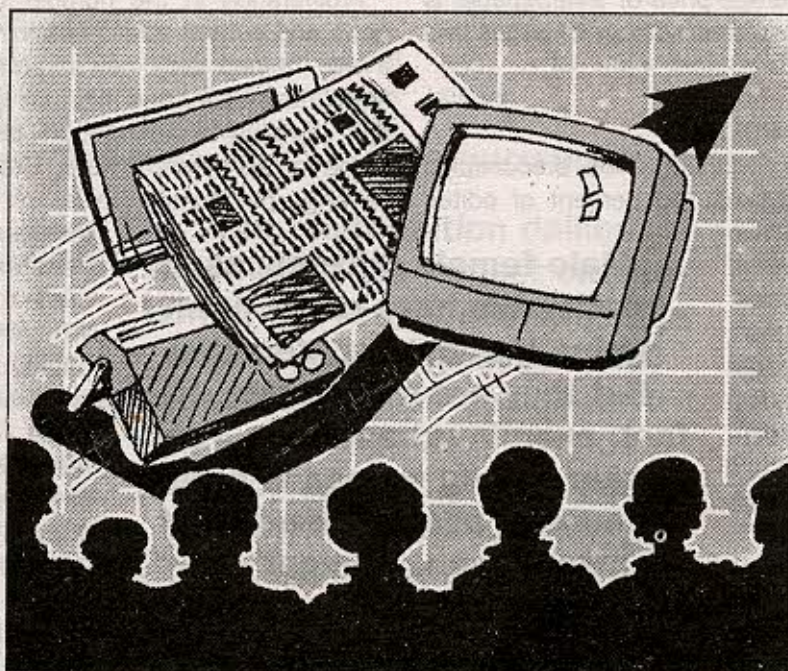
A decline in per copy readership is a good sign for expanding reach of newspapers. As literacy levels and cash income of households increase, people will

start having their own copy. Overall, there is a significant decline in per copy readership for most publications of various periodicity. In fact, during the last two decades per copy readership has declined by half. Per-copy readership of magazines declined far more than decline in their circulation. The fact that circulation, readership as well as per copy readership of magazines has declined, does hint at possible impact of cable and TV.

Readership among females is a key variable to the growth of newspapers. The growth rate in readership and circulation did not keep up in the 70s and 80s as in the 90s. Thanks to Literacy Mission. For, about 100 million were made literate by its efforts in the last decade. About 250 million adults who are literate do not read any publication today. Once the efforts to increase school enrolment and reduce drop-out-rate, particularly of the girl child, are successful, female readership can be expected to increase substantially. This was one of the factors helping dailies in the South to maintain a higher growth rate.

FEW PUBLISHING CENTRES

Even after fifty years of independence, not more than about 85 locations in the country originate newspapers. In fact, nearly 90 percent of newspapers are published from 25 cities. This is despite availability of basic infrastructure elsewhere. The number of locations however, has more than doubled over the last 25 years. "District edition" is a new approach with impressive results.



Hardly one-fifth of districts of India (nearly 600) originate a daily newspaper. Most of them do however, have incoming newspapers. As against this, over 770 locations have a TV transmitter of one capacity or other, although not even 5 percent of them originate local programmes. Then, there are cable TV operators practically in most urban centres of India, some of them trying to meet local needs, including coverage of local events. That is we should have half of the

districts originating a daily newspaper by 2005 by when 75 percent of people are expected to be literate against 65 percent in 2001.

DOMINANCE OF A SINGLE DAILY

In more than a couple of States, one or the other daily dominates the newspaper scene with one third or more of total circulation of all dailies in the state and a readership of half or more of total readership in the language of the State. These States include Andhra Pradesh, Gujarat, Punjab, West Bengal, Kerala, J&K, H.P. In A.P., one daily dominates. In Kerala and Gujarat, two dailies have been dominating, both with a significant share in circulation as well as readership.

- In States with dominance of a single daily, the competition has been more and, even more interestingly, the growth in newspaper readership as well as circulation has been higher. Telugu dailies have had a higher growth both in circulation and readership. The A.P. scenario is unique for it is the only State in India today where one single daily, *Eenadu*, with several multiple

editions, enjoys three-fourth of readership and more than half of all circulation of dailies in the State.

Average price of a daily newspaper in 1983 was about 55 paise. 15 years later, thanks to price wars between certain newspapers in several metros the average price of dailies, has hardly increased by four times, considerably lower than the inflationary trend. However, advertising tariff has been revised more often than the price of newspaper fearing adverse impact on circulation. Today the average price of a newspaper is around Rs.2, irrespective of the number of pages and circulation.

PREOCCUPATION WITH POLITICS

The Indian newspapers continue to be preoccupied with politics. However, against 40 percent of edited space more than two decades, today only one-third is devoted for party politics. In fact, nearly half of front pages of dailies by and large are hard politics. The "gloomy" content of Indian dailies however has now yielded to financial and corporate coverage.

DECLINING ADVERTISING SUPPORT

Advertising revenues are the financial backbone of newspapers. Advertising contributed about 40 percent of total revenue of daily newspapers more than a decade ago. This percent has been on the increase while the revenue from circulation has been on the decline. Advertisement spending being volatile, any downturn in the economy is likely to effect advertisement outlays. Dependence on advertisement revenue will add to uncertainty in the long run. With increased operational costs and price wars, the dependence on advertising has increased despite an over all decline in advertising outlays. The recent boom in media is often attributed to advertising. Publishers need to diversify their revenue streams beyond advertising and subscription / sales by taking up to newer activities like audio and video software, linking up with local cable television or radio for news broadcast.

Advertising rates of TV channels are being increased more often than in the case of dailies. More interest-

ingly, today one-third of total advertising revenue of newspapers is from foreign brands/companies. With increased foreign equity participation in advertising agencies, foreign influence is bound to be far more in the coming years. However, "localised advertising", being promoted with special efforts by some news dailies, is enabling a level playing field for smaller entrepreneurs and at the same adding to advertisement revenue and also additional readership.

Proliferation in the number of news bulletins and news and current affairs channels on television has in a way helped daily newspapers although advertising flows into smaller and medium sized has slowed down. The stimulus to newspapers from the TV boom has come in two different ways. First, the phenomenon of viewing, particularly news, on TV has lead to an

increase in the readership for news dailies. This has come out in the CMS study in 2001. Whether this is a temporary phenomena or how long it will last need to be seen. As a result, circulation as well as readership of dailies, particularly the big ones in all languages, has increased in 2001 and 2002. Even more, the 24-hour news on TV has compelled dailies to "recast" themselves to newer realities based on the new "competitive compulsions".

Also, the very television, which was weaning away advertisements going to news-

papers in the previous years, has now emerged as a major advertiser and, in fact, sustained some of the main line dailies. As a result in 2001 and 2002 television channels, going through keen competition between themselves, have emerged as "high ad spenders". They had spent in 2001 alone nearly Rs.150 crores for advertising in newspapers. Today advertising by television channels has become one of the top five spenders along with automobile, IT, education and corporate image. Beneficiaries of this trend are the bi dailies.

SHIFTS IN PARADIGM

The Indian media scene is going through a dramatic shift recently both in terms of content and control. While media content is more and more market driven, control has now shifted, although indirectly, to "foreign

Male-female differences in readership have come down during the last two decades. But they are still glaring. In fact, even in urban areas, readership among women is hardly a quarter against nearly half among men. Younger age groups are not reading newspapers as much as their elders. This phenomena requires serious note. For, almost half the people of India are young now.

corporates". Summing up the finding of their analysis on media trends the Director of CMS, Ms. P.N. Vasanti, has observed recently that "communication business has now moved into foreigners control and this reflects on the scope of contents of news media, even more so in the case of television channels". With opening up of news media for foreign direct investment, this phenomena will be more evident in the coming years.

ONE-THIRD TO TWO-THIRDS

Achieving a readership level of two-thirds from that of one-third of people today should not be an ambitious goal for 2020. The circulation of dailies should more than double by then from 60 million in 2002. I have written more than 20 years ago and advocated certain special efforts to expand the base of newspapers in India much beyond from less than one-fifth of adults in readership and hardly 10 million circulation of dailies 25 years ago, with emphasis on (Hindi speaking) states or districts which are far below the national or State average in circulation/readership. Each state has pockets or districts where the reach of newspapers remained far below the state average for whatever reasons. These are the opportunities. New ways of thinking and new strategies are needed to cater to such communities. The "two-thirds" goal is possible if only these barriers are broken by individual newspapers.

CONCERTED EFFORTS

Circulation building in these pockets is not a one step process. Libraries served this process in the earlier years too. Schools and literacy programmes in these pockets should be facilitators for expanding the readership. The costs involved in a free supply of copies of newspaper to libraries and outlets of literacy mission will not amount to be "more expensive" than the conventional approach. With patience the pay off will be far more. Organizations like INS, Press Institute and

even ABC should go beyond their present mandate and take on promotional responsibilities for specific regions or particular sections of people, where the reach of newspapers is too low and static in the last few years. It is a question of triggering readership. Trained people is a constraint for the growth of media in India. Training and research are two critical facilities for the growth of any media. But both are equally neglected and nowhere near the task of availing the opportunities. Some big dailies of late have taken up to specific surveys. A lot more serious efforts are needed in this regard.

EENADU MODEL

The multi edition dailies, which have the largest circulation in the respective language region, have higher per copy readers. English dailies have on an average 3 to 4 readers per copy against 5 to 7 readers for leading dailies in Telugu, Tamil, Kannada and Gujarati. Even leading Hindi dailies have 5 to 6 readers per copy.

The story of AP is perhaps a good example in this regard. One Telugu daily has availed the opportunity for growth and has become the leader and in the process expanded the very reach of newspapers. The model was not a conventional one. The most important features of this "Eenadu model" include a) decentralization and localization of the operations, b) facilitate advertising by smaller and localised entrepreneurs; c) relevance of contents to different sections and to needs and aspirations;

d) extensive use of colloquial language and constant innovations for populist style; e) promptness and punctuality in reaching and even more innovatively, and f) it has become a forum for "community cause" in an activist and interactive mode. Some dailies in other states too have adopted this model with good results. In the process Eenadu has reinvented a new role for itself among most sections of the society, including the school going. Such an approach not only in thinking but also in terms of linkages with the grass roots is needed in every language region to trigger the "next wave" of growth of newspapers in India and put them on an assured growth path and unaffected by television. Interestingly, both Eenadu and ETV have expanded in parallel in the last couple of years.