State of Newspaper Scene 2007

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by

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I. Growth of Newspaper

1. Impressive Growth

2007 was yet another year of an impressive turnaround in the newspaper scene in India. The growth has been much beyond global trend and higher than the over all growth of economy of the country. And, in fact, notwithstanding marginal decline in the (year in) readership across all segments of newspapers, the mass media scenario itself has been witnessing a phenomenal growth during the recent years. There were visible signals in 2007 of continued buoyancy in the newspaper scene.

The Indian print media "industry" according Price Water House Coopers, recorded a growth of 16 percent in 2007 to reach an estimated Rs.13000 crores. This growth percentage of print media has been more than in the case of television. Its forecast is that print media would grow to Rs. 281 billion by 2012. Within print media, newspaper publishing constitutes more than 80 percent and this segment grew at 17 percent. This growth rate however is expected to decline to 13 percent in 2008 but buoyancy will continue. (During this period newspaper publishing market would reach Rs.243 billion from the 2007 level of Rs.149 billion). An analysis of the financials of 37 publicly traded companies in the Indian Media and Entertainment (M & E) sector, for example, shows that the gross profits grew 31 percent in compound terms between 2003 and 2007. The Indian M & E group was twice as profitable as its global counterparts. Between 2003 and 2007, print media enjoyed the highest compounded growth and operating profit margin according to Ernest and Young.

If Bennett, Coleman & Co.Ltd, Kasturi & Sons, Dainik Bhaskar Corpt, HT Media, Jagran Prakashan, Midday, Cyber Media could be taken (as reliable) indicative for the performance of the sector, the emerging picture is too obvious as they all have registered growth for 2007. In fact, 14 newspaper publishing groups account for about two-third of newspaper circulation and for three-fourth of newspaper revenues. Their growth in 2007 was anywhere between 8 to 22 percent. The bigger the publishing group, the higher was its growth rate in 2007.

Bennett, Coleman & Co.Ltd, HT Media, Kasturi & Sons, ABP, Jagran, Dainik Bhaskar and Ushodaya had registered a growth of 15 percent or more in their turnover.

Revenue Growth for 2007 of major Newspaper groups	
Publication Groups	**Growth rate in percentages**
Bennett Coleman & Co	22
Jagran Prakashan	18
The Hindustan Times	20
Dainik Bhaskar Group	18
ABP Group	20
Kasturi & Sons	20
Living Media India	13
Malayala Manorama Group	12
The Thanthi Trust	12
Ushodaya Enterprises	15
Deccan Chronicle Group	10
Lok Prakashan	8
Sakal Papers	8
Rajasthan Patrika	8

Source: Pitch-Madison 2008

2. Concern, elsewhere

Although 61st World Newspaper Congress (June 2008) maintained that "newspaper circulation has been rising or stable in three quarters of the world's countries over the past five years", one cannot ignore that the rise of the Internet and shrinking attention spans are causing concern for newspapers in USA and Europe. The idea of a "free newspapers" catching up in a few countries, is to cope with such a trend and increasing costs. It is the scenario of China, India and Japan, which is keeping the upbeat trend of newspapers. The contribution of India as the second large newspaper country next only to China, is significant for such an optimistic scenario. Nevertheless, research around the world, including in India, has pointed that younger generation spends more time on Internet and web version of newspapers. This trend needs to be viewed against the background of all out efforts in the country to increase access to ICT including in rural areas.

It was around 1997 that market analysts in India started describing mass media as an "industry" or as a "Business". It was around 2001 with the proliferation of satellite television that "entertainment" was tagged on to "media" to make it as "M&E sector". The market analysts make such grouping is to *indicate* the "size", "largeness" and "growth opportunities". With convergence of communication technologies giving birth to a host of new media services, it may soon become "Communication & Broadcasting" sector unconcern of content dimensions.

The Increased interest in India as a potential market for foreign investors in media sector, has also caused a realization within the country of the potential for growth of media and the opportunities there in. It is this optimism which is driving newspapers in India and has given a new impetus and confidence. The Indian Newspaper Society (INS), the apex body of the "industry" summed up the situation in its annual report for 2006 – 07 as "Newspaper industry has grown at a rapid pace for the fourth consecutive year" and it concurred with Price WaterHouse Coopers projection that annual growth of the newspapers next five years will be 13 percent cumulative.

3. A case example: Jagran

The growth of multi edition daily publications, after a lull in the earlier years, has been impressive in the last couple of years. There are more than a couple of examples specifically in regional languages. Jagran and Bhaskar in Hindi are the top two dailies of India and offer good example to reflect this trend.

Jagaran (Jagran Prakashan), for example, reflects the current surge. It has a daily circulation of 1.872 million copies (2007) highest among all Indian language dailies in India. It has a presence in several States with 28 editions published from 25 centres. It has a women targeted magazine, one for young generation, and several more are on the pipeline. Its revenue grew by 12 percent in 2007 touching Rs. 2 billion mark. Its advertising revenue grew by 29 percent and circulation increased by 11 percent. Its net profit increased from Rs 177 million in 2006 to Rs. 259.30 million in 2007. Today, stock market valuation of HT Media and Jagran Prakashan is at about the same level of over Rs. 1000 crores. 20.8 percent stake of this group was brought by Independent News group of London (reportedly for two million pounds) and 3.88 percent held by FII. The promoters of this group favour a 100 FDI in news media of the country, including newspapers.

II. Potential Much More

1. Readership trends

Notwithstanding the inconsistencies in readership surveys year to year, a time series analysis at macro level for 1982-2007 period reflects broad trends. In terms of reach of television and press their growth path has been different. As could be seen from the graphs for rural and urban, television viewership increased speedily upto 1995 and thereafter it paltered despite the boom in the number of channels and networks. Whereas in the case of newspapers the momentum in readership was visible from 2000 and more marked after 2002. That was when number of news bulletins of TV channels and 24-hour news channels started proliferating.

READERSHIP TRENDS

(percent of adults)

	2006			2007		
	All India	**Urban**	**Rural**	**All India**	**Urban**	**Rural**
Dailies	37.4	57.0	28.6	37.1	55.8	28.6
Magazines	13.8	23.9	9.2	12.2	21.1	8.2
Any publication	38.7	58.7	29.9	38.3	57.5	29.7

Source: IRS 2006(R2) and 2007 (R2)

Four important factors could be attributed for the growth trend of newspapers. First, the spread of television particularly news channels. This unwittingly created a base for newspapers. Second, the competition - between television channels for viewership and between newspapers for readership and, then, between new channels and newspapers. Third, economic and demographic aspects to do with literacy and lifestyles. Fourth, the wide gap in readership, between regions of the country and male-female, urban-rural, started declining although the differences are still glaring, constantly reminding the potential for growth.

Despite the recent growth in the numbers of mass media and the boom in news media, their overall reach put together is not even two thirds of adult population of the country. In fact, in the last couple of years when proliferation was high, there was stagnation in the "overall expansion" in media reach. This is obvious going by various national surveys, including the latest IRS 2007 (R2). Such a trend is evident even going by number of newspapers and circulation figures of RNI. Male-female differences in readership have come down during the period although not significantly. In fact, even in urban areas, readership among women is hardly a quarter against over one-third among men. Younger age groups are not reading newspapers as much as their elders. This is because the young educated are taking to Internet. Also, and more importantly, because of preoccupation of news media as to their concerns, contents and concentration. Also, despite proliferation of media and increased competitiveness, the choice in the content package to readers and viewers is neither inclusive or distinct. The IRS for 2007 in fact has brought out that even the reach of newspapers has fallen in urban India since 2002 (from 48 to 46 percent) and that there are 314 million adults now who can read but do not read any publication.

In the last couple of years the overall readership of newspapers has increased by about four percent both in urban and rural areas. Language publications obviously continue to dominate the scene. 25 dailies out of the top 100 have increased their readership in 2006 and all of them are Hindi or regional language ones. Out of the top twenty newspapers, only two are English language ones having multiple editions. Only 14 of top 100 dailies by readership are English in 2007. English dailies in all are read by less than four percent of adults. Over the years readership for daily newspapers in the four Southern languages increased a lot. This is significant for two reasons. Firstly, both circulation and readership of dailies in these Southern States has been growing in the earlier years too. Second, the spread and proliferation of television in the four Southern states has been lot more with language TV channels originating local programmes, including news and current affairs. This has not slowed the growth of newspapers and their readership in the South. This is also the case with Marathi dailies. Overall, both growth and expansion has been more and faster in the case of regional language media and coincide proliferation of news broadcasts.

Half of those who are not readers of any newspaper are literate. That is about 360 million. 20 percent of them are Hindi readers and more than 5 percent are in higher income groups. Then, there are nearly one-fifth of all readers, who read newspapers but only "irregularly" or "occasionally". Put together, more than 450 million people that is thrice as many as current readers are the "potential market".

Yet, the competition between channels and newspapers so far has been for winning the market share of each other rather than reach out the unreached and create new market. Even in Gujarat where a Hindi language group ventured into Gujarati market, the overall reach of newspapers has not expanded any significantly.

Newspaper readership vis-à-vis TV viewing:

(Percent of adults)

Year	Urban		Rural	
	Newspaper readers	**TV viewers**	**Newspaper readers**	**TV viewers**
1990 NRS	**44**	**71**	**-**	
1995 NRS	**46**	**76**	**10**	**30**
2000 IRS	**45**	**78**	**15**	**35**
2002 IRS	**54**	**-**	**24**	**37**
2007 IRS	**58**	**75**	**30**	**37**

CMS Analysis of NRS & IRS

Also, the content model and package of the news media has been by and large similar as if it is "more of the same". 2005 could be said as the year since when a serious relook to come up with uniquely devised content strategies and to repackage and reposition the individual newspapers has started. With market surveys becoming a yardstick as never before, newspaper marketing, pricing, design, distribution and promotional schemes have become strategic variables.

2. Growth of number of newspapers

The percent of readers has increased in urban from 45 in 2000 to 58 in 2007. During the same period the viewership had more or less remained (stagnant) around 75 percent. In the case of rural the percent of readers increased from 15 in 2000 to 30 in 2007. During the same period the percent of viewers increased from 35 to 37. The circulation of daily newspaper increased from 59 million in 2000 to beyond 90 million in 2007. The number of daily newspapers too had increased from about 5300 to 6800 in 2006 (RNI).

Growth in number of newspapers

Selected years	Numbers	
	Dailies	All
1991	3,229	30,214
1999	5,157	46,655
2000	5,364	49,145
2006	6,800	62,483

CMS Analysis of RNI Figures

Going by RNI figures, circulation of all newspapers including dailies had picked up growth from 2002. The CMS estimate of current (2008) circulation of dailies in the country has crossed 100 million mark and that it would exceed that of China by 2010.

The growth has been higher wherever competition has been intense as in the case of Telugu, Kannada and Malayalam dailies. They grew a little over 5 percent, marginally higher than other language newspapers.

Until 2002 although overall circulation of Hindi dailies increased by about 4.5 percent, overall readership increased by only 4 percent. The Hindi speaking States have been witnessing intense activity indicative of general growth in regional language newspapers. In fact, the readership for Indian language dailies has grown from 191 million in 2004 to about 205 million in 2006. Whereas English dailies have stagnated at around 21 million during the period accounting for hardly 10 percent of readers of total daily newspapers in the country.

Growth in circulation		
Years	Circulation (in million)	
	Dailies	All
1991	59	130
1992	28	64
1999	58	130
2000	59	127
2001	58	115
2002 – 03	73	142
2003 – 04	74	133
2004 – 05	79	157
2005 – 06	89	181

Source: RNI (Figures rounded) 2002, 2005-06 (rounded figures)

3. Per-copy readership

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. This is because more readers are buying newspapers today than in earlier years. This obviously implies that per copy readers are declining. This trend will continue with the growth of circulation. 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 reader per copy against 5 to 7 readers for leading dailies in Telugu, Tamil, Kannada and Gujarati. Leading Hindi dailies have 5 to 6 readers per copy.

The controversy in 2007 about decline in readership despite increased circulation in the case of some newspapers (as per latest IRS) should not be a surprise and more such instances could be expected from pockets where competition is keen. The higher the per copy readership, the higher is the growth potential. A decline in per copy readership is a good sign. As literacy levels and cash incomes of households increase, people will start having their own copy of newspaper. And, in fact, duplication in readership between publications and between newspapers and other media will increase and there will also be a decline in "sole readership" of individual newspapers. This is what has been happening more in the last couple of years and that is what has set the growth momentum, not so much expansion.

Circulation Vs readership: The case for 2002 (Percentage)		
Language	**Increase in circulation**	**Increase in Readership**
Tamil	0.1	12
Telugu	10.5	31
Malayalam	5.5	11
Kannada	5.5	14
Hindi	4.5	4
Marathi	2.9	6
Gujarati	4.2	4

Source: ABC+IRS

4. Growth of Magazines

Despite decline in circulation and readership of magazines and also in advertising outlays in the last few years, the number of new magazines in English as well as in regional languages, continue to swell as never before and as if "viability" in the conventional sense is no longer an issue. New found optimism in newspapers and the process of globalization appears to have triggered this boom in magazines. The Ministry had given approval for 284 foreign publication in the last five years. These include many prominent magazines from the West like Vogue, People, Marie Claire, Cosmopolitan, Good House Keeping. A large number of new magazines are for niche readers and relate to life style, consumerism and scientific/ technical categories are proliferating as 100 percent FDI is allowed in non-news category. Some of these magazines stand out for their quality. Also, the concept of "free newspapers" seems to have started more prominently in 2007. Even old leading magazines like India Today and Outlook have started giving one or two free magazines (without cover price) along with each issue.

Readership of newspapers: Rounded			
	Urban	**Rural**	**Total**
Any Daily	110 million	110 million	220 million
Any magazine	55 million	42 million	95 million

Source: Readership survey

The magazine publishing for 2007 was (Price WaterHouse Coopers) estimated at Rs.190 crore (19 billion) and a growth of 15 percent and it is projected that this growth in the magazine publishing would be maintained until 2012 (against 14 percent of print media). Advertising in magazines is expected to grow 20 percent to about Rs. 1300 crores in 2008.

5. Business Dailies

Business papers are no longer the domain of the English press after Vyapar and Financial Express in Gujarat in the earlier years. But 2007 had sparked a series of business dailies in Hindi by Economic Times and Business Standard. More are on the offing. A couple of Hindi dailies too announced plans to come out with business dailies. The number of dedicated business channels has been on increase since 2007. Apart from CNBC, there are as many as four dedicated business channels - two in Hindi were launched in 2007 and three more are announced. This could be yet another evidence for business channels too creating ground for business news papers. There are in all six financial dailies now (against two in USA) in India. Financial Times (London) is ending "content licensing arrangement" with Business Standard and launching a Business daily with TV-18. Success of Mint, a collaborative venture of Wall Street Journal and Hindustan Times, is on expansion course. Business dailies in English too are adding on editions or going to newer places. Financial Express, whose readership has declined according readership survey in 2007, is entering Lucknow and Pune.

Having added editions in the last couple of years, the big Hindi newspapers are going through a phase of either taking to business newspaper or some other niche publication. Even a Telugu daily has announced a business daily. Most English business dailies had already taken to Hindi version. Economic Times had started with Gujarat version first and then Hindi. Business Standard too had multiple editions of its Hindi version and going to new centers. With the expansion of money market, marketing and services sector in a big way, the business newspapers are going through a spurt since 2007, despite decline in readership of business dailies in English, including the leader (Economic Times) in 2007. Most main line English dailies already have a business newspaper. Now since 2007 it is the turn of Hindi newspapers to have their own business daily in collaboration with either a TV channel or a foreign outfit.

6. Spread of Publishing Centres

Prior to proliferation of news channels, “district edition” approach in the earlier decade had given impressive results and triggered both growth and expansion of dailies. Although that was limited to one or two language dailies, it has set the pace for competitiveness between publishers.

Nearly 90 percent of daily newspapers are published from around 36 big cities. The number of locations publishing newspapers however, has doubled in the last more than two decades. Dispersal of daily newspapers with in a State is an important indication for the growth potential and also expansion into newer “markets”.

Number of locations originating newspapers: A case for expansion

Language	Locations originating newspapers	Number of TV transmitters
English	31	--
Hindi	35	--
Kannada	6	45
Telugu	16	69
Malayalam	5	23
Tamil	10	43
Marathi	16	75
Gujarati	9	49
Oriya	4	65
Bengali	3	25
Assamese	3	23
Punjabi	4	9
Urdu	4	--
Bihar	7	47
M.P.	11	79
Rajasthan	6	75
U.P	24	91
Haryana	4	8

Source: CMS analysis

Hardly one-third of districts of India (610) originate a daily newspaper. Most of them do however have incoming newspapers. An incoming newspaper cannot be good enough for all time. In fact, incoming newspapers generate interest and create a market for local publications. In comparison, over 800 locations in India have a TV transmitter of one kind or other, although hardly 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 unique local needs, including coverage of local events. And, yet well over half of news of national news bulletins continue to be from Delhi. And this “vacuum” is an “opportunity” for local newspaper. Half of the districts in the country offer an opportunity and await expansion of newspapers. Once terrestrial Television network goes private, as proposed by TRAI and as is being lobbied, that would further pave the way for yet another wave of expansion and growth of newspapers in India as is happening now since 2007 with proliferation of business channels in regional languages.

STATEWISE REACH (%): INTER STATE DIFFERENCES

State	Urban	Rural
Uttar Pradesh	30	9
Bihar	32	10
Madhya Pradesh	29	4
Rajasthan	46	16
Orissa	27	7
Kerala	71	62
Tamil Nadu	39	19
Maharashtra	40	18
Goa	52	39
Andhra Pradesh	31	12
Assam	32	11
Jharkhand	35	7
Chandigarh	53	
Delhi	49	
Gujarat	40	14
Haryana	30	14
Himachal Pradesh	45	20
Karnataka	35	14
Chhatissgarh	31	7
Punjab	38	14
Uttaranchal	37	
West Bengal	33	12

Source: IRS 2007 R2

III. What Stimulated

1. News channels have expanded market for dailies

The States that witnessed growth of newspaper circulation and readership in the last couple of years are the same where television news channels has proliferated. For sure, it could be said that TV had no significant adverse impact as apprehended, on the levels of readership of daily newspapers in the country or their growth, particularly of the big ones. On the contrary, competition had helped expand the overall market for newspapers. The phenomena in some way is like "note book" driving "personal computer" sales.

There is enough indication that growth in advertising flow to newspapers has declined, however marginally, not in absolute terms though (because of frequent increase in the tariff). This decline is more in the case of single editions, small and medium sized newspapers than in the case of bigger and multi-edition dailies. Dailies which have better spread, more extensive network and also localized in their reporting have not been effected (as yet). Overall, competition has brought in newspapers a lot more marketing initiatives to retain the hold and also explore newer opportunities. The fact that frequent readership surveys and market studies are being sponsored is an indication of the concern and increasing competitive scene.

A CMS study in 2005 brought out that viewership to TV news bulletins is likely to increase readership of daily newspapers. That is, TV news bulletins serve more as appetizer for newspaper readership. However, since then news channels themselves have been going through changes with intense competition between themselves. In this process the extent of "news" of the day in news channels is much less than six hours, the rest are repeats, reality shows cooking and crime shows. The overall impression about news channels is "all are alike". With continued proliferation of news channels, whether they would continue to prompt readership need to be seen.

T C A Srinivasa Raghavan, an eminent economic columnist (Business Standard), observed that "to maximize revenue, every media is providing the same content, usually the worst". Going beyond he wondered whether "monopoly delivers better outcomes for the consumer than the competition does".

2. Competition triggered growth

Newspaper competitiveness and growth in the last couple of years has been in those states or regions where the scene was dominated mostly by a single daily -- with half or more of readership and circulation. It is these states or regions which witnessed emergence of new dailies or and catching up of older dailies. These States include Kerala, Tamilnadu, Andhra Pradesh, Gujarat, Maharashtra, West Bengal and now, since 2003, include all Hindi speaking states although not all the regions with in these states. An exception is the State of Orissa where neither newspaper nor news broadcasts have increased.

It was the competition between media itself that has helped further the growth whether its is in the case of radio and television, or between TV news channels and newspapers, or between entertainment channels and cinema. Thanks to the boom in 24 hour news channels, from only a couple in 2003 to about three dozen channels in 2007 (expected to cross 60 in 2008), more newspapers have been launched since, circulation has gone up more, and the very scope and structure of newspaper enterprise has been going through changes.

The Hindi heartland has been witnessing intense news media activity. Newspaper groups like Dainik Bhaskar, Rajasthan Patrika, Nai Duniya and Jagran have been launching new editions and expanding their operations beyond conventional centers and State boundaries. Rajasthan Patrika is no longer limited to Rajasthan, but is published by Ahmedabad and Bhopal too. Dainik Bhaskar is in more than a couple of States, even outside Hindi heartland. As a result newspapers are no longer limited to mainline cities but newer centers like Bilaspur, Kota, Jodhpur, Jabalpur, Dehradun, Ranchi and other second tier towns are fast emerging as news media clusters. Rajkot (13.5 lac pop), for example, is having today 14 daily newspapers including 4 eveningers and many of them with web editions. There are also several instances of self help groups bringing out newspapers, including hand written ones and bringing in new readers. Among them are tribals in Jharkhand and unorganized women in Jaheerabad.

Earlier, it was from Delhi and Mumbai newspapers were going out into other States or regions of the country. Now it is regional language newspapers which are coming to New Delhi and Mumbai with special edition as if they are no longer “regional papers”. Similarly, going beyond conventional interests and territories has been the attempt of most existing publishers. Deccan Chronicle of Hyderabad has gone into Chennai, Hindi Dainik Bhaskar made a mark by taking to Gujarati Bhaskar in Gujarat and then by going to Mumbai with English DNA, in collaboration with Zee TV.

Hindustan Times had already taken to other States like Uttar Pradesh, Bihar, Rajasthan, Punjab. Times of India had gone to Hyderabad, Chennai, Goa and Jaipur. Tribune has gone out of Chandigarh with editions from New Delhi, Jalandhar and Bhatinda. “Market view” has brought in rapid expansion of publishing activities of newspaper groups and now luring Television channels to go for newspapers directly or in collaboration.

In this process of growth and expansion, the trend has been big ones becoming bigger in 4 or 5 States of India. The situation until recently was that, one media group dominated the news scenario. By and large 50 percent or more of the viewership, readership and circulation are by the same group. Despite growth, monopoly of a media conglomeration has been on the increase recently, in more than a couple of States. There are about 13 media groups emerging as conglomerates in the country. They are all in the news business as well as entertainment and in media distribution and network business. They own newspapers, magazines, radio, cable TV, television, internet and more. This number is likely to shrink further by 1012.

In States with dominance of one or two dailies, the competition has been more and, even more interestingly, the growth in newspaper readership as well as circulation has been relatively higher. Gujarati and Telugu dailies, for example, have been having higher growth both with respect of circulation and readership. With Vijaya Karnataka edging out leader of decades, Prajavani, Karnataka too is one such State.

3. High Growth, Low Expansion

With proliferation of TV, radio and newspapers recently in the country, the overall role, reach and relevance of news media should have expanded much beyond what it was before 2000. The scope of coverage of the news media should have also expanded beyond metro cities. But there has hardly been any change in both the respects. This is because the competition within and across the media has been for the same sections of people, the ones having deeper pockets. That is how rural reach as well as coverage of rural is still negligible. Some increase in circulation and viewership nevertheless is because of multiplicity, or duplication in readership, not because of expansion in the reach. That is the ones seeing are seeing more channels or programmes, and the ones reading are reading more newspapers.

4. FDI into media

Since change in Government policy in 2002 on foreign direct participation in newspapers allowing 26 percent FDI, the number of enquires from, and deals under negotiations with foreign investors was unprecedented since 2007. Foreign newspapers can now launch facsimile editions of their international edition, but after incorporating local subsidiaries registered in India and without carrying locally generated contents, including advertisements. This is because of certain apprehension that Indian newspapers may not be able to withstand competition. This provision, however, is being contested by big media houses. Also, as the cap on foreign syndication in Indian newspapers has been increased from 7.5 to 20 percent of total editorial content, the extent of foreign content by way of supplements, etc has significantly increased since 2005. And now there is also talk of Govt. allowing foreign news and current affairs magazines to be printed in India despite criticism of certain sections of the media itself and also political parties. There are those who think if investment is in foreign hands, editorial control will also go to them and that it would have negative impact on the local and regional media. N Ram of the Hindu, for example, thinks that any such proposal to dilute is unwarranted. Those on both side of political spectrum think allowing means “entry of powerful media conglomerates and their control” and will curb freedom.

But on the other none of these people raised voice a couple of years ago when the Government allowed 100 percent FDI into sectors like advertising agency, market research, public relations and media planning which as the "new gate keepers" influence the priorities of news media. The top five to ten advertising agencies, PR agencies, market research and media planning agencies accounting for three-fourth or more of the total turn over in India are already owned by agencies with majority foreign control. Yet there was no public debate.

More than a dozen closely held, family run newspaper groups either have gone or are going public or are seeking foreign capital participation or raising private equity. A couple of them are exploring opportunities abroad by getting listed in New York or London stock exchanges, Times of India, Hindustan Times, Deccan Chronicle and Business Standard, Indian Express, among English dailies, are already ahead in this regard. The other important English daily, The Hindu, is reported to be examining offers of private equity investors. Among most prominent regional languages include Dainik Bhaskar, Dainik Jagran, Sandesh, Eenadu are not lagging behind in taking advantage of the FDI route or other to further expand their ventures, vertically and horizontally. A latest trend is to raise money from public and expand or add on new media ventures.

IV. Undeterred Advertising through newspapers

Increased advertising outlays has been one of the key factors creating momentum in the growth of mass media which in turn is a result of over all growth of economy. However, per capita consumption is a cause and effect of advertising. As a percent of GDP the advertising expenditure in India is only 0.34 which is much below the average of one percentage in some countries. That is the way India is viewed as a market for consumption of products and services. It is this growth in advertising expenditure which will drive the growth of newspapers. Advertising accounts more than 65 percent of revenue of newspapers and in fact even higher in the case of most English dailies.

Advertising expenditure in 2007 grew by a mere 3.5 percent over 2006 reaching Rs 17356 crore. Print media continue to attract the largest share of advertising outlays with 48 to 49 percent. One of the major reason for their growth in revenue is frequent hike in card rates of advertising by big newspapers. The share of newspaper in the local advertising expenditure in 2004 was 61 percent which gradually declined to 49 percent of 1998.

The print media accounted for 49 percent of total advertising spending of Rs 19000 crore in the country. Around 684 members of INS made an advertising business of Rs.2397 crore in 2006 registering an increase of 24 percent over the previous year. 60 percent of this business from accredited advertising agencies was in English dailies.

Despite growth of television and it becoming a major outlet for advertising, print media continue to hold on to its prime position as the largest advertised medium. In 2007 print medium accounted for 47.9 percent of total advertising expenditure. This of course meant a marginal decline of one percentage point from the previous year. But in actual revenue from advertising to print medium was high at Rs.8470 crore (against Rs 17690 crores total), registering a 21 percent growth in 2007. Also between 2004 and 2006 the share of newspapers dropped to below the total print to about 42 percent. The share of magazines has fallen to 3 percent in 2006 from 4 percent in 2000. Increased colour options also have helped newspapers and magazines in improving the yield from advertisers. In 2007 about 60 percent of total volume was in color as against 52 percent in 2006. And then, ofcourse continue to attract large share of advertising budgets despite frequent hike in card rates of major newspapers.

Language –wise Ad share in %		
Languages	**2007**	**2006**
English	34.7	35.2
Hindi	24.4	24.0
Tamil	9.7	9.8
Marathi	7.1	7.2
Telugu	6.7	6.6
Malayalam	6.2	6.3
Gujarati	4.5	4.4
Kannnada	2.2	2.2
Bengali	1.5	1.4
Oriya	1.2	1.2
Punjabi	0.6	0.7
Urdu	0.6	0.5
Assamese	0.5	0.5

Source: Pitch-Madison 2008

Despite decline in readership of English dailies and magazines between 2005 and 2007, for example, their advertising revenue during the period had in fact gone up. That is how many of them either had launched new ventures or entered new markets and in some cases prompted "price wars" by reducing cover price as a part of "offensive marketing" strategy. .

The share of English press in the advertising revenue of print declined marginally from 35.6 percent in 2006 to 34.7 percent in 2007. The Hindi press gained in its share from 24 percent in 2006 to 24.4 percent in 2007. Bengali, Gujarati and Telugu too have bettered their share in advertising revenue although only marginally. But it is important to note that this was at a time when the number of 24 hour television news channels in these languages were multiplying in the last two years.

Overall, it could be observed that the growth of newspapers in different language is directly related to availability and allocation of advertising outlays which in term depends on per capita consumption level and the big size of such consumers.

Ad. rates & circulation: Some examples for distortion			
	Circulation (000)	**Readers (000)**	**Ad. Rate (Rs.) (B/W)**
Time of India (English)	3157	6828	4500
Dainik Jagran (Hindi)	2255	16502	2340
Telegraph (English)	457	1015	900
Prajavani (Kannada)	433	2426	525
Deccan Herald (English)	180	477	510
Samykta Karnataka (Kannada)	125	1074	160
Film Fare (English)	163	991	202500
Kumudam(Tamil)	238	1945	80000

Source : Lintas – 2008

Certain distortion in the tariff pattern of English and Indian language newspapers continued even in 2007 as could be seen from the table. Once this get corrected sooner or later, the Indian language newspapers are going to witness a further boost. The distortion has been in terms of high premium rates for English newspapers unrelated to their reach in terms of both circulation and readership.

With pink publications like Economic Times and Business Standard going into Hindi, the inequalities based in the assumption that English readers matter far more for advertisers (than readers of Hindi and other newspapers) should start disappearing. In fact, in this process publications in some languages like Urdu, Assame, Oriya, Punjabi, etc. are deprived of their rightful share.

V. Content Models

1. Credibility increased, but slipped as primary source

A 2007 CMS survey on “sources of information” and their reliability has brought out that the overall credibility of newspapers has relatively gone up. This survey however indicated that television news has now surpassed newspapers as “primary source” as the “most relied first source” for political and sports news. The gap in this respect in 2007 between TV news and newspapers was significantly high. Special efforts being made increasingly by various television news and business channels to cover both politics as well as business/markets is making inroads into the market standing of newspapers. Form this, however, one could not conclude that newspaper readers are “shifting” in favour of news channels. This survey had brought out that when it comes to “comprehensiveness”, newspapers are viewed better. This finding rather reminds newspapers the compulsion to go beyond conventional approach to publishing and their overall preoccupation and priorities in the contents.

2. Preoccupation with politics continues

Big newspapers have gone for substantial change since 2007 in the character of front pages. But this is more to attract advertisers with unique offers rather than in the interest of readers as could be seen from a special survey of front pages of major Dailies and Hindi dailies in 2007.

Front Page Priorities of General National Dailies: 2007
(Percent of stories)

	English	Hindi
Politics	23	14
Crime	21	22
International	9	12
Other	9	9
Human Interest	6	6
Sports	6	7
Development	6	8
Security/ defence	5	3
Economy	5	7
Film / entertainment	4	4
Policy/ Govt. decisions	4	4
Law & Order	2	-
Science & Technology	-	1

- 4 top circulated English and 4 top circulated Hindi dailies.
- For all issues of August 2007

The Indian newspapers continue to be preoccupied with politics. However, against 40 percent of edited space two decades also, only one-fourth is devoted to hard politics in 2007. Nearly one-third of front pages of dailies by and large contains politics. The "gloomy" content of Indian dailies in the past however, has yielded to financial and corporate reporting. In many ways 2007 marks beginning of a new chapter as to content consideration of newspapers.

First, there is realization of late that "content strategy" has to be a major factor in the competitive context and for chasing market opportunities. This meant looking beyond "more of the same" mould. Three indicators in this regard matter - how decentralized is the coverage of news, how the coverage is by more than a few and by the same; and to do with much larger section of people and pockets than hither to, and how relevant the contents are to needs and aspiration of people at large. The growth of the newspapers and how w ell they excel news channels in the next five years depend on these trends.

The potential for the growth of newspapers could be tapped faster and firmly only if they develop their own model of contents and priorities. And this model should be based on the logic of presenting interestingly "what is in the interest of people" and thus consolidate readership rather than hyping "what interests people" to get rated in readership surveys – primarily for optimizing advertising revenue. This means more local, basic needs, more children, family, skill betterment and more interactivity.

The web editions of newspaper which most papers are having since 2007 are attracting readers for local specific and in-depth news. A study in 2007, sponsored by UGC, has brought out the speed with which readership of newspaper on the net – not just by professionals but by younger, student and female and not just English dailies but regional language ones as well. Also, they are reading on net not just "hard news" but also on social, development and environment related.

3. Content priorities

From the trends in the growth of newspapers in the recent past, it comes out that "content priorities" is a critical factor that determine their future course. First, television news channels, being viewed more as "trivial news media", is triggering growth of newspapers. Also, thanks to TV news bulletins, credibility of newspapers is viewed better now although they are no longer the "primary first source of news". Initially, until 2005, TV news mostly followed the priorities of newspapers. But after proliferation of news channels, newspapers have started going by TV news and their priorities. This is brought out by a CMS survey of Telugu news channels and newspapers.

Content Priorities of TV News Channels:2007
Priorities of Telugu News Bulletins : At Glance

Priorities of bulletins of News Channels (in that order)			Priorities of bulletins of Other Channels (in that order)		
New channel 1	**New channel 2**	**New channel 3**	**Channel 1**	**Channel 2**	**Channel 3**
Crime	Crime	Crime	Politics	Governance	Politics
Politics	Politics	Politics	Crime	Politics	Crime
Governance	Governance	Governance	Governance	Crime	Governance
Civic	Civic	Civic	Sports	Sports	Sports
Arts/ Culture	Corruption	Arts/Culture	Civic	Arts/Culture	Civic
Film	Sports	Sports	Film	Civic	Corruption

Source : CMS Media Lab, Hyderabad – 2007

(The names of channels could be avoided with 1,2 and 3)

VI. Shift in the Paradigm

1. Media Operations

Role and relevance of news media depends on their priority in concerns and contents. Until a few years ago these were to do with the "Fourth Estate" notions and "watchdog" standing. For, that is how the news media have been enjoying certain privileges and societal status. The news media are expected to have larger and long range concerns about society, not just market compulsions or immediate competitive outlook. Today news media tend to become corporate voices than of community. Certain new definitions, new values and different priorities dictate news media today. What does this paradigm shift mean. Is mass media a public service or private business or is it for promoting individual interests. Then of course is the controversy to do with blurred distinctions between news and views, news and advertisements, information and propaganda, etc. Which are the factors that drive these priorities, pre-occupations and the shifts in the news media? These dilemma standout in 2007.

There is no independent and objective analysis of these changes in the media operations and their implications. The paradigm shift involves bigger issue to do with consumerism. Consumerism which is a global phenomena is an under current for media priorities. Advertiser - depended media appear catering more for the greed not so much for the needs of a majority of people. 35 years ago, 55- 77 percent of the total revenue of newspapers was from the readers. Today it is advertising which sustains media. There is a declining dependence on the reader and the viewer. And yet media are able to grow and increase their profits and valuation because of the extent of advertising revenue and potential growth opportunity.

2. Power Shift!

Today advertising and market research in many ways determine the scope of mass media, including journalistic trends. Advertising, market research and media planning sets the scope and pace of media including in the case of ownership pattern and journalistic trends. Today persuaders are no longer hidden. They are out and out and at large and pushing forward "their agenda".

3. Media Viability

Firstly, the share of advertising in total revenue of newspapers has been on the increase from that of a "supplementary" (25- 30%) nature some decades ago, to that of a "supportive" one (65 – 75%) now in 2007. In fact, in the case of television channels, advertising has been the "primary source" (70-80%) to the extent of "determining" the priorities and preoccupations. Even in the case of some big newspapers, revenue from advertising constitutes more than 75 percent of total revenue. That is how the recent boom in news media in India is often attributed to advertising. Total outlays on advertising in the country in 2007 was over Rs. 15,000 crores with more than three-fourth of it going to newspapers, television, films and radio. That is advertising today sustains media. The revenue of the news media has gone up manifold in the recent years. Secondly, market research is a basis for proliferation of brands and consumerism as well as for the preoccupation and priorities of mass media and the very character of advertising.

4. New Gatekeepers in Media

More specifically, market research agencies are the ones, which also conduct "readership" surveys and "rating" of television viewership and there by directly influence advertising agencies as well as the news media as to their priorities and preoccupation. The point here is that the methodology being followed for readership surveys and viewership rating is not without bias in favour of the sponsors. The "TRP trap", as we call the phenomena of assessing "popularity" of TV programmes, has larger and long-range implications to India. Findings of TRP or IRS or NRS, do not highlight certain stagnation in the overall expansion of media particularly among the poor and the far off ones. The total reach of the media is not more than two-thirds of the population. It is much less depending upon which State of the country we are talking about. This is because of restricted view of concerns and limited representative nature of contents. Despite competition they all have same "formula contents" because of TRP prescription and phenomena. It is more a "copy cat tendency". Some of the regional news media are better in this respect. In fact, what is being played up in the media is "what interests the public" not what is in the interest of the public. The two are not the same as is often being made out. Whatever surveys are being done in the country are mostly at the instance of advertisers or advertising agencies and the media operators themselves. There is no independent research otherwise to explain and explore beyond temporal and sectoral interests and to be concerned about "societal impact" aspects.

Fifth, with media becoming complex and also specialized, two "new" mediating functionaries have emerged since 2000 with serious consequences to the very nature and character of the journalist-centered "Fourth Estate" functions. Both these functionaries of "media planning" and "corporate public relations", in a way erode into core prerogatives of journalists and their "editorial control". And yet there are no initiatives to moderate/address "conflict of interest". In the case of "corporate public relations", functioning of these "experts" implies certain undermining or interference in the functioning, particularly of news reporters and editors and their marginalization. For, the function of corporate PR is to ensure coverage for a particular viewpoint or otherwise. "Disinformation" being talked about recently is a part of this new functionary. No wonder why Former Chief Justice of India Dr. Anand had said "while commercialism has a legitimate place in the business office of the newspaper, it becomes a danger when it invades the editorial room". Globalization has unleashed these "new gatekeepers" of mass media in India cutting across conventional functional lines in news media.

VII. Miles to go…

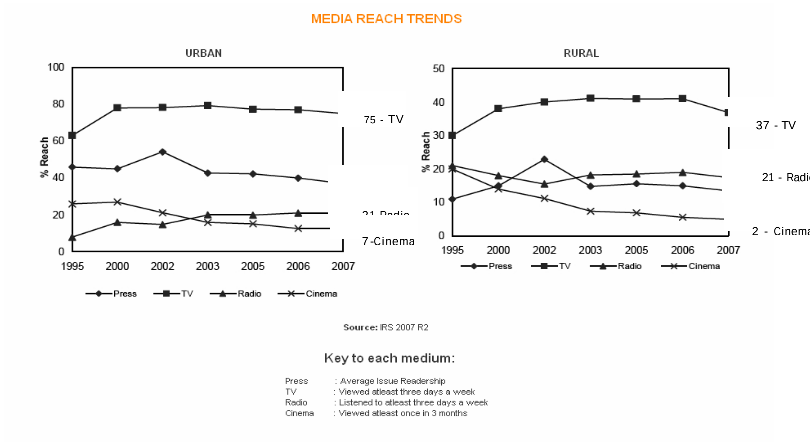
1. Future prospects

The enthusiastic and prolonged lobbying by some publishers themselves for FDI into news and general interest publications has made the Government in 2002 to depart from the 1956 policy and allow upto 26 percent. Now the demand in 2007 is to increase it further. This is a good indication for the "business" prospects of Indian newspapers, both in terms of growth opportunities and profits particularly for the big newspapers and media conglomerates. The Indian media scene is expected to see a spate of new launches in the coming couple of years too. Presence of a dozen global players could be expected to be visible during this period. The removal of restriction on foreign direct investments and publication of foreign newspapers is only one reason. 100 percent FDI is already allowed in non-news and non-current affairs magazines as well as in the business of advertising, market research, corporate public relation and media planning services. Together they further advertising flows, prompt competition and help revamp and reposition newspapers in a global context.

2. Prospects

No state or corner of India could be said as saturated with newspapers. In fact, a simple analysis of "opportunities and challenges" for newspapers in India of a billion people reminds that it is miles to go. For, in 2002 when CMS did that analysis, hardly one-third of country's rural population (14 years plus) were readers of a daily newspaper. In some states it was not even half of that. That the potential is far more has been amply proved since then. Hardly a quarter of literate population now are subscribers of newspapers. In fact, the growth pattern of dailies in the Hindi States since 2005, should be convincing for the publishing houses to go beyond focusing on "consumers with deep pockets". This of course requires moving away form the influence of conventional market development model. An analysis of the scene since 2002 does not bring out convincingly that the reach of newspapers has expanded (as could be seen in the graphic account) much beyond although there has been a stirring momentum in the newspaper enterprise. The national readership surveys, in fact, indicate a decline in readership in urban since 2002 and stagnation or only a margined increase in rural since 2005. This is mostly because "content model" has not gone through a matching change. The challenge of growth prospects could be seen from the two graphs for urban and rural India.

REACH OF MASS MEDIA WHERE IS THE GROWTH?
1995-2007



3. One-third to two-thirds target

Achieving a readership level of two-thirds should not be an ambitious goal for 2015. The circulation of dailies should increase by 50 percent by 2015 from about 100 million in 2008. CMS had written two decades ago and advocated certain special efforts to expand the base of newspapers in India much beyond the level of less than one-fourth of adults to two thirds of readership, with emphasis on (Hindi speaking) states and on districts which are far below State average in circulation/readership. Each state has 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 and reach out such communities and in their interest. The "two-thirds" goal for 2012 is possible if only the barriers are broken by individual newspapers as demonstrated earlier by a couple of dailies. All that is required is to see that low level districts are level upto average level which is possible now with changes in demographic and socio-economic scenario.

Opportunity/ Challenge : Wide range of reach of press
High and Low levels

(percent)

	Urban	**Rural**
Socio-economic strata	14 – 86	8 – 25
Income levels	14 – 78	6 – 37
Female – Male	27 - 46	7 – 20

Source: IRS 2007 (R2) – Lintas; CMS Analysis

VIII. Determinants

1. Readership Surveys

Nation readership surveys in the last couple of years were consistent in their findings about a) decline in readership of newspapers, more particularly magazines, b) reduced time spent in reading newspapers, particularly among young, and c) online news is slowly acquiring visibility as web newspapers are free are attract, particularly the younger age groups. Readership surveys have come into being to guide advertising agencies in their media planning function and help publications to position themselves for more advertising. Despite being totally quantitative exercise, these surveys have become surrogates for actual reading and "popularity" and even for "quality" of newspapers, No sample survey could be without error. But with purchase habits and consumption pattern becoming a bigger concern, the very reliability of the findings of readership surveys is getting eroded. What else explain the fact that only 2 or 3 pages are devoted for enquiring into readership out of 45 pages of a questionnaire used by these readership surveys.

Apart from methodological limitations, readership surveys have contributed in bringing competitiveness and making newspapers more competitive "products" and better marketed. However, what is missing is an independent appraisal of relevance and reliability of surveys, and the way the findings are presented and used. Why not all findings are given in a desegregated way say…. for rural and urban. Curiously no attempt was ever made despite two rounds of surveys a year, to take a longitudinal view of the trends in readership.

The recent position of INS about anomalies in NRS or IRS and its threat to withdraw should be an opportunity to take a larger review of IRS and NRS. Attending to grievances of individual subscribers of these surveys is not good enough in making these surveys more objective. Press Council of India cannot be a mere bystander in this context. Commenting on International Press Institute's ranking of countries on "press freedom" which concluded that India's ranking had come down from 80 in 2002 to 105 in 2006, eminent economist Prof. Jagdish Bhagavathi said that "those rankings are idiotic and are not based on the scientifically respectable methods". There is a cue from this observation for national readership surveys as well (and even more in the case of television ration points(TRP)).

2. Media education

Shortage of trained people is a constraint for the growth of news media in India. Training and research are two critical facilities for the healthy growth of media, particularly news media. But both are equally neglected and nowhere near the task required to reap the growth opportunities in the country. Educational support to news media is one of the missing link in fully availing the potential for newspapers in the county. The present scenario in terms of academic programmes, courses and concerns are either outdated or inadequate or irrelevant. And yet it has been no body's concern. At one time UGC tried to do something and ended its efforts as abruptly. There are too many "shops" and only a couple of professionally devised schools offer causes for the challenges in media. Many University departments too are operating as stand alone islands. In the absence of any accreditation as an obligation, Press Council of India is the right agency to take initiative and help bring some sensitivity and relevance such a way that academics enrich the profession and restore the Fourth Estate concerns and values. The charter of Press Council of India includes "setting standards in Journalism". Then there also shortfall of trained human resources good enough to meet growing needs, particularly in regional language news media and challenges of emerging technologies. There is no database or reference resources and ongoing research endeavors. 2007 too, had witnessed more of the same commercial training outfits. Then there is no serious effort in the country to see that there is some convergence and synergy between educational and media streams. Curriculum at no level offers courses to make citizen more active and discriminative users of media, particularly news media.

RNI's annual report is at the best gives only a glimpse for press in India. For, not even one-sixth of registered newspapers in the country file their updated annual statements with RNI. There is not much improvement in the extent of reporting year to year. These annual statements of newspapers are in any case not used by any for any proactive measures or initiatives or insights. It may be better that RNI is made to submit these statements to Press Council of India.

3. Inclusive Journalism

"Citizen Journalists" is a new concept being promoted by one or two news channels since 2007. Some big English dailies have experimented with the idea of "guest editor" by inviting a well known expert or celebrity. In the case of newspapers the space devoted for "Letters to Editor" and for reports on certain disadvantaged sections or regions had come down or replaced with SMS based opinion polls. In fact some of the big newspapers who were earlier carrying features on rural slums and on issues like rural and social development for example, have not kept up with.

At a time when "globalisation" is becoming obvious, the number of foreign correspondents of Indian newspapers and news agencies has dw indled to a low point. Where as on the other, the number of foreign news bureau and foreign correspondents in India was never so high as in 2007. There are hardly half a dozen full time correspondents of Indian newspapers posted out side the country. But "by arrangement" news and features from foreign newspapers was also never high before as in 2007. And, proactively every big and multi edition newspaper is trying to have some such arrangement with one or other foreign newspaper.

4. Visibility of Women journalists

Number of women journalists have increased in the last couple of years, particularly in news media. A survey of women Journalists in print media conducted by National Commission for Women in 2006 had brought out discrimination (20%) at work of female journalists and that "their voices are largely unheard" despite a large number of women Journalists being in positions now in the news media". Yet another finding was to do with "Job insecurity" as women journalists are "employed more like daily wagers" despite that women journalists are as sincere in their output as male journalists. Some of the women journalists writings are popular and have wide readership too – both in newspapers and news channels. Readership among women is likely to receive further boost with women journalists becoming more active and visible in news media. Only then increased literacy and mobility of women is likely to lead to higher readership. Similarly, in the case of children (9-12 age) and their presence and role in news media. Coverage of them is neither significant despite potential of children both for growth and expansion of newspapers.

5. Ever increasing production costs

Although there has been an increase in the cost of newsprint there is no evidence of its impact on any aspect of newspapers - their size or their growth. In fact, there has been a liberal increase in the number of pages of dailies and in the frequency of supplements and add on sections. The impact is likely to be more in the coming months on small and single edition newspapers – some of them had already changed over to 42 GSM grade paper from 45 GSM. Since newsprint cost is likely to increase further, what implications it will have need to be seen particularly on the cost of daily newspaper which remained more or less stagnant. INS has been seeking cuts in taxes and duties. Revival of tabloid in 2007 could also be a way of coping with newsprint costs. Apart from Mail Today and Metro Now dailies, the case of Mint newspaper signals that young readers perhaps prefer a change in size and look for convenience in handling of a newspaper. Thanks to TV, visualization of newspapers (photos, graphics, etc) is much more now and there are more design – elements.

6. Responsive Relationships

Rajasthan Patrika was the only one which announced its intention to go for Readers' Editor after The Hindu had appointed a "Readers' Editor" in 2005. No other newspaper talked about Ombudsman as a part of initiative to establish responsive relationships with or accountability to readers. Deccan Chronicle has set a new example when it named a former SEBI chief as Ombudsman for its new Financial Chronicle daily. It need to be seen at the end of the year to what extent this second experiment (after the TOI's a decade ago with a former Chief Justice of India) will make a difference. The Mint, in the meanwhile since its launch in 2007 by the Hindustan Times group has been practicing in its news reports to refer to any conflict with its own or its publishing group. It also has been frequently seeking correctives and complaints from its readers. Mint also had set a new practice when it appraised its own coverage and contribution at the end of its first year – as if giving an annual review to its readers.

7. Wage Board

Appointment of Wage Board in 2007 amounts to its revival. But with no news media interested in it and no track record of implementation of Wage Board's recommendations how this new one is going to make any difference need to be seen. INS with 681 newspaper members had already opposed constitution of Wage Board. This new Wage Board will probably expedite the "contractual system" of hiring services of journalists (and non-journalists). It is going to be small and medium size newspapers which will be effected as and when implemented. The Board met twice in 2007 with nothing substantial. This arrangement would help managements to further diffuse the role and relevance of journalists in news establishments. The fact that the Unions of "working journalists" are divided and their focus is somewhere else will further help the managements. For example, in a number of cases rural reporters are hardly paid salary. Instead they are encouraged "to use accreditation card" to generate resources locally on their own as if unconcerned of ethical implications. This issue, involving thousands of correspondents across the country, has not been seriously addressed by any. Even more glaring was coverage of political parties and candidates during election times "at a price" by inches. Examples and instances of this trend are on the increase recently. Under the working Journalist Act a rare judgment with land mark implications was passed by a Delhi Labour Court for Rs 4.5 million gratuities to a "working journalist" four years after the journalist working in India was sacked by an American News agency.

8. Corporates controlled newspapers

More and more newspapers are now run by professionals having marketing specialization and with criteria of maximizing profits and to fare better at stock markets. That the pattern of ownership of newspapers is changing from individuals to corporates although little over half of total circulation is still from newspaper owned by individuals. One wonders how this is to do with instances of “media excesses”, “media trials”, “sting operations”, criminal trespassing of privacy, glamorization of criminals and mafia dons, promotion of hatred among communities and inflaming of public emotions. The Minister for Information & Broadcasting recently expressed his concern at “these dangerous trends” for both the media themselves and the democracy.

The Supreme Court in 2007 too questioned, for example, whether sting operations are in the “public interest”. Going further. The apex Court observed that profit is the primary motive of journalists behind the sting operations. In the context of sting on “cash for question” involving MPs accepting money, the Supreme Court further wondered whether it will be a blow to freedom of expression if such stings are outlawed or should it be left to market forces it wondered. As newspapers tend to publish sting and the like coverage of TV channels, the issue acquires seriousness. The question here is accountability of journalists.

“Trial by media” is an issue of concern of judiciary, Justice Sabrawal observed that “media cannot userup the Judiciary’s functioning” by influencing judges when cases are pending. “Contempt of Court” by journalists/editor is yet another issue that continue to crop up time and again, Media reporting of crime, particularly by news channels has added to this problem. “Trial by pubic opinion”, with instant SMS polls and “reality shows”, is what causing the concern. 2007 was the year when the phenomena proliferated.

9. Price Wars

Average cover price of a daily newspaper in 1983 was about 55 paise. 20 years later, thanks to “price wars” between certain newspapers in several metros, the average price of daily has hardly increased four times, considerably lower than the inflationary trend in the country. Cover price of newspapers in India is lower than in many countries. However, advertising tariff has been revised more often than the cover price of newspaper. Today the average price of a newspaper is around Rs.2, despite the number of pages has increased significantly, in fact more than doubled in the case of bigger newspapers.

Thanks to the competitive scenario between newspapers in different centers of the country, price of news dailies in the last couple of years either remained at the same level or has declined. In fact, most new dailies and even old dailies entering new cities have kept their price lower in that market. The Deccan Chronicle priced itself at Rs.1.50 in Chennai along with attractive schemes. Even big and well established dailies like The Hindu (in Hyderabad), Times of India (in Chennai, Jaipur), Indian Express (Hyderabad), had reduced prices. Mumbai based DNA (of Dainik Bhaskar and Zee) priced itself at Rs. 2/-. Sakal Times (of Pune based Marathi daily) launched its English daily at Rs.1/-. Saakshi Telugu Daily with over 24 pages, which launched 20 editions claiming a 13 lakh circulation, priced at Rs.2/-.

Newspapers could experiment with differential price in urban and rural the same way they do now on various days of the week. The value of Rs 2 is not the same in urban and rural, although it costs more to transport a newspaper to rural households. Such an experiment may yield better results in rural for going beyond the present level of readership.

Despite no increase in cover price of daily newspapers, most of them have been expanding either by way of adding new editions or launching a new daily or periodical or going for cross media. Earlier managements were concerned about advertising revenue apart from readership and circulation, now they are also concerned about “market value” in the share market. About a dozen media houses are already listed in the stock market and as many are expanding by raising money from the public.

Over all, newspaper cover prices have come down by 2007, but this trend is not in the interest of quality and implies increased dependence on advertising, particularly against the background of increasing production cost of newspapers. This is perhaps what leads to leaders seeking "other ways" of generating revenues from "other services" and even by "selling edit space". In fact, some of the leading newspapers have started "private treaties division" to set up deals under which equity stakes could be picked up in companies in return for promoting them through long term advertising and publicity deals, including by way of editorial coverage. One of the highest circulated English daily ventured this practice of mingling news with "paid for content", in line of equity partnership. Four top dailies have already signed several such deals and this practice is no longer a hush hush affair but a "business activity" as if mass media are becoming "marketing media". This trend has been criticized as threatening honest reporting and editorial freedom. There are already instances of "no bad news" about companies involved in such deals. Increasing interference in public life and among non state players is telling upon in increasing in attack and violence on newspapers across the country. "Conflict of interest" is increasingly becoming evident in news media operations.

10. Threats to freedom of press

Threats to news media are not limited to J & K or Assam or to militancy or terrorism. But increasingly they are from political factions and or local mafia. What should worry more is intolerance of opposing political factions and leaders about freedom of press. Particularly because electoral politics is getting inundated with criminals and the like. The year 2007 was no exception. Interestingly, newspapers and their journalists are attacked more often than those of television channels.

11. RTI Act

The landmark Right to Information Act of 2005 with several implications to news media and good governance would have remained dormant had newspapers not given the coverage in 2006 and 2007. The coverage of contentious issues and the ones which would not have got into public domain started making head lines in 2007. Newspapers started taking RTI route as a source for news and for "investigative journalism". In the process the news media got a new opportunity to reinstate their credibility and unleash an era of transparency in public affairs of the country.

IX. Conclusion

While the continued growth of newspapers in the immediate years is not in doubt, to what extent the momentum will be kept up after 2012 depends on several factors – external and internal and initiatives taken now. The internal factors are far more critical. These include, first and foremost is the "Content package" and how distinct the newspapers are going to be from one another and in contrast to the model of news channels, the second is how well newspapers integrate and adopt online media. The third factor is to do with priorities of newspapers in their reach and targeting. The fourth one includes marketing strategies as to cover price, delivery efficiencies, competitive–collaborative, initiatives and innovations in the very promotion of news media.

The external factors are to do with economy which in turn determines the flow of advertising outlays, political uncertainties and of course Govt. policies particularly with regard to globalization, foreign investments, etc.

In the meanwhile projections of foreign/global consulting firms continue to offer optimistic scenario for the next couple of years. These estimates are motivated more to prompt and facilitate investments, synergies, mergers, acquisitions, and collaborations. Nevertheless, they should help further the interests of news media in maximizing reach potential notwithstanding implications in that process to the "national endeavors".

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