



Core values and high quality standards

THE saga of the development of the "business" of *The Hindu* over 125 years of its existence has been one of having to continuously strike a fine balance between two seemingly competing considerations — the public mission or larger societal purpose encompassing the credible information providing, educational, opinion building and watchdog role of *The Hindu*, the newspaper, versus the commerce part of conducting its operations as a business.

Throughout the first quarter century of its history, fired by the ideals and public spiritedness of its six young founders and reflecting the times, the newspaper was run primarily as a public mission, without too much concern for commercial considerations.

Like the other native papers of that era, *The Hindu* had to struggle its way through vicissitudes. Starting as a weekly in 1878 and subsequently becoming a tri-weekly, it turned a daily in 1889. Its circulation was barely 800 copies.

In 1901, one of its founders and then its sole proprietor, M. Veer-araghavachariar, failed in his attempt to make *The Hindu* a limited company by inviting public subscriptions for Rs. 1,20,000, in order to give the paper stability and strength as well as a permanent footing.

In 1905, Kasturi Ranga Iyengar, the paper's legal adviser bought *The Hindu* and the National Press where it was printed for Rs. 75,000.

When Kasturi Ranga Iyengar died in 1923, the circulation of *The Hindu* was 17,000 copies with good advertising support and it had already become a force to reckon with. Kasturi Ranga Iyengar had also installed the first Rotary printing

an advertising slump comes along as presently seen, one can well imagine the plight of newspapers which are literally burning the candle at both ends.

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

Another discernible trend is the emergence of the winner take-all situation. In almost all markets, invariably the No. 1 newspaper and No. 2 in some cases take away the cream of advertising and the smaller players are left fighting for the crumbs. In many markets, the competition is so fierce and the numbers game has become so critically important to attract advertising that it has virtually become a dog-eat-dog business.

It is this difficult terrain that sets up the battleground for newspapers in India as they are currently going through the throes of unprecedented competitive pressures and a revenue squeeze. For a newspaper like *The Hindu* with a heritage of 125 years the continuous challenge has been to fashion its growth without compromising on its core values.

The story of *The Hindu* is the story of its quest for high levels of excellence and greater heights and its sustained success over tens of decades to emerge as a premier newspaper of India. *The Hindu* has evolved into an institution and indeed a way of life with tens of thousands of its trusted readers. The paper goes hand in hand with the morning cup of legendary South Indian coffee in over nine hundred thousand homes presently.

What are *The Hindu's* core values that have made it a highly suc-

For a newspaper with a heritage of 125 years, the major challenge has been to fashion its growth as a business without compromising on its core values, writes N. MURALI.



The Hindu sought to fly into the future when it commissioned aircraft to transport copies.

plements to the various segments of its readership base. Supplements or features covering a wide spectrum of subjects are published almost every day of the week: on metro or city specific civic issues and features, education and book review, on science and technology and agriculture, business, arts, entertainment and culture, youth-oriented subjects, and a well-rounded Sunday supplement.

Quality in technology

The Hindu has always been in the forefront in introducing technological innovations in newspaper publishing in India. These technological developments are discussed in detail elsewhere in this supplement. The paper has a list of many technology "firsts" to its credit.

The management's philosophy has always been to modernise painlessly without retrenchment of any employees. The employees have been retrained to adapt to and absorb new technology.

It has to be emphasised that *The Hindu* has always been leveraging technology as a strategic element in its growth and as a tool to deliver a quality paper and service to its readers.

Quality service initiatives

In a country of vast distances like India, newspapers have always had to grapple with the twin problems of time and distance. *The Hindu* started venturing out of its city of publication many decades ago only by rail and by surface transport. Apart from the delays in the receipt of the newspaper copies, it had to print only an evening or 'dak' edition as it was called in those days.

In September 1963, in order to effect speedy delivery of copies to its far-flung readers and to ensure that the news it purveyed was "hot" in the hands of all its readers, *The Hindu* took a bold, unique, unconventional and a far-reaching step. It started operating its own fleet of planes to carry its copies to major cities of southern India in the wee hours everyday. This path-breaking step, which even formed the basis for a case study in some of our leading business schools, helped greatly in widening and spreading its readership base.

Simultaneously, it also pioneered a distribution system of contract surface transport vehicles to carry its copies to the remote areas and towns of its far-flung south Indian market before the break of dawn.

A striking feat, in the nature of a coup, was achieved by *The Hindu* in November 1963 when it was able to recall its aircraft already on its flight with its usual newspaper copies, and then despatch newly-printed copies of the newspaper carrying the news of the assassination of the U.S. President, John F. Kennedy.

It carried on its aircraft operations for a few years till load constraints and mounting operating costs led to a more efficient strate-

gy. Starting in 1969 and through the 1970s, *The Hindu* put in place remote editions using page facsimile transmission from its central location in Chennai.

The Hindu's sales and distribution network has over 4,600 newsagents, over 250 surface transport routes and rail and air services, where required.

Reader feedback

Market information and readers' feedback are an important input for *The Hindu*. Apart from the feedback captured through the sales force, market research through independent market research agencies is conducted periodically either across its markets or in specific markets. In addition, *The Hindu* participates in National Readership Surveys that are conducted on an industry-wide basis through apex bodies.

What needs to be greatly highlighted are the emotional bond and the empathy *The Hindu* has with its readers. The readers are so involved with the paper as to treat it as their own. And they spontaneously react to any changes brought about and offer their views on almost all matters concerning the newspaper or public issues.

Advertising and sales promotion

Gone are the days when it was considered that *The Hindu* or indeed any newspaper could sell on its name or reputation alone. In today's highly competitive marketplace a consumer goods approach to marketing is being adopted by *The Hindu* now. In recent years, *The Hindu* has taken recourse to advertising and publicity extensively and outdoor medium or the billboard is largely used. *The Hindu* also gives special thrust to sales promotion.

Sponsorships of events such as sports tournaments, particularly cricket, collegiate activities, quiz competitions, painting competitions for children under the banner of the 'Young World' supplement, advertising club programmes, seminars and similar activities are also undertaken to identify with issues and activities which would enhance the salience of the newspaper.

The Hindu has found participation in book fairs in various parts of the country to be a good activity for generating exposure and publicity.

A big strategic initiative

Till the 1990s, the growth rate of Indian newspapers was by no means spectacular and so was the case with *The Hindu*. Things changed in the wake of the economic liberalisation launched in the early 1990s when restrictions relating to newsprint imports particularly were eased.

Riding on the crest of the economic boom between 1992 and 1996, newspaper advertising volumes and revenues reached new heights and newspapers also at-

tained new levels of growth in their circulation. With cover prices of newspapers remaining unchanged, their advertising rates were increased steeply and frequently. Newspapers also made increased investments in technology, product improvements, improved colour and new supplements and started new editions to spread their geographical reach. *The Hindu* gained momentum as well.

Its main section had only 16 pages every day and it was uniform across all its editions. A major characteristic of *The Hindu's* different editions is the uniformity in quality and content and the predominant number of common pages. Only one page was allocated for local and regional news in each centre and there was just one item on Page One that had local flavour or

The elements of this strategy were put in place by March 1994. The printing capacity in all its printing centres was augmented to print 24 pages in the main section every day. When the regional and other coverage had to be altered to give the readers a more comprehensive fare, the restrictions imposed by a centralised production set-up and facsimile transmission of made-up pages required a major change. Computerised page make up and remote imaging at the remote locations were introduced. This facilitated greater zoning of editions to make them more regional and centre specific. On an average, about 100 different pages of different editions are produced every day.

The major handicap earlier was the sub-editor or the news editor concerned sitting at Chennai not being sensitive or clued into or close enough to the happenings at various regions and to the sensibilities and aspirations of the readers for knowing more about the world around them. A major step at partial decentralisation resulted in positioning regional news editors and sub editors at the different printing centres to decide on and make up the regional pages at the respective centres instead of at Chennai.

Simultaneously, in addition to a target oriented, dynamic sales approach, an extensive advertising campaign was also launched to create awareness of these moves.

The results of the multi pronged strategy have been excellent. *The Hindu's* circulation which was 4,77,253 copies (July-December 1993-ABC) now stands at 9,33,458 copies (January-June 2003-ABC).

As was the case with the venerable *New York Times* a few years ago, *The Hindu* was almost the last bastion in India to fall to the inexorable invasion of colour into its

to be interesting and compelling not only to retain its present readership base but more importantly to attract the attention of the next generation, which is variously described as Generation-X, the MTV generation and so on.

While strong content and improvements in editorial quality would continue to be the prime drivers of growth, innovative and proactive approaches to new technology, to marketing, both in respect of advertising and circulation, and quality customer service would be called into play as good measure to provide that extra edge.

The Hindu will undoubtedly have to become even more reader friendly and contemporary. More frequent market research would become necessary to change, innovate and respond to people's aspirations.

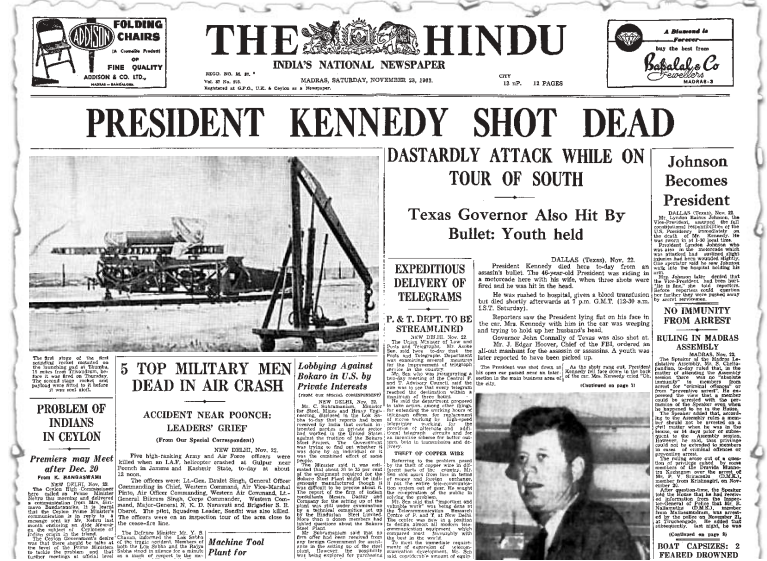
Internet publishing will have to be developed and expanded in more interesting, interactive and innovative ways.

Looking ahead, I would refer to some of the major challenges facing the newspaper industry in our country —

- to retain its share of overall adspend at over 50 per cent as at present;
- sustaining the long term viability of newspapers;
- to attract the younger generation to read newspapers.

The share of print advertising in the overall adspend, which was 56 per cent about five years ago, has now come down to 52.7 per cent. While the share of TV advertising has been going up, the explosive growth of satellite television has also resulted in fragmentation of viewership.

The long-term viability of many newspapers in India is somewhat uncertain. Both intra media and in-



To carry news of the U.S. President, John F. Kennedy's assassination, The Hindu's aircraft, already in flight, was recalled and newly-printed copies were despatched.

press in South India and modern Linotype composing machines. *The Hindu* was a pioneer in newspaper technology even then.

The Hindu continued to progress. Run by a partnership firm of Kasturi Srinivasan and Kasturi Gopalan, the sons of Kasturi Ranga Iyengar, it was converted to a private limited company in 1940. It became a public limited company in 1959 when debentures and redeemable preference shares were issued to finance its modernisation. These were redeemed in due course and Kasturi and Sons Limited, the company publishing *The Hindu* and its sister publications, became a totally family owned company.

The media scene, particularly the print media scene, now is a far cry from the environment in which *The Hindu* had been functioning for most part of its existence. The changes have been particularly far-reaching in the last ten years.

Newspapers are not only facing stiff intra media competition but have to compete with the electronic media as well. From one satellite channel in 1991, there are over 75 channels now beaming an array of programmes.

The advertising pie in India expanded rapidly in the wake of the economic liberalisation policies embarked upon by the country in the early 1990s. However, the last two years have witnessed a sharp slump in advertising volumes as a result of the slowdown in the economy as a whole. The print medium is still the dominant medium for advertising with 52.7 per cent of the total ad spend of Rs. 9,500 crores in 2002 while television's share was 38.7 per cent. Starting from a much lower base, the rate of growth of TV's share has been higher in the last ten years while the share of print has come down from 63 per cent in 1993. It has to be noted that the growth in aggregate adspend has tapered off since 2000 largely as a result of the severe advertising downturn.

It would be interesting to note that Indian newspapers are amongst the lowest priced anywhere in the world. This gross under recovery of costs from the selling price automatically places unduly high reliance on advertising for not only covering direct costs and overheads but also to provide for newspapers' profits and investments in product improvements, in technological upgradation and also in marketing initiatives. And when

successful and respected newspaper? What are the strategies behind its success? And how is it poised for the future?

At the time of India's Independence in 1947, *The Hindu's* circulation was 65,000 copies and it is now over 9,33,000 copies.

Its continuing quest for high quality standards — in journalism, in publishing and printing technology and in its marketing and distribution, in short, in all facets of its activities — has been the *sine qua non* of its success.

Quality in journalism

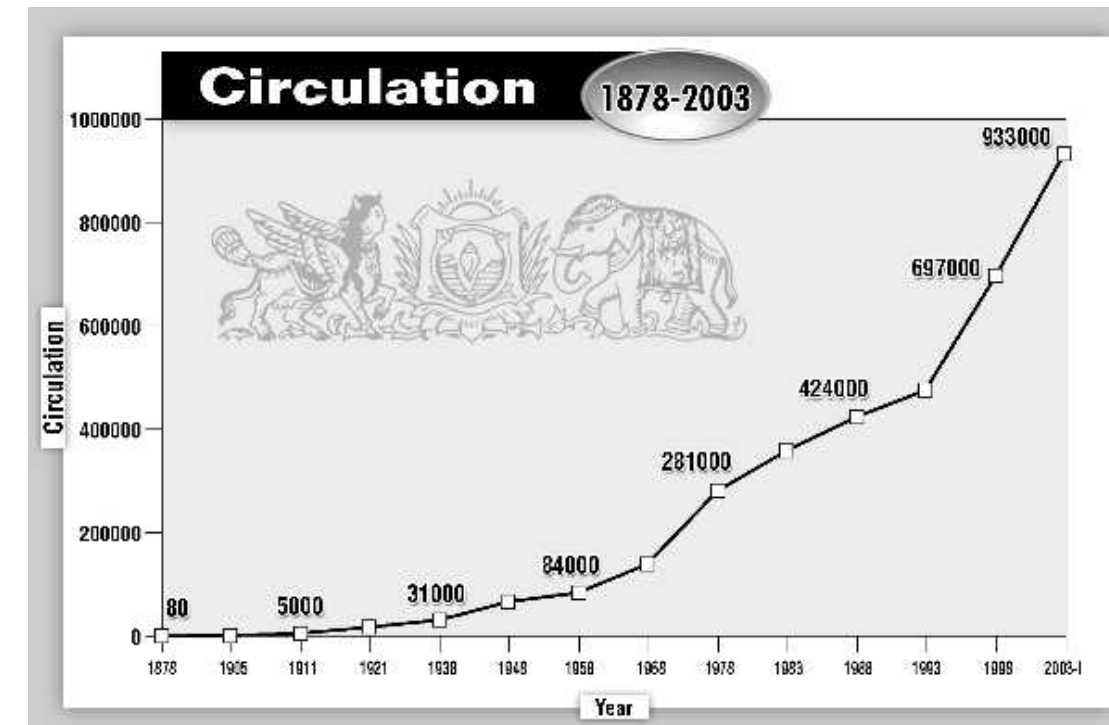
Over the decades, *The Hindu* has been striving to continuously uphold and practice the highest standards in journalism. It has tried unwaveringly to adhere to the core journalistic values, of pursuit of truth without fear or favour, fairness, objectivity, authenticity, independence and a sense of balance.

The Hindu's independent editorial stand and its reliable and balanced presentation of news have won for it the serious attention and regard of the discriminating sections of the people over the years. The tradition of *The Hindu*, built over 125 years, is the tradition of dependability. Its national perception and outlook have made it a national institution spanning several generations. A leading commentator even described it as "a national voice with a southern accent".

The Hindu has won national and international acclaim. In 1965, *The Times*, London, chose *The Hindu* among the world's ten best newspapers, when it ran a series of articles on the newspapers of the world. In 1968, it received the World Press Achievement Award of the American Newspaper Publishers' Association Foundation.

The Hindu is a pioneer in quality journalism. It has spared no efforts and resources in investing in quality journalism, in spreading the width and depth of its coverage by having editorial offices and correspondents across the world and across the length and breadth of India. In addition, it has reproduction arrangements with leading international newspapers, such as the *New York Times* and *The Daily Telegraph*, news organisations and photo features and agencies such as Reuters, AP, and Getty Images among others.

It is among the earliest mainline dailies in India to give value-additions in the form of specialised sup-



relevance and was changed suitably in the respective editions.

One of the criticisms and also a major element of feedback from readers conveyed both through our sales personnel and market research was that *The Hindu's* coverage of local and regional news and happenings in the various editions was highly inadequate and it was perceived to be Madras or Chennai-centric. It was also realised that the space available in the main edition, consisting of only 16 pages, was grossly inadequate to cater to the demands and aspirations of our readers for not only increased local and regional coverage, but international, national, sports and business coverage as well.

Simultaneously, *The Hindu* felt the need to re-structure and re-strategise its advertising policy and rates. *The Hindu's* advertising base, and indeed its backbone, consisted of common advertisements for all the southern editions at combined rates. No split runs were being allowed.

It became clear that at a time when media planning was becoming increasingly sophisticated with the use of more scientific tools, and greater accountability for media adspend was demanded by advertisers, *The Hindu* could not continue carrying all its advertisements on the pattern it was used to all along. There was the need for a paradigm shift and increasing segmentation, including the need to carry a larger proportion of regional advertising in its various editions. Thus was formulated a policy of carrying more regional advertisements along with more regional editorial coverage. Before 1994, the proportion of regional advertising revenue was less than 5 per cent of the total advertising revenue. Now, it is just over 40 per cent.

In 1993, an integrated multi pronged strategy was crafted. The key elements were: move to 24 pages in the main section for a more comprehensive editorial coverage; fill the content gaps perceived; zone editions to the extent possible; provide more space for advertising in the main section, particularly regional advertising, and re-structure circulation/sales for a more aggressive growth.

main section. Daily colour was introduced, first at Chennai in November 1999 and later in the other editions. It may, however, be pointed out that the present page level in the main section has come down to 20 in the wake of the advertising downturn of the last two years as is the case with the other mainline newspapers.

The Hindu network

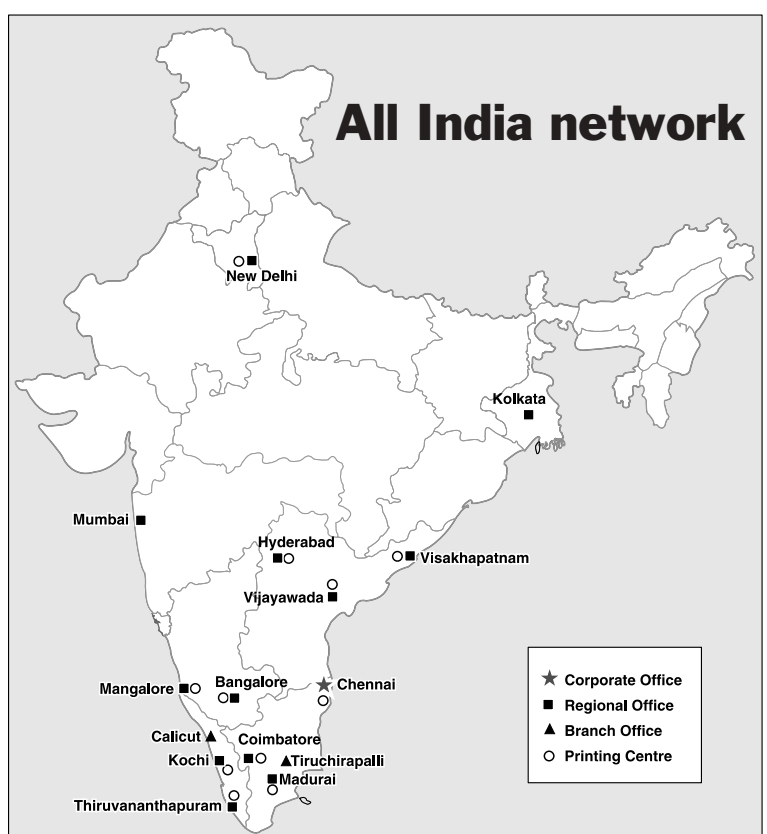
The Hindu is by far the largest English newspaper in Southern India which is its turf. Its largest edition is, of course, printed in Chennai. It has editions at ten remote printing centres: Bangalore, Coimbatore, Hyderabad, Kochi, Madurai, Mangalore, Thiruvananthapuram, Vishakhapatnam, Vijayawada and New Delhi.

There are almost 3,200 employees working in all the units put together. *The Hindu* is fortunate to have a talented pool of loyal employees who constitute its priceless assets. A major contributory factor that has sustained *The Hindu's* success over such a long period is the goodwill, support and the trust of three generations of its major stakeholders — employees, newsagents and its readers. The support from the advertisers and advertising agencies too has been splendid.

The Hindu was the first newspaper to go on the net in 1995. There has been a continuous improvement of the content since then, mainly as a result of the feedback from its readership worldwide and much more needs to be done. Apart from the comprehensive daily edition, the online edition has periodic news updates through the day. The online version of *The Hindu*, as in the case of the other Indian newspapers, is in a happy situation of primarily having readership of Indians residing abroad. It has not yet cannibalised the readership of the print version in its home market.

Challenges and opportunities

As it approaches its 125th anniversary, *The Hindu* is not resting on its laurels waiting for change to happen. As competition becomes increasingly fierce and lifestyles and habits of people change profoundly, the challenge for an established newspaper like *The Hindu* is



(The author is Joint Managing Director, Kasturi & Sons Ltd.)