



Part 4

Mixed Bag: Lessons For Responsible Business

Chapter 7:

Indian Media: A Heady Cocktail of Paisa, Politics and Power

- Joyjeet Das¹⁴³

‘Whoever controls the media, the images, controls the culture’, said Allen Ginsberg. And that ‘culture’ can encompass our being: our living, thinking, choices; our politics.

Increasingly, the media – what we read, see and hear – is turning into a mishmash of things: A song here, a can of fizzy drink there, and a heavy dose of melodrama almost everywhere. And in the middle of all this, news fights for its space. No wonder then that it seems that some journalists bank more on their lungs than their professional acumen. They must match the melodrama, after all.

If you pause to think, you will be forced to wonder how journalism is holding its own in the melee. But, is it really holding its own? It becomes difficult to tell in this era of ‘infotainment’. There

is no doubt that the reach of the news media is increasing: despite predictions to the contrary and rising costs, newspapers have been adding readers and expanding their reach; news channels have mushroomed – a phenomenon that is now being seen on the internet with the websites dealing in news.

The ‘consumer’ of ‘content’ is now spoilt for choice. But what about quality? Is the reader / viewer being served information with objectivity, with all angles covered? It is hard to tell. With rising corporate stakes, it is only getting harder to tell.

The ‘business’ of journalism

First things first: journalism is an expensive proposition, apart from being risky. The morning newspaper that you get for Rs 5 can cost about Rs 25-30 to print. Producing and broadcasting news on the TV is a matter of crores of rupees. Yet there are so many players in the Indian news sector. Judging by the clout, most of them are organised business houses, several listed publicly but many others not. Nothing surprising in that perhaps, considering the global trend. But the fact is that the biggest mastheads are not about committed journalism alone. They are a tapestry of corporate decision making, about profits and losses, the interests of investors and advertisers; and, perhaps, also about the powers that be.

The situation assumes more importance because, of late, several senior journalists have complained about the lack of a free hand to work¹⁴⁴. Earlier, there were allegations of governments using their advertisements to stymie criticism¹⁴⁵. There have also been accusations of the news media being

more-than-willing to tailor and tweak its news for the right price¹⁴⁶.

Their corporate structures have also not been the best examples of transparency. All this calls for a hard look into different aspects of the Indian news media – one of the most influential in the world, going by its sheer reach.

Mapping the consumers – reach of Indian Newspapers

India’s 1.3 billion-plus population is an important factor in understanding the media metric. It’s just a matter of time when the country pips China to be the most populated in the world. For journalists, it is a challenge to cover this vast number and to ensure dissemination of the information it collects. For the corporates, however, it comes as an opportunity – more heads to influence and more people to sell to. In effect, more profit to make. So when journalism becomes

increasingly dependent on the corporate structure, it is but natural to be cautious.

If one looks at the demand side, the temptation of India Inc is understandable. The latest Indian Readership Survey (IRS)¹⁴⁷, claimed to be the “world’s largest continuous study”, projects a decisive trend of upward mobility among India’s households.

It lists:

- More people are opting for (more expensive) English-medium education for their children
- Most states have above 90 per cent electrification
- Nine out of ten households own a mobile phone now
- The number of homes with air-conditioners, washing machine, refrigerators, two-wheelers, colour television sets, gas stoves, ceiling fans, even agricultural land have all increased between 2014 and 2017

Why is a readership survey interested in such matrices? To demonstrate how big a market it is out there and what kind of a clout the Indian media holds on that market: the survey pegs the population of Indians above the age of 12 at just over a billion. And according to it, 39 per cent of that population – around 407 million – has read a newspaper at least once in the last one month (i.e. November 2017). The windfall is bigger for the electronic media – three out of four said they watched TV in the same period. Readership of online editions also rose – up to a quarter in the toniest parts of the country.

The reach of the media in such a market becomes extraordinary: Dainik Jagran, which tops the IRS chart, was found to have a readership of 70 million. To put it into perspective, only 19 countries have a population larger than that.

Together, the top 20 mastheads in the survey notched up a readership of 433 million – more than the number of people in the United States.

The Audit Bureau of Circulation (ABC) data backs these figures up. For July-December 2017,

Dainik Jagran and Dainik Bhaskar sold more than 4 million copies on an average. There were only three newspapers in the world – the Yomiuri Shimbun, the Asahi Shimbun (both from Japan) and the USA Today – ahead of these two in 2016, according to the World Press Trends report by World Association of Newspapers and News Publishers¹⁴⁸.

In fact, India has led total circulation figures from the start of this decade (330 million a day in 2011), displacing China. Seven of top 20 titles in the 2016 list were from India. Considering increased circulations, that number might be more now.

The top 20 newspapers in India totaled a circulation of about 36 million. Here, it needs to be kept in mind that every copy circulated – i.e. that is bought at the cover price – is generally accessed by multiple readers. That is why there is a difference in the readership and circulation figures released by IRS and ABC.

Considering that the total number of copies certified by ABC stood at 53.7 million, saying the top 20 had a lion’s share of the pie would not be an overstatement.

Television viewership and the rat race for eyeballs

Impressive as they might be, these numbers actually start to pale when you compare them with viewership of television news channels. According to the latest data by Broadcast Audience Research Council of India (BARC), Aaj Tak, the most popular of them all, alone recorded 118.7 million impressions in one week (15-21 September 2018). The top five Hindi news channels would add up to about four times that number.

While other news channels in other languages could not match the clout of Hindi, the top ones in Telugu and Tamil each still managed about half the viewership of their heartland counterpart though English lagged behind.

Impressive? Here’s the twist in the tale: When it comes to overall viewership, none of them figured in the top 10 list of television channels, which includes all types of programming. In fact, at No.10, Sony Entertainment Television had

nearly 595 million impressions – more than five times that of Aaj Tak. Sun TV led the pack with a staggering 1 billion.

What this means is that news channels are that much on a backfoot when it comes to seeking advertisements. And like it or not, the ads are what keeps the wheels of the news media running.

Consider this: Jagran Prakashan Ltd, whose Dainik Jagran topped both the circulation as well as the readership charts, reported a revenue of Rs 1,686.6 cr from advertisements in the 2016-17 financial year. From circulation, however, its revenue was only Rs 432.5 cr – way less than the company's operating profit of Rs 639.5 cr. Clearly, the cover price – Jagran typically sells for Rs 5 a paper – was just not enough. The circulation really pales in comparison with the company's total expenses of Rs 1,475 crore.

The story remains the same with Jagran's arch-competitor DB Corp Ltd, the publisher of Dainik Bhaskar: Of a total revenue of Rs 2,275 cr, advertisements brought in 1,597 cr. Smaller players would get a smaller slice of the ad-pie but the model holds considering that no newspaper can price itself at operating-cost levels.

In case a conflict of interest arises regarding the interests of advertisers and objective reporting what is the process of resolution? There is hardly any information in the public domain regarding this. Considering reports of elected governments, which have been important sources of advertisement revenue for the media, turning the cash tap off to make the Fourth Estate fall in line, a worrying premise emerges.

For those in the electronic media, the question of a cover price would hardly even arise, putting them almost completely exposed to the advertising market. TV Today Network, which runs only news channels unlike other peers that have a bouquet of products like entertainment and sports channels, posted a profit of Rs 107.9 cr for the same year, compared with Jagran's Rs 316.1 cr. Though its expenses were also less than the publisher's, it must be kept in mind that electronic ventures can involve big-ticket costs initially.

While these numbers were easily available because they are from publicly listed companies, the same is not the case for many other media houses that are privately held. There, however, is no reason to believe that their revenue and expenditure patterns will be starkly different. Bennet Coleman and Co Ltd (BCCL), which runs market leaders the Times of India and the Economic Times, is not listed on any stock exchange. Media watchdog the Hoot pegged BCCL's consolidate revenue at Rs 9,976 cr and consolidate profit at Rs 1,292 cr for 2015-16 – a year in which the Financial Times, London, called it India's largest media conglomerate¹⁴⁹.

Those numbers outshone the performances of even diversified TV companies like Zee Entertainment Network and Sun TV Network, something that the Hoot report put down to “diversification into a variety of non-print media and ploughing its surplus cash into many venture-fund like investment bets¹⁵⁰.”

The company, among others, has been known to enter into corporate holdings and vice-versa, triggering questions about their effects on the journalism coming out of its stable. For example, many many times, such media houses have taken positions, especially on matters of economic importance – openly favouring “liberalisation”, “globalisation”, “divestment” of government assets, etc. One wonders if they were all editorial calls.

Like Bennet, Amar Ujala Publications Ltd, Daily Thanthi Pvt Ltd, Lokmat Media Pvt Ltd, Rajasthan Patrika Pvt Ltd (which also holds Patrika), Malayala Manorama Co Ltd, Ramoji Group (Eenadu), Neutral Publishing House Ltd (Prabhat Khabar) – all in the top 10 of the IRS table – and countless others were privately held companies. On the electronic side, the same was the case for ABP Group (which also runs the Ananda Bazar Patrika), Independent News Services Pvt Ltd (India TV), ARG Outlier Media Asianet News Pvt Ltd (Republic TV) and others.

The ‘politics’ of journalism

With Republic TV, we come to an interesting junction. Arnab Goswami, the leading English news anchor of the day, whom some considered to be India’s answer to the ‘Fox style of journalism’, stepped out of Times Now, the channel that made him (and vice-versa?). There were rumours about all not being well between him and the management there and about him launching his own channel – nothing unusual there, but who would fund the new venture?

That was in 2017. Enter Rajeew Chandrasekhar, renowned businessman who even headed the Federation of Indian Chamber of Commerce and Industry (FICCI) at one point. It could have been just another business area for Chandrasekhar had his political leanings not been pronounced by the last general elections. Expectedly, the channel started with more than a leaning towards the right, with Goswami almost outdoing his previous avatar.

Earlier this year, Chandrasekhar, already a Rajya Sabha member, joined the Bharatiya Janata Party and now heads the National Democratic Alliance’s Kerala chapter. Goswami, meanwhile, swears by the neutrality of his channel.

Welcome to the new mix of press, power and *paisa* – a heady cocktail.

Chandrasekhar and the Republic TV are not the only examples. Across the country, several politicians have been involved in the media. To be fair, the Indian politician’s foray into journalism was a part of the independence movement, too. Gopal Krishna Gokhale did it, Mahatma Gandhi did it as did several others. For them, it was a tool for propaganda and they were upfront about it. Several party organs (Shiv Sena’s Saamna, the Communist Party of India (Marxist)’s Deshabhimani, etc) continue that tradition.

But several of the current examples are unlike those. These are regular media houses where influential politicians or their kin are involved.

Often, they are super rich, as is increasingly the case with the Indian *netas*. The board of Sakal, the second-biggest Marathi daily, is studded with relatives of Nationalist Congress Party supremo and Maratha strongman Sharad Pawar – his brother Pratap Pawar, daughter Supriya Sule, nephew Abhijit Pawar.

The editor-in-chief of Lokmat, which outperforms Sakal, is Congress Rajya Sabha member Vijay Darda, whose name has figured in irregularities regarding coal block allocations.

Chennai-based conglomerate the Sun Group, which controls influential print and electronic media products in Tamil, Telugu, Malayalam and Kannada, is controlled by Kalanithi Maran, whose father Murasoli Maran and brother Dayanithi were both Union ministers and senior DMK leaders.

Of late, the journalistic fraternity in the Capital has been abuzz about a certain senior Congress leader trying to back a new media venture in tandem with a popular face. Then there are numerous instances of former editors joining political parties, even becoming ministers or entering Rajya Sabha with their backing. There is a perceived interest in media which seems to increase among our politicians whilst, simultaneously, they add more and more crores to their kitties.

At the same time, the sector has also drawn the interest of business barons who have not been traditional investors in media. The biggest example, of course, is Mukesh Ambani – the richest Asian and the chairman and managing director of Reliance Industries, which controls Network 18 and the ETV Network that have a wide footprint across several languages in the electronic and new media.

Shrinking space for independent media

The muscle and clout of the political and business classes and the over-dependence on advertisements have arguably left little elbow room for small but dedicated media houses, especially those run by journalists or editors themselves. Add to that intimidation, even murder (remember Gauri Lankesh?), and you have a gloomy situation for independent media.

Of late, a lot of hope has been riding on the new media – the web, which requires relatively less investment. The optimism stemmed from the way the western media embraced Internet (read: survival strategy). There have been several promising starts in the last half decade in this space, some led by well-known editors, with others being the enterprise of greenhorns.

It's not all smooth-sailing though. A few big corporations, who are important channels for those wanting to get noticed, largely control the Internet. To succeed there is increasingly becoming a costly proposition even as the wave of fake news is threatening to turn into a tsunami.

E-commerce has also shown a distinct tendency to favour the first mover – be it Uber (ride-hailing app), AirBNB (letting out) or Zomato (restaurant directory). There aren't enough reasons to believe the same won't happen in the news space.

On top of this, the 'legacy' media – existing players – has moved in with all its might to exploit dotcom. Some have been around for nearly two decades now and are clearly ripping first-mover advantage. BCCL's umbrella site www.indiatimes.com has consistently been the top media site on the charts (No. 19 on SimilarWeb; #11 on Alexa), followed by similar entities such as NDTV, TimesofIndia.com, Indianexpress.com, Thehindu.com and Hindustantimes.com. Pure-play web media like the Scroll, the Wire or the Quint lag behind them despite generating quite a buzz in recent years.

Already there are signs of the so-called legacy media grouping up: In September, 10 big traditional media houses joined hands to form the Digital News Publishers Association, raising eyebrows among the web-only tribe¹⁵¹.

In such a scenario, what is the way forward for independent media? Nobody seems to have a clear answer to that. But in the face of growing corporatisation of media, increasing interests shown by career politicians and their kin and raising stakes, it is imperative to keep a close watch.

143. Independent journalist

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