



## ***The Indian Express: Reinvention through Digital Business***

In September 2017, the Express Group (henceforth Group), one of India's largest newspaper groups, amidst huge fanfare, unveiled a new mobile application for its recently launched regional language website in Malayalam (iemalayalam.com). In the presence of eminent dignitaries from the world of politics and media, the Group's Executive Director, Anant Goenka, reiterated his vision of widening the Group's reach to the readers of more regional languages. By April 2018, two more vernacular language websites—iebangla.com in Bengali and ietamil.com in Tamil—were added to the Group's portfolio. These new launches were the manifestation of their strategy to expand its reader base beyond English, Marathi and Hindi readers by leveraging digital technology.<sup>1</sup>

Ramnath Goenka, in response to Mahatma Gandhi's call for an English newspaper in support of India's freedom movement, founded the *Indian Express* in 1932. At that time, most of the press was owned by either British companies or Indian promoters who were indebted to the British Raj. The *Indian Express* presented British atrocities to the English-speaking audience in India and around the world and persistently published intelligent arguments in favour of Indian independence. After Independence, the newspaper continued its philosophy of fearless and independent journalism under the leadership of Ramnath and later his grandson, Viveck Goenka.<sup>2</sup>

By 2012, the landscape of the news industry had changed. Readers had options to read news on digital devices such as smartphones, tablets and smartwatches or watch live news on television. Anant, Viveck's son, was given the responsibility of leading the digital initiative of the Group in 2012.

Over the next five years, the digital business achieved several milestones. By July 2017, the Indian Express Group became the second-largest digital group in India (Exhibit 1) with 56 million unique visitors a month. While the milestones were reassuring, the business and profitability models were new and immature. News publishers around the world faced a huge challenge to adapt to this change and transform into multiplatform news publishing companies. The Group was no different. The competition was not limited to just media houses. The growing popularity of other platforms like YouTube, Facebook, etc., posed a formidable threat in terms of scaling opportunities.

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<sup>1</sup>India is a diverse country with 29 states and 22 national languages. Bengali, Malayalam, Tamil and Marathi are languages spoken mainly by people residing in the states of West Bengal, Kerala, Tamil Nadu and Maharashtra, respectively. Hindi is spoken by people across many states in India.

<sup>2</sup>In 1991, Ramnath formally adopted his daughter Krishna Khaitan's son as his son and nominated heir.

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Cases of the Indian Institute of Management Ahmedabad are prepared as a basis for class discussion. Cases are not designed to present illustrations of either correct or incorrect handling of administrative problems.

Fortunately, the Indian market promised enormous potential. In 2016, out of India's population of 1.28 billion, 64.7% was between 15 and 59 years of age.<sup>3</sup> This high percentage of the adult population was already in the workforce or about to join in the next few years. India's demographic dividend, political and economic stability and household savings culture promised consistent and high growth of the economy. The Indian newspaper industry was also growing with 114,820 publications as on March 31, 2017, and had a total circulation of 488 million copies.<sup>4</sup> Around the same time, 39% of the Indian population read newspapers.<sup>5</sup> Digital news consumption was also growing among the young population. In July 2017, ComScore reported that 92% of Indians in the 25–34 age group consumed digital news/information content.<sup>6</sup>

In 2017–2018, Indian Express Digital (henceforth IE Digital) clocked revenues of INR 0.507 billion, and the management was confident that they would reach INR 2.5 billion in the next four years on the back of several newly launched digital properties.<sup>7</sup> However, the team had much higher aspirations of building a digital business with a turnover of INR 10 billion in the next seven to eight years. It was an ambitious agenda for the team, and there was uncertainty about formulating the next set of strategic initiatives to catapult the digital business to the next orbit.

### Early History and Strong Identity of Independent Journalism

Post Independence, the editors of the group maintained the highest standard of journalism and did not shy away from publishing articles criticising governments and their policies. For example, they played a key role in reporting the Bofors scandal, published a series of articles to fight against the Emergency and exposed a tax fraud by a leading industrial house. The newspaper left its editorial section blank on June 28, 1975 as a sign of protest against the media censorship imposed during Emergency.<sup>8</sup> This image became an icon of protest against press censorship around the world.

The Group launched a Marathi daily newspaper under a new name of *Loksatta* on January 14, 1948. It gained immediate popularity for its extensive coverage of the assassination of Mahatma Gandhi on January 30, 1948. It remained the largest-circulating Marathi newspaper for many years, published from multiple locations, namely, Mumbai, Pune, Nagpur, Ahmednagar, Aurangabad and Delhi. By 2018, it had a total readership of 3.5 million and was one of the most widely read Marathi newspapers in India, particularly in Mumbai.

As India shifted focus from an agrarian economy to investment in industrialisation, the Group launched the first-ever business newspaper, *The Financial Express*, in 1961. It was the first

<sup>3</sup> Retrieved from

[http://www.censusindia.gov.in/vital\\_statistics/SRS\\_Report\\_2016/2.%20Figures%20at\\_a\\_glance\\_\\_2016.pdf](http://www.censusindia.gov.in/vital_statistics/SRS_Report_2016/2.%20Figures%20at_a_glance__2016.pdf) on March 15, 2018.

<sup>4</sup> Registrar of Newspapers of India, 2016–2017. Chapter 1, General Review. Retrieved from [http://rni.nic.in/pdf\\_file/pin2016\\_17/pin-01.pdf](http://rni.nic.in/pdf_file/pin2016_17/pin-01.pdf) on March 15, 2018.

<sup>5</sup> Indian Readership Survey 2017. Retrieved from

<https://mruc.net/uploads/posts/a27e6e912eedeab9ef944cc3315fba15.pdf> on March 15, 2018.

<sup>6</sup> Retrieved from <https://www.comscore.com/Insights/Rankings/comScore-Reports-Top-News-Information-Digital-Media-Entities-from-Desktop-Computers-and-Mobile-Devices-in-India> on March 15, 2018.

<sup>7</sup> Approximately USD 7.5 million. 1 USD = INR 67 as on June 1, 2018.

<sup>8</sup> The newspapers openly challenged the Indira Gandhi government during the 21-month-long Emergency.

newspaper in this genre and over the years, it has acquired huge patronage among readers as a highly reputed financial daily.

In the ensuing years along with its sister newspapers, the *Indian Express* and its founder, Ramnath, gained a prominent place in the world of Indian journalism. An illustrated weekly in the 1980s named Ramnath as one of the 10 most influential people in India. In 2000, the magazine *India Today* named Ramnath in their list of "100 People Who Shaped India". In the early 1980s, Viveck, grandson of Ramnath, joined him in running the newspaper group. After Viveck joined, the Group took another leap of expansion, and in 1983 launched the Hindi newspaper *Jansatta* to target readers in the northern belt. Ramnath passed away in 1991, and four years after his demise the Group split between Viveck and his cousins. As a result, a new company, Express Publications (Madurai), was formed. It held the rights to circulate the English daily in five southern states under the name of the *New Indian Express*, while the Group had rights of circulation in the rest of India.

By early 2000, the Group had a complete offering with the English daily, the *Indian Express*; Marathi daily, *Loksatta*; Hindi daily, *Jansatta*; and English business daily, *The Financial Express*. The *Indian Express* brand of journalism had earned a respectable position in the Indian news media. In 2018, it became one of the most-read English news dailies in India (Exhibit 2).<sup>9</sup>

### Genesis of Digital Business

At the turn of mid-2000, driven by developments in technology, the news industry saw a tectonic shift in the reading habits. People, in general, started spending increasingly more time on various digital media—smartphones, tablets and personal computers—for professional and personal reasons. Furthermore, smartphones led the movement of *infotainment* taking over entertainment and information.

Nandagopal Rajan, Editor, New Media, summarised the situation in a personal interview as follows:

The news consumer had shifted base from the cosy living rooms to just about everywhere. An average consumer was pressed for time in between the long commutes to work and erratic working hours and didn't want to devote an hour and a half to read the newspaper in mornings as was the norm for almost a century. The traditional print medium was gradually being considered inconvenient to read on modern commutes like cars and metros. The convenience and attractiveness of a colourful mobile screen offered much superior experience than a traditional and dull-looking newspaper by several yards.<sup>10</sup>

Worldwide, the impact of these trends on the newspaper industry was not positive. The newspaper circulation and print advertising revenue started dropping (Exhibit 3). While the Indian market was insulated from global trends, it was soon expected to mimic advancements in the developed countries. The number of smartphone users was increasing, and as per a

<sup>9</sup>IRS numbers were hugely contested by the newspaper industry in terms of credibility. It was sued by multiple media groups in the past.

<sup>10</sup> Interview of Nandagopal Rajan with the authors, September 29, 2017. All quotations by Rajan cited in this case are from this interview.

report by Zenith Media, it was expected to grow to 530 million in 2018.<sup>11</sup> India was also one of the fastest-growing countries in mobile internet penetration. As per a report by Cisco, the number of mobile internet users would increase to about 829 million in 2021, covering 59% of the Indian population.<sup>12</sup>

The *Indian Express* responded proactively to these developments, and in 1994, during the dial-up internet era, Viveck led the Group's foray into digital publishing by launching the news website [expressindia.com](http://expressindia.com). Later, news websites of *Loksatta* in 2000, the *Financial Express* in 2001 and *Jansatta* in 2011 were also launched. While the opportunity was huge in the digital sphere, the initial success of the Group with a website-centric strategy was muted. By 2012, the [expressindia.com](http://expressindia.com) website was ranked 15th in terms of the number of visits, and it was clear that the company needed a completely different strategy.

Rajan described the challenge of offering news on a digital platform, especially on mobile devices:

On a mobile phone, a news website competes with ALL the other apps for a minute of consumer's attention. For news publishers, the consumer is the phone owner and consumer's location is the website/app she is on: Google, Facebook, Twitter, WhatsApp, etc. With almost no barrier to the entry for new players, the definition of news also expanded to include every possible event occurring anywhere in the world. Consumers still appreciated responsible and quality journalism, but sensationalism and convenient news had also found its place in this new arrangement. If number of hits were any measure of popularity, erstwhile page 3 news items were enjoying equal, if not more, attention.

In 2012, the responsibility of running the digital business of the *Indian Express* was handed over to Anant. Anant had graduated in brand management from the Marshall School of Business at the University of Southern California and went on to receive the Dean's scholarship for his Master's degree in print journalism from the Annenberg School for Communication and Journalism. He was young and understood the needs of modern readers. His education in the US had given him enough exposure to understand the digital platform and its opportunities as well as challenges.

Anant articulated the challenge of building a digital business as follows:

The buzzwords of the news industry are "latest news" and "news-on-the-go". Readers wanted the news as it happened, and the mobile devices answered this wish. The traditional model of newspapers, where all the day's news was collated at midnight for next day delivery did not fit the instant requirements of digital medium. Any news item could be picked by any player and presented as their own after slight modification. "Viral" was another buzzword in the digital news industry, and clicks were the most important yardstick to measure success of a news item. Popularity of a website changed every second. Competition was fiercer and much more urgent.<sup>13</sup>

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<sup>11</sup>Retrieved from [www.indianexpress.com/article/technology/india-set-to-have-530-million-smartphone-users-in-2018-study-4893159/](http://www.indianexpress.com/article/technology/india-set-to-have-530-million-smartphone-users-in-2018-study-4893159/) on March 15, 2018.

<sup>12</sup>Retrieved from [www.indianexpress.com/article/technology/tech-news-technology/internet-users-in-india-to-double-by-2021-says-cisco-4696154/](http://www.indianexpress.com/article/technology/tech-news-technology/internet-users-in-india-to-double-by-2021-says-cisco-4696154/) on March 15, 2018.

<sup>13</sup> Interview of Anant Goenka with the authors, September 29, 2017. All quotations by Anant cited in this case are from this interview.

## **Building a Digital Business**

### ***New architecture for digital business***

The task of building a new digital business had multiple challenges. To begin with, Anant had to decide whether to continue with the name the *Indian Express* or create a different brand name for the digital avatar of the newsgroup. While it was apparent that the IE Digital could not risk missing out on creating content around “ABCD” (Astrology, Bollywood, Cricket, Devotion) – topics that the internet audience was consuming the most – the brand name of the *Indian Express* had an image of serious journalism. Anant grappled with the question of whether carrying the *Indian Express* brand to the chic and modern world of digital news would be an advantage or would it turn into a liability. Eventually, the team decided to continue with the Express brand. The vision of responsible journalism was also embraced for the digital medium, but with a youthful flair.

### ***Launch of digital entailed huge investment in technology***

While all other major media houses were investing heavily in building their digital content management systems (CMS), the IE Digital team adopted a lean approach and partnered with WordPress VIP, a US-based open-source system, for managing all back-end CMS activities. This partnership decision turned out to be successful. The company offered a guarantee to keep the *Indian Express* website up and running without any downtime. The coverage of parliamentary elections in India in 2014 was set as an internal target to prove digital capabilities and also emerge as a major digital player. All product and technology teams worked tirelessly in the run-up to the elections, and the website clocked more than 80 million views on the counting day of the elections. The robust CMS support provided by WordPress ensured that the *Indian Express* team could focus on reporting and relevant content creation without worrying about technical issues or the worst case of a potential website crash. The litmus test of covering the elections and the ability to handle substantial website traffic not only proved the stability of the technology, but also increased the confidence of the young and relatively inexperienced in-house technology team.

Furthermore, the decision to outsource technology helped IE Digital to progress on a fraction of the technology budget of other news publishers.

Anant remarked:

We resolved technology investment dilemma by asking a simple question: Are we a news company or a technology company? The frugal approach worked for the organisation. The digital business was able to build a sustainable, cash positive online business by leveraging only a very small portion of the financial strength of the print business.

Anant commented with a lot of pride:

IE Digital is probably the only digital news business that never registered losses, not even in its initial days. While other media companies spent up to INR 100 million(USD 1.6 million) on their back-end system, we spent just INR 10 million (USD 0.16million).

As the team started rolling out digital initiatives, the internal organisational issues came to the fore. Employees with decades of experience in the *Indian Express* style of journalism were



reluctant to adapt to the pace of digital news. Given the speed with which news was reported on the digital medium, it was looked down by some traditionalists as unverifiable news. Some editors refused to be on influential social media platforms like Twitter and would often dismiss digital as an inferior medium. Faced with employees' reluctance to change, Anant formed a team of hand-picked, motivated journalists and digital experts to accelerate the growth of the digital business. Solid walls were enforced between the digital and print businesses—separate employees, separate management, separate financials. Employees who could understand the digital platform and sensibilities of new generation readers were recruited to bring in a change to the organisational mindset.

The marketing and monetisation of digital content also turned out to be tricky. The *Indian Express* already had a print advertising team. It was not clear whether having a joint sales team for both digital and print advertising would have any clear synergies and what would be the formula for distributing advertisement revenue between both. Although, initially, a joint team was formed, it was quickly disbanded after the management realised that the joint team lacked the niche skillset of selling digital advertisement and focused marketing push as most advertising agencies had already created separate media buying teams for digital and print.

### Scaling Up Digital Business

With the basic architecture of digital business—organisation, technology, content and marketing—in place, Anant's focus shifted to scaling up the business. In 2016, Sandeep Amar was appointed as the CEO of IE Digital. Sandeep had a rich experience of running a digital business. Before joining IE Digital, he was the CEO of India.com, a joint venture between Zee Entertainment and Penske Media Corporation. While IE Digital already had four products—indianexpress.com, financialexpress.com, loksatta.com and jansatta.com—the company decided to add new products in both news and non-news segments to spur further growth in the digital space. The strategy of adding new digital products in the non-news category was aimed at targeting young readers by building new brands around niche areas of food, health, women and technology.

Anant explained the rationale behind the strategy of targeting niches:

Let's take Cricinfo. Ideally, it should have come from the *Indian Express* sports bureau or *Times of India's* sports bureau or *Mid-Day's* sports bureau. But it did not. We missed an opportunity. We had it easy for a long time. Now, the innovations that we are seeing in the digital world, not one has come from the newspaper industry. A comfort zone has set in, and we have become risk-averse. We need to innovate.

In line with the strategy of expanding the portfolio of digital products, IE Digital launched several new products between 2016 and 2017: InUth.com, a millennial-focused content platform that adapted a video-first strategy to be discovered on social media platforms; Lifealth.com, a health and lifestyle platform; Evesly.com for the new-age Indian woman; Expressfoodie.com for food enthusiasts; and Techook.com, a digital platform to review smartphones. While Evesly.com and Expressfoodie.com had to be folded into indianexpress.com, most of the new products did well.

Before stepping down in August 2017, Sandeep seeded the strategy for targeting regional markets through vernacular content. IE Digital launched its news brand in vernacular

languages. The websites ieTamil.com, ieMalayalam.com and ieBangla.com were launched in April 2017, September 2017 and April 2018, respectively.

To ensure consistency of content across the print medium, new digital products in niche areas and vernacular offerings, the IE Digital team emphasised the philosophy of “Content Is King” and made it a non-negotiable principle of content creation.

Rajan articulated the challenge of creating synergies in content development:

The traditional news is written to be read at 6 am next morning but our readers want the news AS it happens. The traditional newspapers subscribed to the ideology of presenting the news that the editors thought the readers should read. Editors felt responsible to help their readers form opinions. Today, however, the reader wants to form his own opinion. He wants the news to be a factual description of an event. He does not subscribe to one media house's ideology. He wants the freedom to pick and choose. Readers no longer type “www.xxxxxx.com” to go to a news publisher's website for their news. Today, news flows freely, on social media, text messages and emails. A message pops up on a mobile and then the search begins. Today, the news is “googled”, discovered.

The key challenge was to create great content consistent with the premium image of the *Indian Express* for all its products. A new set of protocols and organisational expectations for content was created. First, the *Indian Express* must strive to be the first to break the news to the reader. Second, it must be there where the reader is: Google, Facebook, Twitter, WhatsApp, news aggregators, etc. Third, it must be active in building news items by publishing new content to enable discovery. Fourth, it must maintain its position as a premium brand and remain credible while striving to break the news first. Fifth, it must expand the definition of news to cover more genres and beats to satisfy the information requirements of readers.

IE Digital took concrete initiatives to sensitise its journalists about the key requirements of digital journalism. They were trained to give small bits of information instead of waiting for the whole story to develop and losing critical time to competition.

Raja remarked:

We are in a world where there is a profusion of news. At the *Express*, we think that in this space our role is to provide news that everyone can trust. If we can't verify it, we won't cover it. If we have covered it, then the reader can trust that we have done the due diligence.

The huge fleet of journalists already working for print media turned out to be a significant differentiator for IE Digital deliveries. As compared to digital, print journalists commanded much more respect and acceptability from eminent personalities and celebrities. They were also able to source information much earlier than their counterparts in the digital medium as they were very well connected in the circle. Information collected by print journalists was considered highly reliable and created valuable synergies between print and digital news.

IE Digital sourced content from multiple points, namely, instant messages such as WhatsApp from its team of journalists; feeds from global news agencies such as Reuters, Agence France-Presse and Press Trust of India; and television news for breaking news on digital platforms. As much as 60% of the news on IE Digital was sourced from dedicated *Indian Express* reporting teams, 25% from reputed global news agencies and published as it is and the remaining 15% was

picked from secondary sources like the television and published after value addition from the in-house team (Exhibit 4). A news item was transmitted and uploaded on all regional language websites after being translated by the editors. Dedicated teams for vernacular language websites were created with a clear mandate to bring relevant local news to develop specific content for their readers.

To spur further growth, IE Digital started disseminating news and content in the form of videos (Exhibit 5). As per a report by the Internet and Mobile Association of India, the focus on videos was in line with trends suggesting that 58% of the internet users in rural areas watch videos on the internet, going with the broader trend of 65–75% of 4G mobile consumers streaming videos on their handsets.<sup>14</sup> Although most of the video consumption was via movies and TV series, it was clear that video consumption was at the heart of India's internet growth.

### ***Expressing Ahead***

By 2017, the Group's digital presence had soared to make it India's second-most popular digital group. All the machinery was in place for creating a competitive yet differentiated digital version of the *Indian Express*. The digital team had set high goals for the digital business. Jansatta.com had emerged as India's second-largest online Hindi news site on desktop by unique visitors. Financialexpress.com too had gained the number 2 status among business news websites in terms of unique visitors per month. InUth.com was getting 5 million page views per month on an average. ieMalayalam.com had grown fast to become the third-largest Malayalam news website in the crowded Malayalam news market (Exhibit 1). In 2017–2018, IE Digital clocked INR 0.5074 billion as revenue, of which INR 0.186 billion came from direct advertising sales,<sup>15</sup> INR 0.201 billion from Google AdSense and PubMatic,<sup>16</sup> INR 0.072 billion from partnerships,<sup>17</sup> INR 0.028 billion from content sales to news aggregators<sup>18</sup> and INR 0.02 billion from events<sup>19</sup> (Exhibit 6).

The company had done remarkably well under Anant's leadership. It aspired to remain as one of the largest digital newsgroups in India and grow revenues to INR 2.5 billion by 2022 and INR 10 billion by 2028.

Anant articulated the strategy to achieve the goal as a series of micromilestones:

While it is very tough to plan out IE Digital, we aspire to achieve a few micro milestones. We would like to establish one partnership with a technology-first publisher from either UK or US, expand our US footprint (no one has been successful in doing this yet), improve relationships with advertisers for innovative native advertising and brand solutions, create high-quality Express-standard video as well as expand our digital

<sup>14</sup>Retrieved from <http://indianexpress.com/article/technology/tech-news-technology/rural-markets-rising-online-video-consumption-at-heart-of-indias-next-internet-growth-driver-5074621/> on March 15, 2018.

<sup>15</sup>Advertising sales by the on-ground advertising team and programmatic advertising sold directly by IE Digital.

<sup>16</sup>Google AdSense and PubMatic are also programmatic. However, the entire advertising chain was controlled by Google and PubMatic. Usually, the cost per mile was much lower than direct programmatic contracts. *Loksatta* and *Jansatta* used AdSense and PubMatic extensively.

<sup>17</sup>AN example is Outbrain. Publishers provided traffic to Outbrain and in return got paid for the traffic.

<sup>18</sup>News aggregators are platforms that collected news from multiple publishers and published it on their platforms. Retrieved from [https://en.wikipedia.org/wiki/News\\_aggregator](https://en.wikipedia.org/wiki/News_aggregator) on March 15, 2018.

<sup>19</sup>IE Digital organized a widely popular outdoor event called "26/11 Stories of Strength". Retrieved from <http://indianexpress.com/26-11/> on March 15, 2018.



footprint by investing in original content and reporting only for the digital on indianexpress.com along with expanding our reach in regions through local languages. After the success of *Loksatta* and ieMalayalam, ieTamil, ieBangla and ieTelegu are next.

In November 2017, Durga Raghunath was hired as the new CEO of IE Digital to bolster the top management team and drive the next phase of exponential growth. Durgahad rich digital experience and was the co-founder and CEO of Juggernaut Books and the CEO of Network18 Digital, a media company, before joining the Group. Being an industry veteran, she knew that while IE Digital had done well, the digital business model was still primitive and monetisation was a big challenge. Except for a few successful companies, like the *New York Times* and the *Financial Times*, that were able to charge for their online content, most other news publishers were still giving away their content for free. Digital subscription as a revenue source was non-existent. The only source of revenue in digital was advertising (Exhibit 7). However, unlike print, where newspapers were a clear choice for advertising, in digital, advertisers had millions of options. Media websites of all genres were competitors for digital advertising. In the mobile-first world, Google and Facebook were a large gateway for content discovery and consumption. It was thus critical for IE Digital to develop a strategy for these platforms, which were also an essential source of revenue. However, overdependence on these platforms could prove to be a risky strategy from a monetisation perspective. For example, in early 2018, Facebook announced new policies that put new restrictions on the type of posts that could appear in a user's news feed. While the purported objective of policy change was to improve user experience, it had the potential to affect news publishers who used the sponsored post feature to promote their articles and gain traffic.<sup>20</sup>

The *Indian Express* team could clearly sense several opportunities and challenges for the future, but it was clear that the *Indian Express* version 2.0 had to be very different from its version 1.0, especially if the company wanted to achieve its long-term aspiration of growing revenues beyond INR 10 billion in the next 10 years. The IE Digital growth, hitherto driven by leveraging the *Indian Express* brand, had reached its limits. Going forward, the team would have to create growth opportunities around a business model, alliance partnerships, content distribution, new products, acquisitions and new technologies like artificial intelligence.

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<sup>20</sup>Retrieved from <https://digiday.com/media/facebook-news-feed-changes-will-impact-publishers-branded-content-revenue/> on March 15, 2018.

### Exhibit 1 Digital Reach of the Indian Express Group

#### A. Average monthly page views (in million)

	2011	2012	2013	2014	2015	2016	2017
indianexpress.com	10.4	9.9	21	40.6	66.3	109	168
financialexpress.com	1.7	1.4	1.6	5.7	5.1	26	30
jansatta.com	–	0.16	0.25	0.41	1	6.3	44.7
loksatta.com	3.4	3.7	4.2	8.5	12	18.5	47

**Source:** Indian Express Digital.

#### B. Data comparing the digital reach of the Indian Express Group and competitor groups

Sr.no.	Digital properties	Unique visitors (in '000)
1	The Times of India sites	82,273
2	The Indian Express Group	56,391
3	India Today Group	55,508
4	india.com sites	49,458
5	NDTV	47,151
6	HT Media Group	45,985
7	Bhaskar Group sites	37,597
8	Jagran sites	36,763
9	oneindia.com sites	33,868
10	dailyhunt.in	29,265

**Source:** ComScore multiplatform numbers, July 2017.

#### C. Data comparing the digital reach of indianexpress.com with that of other flagship dailies

Sr.no.	Digital properties	Unique visitors ('000)
1	The Times of India sites	15,080
2	The Indian Express Group	12,533
3	india.com sites	9,696
4	India Today Group	9,524
5	NDTV	9,110
6	HT Media Group	7,412
7	News 18	6,510
8	firstpost.com	5,667
9	The Economic Times	4,627
10	Jagran sites	4,307
11	oneindia.com sites	4,270
12	The Hindu Group	4,057
13	Dotdash	3,967
14	Bhaskar Group sites	2,707
15	ABP News Network	2,249
16	Yahoo-ABC News Network	2,097

**Source:** Comscore desktop platform numbers, July 2017.

**D. Top Hindi news websites**

Hindi news website	Monthly unique visitors ('000)
bhaskar.com	2,193
jansatta.com	1,977
AajTak	1,695
jagran.com	1,602
Navbharat Times	1,205
Amar Ujala	1,196
NDTV Khabar	883

**Source:** ComScore desktop platform numbers, September 2017.

**E. Top business news websites**

Business news website	Monthly unique visitors ('000)
The Economic Times	21,771
The Financial Express	15,261
moneycontrol.com	12,491
NDTV Profit	8,502
Business Standard	7,168
Mint	6,546
Business Today	4,994

**Source:** Comscore multiplatform, March 2018.

**F. Top Marathi news websites**

Marathi news website	Unique visitors ('000)
Loksatta	3,786
Maharashtra Times	3,217
Lokmat	1,272
ibnlokmat.tv	604
eSakal.com	519

**Source:** Comscore multiplatform, August 2017.

### G. Top Malayalam news websites

Malayalam news website	Unique visitors ('000)
Manorama Online	3,596
mathrubhumi.com	372
iemalayalam.com	330
mangalam.com	43

**Source:** Comscore multiplatform, March 2018.

### H. InUth.com unique visitors

Total unique visitors	953,000
Total views	8 million
Total minutes	2 million
Reach (%)	0.3% of the total digital population
Average minutes per visit	2.1

**Source:** Comscore multiplatform, March–April 2018.

## Exhibit 2 Most-read Indian Newspapers in English, Hindi and Marathi

### A. English dailies

Title	Readership (in '000)
The Times of India	13,047
Hindustan Times	6,847
The Hindu	5,300
The Economic Times	3,103
Mumbai Mirror	1,813
The Indian Express	1,599
The Telegraph	1,558
The New Indian Express	1,507
The Tribune	1,490
Deccan Chronicle	1,389

**Source:** Indian Readership Survey, 2017.

### B. Hindi dailies

Title	Readership (in '000)
Dainik Jagran	70,377
Hindustan	52,397
Amar Ujala	46,094
Dainik Bhaskar	45,105
Rajasthan Patrika	16,326
Prabhat Khabar	13,492
Punjab Kesari	12,232
Patrika	9,823
Navbharat Times	7,641
Nai Dunia	6,386

**Source:** Indian Readership Survey, 2017.

### C. Marathi dailies

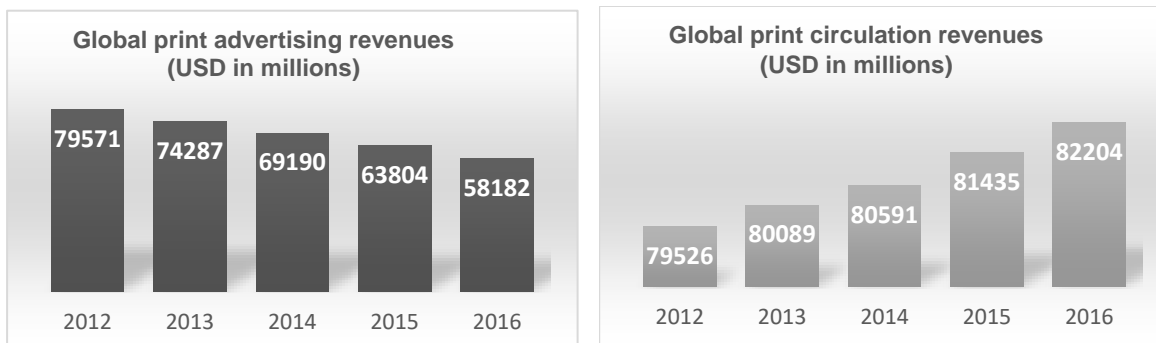
Title	Readership (in '000)
Lokmat	18,066
Sakal	10,498
Punya Nagari	9,520
Pudhari	7,273
Loksatta	3,794

**Source:** Indian Readership Survey, 2017.



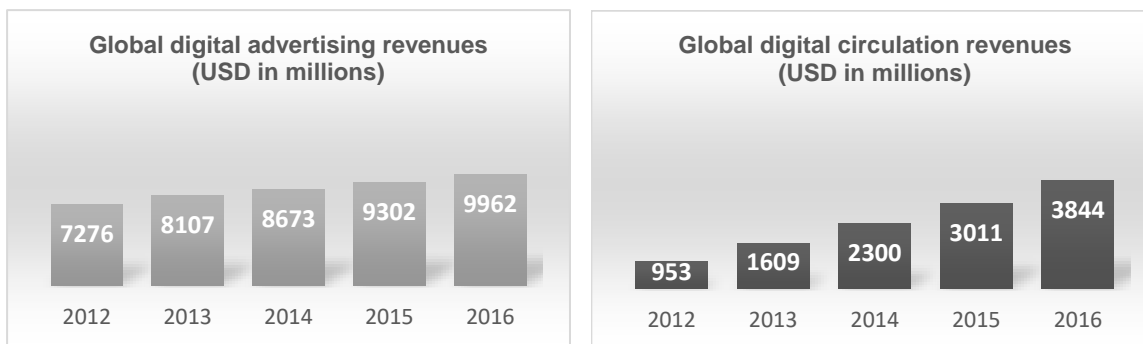
### Exhibit 3 Global Trends in the News Publishing Industry

#### A. Print advertising and circulation revenue, 2012–2016



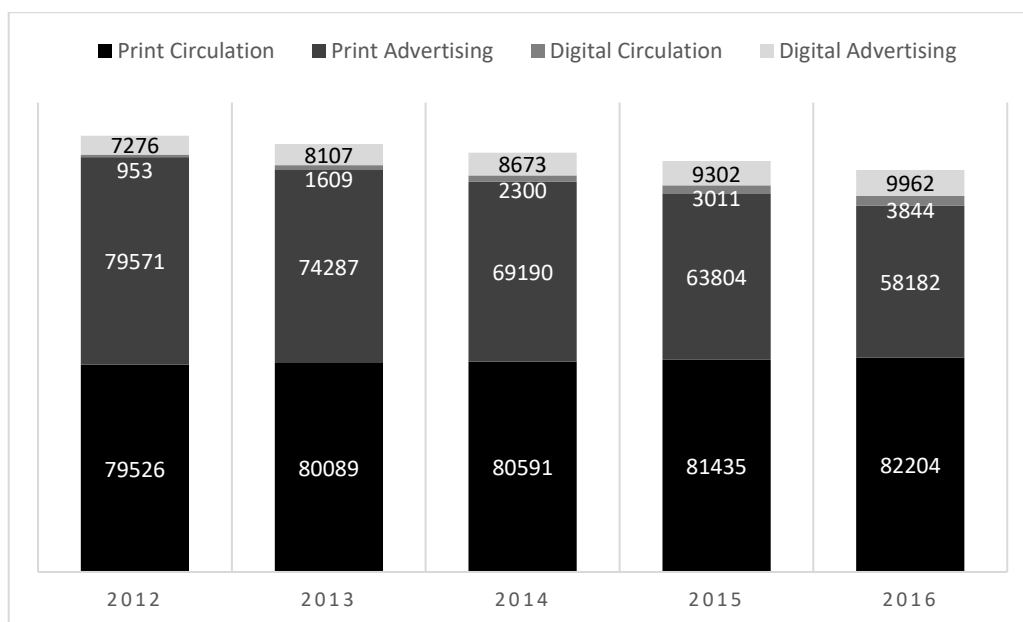
Source: WAN-IFRA WPT analysis, Zenith, PwC Global Entertainment and Media Outlook, 2017–2021.

#### B. Digital advertising and circulation revenue, 2012–2016

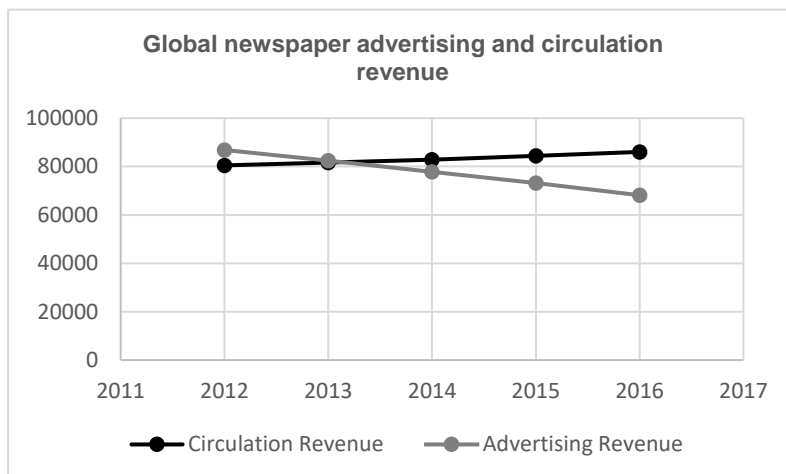


Source: WAN-IFRA WPT analysis, Zenith, PwC Global Entertainment and Media Outlook, 2017–2021.

#### C. Global news industry revenue source (in US million)



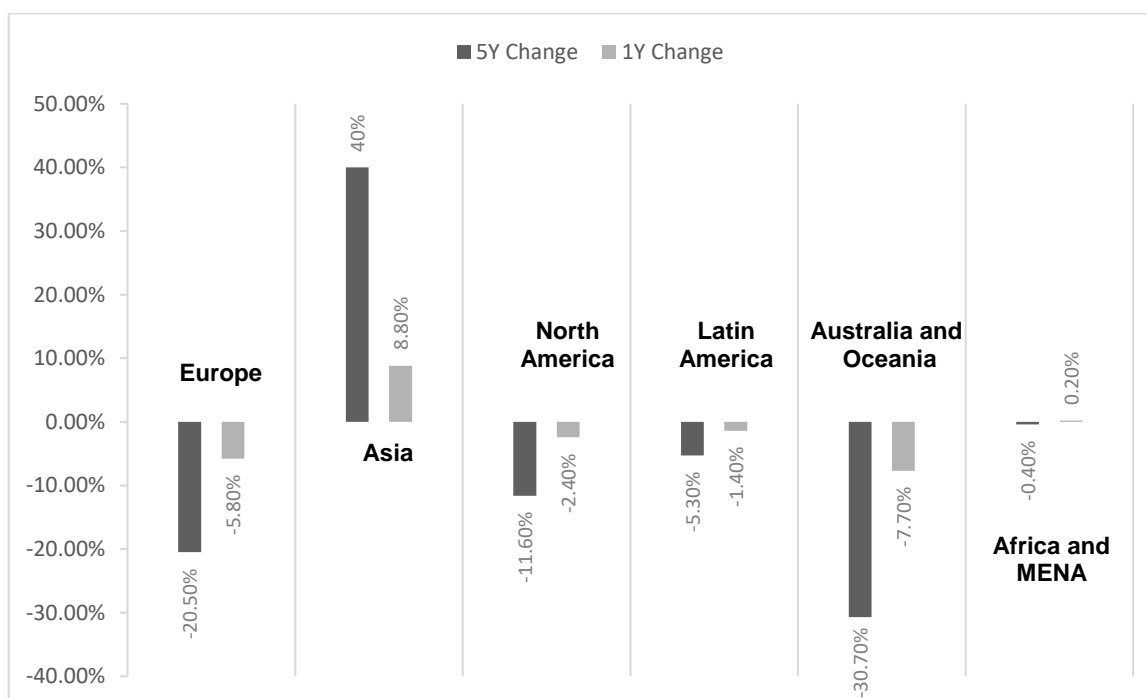
Source: WAN-IFRA WPT analysis, Zenith, PwC Global Entertainment and Media Outlook, 2017–2021.

**D. Advertising and circulation revenue (in US million)**

Outlook, 2017–2021.

The digital revolution had shaken up the fundamental business model of the industry. Print advertising revenues continued to drop significantly. Digital advertising, which was expected to compensate for this loss, never reached its potential. Print, still, accounted for 91% of revenues of the news industry. Traditionally, advertising revenue subsidised the cost of producing news. It was not valid anymore as circulation revenues were higher than advertising revenues and the gap was increasing.

**Source:** WAN-IFRA WPT analysis, Zenith, PwC Global Entertainment and Media

**E. Change in print newspaper circulation over the past five years**

**Source:** WPT 2017 analysis.

Despite the digital revolution, the global print circulation had continued to grow from 614 million copies in 2012 to 757 million in 2017.<sup>21</sup> However, the growth came only from the Asian markets. Asia accounted for a 40% increase in circulation, while other regions reported significant losses.

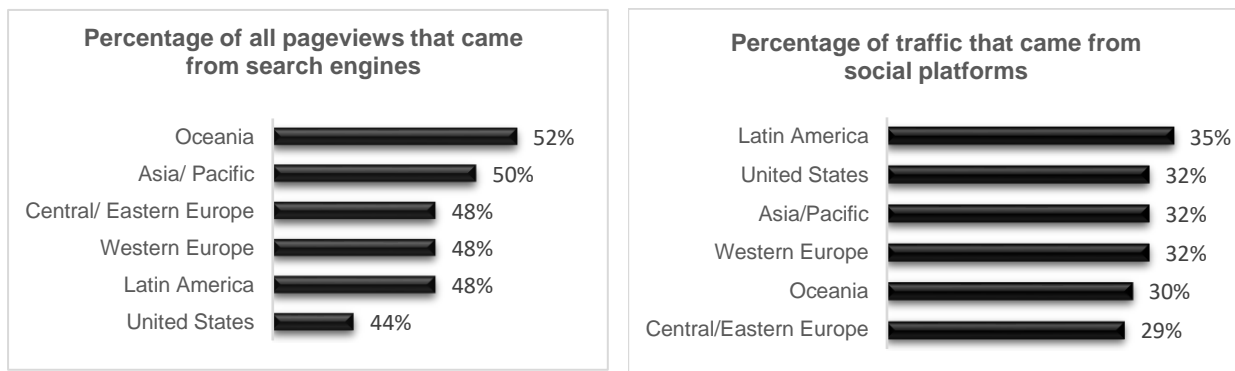
<sup>21</sup> WPT analysis: WAN-IFRA World Press Trends 2017.

## F. Global advertising trend

Since 2012, global advertising expenditure increased at CAGR 3.8% to about USD 550 billion in 2016.<sup>22</sup> Newspapers and magazines showed a downward trend, television nearly saturated and the positive trend was clearly in favour of the internet. Unfortunately, the increased ad spend on internet had not translated to revenues for news media, which was shaken up by a heavy drop in print advertising from USD 79.5 billion in 2012 to USD 59 billion in 2016.

Google and Facebook captured 64% of all internet advertising spend in 2016.<sup>23</sup> Moreover, in the digital domain, news publishers competed with millions of other websites for advertising. Out of roughly USD 250 billion internet advertising spend, the news industry made just USD 10 billion.

## G. Distributed content: Search and social media, the biggest gateway for traffic



Source: Chartbeat, 2017.

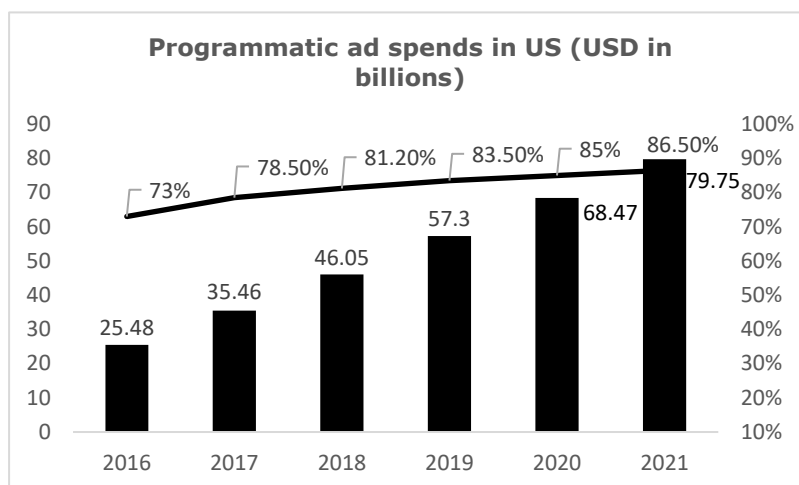
Search engines and social media drove traffic for news publishers. However, these platforms found a need to host content rather than diverting the readers to news publishers' websites. The result was platforms such as Facebook's Instant Articles and Google's Accelerated Mobile Pages (AMP).

If direct traffic was the best way to build a strong brand and long-term relationship with clients and convert them for digital subscription, over-reliance on distributed content may have shut the doors.

<sup>22</sup> WAN-IFRA World Press Trends 2017, Zenith.

<sup>23</sup> Retrieved from <https://www.zenithmedia.com/google-facebook-now-control-20-global-adspend/> on March 15, 2018.

## H. Rise of programmatic advertising



Programmatic ad trading continued to increase. In the US, programmatic advertising was projected to rise to 86.5% by 2021.<sup>24</sup>

Demand for a less intrusive ad format and the rise of ad blockers had also led to the growth of native ads and sponsored content. PwC estimated that native ads would account for 74% of the display digital ad revenue in the US by 2021.<sup>25</sup>

Source: eMarketer, October 2019.

## I. Trend in India

India was one of the fastest-growing markets for the newspaper industry.

As of March 2016, there were 110,851 registered publications in the country, an increase from 105,443 in 2015.<sup>26</sup> The number of registered publications continued to grow at a pace of 5% per annum. The total circulation of copies increased from 510 million per publication date in 2014–2015 to 610 million in 2015–2016.<sup>27</sup> Although mobile devices and internet penetration had continued to grow in India, it had not affected the growth of print. This was attributed to the rising literacy levels and the low cover price of newspapers in India. Vernacular dailies continued to dominate the Indian newspaper market. As per Registrar of the Newspapers for India (RNI) 2015–2016, Hindi publications reported a circulation of 314.5 million copies, followed by English dailies with 65.4 million. Other major languages are Urdu with 51.7 million copies, Telugu with 27.6 million copies and Marathi with 36.7 million copies per publication day.

The country was also one of the fastest growing in mobile internet penetration. Cisco predicted that the number of mobile internet users would increase from 373 million in 2016 to about 829 million in 2021, covering 59% of the Indian population.<sup>28</sup> Cisco also reported that video would continue to dominate internet traffic, and in 2021 India will consume 84 billion internet video minutes per month.<sup>29</sup>

On the advertising front, as per a report from the Federation of Indian Chambers of Commerce and Industry and Ernst & Young, the share of digital advertising out of the total advertising spend was 17% in 2017.<sup>30</sup> This pie was expected to grow and reach 22% in 2020. In print advertising, English language dailies came under pressure, while vernacular dailies had a marginal growth. However, print advertising was expected to grow by 10% in 2018 and 2019.

<sup>24</sup>Retrieved from <https://marketingland.com/social-now-dominates-57-3-billion-u-s-programmatic-display-market-271876> on March 15, 2018.

<sup>25</sup> BI Intelligence estimates based on historical data from IAB, PwC and IHS. WAN-IFRA WPT 2016.

<sup>26</sup> Registrar of Newspapers for India, 2015-2016. Retrieved from [http://rni.nic.in/all\\_page/PIN2015\\_16.html](http://rni.nic.in/all_page/PIN2015_16.html) on March 15, 2018.

<sup>27</sup> Registrar of Newspapers for India. A total of 27,445 publishers filed their annual statements for the year 2015–2016.

<sup>28</sup>Retrieved from <https://www.financialexpress.com/economy/internet-users-to-double-to-829-million-by-2021-report/709719/> on March 15, 2017.

<sup>29</sup>Retrieved from [https://www.cisco.com/c/dam/m/en\\_us/solutions/service-provider/vni-forecast-highlights/pdf/India\\_2021\\_Forecast\\_Highlights.pdf](https://www.cisco.com/c/dam/m/en_us/solutions/service-provider/vni-forecast-highlights/pdf/India_2021_Forecast_Highlights.pdf) on March 15, 2018.

<sup>30</sup>Retrieved from <http://ficci.in/spdocument/22949/FICCI-study1-frames-2018.pdf> on December 20, 2018.

#### **Exhibit 4**

### **Digital Newsroom Dynamics**

The dynamics of print and digital newsrooms are distinctly different.

The editors in the print newsroom have the luxury of time. News lands here from various sources. The editors then decide which news items to publish; they verify the news, add value with analysis and opinion and publish them in the newspaper. They have a large and concrete base of readers who have subscribed to the newspaper.

The editors in the digital newsroom, however, work in a completely different environment. First, news is published as soon as it arrives in the newsroom. Most of the feeds are from news agencies and are available to all news publishers. Whoever breaks the news first gets a higher ranking on Google and, in turn, higher page views. Second, the readers decide which news item from the list of available options they want to read.

In many cases, the news was “googled”, and readers reach the news publisher's website through search engines. Hence, search engine optimisation (SEO) is the most critical priority of a digital media house. Third, the reader base is not guaranteed. Every news publisher aims for high page views and publishes news items that drive traffic.

At IE Digital, a group of editors keeps a close watch on the news feed from other agencies and their reporters. As soon as they receive a news item, they write an SEO-friendly article, choose an appropriate unified resource locator (URL) with the right keywords and publish it. The editors also follow Google News to be up-to-date with the top-trending stories. If the *Indian Express* does not have an article on these trending stories on Google, the team immediately creates one. When news breaks, a stub is published with available information. The stub is then updated with more information in due course. Speed is paramount.

The breaking-news culture, however, has a flip side as there are chances of publishing erroneous news, which can impact the brand image. On the other hand, not publishing a trending news item that is carried by every other news publisher could impact traffic. At IE Digital, the team always verifies the news before publishing it. When not possible, the editors decide whether to publish it.

Verifying and publishing news items are the key competencies of any editor in the digital newsroom. The challenge, however, has shifted to obtaining the news items that are seen and picked up by readers— a trend of viral news. There is an inherent tension in choosing the right tags, keywords and URL to make the news rank high on Google and at the same time maintain the sanctity of responsible journalism.

Rajan remarked:

We have to be quick, accurate and also get our articles discovered. In the newsroom, we challenge each other in a friendly competition to see whose stories rank higher on Google. It adds fun to our challenging job.



## Exhibit 5

### Video Strategy of IE Digital

YouTube is a powerful platform with its own audience groups and its own strengths and weaknesses. The group is on the lookout for a YouTube audience growth expert to join full time to define a YouTube strategy, which will form just one part of the group's entire video strategy. Facebook is another platform that requires IE to have its own independent strategy.

Ragini, Chief Video Editor, IE Digital

Video offerings from IE Digital can be broadly divided into the following categories:

**Informative:** These were mostly the videos received from journalists aimed at adding differentiating values to the news items. These videos required minimal efforts from the video team and were uploaded on the website after minor editing and sometimes without any editing at all. The video team spent time in training the journalists to improve the quality of the first videos.

**Explanatory:** These were the editorial versions of the videos. These could be anything from a review of a new gadget or a vehicle or explaining a critical political matter like the Doklam face-off. Such videos required a lot of research and took a lot of time, sometimes even months, to produce.

**Entertaining:** These videos served the purpose of assisting website discovery on popular media like Facebook, Google and YouTube. IE Digital had its YouTube channel "IndianExpressOnline" and the video team worked to develop quality content that garnered a lot of interest from internet users.

**Interviews:** These videos, namely, Idea Exchange weekly interviews on the YouTube channel, were aimed at building the reader's loyalty by reinforcing the Express brand digitally. Under this initiative, a video was uploaded every Sunday morning (the day the full-page long interview was published in the print newspaper). It was mentioned in the print version that the interview is available for viewing on indianexpress.com. This also helped in projecting a unified image of the digital and print offerings of the *Indian Express*.

### Some Popular Videos from IE Digital's Video Team in Different Formats



A Day In The Life Of A Female Bouncer

335,585 views

2.2K 131 SHARE

IndianExpressOnline  
Published on Aug 22, 2015

SUBSCRIBE 103K

1. A day in the life of a female bouncer

<https://www.youtube.com/watch?v=-So-hheuiQk>



Aamir Khan On Intolerance & Delinking Terrorism From Religion #RNGAwards

718,499 views

2.5K 1.2K SHARE

IndianExpressOnline  
Published on Nov 23, 2015

SUBSCRIBE 103K

2. Aamir Khan on intolerance and delinking terrorism from religion

<https://www.youtube.com/watch?v=jnZTcee5H7o&t=68s>



Explained: How Will GST Work?

604,430 views

3.6K 582 SHARE ...

IndianExpressOnline  
Published on Aug 4, 2016

SUBSCRIBE 103K

### 3. Explained: How will GST work?

<https://www.youtube.com/watch?v=JK8CzkQh1FY>



Chennai Floods Explained: Why Is Chennai Under Water?

694,523 views

3.5K 87 SHARE ...

IndianExpressOnline  
Published on Dec 3, 2015

SUBSCRIBE 103K

### 4. Chennai floods explained: Why is Chennai under water?

<https://www.youtube.com/watch?v=x4dNlfx6HVs>

**Source:** Based on interviews of the IE Digital staff, October 2017.

**Exhibit 6**  
**IE Digital Revenues, 2017–2018 (in INR million)**

Revenue	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	YTD 17–18
<b>A. Direct sales</b>	<b>16.836</b>	<b>12.176</b>	<b>11.271</b>	<b>13.159</b>	<b>8.612</b>	<b>15.604</b>	<b>21.473</b>	<b>14.746</b>	<b>15.551</b>	<b>14.406</b>	<b>22.329</b>	<b>19.826</b>	<b>185.990</b>
<b>Domestic-direct</b>	<b>10.556</b>	<b>7.777</b>	<b>6.151</b>	<b>7.526</b>	<b>3.874</b>	<b>10.990</b>	<b>15.546</b>	<b>8.446</b>	<b>8.630</b>	<b>10.761</b>	<b>16.289</b>	<b>13.225</b>	<b>119.771</b>
Desktop and tablet	10.556	7.777	6.151	7.526	3.754	10.707	15.186	8.082	7.762	9.091	13.538	12.161	112.290
Mobile					0.120	0.283	0.360	0.365	0.868	1.670	2.751	1.064	7.481
Less trade discount	0.048												0.048
<b>Net domestic-direct</b>	<b>10.508</b>	<b>7.777</b>	<b>6.151</b>	<b>7.526</b>	<b>3.874</b>	<b>10.990</b>	<b>15.546</b>	<b>8.446</b>	<b>8.630</b>	<b>10.761</b>	<b>16.289</b>	<b>13.225</b>	<b>119.723</b>
<b>Network-direct</b>	<b>6.328</b>	<b>4.399</b>	<b>5.120</b>	<b>5.633</b>	<b>4.739</b>	<b>4.614</b>	<b>5.927</b>	<b>6.300</b>	<b>6.922</b>	<b>3.645</b>	<b>6.040</b>	<b>6.601</b>	<b>66.267</b>
<b>Domestic</b>	<b>1.391</b>	<b>1.132</b>	<b>1.090</b>	<b>1.625</b>	<b>1.286</b>	<b>1.770</b>	<b>3.068</b>	<b>3.802</b>	<b>4.574</b>	<b>2.946</b>	<b>3.961</b>	<b>5.125</b>	<b>31.770</b>
Desktop and tablet	0.834	1.132	1.090	1.625	1.265	1.495	2.925	3.518	4.225	2.621	3.636	5.033	29.399
Mobile	0.556				0.021	0.275	0.143	0.285	0.350	0.325	0.325	0.092	2.372
<b>Network-international</b>	<b>4.937</b>	<b>3.268</b>	<b>4.030</b>	<b>4.008</b>	<b>3.453</b>	<b>2.845</b>	<b>2.859</b>	<b>2.497</b>	<b>2.347</b>	<b>0.698</b>	<b>2.078</b>	<b>1.476</b>	<b>34.497</b>
Desktop and tablet	4.513	2.990	3.662	3.579	3.232	2.626	2.717	2.338	2.215	0.698	1.753	1.151	31.473
Mobile	0.424	0.278	0.368	0.429	0.221	0.219	0.143	0.159	0.133		0.326	0.326	3.024
<b>B. Google and PubMatic</b>	<b>11.309</b>	<b>16.602</b>	<b>25.610</b>	<b>17.673</b>	<b>17.918</b>	<b>16.080</b>	<b>15.640</b>	<b>15.893</b>	<b>15.690</b>	<b>15.819</b>	<b>13.823</b>	<b>19.247</b>	<b>201.303</b>
Desktop and tablet	7.963	11.297	19.485	12.011	11.869	11.226	10.120	10.971	9.355	15.819	13.823	19.247	153.186
Mobile	3.346	5.305	6.125	5.662	6.049	4.854	5.520	4.922	6.335				48.117
<b>C. Special partnerships</b>	<b>5.222</b>	<b>6.564</b>	<b>7.136</b>	<b>6.550</b>	<b>7.145</b>	<b>6.901</b>	<b>6.819</b>	<b>5.901</b>	<b>6.748</b>	<b>3.777</b>	<b>3.961</b>	<b>5.032</b>	<b>71.757</b>
Foreign	<b>5.222</b>	<b>6.564</b>	<b>7.136</b>	<b>6.550</b>	<b>7.145</b>	<b>6.901</b>	<b>6.819</b>	<b>5.901</b>	<b>6.748</b>	<b>3.777</b>	<b>3.961</b>	<b>5.032</b>	<b>71.757</b>
Desktop and tablet	5.222	6.564	7.136	6.550	7.145	6.901	6.819	5.901	6.748	3.777	3.961	5.032	71.757
Mobile													
Domestic													
<b>D. Content sales</b>	<b>1.848</b>	<b>2.202</b>	<b>2.450</b>	<b>2.161</b>	<b>2.369</b>	<b>2.393</b>	<b>2.450</b>	<b>2.734</b>	<b>2.665</b>	<b>2.652</b>	<b>2.019</b>	<b>2.056</b>	<b>28.000</b>
Domestic	1.123	1.348	1.458	1.132	1.212	1.425	1.450	1.650	1.650	1.691	1.200	<b>1.200</b>	16.538
Foreign	0.726	0.854	0.991	1.029	1.158	0.968	1.000	1.084	1.015	0.962	0.819	<b>0.856</b>	11.462
<b>E. Event income</b>								<b>19.500</b>	<b>1.200</b>				<b>20.700</b>
<b>F. Other income (loss)</b>										<b>-0.189</b>	<b>-0.140</b>	<b>0.054</b>	<b>-0.275</b>
<b>Total Rev (A+B+C+D+E+F)</b>	<b>35.215</b>	<b>37.544</b>	<b>46.467</b>	<b>39.543</b>	<b>36.044</b>	<b>40.978</b>	<b>46.382</b>	<b>58.774</b>	<b>41.855</b>	<b>36.464</b>	<b>41.992</b>	<b>46.216</b>	<b>507.475</b>

Source: IE Digital.

## **Exhibit 7**

### **Digital Advertising**

Typically, news websites monetise digital content through subscription, advertisement and content sales to other platforms.

**Direct advertising:** The in-house advertising team sells slots to prospective advertisers. Any business house that chooses the websites in which to include their advertisements wants to extract the maximum returns out of their investments and looks for the maximum attention from a relevant audience. The most popular content attracts maximum attention. Thus, it is a closed loop and monetisation is closely linked to the content that a website carries.

**Programmatic advertising:** It is done through Ad Networks such as Google AdSense, Googlem AdMob, Adsterra and AdMaven that flow advertisements to the news publisher's website.<sup>31</sup> In programmatic ad placements, in many cases, business houses do not have control over where their advertisements appear. The news publisher's website offers a safe platform that can be used to reach out to selected target audience. Hence, news websites are at an advantage. In many countries, news publishers have joined together to start their own ad exchanges.<sup>32</sup>

**Content sales:** Revenue is also earned by selling content to news aggregators such as Google's Accelerated Mobile Pages (AMP) and Facebook's Instant Articles. In these, news publishers have the option to place their advertisement inventory or let the platform flow ads from its ad networks. The platform then shares revenue with news publishers.

Rajan expressed his concern about the revenue-sharing mechanism:

Periodically, we receive payments from Facebook. We have no clue how they calculate the revenue share.

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<sup>31</sup>Retrieved from <http://altitudedigital.com/company-blog/programmatic-advertising-deconstructed-vol-1-ad-networks/> on March 15, 2018.

<sup>32</sup>Retrieved from <https://www.exchangewire.com/blog/2014/12/02/australian-publishers-form-premium-advertising-exchange/> on March 15, 2018.