

MONEY TIMES-AT THE CROSSROADS

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EXECUTIVE SUMMARY

The National Sales Head of 'Money Times' Ram Mehta is facing an uphill task of stagnating revenues in the last few years. The financial paper was an addition to the MS Media group's portfolio of leading English & Hindi brands.

While operating in a challenged macro ecosystem, the management pundits are of the firm opinion that players who can think big, leverage multiple monetization models and invest in content shall have a competitive advantage. The brand marketing team had conducted a survey in the six major metro cities among the senior corporate/self-employed professionals (Mostly male) in the age group 25-44 years. The recommendations of market research highlighted existing need gaps and paved the way of brand differentiation related to product size, design and content. Rather than launching another "Me Too" product, the management was clear since the very inception to break existing paradigms in Business paper journalism.

The brand was launched with a cutting edge design, high end analytical content and had a clear second positioning from the beginning in terms of circulation and readership. The emphasis on Personal Finance opened up a new segment of corporate women readers increasing its scope and appeal. Professionals wanted to be seen reading and talking about the product resulting in a certain snob value. The differentiated product was giving a very positive rub off to the group's portfolio.

However the excitement was short-lived as the management failed to address certain business issues. Institutional sales and product visibility was limited and had scope for immense improvement as per market feedback. The perception to the product was in extremes-It found immense support among the CXO community but had limited liking at the lower and the middle management levels. Rigid edit policies were not finding much favor with the statutory advertisers who preferred flexibility in rates and placements.

Ram Mehta has been working on a bucket list to enhance revenue monetization. Post analysis of MIS data, market feedback, sales reviews etc., Ram proposes series of initiatives for revenue growth.

Key Words: Brand Differentiation, Business Paper, Turnaround Strategy, Sales Growth, Advertising, Strategy.

Challenged Macro Environment

Leadership team of MS Media summons Ram Mehta, National Sales Head of Money Times(MT). MT was launched in April 2009 to create a niche in the financial newspaper market and had achieved a clear second position in the business paper space in circulation and readership. However national advertising revenue had been static in the last few years in spite of achieving the above milestone.

Year	2010	2011	2012	2013	2014
Revenue(INRBillion)	20.5	21.9	20.8	21.1	19.5

Table 1: Circulation Figures

Ram Mehta was clearly at the crossroads. Muted GDP growth, high interest rates, poor domestic demand and deficient rainfall had affected consumer sentiments. Advertising budgets were under pressure. Volumes in business papers were stressed and were dominated by advertisements of industry bodies, few corporate campaigns, business to business event led communications, statutory financial advertisements, tender and statutory notices, few international campaigns etc. resulting in low revenue realization.

Organization Background

M.S. Media Group was founded in the post independence era of India with the launch of their first English daily - The India Times. The promoter S.P Mishra had philanthropic considerations rather than pure commercial interest for the newspaper and wanted the product to play its part as the watchdog of the society and be known for objectivity as well as honest journalism. Gradual expansion led to a circulation of over 1.4 million. In February 1987 their Hindi daily, Hindi Times was launched from the Hindi heartland city of Bhopal. Robust expansion of their Hindi edition was fuelled by the growing rural economy, high aspiration levels of the Indian middle class especially in the mini metros, increasing awareness and growth in income levels. The group currently has 15 Hindi editions with a circulation of over 1.6 million copies. (Source: Audit Bureau of Circulation). The group closed last financial year with a turnover over of INR 240 Billion with advertising and circulation revenues being in the ratio of 85:15.

The company is being managed and run by a team of highly motivated professionals who have had distinguished careers and come from diverse backgrounds including Fast Moving Consumer Goods Industry, Banking Services, Organized Retail etc. Immense importance is

given to competence during hiring as it strongly feels that people are its greatest asset. It has nearly 3000 employees on board with a robust management structure with a core think tank team to provide vision and strategic direction to take the company to the next level of growth. The company runs an aggressive rewards and recognition program and believes in highlighting excellence to foster a sense of pride in its employees. It has an open organizational culture and encourages ideation for broader perspectives. It has a strong MIS team in place for sales support, trend analysis, and potential opportunity area monetization and fosters a robust analytical approach to problem solving. The digitization process has already gained momentum with innovation being encouraged at every step so that it could become a more reliable and consistent player. The sales team utilizes the CRM module for meeting the twin objectives of customer acquisition and retention. Special emphasis is given to training its employees as the organization strongly feels that honing the skills of its employees is fundamental to growth and being relevant in the highly competitive and dynamic media space.

Setting the Stage

Money Times was conceived with the basic premise of addressing the existing gaps in financial journalism and to deliver a cutting edge product to its customers. Global experts were involved during the launch of Money Times to surpass current standards in design and content which was not seen before from the perspective of a business daily. Money Times was the result from an organization which leveraged technology to the hilt with differentiated content being its core philosophy in order to gain competitive advantage. It had a global appeal, crisp editorial articles, excellent reproduction quality and analytical perspective. It also had various leading brands' advertisements across verticals.

Case Description

Market Research Findings & Strategy

Nearly all existing financial brands were pink in color, broadsheet and largely catered to the financial business community. Content was filled with heavy financial jargon, dominated by corporate finance and had little coverage on personal finance. The CEO of the Media group did not want to launch another "Me Too" product which would blur brand differentiation and dilute their value proposition. Three areas were identified for brand differentiation-product size and design, content and ease of product navigation.

The world's most renowned newspaper designer Robert Cain was hired to bring in the design and size element differentiation. Dimensions of the final product were kept 24 cms. width and 44 cms. height. The new size facilitated navigation with relative ease and kept in the mind the morning metro commuters to work.

For content a partnership was struck with the world's leading financial paper group of Europe - The International Tribune, which was considered to be the flag bearer of Financial Journalism globally. It had been instrumental in changing many governments in its 63 years of existence. It had nearly half a million paid subscribers for its web edition with an annual subscription fee of 49 euros.

The essence of content strategy was to simplify financial journalism to widen its appeal and also cater to the working women segment in the age group of 30-45 years. They wanted to jargonize business news. Trends were reflecting the changing preferences of the upwardly mobile readers so that they could gain more value from the differentiated content. Personal Finance was the biggest focus area as the readers preferred news which they could use. This was a challenge as well as an opportunity area for the newspaper groups as widening the scope of their content meant potential new readers which would further augment their product's readership base.

Staffing Strategy

To give the product a distinct flavor no existing journalist was transferred from the group company to MT. Global exposure, technical proficiency, domain expertise, analytical approach etc were some of the critical factors which formed the basis of recruitment. More than 60% of the newly recruited staff had global exposure and many had worked with leading international groups. With the exception of the Business Head being from within the group, the National Sales Head, accounts team and their first line staff were a mix from the media and other sectors. All key verticals like Automobile, Durable, Fast Moving Consumer Goods, Financial Services were allotted to stand alone teams.

Launch & Market Standing

In April 2009 the Delhi and Mumbai editions of Money Times (MT) were launched marking the group's entry in the financial segment with a circulation of 40000 copies. Delhi and

Mumbai represent the two biggest markets for the print advertising industry. The management was willing to leverage the existing sales strength to work out large revenue commitment deals from prospective advertisers. MT was the undisputed secondlead in the financial paper market in the country from its inception.MT currently has 10 editions with a circulation of 275000 copies and a readership of 475000 as per audited newspaper agency reports.

Challenges Facing the Organization-The Verdict

Readers accepted Money Times as a brilliant product signifying a paradigm shift in the product size and design element.Some of its uniqueness lay in extremely high quality content,news analysis,indepth journalism,quality reproduction and unbiased objectivity.There was grea temphasis on personal finance and on news which offered immense value to the discerning readers. The product delivered a high readership appeal among the working women in the age group 30-45 years. There were weekly columns on health,wellness,technology, media,finance,insurance etc. giving fresh insights and analysis to the readers. Their editorial coverage resulted in improved goodwill among the advertising fraternity and helped garner incremental business. The reader and advertiser response to the product was mixed. The senior management levels had a high level of acceptance.Readers in the middle management levels were neutral and executives down the line preferred and advertised with the other financial dailies who were flexible with advertising rates and positioning of their advertisements as they felt that the editorial policy of MT related to the commercial interests of the advertising department was very rigid.

Action Plan and the Way Forward

Some of the possibilities for Ram Mehta to improve his stagnating revenues are:

Initial Public Offer (IPO)Monetization-Focus on the Small and Medium Enterprise segment clients with issue size ranging from INR 1-5 Billion.

Clients filing Draft Red Herring Prospectus with Securities andExchange Board of India on the increase with improving investment climate.

Increase financial share of advertising with the private clients.

Execute State Government features nationally.

Professional MOUs Tie up with Industry bodies like Confederation of Indian Industry (CII),The Federation of Indian Chambers of Commerce and Industry (FICCI),The Associated Chambers of Commerce and Industry of India (ASSOCHAM).

Events monetization-Organize quarterly high profile events under the Money Times branding with adequate sponsorship revenue.

Build events platform around Disruptive Technology and Innovation,HR Excellence,Financial Inclusion,Role of Private Universities,Regulatory hurdles in the real estate space etc.

Tap Financial Results/Statutory notice advertisements of Public Sector Units(PSU)/Banks, nationally as they enjoy high rate realization.

Build relationships with key personnel in the various organisations by inviting them to the Money Times events and networking with them.

Ensure adequate coverage of the results of the Bombay Stock Exchange

Explore the idea of starting a Company Secretaries round table event in Money Times - Build regular connect with them through MT news-letter and regular emailers.

QUESTIONS FOR DISCUSSION

1. Was the launch of Money Times ahead of its time?
2. Did the brand marketing team do justice to the product in terms of its positioning, Institutional Sales, visibility and reach?
3. Are business papers stretched for revenues and readership in the era of digitalisations?
4. Is the company leveraging its equity enough to ensure adequate monetisation of the financial product?
5. Is the size of the product a limitation in the process of garnering revenues?