

**MEDIA MANAGEMENT**

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**MODULE - 1**

**INTRODUCTION TO MEDIA MANAGEMENT**



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## **Unit-1 □ Principles–Scope–Overview of Media Landscape in India–Print, Radio, Television, Digital Media**

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### **1.1.1 Learning Objectives**

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After studying this unit you will be able to understand the overview of Radio, Television, Satellite TV, Internet.

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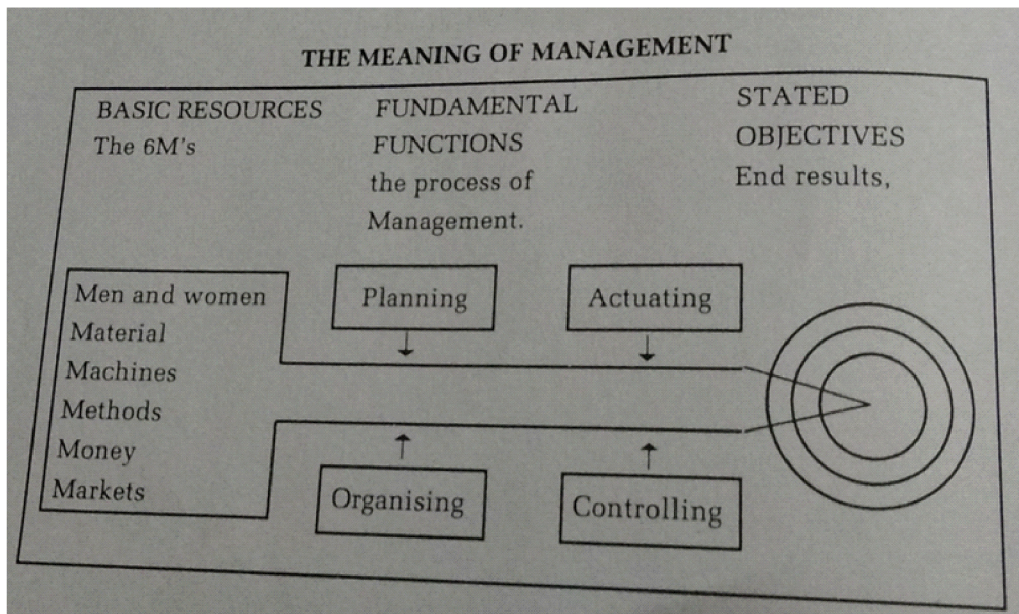
### **1.1.2 Introduction**

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Management is an extremely important function in every organisation. It is only through effective application of management principles and techniques that an organisation can succeed in achieving its goals. In every organisation managers have to design and maintain an environment in which individuals work in groups to

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achieve selected mission and objectives. Managers direct the effort and activities of other people towards a common objective. Does we can say that management get things done through other people.



In communication, media is the storage and transmission tool used to store and deliver information or data. It is often referred to as synonymous with mass media or news media, but may refer to a single medium used to communicate any data for any purpose. By **Mass media** we mean to denote a section of the media specifically envisioned and designed to reach a very large audience. The term was coined in the 1920s with the advent of nationwide radio networks, mass-circulation newspapers and magazines, although mass media was present centuries before the term became common. It can also be termed as mass distributors of news and entertainment across mediums such as newspapers, television, radio, broadcasting, which require union membership in large markets. The concept of mass media is complicated in some internet media as now individuals have a means of potential exposure on a scale comparable to what was previously restricted to select group of mass media producers. These internet media can include television, personal web pages, pod casts.

### **1.1.3 Importance of Media Management**

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Management plays an important role in media organisations. The success of media organisation is determined by the effectiveness of its management in terms of its competence, integrity and performance. Management makes the human effort in media organisation more productive.

However, sound and credible the journalists maybe in a media organisation it cannot succeed without professional management. The activities in the editorial, advertising, stores, printing, personal accounts and other departments have to be well planned organised, coordinated and controlled by the management, without which the management objectives of the organisation may fail. Intense competition from all media has necessitated adoption of suitable and better marketing strategies in all media organisations. If financial resources are properly managed and utilised, then media management maybe a profitable activity. By adopting the modern techniques of human resources management, the moral of personnel working in the media organisation can be kept high. Equally important is employee motivation for it is the driving power which carries out the plans of management through the enthusiasm of the group. The changing economic social and technological scenario has brought development that demand aggressive and professionalism in media management. As Druker said “Management is the specific organ of the modern institution. It is the organ on the performance of which the performance and survival of the institution depends”. Thus, management is the most vital and strategic factor in a newspaper organisation. In the ultimate analysis, the success of an enterprise will depend on the quality of its management.

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### **1.1.4 Principles Of Management**

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A principle refers to a fundamental truth or general truth providing a guide to thought or action. Management principles are the guidelines and ground rules for managing any organisation effectively. Thus, the management should be based on a set of principles. These principles guide the manager to take managerial decisions. It should be noted that while the principles of management are universal, they may have to be modified to suit the needs and requirements of different organisations.

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The universal principles of management as suggested by management king **Henry Fayol** are as discussed below:

- 1. Principle of objective:** This principle requires that every member of the media organisation should be familiar with its basic goals and objectives and every activity of the organisation should be directed and should result in the accomplishment of these objectives.
- 2. Principle of specialisation:** This principle also known as Principal of Division of Labour implies that the work of every person in the newspaper organisation should be limited as far as possible to the performance of a single leading function.
- 3. Principle of span of control:** This principle states that no superior should have more than a specific and limited number of subordinates. This principle of span of control makes the executive aware of the fact that on account of the limitation of time and availability there is a limit on the number of subordinates that they can effectively supervise.
- 4. Principle of authority and responsibility:** According to this principle authority and responsibility should go side by side. It implies that a person working in the media organisation should be held responsible for carrying out an activity in so far as he has the authority over that activity. Authority should not be conceived apart from responsibility.
- 5. Principle of unity of command:** This principle is the most widely recognised principle of management. It states that each subordinate should have only one superior. It is based on the sound reason that if a person receives order from more than one superior, it would lead to confusion and chaos.
- 6. Principle of unity of direction or order giving:** This principle states that orders concerning a particular operation should be received directly from one person only. It is largely meant to ensure coordination. It should not be confused with the principle of unity of command. the former is meant for sound functioning of the organisation while the latter is to the functioning of the personal.
- 7. The exception principle:** The exception principle means that every manager at every level should take all decisions within the scope of authority and only matters beyond the scope of his authority should be referred to his superior

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for decision. The premise of this principle is that decisions which recur frequently should be reduced to a routine and delegated to subordinates while the supervisors should concentrate their energy and time on unusual matters of exceptional character. This principle will enable the top executive to devote his time to policy matters and his energies will not be fritted away on matters of routine.

- 8. Scalar principle:** This principle means that authority and responsibility should follow in a clear and broken line from the highest executive to the lowest operative. This principle envisages that in every undertaking some kind of hierarchy involving superior- subordinate relationship should be established and that direct authority should flow from superior to subordinate throughout the entire organisation.
- 9. Principle of balance:** This principle implies that the various parts of the organisation should be in balance and that none of the functions should be given undue emphasis at the cost of others.
- 10. Principle of discipline:** Fayol stresses discipline as respect for agreements which are directed at achieving obedience application energy and outward marks of respect. Self imposed discipline is the most effective type of discipline, which is encouraged by proper managerial efforts.
- 11. Subordination of individual interest to general interest:** This principle states that the interest of one employee or group of employees should not prevail over that of the concern. To ensure this Fayol suggested: (1) firmness and good example on the part of superiors (2) agreement as far as possible and (3) constant supervision.
- 12. Remuneration of personnel:** This principle states that remuneration should be fair which gives satisfaction to both employee and employer.
- 13. Order:** By order it is meant that a place for everyone and everyone in his place, the right man in the right place. This order demands precise knowledge of the human requirements and resources of the concern and a constant balance between their requirements and resources.
- 14. Equity:** Manager must treat employees with kindliness. Desire for equity and equality of treatment. Our Aspirations to be taken into account in dealing

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with employees. A manager should strive to instill a sense of equity throughout all levels of the scalar chain.

15. **Stability of tenure of personnel:** Instability of tenure is at one and the same time cause and effect of bad running. Generally the managerial personnel of prosperous concern is stable and that of unsuccessful ones are unstable.
16. **Initiative:** Managers need to sacrifice some personal vanity in order to permit the subordinates to keep up their zeal and initiative.
17. **Esprit- de-corps:** This principle states that union is strength. Managers should encourage cohesiveness and esprit de corps among his subordinates.

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### 1.1.5 Scope Of Media Management

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Management functionally, as the action of measuring a quantity on a regular basis and of adjusting some initial plan; or as the actions taken to reach one's intended goal. This applies even in situations where planning does not take place.

**Media Economics:** Much of the analysis of the media from a business perspective has been conducted by media economists. They tend to work at an aggregate level—sector or market—and study the structure of sectors and markets, and the deployment of resources, particularly financial ones, to meet the needs of audiences, advertisers, and society. A number of media economists have moved into strategy, employing in the main rationalist models to provide insights into diversification strategies, environmental alignment, and competitive positioning.

**Political Economy:** Political economists are interested in the structure of the media industries from the perspective of regulatory and policy issues. Applying a combination of economics, politics, and sociology, they focus on economic determinants, ownership structures, and political allegiances in the media industry.

**Media Studies:** This is a relatively new cross-disciplinary field that applies concepts from sociology, cultural studies, anthropology, psychology, art theory, information theory, and economics to analyse the output of media organizations as a means of understanding society, its value system, and the cultural discourses at play.

**Mass Communication and Journalism:** The nature of media content and how it is processed and delivered to audiences is the focus of this discipline. It encompasses

why the mass media have come to be organised in the way they are, how they function—how content is produced and delivered—and the effect such content has on audiences, individually and collectively.

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## 1.1.6 Functions Of Media Management

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### 1. Planning:

Planning is that function of management which determines in advance what has to be done. Koontz and O' Donnell have defined planning as “an intellectual process the conscious determination of courses of action, the basing of decision on purpose, facts and considered estimates”. The plan is to produce a scheme for future action. Therefore planning strongly implies a managerial innovation, planning bridges the gap between where we are and where we want to go.

Planning is vital to media management. Without proper planning, the media operation have no meaning and direction. Planning is a key managerial function which enables the media organisations to cope with a complex dynamic and ever changing environment.

Planning in a media organisation involves determination of:

- a) Goals or objectives- overall and departmental
- b) Policies
- c) Procedures
- d) Methods
- e) Rules of work
- f) Budget
- g) Strategies and programs

The management must be aware of the planning process. The following process may be followed in planning:

- a) Being aware of opportunity
- b) Establishment of goals
- c) Establishing planning premises

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- d) Identifying alternative courses of action
- e) Comparing alternatives
- f) Selecting alternatives ( a course of action)
- g) Formulating derivative plans
- h) Numerals in plants by budgeting and follow up

### **2. Organisation**

The organising function consists of arrangement of men, material and machines and other resources in the best possible relationship for accomplishing specified goals. The organising function of managers in the media organisation involves:

- a) Determination of the activities
- b) Grouping of the activities
- c) Assignment of these activities to group departments
- d) Delegation of authority to carry out these activities

### **3. Coordination**

Coordination is another function of management that plays an important role in a media organisation. Coordination involves the development of unity of purpose and harmonious implementation of plans for the pursuit of common goals. James D. Mooney, noted authority on management has define coordination as the orderly arrangement of group effort, to provide unity of action in the pursuit of common purpose. All activities in the media organisation should be well coordinated so that it can function in a closely knit fashion as an integrated unit rather than as separate pieces.

### **4. Motivation**

A newspaper organisation cannot function smoothly unless its members corporate and work with enthusiasm. By adapting various financial and nonfinancial techniques of motivation the employees in the organisation enthused and encouraged to work willingly for the accomplishment of common goals. As motivation consists of an in a state that activates or moves a man to action this function includes all the acts by which the newspaper management tries to satisfy the inner desire drives and wishes of its employees.

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The personnel working in the newspaper organisation can be motivated by adopting the following techniques:

- a) Financial incentives (increased wages and salaries, bonus, retirement benefits, various allowances, health insurance and other incentives involving financial expenditure).
- b) Non-financial motivators- the personnel can be motivated by:
  - Giving them freedom of work
  - Upgrading of responsibility, scope and challenges in work
  - Job rotation and alteration
  - Giving opportunities of promotion
  - Encouraging healthy competition among employees
  - Involving employee participation in decision making
  - Creating a feeling of accomplishment
  - Appreciation of work done
  - Delegation of authority, etc.

### 5. Control

Controlling is that function of management by which it ensures that operating results confirm as nearly as possible to the formulated plans. Control consists of verifying whether everything occurs in conformity with the plan adopted, the instruction issued and the principles established. In control, an effort is made to bring desired and actual results closer. An effective system of control in business leads to greater efficiency and more effective coordination of activities.

To achieve organisational goals the most frequently used methods of control are as follows:

- a) Observation
- b) Policies
- c) Charts and manuals
- d) Budgets
- e) Breakeven point analysis

- f) Audit
- g) Example
- h) Records and reports
- i) Written instructions
- j) Accounting
- k) Control section

## 6. Decision-making

While performing the functions of planning, organising, coordination, motivation and control in a media organisation, several decisions are needed to be taken. In fact whatever a manager does he does through decision making. Therefore one of the most important functions of a manager in a media organisation is to take decisions. George Terry, a well-known author on management therefore regards managerial life as a perpetual choice making challenge. In his opinion if there is one universal task of a manager it is decision making. Decision making is the selection of the best alternative for doing a work. It is the choice made by the decision maker about what should we should not be done in a given situation.

Decision making process in a media organisation involves:

- a) Defining the problem
- b) Analysing the problem
- c) Developing alternative solutions
- d) Deciding the best solutions
- e) Converting decisions into effective actions.

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### 1.1.7 Overview of Media Landscape In India

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India is a country of varied language and culture. Mass media from the very beginning have played a leading role in binding together the country with its variety remaining intact. From the first newspaper to currently new media, Indians have been largely dependent on mass media.

### **Print Media**

The newspaper is the oldest mass medium across the globe. It is still considered one of the most reliable sources of information. With time newspapers have evolved according to the changing needs of the contemporary society and readers. Despite many technological changes that have occurred during last two decades, print media has proved its relevance and utility.

In India, Bengal Gazette from Calcutta was the first newspaper published during British period by James Augustus Hicky in 1780. This paper was popularly known as Hicky's Gazette and although it could not sustain for a longer period because of its content against the British government. Great social reformer Raja Ram Mohan Roy published one more newspaper with the same name of 'Bengal Gazette' in 1826 which is considered as the first newspaper published by an Indian.

Jugal Kishore Shukla (originally from Kanpur, Uttar Pradesh) published India's first Hindi newspaper 'Udant Martand' (The Rising Sun) from Calcutta on 30th May 1826. This was a weekly newspaper. These newspapers were raising voice about national identity and freedom of the country. The first Urdu newspaper was also published from Calcutta by Harihar Dutta in 1822 with a title of Jam-i-Jahan-Numa. Before independence most of the newspapers, published by the Indians who were either actively engaged in freedom movement or indirectly supporting the movement. However many English newspapers published by British and Indians were clearly aimed at supporting the British regime also.

After Independence, gradually most newspapers has turned into profit making organisation. First Press Commission studied the state of newspaper industry systematically. Specific suggestions were presented in the report, before the government. It discussed about the history, ethics, control, business, competition, journalists etc. during initial years of independence, the growth of print media in India was slow because of the shortage of newsprint.

During emergency, Prime Minister Indira Gandhi, completely took command over the Indian press. Hundreds of dissenting journalists were jailed and the supply of electricity of many newspapers those who refused to bend, were cut by the government. For the first time government imposed pre-censorship on print media. During eighties, newspaper business started taking shape of a big industry.

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Huge capital investments, new printing technologies, competition among newspapers and new marketing strategies compelled the newspaper to change. Ramoji Rao started Ecnody newspaper in Andhra Pradesh in 1975. This newspaper started district editions by giving more coverage to local news to attract readers. This became a successful model of marketing and later on adopted by many newspapers.

The expansion period during nineties, government policies of liberalization and privatization provided lots of opportunities to Indian print media for changing itself according to the fast-changing market needs. This period has seen a change of newspaper from vocation to profession. New generation media owner like, Sameer Jain of Times of India termed the news as product and readers as consumers of this product. Adoption of new technologies, fast expansion strategies, stiff competition and constant change and experiments became order of the day. Many newspapers took help of foreign capital to export better printing machines and collaborated with foreign experts to weed out their competitors from the market. Now attractive packaging, coloured printing, smart look and engaging layout became more important than the textual content. During nineties, big newspaper houses started expanding to other states by increasing their editions.

Expansion of television news channels posed big challenge before newspapers to be relevant because now people got opportunity to see the news live. But very soon people realized that in spite of visual inputs, television channels give news in brief and elaborative or analysis of news was possible through newspapers. However, under the pressure of television, newspapers introduced colour with more visual inputs like big-sized photos, graphics. Television news pushed the newspapers to become more analytical and opinionated. Apart from this, now newspaper started giving more space to local news items to regain their previous position among audience. With the increase of internet users the demand for newspaper's printed version is going down in the western countries. But unlike west, newspaper readers in India are growing every year. One reason for this trend may be increasing rate of literacy. Besides there seems to be a sudden rise in the information needs of Indian citizens.

Broadsheet newspapers are also slowly adopting features of tabloids. Lifestyle, food, fashion, cinema and celebrities are being given preference over serious events and issues. Health, sports, business, trade and share market is occupying more pages than international news.

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According to ABC's latest report( February,2019) Dainik Bhaskar , Hindi language daily newspaper topped the circulation list among all Indian published newspaper with 4,318,377 copies sold between the period January-June 2018. Among English dailies, The Times Of India tops the chart with circulation of 2,826,164 copies. The Times of India stands third in the list of circulation after Dainik Jagran with 4,144,706 copies. Among Bengali newspapers, Ananda Bazar Patrika topped the list (14<sup>th</sup> in all India circulation) with 1,080,478 copies.

### **Radio**

In India, first time the radio signals were broadcast during 1921 in Bombay with a music programme played on radio on the choice of the then Governor Sir George Lloyd and this programme was listened in Pune. This experimental transmission was done by The Times of India in collaboration with the Department of Postal and Telegraph.

Since its inception, radio has been serving the purpose of information, education and entertainment in India. In radio formats, news bulletins have great importance because newspapers do not reach to far-flung areas whereas radio signals do not have barriers like the newspaper faces.

Delhi station was the first to broadcast news bulletin on Indian radio. In the same year, Indian State Broadcasting Service (ISBS) was renamed as All India Radio. Next year in 1937, Central News Organisation was set up. After Independence In 1948, Central News Organisation was split into News Service Division and Foreign Service Division. On 3rd October 1957, All India Radio was given its Hindi name as Akashvani. Eventually the number of programmes based on news and current affairs increased.

The year of 1976 is remembered for the separation of AIR from Doordarshan. And the very next year first time FM Service was started. During eighties, Indian public broadcaster Doordarshan started broadcasting serials and other entertainment programmes and it started affecting the popularity of AIR adversely. By the end of eighties, Doordarshan became most prominent medium of entertainment among urban homes and now it was moving towards villages. But in the beginning of nineties, government took a decision, in which private companies were invited to produce radio programmes in Delhi and Mumbai. The government sold out the time slot of few hours to few private companies. But after few years suddenly in 1998, private FM broadcast was disallowed and AIR was asked to start its FM service in

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India. As a result, AIR launched FM Rainbow, FM Gold, Vividh Bharti (FM) and FM Service on many other regional stations.

In 1999, private companies were also invited to start their FM radio stations in different cities. The urban audiences liked the innovative and catchy style of presentation on private FM channels. Radio Jockey (RJs) became celebrity among cities. Radio Mirchi, Radio City, Fever, Red FM, and BIG FM are among some of the most popular radio channels of Delhi, Mumbai, Kolkata. Private FM radio channels broadcast popular music-based programmes. RJs use interactive formats of chat shows, comedy etc. Private radio channels are however not allowed to broadcast news. This is a privilege of All India Radio. However some of the private channels base their programmes on the contemporary issues and they take interview on the current problems.

In the second phase, government sold the frequency in 'B' category cities also. This decision helped in huge expansion of radio in India. This was termed as FM radio revolution and 'The Rebirth of Radio' in India. Besides, government also permitted various universities, colleges, NGOs, Panchayats to run their own community radio stations. The main purpose of the community radio is to give 'voice to the voiceless', marginalized communities and weaker sections of the society. The basic idea of community radio is to provide a non-commercial platform to the common people to produce its own radio programmes and broadcast according to their local needs. At present more than 100 community radio are functional in various parts of India.

### **Television**

Little over two decades after the British Broadcasting Corporation (BBC) began the first television service of the world in 1936, Television was introduced in India on September 15, 1959 in Delhi. It was with the help of UNESCO that it all started. Initially programmes were broadcast twice a week for an hour a day on themes like community health, traffic, road sense citizens' duties and rights.

In 1961 these broadcasts were expanded to include a School Educational Television (STV) project. The first major expansion of television in India began in 1972, when a second television station was opened in Bombay. This was followed by stations in Srinagar and Amritsar in 1973, and in Calcutta, Madras and Lucknow in 1975.

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For the first 17 years, television broadcast spread haltingly and transmission was in black and white. By 1976, the network consisted of eight television stations covering a population of 45 million spread over 75,000 sq. km. Faced with the difficulty of administering such an extensive television system as a part of All India Radio, the government constituted Doordarshan, the national television network, as a separate Department under the Ministry of Information and Broadcasting.

There were three ignition points that triggered the phenomenal growth of television in India from mid 1970s. The first was the Satellite Instructional Television Experiment (SITE) which was conducted between August 1975 and July 1976. It used a satellite to broadcast educational programmes to villages across six states. The objective was to use television for development, though entertainment programmes were also included. It actually brought television closer to masses. Then came the INSAT-1A, the first of the country's domestic communications satellites which became operational in 1982 and made possible the networking of all regional stations of Doordarshan. For the first time Doordarshan could start what was called "National Programme" which was fed from Delhi to all other stations. In November 1982, the country hosted the Asian Games and the government introduced colour broadcasts for the coverage of the games.

The third significant booster came in early nineties with the onset of satellite TV by foreign programmers like CNN followed by Star TV and a little later by some domestic channels like Zee TV and Sun TV into Indian homes. As the government gradually relaxed restrictions, Television in India grew and from the mid 1990's, Cable TV brought about a home entertainment revolution.

If we go by the Annual Report released by TRAI for the year: 2015-16, it clearly stated that India has the world's second largest TV market after China. As per industry estimates, as on March 2016, of the existing 2841 million households, around 1811 million have Television sets which are being served by cable TV services, DTH services, IPTV services in addition to a terrestrial TV network of Doordarshan. The pay TV universe consists of around 1021 million Cable TV subscribers, 88.64 million registered DTH subscribers (including 58.53 million active subscribers) and around half a million IPTV subscribers. The terrestrial TV network of Doordarshan serves about 92.62 per cent of country's population through a vast network of terrestrial transmitters.

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There are 48 pay broadcasters, an estimated 60,000 cable operators, 6000 Multi System Operators (MSOs), six pay DTH operators, in addition to the public service broadcaster- Doordarshan, providing a free-to-air DTH service. Of the 869 registered TV channels with the Ministry of Information and Broadcasting at the close of financial year 2015-16, 205 are Standard Definition (SD) pay TV channels (including 5 advertisements – free pay channels) and 58 are High Definition (HD) Pay TV channels.

India's television industry grew from Rs 4,75,003 crore in 2014-15 to Rs 5,42,003 crore in 2015-16, thereby registering a growth of around 14.10%. Subscription revenues account for a major share of the overall industry revenue. Subscription revenues rose from Rs. 3,20,003 crore in 2014-15 to Rs. 3,61,003 crore in 2015-16. On a similar note, advertisement revenues grew from Rs.1,55,003 crore in 2014-15 to Rs. 1,81,003 crore in 2015-16. The last decade witnessed significant changes in the dynamics of the Cable & Satellite (C&S) TV market. The most significant development has been the digitization of the cable TV sector in India.

India is the second largest subscription television market in the Asia Pacific Region in terms of number of subscribers. India will be amongst few countries to register a double digit growth within few years in terms of television advertising. Also, digitization has resulted in tremendous growth in the number of television channels. Television penetration in India is currently at 61% which signifies scope for tremendous growth and expansion.

Indian media and entertainment (M&E) industry is expected to grow at a compounded annual growth rate (CAGR) of 10.5% to touch \$45.1 billion by 2021 from the current \$27.3 billion, said a report 'Global Entertainment & Media Outlook 2017-21 released by consulting firm PricewaterhouseCoopers (PwC).

### **Digital Media**

In the year 1995, the Indian government permitted various departments and private companies to connect their computers to the world's computers. The number of online newspapers in Asia was 223 in 1999. Even before the internet takes off in India, Indian entrepreneur Rajesh Jain launched a web portal with domain name [indiaworld.com](http://indiaworld.com), on an American server. Perhaps this was the first Indian web portal providing news and information to the audiences spread over the various countries

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connected to the internet. News and features were provided with the help of various newspapers published from or outside India. Later on Rajesh Jain started a non-news website also and launched its own search engine, khoj.com. Later on, in 1999, Satyam Infoway bought this portal. In the same manner, the co-founder of an advertisement agency, Rediffusion, Ajit Balakrishnan launched a web portal with a domain name, rediff.com. This portal got huge popularity among Indians due to its email service. During this period, the number of dot com companies increased at a phenomenally.

In 1996, in the first phase of internet growth in India, the leading media group publishing English daily in India, The Bennett and Colman decided to jump in to the foray of the new media. In the beginning, it provided its two magazines—Femina and Filmfare to its online readers followed by the online versions of The Times of India and The Economic Times. The content for the online versions of these newspapers were taken from the print newspapers only. The company launched its own portal, indiatimes.com in 1998-99. And with this the business of online news started flourishing in India. The advent of online journalism in India is believed to be in late years of last millennium. English newspapers and magazines took the lead followed by Hindi print media.

In 2008, leading newspaper of Rajasthan, Patrika Group re-launched its website with elements of interactivity and attractiveness. This can be termed as second phase of development of online journalism in India. Now online newspapers were seriously working on their style of presentation and content. They were improving on the navigation and interface with the readers. To sustain in the competition for advertisement they were taking feedback of readers also.

The present shape and design of online newspapers is the result of many researches done in this field. After many changes and experiments online newspapers have reached to the present shape. Lay out and designing of newspaper, classification of news items, style of presentation, navigational facilities etc. everything is result of careful listening to the readers. Initially most of the online newspapers were started by the established print media and they used to upload the same news content for the online newspapers also. In the second phase, online newspapers were made more interactive with searching and hyperlink facilities. It was only in the third phase that originally new content was written and designed for the online newspapers. The Unicode fonts solved the problem of Hindi font. Researches about readability reveal that readers feel printed newspapers more comfortable as compare to online newspapers. Reading on desktop, laptop, e-

book reader, tablets and mobile screens are not very convenient for long reading. Although scientists are working on developing specialized electronic display or electronic papers for reading purposes also.

Online journalism has yet not reached to the common people in India. One of the main reasons behind this is unavailability of computer technology to the common people. Digital revolution has yet not reached to the remote villages. Even if it reaches to the masses, poor people are not able to afford this. During last few years telecommunication revolution has played great role in taking the digital news platforms to the remotest places of the country. According to the Mobile Operators Association of India report total mobile subscribers in India are 946.66 million on September 2017. The Smartphone users are around 25 per cent of total subscribers but this number is increasing at a very faster pace. Most of the telecommunication companies have launched 4G mobile service. The Reliance Group launched Jio 4G at cheaper rates and changed the entire dynamics of telecommunication market recently. Major Players in this industry are Bharti Airtel, Vodafone, Idea, Aircel, Telenor, BSNL and MTNL, Reliance Jio.

The exponential expansion of telecommunication facilities to the rural area in India is paving ways for online journalism also. After websites now newspaper houses have launched their news applications for mobile phones. Many applications like Daily Hunt and Shorts are becoming quite popular among Indian mobile users. These applications provide its users main news from various newspapers apps and helping them saving time and data. During last few years online newspapers are getting more advertisements and more staff is being hired for handling online newsrooms. The future of online journalism seems to be bright. More advertisements mean more opportunities and more scope to explore and experiment for online news websites. That will result into more quality content on news websites. According to the wishes of readers, news websites are increasingly becoming attractive and informative. As of now, no adverse impact is visible on print editions but the expansion of online news websites would have no impact on their counterparts in future also this cannot be said now.

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### **1.1.8 Summary**

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- Management plays an important role in media organisations. The success of media organisation is determined by the effectiveness of its management in terms of its competence, integrity and performance.

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- Management principles are the guidelines and ground rules for managing any organisation effectively. Thus, the management should be based on a set of principles.
- Planning is that function of management which determines in advance what has to be done.

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### 1.1.9 Questions

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1. Discuss the importance of media management.
2. Discuss the principles of media management.
3. What are the functions of media management?
4. Discuss the evolution of print media in India.

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### 1.1.10 Suggested Readings

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## **Unit-2 □ New Media And Its Impact-Media Economy With Special Reference To Indian Market**

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### **1.2.0 Structure**

#### **1.2.1 Learning Objectives**

#### **1.2.2 Introduction**

#### **1.2.3 Effects of New Media**

#### **1.2.4 Media Economy With Special Reference To Indian Market**

#### **1.2.5 Summary**

#### **1.2.6 Questions**

#### **1.2.7 Suggested Readings**

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### **1.2.1 Learning Objectives**

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After studying this unit you will be able to understand new media and its impact.

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### **1.2.2 Introduction**

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New media are often contrasted to “old media”, such as television, radio, and print media, although scholars in communication and media studies have criticized inflexible distinctions based on oldness and novelty. New media does not include television programs (only analog broadcast), feature films, magazines, books, – unless they contain technologies that enable digital generative or interactive processes.

Wikipedia, an online encyclopedia, is a good example of New Media, combining Internet accessible digital text, images and video with web-links, creative participation of contributors, interactive feedback of users and formation of a participant community of editors and donors for the benefit of non-community

readers. Facebook is another type of New Media, belonging to the category of social media model, in which most users are also participants. Another type of New Media is Twitter which also belongs to the social media category, through which users interact with one another and make announcements to which the public receives. Both Facebook and Twitter have risen in usage in recent years and have become an online resource for acquiring information.

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### 1.2.3 Effects of New Media

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Although there are several ways that New Media may be described, Lev Manovich, in an introduction to *The New Media Reader*, defines New Media by using eight propositions:

**New Media versus Cyberculture** – Cyberculture is the various social phenomena that are associated with the Internet and network communications (blogs, online multi-player gaming), whereas New Media is concerned more with cultural objects and paradigms (digital to analog television, iPhones).

**New Media as Computer Technology Used as a Distribution Platform** – New Media are the cultural objects which use digital computer technology for distribution and exhibition. e.g. (at least for now) Internet, Web sites, computer multimedia, Blu-ray disks etc. The problem with this is that the definition must be revised every few years. The term “new media” will not be “new” anymore, as most forms of culture will be distributed through computers.

**New Media as Digital Data Controlled by Software** – The language of New Media is based on the assumption that, in fact, all cultural objects that rely on digital representation and computer-based delivery do share a number of common qualities. New media is reduced to digital data that can be manipulated by software as any other data. Now media operations can create several versions of the same object. An example is an image stored as matrix data which can be manipulated and altered according to the additional algorithms implemented, such as color inversion, gray-scaling, sharpening, rasterizing etc.

**New Media as the Mix Between Existing Cultural Conventions and the Conventions of Software** – New Media today can be understood as the mix between older cultural conventions for data representation, access, and manipulation and newer conventions of data representation, access, and manipulation. The “old” data

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are representations of visual reality and human experience, and the “new” data is numerical data. The computer is kept out of the key “creative” decisions, and is delegated to the position of a technician. e.g. In film, software is used in some areas of production, in others are created using computer animation.

**New Media as the Aesthetics that Accompanies the Early Stage of Every New Modern Media and Communication Technology** – While ideological tropes indeed seem to be reappearing rather regularly, many aesthetic strategies may reappear two or three times ... In order for this approach to be truly useful it would be insufficient to simply name the strategies and tropes and to record the moments of their appearance; instead, we would have to develop a much more comprehensive analysis which would correlate the history of technology with social, political, and economical histories or the modern period.

**New Media as Faster Execution of Algorithms Previously Executed Manually or through Other Technologies** – Computers are a huge speed-up of what were previously manual techniques. e.g. calculators. Dramatically speeding up the execution makes possible previously non-existent representational technique. This also makes possible of many new forms of media art such as interactive multimedia and video games. On one level, a modern digital computer is just a faster calculator, we should not ignore its other identity: that of a cybernetic control device.

**New Media as the Encoding of Modernist Avant-Garde; New Media as Metamedia** – Manovich declares that the 1920s are more relevant to New Media than any other time period. Metamedia coincides with postmodernism in that they both rework old work rather than create new work. New media avant-garde is about new ways of accessing and manipulating information (e.g. hypermedia, databases, search engines, etc.). Meta-media is an example of how quantity can change into quality as in new media technology and manipulation techniques can recode modernist aesthetics into a very different postmodern aesthetics.

**New Media as Parallel Articulation of Similar Ideas in Post-WWII Art and Modern Computing** – Post WWII Art or “combinatorics” involves creating images by systematically changing a single parameter. This leads to the creation of remarkably similar images and spatial structures. This illustrates that algorithms, this essential part of new media, do not depend on technology, but can be executed by humans

## **1.2.4 Media Economy With Special Reference To Indian Market**

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Regulatory changes, rising incomes, technological remediation, and a shifting political terrain have all played a part in the greatly assisted birth of the Indian media economy in the twenty first century. This is the era in which the media have gained official recognition as a substantive component of India's economy and a feature of its economic thinking. The disparate arms of infrastructure, capital interests, regulations, commodities, and the impetus of consumer demand have finally been brought together in a larger dynamic. It would be going too far, of course, to suggest that this is a seamless convergence and it would obviously be too much to claim that India has, or will ever have, a fully integrated media market. For a start, the highly centralized account here does not account for the considerable regionalization, and sometimes intense localization, that has always been a distinctive feature of India's media markets. The high visibility of organized sector enterprises and their acquisitions should not blind us to the continuation of a great deal of disorganized media activity of all shades. The diversity of commodities and the disparate purposes of mediation work against any singular business model, and the rapid profusion of media channels, products, and services reaches different segments of the population to a varying extent, and sometimes not at all. Nonetheless, it can be argued that the Indian media have transcended the era of capacity building and achieved the economic 'lift off' that was the larger object of the development process. There is a strong case, then, for the timing of our analysis. Beyond this, however, the unique characteristics of the media economy provide an equally important rationale for the proposition of this work. As we noted at the outset, we necessarily approach the object of economy here in light of the inherently social and cultural constituents of the mediation process. The inputs, functions, and outputs of media businesses all rest upon a dense web of social transactions that tend to escape the logics of most standard models of political economy. There are evidently many different forms of capital and currency in operation, and identifying the ways in which value is ultimately realized is a multidimensional challenge. Ascribing profit motives is no simple matter in itself, and any consideration of the drivers of demand requires us to think about markets, commodities, and social development in many different ways.

The rapid growth in the Indian Media and Entertainment economy has the world talking. Boasting of the world's youngest population, besides being home to a massive demographic footprint of more than 1.2 Billion, India is the haven for new technologies, consumer media and expansion in communication. Held by the promise

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of exponential growth and demand, global media houses have already locked India into their growth and investment cycles for the near future. As is around the world, the Indian media today is facing a brand new change, an opportunity to adapt and expand as well as a challenge to stay relevant – the growth of Digital Media. Going only by the humungous scale of the Indian mobile phone user base – more than 750 million – and that too further injected with the mass adoption of 3G and 4G, the potential in digital content creation, packaging and distribution in the country is massive. Thus, avoiding or ignoring the new face of multi-platform media networks is only bound to be suicidal for any big or small media provider. With increasing number of people consuming news, entertainment as well as educational media through digital and mobile platforms, the value to advertisers and subsequently media houses to move towards more robust and responsive, digital mass media is growing at an exponential pace. Thus, to say the least the digital content and platforms has radically redefined the desirable business models and has spurred and thrown the Indian media and entertainment players into a lookout for global partners, be it for technology upgradation, knowledge and content sharing or foreign investments. Looking at the key drivers for the growth in the sector, we cannot ignore the large pool of opportunities available for media businesses stemming from the low media penetration in the country.

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### 1.2.5 Summary

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The growing middle class, high incomes and increasing consumption of content holds unprecedented potential for media businesses. Adoption of digital thus, offers both challenges to adapt as well as opportunities for those who are ready to embrace the change. Thus, the only way to succeed for Indian as well as global media players in India would be to understand and adapt to this dynamic but wonderful ecosystem that is India. There's fraud, corruption, inconsistencies, politics as well as unpredictability that surrounds the industry today, but the fruit that lies exposed to the ones that are convinced and determined to grow their businesses here, is sweeter than any other part of the world today.

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### 1.2.6 Questions

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1. Discuss about the impacts of New Media.
2. What do you understand by media economics?

### 1.2.7 Suggested Readings

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## **Unit-3 □ Media As Industry And Profession**

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### **1.3.0 Structure**

#### **1.3.1 Learning Objectives**

#### **1.3.2 Introduction**

#### **1.3.3 Media As An Industry**

#### **1.3.4 Challenges Facing The Media And Entertainment Industry**

#### **1.3.5 Business Strategies**

#### **1.3.6 Monetization: Revenue Sources**

#### **1.3.7 Media As A Profession**

#### **1.3.8 Summary**

#### **1.3.9 Check Your Progress**

#### **1.3.10 Suggested Readings**

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### **1.3.1 Learning Objectives**

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After studying this unit you will be able to understand media as industry and profession.

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### **1.3.2 Introduction**

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The media landscape is changing quite rapidly. Many users spend most of their hours online and consume more content than ever, which they can reach through a great variety of devices—often using more than one simultaneously. They can be entertained and informed in multiple ways. Media companies struggle to define their strategies; some integrate forward, trying to reach customers directly, while others focus on content and attempt to widen their audience by using as many distribution channels as possible.

Media users' expectations with regards to media products have drastically changed in the last decade. Their relationships with media brands have shifted, their interests are not the same, and their willingness to pay—and how they pay—has been

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radically modified. These adjustments directly impact the media business, determining the content it produces and the payoff it expects in return.

Firstly, there has been strong audience fragmentation in terms of age, interests, geographic location and culture. Whereas 20 years ago listening to your favourite band meant buying their album or waiting for it to be played on the radio, now the consumer can find it on YouTube for free with just two clicks. Access to specific content in the format that better suits the customer—who pays almost nothing for it—has become fairly easy; so easy that we take it for granted. The consumer is not willing to pay high fees for something that he can obtain for a low price or run a marathon to find the content he wants. On the contrary, the consumer expects the content to be accessible at any time and in any format he desires. Thus, the media industry has shifted from producing content for a large population to targeting small groups of people who share common features. This fragmentation runs parallel to the different habits today's consumers have adopted (more time spent consuming media, with most of that content consisting of free/low-cost products).

Secondly, the channels and devices used to consume media content have changed, with a rise in the use of cell phones and a rapid decline in the consumption of print media. Although newspapers are still read by almost every generation, daily publications with short expiration dates have their days numbered. The information they all offer is easier to read, more convenient to transport and fresher—with the most recent updates—if accessed through a mobile device, which fits perfectly in any pocket.

Finally, this has led to a different kind of relationship between users and media companies. Consumers' loyalty to a specific company has increased. Many media products rely primarily on those relationships, creating communities that defend them and trust them.

Thirdly, consumers no longer rely on print newspapers, radio or TV to access media and entertainment content to keep up with the news. Those channels do not form a monopoly anymore. Now, consumers use multiple channels, cut back on spending on print issues and invest their time on the Internet, where they can get hold of the same content through other channels.

With a rise in the use of cell phones and laptops to stream online content, the number of paid TV-subscribers drops, the amount of money spent on streaming content rises, with consumers paying for more than one service to buy content. What

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used to be a habit of viewing television in a fixed location is over. Today's audience expects to download and watch in any location, on any device they choose, at any time. This era is one of comfortability. We value above all to have a comforting experience, one that does not involve fighting to read/watch something. We just want an easy life, and media companies can exploit that, instead of being frightened by it. The audience has changed dramatically, from a monolithic crowd to no crowd at all but, instead, specific people. Media firms must face this fragmentation and offer products that connect with the audience and make them come back every single time. That is, they must create fans. There is a big downside to immersing consumers in environments where they can find only what they want, what they like, what they agree with and what they feel comfortable with hearing, watching or sharing.

The disadvantage to this is obvious, and it has become evident over the last few years. We, as consumers, start believing that what we see in our newsfeed is what there is in real life. Audience don't see or read or watch anything else. We get our daily information in a personalized manner, we consume entertainment through customized plans, and we share content and befriend people on social media that we already agree with.

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### **1.3.3 Media As An Industry**

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Changes in audience behaviour have made media leaders rethink their content value chain. This chain includes the following components: content creation, management, distribution, awareness and monetization. For survival, the decision over business strategies within a media company is crucial. The rise of multiple formats has brought forth new revenue streams—although some, such as newspaper brings less money than before. Thus, media companies are looking for new offerings, such as events, podcasts, merchandising, e-commerce partnerships or exclusive reporting, to keep their products afloat.

Along with these shifts in audience expectations, the media sector has also faced a major disruption, which has come from tech companies and their platforms. Media leaders are compelled to produce quality content and rethink their business, even by fostering alliances with other firms within the market.

### 1.3.4 Challenges Facing The Media And Entertainment Industry

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- **High Incidence of Taxes:** The indirect tax structure for the entertainment sector is distorted. The incidence of indirect taxes is unnecessarily high with the entertainment taxes varying from 40% to 70% of gross box office collections. This irrational tax structure, discourages investment, enhances risks and leads to large scale evasion of taxes.
- **Piracy - The Killer Disease:** Piracy is the killer disease of the entertainment industry. Piracy levels are estimated to be around 40% to 50% of the film trade and the film industry is losing Rs.300 to Rs.400 crore a year due to piracy. While piracy is a non-bailable cognizable offence under the Copyright Act, its enforcement leaves a lot to be desired, emboldening the criminals involved in the trade.
- **Service Tax Burden:** Entertainment software production companies and would have to pay 10% service tax. With the imposition of service tax, the industry was hoping that there would be some relief in the customs duty front on equipment required for digital production. But their hopes were belied *i.e.*, a false impression.

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### 1.3.5 Business Strategies

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The proliferation of free media content in the Internet has led media companies to rethink their business strategies from scratch. While prior to the Internet, most entertainment and media firms relied on both advertising and sales (newspaper sales, movie box-office sales, CD sales, etc.), the Internet disrupted their business strategy. On the web, the consumer could find that same information and music for free. Sales were falling, and although digital advertising was born, it was not enough—and is still not enough—to sustain the business.

#### a) The New Landscape for Business Models

The Internet has reached maturity since its inception and platforms are now in charge, while traditional media companies are still struggling to produce physical and digital products, while trying to increase their revenues. With the increasing reach of the Internet, hundreds of digital media initiatives—

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ranging from solo entrepreneurs to small enterprises—were launched. They confront lower costs than traditional media companies, as they only operate digitally and lesser risks are involved. Big newspapers houses are facing the economic disadvantage of having to print their product, while digital newspapers comparatively spend less. The advantage of the physical product is the emotional attachment the consumer has to it, which helps boost brand attachment. However, traditional media no longer has control over their content at large. As such, traditional media compete with digital companies, not only in terms of revenue but also in terms of content. Before, old media acted as a filter: networks and companies determined what stories they wanted to tell. Now, the old filter business model has gone. Traditional media functioned as “gatekeepers” which today is sadly already dead. Now media and entertainment companies need to have business plans that source content—both produced and licensed—at tremendous scale. The bottom line is that the Internet has reduced the entry barriers to the media market, leading to more and more companies fighting for a piece of the pie.

### **b) The Winning Business Strategy: Multiple Revenue Models**

Given the current situation, one or two revenue sources are not enough. Media firms must pursue multiple revenue models. According to an article by Christopher Vollmer, PwC media consultant, these models include the following:

- Maximizing the distribution of one product by using new channels and platforms.
- Capitalizing on the relationship between brands and fans. Increased presence on social media, building a closer relationship with its fans and leveraging its already established brand are some
- Monetizing every interaction, making user engagement and sales one and the same, as video gaming companies do.
- Investing in physical experiences and merchandising. Many companies, went from nurturing a social media community to publishing a best sellers.
- Going to media markets where no brand is established, which is what both e-Sports and video gaming companies are pursuing.

- Going to new geographical locations. For example, Netflix has expanded to dozens of countries with the idea that fans of the same TV show crave the same thing (and it is working).

These ideas can be summarized in two points. Firstly, that today's growth can only be attained by media companies if they pursue many revenue sources, such as subscriptions, physical products, e-commerce alliances, videos and live events, etc. This way, media houses can take advantage of multiple revenue streams to monetize the content. And secondly, that the success of the profit lies on generating a fan community attached to the brand—fans are willing to consume more, spend more and interact more through many channels. The winning strategy is to create reinforcing products that convey the same message, giving a holistic experience to fan communities.

It can be concluded that, commercials are no longer the backbone of media business models. The business model for media is changing from a commercial and cable model to a subscription based model. However, it is up to media companies to calculate which revenue sources will produce better results, depending on the format and channel they use.

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### **1.3.6 Monetization: Revenue Sources**

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Some sources of revenue work better with specific media formats. For example, live events are completely vital for the movie industry but not so much for the magazine sector. We shall discuss the format in refer to each media

#### **a) Print**

Print publications can be divided into three types: daily newspapers, magazines and books. While all of them have traditionally depended on direct sales, newspapers and magazines also rely heavily on advertising and subscriptions. For all, live events can also be a revenue stream, but it's never the main one.

#### **b) Newspaper**

For decades, newspaper have largely relied on advertising and sales as their main sources of revenue. Though, print circulation has declined in still advertising remain relevant revenue streams in developing markets, while in mature markets the revenue from these sources keeps falling. Thus, for print, advertising and sales have largely

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become insufficient revenue sources in developed markets. In these ways, print newspapers are turning subscriptions into an all-inclusive experience.

### **c) Magazines**

Magazines rely on three main revenue streams: advertising, sales and subscriptions, and more recently, e-commerce opportunities. Magazines are going through a similar journey to newspapers; their segment is experiencing the growth. Now, magazine are starting to rely heavily on subscriptions. Many magazines offers low-cost subscriptions that include both their print edition and full digital access to their online content. Again, some give away merchandise to create brand attachment. Magazines also use live events as sources of revenue, with exclusive conferences organized by magazines. Finally, the success of e-commerce alliances depends on the topic those magazines dwell on. For example, magazines with a health and fitness focus—a growing segment—generally get their subscribers to buy more products from those displayed in their pages, than do political magazines.

### **d) Books**

The book industry is still surviving, with a great number of new (sometimes digital) publishing companies. Amazon Publishing, launched in 2009, is an example of the rise of digital publishing and self-publishing, wherein the struggle for writers is not to get published, but to reach readers. Overall, book sales revenues are expected to increase by 2021—from \$114.8 billion in 2016 to \$121,100 billion in 2021—a growth led by Asia, North America and Latin America. However, the rise in the price of e-books has led many readers to purchase print books, which will continue to be the most relevant medium in the near future. Their main sources of revenue are sales and live events, like book launches and talks.

We can conclude that media companies with a print base focus on the following three types of strategies:

- They capitalize on the relationship between brands and fans, delivering their content through print, social media and events.
- They invest in real experiences, like talks, conferences and merchandise.
- They promote membership programs—subscription systems to keep customers loyal.

### **e) Video**

The video format, in which we will include the channels of movies, television and video gaming, has typically relied on sales (movies), advertising (TV and movies) and subscriptions (TV). When mentioning television, we must keep in mind that video content generated for TV is then shared through social media and accessed through mobile devices.

### **f) Television**

TV has traditionally sustained itself through advertisements and subscriptions. Now, with the rise of digital on-demand channels, subscriptions are waning, but TV is still one of the main channels for the advertising media market, as it is the most widely used medium. Traditionally there are two streams of revenue: advertising and viewer pay. Lately, percentages are shifting, but both are essential still. Moreover, the availability of consumer data has also changed TV advertising, in the sense that the modern business model plans for cross-marketing opportunities with a variety of offerings to increase revenues: live sales during a program, program outcome selection and the emergence of the predictive web. Advertising is effective for communicating new entertainment and media content. A surge in TV advertising leads to an increase in viewings of TV shows. Moreover, the number of subscribers to paid-TV is decreasing, along with an increase in money spent on media content through other platforms such as Netflix. Digital video platforms base their business models mostly on the revenue stream of subscriptions. For the consumer, the only difference between platforms is the content they feature, which can be either their own content or third-party content. Both Netflix and Amazon Prime have mostly third-party content, but they are now working to launch shows of their own. Finally, there is a new revenue stream, which we will discuss later, coming from solopreneurs like YouTubers, who redirect traffic to TV shows or take their online audience to watch TV.

### **g) Movie Industry**

The movie industry typically relied on box-office sales and customers directly buying the movies, but it is now experiencing a renewed importance of physical events. Events, the oldest medium of all, are becoming the most reliable sources of revenue.

#### **h) Video Gaming**

Video gaming has consistently relied on advertising and e-commerce alliances. The e-Sports industry brings forth a clear example of creating revenue streams through e-commerce—online buying and selling. E-Sports is a rapidly growing industry, which consists of video gaming, both on and off the web and both individually or in teams. Players associate themselves with companies and brands, which advertise their products and sell them after broadcasting the content. Thus, advertising leads to selling those products through e-commerce, creating many opportunities for brands to sell their products, and for platforms—and players—to make money. Video-game advertising is becoming increasingly targeted, with the help of increasing media technology. Technology has led to further fragmentation and even hyper-fragmentation in the video gaming industry, both in terms of audience and advertising, which play a role in the revenue streams used—especially in e-commerce alliances and direct ads.

#### **i) Radio**

Previously, the radio industry sustained itself mainly through the revenue stream of advertising, whereas the music industry relied on CD sales and live concerts (along with merchandising). Now the revenue sources vary. The radio industry grew worldwide, relying heavily on advertising. Even though advertising is the main revenue stream in the radio industry, advertisers look for targeted and hyper local content. The reason is simple: they want to know their buyers. The more data they have on who listens to what programs, the more targeted investment will they be able to make.

#### **j) Music Industry**

The music industry is experiencing recent growth. The important change is that the consumer is no longer a CD owner but a subscriber, through platforms like Spotify. He can listen to all the music he desires by paying a monthly fee. This subscription-based system makes the customer more reliable than normal sales do, since it is harder to get out of a subscription. Artists also encourage merchandising of their brand, which allows them to pump up sales while advertising their own product. In conclusion, the radio and music industries follow these business strategies:

- Artists in the music industry increase their presence on social media to prolong their relationship with their fans.

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- Music companies invest heavily in physical experiences and merchandise.
- Radio firms use several platforms to publish their content (for example, they air an interview and then convert it into a podcast and publish it on the program's website, social media, etc.).

### **k) Digital**

Digital news sites and influencers, which work for larger media brands, use business models that include multiple revenue streams—mainly digital advertising, subscriptions or membership programs, e-commerce opportunities and selling of customer data to other companies.

### **l) Digital News Sites**

Digital news sites have similar business models to print newspapers. They used to rely only on digital advertising but, as returns are low, they are increasingly turning to other sources of revenue. Furthermore, emerging markets are increasing their digital ad revenues, as the use of smartphones is also on the rise there is good returns from their digital ads. This advertising is becoming more and more targeted. 65% of all digital advertising revenue come from mobile. While digital advertising continue being the most important revenue stream. Publishers are looking for other ways to finance their products. Subscriptions and memberships have become the need of the media and entertainment business. Thus, the goal of the marketing teams is to turn readers who do not pay for content into paying customers. The problem is that only educated consumers subscribe to news outlets. The uneducated do not pay for content. This has become a major social issue

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## **1.3.7 Media As A Profession**

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For media to play their full role in development, it is necessary for them to have sustainable, professional and credible journalism. Private media rely on growth in the market place to exist and expand, and this has been hindered in many places by the economic crisis following the financial crisis. Public service media, which are more autonomous in regard to market-driven content, are finding that central governments more reluctant to fund them despite their role in development.

Community media continues to be particularly important in empowering marginalized groups including indigenous or rural communities that helps in grassroots

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participation. However, the business basis of community media continues to be problematic in many places, mostly due to inadequate regulatory regimes and insufficient recognition amongst donors of their value for development. Sadly, these communities are mostly affected by poverty and are least able to impart and obtain information. As a result, they are excluded from public debate and unable to influence decisions that have a profound effect on their everyday lives.

The professionalism of journalism is exhibited in the observance of standards such as verification of news content, confidentiality of sources, fairness, and public interest. This integrity has come into question in several ways. In many cases, the boundaries between editorial content and advertising are blurring. The widened difference between that of contributors to news content includes some who do not understand or adhere to journalistic professionalism, but also where they are not always accorded the same protections as traditional journalists. The rise of Internet intermediaries with the potential to impact on freedom of expression has produced a new set of gatekeepers, many of which are unfamiliar with or unprepared to deal with this role. Balancing the right to free expression with other rights such as privacy, reputation and security, is an emergent and immature enterprise – particularly in regard to the internet. Debates around self-regulation versus privatisation of censorship by internet intermediaries are still embryonic. Legal standards for limits on freedom of expression, on all platforms, are still often not fully aligned to international principles which require transparency, proportionality and proper purpose to be legitimate. The relevance of journalistic ethics, such as verification and fairness, in this sphere is a question. Journalistic literacies in covering complex issues of development, ranging from gender-sensitive reporting through to coverage of climate change, are often inadequate.

Meanwhile, expanded access to media platforms raises questions of broader accessibility issues, such as the broadband divide, and gender, rural and language divides. In a context of expanding information, the integrity of journalism also relies on media and information literacy competencies. Participants in media increasingly need to be equipped to find, evaluate and participate in information about the development debates.

### **Professionalism and Accuracy**

Despite the limitations of the Indian news media, we still have every reason to applaud our free media, including our largely unfettered press, as a hugely important

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asset for democratic India. There are at least two huge barriers to quality that are very worth discussing: one is concerned with the internal discipline of the media and the other relates to the relation between the media and society. The first problem is that of some real laxity in professionalism in achieving accuracy, which can be harmed even without any deliberate intention to mislead or misinform. The second is the bias — often implicit — in the choice of what news to cover and what to ignore, and the way this bias relates particularly to class divisions in India.

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### 1.3.8 Summary

Business models have changed drastically in the last 15 years and which is expected to continue. With the rise of digital companies that have low costs in comparison with traditional companies, large media companies must find new ways to survive and gain money. It is necessary for media companies to remember that multiple revenues are a must. And in order to establish them, they need to turn consumers into fans and offer them a holistic experience. One thing is clear: having a strong fan base will be the difference between growing and starving to death. And the first step seems to be subscriptions.

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### 1.3.9 Questions

1. Discuss media as an industry.
2. Enumerate the functioning of media as a profession.

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### 1.3.10 Suggested Readings

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- [https://shodhganga.inflibnet.ac.in/bitstream/10603/70579/7/07\\_chapter%201.pdf](https://shodhganga.inflibnet.ac.in/bitstream/10603/70579/7/07_chapter%201.pdf)

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## **Unit-4 □ Introduction To Media Economics**

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### **1.4.0 Structure**

#### **1.4.1 Learning Objectives**

#### **1.4.2 Introduction**

#### **1.4.3 What Is Media Economics?**

#### **1.4.4 Distinctive Features Of Media Economics**

#### **1.4.5 Summary**

#### **1.4.6 Questions**

#### **1.4.7 Suggested Readings**

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### **1.4.1 Learning Objectives**

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After studying this unit you will be able to understand media economics.

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### **1.4.2 Introduction**

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The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making significant strides. Proving its resilience to the world, Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenue. The industry has largely been driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

Media is consumed by audience across demographics and various avenues such as television, films, out-of-home (OOH), radio, animation, and visual effect (VFX), music, gaming, digital advertising, and print.

The Indian advertising industry is projected to be the second fastest growing advertising market in Asia after China. At present, advertising revenue accounts for around 0.38 per cent of India's gross domestic product. By 2021, Indian media and entertainment industry will reach Rs 2.35 trillion.

India ranks 15 in the world in the music industry and is expected to enter the top 10 music markets by 2022.

### 1.4.3 What Is Media Economics?

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Media economics combines the study of economics with the study of media. It is concerned with the changing economic forces that direct and constrain the choices of managers, practitioners and other decision-makers across the media.

According to Robert Picard, media economics 'is concerned with how media operators meet the informational and entertainment wants and needs of audiences, advertisers and society with available resources'.

For Alexander et al., media economics refers to 'the business operations and financial activities of firms producing and selling output into the various media industries' (1998: 2). Media economics, then, is concerned with a range of issues including international trade, business strategy, pricing policies, competition and industrial concentration as they affect media firms and industries.

#### Market Dynamics

The M&E industry will grow at a CAGR of 13.5 per cent during FY19-FY24. It is expected to reach around Rs 3.1 lakh crore (US\$ 43.93 million) by 2024.

India's advertisement market is projected to grow 10.62 per cent y-o-y to Rs 85,250 crore (US\$ 12.06 billion) till 2021. India's advertisement spending touched Rs 67,603 crore (US\$ 9.67 billion) in 2019, up 11 per cent y-o-y. Digital advertising has emerged as the third largest advertising medium in India. It generated revenue worth Rs 15,467 crore (US\$ 2.21 billion) in 2019. Digital will contribute 29 per cent of the ad market size by 2021.

The online video market in India is estimated to reach US\$ 4 billion by 2025, with subscription services contributing more than US\$ 1.5 billion and advertising adding US\$ 2.5 billion.

The Indian film industry reached Rs 100 billion (US\$ 1.43 billion) in 2019. Increasing share of Hollywood content in Indian box office and 3D cinema is driving the growth of digital screens in the country. India's video streaming industry is expected to grow at a CAGR of 21.82 per cent by 2023.

#### Recent development/Investments

Foreign Direct Investment (FDI) inflow in the Information and Broadcasting (I&B) sector (including Print Media) for the period April 2000 – March 2020 stood

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at US\$ 9.20 billion as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

- In 2019, the sector witnessed a total of 21 mergers and acquisition (M&A) worth US\$ 240 million.
- Shipment of TVs in India increased 15 per cent annually to reach the highest-ever level of 15 million units in 2019.
- In April 2020, Hotstar, owned by the Star network, was rebranded as Disney+Hotstar. It plans to localise Disney+ movies and shows by dubbing or adding subtitles in Indian languages, including Hindi, Tamil and Telugu.
- Bharti Airtel's direct-to-home (DTH) arm Airtel Digital TV and Dish TV merged by end of August 2019.
- As stated in Union Budget 2019-20, Government was to launch a dedicated channel for start-ups.
- Spotify will launch lite version for low-end Android phones in India.
- As of January 2019, Zee Studios launched a digital content arm Zee Studios Originals, to globally produce premium, original content and create new (IPs) Intellectual Properties for all digital platforms.
- As on July 2019, SonyLIV, India's first premium video on demand platform (VOD) crossed the 100 million app download on Play store.

### Government Initiatives

The Telecom Regulatory Authority of India (TRAI) is set to approach the Ministry of Information and Broadcasting, Government of India, with a request to Fastrack the recommendations on broadcasting, in an attempt to boost reforms in the broadcasting sector. The Government of India has agreed to set up National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai. The Indian and Canadian Government have signed an audio-visual co-production deal to enable producers from both the countries exchange and explore their culture and creativity, respectively.

The Government of India has supported M&E industry's growth by taking various initiatives such as digitising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable

and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

### **Road Ahead**

Indian M&E industry is on an impressive growth path. The industry is expected to grow at a much faster rate than the global average rate.

Growth is expected in retail advertisement on the back of several players entering the food and beverages segment, E-commerce gaining more popularity in the country, and domestic companies testing out the waters. Rural region is also a potentially profitable target.

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## **1.4.4 Distinctive Features Of Media Economics**

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Let us understand some typical features of the economics of media which distinguish them from other kinds of business:

The media are typically 'hybrid' or mixed in character. Often they operate in a dual market, selling a product consumers and a service to advertisers. They are also extremely diversified in terms of the type of product sold and the range of technologies and organisational means for distribution.

Media cost structures are characterised by high labour intensives and high fixed costs, although both dependencies are diminishing as a result of technological change and media expansion.

A third feature of the media is the high degree of uncertainty and also the uniqueness of the product. Uncertainty refers to consumer evaluation (it is still difficult to predict audience taste for music, films or books, however much manipulation through publicity is tried).

Despite standardisation, many media products can be easily differentiated on a day to day basis and can rarely be repeatedly sold in exactly same form.

The media seem has a tendency of concentration. This may happen because of the advantages of monopoly control of advertising markets are so evident, and perhaps because of the appeal of power and social prestige to would-be media 'tycoons'.

Media houses involving distribution are unusually hard to enter without large capital resources, mainly because of high fixed costs and high launch costs. One

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cannot hope to start up a significant newspaper or a television channel 'in a small way', although there are niche markets available.

Finally, the media are different simply because they are affected by public interest. They are not just 'any other business', and tend to be burdened with a considerable responsibility. While the production and manufacturing oriented business is focuses on production and tries to sell products. The customer oriented business focuses on the need of the customer and produces accordingly, being aware of the marketability of the services or product sold.

Source- <http://osou.ac.in/eresources/DJMC-06-BLOCK-03.pdf>

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### 1.4.5 Summary

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- Media economics combines the study of economics with the study of media. It is concerned with the changing economic forces that direct and constrain the choices of managers, practitioners and other decision-makers across the media.
- In free market economies, most decisions concerning resource allocation are made through the price system. But the relationship between price and resource allocation in the media is somewhat unusual.
- A good way of getting to grips with what is special about media economics is to consider the characteristics of the media as a whole that distinguish it from other areas of economic activity.

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### 1.4.6 Questions

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1. What do you understand by media economics?
2. Discuss the features of media economics which distinguish them from other kinds of business.

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### 1.4.7 Suggested Readings

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- <https://www.scribd.com/document/436611238/Media-Economics>
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- <http://egyanagar.osou.ac.in/slm-media-management-mm-3-b-3.htmlf>

**MEDIA MANAGEMENT**

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**MODULE - 2**

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**ADMINISTRATIONS IN PRINT MEDIA  
ORGANIZATIONS**

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## **Unit-1 □ Print Media Management-Ownership Patterns, Structure of Newspaper Organization & Functions of Various Departments & Personnel**

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- 2.1.0 Structure**
- 2.1.1 Learning Objectives**
- 2.1.2 Introduction**
- 2.1.3 Principles Of Management**
- 2.1.4 Media Ownership and Control**
- 2.1.5 Factors Affecting The Nature Of Media Ownership**
- 2.1.6 Types Of Media Ownership**
- 2.1.7 Criticism Of Media Ownership And Control**
- 2.1.8 Media And Ideology**
- 2.1.9 Ideological Nature Of Ownership And Control - Some Evidences**
- 2.1.10 Diversification, Synergy And Technological Convergence**
- 2.1.11 Global Trends In Ownership And Control**
- 2.1.12 Newspaper Ownership In India**
- 2.1.13 Structure Of Newspaper Organization & Functions Of Various  
Departments & Personnel**
- 2.1.14 Summary**
- 2.1.15 Questions**
- 2.1.16 Suggested Readings**

### **2.1.1 Learning Objectives**

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In this unit, we will study about the ownership pattern of media. In the process, we will understand how different political and economic scenario around the world also affects the media ownership pattern. We will also study, the trends and patterns in ownership and control of a range of mass media and the theoretical perspectives on the relationship between ownership and control of the media.

### **2.1.2 Introduction**

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Media companies do profit-making businesses. Those who commission and plan programmes or decide newspaper or magazine content, usually play safe by excluding anything that might offend or upset readers or viewers. No media company would like to lose revenue and profit by losing readers or viewers since they were offended by any kind of bias or partisan approach of the media concerned.

### **2.1.3 Principles Of Management**

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Management is the most important function in every organization. It is a distinct process consisting of activities of planning, organizing, staffing, directing, controlling and coordinating the activities. According to Lundy, 'Management is principally a task of planning, coordinating, motivating and controlling the efforts of others towards a specific objective'. Henry Fayol says 'to manage is to forecast, to plan, to organize, to command, to coordinate and to control'. In every organization, managers have to design and maintain an environment in which individuals work in groups to achieve selected missions and objectives. Managers direct the effort and activities of other people toward common objectives. According to Appley, management is the art of getting things done through and with informally organized groups. W. Newman describes 'a manager is a leader, who gets things done by working with people (willingly) and other resources in an organized manner. In order to reach an objective, he coordinates the activities of others rather than perform operations himself'. Management is the fine art of getting the employee to want to do his prescribed work as per plan willingly and with voluntary cooperation. According to Taylor, Gantt and Others, analysis, planning and control of work should be separated from the execution of work and management should be responsible for detailed analysis, investigation and planning of work in advance, whereas workers should be

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responsible for the performance of the work as per plan. According to Taylor, the managers should study work scientifically in order to identify by 'one best way' to get the things done.

Taylor emphasized five concepts on which management theory and practice could be based. These are : Research, Standards, Planning, Control and Cooperation. Henry Fayol, the great French Writer suggested the following principles of management that are briefly discussed below :

1. Principle of Objective : This principle requires that every member of the newspaper organization should be familiar with its basic goals and objectives and every activity of the newspaper organization should be directed and should result in the accomplishment of these objectives.
2. Principle of Specialization : This Principle is also known as the Principle of Division of Labour. It implies that the work of every person in the newspaper organization should be limited as far as possible. He/She should concentrate his/her efforts on a single line of endeavour which permits him/her to have better acquaintance with the subject matter and a better utilization of time.
3. Principle of Span of Control : This states that no superior should have more than a specific and limited number of subordinates. This principle makes the newspaper executives aware of the fact that on account of the limitation of time and ability there is a limit on the number of subordinates that they can effectively supervise.
4. Principle of Authority and Responsibility : This principle implies that authority and responsibility should go side by side in the newspaper organization. A person working in the newspaper organization should be held responsible for carrying out an activity in so far as he/she has authority over that activity.
5. Principle of Unity of Command : It is the most widely recognized principle of management. It states that each subordinate should have only one superior. According to Ernest Dale, each person should receive orders from only one superior and be accountable to him. It is based on the reason that if a person receives orders from more than one superior, it would lead to confusion and chaos.
6. Principle of Unity of Direction or Order-Giving : It states that orders concerning a particular operation should be received directly from one

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person only. Fayol describes it as 'one head and one plan for a group of activities having the same objectives'. It is largely meant to ensure coordination.

7. **The Exception Principle** : It means that every manager at every level should take all decisions within the scope of authority and only matters beyond the scope of his authority should be referred to his/her superior for decision. It means that decisions which recur frequently should be reduced to a routine and delegated to subordinates while the supervisors should concentrate their energy and time on unusual matters of exceptional character. This principle will enable the top executive to devote his/her time to policy matters and his/her energies will not be frittered away on matters of routine.
8. **Scalar Principle** : It means that authority and responsibility should flow in a clear unbroken line from the highest executive to the lowest operative. According to Fayol, 'The scalar chain is the chain of superiors ranging from the ultimate authority to the lowest ranks.' This principle envisages that in every undertaking some kind of hierarchy involving superior-subordinate relationship should be established and that direct authority should flow from superior to subordinate throughout the entire organization.
9. **Principle of Balance** : It implies that the various parts of an organization should be in balance and that none of the function should be given undue emphasis at the cost of others.
10. **Principle of Discipline** : Fayol considered discipline as a general principle of management. He stresses discipline as 'respect for agreements which are directed as achieving obedience, application, energy and outward marks of respect'. According to Terry, 'Self-imposed discipline is the most effective type of discipline, it is encouraged by proper managerial actuating efforts'.
11. **Subordination of Individual Interest to General Interest** : This states that in a business the interest of one employee or groups of employees should not prevail over that of the concern. To ensure this Fayol suggested 1. Firmness and good example on the part of superiors, 2. Agreement as fair as possible and 3. Constant supervision.
12. **Remuneration of Personnel** : This principle states that remuneration should be fair which gives satisfaction both to personnel and firm (employer and employee).

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13. Order : By order Fayol meant a place of every one and every one in his place, the right man in the right place. He believed that this order demanded precise knowledge of the human requirements and resources of the concern and constant balance between their requirements and resources.
14. Equity : This states that the managers must trust employees with 'kindness'. Desire for equity and equality of treatment are aspirations to be taken into account in dealing with employees.
15. Stability of Tenure of Personnel : Fayol pointed out that instability of tenure is at one and the same time cause and effect of bad running. He asserted that generally the managerial personnel of prosperous concerns are stable and managerial personnel of unsuccessful ones are unstable.
16. Initiative : This principle of Fayol enjoins managers to sacrifice some 'personnel vanity' in order to permit the subordinates to keep up their zeal and initiative.
17. Espirit-de-Corps : This principle states that 'union is strength'. Fayol exhorts managers to encourage cohesiveness and Espirit-de-Corps among his subordinates.

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### 2.1.4 Media Ownership And Control

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Pluralists argue that media owners are responsible for their ways of handling information because media contents are mainly shaped by consumer demand in the marketplace. They therefore only provide the contents as per the demand of their respective target audience. Moreover, editors, journalists and broadcasters have a strong sense of professional ethics which act as a system of checks and controls on owner's/proprietor's abuse of the media. They feel mass media are an essential part of the democratic process because the electorates today get most of their knowledge of the political process from newspapers, radio and television. They are also of the opinion that owners, editors and journalists are protectors of this process. Furthermore, pluralists argue that media audiences are the real power holders because they can exercise the right to purchase or not to purchase. If they do not like the choices that media owners are providing to them or if they suspect that the media product has been biased, the audiences would respond by not purchasing the product. The media, therefore, supply what the audience wants rather than what the owner decides.

Pluralists also argue that concentration of ownership is a product of economic rationality rather than political or other motives. It is driven by the need to keep costs low and to maximize profits. Globalization too results from the need to find new audiences rather than from cultural imperialism. Power of media owners is also restricted by state or government controls, e.g. in some societies, owners are not allowed to own too much media or different types of media. Many countries also have cross ownership rules preventing people from owning more than one type of media. Furthermore, newspapers, television and radio in Britain are subject to legal controls and rules imposed on them by The Press Council and the Office for Communications.

Doyle (2002) suggests that examination of ownership and control pattern is important for two reasons. It helps to understand all points of view need to be heard if society is to be truly democratic. And free media will thrive as it will keep the abuses of power and influence by elites under check.

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### **2.1.5 Factors Affecting The Nature Of Media Ownership**

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To acknowledge the factors that affect the nature of media ownership, let us first understand about the normative theories of mass media (1956). Each theory is connected with the kind of political system in which the society has to conduct its socio-economic political affairs. In 1980s, Denis McQuail added two more theories to the existing set of four theories by Siebert et.al. a) Authoritarian Theory b) Free Press Theory c) Social Responsibility Theory d) Communist Media Theory e) Development Communication Theory f) Democratic Participant Media Theory. Now, we will understand the theories in details, these will help us understand what affects the ownership patterns of media conglomerates in different countries in a better way.

- a) **Authoritarian Theory** : Here the press is under the state power or ruling class. The chief function is to propagate what the owner wants to establish and sustain his/her rule. The message disseminated to the audience is suitable according to the owner; other opinions can barely reach the people at large.
- b) **Free Press Theory** : Otherwise known as the “Libertarian Theory,” here the press is owned by both private and public organization. The major function is to let many voices and views find their ways for public consumption. The fundamental rights of each and every citizen are safeguarded.

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- c) **Social Responsibility Theory** : Social Responsibility Theory of mass media is relatively a new concept. It started around the mid-20th century and is used mostly by developing and least developed countries. The theory started from Europe and took a shape with the Commission on the Freedom of Press that happened in United States in 1949. It encourages total freedom to press and no censorship but it should be regulated according to social responsibilities and external controls. Content is also filtered through public interference. Press is supposed to be owned privately. The government does not own the press. The private owners should publish within the ethical guidelines and in a responsible way. It helps democracy prosper as this media help in maintaining democracy and do not encourage authoritarianism. The chief function is to be pluralist and all national voices, views and interests find ways for accurate expression. People find out alternative views and thus society as a whole benefits.
- d) **The Communist Media Theory** : This is also known as Soviet Media Theory. Russian media was reorganized around this theory. This theory is derived from the basic tenets of Marx and Engels. The media as per this theory are not subject to arbitrary interferences as in case of authoritarian theory. The chief functions are to safeguard and propagate the interests of the working class. The society moves in a direction to achieve certain set of values.
- e) **Development Communication Theory** : Here, the state is usually the owner of the press. Major functions are to support the policies of development by the government. The limited resources are better utilized for nation building.
- f) **Democratic Participant Media Theory** : Here, press is owned by state and private organization. There is multiplicity of media communication at all levels. It encourages small scale operation of media. People may have a better chance to interact more or local and relevant issues.

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### 2.1.6 Types Of Media Ownership

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There are four major types of ownership of mass media. Chain, Cross Media, Conglomerate and Horizontal and Vertical Integration. These types of media ownership can be described as follows :

**Chain Ownership** : In chain ownership, the same media company owns numerous outlets in a single medium, a chain of newspaper, a series of radio stations,

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a string of television stations or several book publishing companies. Chain ownership in India applies mostly to newspapers. There are many publishing groups in India which have chain ownership, such as the group headed by The Times of India, Hindustan Times, Indian Express, The Statesman, Ananda Bazar Patrika, The Hindu, The Telegraph and living media foundations.

**Cross Media Ownership :** When an organization owns more than one type of media company, for example a newspaper, a magazine and a television station it is called Cross Media Ownership. Three types of cross media ownership are often found: cross-media ownership across the various carriers such as television, radio or print; consolidation, including vertical integration among media operations of content, carrier and distributor within a media segment such as television or radio; and market share dominance in a given geography within each media segment. Example of Cross Media Ownership in India includes Times Group, Network 18 Group, India Today Group, ABP Group etc.

**Conglomerate Ownership :** Conglomerate Ownership means the ownership of several business operations, one of which is a media business. For example when a publishing company owns a newspaper along with chemical, fertilizer, cement, rubber, plastic factories, a liquor brewery, distillery or a major corporation has controlling shares in a number of media related business, this pattern is conglomerate. In a conglomerate, there will be interlocking of directorships, which means the same persons will be director of a media company as well as of manufacturing industries or financial corporations. Several transport or lorry company directors are directing the destiny of newspaper, television or film production companies. Their main business will be a high profit industry but they tend to run a media company for prestige or to exercise social and political influence on decision makers in the private or public sector and in the government. Such a conglomeration may not always support an unbiased or dispassionate presentation of events, issues and personalities. These are media groups that are emerging as national conglomerates. They are all in the news business as well as in entertainment, media distribution and network business. They own newspapers, magazines, radio, cable television and television channels, to name their key businesses.

**Horizontal and Vertical Integration ;** Horizontal Integration refers to a Media Company having a presence across different media segments (Print, TV, FM Radio). A Media Company can own a magazine, radio, newspaper, television and books. Almost all Media companies have horizontal integration. It generates more money

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and makes the company more popular among target audience. Vertical integration indicates that a media company has absolute monopoly in the production of the matter that go into the making of media products. For example, a newspaper publisher may own several hundred areas of forests where the major components of a newspaper namely wood for newsprints cultivated. Some other newspaper company may own a factory that produces the bulk of the printing ink or other materials used in the industry. Some media companies have focused on increasing economic control over all aspects of the production process in order to maximize profits, e.g. film corporations not only make films but distribute them to their own cinema chains. This is referred to as vertical integration. These companies may own studios or industrial units producing film stocks or even a chain of theatres where the films are exhibited. These trends of ownership, i.e. cross media, conglomerate and vertical integration are what seems to be unhealthy for a developing society. As this promotes the practice of monopoly and thus result in the phenomenon of suppression. Not only the freedom of media is compromised, it sheds doubts on unbiased representation of various points of view. Ownership and control of the mass media is a complex business. Let us understand this through some examples. Some companies are characterized by horizontal integration or cross media ownership – this illustrates that global media corporations often cross media boundaries and invest in a wide range of media products. For example, News Corp, owns newspapers, magazines, book publishers, terrestrial and satellite television channels and film studios in several countries. Most media companies in India and abroad are integrating vertically to sell cross-media, often acquiring or building multimedia platforms. News Corp's Star TV India and Sun TV Network Ltd. already own DTH and cable distribution platforms. Star's cross-media India operations include television channels, internet offerings, radio, mobile entertainment and home video (incidentally, 11 cable distribution companies provide some 400 television channels in India). Sun Network has 14 TV channels in four states, cable assets, four magazines, radio stations and two newspapers. In Tamil Nadu, the dominance of Sun in cable and satellite TV (channels and distribution network) and now in the DTH market is quite visible.

Concentration of ownership or monopolies in the sphere of newspaper and magazine publishing takes the form of industrial houses bringing out multiple publications such as morning and evening papers and dailies for the general readers, specialized dailies for businessmen and professionals as well as science journals, comics, business weeklies, women's magazines and children's periodicals. 'The Times of India' is the largest publishing house bringing out regularly all types of

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publications. 'The Indian Express' Group, its closest competitor, is owned by the Goenka Industrial House and publishes its daily from major cities. 'The Anand Bazar Patrika' Group and the 'Hindustan Times' Group (owned by Birlas) are the major contenders. In Kerala, the 'Malayalam Manorama' Group rules the roost.

Ownership of newspapers is thus concentrated in the hands of few groups which as a result wield much power. The concentration of ownership is a major threat to a free press, for it considerably narrows the range of opinions and the field of debate.

Though the concentration of newspapers is mostly in the few hands but other types of newspaper ownership management and operation are also developed. These are :

1. Individual Ownership
2. Partnership
3. Corporation
4. Group or Chain Ownership
5. Employee Ownership
6. Vertical Ownership
7. Joint Operation

The advantages and disadvantages of the various ownerships are discussed below :

### **1. Individual Ownership :**

This type of ownership is common among weekly newspapers. The owner usually is the editor, printer, publisher, manager etc. He/she does the entire work him/her self and when necessary serves in almost any position in the organization.

### **Advantages :**

1. The owner makes all decisions related to business and editorial policies.
2. He/she is given absolute control of the newspaper.
3. He/she receives all profits and bears losses whatever occurs.
4. He/she keeps intimate connection with the newspaper.
5. He/she maintains secrecy in operations.
6. He/she makes quick decisions.

**Disadvantages :**

1. The owner is liable for the entire debt of the newspaper.
2. Unlimited liability is placed on the individual owner.
3. Individual ownership is not adaptable to an expanding business.
4. In case of the death of the owner, decline in business is evident.
5. Long term loans may be difficult to obtain since creditors must consider the life expectancy of the proprietor.
6. Success of the newspaper depends heavily on the ability and credit status of the owner.

**2. Partnership :**

According to the Indian Partnership Act, 1932, partnership is 'the relationship between persons who have agreed to share profits of a business carried on by all or any of them acting for all'. In a partnership firm, there should be at least two partners, the maximum number can be raised to twenty. In partnership, persons make an ownership agreement, either orally or in written for the purpose of establishing, purchasing or operating a newspaper. To avoid legal problems it can be registered with the Registrar of Firms. A partnership deed containing name of business, duties and powers of the partners, appropriation of profits etc. should be signed.

**Types of Partnership :**

It may be of two types. 1. General and 2. Limited.

1. **General Partnership :** This type of partnership is based on an agreement between two or more persons to establish or purchase a newspaper and engage in publishing it. It is common form of partnership but each partner is liable to an unlimited degree. Each partner is a general agent for the newspaper and in any business matter one partner may act for both.
2. **Limited Partnership :** A limited partner is responsible for the debt of the newspaper only to the amount agreed upon as an investment and has no right to contract for the newspaper and on control of its assets.

**Advantages :**

1. Responsibilities of newspapers are divided, thereby lessening the workload on each partner.

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2. Judgment of more than one mind is brought into business operation.
3. Persons of different capabilities and financial standings are permitted to pool their talents and money.
4. Maintenance and operation costs are divided.
5. Partnership easy to form.
6. Quick decisions are possible.
7. Larger resources are also possible.

### **Disadvantages :**

1. Each partner runs the risk of becoming liable for an unusually large debt incurred by any one of other partners.
2. Partnership may be discontinued at any time by death or withdrawal of a partner.
3. Each partner is liable for the newspaper's entire debt.
4. Each person is privileged to obligate the newspaper.
5. Long term credit is sometimes hard to obtain.
6. An irresponsible partner may jeopardize the interest of the other partner or partners.
7. Sometimes, lack of harmony among partners also creates problems.
8. Partnership also has a lack of public confidence.

### **3. Corporation :**

This is the most common form for daily newspaper because it is more adaptable to problems of expansion, centralization or transfer of fractional ownership.

### **Advantages :**

1. The personal liability of investors is limited to their share of interest in the corporation.
2. The business of the newspaper is not readily affected by changes in stock ownership.
3. Transfer of control is flexible.
4. Operations can be expanded easily by increasing capital.

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5. A publisher who owns 51 per cent of the share in the newspaper and whose powers are defined in the articles of the corporation may control the policies and obtain from outside sources 49 per cent of the capital needed for the operation.

### **Disadvantages :**

1. Profits distributed to stock holders are first taxed as income to the corporation and again as dividends to the share holders.
2. Corporation taxes are imposed.

### **4. Group or Chain Ownership :**

Group comprises two or more newspapers published by a single establishment from the same centre. Chain ownership applies to more than one newspaper published by the same establishment from more than one centre.

Newspaper chains take various forms depending on the point of operation at which cooperation is dominant. In some cases a holding company controls at least 51 percent of the shares in each newspaper. The holding company may have supervision over editorial policies of individual newspapers or the company may allow each to formulate its own. Major materials such as newsprint, machinery and other equipments and supplies usually are brought through general headquarters.

Newspaper groups are formed without a common holding company but with a chain of command from an elected set of officers and directors. Publishers in the organization have the controlling interest in the newspapers they publish and also may have an interest in the other newspapers. They manage their own newspapers and formulate their policies with the advice and council of the officer.

### **Advantages :**

1. Supplies may be purchased through a control office with discounts for quantity.
2. Advertising space may be sold nationally with a single organization representing all newspapers in the group.
3. Certain details of book keeping and other office procedure may be centred in a common office for all newspapers.

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4. A large group owner could afford to improve news coverage by having correspondents and the news bureaus in the state capital and foreign cities. This arrangement is too expensive for a small owner to maintain.
5. The chains are also better able to afford the latest technical equipments thereby making newspaper production more efficient.
6. Chains have the resources to provide more elaborative training and public service programmes than do individually owned papers, the validity of each of these agreements depends in great measure on the particular group owner involved. As Earnest Hynds concluded in his book 'American Newspapers in the 1980s', 'some group-owned newspapers are among the nation's best; some newspapers belonging to groups are at best mediocre'.

### **Disadvantages :**

1. Managers or Publishers might not feel compelled to promote the local community to the same degree that they would if the newspapers were owned by them or by a local corporation or partnership.
2. Permanence of management is more in question than when the newspaper is entirely locally owned.
3. Subscribers sometimes feel that the newspaper is managed by remote control and they are not as close to the editor as they would like to be.

### **5. Employee Ownership :**

This ownership usually develops where a publisher has held the controlling interest and upon retirement or death wants the paper continued under its established policies in the hands of associates. Furthermore, the publisher appreciates the interest and the ability of employees and desires to recognize their loyalty in this way. This type of ownership allows employees to buy shares in the newspaper corporation. In some cases the employees own a majority of the shares and control the policies of the newspaper.

### **Advantages :**

1. Employees are given an incentive to protect the best interest of the newspaper.
2. Very few changes are made in personnel.

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3. Sense of ownership on the part of employees, helps to create high morale.
4. Questions pertaining to wages, hours and other production matters are understood better and are more easily handled.
5. Interdepartmental barriers are more easily broken.

### **Disadvantages :**

1. Opportunities for bringing new people into the organization are fewer.
2. Sale of property is difficult, even if it should appear beneficial to the newspaper.
3. Length of employee service is likely to be given greater consideration than production abilities.

### **6. Vertical Ownership :**

This means that the newspaper and the enterprises serving it are under common ownership. A corporation owning and operating a large city daily, for example, also may own and operate other media, news and advertising syndicates, a paper mill and a transportation system etc. These allied institutions contribute to the success of the newspaper.

### **Advantages :**

1. It helps to reduce general expenses of newspaper operation.
2. It provides practical investment of newspaper profits.
3. It assures the newspaper of certain services and materials needed for its successful operation.

### **Disadvantages :**

1. It widens the publisher's interests and responsibilities to the extent of a possible lessening of attention in the newspaper.
2. Capital that could be used for improvement of the newspaper might be drawn into financing of other jointly owned enterprises.

### **7. Joint Operation :**

It is a system of co-operative operation between two or more newspapers of different ownership within the same premises. This system is sometimes used to

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reduce maintenance and operation costs. The newspapers are produced in the same plant but each has separate news and business offices and its own reporters and editors, advertising sales people and circulation employees. Each newspaper formulates its own policy. For a joint publishing operation, an agreement is drawn up setting forth the financial obligations of each newspaper or a corporation is formed representing capital from both ownerships.

### **Advantages :**

1. Maintenance and operation costs are reduced.
2. Production hours in the plant are increased.
3. Attention of publishers and owners is focused more on the community than on competitions.
4. Publishers may give more unified and complete newspaper service to their public.
5. Pleasant relations are developed among newspapers in a competitive field.
6. Advertisers usually are permitted to buy space either in all newspapers at combination rate or in separate ones at the individual newspaper's standard rate.
7. Joint handling of some advertising and perhaps some news copy permits reduction of personnel in the news and advertising sections as well as in the mechanical department.

### **Disadvantages :**

1. With reduced competition, publishers might strive for greater projects than their newspaper service deserves.
2. Use of common production facilities may lead to standardization, resulting in loss of newspaper individuality.
3. With competition partly eliminated efforts towards specific improvements might be lessened.

It is well known that there does exist a concentration of newspaper ownership, call it a monopoly or oligopoly. The Press Commission came to the conclusion that even if the concentration of ownership might not be controlled there should be diffusion of ownership which would minimize the effects of monopoly control.

### **2.1.7 Criticism Of Media Ownership And Control**

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Marxists argue that the economic system of Britain, i.e. capitalism, is characterized by great inequalities in wealth and income which have been brought about by the exploitation of the labour power of the working classes. Marxists believe that in order to legitimate and reproduce this system of inequality, the capitalist class uses its cultural power to dominate institutions like education and the mass media and transmit ruling class ideology. The function of these agencies is to socialize the working class into accepting the legitimacy of the capitalist system and capitalist ideas. Consequently, Marxists argue that capitalist system helps to hinder the growth of class consciousness amongst the working class they are compelled to accept that capitalism is a just system that benefits all social groups equally. They fail to see the reality of their situation that they are being exploited by a system that only benefits a powerful minority.

### **2.1.8 Media And Ideology**

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The market economy and free market always favour the capitalist system which is strongly criticized by the Marxist Economy. Marxists suggest that owners shape media content so that only 'approved' and conformist views are heard. Miliband (1973) argued that the role of the media is to shape how we think about the world we live in and suggested that audiences are rarely informed about important issues such as inequalities in wealth or why poverty persists. Tunstall and Palmer (1991) suggest that governments are no longer interested in controlling the activities of media owners because they need their support to either gain power or hang onto it.

### **2.1.9 Ideological Nature of Ownership and Control - Some Evidences**

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Marxists suggest that media owners, wealth holders and the political elite are united in some sort of ideological conspiracy to brainwash the general people. Sociologists have evidence to confirm their suspicions that concentration of media ownership is damaging democracy. However, Curran's (2003) detailed systematic examination of the social history of the British Press suggests that the evidence for interference of owner in the content and manipulation of British newspaper is strong.

Curran notes that in the period 1920–1950 press barons openly boasted that they ran their newspapers for the purpose of propaganda that reflected their political views. Curran points out that even when engaged in investigative reporting, the majority of newspapers in Britain have supported the Conservative Party. Curran also notes that the period 1974–1992 saw the emergence of Rupert Murdoch. However, Curran rejects the idea that Murdoch is part of unified capitalist elite but acknowledges that Murdoch’s newspapers are conservative in content and are strongly supportive of capitalist interests. He argues Murdoch’s motives are economic rather than ideological in that Murdoch believes that right wing economic policies are the key to vast profits. He argues the pluralist view that media owners do not intervene in media content is evidentially false. Curran argues that since 2000 there has been even greater intervention by owners such as Murdoch. He notes that the actions of media owners are not collectivized, rather they pursue their economic goals in a ruthlessly individualized way in an attempt to obtain a bigger share of the market than their capitalist competitors.

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### **2.1.10 Diversification, Synergy And Technological Convergence**

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Some media corporations not only focus on media products but have diversified into other fields. When a company spreads its wings or we can say it diversifies by getting into other businesses. For example, ‘Virgin’ which began as a music label and record shop chain, expanded into a wide range of products and services including cola, vodka, banking, insurance, transport, digital television, cinema and wedding dresses. This accounts to diversification. Media companies often use their very diverse interests to package or synergize their products in several different ways, e.g. a film is often accompanied by a soundtrack album, computer game, mobile ringtone or toy action figures. A company may use its global interests to market one of its own films through its television channels, magazines and newspapers in dozens of countries at the same time. Technological convergence is a recent trend which involves putting several technologies into one media product. Companies that normally work in quite separate media technology fields are joining up or converging in order to give customers access to a greater range of media services across technologies such as interactive television, laptops, MP3 players and mobile phones.

### **2.1.11 Global Trends In Ownership And Control**

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Recent trends in media ownership and control suggest that the number of companies controlling global mass media has significantly shrunk in recent years. Bagdikian (2004) notes that in 1983, 50 corporations controlled the vast majority of all news media in the USA and by 2004 media ownership was concentrated in seven corporations. Curran (2003) notes that ownership of British newspapers has always been concentrated in the hands of a few powerful 'press barons', e.g. in 1937 four men owned nearly one in every two national and local daily newspapers sold in Britain. Today, seven powerful individuals dominate the ownership of British national daily and Sunday newspapers. The content of commercial terrestrial television is mainly controlled by one company, ITV Plc., whilst access to satellite, cable and digital television in Britain is generally controlled by two companies – News Corp, (owned by Rupert Murdoch) which owns BSkyB and Virgin Media (owned by Richard Branson).

### **2.1.12 Newspaper Ownership In India**

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The Indian media market differs from those of developed countries in several ways. The reason being, India is a developing country and unlike the developed countries, all segments of the media industry (including print and radio) have a lot to grow. The media market in India remains highly fragmented, due to the large number of languages and the size of the country. Over 82,000 publications registered with the Registrar of Newspapers as on 31 March 2011. There are various types of media ownership. There are many media organizations in the country that are owned and controlled by a wide variety of entities including corporate bodies, societies, trusts and individuals. Information about such organizations and people is scattered, incomplete and outdated.

- ◆ The large number of media organizations and outlets often conceal the fact that there is dominance over specific markets and market segments by a few players – in other words, the markets are often oligopolistic in character, i.e. there are a few key players who control the market segment.
- ◆ The promoters and controllers of media groups have traditionally held interests in many other business interests and continue to do so often using their media outlets to their advantage.

- ◆ The growing corporatization of the Indian media is manifest in the manner in which large industrial conglomerates are acquiring direct and indirect interest in media groups. There is also a growing convergence between creators/producers of media content and those who distribute/disseminate the content.
- ◆ The absence of restrictions on cross-media ownership implies that particular companies or groups or conglomerates dominate markets both vertically (that is, across different media such as print, radio, television and the internet) as well as horizontally.
- ◆ Political parties and individuals with political affiliation control increasing sections of the media in India.

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### **2.1.13 Structure Of Newspaper Organization & Functions Of Various Departments & Personnel**

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Newspaper organization has various departments taking care of a variety of tasks. Each department has a specified function with several staff taking care of each function. Various departments that are a part of a newspaper organization include:

1. Editorial Department
2. Advertising Department
3. Circulation Department
4. Printing Department
5. Administrative Department
6. Stores Department
7. IT Department

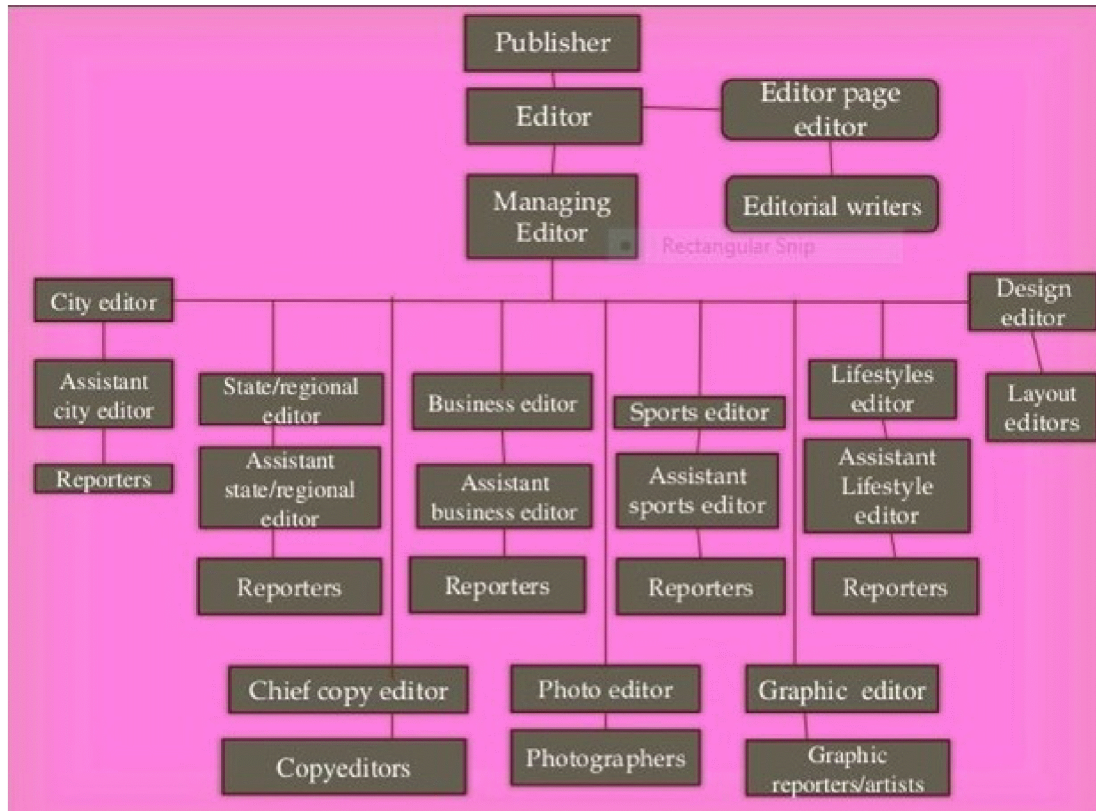
**Let us discuss the functions of these departments in brief.**

#### **1. Editorial Department :**

The Editorial Department forms the backbone of any newspaper organization. As the name implies, this department is the one responsible for content creation in any newspaper establishment. The main responsibilities of this department is the gathering of news, selecting which news and features get to be published in the paper, editing

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the news and features that have been selected for publication and then laying them out for print. Following chart represents the hierarchy of the department followed by a brief description of the functions performed by various staff members.



(Source : [https://3.bp.blogspot.com/.](https://3.bp.blogspot.com/))

**Publisher :** The publisher is responsible for all of the operations of the newspaper, both editorial and business. The main job of the publisher is to see that the newspaper remains financially healthy.

**Editor :** The editor is responsible for all of the editorial content of the newspaper and for the budgets and money spent by the editorial side of the newspaper. Often in smaller papers, the publisher and editor is the same person.

**Editorial Page Editor :** The editorial page editor is responsible for the editorial page and the “op-ed” page of the newspaper. These pages are where the newspaper’s editorials are printed as well as letters to the editor, columns by syndicated columnists and guest columns by local people.

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**Managing Editor** : This is the person who is in charge of the day-to-day production of the newspaper.

**City Editor** : The city editor -sometimes called the metro editor is in charge of the news coverage of the area in which the newspaper is located. The city editor usually has the largest staff and assigns tasks to most of the local news reporters.

**News Reporter**- A news reporter gathers information about news stories in the local area. There are generally two kinds of reporters: i) a beat reporter, and ii) a general assignment reporter.

A beat reporter covers the same subject or location all the time. The subject is generally of interest to the reporter. Various beats include legal reporting, parliamentary reporting, political reporting etc. A general assignment reporter, on the other hand, covers any story assigned by the city editor or assistant city editor.

**Chief Copy Editor** : The chief copy editor is in charge of the newspaper's copydesk. The people on the copydesk read news stories (and sometimes stories from other sections) to make sure they are written according to the newspaper's standards. The chief copy editor makes final decisions about the copy and is in charge of the staffing of the desk.

**Copy Editor** : A copy editor is specially trained to read the stories that others have written and make sure they conform with the rules of grammar and style. A copy editor also writes headlines and performs other duties that help to produce the newspaper every day.

**Photo Editor** : A photo editor is not a photographer, although it is often the case that the photo editor is a former photographer. This editor assigns photographers and helps select the photos that the newspaper prints.

**Graphics Editor** : The graphics editor is the head of the graphics department, sometimes called the "art department." This editor is in charge of all of the graphics and illustrations produced for the newspaper.

**Graphics Reporter** : A graphics reporter researches and designs informational graphics that support news stories of the paper. A graphics reporter is an expert in graphic forms and also must be able to local information that can be used to build graphics.

## **2. Advertising Department :**

As an integral mass media vehicle, newspapers are vehicles of advertising meant to appeal to their readers. As such, the advertising department is the one which is critical because it gets in the revenue necessary to sustain the newspaper. Getting in revenue through advertising for the newspaper happens through various means. There can be several sections in this department to look after local advertising, one for classified ads, one for general/ national advertising, one for legal advertising and yet another one for preparing copy and so on. For example, there is a complete sales team in place, whose job is to push the newspaper as an advertising vehicle of choice to advertising and media buying agencies acting on behalf of clients, as well as clients.

The advertising department will accept and process orders from advertisers, to book space in the newspapers, as well as create ads, give agencies statistics and information about the circulation and readership of the newspaper as well, as well as work with the editorial teams to create space, the department carries out a number of functions including accepting and processing orders from advertisers, creating advertisements, providing media information to advertisers and advertising agencies, helping businesses develop advertising plans and working with editorial teams to develop features that will attract advertisers or help clients to place their products with a coordinated editorial write up.

## **3. Circulation Department :**

The circulation department takes care of everything after the newspaper is printed. This includes delivering the publication to homes through their own or third-party carriers, to the post office to be mailed into homes, as well as to newsstands, vending machines and other places it is circulated.

It is usually headed by a major executive, the circulation manager, since the newspaper ultimately stands or falls on the basis of the number of steady readers that can be enrolled.

The circulation manager may have any or all of the following subdivisions under his supervision:

- (i) City Circulation : It involves the maintenance of circulation records for the city of publication; the recruitment, supervision and reimbursement of carrier boys; the supervision of district men who oversee circulation by subdivisions

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of the city, taking responsibility for moving papers to the news-stands, relations with news-stand operators, etc.

- (ii) **Area Circulation** : Responsibilities here include getting papers destined for the surrounding area into the mail and operation of a fleet of matadors/taxis to carry the papers into surrounding areas where mail service is not rapid enough. The circulation manager is also in charge of moving the papers into the appropriate distribution channels as they move into the mailing room from the press room.
- (iii) **Sales Promotion** : It involves the direction of an office staff to keep records, notifying subscribers when their subscriptions need renewing, the handling of complaints, new subscriptions and renewals over the counter, by mail etc.

Promotion is essentially the “public relations” department of the newspaper. Where a separate promotion department exists, it usually is responsible for initiating promotion policies, subject to the approval of the publisher and usually coordinates the promotional activities of other departments.

### **4. Printing Department :**

This is another department in a newspaper establishment whose name simply tells people the job that they perform. This department is responsible for the printing of the newspapers. The department is in charge of everything that has to do with the production and printing of the papers, which includes transforming journalists’ stories into type and maintaining the printing machines.

### **5. Administrative Department :**

This department is responsible for the general administration of the entire establishment. The department is in charge of certain very important duties such as planning, organizing and staffing. Thus, the department basically looks after the general administrative work pertaining to personnel their selection, training, promotion, allotment of work, maintaining leave record, liaison with government departments, general facilities and all such work that facilitates working of other departments. In the absence of a separate legal department the administrative department also handles the work pertaining to legal matters. Otherwise there is a separate department for the legal aspects.

### **6. Stores Department :**

This is a department that has one sole responsibility which is to properly store newsprint and all the raw materials used for printing. They also store all other materials that are used in the establishment.

### **7. IT Department :**

This department is in charge of protecting, maintaining and improving the technical equipment associated with running a media outlet. Engineers/technicians spend some of their time on preventive maintenance and trying to keep equipment from breaking and much more of their time fixing equipment that has already broken. This last job is especially important, considering that the high cost of new technology makes it difficult to replace equipment. Like the production/printing department, this department is not a part of the news department but still plays an important part in the newscast.

This department is mostly headed by the Chief Engineer. He/She is responsible for all operations and maintenance that has to do with any and all engineering equipment used throughout the organization. Chief Engineer has to manage and maintain complex integrated systems with minimum supervision and maintain and repair of all technical equipment in the organization. This position requires the ability to troubleshoot, diagnose and handle the tools necessary to repair newsroom equipment and effectively present information and respond to question from managers, clients, customers and public. A solid working knowledge of the latest gadgets, computers, hardware, parts and related software with practical knowledge of electrical, plumbing and basic construction techniques is helpful. Chief Engineer presides over ground-keeping technician.

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### **2.1.14 Summary**

In this unit, we have discussed about the ownership pattern of media. In this process, we have understood how different political and economic scenario around the world also affects the media ownership pattern. We have also discussed the trends and patterns in ownership and control of a range of mass media and the theoretical perspectives on the relationship between ownership and control of the media.

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### **2.1.15 Questions**

1. What are the types of media ownership? – Elaborate.
2. Discuss in detail the Structure of Newspaper Organization & Functions of Various Departments & Personnel.

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3. What is Management in an organization? Discuss in detail the various Principles of Management.
3. Briefly explain about the Media Ownership and Control.
4. Briefly describe the Theories of Media that help to understand what affects the ownership patterns of media conglomerates in different countries.
5. State some evidences about the Ideological Nature of Ownership and Control. Briefly explain about the Newspaper Ownership in India.
7. Write short notes on the following :
  - (a) Criticism of Media Ownership and Control
  - (b) Diversification, Synergy and Technological Convergence
  - (c) Global Trends in Ownership and Control

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### **2.1.16 Suggested Readings**

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1. Newspaper Organization and Management, Frank Warren Rucker and Herbert Lee Williams, Iowa State University Press, 1965.
2. Newspaper Management in India, Gulab Kothari, Bharatiya Book Corporation, 1995.
3. Handbook of Journalism and Mass Communication, Vir Bala Aggarwal and V. S. Gupta, Concept Publishing Company, 2001.
4. A Textbook of Media Management, Mukul Sahay, Wisdom Press, 2011.
5. Media Management, S. Kundra, Anmol Publications Pvt. Limited, 2005.

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## **Unit-2 □ Customer Relationship Management (CRM) in Print**

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- 2.2.0 Structure**
- 2.2.1 Learning Objectives**
- 2.2.2 Introduction**
- 2.2.3 History Of Software**
- 2.2.4 Types**
- 2.2.5 Customer Data Platform**
- 2.2.6 Components**
- 2.2.7 Effect On Customer Satisfaction**
- 2.2.8 Profile Of Customer**
- 2.2.9 Improving CRM Within A Firm**
- 2.2.10 In Practice**
- 2.2.11 Market Trends**
- 2.2.12 Criticism**
- 2.2.13 Summary**
- 2.2.14 Questions**
- 2.2.15 Suggested Readings**

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### **2.2.1 Learning Objectives**

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In this unit, we will study about the Customer Relationship Management (CRM) in Print Media. We will understand the History of Software, Types of Customer Relationship Management, Customer Data Platform, Components, Effect on Customer Satisfaction, Profile of Customer, how to improve the CRM within a Firm, CRM Market and Trends of Market.

## 2.2.2 Introduction

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Customer relationship management (CRM) in Print is an approach to managing a print media organization's interaction with current and potential customers/consumers. It uses data analysis about customers/consumers' history with a company to improve business relationships with customers/consumers, specifically focusing on customer/consumer's retention and ultimately driving sales growth.

One important aspect of the CRM approach is the systems of CRM that compile data from a range of different communication channels, including a company's website, telephone, email, live chat, marketing materials and more recently, social media. Through the CRM approach and the systems used to facilitate it, businesses learn more about their target audiences and how to best cater to their needs.

## 2.2.3 History Of Software

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The concept of customer relationship management started in the early 1970s, when customer satisfaction was evaluated using annual surveys or by front-line asking. At that time, businesses had to rely on standalone mainframe systems to automate sales, but the extent of technology allowed them to categorize customers in spreadsheets and lists. In 1982, Kate and Robert D. Kestnbaum introduced the concept of Database marketing, namely applying statistical methods to analyze and gather customer data. By 1986, Pat Sullivan and Mike Muhney released a customer evaluation system called ACT based on the principle of digital rolodex, which offered a contact management service for the first time.

The trend was followed by numerous companies and independent developers trying to maximize leads' potential, including Tom Siebel, who designed the first CRM product Siebel Systems in 1993. In order to compete with these new and quickly growing stand-alone CRM solutions the established enterprise resource planning (ERP) software companies like Oracle, SAP, Peoplesoft and Navision started extending their sales, distribution and customer service capabilities with embedded CRM modules. This included embedding sales force automation or extended customer service (e.g. inquiry, activity management) as CRM features in their ERP.

Customer relationship management was popularized in 1997, due to the work of Siebel, Gartner, and IBM. Between 1997 and 2000, leading CRM products were enriched with shipping and marketing capabilities. Siebel introduced the first mobile

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CRM app called Siebel Sales Handheld in 1999. The idea of a stand-alone, cloud-hosted and moveable customer bases was soon adopted by other leading providers at the time, including PeopleSoft, Oracle, SAP and Salesforce.com.

The first open-source CRM system was developed by SugarCRM in 2004. During this period, CRM was rapidly migrating to cloud, as a result of which it became accessible to sole entrepreneurs and small teams. This increase in accessibility generated a huge wave of price reduction. Around 2009, developers began considering the options to profit from social media's momentum, and designed tools to help companies become accessible on all users' favorite networks. Many startups at the time benefited from this trend to provide exclusively social CRM solutions, including Base and Nutshell. The same year, Gartner organized and held the first Customer Relationship Management Summit, and summarized the features systems should offer to be classified as CRM solutions. In 2013 and 2014, most of the popular CRM products were linked to business intelligence systems and communication software to improve corporate communication and end-users' experience. The leading trend is to replace standardized CRM solutions with industry-specific ones, or to make them customizable enough to meet the needs of every business. In November 2016, Forrester released a report where it "identified the nine most significant CRM suites from eight prominent vendors".

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### 2.2.4 Types

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#### 1. Strategic

Strategic CRM is concentrated upon the development of a customer-centric business culture.

#### 2. Operational

The primary goal of customer relationship management systems is to integrate and automate sales, marketing, and customer support. Therefore, these systems typically have a dashboard that gives an overall view of the three functions on a single customer view, a single page for each customer that a company may have. The dashboard may provide client information, past sales, previous marketing efforts, and more, summarizing all of the relationships between the customer and the firm. Operational CRM is made up of 3 main components - sales force automation, marketing automation, and service automation.

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Sales force automation works with all stages in the sales cycle, from initially entering contact information to converting a prospective client into an actual client. It implements sales promotion analysis, automates the tracking of a client's account history for repeated sales or future sales and coordinates sales, marketing, call centers, and retail outlets. It prevents duplicate efforts between a salesperson and a customer and also automatically tracks all contacts and follow-ups between both parties.

Marketing automation focuses on easing the overall marketing process to make it more effective and efficient. CRM tools with marketing automation capabilities can automate repeated tasks, for example, sending out automated marketing emails at certain times to customers, or posting marketing information on social media. The goal with marketing automation is to turn a sales lead into a full customer. CRM systems today also work on customer engagement through social media.

Service automation is the part of the CRM system that focuses on direct customer service technology. Through service automation, customers are supported through multiple channels such as phone, email, knowledge bases, ticketing portals, FAQs and more.

### **3. Analytical**

The role of analytical CRM systems is to analyze customer data collected through multiple sources and present it so that business managers can make more informed decisions. Analytical CRM systems use techniques such as data mining, correlation, and pattern recognition to analyze the customer data. These analytics help improve customer service by finding small problems which can be solved, perhaps by marketing to different parts of a consumer audience differently. For example, through the analysis of a customer base's buying behavior, a company might see that this customer base has not been buying a lot of products recently. After scanning through this data, the company might think to market to this subset of consumers differently, in order to best communicate how this company's products might benefit this group specifically.

### **4. Collaborative**

The third primary aim of CRM systems is to incorporate external stakeholders such as suppliers, vendors, and distributors, and share customer information across groups/departments and organizations. For example, feedback can be collected from

technical support calls, which could help provide direction for marketing products and services to that particular customer in the future.

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### **2.2.5 Customer Data Platform**

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A Customer Data Platform (CDP) is a computer system used by marketing departments that assembles data about individual people from various sources into one database, with which other software systems can interact. As of February 2017 there were about twenty companies selling such systems and revenue for them was around US\$300 million.

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### **2.2.6 Components**

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The main components of CRM are building and managing customer relationships through marketing, observing relationships as they mature through distinct phases, managing these relationships at each stage and recognizing that the distribution of value of a relationship to the firm is not homogeneous. When building and managing customer relationships through marketing, firms might benefit from using a variety of tools to help organizational design, incentive schemes, customer structures and more to optimize the reach of its marketing campaigns. Through the acknowledgement of the distinct phases of CRM, businesses will be able to benefit from seeing the interaction of multiple relationships as connected transactions. The final factor of CRM highlights the importance of CRM through accounting for the profitability of customer relationships. Through studying the particular spending habits of customers, a firm may be able to dedicate different resources and amounts of attention to different types of consumers.

Relational Intelligence, or awareness of the variety of relationships a customer can have with a firm, is an important component to the main phases of CRM. Companies may be good at capturing demographic data, such as gender, age, income, and education, and connecting them with purchasing information to categorize customers into profitability tiers, but this is only a firm's mechanical view of customer relationships. This therefore is a sign that firms believe that customers are still resources that can be used for up-sell or cross-sell opportunities, rather than humans looking for interesting and personalized interactions.

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CRM Systems include –

Data warehouse technology, used to aggregate transaction information, to merge the information with CRM products, and to provide key performance indicators.

Opportunity management which helps the company to manage unpredictable growth and demand, and implement a good forecasting model to integrate sales history with sales projections.

CRM systems that track and measure marketing campaigns over multiple networks, tracking customer analysis by customer clicks and sales.

Some CRM software is available as a Software as a Service (SaaS), delivered via the internet and accessed via a web browser instead of being installed on a local computer. Businesses using the software do not purchase it, but typically pay a recurring subscription fee to the software vendor.

For small businesses a CRM system may consist of a contact manager system that integrates emails, documents, jobs, faxes, and scheduling for individual accounts. CRM systems available for specific markets (legal, finance) frequently focus on event management and relationship tracking as opposed to financial Return on Investment (ROI).

CRM systems for eCommerce, focused on marketing automation tasks, like: cart rescue, re-engage users with email, personalization.

Customer-Centric Relationship Management (CCRM) is a nascent sub-discipline that focuses on customer preferences instead of customer leverage. CCRM aims to add value by engaging customers in individual, interactive relationships.

Systems for non-profit and membership-based organizations help to track constituents, fundraising, sponsors' demographics, membership levels, membership directories, volunteering and communication with individuals.

CRM not only indicates to technology and strategy but also indicates to an integrated approach which includes employee's knowledge, organizational culture to embrace the CRM philosophy.

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### **2.2.7 Effect on Customer's Satisfaction**

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Customer Satisfaction has important implications for the economic performance of firms because it has the ability to increase customer loyalty and usage behavior

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and reduce customer complaints and the likelihood of customer defection. The implementation of a CRM approach is likely to have an effect on customer satisfaction and customer knowledge for a variety of different reasons.

Firstly, firms are able to customize their offerings for each customer. By accumulating information across customer interactions and processing this information to discover hidden patterns, CRM applications help firms customize their offerings to suit the individual tastes of their customers. This customization enhances the perceived quality of products and services from a customer's viewpoint, and because perceived quality is a determinant of customer satisfaction, it follows that CRM applications indirectly affect customer satisfaction. CRM applications also enable firms to provide timely, accurate processing of customer orders and requests and the ongoing management of customer accounts. For example, Piccoli and Applegate discuss how Wyndham uses IT tools to deliver a consistent service experience across its various properties to a customer. Both an improved ability to customize and a reduced variability of the consumption experience enhance perceived quality, which in turn positively affects customer satisfaction. Furthermore, CRM applications also help firms manage customer relationships more effectively across the stages of relationship initiation, maintenance, and termination.

### **Customer Benefits**

With Customer relationship management systems, customers are served better on day to day process. With more reliable information, their demand for self service from companies will decrease. If there is less need to interact with the company for different problems, customer satisfaction level increases. These central benefits of CRM will be connected hypothetically to the three kinds of equity that are relationship, value, and brand, and in the end to customer equity. Eight benefits were recognized to provide value drivers.

1. Enhanced ability to target profitable customers.
2. Integrated assistance across channels.
3. Enhanced sales force efficiency and effectiveness.
4. Improved pricing.
5. Customized products and services.
6. Improved customer service efficiency and effectiveness.

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7. Individualized marketing messages also called campaigns.
8. Connect customers and all channels on a single platform.

In 2012, after reviewing the previous studies, someone selected some of those benefits which are more significant in customer's satisfaction and summarized them into the following cases –

1. **Improve Customer Services** : In general, customers would have some questions, concerns or requests. CRM services provide the ability to a company for producing, allocating and managing requests or something made by customers. For example, call center software, which helps to connect a customer to the manager or person who can best assist them with their existing problem, is one of the CRM abilities that can be implemented to increase efficiency.
2. **Increased Personalized Service or One-to-One Service** : Personalizing customer service or one-to-one service provides companies to improve understanding and gaining knowledge of the customers and also to have better knowledge about their customers' preferences, requirements and demands.
3. **Responsive to Customer's Needs** : Customers' situations and needs can be understood by the firms focusing on customer needs and requirements.
4. **Customer Segmentation** : In CRM, segmentation is used to categorize customers, according to some similarity, such as industry, job or some other characteristics, into similar groups. Although these characteristics, can be one or more attributes. It can be defined as a subdividing the customers based on already known good discriminator.
5. **Improve Customization of Marketing** : Meaning of customization of marketing is that, the firm or organization adapt and change its services or products based on presenting a different and unique product or services for each customer. With the purpose of ensuring that customer needs and requirements are met Customization is used by the organization. Companies can put investment in information from customers and then customize their products or services to maintain customer interests.
6. **Multichannel Integration** : Multichannel integration shows the point of co-creation of customer value in CRM. On the other hand, a company's skill to perform multichannel integration successfully, is heavily dependent on the

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organization's ability getting together customer information from all channels and incorporate it with other related information.

7. Time Saving : CRM will let companies to interact with customers more frequently, by personalized message and communication way which can be produced rapidly and matched on a timely basis, and finally they can better understand their customers and therefore look forward to their needs.
8. Improve Customer Knowledge : Firms can make and improve products and services through the information from tracking (e.g. via website tracking) customer behaviour to customer tastes and needs. CRM could contribute to a competitive advantage in improving firm's ability of customer information collecting to customize products and services according to customer needs.

### Examples

Research has found a 5% increase in customer retention boosts lifetime customer profits by 50% on average across multiple industries, as well as a boost of up to 90% within specific industries such as insurance. Companies that have mastered customer relationship strategies have the most successful CRM programs. For example, MBNA Europe has had a 75% annual profit growth since 1995. The firm heavily invests in screening potential cardholders. Once proper clients are identified, the firm retains 97% of its profitable customers. They implement CRM by marketing the right products to the right customers. The firm's customers' card usage is 52% above industry norm, and the average expenditure is 30% more per transaction. Also 10% of their account holders ask for more information on cross-sale products.

Amazon has also seen great success through its customer proposition. The firm implemented personal greetings, collaborative filtering, and more for the customer. They also used CRM training for the employees to see up to 80% of customers repeat.

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## 2.2.8 Profile of Customer

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Customer or consumer profiles are the essence of the data that is collected alongside core data (name, address, company) and processed through customer analytics methods, essentially a type of profiling. A customer is abstracted to

information that sums up consumption habits so far and projects them into the future so that they can be grouped for marketing and advertising purposes.

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### **2.2.9 Improving CRM within a Firm**

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Consultants argue that it is important for companies establishing strong CRM systems to improve their relational intelligence. According to this argument, a company must recognize that people have many different types of relationships with different brands. One research study analyzed relationships between consumers in China, Germany, Spain, and the United States, with over 200 brands in 11 industries including airlines, cars and media. This information is valuable as it provides demographic, behavioral, and value-based customer segmentation. These types of relationships can be both positive and negative. Some customers view themselves as friends of the brands, while others as enemies, and some are mixed with a love-hate relationship with the brand. Some relationships are distant, intimate or anything in between.

#### **Analyzing the Information**

Managers must understand the different reasons for the types of relationships, and provide the customer with what they are looking for. Companies can collect this information by using surveys, interviews, and more, with current customers. For example, Frito-Lay conducted many ethnographic interviews with customers to try and understand the relationships they wanted with the companies and the brands. They found that most customers were adults who used the product to feel more playful. They may have enjoyed the company's bright orange color, messiness, and shape.

Companies must also improve their relational intelligence of their CRM systems. These days, companies store and receive huge amounts of data through emails, online chat sessions, phone calls, and more. Many companies do not properly make use of this great amount of data, however. All of these are signs of what types of relationships the customer wants with the firm, and therefore companies may consider investing more time and effort in building out their relational intelligence. Companies can use data mining technologies and web searches to understand relational signals. Social media such as social networking sites, blogs, and forums can also be used to collect and analyze information. Understanding the

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customer and capturing this data allows companies to convert customer's signals into information and knowledge that the firm can use to understand a potential customer's desired relations with a brand.

### **Employee Training**

Many firms have also implemented training programs to teach employees how to recognize and effectively create strong customer-brand relationships. For example, Harley Davidson sent its employees on the road with customers, who were motorcycle enthusiasts, to help solidify relationships. Other employees have also been trained in social psychology and the social sciences to help bolster strong customer relationships. Customer service representatives must be educated to value customer relationships and trained to understand existing customer profiles. Even the finance and legal departments should understand how to manage and build relationships with customers.

### **Application**

Applying new technologies while using CRM systems requires changes in infrastructure of the organization as well as deployment of new technologies such as business rules, databases and information technology.

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## **2.2.10 In Practice**

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### **Call Centres**

Contact Centre CRM providers are popular for small and mid-market businesses. These systems codify the interactions between company and customers by using analytics and key performance indicators to give the users information on where to focus their marketing and customer service. This allows agents to have access to a caller's history to provide personalized customer communication. The intention is to maximize average revenue per user, decrease churn rate and decrease idle and unproductive contact with the customers.

Growing in popularity is the idea of gamifying, or using game design elements and game principles in a non-game environment such as customer service environments. The gamification of customer service environments includes providing elements found in games like rewards and bonus points to customer service

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representatives as a method of feedback for a job well done. Gamification tools can motivate agents by tapping into their desire for rewards, recognition, achievements, and competition.

### **Contact-Centre Automation**

Contact-Centre Automation, the practice of having an integrated system that coordinates contacts between an organization and the public, is designed to reduce the repetitive and tedious parts of a contact center agent's job. Automation prevents this by having pre-recorded audio messages that help customers solve their problems. For example, an automated contact center may be able to re-route a customer through a series of commands asking him or her to select a certain number in order to speak with a particular contact center agent who specializes in the field in which the customer has a question. Software tools can also integrate with the agent's desktop tools to handle customer questions and requests. This also saves time on behalf of the employees.

### **Social Media**

Social CRM involves the use of social media and technology to engage and learn from consumers. Because the public, especially young people, are increasingly using social networking sites, companies use these sites to draw attention to their products, services and brands, with the aim of building up customer relationships to increase demand.

Some CRM systems integrate social media sites like Twitter, LinkedIn and Facebook to track and communicate with customers. These customers also share their own opinions and experiences with a company's products and services, giving these firms more insight. Therefore, these firms can both share their own opinions and also track the opinions of their customers.

Enterprise feedback management software platforms combine internal survey data with trends identified through social media to allow businesses to make more accurate decisions on which products to supply.

### **Location-based Services**

CRM systems can also include technologies that create geographic marketing campaigns. The systems take in information based on a customer's physical location and sometimes integrates it with popular location-based GPS applications. It can be

used for networking or contact management as well to help increase sales based on location.

### **Business-to-Business Transactions**

Despite the general notion that CRM systems were created for the customer-centric businesses, they can also be applied to B2B environments to streamline and improve customer management conditions. For the best level of CRM operation in a B2B environment, the software must be personalized and delivered at individual levels.

The main differences between Business-to-Consumer (B2C) and Business-to-Business CRM systems concern aspects like sizing of contact databases and length of relationships.

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## **2.2.11 Market Trends**

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In the Gartner CRM Summit 2010 challenges like “system tries to capture data from social networking traffic like Twitter, handles Facebook page addresses or other online social networking sites” were discussed and solutions were provided that would help in bringing more clientele. Many CRM vendors offer subscription-based web tools (cloud computing) and SaaS. Some CRM systems are equipped with mobile capabilities, making information accessible to remote sales staff. Salesforce.com was the first company to provide enterprise applications through a web browser, and has maintained its leadership position.

Traditional providers have recently moved into the cloud-based market via acquisitions of smaller providers : Oracle purchased RightNow in October 2011 and SAP acquired SuccessFactors in December 2011.

The era of the “social customer” refers to the use of social media by customers.

Sales forces also play an important role in CRM, as maximizing sales effectiveness and increasing sales productivity is a driving force behind the adoption of CRM. Empowering sales managers was listed as one of the top 5 CRM trends in 2013.

Another related development is vendor relationship management (VRM), which provide tools and services that allow customers to manage their individual relationship with vendors. VRM development has grown out of efforts by ProjectVRM at

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Harvard's Berkman Center for Internet & Society and Identity Commons' Internet Identity Workshops, as well as by a growing number of startups and established companies. VRM was the subject of a cover story in the May 2010 issue of CRM Magazine.

Pharmaceutical companies were some of the first investors in sales force automation (SFA) and some are on their third- or fourth-generation implementations. However, until recently, the deployments did not extend beyond SFA—limiting their scope and interest to Gartner analysts.

Another trend worth noting is the rise of Customer Success as a discipline within companies. More and more companies establish Customer Success teams as separate from the traditional Sales team and task them with managing existing customer relations. This trend fuels demand for additional capabilities for more holistic understanding of the customer health, which is a limitation for many existing vendors in the space.[69] As a result, a growing number of new entrants enter the market, while existing vendors add capabilities in this area to their suites. In 2017, artificial intelligence and predictive analytics were identified as the newest trends in CRM.

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### 2.2.12 Criticism

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Companies face large challenges when trying to implement CRM systems. Consumer companies frequently manage their customer relationships haphazardly and unprofitably. They may not effectively or adequately use their connections with their customers, due to misunderstandings or misinterpretations of a CRM system's analysis. Clients who want to be treated more like a friend may be treated like just a party for exchange, rather than a unique individual, due to, occasionally, a lack of a bridge between the CRM data and the CRM analysis output. Many studies show that customers are frequently frustrated by a company's inability to meet their relationship expectations, and on the other side, companies do not always know how to translate the data they have gained from CRM software into a feasible action plan. In 2003, a Gartner report estimated that more than \$2 billion had been spent on software that was not being used. According to CSO Insights, less than 40 percent of 1,275 participating companies had end-user adoption rates above 90 percent. Many corporations only use CRM systems on a partial or fragmented basis. In a 2007 survey from the UK, four-fifths of senior executives reported that their biggest challenge is getting their staff to use the systems they had installed. Forty-three

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percent of respondents said they use less than half the functionality of their existing systems. However, market research regarding consumers' preferences may increase the adoption of CRM among the developing countries' consumers.

Collection of customer data such as personally identifiable information must strictly obey customer privacy laws, which often requires extra expenditures on legal support.

Part of the paradox with CRM stems from the challenge of determining exactly what CRM is and what it can do for a company. The CRM paradox, also referred to as the "dark side of CRM", may entail favoritism and differential treatment of some customers.

CRM technologies can easily become ineffective if there is no proper management, and they are not implemented correctly. The data sets must also be connected, distributed, and organized properly, so that the users can access the information that they need quickly and easily. Research studies also show that customers are increasingly becoming dissatisfied with contact center experiences due to lags and wait times. They also request and demand multiple channels of communications with a company, and these channels must transfer information seamlessly. Therefore, it is increasingly important for companies to deliver a cross-channel customer experience that can be both consistent as well as reliable.

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### 2.2.13 Summary

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In this Unit, we have studied about the Customer Relationship Management (CRM) in Print Media. We have understood the History of Software, Types of Customer Relationship Management, Customer Data Platform, Components, Effect on Customer Satisfaction, Profile of Customer, how to improve the CRM within a Firm, CRM Market and Trends of Market.

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### 2.2.14 Questions

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1. Describe in brief the various Types of Customer Relationship Management.
2. State the Benefits which are more significant in Customer's Satisfaction.
3. Explain in brief the Market Trend in the context of Customer Relationship Management.

4. Explain in brief the Criticism in the System of Customer Relationship Management.

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### **2.2.15 Suggested Readings**

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1. Customer Relationship Management, Francis Buttle, Routledge, 2003.
2. CRM at the Speed of Light , Paul Greenberg, McGraw Hill, 4th Edition, 2009.
3. “Management Tools - Customer Relationship Management - Bain & Company”. [www.bain.com](http://www.bain.com).
4. “CRM History : The Evolution Of Better Customer Service”. [www.streetdirectory.com](http://www.streetdirectory.com).
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6. “Types of CRM and Examples | CRM Software”. [www.crmsoftware.com](http://www.crmsoftware.com).
7. “The story behind successful CRM - Bain & Company”. [www.bain.com](http://www.bain.com).

## **Unit-3 □ FDI in Media**

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### **2.3.0 Structure**

#### **2.3.1 Learning Objectives**

#### **2.3.2 Introduction**

#### **2.3.3 FDI In Broadcast Services**

#### **2.3.4 FDI In Print**

#### **2.3.5 FDI : The Road Ahead**

#### **2.3.6 Criticism Of FDI In Media In India**

#### **2.3.7 Summary**

#### **2.3.8 Questions**

#### **2.3.9 Suggested Readings**

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### **2.3.1 Learning Objectives**

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In this Unit, we will learn about the Concept of Foreign Direct Investment (FDI) in Media Sector in India. Besides, we will understand the FDI in Broadcast Services and Print Media.

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### **2.3.2 Introduction**

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The Indian Media and Entertainment industry is a rapidly advancing sector and is making high growth strides. With the world's largest newspaper circulation market and globally the largest film industry in terms of number of films made per year, the media sector is on the brink of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

India has 118,239 registered publications (newspapers and periodicals), close to 2,500 multiplexes and more than 570 mn Internet users – second largest base after China, and is expected to reach out to 640 mn by 2019.

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Up to 74% FDI in the Media sector is allowed in Teleports, DTH, Multi-System Operator, cable networks in DAS areas, mobile TV, Headend-in-the-Sky Broadcasting Services. Up to 49% FDI in entertainment media has been allowed under the automatic route and beyond 49% (up to 74%) has been allowed under government route.

100% FDI in media and entertainment has been allowed in Publishing/Printing of scientific and Technical Magazines/Speciality Journals/Periodicals under the government route.

India has the largest newspaper circulation market globally. The country has world's largest film industry in terms of tickets sold and number of films made and the second largest TV market in the world.

The Indian Media & Entertainment industry will touch \$34.8 bn by 2021.

Projected to grow at a pace of 14% over the period of 2016-2021, the media industry's advertising revenue is expected to increase at CAGR of 15.3% during the same period.

Television is expected to grow at a CAGR of 14.7% over the next five years as both advertisement and subscription revenues are projected to exhibit strong growth at 14.4% and 14.8% respectively.

Print is projected to continue its growth at 7.3%, largely on the back of continued readership growth in vernacular markets and advertisements' confidence in the medium, tier 2 and tier 3 cities.

Films segment is expected to recover from a rather slow run and is forecasted to grow at CAGR of 7.7%.

Digital advertising is expected to grow at a CAGR of 32% by 2020.

Animation and VFX is expected to grow at a CAGR of 20.4% over 2016-2021.

December 07, 2019 : Streaming platform giant Netflix is all set to spend INR 3000 crore on content in India.

February, 2019 : Dailyhunt, a regional language news aggregator run by Verse Innovation Pvt. Ltd., will receive an investment of US\$ 60 million in a new funding round led by Goldman Sachs Investment Partners.

September, 2018 : As of September 2018, Twitter announced video content collaboration with 12 Indian partners for video highlights and live streaming of sports, entertainment and news.

August, 2018 : PVR Ltd. acquired SPI Cinema for worth \$94.42 mn.

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July, 2018 : 5 private equity investment deals were recorded of worth \$115 mn.

84% Growth in FDI equity inflows during April, 2014 – March, 2017 as compared to April, 2011- March, 2014.

\$8.4 bn FDI inflows (in USD) in information & broadcasting (including print media) during April, 2000 – June, 2019.

49% FDI allowed in local cable networks and Multiple System Operators (MSO) in non-Digital Addressable System (DAS) areas.

87% FDI in the Indian media sector is allowed in Teleports, DTH, Multi-System Operator, cable networks in DAS areas, mobile TV and others.

Foreign direct investment (FDI) in the media and entertainment sector headed north in 2011-12, receiving Rs 32.54 billion during the fiscal. This was 72% more than the Rs 18.87 billion received in 2010-11. In 2010-11, FDI in the sector was Rs 23.40 billion.

In India, the media has been both powerful and dominating. As the government aims to increase India's share in the global FDI space from 1.3% in 2007 to 5% by 2017, the media have its role cut out in projecting the face of an economy that continues to be growth-intensive, a country that has a growing and young labour force, rising adult literacy and per capita income and talented human resources. All these factors motivate flow of foreign investments.

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### **2.3.3 FDI in Broadcast Services**

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The government has decided to raise the FDI ceiling to 74% from 49% in broadcast carriage services. Indeed, it will be a booster to India's cable TV sector. With the aim to completely digitize broadcast distribution in the next two years, raising the FDI ceiling in broadcast carriage services will not only bring in substantial transparency and accountability into the system but will also initiate expansion of the media and entertainment sector and in the process, add to the economy. According to an estimate, Rs 25,000 crore is required in investments by cable TV operators to digitize 100 million cable homes by 2014. The target is set for a complete digitization of India's cable TV infrastructure by the end of December 2014; before that Delhi, Mumbai, Chennai and Kolkata completed the task by October 31, 2012. Foreign majors will watch the metros' digitization carefully so that they are at the ready to invest in the next phase.

Consolidation is also likely with mobile players stepping in for digital licenses. On this front, the opening of 74% FDI in mobile TV is a welcome step, but more will be expected when the spectrum logjam is cleared and with 4G becoming a more clear and present reality.

Raising the FDI ceiling is good news for independent cable operators too, as they have an opportunity to consolidate and strengthen their base in an otherwise haphazard existence at present. The government has to ensure that foreign participation is further made seamless in order to build India's own digital infrastructure and a base for new technologies.

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### **2.3.4 FDI in Print**

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The government is likely to propose raising the FDI limit in the Print media to 49% from its present level of 26%. According to reports, the Information & Broadcasting (I&B) Ministry constituted committee, headed by I & B Director has recommended the move. The panel is in the process of providing a roadmap to the government for policy initiatives in this regard. Unlike in broadcast carriage services, raising the FDI limit in Print media may not be as sound, transparent or beneficial to the industry.

By the government's own estimates, the country has more than 78,000 registered newspapers, a majority of them vernaculars and significantly local. A road-map to further FDI in Print media, if brought into being, would only discourage the domestic, smaller aspirants. Worse, the existing local players will be at the mercy of mergers and acquisitions and risk losing their autonomy and being obliterated by foreign media more driven by corporate interests.

According to Papa Rao of 'AP Herald', Naom Chomsky's 'Manufacturing Consent' would be in full force, comprising a band of investors who would try to "generate consent for the mission set forth by their countries' corporate and the political class". This, in turn, Rao says, "would be dangerous for our native culture and the self-sustenance in the economy too". Drawing a parallel to the Latin American 'banana republics' who have lost their sovereignty and are subservient to corporate interests, Rao says raising FDI limit in Print media would only expose native newspapers who may not be able to "cope up with the (foreign) competition and news content too".

However, the report presented by the I & B Committee is not without its merits. Although Indian Print media, unlike anywhere else in the world, has been able to withstand the extremities of the global financial crisis, it still awaits a point of “acceleration for achieving higher growth”. Indeed, as the committee said, innovation in the sector is the key, particularly in business models where the regional newspapers don’t have to fear the “big fish”, be it domestic or foreign ones.

Another pertinent issue is about India’s dire need of news agencies with global footprints, where a certain degree of consolidation is required within the home brands to be projected to the rest of the world. Foreign investments, in this context, can play a significant role in taking India abroad via its news.

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### **2.3.5 FDI : The Road Ahead**

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The contribution of foreign investments in an emerging economy like India can never be undermined. Foreign investments have been a crucial game changer in projecting India overseas as a country of opportunities, in spite of its inherent challenges.

On the other hand, media in India – along with Print, TV and now, the Social Media – is here to stay. For us, the newspaper with the morning cup of tea is as much part of our daily routine as dal and roti/rice constitute our staple diet.

Admittedly, coming of news channels and Social Media have had an impact on Print media but it is not as if one is parasitic to another. At best, the segments complement each other.

In the case of FDI, under the present policy, newspapers and journals publishing scientific, technical, specialty journals can get 100% FDI. Foreign publishing houses, who own foreign newspapers, are also allowed to bring out a facsimile edition of the foreign newspaper through a wholly Indian-owned subsidiary.

Yet, keeping the ground realities in mind, the policies have to ensure a careful balancing act, to keep the national and domestic interests aloft.

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### **2.3.6 Criticism Of FDI In Media In India**

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Condemnations have registered from various segments of the society against the endeavour in easing the regulations for Foreign Direct Investments in our country. 15

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areas including media are to be opened up for approval under the automatic route. Critics argue that the increase in the FDI to 49 percent for news channels and radio is particularly harmful as it will facilitate near complete control of the news media by foreign media monopolies. Thus both India's markets and resources are being opened up further for the maximization of profits for foreign capital.

Critics denounce the reckless move in liberalizing foreign direct investment in numerous sectors of the economy including core and strategic sectors of economy, much to the detriment of national interests. Strategic sectors like media & broadcasting (100 percent) are being opened up to FDI through automatic approval route. FDI cap has been liberally increased from 74 percent to 100 percent for several sectors including satellites. Also notable is the hike in FDI to 49 percent in news channel and radio and 100 percent in DTH, cable networks, mobile television and teleports which will lead to near total control of media sector by foreign monopolies. Critics are of opinion that none of the above concessions to foreign capital are going to benefit the national economy except creating more job-losses through unleashing a process of further de-industrialization and destruction of domestic capacities. Such retrograde move will kill much more jobs than assumed to generate. Various movements have already recorded their vehement protests against such policy. Critics urge upon the endeavour of FDI to desist from such retrograde design of harming the country, the economy and the people.

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### 2.3.7 Summary

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In this unit, we have learnt about the Concept of Foreign Direct Investment (FDI) in Media Sector in India. Besides, we have understood the FDI in Broadcast Services and Print Media.

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### 2.3.8 Questions

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1. Write an essay on Foreign Direct Investment (FDI) in Media Sector in India.
2. Write short notes on the following :
  - (a) FDI in Broadcast Services in India
  - (b) FDI in Print Media in India

### **2.3.9 Suggested Readings**

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1. India's Changing Media Landscape : Cross Media Ownership, FDI and Broadcast Bill, Dr. Ahsanul Haq Chishti, Partridge India, 2017.
2. Role of FDI and FII : Global Challenges and Opportunities, Dr. Vivek Deolankar, Commonwealth Publishers, 2013.

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## **Unit-4 □ Strategy To Boost Circulation- Circulation-Circulation Department- Functions-Circulation Manager-Need Of All Round Ability-Coordination With Other Departments**

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### **2.4.0 Structure**

#### **2.4.1 Learning Objectives**

#### **2.4.2 Introduction**

#### **2.4.3 World Newspapers With The Largest Circulation**

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#### **2.4.6 Factors Driven The Growth In Circulation**

#### **2.4.7 Summary**

#### **2.4.8 Questions**

#### **2.4.9 Suggested Readings**

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### **2.4.1 Learning Objectives**

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In this unit, we will understand what is Newspaper Circulation, what is the role and functions of Circulation Department, Who is Circulation Manager, what are the duties and responsibilities he/she performs, what is Audit Bureau of Circulation and what are the factors performing vital roles for the growth of circulation.

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### **2.4.2 Introduction**

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A Newspaper's Circulation is the number of copies it distributes on an average day. Circulation is one of the principal factors used to set advertising rates. Circulation is

not always the same as copies sold, often called paid circulation, since some newspapers are distributed without cost to the reader. Readership figures are usually higher than circulation figures because of the assumption that a typical copy of the newspaper is read by more than one person.

In many countries, circulations are audited by independent bodies such as the Audit Bureau of Circulations to assure advertisers that a given newspaper does indeed reach the number of people claimed by the publisher. There are international open access directories such as *Mondo Times*, but these generally rely on numbers reported by newspapers themselves.

In many developed countries, newspaper circulation is falling due to social and technological changes such as the availability of news on the internet. On the other hand, in some developing countries circulation is increasing as these factors are more than cancelled out by rising incomes, population, and literacy.

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### 2.4.3 World Newspapers With The Largest Circulation

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The World Association of Newspapers and News Publishers (WAN-IFRA) publishes a list of newspapers with the largest circulation. In 2011, India led the world in terms of newspaper circulation with nearly 330 million newspapers circulated daily. In 2005, China topped the list in term of total newspaper circulation with 93.5 million a day, India came second with 78.8 million, followed by Japan, with 70.4 million; the United States, with 48.3 million; and Germany, with 22.1 million. Around 75 of the 100 best selling newspapers are in Asia and seven out of the top ten are Japanese newspapers.

The Japanese *Yomiuri Shimbun*, *Asahi Shimbun* and *Mainichi Shimbun* are still the largest circulated newspapers in the world. *The Times of India* is the largest circulated English-language daily newspaper in the world, across all formats (Broadsheet, Compact, Berliner and Online). Reference News is the most popular paper in China.

According to the Guinness Book of Records, the daily circulation of the Soviet newspaper *Komsomolskaya Pravda* exceeded 21,500,000 in 1990, while the Soviet weekly *Argumenty i Fakty* boasted a circulation of 33,500,000 in 1991.

## Individual Countries

### Australia

The Herald Sun has the highest circulation in Australia. Based in one of the country's two major cities, Melbourne, it is the result of the amalgamation of the original *Sun* and *Herald* newspapers.

### Belgium

The Belgian institution CIM (Centre for Information about Media) publishes national circulation figures for all written, audiovisual and web-based media in Belgium. The top ten best selling papers according to their website are *Het Laatste Nieuws*, 317,715; *Het Nieuwsblad*, 245,209; *SUD Presse* (group of papers focused on community specific content), 147,749; *Het Belang van Limburg*, 121,428; *Le Soir*, 113,780; *Vers l'avenir*, 109,287 (group of papers focused on community specific content); *La Dernière Heure*, 107,583; *De Standaard*, 104,758.

### Canada

The most widely read paper in the country is the *Toronto Star*, which, as of the six-month period ending on March 31, 2007, averaged 634,886 copies sold on Saturday, 436,694 Monday to Friday, and 442,265 on Sunday. The second most widely read paper is Toronto-based national newspaper *The Globe and Mail*, which averaged 374,000 copies on Saturdays, and 303,000 Monday to Friday. The most widely read French-language newspaper is *Le Journal de Montréal*, which averaged 319,899 copies on Saturday, 267,404 Monday to Friday, and 264,733 on Sunday. Unlike in the United States, newspapers in Canada published their biggest and mostly widely read editions on Saturdays.

### India

The Audit Bureau of Circulations shows that the largest read local language newspapers to be *Dainik Bhaskar* (with 4.320 million readers) and *Dainik Jagran* (with 3.410 million readers), both published in Hindi. *The Times of India* is the most widely read English language newspaper (3.029 million), followed by *Malayala Manorama* (2.370 million), *Amar Ujala* (2.067 million), *Hindustan Times* (1.132 million), *Eenadu* (1.732 million), *Daily Thanthi* (1.498 million), *Anandabazar Patrika* is Bengali language newspaper (1.075 million). *The Hindu* is another widely read English language newspaper (1.550 million). *Malayala Manorama* newspaper

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which is published in Malayalam from Kerala, currently has a readership of over 2.370 million (with a circulation base of over 2.4 million copies) has the most circulation in other languages.

### Japan

The 2004 circulation figures for the morning and evening editions of Japan's largest newspapers : *Yomiuri Shimbun*, 14,067,000; *The Asahi Shimbun*, 12,121,000; *Mainichi Shimbun*, 5,587,000; *Seikyo Shimbun*, 5,500,000; *Nihon Keizai Shimbun*, 4,635,000; *Chunichi Shimbun/Tokyo Shimbun*, 4,512,000; *Tokyo Sports*, 2,425,000; *Sankei Shimbun*, 2,757,000; *Nikkan Sports*, 1,965,000; *Hokkaido Shimbun*, 1,896,594; *Sports Nippon*, 1,711,000; *The Nikkan Gendai*, 1,686,000; *Akahata*, 1,683,000; *Yukan Fuji*, 1,559,000; *Shizuoka Shimbun*, 1,479,000; *Sankei Sports*, 1,368,000; *Hochi Shimbun*, 1,354,000; *Daily Sports*, 999,000.

### Norway

The Norwegian Media Businesses' Association publishes national circulation figures for every newspaper in Norway every year. In 2011 the most read newspaper was the Oslo-based national newspaper *Aftenposten*, with a circulation of 235,795 followed by the tabloid *Verdens Gang* with 211,588. The local evening newspaper *Aften* averages 101,574 and the tabloid *Dagbladet* had 98,989 readers. The financial newspaper *Dagens Næringsliv* averaged 82,595. In the top ten list it is followed by five local newspapers : *Bergens Tidende*, 79,467; *Adresseavisen*, 71,657; *Stavanger Aftenblad*, 63,283; *Fædrelandsvennen*, 36,604 and *Drammens Tidende*, 33,352.

### Turkey

As of August 2016, the top 6 best selling papers are respectively : *Hürriyet*, 340,898; *Sözcü*, 322,829; *Sabah*, 313,989; *Posta*, 302,919; *Habertürk*, 253,256 and *Milliyet*, 143,577.

### United Kingdom

According to the Audit Bureau of Circulations the best-selling papers as of January 2017 are *The Sun*, 1.67 million, *The Daily Mail*, 1.51 million and the *Daily Mirror*, 725,000.

### United States

The heyday of the newspaper industry was the 1940s, but the percentage of Americans reading newspapers began to decline with the increased competition from radio, television and, more recently, the Internet. A growing population helped the absolute circulation numbers continue to increase until the 1970s, where it remained stable until the 1990s, when absolute circulation numbers began declining.

Newspaper circulation numbers are reported to the Alliance for Audited Media. The best-selling papers in America, measured by combined daily average circulation as of March 31, 2013, are the *Wall Street Journal* with 2,378,827 in circulation; *The New York Times* at 1,865,318; and *USA Today* with 1,674,306. Overall, for the 593 reporting newspapers, daily circulation declined 0.7 percent year-over-year between March 2012 and March 2013. Sunday circulation was down 1.4 percent over the same period.

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### 2.4.4 Circulation Department

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The Circulation Department takes care of everything after the newspaper is printed. This includes delivering the publication to homes through their own or third-party carriers, to the post office to be mailed into homes, as well as to newsstands, vending machines, and other places it's circulated.

It is usually headed by a major executive, the Circulation Manager, since the newspaper ultimately stands or falls on the basis of the number of steady readers that can be enrolled.

The Circulation Manager may have any or all of the following subdivisions under his supervision :

- (i) City Circulation : It involves the maintenance of circulation records for the city of publication; the recruitment, supervision and reimbursement of carrier boys; the supervision of district men who oversee circulation by subdivisions of the city, taking responsibility for moving papers to the news-stands, relations with news-stand operators, etc.
- (ii) Area Circulation : Responsibilities here include getting papers destined for the surrounding area into the mail and operation of a fleet of tempos/taxis to carry the papers into surrounding areas where mail service is not rapid enough. The circulation manager is also in charge of moving the papers into

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the appropriate distribution channels as they move into the mailing room from the press room.

- (iii) Sales Promotion : It involves the direction of an office staff to keep records, notifying subscribers when their subscriptions need renewing, the handling of complaints, new subscriptions and renewals over the counter, by mail, etc.

Promotion is essentially the “public relations” department of the newspaper. Where a separate promotion department exists, it usually is responsible for initiating promotion policies, subject to the approval of the publisher, and usually coordinates the promotional activities of other departments.

Publications live and die by subscriptions. For magazines, catalogs, and newspapers, a higher number of subscribers means more advertising revenue, more content and more widespread recognition of those publications.

Circulation Managers ensure the ongoing survival of various publications. These individuals oversee the distribution process for mainly newspapers and magazines in the country. Circulation managers work closely with the rest of the publishing team to increase circulation rates.

Circulation Managers first and foremost are communication experts. The primary task of any circulation manager is to develop contacts with retailers and distributors, increasing the number of catalogs, newspapers or magazines they distribute.

To increase circulation rates, these professionals might enact marketing campaigns to give consumers special prices on subscription rates. These deals must be balanced in line with a publications budget, which circulation managers also typically develop.

Circulation Managers typically work alone within a publishing company, reporting back to higher-level management. Some of the other professionals they might work with include :

1. Digital Media Managers
2. Advertising Manager

Circulation Managers must have developed strong business sense and an ability to connect with a publication’s subscribers. Typically, circulation managers earn bachelor’s/master’s degrees in either marketing or journalism, but extensive experience increasing circulation rates is the most important qualification.

Because circulation managers are also involved in promotional campaigns for a publication, they may need to design pages or advertisements for the campaign. Strong computer skills are a must for any circulation manager.

### **2.4.5 Audit Bureau Of Circulations (ABC)**

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The Audit Bureau of Circulations (ABC) of India is a non-profit circulation-auditing organization. It certifies and audits the circulations of major publications, including newspapers and magazines in India.

ABC is a voluntary organization initiated in 1948 that operates in different parts of the world. Until 1948, the concept of circulation audit was yet to be made in India and the publishers had no means to verify the actual circulation number of publications that they used for advertising and had to depend more on their own judgment. Publishers also found it difficult to convince advertisers of the relative values of their publication for the purpose of advertising. It is with this background that eminent representatives of the advertising profession and publishing industry came together to establish an organization which could serve the common interest. Since then the benefit of ABC certificates of circulation have been availed by advertisers, advertising agencies, publishers and organizations connected with print media advertising. ABC (India) was founded in 1948, India.

#### **Qualifications**

The Publisher should be a Member of Indian Newspaper Society (INS) and the Publications should be registered with Registrar of Newspapers for India (RNI).

Publisher members must maintain essential books and records to facilitate a proper ABC audit and also appoint an independent firm of Chartered Accountants from amongst the approved panel of auditors named by ABC. Admission of publishers to ABC membership is subject to a satisfactory admission audit. ABC has a system of recheck audit and surprise check audits of publications to be carried out as and when ABC deems appropriate

The Bureau certifies audited Net Paid circulation figures of publications enrolled with it for a continuous and definite six-monthly audit periods and supplies copies of the ABC Certificates issued for such publications to each member. Free distribution and bulk sales are also shown on the certificates provided the relevant records are adequately maintained. Such records are checked and facts and figures are scrutinized by impartial Auditors, and only then is the Certificate of Net Paid Circulation issued.

## **2.4.6 Factors Driven The Growth In Circulation**

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Newspaper circulation in India continues to grow despite its global counterparts in America and Europe struggling for survival. The growth of the industry can be appraised by circulation and readership, with readership being the more apposite basis as generally in India a copy of the newspaper is shared by an entire family.

In 2016, the average cover prices for English newspaper saw a minimal increase in the range of 2 to 5%, for Hindi newspapers the increase was in the range of 10 to 12% and for other regional language newspapers was 14 to 18% depending on the market.

The growth in circulation is driven by the following factors -

### **1. Demographical Changes**

Over the past few decades, India has experienced many demographical changes. Literacy level across states has seen an upswing including literacy among women. This has primarily contributed to growth in readership as more people are being initiated into the world of reading and writing. The fastest growth in newspaper circulation was in states with strongest growth in literacy. India's literacy rate stands at 74.0% with rural literacy rate at 68.9% and urban literacy rate at 84.9%.

### **2. Hyper-localization**

Trends in traditional newspaper readership in India show greater inclination towards regional language newspapers. In addition to growing literacy, there are other factors that have contributed to this growth. First, the Indian economy is a rural economy with more than 65% of India's population residing in the rural areas. A paradigm shift is visible in the rural population over the past five decades as they become one of the most influential consumer groups with increased income levels and changing tastes and preferences.

Second, the coverage of local news by regional language newspapers has given circulation the much need momentum as it provided the people in the rural areas a medium to express their grievances and aspirations.

Third, localization led to multi-edition newspapers with publishers syndicating national content with regional news and expanding their content diversity with supplements. The success of hyper-localization is also attributed to readers' predilection to read content in their first language.

### **3. Low Pricing**

The increase in cover price of an average Indian newspaper today has not kept pace with the multi-fold inflation in the past two decades. At under Rs 1,000 for an average annual subscription, newspapers in India are cheaper than in any other large newspaper market in the world. The difference between India and other countries is the population density and labour cost in newspaper distribution. In India, newspapers are delivered door-to-door and at very low cost. As many as 500 newspapers are delivered in an hour, while in the US given the suburban spread it would be just a fraction of that.

In India, newspapers are priced low or coupled with discounts or complimentary supplement/edition thereby making price a non-issue for the reader and building a loyal readership base which advertisers can target. This pricing model continues to pay rich dividends to the Indian newspaper industry.

### **4. Efficient Distribution System**

Another differentiator of Indian newspaper circulation is the effective and efficient distribution network. India's newspaper distribution chain is unique and multi-tiered; newspapers are sold through an extensive network of agents and vendors.

### **5. Printing and Loading**

The distribution chain commences with printing, typically a newspaper is printed by 4 am. Printed newspapers are then counted, bundled and loaded into vehicles carrying the copies to various point of sale known as depots.

### **6. Delivery to Door**

Distribution from depots to the readers is entirely performed by the vendors. The vendor unbundles purchased copies, inserts any supplements, pamphlets and other promotional material and segregates them as per demand of the readers.

### **7. Value to Vendors**

Vendors form the lowest part of distribution chain and are paid commission as a percentage of the cover price by the newspaper companies. Newspaper companies regularly float promotional offers for vendors and in some rare cases also pay cash incentives. Vendors also have additional sources of income example pamphlets, which are manually inserted in the newspaper, are used by local advertisers as a mode of advertising; however, rates vary based on language of the newspaper,

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locality and consumer demographic. Similar to pamphlets, sometimes, stickers and small replica of a product are pasted on top of the newspaper for advertisement.

Distribution chain operates with limited resources, the entire distribution is managed manually with no use of technology and delivered on bicycles to readers at their door. The delivery charges are nominal. Also, entire circulation is usually completed within three hours and with two holidays in an entire year.

Despite the huge scale of operations, the error rate is very low. Thus with minimum costs, use of technology and investment, they achieve highest levels of customer satisfaction.

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### 2.4.7 Summary

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In this unit, we have understood what is Newspaper Circulation, what is the role and functions of Circulation Department, Who is Circulation Manager, what are the duties and responsibilities he/she performs, what is Audit Bureau of Circulation and what are the factors performing vital roles for the growth of circulation.

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### 2.4.8 Questions

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1. What is Newspaper Circulation? – Explain in brief.
2. Who is Circulation Manager? Briefly state the roles and responsibilities of Circulation Manager.
3. Explain the factors controlling the growth of Circulation.
4. Write a short note on Audit Bureau of Circulation (ABC).

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### 2.4.9 Suggested Readings

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1. Newspaper Organization and Management, Frank Warren Rucker and Herbert Lee Williams, Iowa State University Press, 1965.
2. Newspaper Management in India, Gulab Kothari, Bharatiya Book Corporation, 1995.
3. Handbook of Journalism and Mass Communication, Vir Bala Aggarwal and V. S. Gupta, Concept Publishing Company, 2001.
4. A Textbook of Media Management, Mukul Sahay, Wisdom Press, 2011.
5. Media Management, S. Kundra, Anmol Publications Pvt. Limited, 2005.

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**MODULE - 3**

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**ADMINISTRATION IN BROADCAST MEDIA  
ORGANISATIONS**

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## **Unit-1 □ Ownership Pattern: Organizational Structure, Structural Hierarchy, Functions of Various Departments and Personnel**

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- 3.1.0 Structure**
- 3.1.1 Learning Objectives**
- 3.1.2 Introduction**
- 3.1.3 Ownership Patterns of Media Organizations**
  - 3.1.3.1 Individual Ownership**
  - 3.1.3.2 Partnership Ownership**
  - 3.1.3.3 Employee Ownership**
  - 3.1.3.4 Trust Ownership**
  - 3.1.3.5 Vertical Ownership**
  - 3.1.3.6 Chain and Cross-Media Ownership**
  - 3.1.3.7 Corporation**
  - 3.1.3.8 Conglomerate Ownership**
- 3.1.4 Organizational Structure of Indian Media**
  - 3.1.4.1 Organizational Structure of Television Station**
  - 3.1.4.2 Organizational Structure of Radio Station**
- 3.1.5 Structural Hierarchy and the Functions of Various Departments and Personnel**
- 3.1.6 Summary**
- 3.1.7 Questions**
- 3.1.8 Suggested Reading**

### **3.1.1 Learning Objectives**

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After learning this unit, we will be able to understand what are the different aspects of ownership patterns in Indian media. This unit will also discuss about the organizational structure of both print and broadcast media. The objective of this unit is also to discuss the functions and relative hierarchy of different departments and personnel involved in media organizations. It is important to have a clear idea about the ownership patterns of media organizations and the organizational characteristics of media houses to understand the changing practices of Indian media.

### **3.1.2 Introduction**

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In the last few decades, the media industry in India has witnessed tremendous development and a significant number of newspapers, television channels, magazines, radio stations and web media ventures have emerged over the years. These media houses target a large and expanding number of audiences in India. Presently, there are more than seventeen thousand registered daily newspapers that are regularly published in English, Hindi and other regional languages. India has also nearly nine hundred television channels, out of which, almost four hundred channels are news and current affairs based. Moreover, the number of television channels are growing every day in India. Within this context, the idea of media ownership becomes exceedingly important for maintaining the plurality of views, opinions and heterogeneity of media content. It is redundant to say that if the ownership of media is concentrated in the hand of a few companies and their business affiliations, then the true spirit of the news media will be hampered in the long run. With increasing penetration of mass media in people's lives, the views and opinions of the individuals are becoming highly influenced by them. Hence, it is necessary to recognize the ownership patterns and organizational structure of news media, which may contribute in greater awareness of media and its relation to society, which in turn is necessary for a resilient democracy.

### **3.1.3 Ownership Patterns of Media Organizations**

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Media in India is influenced by specific patterns of ownerships. There are a number of important elements such as profit sharing, distribution of content and

participation of the employees that depends on particular ownership patterns. It may be possible to identify some basic ownership patterns of media organizations in India.

#### **3.1.3.1 Individual Ownership:**

In this kind of ownership, an individual is in control of the company and he or she is the sole responsible person to take decision. The individual is actually responsible for all the policy making decisions and also accountable for any consequences arising from those decisions. For example, according to Media Ownership Monitor report, Arnab Goswami and his wife Samyabrata Goswami hold ninety-three percent share of Republic TV. The remaining seven percent share is owned by an investor in the company. Although there are several advantages of individual ownership but there are a number of shortcomings as well. For example, whereas individual ownership may provide greater control, independence and secrecy over running the media house but it may also limit the democratic participation of the employees and often there is very little opportunity for expansion.

#### **3.1.3.2 Partnership Ownership:**

Partnership ownership is defined by a relationship shared among two or more persons who have decided to share profits of a business venture carried out by all of them or by anyone among them on behalf of the partnership. There can be a minimum of two persons involved in a partnership and the maximum can go up to one hundred partners in India according to Companies (Miscellaneous) Rules, 2014. Generally, there are two different kinds of partnership: one is the general partnership and the other is limited partnership. In the case of general partnership, the partners together run the company and take financial and operational responsibilities. On the other hand, in limited partnership there are both general and limited partners. While the general partners own and manage the business and take responsibility for the partnership, the limited partners are only engaged as investors. The limited partners have no say over the company and are not subject to the same liabilities as the general partners. One of the major advantages in partnership ownership pattern is that the responsibility of running the media house is shared among a number of

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individuals. It is also possible that individuals with different kind of talents and interests may come together and contribute their own original ideas and solutions which can help the media house to grow rapidly. On the contrary, partnership ownership is also susceptible to self-seeking acts of individual partners that may put the company in danger. It is also often very difficult to reach an agreement between various partners. Moreover, there is always the prospect of termination of partnership, for various reasons, which may adversely affect the business.

### **3.1.3.3 Employee Ownership:**

In this kind of ownership pattern the employees may have ownership status of a major part of the company. The employees are responsible for taking important decisions of the media house and they are also held responsible for the profit or loss of the company. Some of the community media organizations in India are prominent examples of such ownership pattern. In this kind of ownership pattern issues related to employees can be resolved in a rapid manner and the sense of ownership that the employees enjoy may help the media house to grow more rapidly. Although, often it becomes increasingly difficult to incorporate new employees and often the focus may shift towards the benefit of the employee instead of the overall development of the organization. Moreover, within this structure, it may become difficult to take quick decisions in times of crisis.

### **3.1.3.4 Trust Ownership:**

In this kind of ownership the actual property is maintained by one party for the benefit of the other. One such example is the Tribune Trust, which comprises of several trustees and publish a number of newspapers. This kind of ownership is generally targeted towards welfare and is usually not aimed at making profit. One of the advantages of this kind of ownership is that it generally does not tend to focus on advertisements and hence may emphasize on impartial news coverage. However, trust ownership suffers from limited access to funds and often display lack of effort in promotion and marketing.

### **3.1.3.5 Vertical Ownership:**

In this kind of ownership, the organization owns a number of media enterprises

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or other kinds of business enterprises under the same ownership. For example, *India Today Group* has several newspapers, television channels, magazines but all of them are controlled by the same ownership that is the *India Today Group*. This kind of ownership is advantageous for developing different types of businesses at the same time without increasing the general expense. However, there is a possibility that the management may not offer adequate time and energy for the development of a particular media.

### **3.1.3.6 Chain and Cross-Media Ownership:**

In this form of ownership, two or more different kinds of media are operated and controlled by the same organization. These kinds of ownership can be constituted without a common holding but they are functional within same chain of command. For example, *Zee Media Corporation* owns fourteen news channels in eight different languages across the country, including Zee News, Zee Odisha, Zee 24 Ghanta, Zee 24 Taas among others. Cross media ownership refers to common ownership over different media business. These businesses may involve newspaper, television, film, radio, magazine, music, web, publishing, music and other ventures. The advantage of these kinds of ownership pattern is that issues related to human resources in addition to administration and financial matters can be managed centrally. In this kind of ownership often cost of production is reduced due to the appropriate utilization of resources. However, one of the major disadvantages of this ownership pattern is that management may witness frequent disagreements because managements are often segregated.

### **3.1.3.7 Corporation:**

This is one of the most common types of ownership patterns. A corporation is usually identified as an association of individuals, who have come together under legally binding regulations and which has a continuous existence. Shareholders of a corporation elect a board of directors to supervise the organization's activities. There are specific responsibilities designated to the members. One of the foremost examples of cooperation is the British Broadcasting Corporation or BBC. This broadcasting corporation which is also a public service broadcasting service, is reaching the audience through television, radio and the web. In the corporation structure of business, it is usually easier to gain access to capital and often transfer of control is

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much more flexible than other kinds of ownership patterns. However, issues related to taxation can be a complex matter for corporations.

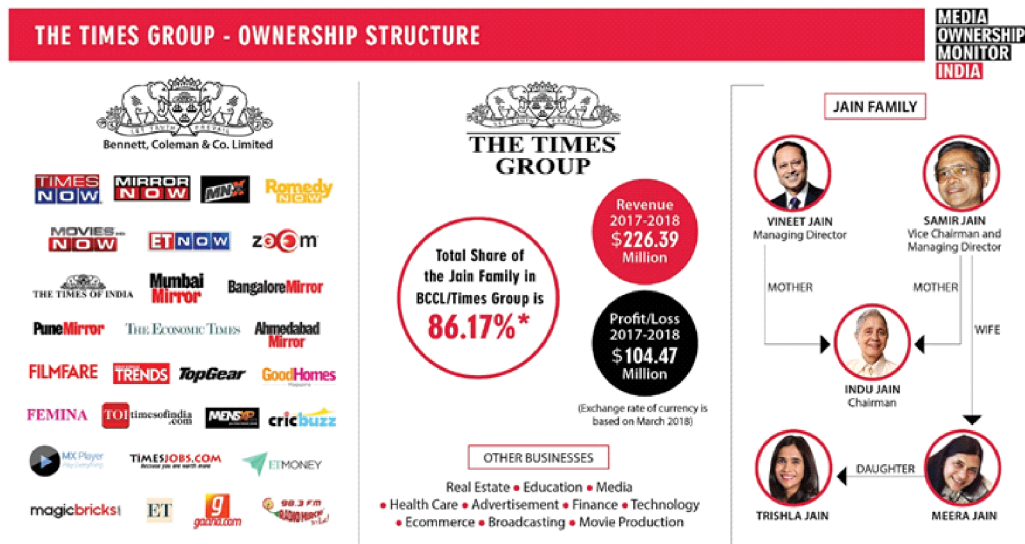


Image Courtesy: Media Ownership Monitor Report, 2018.

### 3.1.3.8 Conglomerate Ownership:

It is a combination of two or more companies engaged in different businesses that fall under one corporate structure. A media conglomerate is a multi-industry company that owns a large number of companies in various media such as television, radio, and the Internet etc.

Examples of conglomerate ownerships are Viacom, Living Media Ltd., The Walt Disney Company, Bennett Coleman & Co. Ltd. Among various others. Some of the largest companies in media industry today are examples of media conglomerates.

However, practically in India, it is often a mix of different types of ownership patterns that shape the media organizations.

### 3.1.4 Organizational Structure of Indian Media

In the present-day media organizations like newspapers, television and radio engage a large number of people for producing media content. Hence, the organizational structure of media houses is becoming increasingly complex. Moreover,

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every media organization also modify their organizational structure to better suit their needs and context. Nonetheless, it is possible to identify some common patterns of organizational structure in both print and broadcast media organizations.

### 3.1.4.1 Organizational Structure of Television Station

Broadcast media organizations have different kinds of organizational structures. Some large television channels often engage hundreds of people, who are divided into different departments and sections. Whereas small radio stations or television stations may only employ ten or fifteen people scattered around few departments. Usually the General Manager is the head of the television station. Also, the Bureau Chief or Executive Producers serve in supervisory positions. The production department, engineering department, sales department, marketing department, HR department, administrative department, finance departments are also very significant. There are various subdivisions within the departments. For instance, the program department may be responsible for making programs related to news, current affairs, music, religious programs and each of these programs may have separate departments dedicated for that.

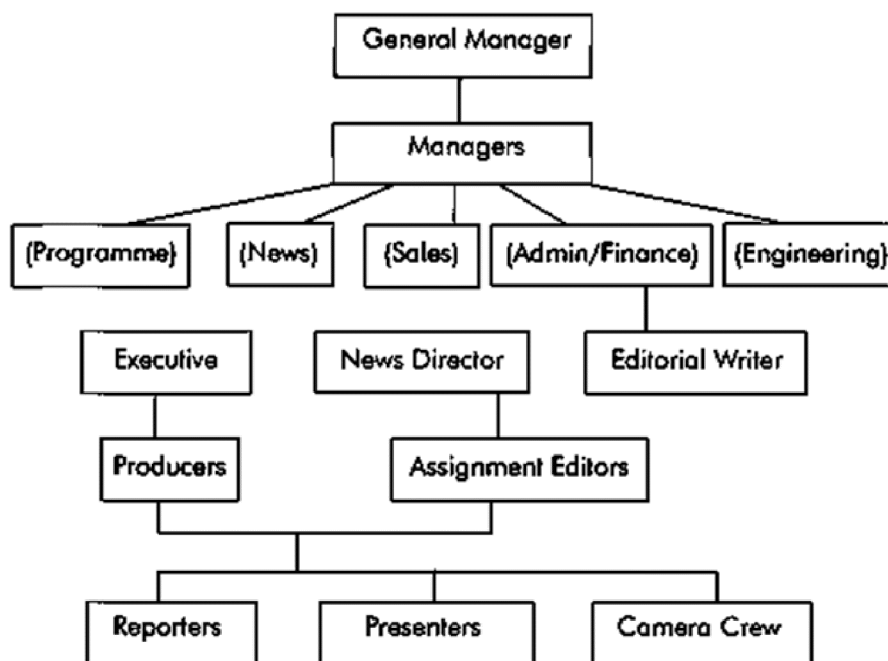


Image Courtesy: UNAIDS, 2001.

### **3.1.4.2 Organizational Structure of Radio Station**

Radio stations mainly comprises of three different wings. First, programming wing; Second, engineering wing and third administrative wing. The radio broadcast station is primarily controlled by the programming and the engineering departments. On the other hand, administrative department mainly offers the support required for the smooth functioning of those two wings. The program department is usually headed by the Program Director, who supervises the planning, research, and production of the radio broadcasts. There are two different types of staffs involved in the production of the programs. Firstly, the on-air staff and secondly, the off-air supervisory staff, consisting of production directors, program executive, who oversee the programs. Engineering department, similar to the television stations, takes care of the day-to-day operation and maintenance of the broadcast network. The administrative departments are often further subdivided into human resource department, public relations section, and accounts section. Some large radio stations may also include a separate sales department, which may comprise of Advertising Managers, Sale Representative and Account Executives.

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### **3.1.5 Structural Hierarchy And The Functions Of Various Departments And Personnel**

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Irrespective of whether it is a television station or a radio station there are some specific posts and designations, which are essential to the organizational structure and which also has hierarchical significance.

- a) The President is usually the highest executive position in a broadcast media organization. Generally, the President may also be the owner or one of the owners of the television station. Even if the President is not the owner, he or she habitually represents the views of the owners. Similarly, the General Manager, the Managing Director or the Chief of Bureau are responsible of different kinds of supervisory activities. Together they constitute the main decision-making body of the broadcast media organization.
- b) The Vice President or Deputy Managers are there to help the President or the Managing Directors. Their task involves monitoring and supervising different programs and strategies decided by the board of directors. They may also be responsible for overall coordinating activities.

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- c) One of the most important designations in broadcast media is the Producers. They are mainly responsible for thinking about a production concept and for taking care of the entire production process. They are also responsible for taking decisions that will have a great influence on the entire production process. Producer is usually considered as a team leader for a particular production and is deeply involved with the main talents hired for a specific project. Often the Producer is helped by a number of Assistant Producers as the production progresses. Assistant Producers co-ordinate with the Producer and help in making the program successful.
- d) Marketing section is one of the most expanding sections in contemporary media business. There are a number of people involved in the marketing section, so that the marketing and promotion is conducted in an effective manner. Often, the Sales Manager, Accounting Manager, Account Executive are also involved with the marketing department. In some media houses, Business Manager is responsible for all the business-related activities of the media house and they are directly responsible for generating finances from different sources.
- e) Program presenters or anchors are the professionals, who often turn out to be the face of specific television channels or identity of radio stations. They must possess a combination of pleasing personality, experience, self-confidence and intelligence to hold the program together and to attract the audience. The task of the news readers and moderators are also similar to the anchors, although their responsibilities and activities may differ in various media houses.
- f) News Editors or Assignment Editors are responsible for assigning specific duties to reporters. They often write headlines or edit stories before they are broadcast. They may also guide and advice the reporters regarding the sources of news, reporting of news, deadline and related activities.
- g) Reporters are the main lifeblood of news broadcast. Reporters are mainly responsible for finding new story ideas, finding the sources, writing it and often taking active part in editing the stories. Reporters are the mainstay for the news broadcasting department.
- h) Videographers, also known as cameramen are mainly responsible for shooting the relevant footages and are guided by instructions from the producers.

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However, fiction and nonfiction cameramen work in different methods. Nevertheless, their work may be challenging both physically and mentally.

- i) There are a number of editors, who are responsible for specific or special sections, like sports, lifestyle, fashion, women's page and entertainment. These special section editors assign particular reporters to cover specific events and issues related to their designated section.
- j) Engineering department is one of the most important departments for any broadcast media house. Engineering department is generally headed by a Chief Engineer, who supervises the work of several other engineers, managers, maintenance staff. The primary duty of this department is to ensure that the broadcast will run efficiently and without any technical glitch.

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### 3.1.6 Summary

In this unit, a general idea about the various ownership patterns and different kinds of organizational structures prevalent in media organizations has been discussed. Such explorations are necessary for obtaining a clear idea about the functioning of various departments and personnel working in media organization. However, in the last few decades there has been a trend of steady corporatization of media and a large number of media houses are owned by a few media conglomerates. The organizational structures are also becoming more complex and flexible, particularly in large media houses. Media nowadays play a very significant role in our society and psyche. It exercises direct influence through dissemination of information and providing entertainment, news and opinions to the common people. Through its practice of disseminating information, entertainment and opinion, media also circulates cultural and social values to people. Diversity of news, information and entertainment flows is absolutely necessary for the media audience.

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### 3.1.7 Questions

- a) Discuss some of the prevalent ownership patterns in Indian media.
- b) Explain the organizational structure of a television channel.
- c) Do you think cross-media ownership is a threat to media plurality?
- d) Explain the responsibilities of a producer of a television channel.
- e) Describe the main departments of a radio station.

### 3.1.8 Suggested Readings

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## **Unit-2 □ Programming Considerations, Audience Research, Programming Strategies, Programme Promotion, Marketing Programmes**

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### **3.2.0 Structure**

#### **3.2.1 Learning Objectives**

#### **3.2.2 Introduction**

#### **3.2.3 Programming Considerations**

#### **3.2.4 Importance of Audience Research**

##### **3.2.4.1 TAM**

##### **3.2.4.2 BARC**

##### **3.2.4.3 Audience Research Units in Doordarshan and AIR**

#### **3.2.5 Programming Strategies**

#### **3.2.6 Programme Promotion**

#### **3.2.7 Marketing Programmes**

#### **3.2.8 Summary**

#### **3.2.9 Questions**

#### **3.2.10 Suggested Readings**

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### **3.2.1 Learning Objectives**

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In this unit we will learn how programme or units of content in broadcasting are selected how that programme is organized within a specific schedule and in what way that programme is promoted and marketed to specific audiences, which translates into sponsorship and advertisements. This unit will also discuss different aspects of audience research, important steps of scheduling and promotional strategies in broadcast media.

### 3.2.2 Introduction

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Programming is in fact an outcome of a complex process. The term, ‘programme’ refers to the unit of content; it can be a short content or a fairly long content. The range of contents broadcast through radio station or television network are examples of programmes. Programming is often in the hands of a person called Programme Director or General Manager. It is a managerial task that involves the responsibility of selecting, scheduling, promoting and evaluating programmes that are broadcast on an everyday basis. Regardless of the designation, his or her task is to select content that target specific audience, design the schedule of broadcasting, to make sure that the content is marketed in an effective manner and to monitor and evaluate the outcome. In the context of commercial broadcasting, it is their function to deliver the audience to the advertisers. The only way to achieve this objective is to gratify the needs of that audience. However, in the case of Public Service Broadcasting the focus is on informing, educating and entertaining the citizens.

### 3.2.3 Programming Considerations

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Image Courtesy: Wikipedia

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It might be useful to think of television and radio sets as hardware, and the programmes are the “software” that attracts the audience. The main objective of the channel or station is to broadcast programmes that would attract the target audience. In fact, programming is the most evident and most essential commodity of television and radio. Broadly, there are five main sources of programming that are considered in broadcast media organizations:

- a) **In-house programmes:** These are the programmes that the channel or the broadcaster produce themselves. Often news-based programmes and infotainment programmes are produced like this. Public Service Broadcasters often focus on in-house programmes, whereas, commercial broadcasters tend to purchase or lease programmes from outside production houses.
- b) **Acquired programmes:** In this kind of programmes, the channel or broadcaster will make a contract with an outside production company to deliver a programming content. This programme can be bought or leased according to the contract.
- c) **Syndicated content:** Internationally popular programmes can be syndicated to a particular channel or broadcaster. This process makes a wide variety of popular programming available to the audience.
- d) **Locally produced programmes:** These are regularly scheduled local programmes that comprise of news, TV soap operas and reality shows. These programmes offer a sense of local flavor and the audience can easily connect to these programmes.
- e) **Paid programming:** An important source of programming, particularly in the West is paid programming. In this kind of programming the channel sells an entire block of time for infomercials, such as teleshopping. Through these kinds of programming the channel neither needs to invest in programming costs nor does think about obtaining sponsorships.

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### 3.2.4 Importance Of Audience Research

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In every kind of human communication, we tend to think about the individual with whom we want to communicate. This is no different in the case of the

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broadcasters. Of course, broadcasters want to know about the individuals, who are watching or listening to the programmes that they broadcast. Hence, the question: who is listening? or who is watching? is fundamental to audience research. Television and radio broadcasting are unique since these are, in the classical sense, supposed to be one directional communication. Generally, the broadcasters expect that the programmes they are broadcasting is being watched or listened to by a large number of people but this presumption may not always be justified.

However, audience research does not mean that it is a matter of simply knowing, who is watching or who is listening, rather it is a vast field of research study. One of the ways to understand audience research is to identify it as a set of techniques, strategies and methods through which information about the audience can be gathered scientifically. Obviously, it includes different kinds of information gathering practices. Audience research is driven by questions like: are those intended audience really watching or listening to the programmes? If a particular programme, for example, is intended for women, how do we know that women are actually watching the programme? Or if an educational programme is broadcast on a particular time spot, how can we be sure that the programme is satisfying the need and demand of the intended audience? The fact the answers to these questions cannot be obtained without thorough scientific research.

Audience research is an important element for both Public Service Broadcasters and commercial broadcasters. In most of the developing countries a large part of the broadcasting network is served by Public Service Broadcasting and even in the case of Public Service Broadcasting, which receives public funding, there is a need to do audience research to ascertain that the requirements related to public service are being fulfilled satisfactorily. In the case of commercial broadcasting, audience research is even more essential since the main source of funding comes from advertising and sponsorship. Considerations like how different time slots would affect the number of audiences would ultimately decide what kinds of advertisements will be shown in which time slots. Similarly, the programme being watched by the largest number of people would ultimately attract the highest sponsorship and in the same way the most popular channel will attract most of the sponsors. Meticulous and

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periodical audience research can create a rating system, such as TRP (Television Rating Point) which can be very useful for advertisers. It can also give a clear picture of which programmes or which channels are the most popular among the audience.

Media buyers and planners usually consider various programmes offered on television and radio to achieve their advertising objectives effectively. Generally, broadcasters evaluate the channels and the programmes popularity and then decide about the possible advertisement rate during a programme that is to be charged from the advertisers. In case of Public Service Broadcasting, the programmes popularity ratings serve to enhance the accountability of the channels and for improving the qualitative standard of the programmes. In a way, audience research aims to offer a legitimate and reliable television and radio audience data.

### 3.2.4.1 TAM

Popularity of a television show is decided on the basis of television rating point or TRP. TRP is based on the data compiled by organizations that measure television audience engagement, which translates into the official rating system of Indian television industry. Thus, TRP is a reflection of television audience research.

TAM media research is a joint venture company supervised by AC Nielsen and Kantar media research. It used to be the leading audience measurement and analysis service in India. TAM obtained information from one of the largest people meter TV panels in the world, which consisted of approximately 30,000 samples from across class one towns of India. The data was published every week to map the viewership patterns. However, for a long time TAM was unable to deliver a fair system of ratings for television programmes in India. In 2012 a news broadcaster of India questioned the authenticity of the ratings in court and as a consequence of these television industry boycotted TAM data for almost nine weeks. As a result of this conflict, a joint broadcasting body BARC was constituted and was given the task of introducing a new framework of audience measurement system for Indian Television. Until 2015, TAM enjoyed monopoly in the television rating market in India. The monopoly on television rating in India by TAM ended with the establishment of Broadcast Audience Research Council in 2015.

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### 3.2.4.2 BARC

Top 5 Channels - Eng News		
Rank	Channel Name	Weekly impressions (000s) sum
		Week 13: Saturday, 28th March 2020 to Friday, 3rd April 2020
1	Republic TV	2082
2	Times Now	1284
3	India Today Television	1182
4	CNN News18	653
5	WION	623

All India (U+R) : NCCS AB : Males 22+ Individuals, To get this data on your Twitter timeline, tweet with #BarcTweet Top 5 English News Channels



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Image Courtesy: BARC

Broadcast Audience Research Council is an industry body, which is instituted with representations from the broadcasters, advertisers and advertising and media agencies. Launched in 2015, it is established to plan and organize dependable, precise and timely television audience measurement system in India. BARC India was established as a substitute to TAM Media Research, which was the audience measurement system supervised by Nielsen and Kantar Media. BARC is supervised

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by the recommendations from Telecom Regulatory Authority of India and the Ministry of Information and Broadcasting. BRC offers reliable framework for providing data and information, which are necessary to plan media buying and selling judiciously. BARC uses the technology of audio watermarking which embeds an inaudible watermark in the video content prior to upload and broadcast. This gives the owners of the content full access to the information such as, when and where and for how long their content is broadcast and who has viewed it. BARC is the world's largest television measurement service.

### **3.2.4.3 Audience Research Units in Doordarshan and AIR**

In India, the autonomous Public Service Broadcaster, Doordarshan conducts audience research periodically. The Audience Research Unit of Doordarshan prepares various reports on a monthly basis regarding PR Activity, programme composition and are sent to the Directorate General, Doordarshan within stipulated time. Different Doordarshan Kendras have their own audience research units and they also prepare Annual Report of that particular Doordarshan Kendra, compiling various activities of the Kendra for the use of Directorate, Prasar Bharati & Ministry of Information and Broadcasting. The feedback received from viewers are analyzed and the suggestions, comments and grievances are discussed in the programme meeting at the beginning of the week. The units publish Broadcast Audience Research Council or BARC data every week for the use of Programme Producers of the Kendra and for sponsored producers as well. The gross viewership in lakhs (GVL) of Doordarshan channels along with the trend of Doordarshan programmes are also generated every week and sent to the Directorate. The units also maintain data bank of the respective Kendras.

Similar to television, the popularity of a radio programme can only be judged by data collected directly from the listeners, who have actually listened to the programme. The audience research unit of All India Radio engages in collecting information about the listeners through various field surveys and other research methods. For example, the audience research units of AIR have completed surveys on Multi Media Publicity Campaign on Rural Development Schemes, survey on IGNOU Broadcasts of All India Radio, survey on most popular programme of FM Gold, in addition to General Listening Surveys. Specific radio stations, which are already in operation are selected to conduct such surveys and the data obtained through these surveys are analyzed at local level. Subsequently, the reports are prepared by the audience research units of all India radio and are compiled at the All India Radio headquarters

to prepare the final summary report. The findings which will be useful for the advertisers, advertising agencies or prospective sponsors are published in the form of reports and that helps them to identify and select specific programmes, time slots or channels to offer sponsorship and advertisements. These data and information are continuously updated through periodic service and fresh field studies since the pattern and trend of listenership continue to change with time and it differs in terms of geographic locations.

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### **3.2.5 Programming Strategies**

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There are different kinds of programmes available in various television channels. The programme executive needs to decide what kind of shows to acquire, which shows should be continued and which are the ones that need to be cancelled. In general, they must have planned programming strategy for implementation and smooth running of their network. Programming is divided into two key areas: (a) development and (b) scheduling. Development generally points to the process of selecting promising programme ideas, acquiring them and packaging them into successful television shows. On the other hand, scheduling points to the planning of a programme line up to maximize the viewership, which should, at least for the commercial broadcasters, translate into profit. The television producers or executives determine a particular programming strategy by considering the following aspects—

First, it is important to select programmes that seems to meet the need and likings of a specific audience;

Second, it is necessary to organize these programmes within a specific coherent schedule that would flow from one programme to the another;

Third, marketing the programme to specific target audience is essential;

Finally, it is important to assess the results and make necessary amendments regarding the programme schedule and development.

Considering the above aspects, the points to remember while planning a perfect programme schedule would include the following features:

- a) It is important to identify and target a demographically desirable audience.
- b) It is necessary to identify and select the appropriate category of programmes for that audience.

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- c) It is important to evaluate the associated costs of a programme and the most suitable time slots needed for that programme.
- d) It is also important to take note of competitions, which are already there in relation to a specific programme and accordingly the scheduling strategy must be amended.
- e) It is important to make sure that a particular programme is suitably positioned within the preceding programme and next programme.
- f) It may be required to recruit talented performers with whom the audience may connect and those who are popular among the television audience.
- g) It is crucial to hire and engage successful producers, directors and writers, who have a track record of delivering successful programmes.
- h) It may be beneficial to engage with popular subject matters or topics, which the audience may be able to connect with.
- i) One may also consider following comparable high-quality programmes from global television networks.

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### 3.2.6 Programme Promotion

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Image Courtesy: All About Outdoor Pvt. Ltd

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Promotion and marketing of a programme points to the broadcaster's efforts to promote the contents of the channel and is targeted towards two groups— advertisers and the audience. Their endorsement is necessary for smooth functioning of the channel. Without significant number of audiences tuning in to watch or listen to a programme, even the best quality programme will attract very little advertisements or sponsorship. Through promotion the broadcaster seeks to attract audience and to retain their existing audience. As the media market is becoming increasingly competitive, it is always necessary for the broadcaster to ensure continuous promotion to attract audience and advertisers. Similarly, through sales promotion the broadcaster attracts advertisers and advertising agencies so that they will buy slots or time in their channel.

Promotion and marketing are so important for broadcasters, now a days, that there are different departments responsible to look after promotion and marketing. Generally, such department is headed by promotion and Marketing Director, who works under the General Manager. The size of the department is dependent on various aspects including the size of the broadcaster, the market size and the importance assigned to marketing and promotion in the channel. Sometimes the promotional responsibilities are not handled by a separate department, rather it is carried out by the programme department itself.

The promotional strategy of radio and television is decided after discussion among the General Manager, Promotion and Marketing Director, head of the programme, sales departments and even if necessary, with the news department. However, implementation of the strategy for promotion is generally the responsibility of the Promotion and Marketing Director. The development and implementation of a promotional strategy can be divided into six steps:

1. It is necessary to identify what percentage of audience is watching or listening to the channel or the programme and what percentage is watching the competing programmes. This data should include the audience demography and psychographic attributes.
2. It is important to identify why the audience particularly prefer a channel or a programme or why they prefer the competitor's channel or programme. It is related to the reason why the potential audience of a programme for the channel does not seem to be interested in that programme.

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3. It is necessary to evaluate the weakness and strengths of the programme and effectiveness of positioning that programme within a specific demography.
4. Once the strengths of the programme is identified, it is necessary to address the weakness and to rectify them effectively.
5. It is necessary to carefully implement the plan.
6. The effectiveness of the plan and its implementation is to be evaluated periodically and with the feedback obtained, the strategy needs to be revised.

Both television and radio utilize repeated promotional strategies to introduce new programmes and to remind about ongoing programmes. Programme promotions helps to improve both the programmes and the overall image of the channel. For a number of big budget television shows, often paid advertisements in print media magazines help to draw attention and at the same time large outdoor advertisements through hoarding along with cross promotions and deals with advertisers contribute in the promotional tactics of the broadcaster.

It is undeniable that on-air promotional announcements are very important for generating high TRP of a programme. Significant part of a channel takes up on-air tune in messages for specific programmes, which not only reminds the audience of the schedule of the programmes but also advertises its content. In the online sphere, it is generally associated with building up loyalty to the programme and to make the audience involved with specific characters or elements of the programme. Nowadays television channels use detailed websites for specific programmes that contain information about characters, pictures, behind the scenes, updates about current plot lines. They even integrate interactive chat groups and the option to buy merchandise related to that specific programmes. However at least minimum on-air promotion continues as long as a show is shown on the channel but often outdoor, print and online promotion gradually fade away once the shows are destined for cancellation.

A large part of promotional investment goes to the print media particularly magazine and newspaper and often special interest magazines dedicated to television or radio. For example, in the West, for a long time, *TV Guide* magazine was an important element for network television. Magazines like *TV Guide* was immensely influential before the advent of digital television broadcast. Now, cable network through set top box provides electronic programme guide, which the television audience can access for watching programme. However, magazines offer the platform for printed promotional materials related to specific programmes or channels. Also,

cross-promotional events using one television programme to promote another of the same channel has become very popular and it is also useful for capturing attention of the prime-time audience.

Frequently, big budget television programmes partner with other businesses like fast food chains, shopping malls or FMCG companies to jointly promote a specific programme. What is important for us to understand is that promotion through print media, on-air promotion and online media are primary and important ways by which broadcasters introduce new programmes and remind the viewers about ongoing programmes so that the overall rating of the programme and the channel would increase. This is also the way through which the broadcasters try to convince the viewers to associate particular programmes with specific channels. Using both on-air promotion and print advertising and merchandising has three benefits: a) It's valuable for improving TRPs of new programmes; b) it helps in increasing audience expectation and c) it creates positive images in the minds of the audience and advertisers.

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### **3.2.7 Marketing Programmes**

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It is said that modern radio and television channels pay as much attention to marketing as to programming. Now, marketing is an integral element of any radio or television channels, or else, the audience would simply forget about that specific channel. Meticulously planned and implemented marketing and promotion campaign is very important for engaging audience with the channel.

As mentioned above, for marketing and promotion related tasks the channels can use newspapers, magazines, billboards, television advertisements, advertisements on public transports, and of course, social media. All these are useful to reach the target audience. In the case of television and radio channels promotion takes two forms: a) on air and b) off-air promotion. On-air promotion is useful for retaining the existing audience by creating a positive image of the channel in the mind of the audience. It is also useful to extend the amount of time that the audience spend while watching or listening to the programmes by creating specific incentives. Nowadays social media is being used extensively to build stronger relationship between the channel and the audience. Social media can also be used to draw new listeners since the existing listeners in this case can become a bridge between the channel and the new listeners.

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The promotion and marketing department is responsible for a range of practices:

- They help in the development of a promotion strategy.
- They contribute in the planning and creation of audience and sales promotion campaigns.
- They prepare promotional and advertisement materials and also schedule campaign activities to smoothly conduct the marketing campaign.
- The process of evaluating the campaign activities and its effectiveness is also the responsibility of the promotion and marketing department.
- They may also employ third party organization for conducting research to gather appropriate data which is necessary for planning, implementation and evaluation of the campaign.
- The overall graphic look of the channel or the programme is also coordinated by the promotion and marketing department.
- The department is responsible for maintaining all kinds of media relations.
- They are responsible for coordinating with other departments of the channel as well.

Before starting off a marketing promotion campaign, a strategy must be developed. Such a strategy often incorporates the following points:

- a) What is the objective of the campaign? Whether the marketing campaign wants to promote the image or the programming. If it is about programme, then what aspect of programming? Whether it is planned for a short-term campaign or a long-term campaign.
- b) Who is the target audience? Which group of people are targeted and likely to reply?
- c) How the audience is going to be benefited?
- d) What are the methods of promotion? What is the schedule? who are targeted and how will they be reached, using what kind of media?
- e) What are the specificities of the content? What kind of content will be most suited to the promotion method or methods selected? Can the content be developed by the station or will outside services be required?

- f) What kinds of costs will be incurred? Does the rationale justify the costs?
- g) Measuring results: How will the results of the campaign be determined? Will it be necessary for the station to develop an instrument to measure the results? Or will telephone calls, letters, E-mail, ratings, or other feedback indicate the degree of success achieved?

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### 3.2.8 Summary

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This unit broadly discussed the various aspects of programming in broadcast media organizations. Programming often aims to deliver the audience to the advertisers, although in terms of Public Service Broadcasting the focus is less profit oriented. However, the broadcasters source their content in various ways so that the audience can be presented with a variety of programmes. While the broadcasters may claim that their programmes are being watched and liked by a large number of people but this needs to be substantiated by audience research. Similar to audience research which is a set of techniques, strategies and methods through which information about the audience is gathered scientifically, the broadcasters also determine particular programming and scheduling strategies by considering the tastes of a specific audience, available competitions and the market trends. Moreover, the marketing and promotion of the programmes is presently as much important as programming.

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### 3.2.9 Questions

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- a) What are the main sources of programming?
- b) Write briefly on Audience Research Units in Doordarshan and AIR.
- c) Mention some of the important points related to the planning of programme schedule.
- d) Discuss the steps of development and implementation of a promotional strategy.
- e) What are the main responsibilities of a promotion and marketing department?

### 3.2.10 Suggested Readings

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## **Unit-3 □ FM Radio in India: The Market and the Audiences, CBS: An Analysis, Issues of Broadcast Management**

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### **3.3.0 Structure**

#### **3.3.1 Learning Objectives**

#### **3.3.2 Introduction**

#### **3.3.3 FM Broadcasting In India**

#### **3.3.4 The Revival Of The Market And The Audiences**

#### **3.3.5 Commercial Broadcasting Service (CBS)**

#### **3.3.6 Managing Commercial Broadcasting**

##### **3.3.6.1 Costs & Revenues In Commercial Radio Broadcast**

#### **3.3.7 Summary**

#### **3.3.8 Questions**

#### **3.3.9 Suggested Readings**

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### **3.3.1 Learning Objectives**

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In this unit we will discuss the development of radio broadcasting in India with particular emphasis on FM broadcasting. The prospects and challenges encountered by FM broadcasting in India will also be examined. Issues related to commercial broadcasting service in the Indian context will be explained in this section. This unit will also explain the various administrative factors, which are influential to the managing of commercial broadcasting in India.

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### **3.3.2 Introduction**

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It can be said that the broadcasting era in India commenced with the beginning of radio broadcasting. Radio broadcasting in India began in the 1920s. Radio was initially in the hands of private individuals. However, the first initiative in broadcasting in India was taken by *The Times of India* in collaboration with the Posts and

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Telegraph Department when it broadcast a programme in Bombay as early as August, 1921. The first ever radio broadcast was done in Bombay on June 1923 by the radio club of Bombay. A broadcasting service was set up later, which started operations on an experimental basis from July, 1927 at Bombay and Calcutta. This broadcasting service was built on the basis of an agreement between Government of India and Indian Broadcasting Company Limited. In the year 1930, the company went into liquidation and it was then that the British Indian government decided to take over the assets of the company from 1<sup>st</sup> April, 1930. The company was rechristened Indian State Broadcasting Service (ISBS) and on 5<sup>th</sup> May, 1932, it announced that the radio broadcasts will be done on a permanent basis. In June, 1936, ISBS was renamed as All India Radio (AIR). Around this time the Department of Communications took over the responsibility of broadcasting in India and after further reconstitution, the name of the department was changed to Department of Information and Broadcasting from 10<sup>th</sup> September, 1946. At the time of independence, only six stations in India were functional and they were based out of Delhi, Bombay, Calcutta, Madras, Lucknow and Tiruchirapalli. However, most of the transmitters were used to transmit programmes on the medium wave and short wave. Indian broadcasting sector has come a long way from these initial years. According to TRAI data, as of 2012, there were 242 private FM radio stations in addition to 326 radio stations operated by All India Radio. Although there are still a lot of scope for growth and expansion in this broadcasting sector.

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### **3.3.3 FM Broadcasting In India**

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FM (Frequency Modulation) produces reception, which is far better than the reception generated by MW (Medium Wave). Though FM technology was invented in the mid-1930s, but in India it was introduced in Chennai in the month of July, 1977 and was kept as an unpublicized development for a very long time. It was only in the 1990s that FM broadcasting started to gain foothold among the Indian audiences. In 1993, the FM broadcasting was revived when the private companies were leased out time-slots on the FM frequencies operating under AIR. It was during this time that FM broadcasting gained popularity among its audiences. Times FM and Radio Mid-day operated the major programming slots in most of the cities. The private players developed their own programming schedule and content, which became immensely popular among the audience. However, in the year 1998, the government decided not to renew the contracts of the private operators and thus, All

India Radio once again started exercising full power over the programming pattern of FM radio.

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### **3.3.4 The Revival of The Market and The Audiences**

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In India, the FM services regained immense popularity among the audiences during the era of private FM broadcasting, which began in the year 2001 with the launch of India's first private FM station Radio City in Bangalore. The Indian government announced its decision to lease out FM frequencies to the private broadcasters in November, 1999. In order to attract the private companies, the government announced its plan to share its infrastructure and resources with the private broadcasters. Private FM stations started operating in major cities like Chennai, Mumbai, Kolkata, Delhi, Goa, Bangalore, Hyderabad, Jaipur and Lucknow. The FM frequencies have been leased out by the Indian government in three phases-Phase I, Phase II and Phase III. About 108 frequencies were auctioned in Phase I in 1999, 338 frequencies were auctioned in Phase II in the year 2005 and about 839 licenses were granted in Phase III in the year 2011. According to the EY-FICCI report, in the year 2018 there were about 386 FM radio stations in India.

FM, from its inception, enjoyed popularity in the urban areas and with its focus on youth oriented local programming. Over the years, it started gaining even more popularity among the youth. As broadcasting news on private FM channels was prohibited by the government so, the focus was on creating content mostly related to music, art and films. The programmes broadcast on the private FM channels have an element of informality and everydayness, which make them more acceptable among the audience. Also, the Radio Jockeys speak in a lingo consisting of a mixture of the local language of the city (in which it is operating) along with a bit of Hindi and English- to which the neo-liberal audience is accustomed to. This in fact attracted the audience, since it was in stark contrast with the moderate tone of the presenters on AIR. Over the years, the Radio Jockeys too have been able to create a pool of dedicated listeners through their charismatic way of delivery.

After the expansion of FM broadcasting in the tier-2 and tier-3 cities in Phase III, there has been a diversification of content catering to the needs of listeners with varied interests. The expansion has led to the generation of higher revenues from local advertising. Another important factor that has played an important part in keeping the FM radio popular among its audiences is the crisp and straightforward way of presenting information.

The FM stations have also made their programmes available digitally on their websites so that they could compete with the online streaming platforms like Spotify, Gaana and Saavn. Some of the radio stations are even entering into partnerships with these streaming applications so that they can reach a larger audience and attract the attention of the advertisers. Radio has also incorporated sponsored programmes, live concerts and podcasts into their programming schedule. Terrestrial as well as digital advertising bouquet has been offered via radio.

Radio makes different advertising options available. RJ mentions of the brands on air can help in increasing the sales of the advertisers provided that the RJ has a loyal fanbase. The EY-FICCI report has cited a growth of 7.5 percent in the sector thus reaching a share of 4.2 percent in advertising. The major radio players are trying to build in communities to understand their listeners better and provide them the content they need. Radio, specially FM radio, is adapting itself with the changing times and scenarios to extend its reach among the audiences. Not only that, the digital platforms too are using popular FM radio channels to increase their viability among the audiences.

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### **3.3.5 Commercial Broadcasting Service (CBS)**

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All India Radio launched the entertainment channel, Vividh Bharati in 1957. The channel started accepting spot advertisement in cities like Bombay, Pune and Nagpur in 1967. Vividh Bharati service became hugely popular among the audiences and thus, was extended to other cities in a phased manner. From 1<sup>st</sup> April, 1982, commercials were introduced in the Primary channels, after the Hindi and English news bulletins. From 1985, commercials in primary channels were broadcast in certain other types of programmes. This helped AIR to generate significant revenues.

Within All India Radio, Commercial Broadcasting Service (CBS) is responsible for the sale of time and billing. Commercials are accepted in all the primary channels of AIR along with Local Radio Stations (LRS) and FM channels. Sponsored programmes in spoken word category was introduced in 2000 in the primary channel. AIR has been marketing its commercial time especially for FM stations since July, 1998.

The sales wing and the production wing are responsible for the commercial work related to CBS. The marketing of broadcast time on AIR falls within the responsibility of an independent Central Sales Unit along with the fifteen main Commercial Broadcasting Centers. In Delhi, a new marketing division has been entrusted with the responsibility of promoting the programmes broadcast over the primary channels, FM and Vividh Bharati centers to generate more revenue for AIR. Considering the ever-growing market, the rates have also been revised to suit the market standards. Since, the year 2001, a second FM channel has been launched by AIR in the metro cities covering thirty percent news and current affairs and seventy percent entertainment programming. The potential of broadcasting advertisements in these channels have also been explored by AIR. Marketing divisions have opened up in almost all the major stations of All India Radio all over India. There are six Deputy Director Generals assisting the Director General of All India Radio out of which five are responsible for programmes, commercial service, internal inspection, administration and security.

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### **3.3.6 Managing Commercial Broadcasting**

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In India almost ninety-nine percent of Indian audience is covered through the AM mode. However, only forty percent of the audience and around twenty-five percent of the geographical area comes under FM broadcasting. Often, in commercial radio broadcasting specific designations may not be indicative of his or her actual responsibilities. For example, a producer in a commercial radio broadcasting station will definitely have similar kinds of responsibilities of a producer in television or film, but he is also usually expected to serve the role of the director in the studio. Similarly, if one considers BBC radio station, then Managing Editor is generally considered as someone, who has overall responsibility of running the radio station but an equivalent designation in a commercial radio station might be termed, Managing Director. This difference between editing the output and directing it is actually reflective of the different perspectives between these Public Service Broadcasting and commercial broadcasting.

For example, Radio Mirchi is one of the private radio broadcasters, which is not only targeting the metro cities but it has a license to reaches out to thirty-two cities across India. The main target audience of Radio Mirchi is the youth within the age group between 18 to 34. However, the average age of listeners of this radio station

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is 26 years. Radio Mirchi offers a wide mix of programs, including morning shows programming for youth, evening shows, and the late-night shows. Playlist that the radio station uses is drawn from a master list of sound recordings and are based on market research. Nonetheless, since FM radio is still considered as a local medium, hence Radio Mirchi broadcasts predominantly local content with presented by local talents.

Organizational structure of Radio Mirchi is divided into five different sections. (a) programming department (b) sales department, (c) marketing department, (d) finance department and (e) operations department or back end works. The city stations are supervised by Station- Heads or Cluster-Heads and for each Station-Heads there a divisional role based on the sections mentioned above.

Radio Mirchi first launched its station in 2001 in Indore and from then on it has become one of the largest private FM radio networks in India. However, in the last few years, the competition has increased in the market and now there are several private FM broadcasters. This progressive change has compelled Radio Mirchi to take up different types of strategies for continuous growth. Therefore, there are three different levels of strategies that Radio Mirchi has adopted first is corporate level strategy second is business level strategy and third is functional level strategy. The issue of cost control is also crucial and the management of Radio Mirchi makes sure that none of the departments incur extra costs.

On the other hand, in the sector of community radio stations it is this Station Manager, who is basically in charge of the day-to-day control of the radio station. The description of the Station Manager is increasingly being used in commercial radio stations nowadays as the post of the director is at a much higher level and often the control over commercial policies and editorial policies in large radio networks are not available to individual stations. Irrespective of the organizational structure of the radio stations, most of the radio stations are adapting either of the three levels to operate on a day-to-day basis. It can be on a national level, ad sales market level or it can also be on regional level. National level consists of thirty or more stations while the ad sales market level may consist from six to twenty stations and the regional level may have five or less stations.

### **3.3.6.1 Costs And Revenues In Commercial Radio Broadcast**

It may be important here to look into the various costs related to commercial radio broadcast management.

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One of the major costs that is related to radio broadcast is the license fees. License fees in the initial days of commercial private FM broadcasting had built in escalation clause, which went up to fifteen percent every year. However, as per the recent changes in the policy, there is provision for four percent revenue share or ten percent of one-time entry fee, whichever is higher to pay the license fees. In general, license fees comprise of five to eight percent of the total cost of running a radio station.

Next comes the costs related to the setup of a radio station. This cost is dependent on the planning policies and future outlooks of radio station. Obviously, radio stations, which are operating from metro or big cities would incur higher setup costs, while small broadcasters that are operating from small towns or rural areas would invest much less in terms of the setup cost. Setup often incorporates a range of items, including the equipment, the rent of office premises, transmission studio equipment and other networking infrastructures.

Finally, the most significant cost related to broadcast radio broadcast is the operating cost. This includes mainly the cost of paying salaries, which consists of thirty to forty percent of the overall cost. An increasing category of operating cost is marketing, which comprises of up to twenty percent of all costs and also includes the royalties paid to music companies for playing their music on air. Other overheads and utilities add up to twenty percent of the operating costs.

Now let's take a look at the revenue sources of a commercial radio broadcasting. The main source of revenue is generated from advertising and sponsorship. Usually in India, the ratio between national and local advertising is 60:40. In the sector of satellite radio stations, subscription becomes the main source of revenue. Nonetheless, subscription-based radio is yet to catch up in India, since the audience usually expects free content from radio as of now unlike television.

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### 3.3.7 Summary

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Radio broadcasting has witnessed many ups and downs over the years and now it covers more than 97 percent of the population and reaches to 90 percent of the total area. The radio sector remained a monopoly of the public broadcaster till 1990s, however after the momentous Supreme Court judgement in 1995 that the air waves must be treated as public property and it should be used for promoting public good and plurality of views, the radio broadcasting in India through private initiative witnessed a resurgence. FM broadcasting has become popular over the years and

through various phases a number of FM stations have been established. Several new policies have encouraged the expansion of radio broadcasting. It would be redundant to state that the radio is a very potential medium for a developing country like India and it can be used effectively for development empowerment and dissemination of information and education. However, it only recently, with the advent of private radio broadcasters that the managerial concerns are coming into foreground. The various issues related to broadcast management play a very crucial role in the growth or downfall of the broadcasting station.

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### 3.3.8 Questions

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- a) FM, from its inception, enjoyed popularity with urban, youth oriented, local programming – Discuss critically.
- b) Do you think RJs play an important role in the popularity of a radio station?
- c) Write briefly on Commercial Broadcasting Service.
- d) What are the various costs related to commercial radio stations?
- e) Explain briefly about the revenue sources of commercial radio broadcasting.

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### 3.3.9 Suggested Readings

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1. Stay Tuned : The Story of Radio in India, Pankaj Athawale, Indus Source Books, First Edition, 2018.
2. Radio Programme Production, M. Neelamalar, PHI Learning Pvt. Ltd., 2018.
3. The Radio Career Book : From Programming to Performance, Sayed Mohammad Amir, SAGE Publications Pvt. Ltd., First Edition, 2019.
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## **Unit-4 □ Management of Community Radio– Principles and Scope**

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### **3.4.0 Structure**

#### **3.4.1 Learning Objectives**

#### **3.4.2 Introduction**

#### **3.4.3 Important Attributes of Community Radio**

#### **3.4.4 Basic Principles For Setting Up Community Radio Stations In India**

#### **3.4.5 Managing Community Radio Station**

#### **3.4.6 Steps Related To Operating A Community Radio**

#### **3.4.7 Different Components Of Community Radio Operation**

#### **3.4.8 Summary**

#### **3.4.9 Questions**

#### **3.4.10 Suggested Readings**

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### **3.4.1 Learning Objectives**

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After learning this unit, we will be able to understand how community radio stations function. The different aspects of managing a community radio stations in India and the activities related to setting up a community radio stations will also be discussed. This unit aims to provide an overall idea about the various principles and practices of managing community radio station in India.

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### **3.4.2 Introduction**

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Community radio is usually a radio station, which is aimed towards the community, it is about the community, operated within the community and by the community.

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This community can be defined in terms of specific territory or geographic location. It can also be in terms of the number of people coming together for a common interest who may or may not be necessarily living within a specific territory. Community radio can be managed or controlled by one single group or a number of groups and these groups can be defined in terms of particular communities such as women, farmers, ethnic groups, marginal communities among others. The main difference between community radio and other media is the high degree of people's participation both in terms of the management of the program and in terms of the production aspects. Moreover, individual community members and local institutions are often the principle on main sources of supports of its operation.

In India right after the landmark Supreme Court judgement in 1995, which declared that airwaves are public property, the campaign revolving around establishment of community radio stations in India began to gain momentum. In the following year, a media advocacy group based in Bangalore called Voices organized a meeting of community radio enthusiasts and in this congregation the declaration for the establishment of a third tier of broadcasting, such as, community broadcasting was adopted. At the same time, several other initiatives were already taking place in various regions of India which shaped the development of community radio movement in India. In 2003 the Government of India released the community radio guidelines and three years later in 2006 the Community Radio guidelines were revised and made more inclusive. In the 2006 Community Radio guidelines NGOs, educational institutions and agricultural institutions were allowed to own and operate community radio stations. Subsequently, within two years, there were more than thirty-five operational community radio stations in the country and as of 2020 there are 289 operational community radio stations in India. A significant number of radio stations are operated by NGOs and the rest of it are run by educational institutions. a number of community radio workers and activists from all over the country have come together to form the Community Radio Forum of India in 2007 with the objective to co-ordinate training and support for community radio stations functional in India.

### 3.4.3 Important Attributes Of Community Radio



Image Courtesy: UNESCO Chair on Community Media

There are a number of characteristics of community radio: First, community radio service is associated with an identifiable community; second it endorses participatory democracy; third it offers a prospect to any member of the community to engage in specific communicative practices and to participate in program making, management and even ownership of the community radio station; fourth, it utilizes technology which are suitable to the economic capability of the people involved and does not lead to dependence on external sources; fifth, it is mainly motivated by the idea of the wellbeing of the community and not by commercial interests and finally it encourages and improves problem solving among community members.

One of the most important attributes of community radio is that it should not be

operated for the purpose of making commercial profit. This characteristic distinguishes community radio from commercial radio services. Another important attribute of community radio service is that unlike the public or state sponsored broadcasting and private commercial broadcasting, it is mainly targeted towards addressing a particular community. The people belonging to that community are given opportunities to participate in the process of operation. The community radio program must be inclusive of the specific needs and interest of the community in concerned.

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### **3.4.4 Basic Principles For Setting Up A Community Radio Stations In India**

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According to the Policy Guidelines for setting up Community Radio Stations in India, there are five basic principles. First, the organization should be unambiguously constituted as a non-profit organization and it should have at least three years of confirmed record of local community service; Second, the community radio station must be planned and operated to serve a well-defined local community; Third, the community radio station should constitute its management and ownership structure that includes the community members, Fourth, programs which will be broadcast on the community radio station should be relatable by the community members and should focus on educational, social, cultural and developmental needs of the community and Fifth, the community radio station should be a legal entity which means it should be registered under the Registration of Societies Act or any such relevant act.

The policy also identifies specific kinds of organizations, who are eligible to operate community radio station. For example, community-based organizations, like civil society and voluntary organizations, agricultural universities, autonomous bodies and public trusts may apply for community radio station license. At the same time educational institutions are also eligible for running community radio stations. However, individuals, political parties and organizations that are motivated towards profit or which are banned by Union of State Governments are prohibited from operating community radio stations in India.

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The policy also identifies specific content regulation related to Community Radio Stations. It is stated that the programs broadcast through community radio should be relevant to the community addressed. There should be marked focus on agricultural, educational, developmental, health, social welfare and cultural aspects and the programs should be aimed towards the special needs and interests of the local community. At least half of the content shall be produced through active participation of the local community members, where the station has been established. Also, local language and regional dialect should be preferred in terms of producing program. The advertisement code as prescribed by All India Radio should be adhered by the management team.

Usually community radio stations are expected to cover a range of five to ten kilometers. Nevertheless, in some cases, where an organization is required to cover a larger area, they may set up a higher wattage transmitter but it is subjected to the availability of frequency and other relevant clearances from the Ministry of Communications and Information Technology.

Funding is an important aspect of community radio station and the organizations are eligible to funding from multilateral agencies. However, foreign funds if available can be obtained only after getting clearance as per the Foreign Contribution (Regulation) Act. When it comes to sponsored programs, Community Radio Stations are not permitted to accept it, except those programs, which are sponsored by Central and State Governments. They may also accept sponsored programs from other organizations to broadcast public interest information. However, limited advertising and announcement relating to local events or services or employment openings may be allowed but the maximum duration of such advertisements are limited to five minutes per hour of the broadcast. It should also be ensured that the revenue which is generated from advertisements and local announcements must be utilized only for the operational expenses and capital expenditure related to community radio service. In case, there are any surplus then it can be used for the primary activity of the organization but only after getting written permission from the Ministry of Information and Broadcasting.

### 3.4.5 Managing Community Radio Station

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Image Courtesy: Times of India

One of the fundamental aspects of community radio operation is access. The notion of access does not only point towards unhindered access to the media contents or products but more importantly it means complete access by the community members to the media production facilities. This is an important step towards full democratization of the communication system. The feedback channel is always available and constant interaction must be there between the receivers of the message and the producers of the message.

The logical state after access is participation. Here participation means participation in the process of production as well as management of media. In the case of community radio, participation is the key to the operation of the radio. The community members are actively involved in planning, functioning and evaluation of the radio programs. They are often also involved in decision making process that may

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decide not only the contents, schedules and duration of the programs but also the management and financing of radio programs. In community radio stations, the community members or their representatives usually have an effective voice.

Subsequently, once participation is ensured, what comes next is self-management. If the community members have achieved the required understanding and have acquired the needed skills for running the community radio station then there may not be any difficulty in allowing them to manage and even own the radio station. It is important to note that the process of democratization of the communication system ultimately leads to the agendas related to the community. Community mandate involves not only management of the station but also ownership of the radio station.

Finally, the idea of accountability comes to the forefront. Accountability is exercised by the community members involved in all sector of program planning, production. Unless there is accountability in the hands of the managers and broadcasters, the opportunity to operate, control and manage the community radio station would not be effective.

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### **3.4.6 Steps Related To Operating A Community Radio**

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- a) First there should be a team of responsible initiators, workers and leaders who are genuinely interested and are convinced about the positive effects of community radio on the community. This group of people needs to be organized and enthusiastic about setting up the community radio.
- b) From the very beginning of community radio project, a basic research is indispensable for understanding and identifying the socio-economic, cultural and environmental situation of the community to be addressed. During the initial operation of the community radio, regular appraisal of the progress is needed. In addition, continuous monitoring needs to be done on a regular basis at later stages. Moreover, different kinds of evaluative studies on different aspects of the community radio station is also very useful to maintain the standard of management, production and distribution.
- c) For running a community radio station successfully there are three groups of people who require at least basic training in their respective sectors. These three groups are: a) the program makers b) the core managers and c) technicians. These three groups have their individual responsibilities and

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they have to be trained in their particular services for smooth running of the community radio.

- d) From the very early stages of setting up a community radio, it is necessary to keep track of the various initiatives, decisions and policies taken to set up the community radio. This documentation process may benefit the prospective evaluators, researchers and anyone, who is passionate about community radio. The documentation can be done on paper, on digital storage, on video or in various other ways as per the convenience of the core team responsible for setting up the community radio.
- e) To construct a studio or to put up a tower for transmission which is a basic necessity for any community radio set up, one needs to purchase and install equipment and other accessories. For this task, qualified electronic engineers or technicians need to perform their duties, not only in terms of purchasing the equipment but also in terms of installing and setting up the equipment. They also need to conduct regular maintenance of technical infrastructure for proper functioning of the community radio.

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### 3.4.7 Different Components Of Community Radio Operation

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Image Courtesy: The Indian Express

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- i) For running a community radio station, most of the time simple production and transmission equipment are adequate. However, the requirements may change according to the size and needs of the community to be addressed. A significant number of community radio stations use low power FM transmitters and the production facility may consist of a simple tape recorder, a basic studio space that may include a sound mixture, CD player, sound recorder and basic microphone setup. In some contexts, loudspeaker of the community audio tower system is used either separately or in addition to a transmitter.
- ii) Most of the time the resources that are necessary for running a community radio station come from institutions, organisations and individuals within the community. Often particular individuals are also driven to donate and improve the quality of the station. Sometimes fundraising schemes, sponsorships, donations and institutional advertisements are used to raise funds for the benefit of the station. Cooperatives, local government departments, schools and colleges, trusts and foundations and even religious organisations as host institutions may also offer financial and other kinds of support. The resource generation schemes are planned and implemented with the help of the station management.
- iii) Community radio station is typically managed by Community Radio Council or CRC. The multisectoral group, CRC, generally gets the mandate from the community to operate the station on behalf of the community. People working for the CRC are often trained for the purpose of managing the community radio station. The members are selected among respected community leaders on the basis of specific community needs. The council may exercise the right to include new members or to replace existing ones. The objective of the council, among various other responsibilities, is to specify the direction of the community radio, to consider the policies of the radio station and to make important decisions which are important for smooth running of the radio station.
- iv) The regular programs are prepared by a number of community members who are able to devote their time and enthusiasm in the process of community radio program production. Similar to the CRC members, the people who are

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responsible for making the programs for the radio station are selected from various sectors of the community. They are given required training to obtain the skills needed to make radio shows, interviews, radio talks, features, documentaries and various other formats. The training for the program makers may last for a few weeks or it can be as long as one month. Media industry professionals and various experts from different fields impart the training to the program makers. The training often focuses on community-oriented participatory programs. These people are generally volunteers from the community or enthusiastic individuals who are genuinely interested in the community. They are engaged in various capacities ranging from radio presenters, producers, researchers, announcers, scriptwriters, technicians and administrative people, under the leadership of senior managers.

- v) In many ways community radio programs are similar to mainstream radio programs, like magazine programs, interviews, talk shows, etc. Although in community radio, there is always an emphasis on local and community-oriented contents. For instance, programs may highlight issues related to women, the difficulties faced by the farmers, concerns related to marginal communities. Discussions on various issues related to local organizations, municipality or panchayats, government departments, which are some way or the other related to the well-being of the community is also part of the programming mix. As already mentioned, participation from the community members are always encouraged and there is a planned focus on using local language, local cultural attributes, familiar elements within the programs, so that they can connect to the audience. Irrespective of the regular production group, a wider section of participants from the community, who may or may not have formal training in radio production, are also engaged to make cultural programs.
- vi) The duration of programming and the broadcast hours of community radio is generally decided by the senior management with inputs from the local community. However, there are particular aspects that influence the broadcast hours. First is the competency and the number of trained persons working in the community radio station; Second, the availability of electricity or other sources of power which is necessary to smooth functioning of the radio

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station; Third, is the available technical infrastructure; Fourth, is the actual need of the community towards which the programs are aimed at, Fifth, is the availability of resources, which are essential for proper functioning of the radio station; and finally competition with other available radio stations in the region is also an important factor that may influence the broadcast hours. However, in contrast to commercial or government sponsored radio stations, community radio usually implements shorter broadcasting hour.

- vii) Community members can be encouraged to take active part in the production of community radio programs by making them familiar with the production process. They can be invited in production workshops. These production workshops can be conducted in their villages. Women, school children, farmers, and local artisans can be trained in the basics of radio broadcasting by conducting production workshops in rural areas. Different types of cultural programs and village activities can be adapted to make it suitable for radio broadcasting.

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### 3.4.8 Summary

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All over the world media policies and broadcasting systems are witnessing transformations mainly to address the rising demand to include the voices of the marginalized and disadvantaged communities. Community radio is indeed an exceptional apparatus that utilizes media technologies for development and empowerment of people living in the periphery. This initiative, which is aimed towards the development of communities, is especially useful in regions which are suffering from low level of literacy, located in remote rural areas or suffering from socio-economic austerities. Community radio can become a platform to raise voices regarding socio-economic, cultural, political and environmental issues which are sometimes overlooked by the mainstream media. It also gives a platform to the local artistic and cultural talents, who may showcase their creativity to a larger audience. Hence, community radio needs to be encouraged for endorsing participatory communication aimed at developmental initiatives.

### 3.4.9 Check Your Progress

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- a) Mention some of the essential attributes of community radio.
- b) Which organizations are permitted to operate community radio station in India?
- c) Explain how access and participation is crucial for community radio?
- d) Discuss at least two important steps related to operating community radio station.
- e) Describe the process of managing community radio programs.

### 3.4.10 Suggested Readings

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2. Other Voices : The Struggle for Community Radio in India, Vinod Pavarala, Sage India, First Edition, 2007.
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MODULE- 4

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**MEDIA MARKETING AND ETHICS**

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## MEDIA MANAGEMENT

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## **Unit-1 □ Penetration, Reach, Access and Exposure to Media**

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### **4.1.0 Structure**

### **4.1.1 Learning Objectives**

### **4.1.2 Introduction**

### **4.1.3 Media and Types of Media**

#### **4.1.3.1 News paper**

#### **4.1.3.2 Magazine**

#### **4.1.3.3 Television**

#### **4.1.3.4 Radio**

#### **4.1.3.5 OOH Advertising Media**

#### **4.1.3.6 Social Media**

### **4.1.4 Introduction To Media Penetration/Reach**

### **4.1.5 Introduction To Media Exposure**

#### **4.1.5.1 Media Exposure In India**

### **4.1.6 Media Consumption In India**

### **4.1.7 Summary**

### **4.1.8 Questions**

### **4.1.9 Suggested Readings**

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## **4.1.1 Learning Objectives**

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This unit will throw light on the concept of Advertising Media and different types of media like News paper, Magazine, Television, Radio, OOH advertising media and Social Media.

The unit will also introduce the concept of Media penetration, Reach, Access and Exposure to Media. Finally the media consumption trend in 21<sup>st</sup> Century is also presented in Indian Context.

## 4.1.2 Introduction

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The concept of Advertising Media and different types of media like News paper, Magazine, Television, Radio, OOH advertising media and Social Media have been discussed in this unit.

## 4.1.3 Media and Types of Media

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One of the most accepted definitions of advertising is the one given by American Marketing Association (AMA). According to AMA advertising is defined as **“Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an Identified sponsor”**.

**Media** refers to various means (advertising vehicles) such as newspapers, radio, television, billboards, magazines and internet by which promotional messages are communicated to the public using words, speech, and pictures.

**Media** are treated as vehicles for carrying advertising messages. Generally a combination of media is selected in any advertising campaign for two basic reasons-

- ✓ To reach maximum number of target audience
- ✓ Features of one medium cannot be replicated in another medium. This will be elaborated under different types of media.

In this section let us look at the special features of different advertising media and when it is ideal to select each of them for advertising a product, services or events to connect with the target audience.

### 4.1.3.1 Newspaper

The essential features that an advertiser can look for in Newspaper are mentioned below.

- Newspaper can induce trial of a brand.
- Newspapers are capable of detailing about a Product, service and events.
- Newspapers offer Geographic & Language selectivity.
- Newspapers are treated as a “Flexible medium” for advertising.



#### 4.1.3.2 Magazine

The essential features that an advertiser can look for in a Magazine are mentioned below.

- Specific Target Audience.
- Higher Opportunity to See (OTS) due to long life.
- It is considered to be a Prestige Medium
- Printing & Production quality better.
- Innovative advertising opportunities are available in case of magazine.



#### 4.1.3.3 Television

The essential features that an advertiser can look for in a Television are mentioned below.

- In case of Television advertising there is scope for product demonstration.
- Television offers wide geographic coverage.
- Television gives opportunity for creative advertising.
- In case of Television advertising selectivity & flexibility in terms of regional coverage & programme content is offered to the advertiser.



#### 4.1.3.4 Radio

The essential features that an advertiser can look for in a Radio are mentioned below.

- Radio advertisement is capable of creating mental imagery.
- It is a cost effective medium.
- It is very flexible medium
- It is treated to be a cost effective mass medium for advertising.
- Listener ship is increasing among “Urban youth” with the advent of the FM stations.



#### 4.1.3.5 Out of Home (OOH) Advertising Media

Out-of-home (OOH) advertising or outdoor advertising, also known as out-of-home media or outdoor media, is advertising that reaches the consumers while they are outside their homes.

The essential features that an advertiser can look for in an Outdoor media are mentioned below.

- It can effectively cover local, regional and national market.
- Continuity factor i.e the hoardings are up (24X7)
- Cost effective and efficient medium.
- It acts as a reminder medium.
- Size of hoardings makes it noticeable.

Amul butter advertisement is very popular in OOH.



#### 4.1.3.6 Social Media

The 6 Best Social Networks for Ecommerce Advertising are

##### 1. Facebook Advertising-

- Facebook is the largest social media network of the world.
- India has the highest number of Face book Users, about 270 million (April 2018).
- Hence, Facebook is the best platform for placing advertisements.
- Following are some useful insights of Facebook users in India (Source: Face book Audience Insights).



- Facebook users constitute of 77% men and 23% women.
  - 80% of the Facebook users fall in the age group 18-34.
  - Top five job titles: Management, Administrative Services, Production, Sales, and Art, Entertainment, Sport and Media.
  - Top five Facebook Pages (based on Audience): Narendra Modi, Virat Kohli, Sachin Tendulkar, Indian Cricket Team and Amitabh Bachchan.
  - Top seven cities (based on audience): New Delhi, Bangalore, Mumbai, Kolkata, Ahmedabad, Hyderabad and Pune.
- ##### 2. Instagram Advertising
- ##### 3. Twitter Advertising
- ##### 4. Pinterest Advertising (TA mostly women-81%)
- ##### 5. LinkedIn Advertising
- ##### 6. Snapchat Advertising (41% of all 18-34 year olds in the U.S. will interact with Snapchat today).

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### 4.1.4 Introduction To Media Penetration, Reach

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Penetration rates are the most basic measure of media usage. Media penetration, or reach, indicates the share of individuals in a country, region, or group that use a medium. Once penetration has been established, media usage is measured by the time individuals spend with a medium within a certain period, e.g. daily or monthly.

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Consumption patterns can be considered in more detail, analyzing locations where media is consumed and devices used for its consumption (as in the case of audio, audio-visual, as well as digital media).

Additional factors can also be considered. The language of media consumption is an important indicator for the analysis of multilingual territories and behavior of ethnic minorities.

(<https://www.statista.com/markets/417/topic/1005/media-usage/>)

### 4.1.5 Introduction to Media Exposure

**Media exposure** measures reach or penetration of media regardless of the user's intent to consume—the share of individuals in the vicinity of an audio or audio-visual medium that hear or see its content, with or without wishing to be exposed.

#### 4.1.5.1 Media Exposure In India

According to the latest National Family Health Survey which is a large scale survey carried out across the country. This survey first and foremost provides health-related data about Indian households but also gives an impression of the level of media exposure of people in various states. The survey covers the level of exposure to traditional media like newspapers, radio, TV, and cinema across states among men and women.

From the above mentioned study some important findings emerged that are presented below.

States With Highest & Lowest Exposure to Newspaper (in percentage)					
National Average for Men	55%	National Average for Women	27%		
States with the highest exposure to newspaper			States with the lowest exposure to newspaper		
State	% men exposed	% women exposed	State	% men exposed	% women exposed
Kerala	88.60%	77.40%	Arunachal Pradesh	22.50%	11.70%
Goa	82.20%	63.00%	Assam	28.90%	12.20%
Mizoram	73.40%	63.30%	Nagaland	38.30%	27.90%
Tamil Nadu	72.30%	31.80%	Sikkim	38.50%	26.10%
Manipur	68.40%	41.10%	Tripura	40.20%	16.50%

States having the highest and lowest exposure to various media (Source: <https://blog.themediaant.com/state-wise-media-exposure-in-india-a-comparison-part-1>)

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Many valuable findings also emerged from the study which is stated below.

- ◆ Although in terms of media exposure, the female population is much behind their male counterparts, but in the case of newspaper and cinema, this gap is much wider. The most probable reasons would be low literacy rate among women as well as restriction to their movements outside the home.
- ◆ Television is the only medium where the exposure is almost the same for the male and female populations.
- ◆ Exposure to television among the states is proportional to the per capita income of the states. The richest states in India have the highest exposure to TV.
- ◆ Exposure to radio is mostly high in states located in hilly areas like Jammu & Kashmir, Manipur, Sikkim, and Uttarakhand.
- ◆ Exposure to the cinema is mostly high in Southern and Western Indian states as compared to Northern and Eastern states.

If we focus on the eastern part of our country covering states like Bihar, Jharkhand, West Bengal and Odisha we shall encounter valuable insight from the same study focusing on the East Zone:

- ◆ The eastern zone of India overall lacks the exposure to traditional media. For all the four media, the four states have below national average exposure except Bihar in case of radio and West Bengal in terms of television.
- ◆ These areas of India are often termed as media-dark areas. However, with arrival of cheap data and innovative non-traditional advertising, these regions have become accessible.

West Bengal				
	Male		Female	
	National Avg	West Bengal	National Avg	West Bengal
Exposure to Newspaper (%)	55%	<b>42.80%</b>	27%	<b>18.00%</b>
Exposure to Television (%)	78%	<b>82.60%</b>	71%	<b>75.30%</b>
Exposure to Radio (%)	21%	<b>17.80%</b>	11%	<b>9.10%</b>
Exposure to Cinema (%)	22%	<b>13.10%</b>	8.50%	<b>6.60%</b>

(Source: <https://blog.themediaant.com/state-wise-media-exposure-in-india-a-comparison-part-1>)

### **4.1.6 Media Consumption In India**

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If we look back in times we will find that of all four media sectors, print has the longest history in India, with the first paper being published in 1780. Radio came second, in 1924. India saw its first television broadcast in September 1959, more than a decade after gaining independence.

It was during the time of the Gulf war in 1991, three decades later, that India got its first taste of foreign news television. It paved the way for many satellite channels like STAR (Satellite Television Asian Region) TV and Zee TV, India's first Hindi satellite channel. These developments changed the way television was consumed by the Indians, forever.

Keeping in line with the Digital India concept the Government now plans to provide 1 GBPS (gigabyte per second) connectivity by the year 2020 to all Gram Panchayats (village-level administrative units), and increase it to 10 GBPS by the year 2022.

Digital media consumption is growing at a mind boggling rate. A Boston Consulting Group-BCG report says that India already has 250 million digital screens, including smartphones, tablets, laptops and desktops – a number that's more than the combined number of TV screens and movie screens. However, as far as video consumption is concerned, traditional TV video is consumed by 82% people while only 18% consume digital video, according to another Boston Consulting Group report.

India is quickly moving away from consuming content through traditional media – like television and radio, and gravitating towards digital media – including their smart phones, web channels and even paid streaming and on-demand (OTT – Over The Top) outlets.

According to a Deloitte India report, “wireless networks will convert 750 million new users, who have till now never used internet. The report also indicates that 90% of all mobile subscribers would consist of broadband users by the year 2023. This is a significant number and points to the fact that media consumption online through mobile phones will lead the way in future”.

According to an Indian Market Research Bureau Report, 92% of rural India uses mobile phones to access internet, while only 77% urban users access the internet through mobile phones. 17% of urban India uses laptops and desktops to access internet, while only 7 percent of rural India users use laptop or desktops for accessing internet. The same report also states that 69% of urban users in India use the internet

## MEDIA MANAGEMENT

for online communication, 68% for social networking, 50% for entertainment, 34% for online shopping, and 27% for online services. Whereas, entertainment tops the rural India viewing patterns at 39%, 34% for social networking, 31% for communication and 12% for online ticketing.

A noticeable trend is the arrival of OTT – Over The Top – streaming market that beam traditional television content directly to smartphones via their own customized app. According to data available from Indian mobile advertising company, Jana – for the first quarter of 2018, Hotstar, the content streaming platform of Star India, is India’s most popular OTT video streaming platform, going by the number of apps installed. Hotstar leads the way with 70% of video streaming downloads, followed by SonyLIV at 13%, Viacom 18’s VOOT with 11%, Amazon Prime Video at 5% share and Netflix at 1.4%.

A research study by Journal of Socialomics confirms that “while the trend for online news consumption is high among the younger generation, the older generation still prefers the traditional newspapers for their daily news consumption. As for television, a recent Broadcast India Survey says that the number of TV homes in India is on the rise with 183 million in 2016”.

<b>Share of Average Time Spent with Media in India, 2017-2021</b>					
<i>% of total</i>					
	2017	2018	2019	2020	2021
<b>TV*</b>	59.5%	58.7%	58.7%	58.1%	57.5%
<b>Digital</b>	27.7%	29.2%	29.9%	30.8%	31.6%
—Mobile (nonvoice)	21.6%	23.3%	24.2%	25.2%	26.0%
—Smartphone	13.7%	15.8%	17.1%	18.5%	19.5%
—Feature phone	6.7%	6.1%	5.7%	5.4%	5.1%
—Tablet	1.2%	1.3%	1.3%	1.3%	1.3%
—Desktop/laptop**	6.1%	5.9%	5.7%	5.6%	5.6%
<b>Print*</b>	7.0%	6.5%	6.2%	5.9%	5.8%
—Newspapers	6.5%	6.1%	5.7%	5.5%	5.4%
—Magazines	0.4%	0.4%	0.4%	0.4%	0.4%
<b>Radio*</b>	5.8%	5.5%	5.3%	5.1%	5.1%
<b>Total time</b>	<b>4:13</b>	<b>4:38</b>	<b>4:59</b>	<b>5:14</b>	<b>5:24</b>

*Note: ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop; \*excludes digital; \*\*includes all internet activities on desktop and laptop computers*  
 Source: eMarketer, April 2019

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www.eMarketer.com

(Source: <https://www.emarketer.com/content/india-time-spent-with-media-2019>).

### 4.1.7 Summary

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This unit helped us to understand the concept of Advertising Media and different types of media like News paper, Magazine, Television, Radio, OOH advertising media and Social Media.

The unit also introduced the concept of Media penetration, Reach, Access and Exposure to Media. Finally the media consumption trend in 21<sup>st</sup> Century is also presented in Indian Context.

### 4.1.8 Questions

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- 1) Define media. Mention the important features of Newspaper and Television as advertising media.
- 2) Mention the six best Social Networks for Ecommerce Advertising.
- 3) What is media penetration? Explain the media exposure pattern in India.
- 4) Discuss the media consumption pattern in India in 21<sup>st</sup> Century.

### 4.1.9 Suggested Readings

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- **The Indian Media Business** by Vanita Kohli-Khandekar (Sage)
- **Media Planning and Buying: Principles and Practice in the Indian Context** by Arpita Menon.
- **Advertising Management** by Jaishri Jethwaney and Shruti Jain (Oxford)
- **Advertising Management** - M. V. Kulkarni (Everest publishing house)
- **Advertising and Promotion: An Integrated Marketing Communications Perspective** – Belch and Belch (Tata McGraw-Hill Education India)
- **Research Papers & Articles**
- **P.G. Arul (2014)** Media Buying Practices of Integrated Ad-Agencies to Deliver Advertisement through TV Channels. *Amity Global Business Review*. pp.108.
- **Mehta, B., & Patra, S. (2017)** Newspapers Readership and Preference among College Students of Kolkata. *Role of Media in Democracy*. pp 118-131.
- <https://www.emarketer.com/content/india-time-spent-with-media-2019>.
- <https://blog.themediaant.com/state-wise-media-exposure-in-india-a-comparison-part-1>

## **Unit-2 □ Selling and Buying Space and Time on Media**

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### **4.2.0 Structure**

#### **4.2.1 Learning Objectives**

#### **4.2.2 Introduction**

#### **4.2.3 Advertising Department Of A Newspaper**

##### **4.2.3.1 Advertising Rates In News Papers And Television**

#### **4.2.4 Introduction To Media Planning & Buying**

##### **4.2.4.1 Functioning Of Advertising Agency With Respect To Media Department**

##### **4.2.4.2 Factors Important In Media Planning And Buying**

#### **4.2.5 Media Scheduling Strategy**

#### **4.2.6 Summary**

#### **4.2.7 Questions**

#### **4.2.8 Suggested Readings**

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### **4.2.1 Learning Objectives**

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This unit will present the role and function of the advertising department of media houses in the context of selling space and airtime, understanding the advertising rates in case of newspaper and television channels, introduce the concept of Media Planning, factors Important in Media planning and buying and creating a Media Scheduling Strategy.

This unit will also explain the functioning of advertising agency with respect to media department.

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### **4.2.2 Introduction**

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The selection of appropriate advertising media is important after studying the market. Because the message must reach in an effective and efficient way to the

consumers. The selection process is normally done to get maximum coverage at minimum expense.

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### 4.2.3 Advertising Department of Newspaper

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An advertising department for a newspaper is in charge for generating revenue for the business by selling advertising space to local or national companies. To sell advertising space, the department carries out a number of functions such as-

- ✓ Including accepting and processing orders from advertisers,
- ✓ Creating advertisements,
- ✓ Providing media information to advertisers and advertising agencies,
- ✓ Helping businesses develop advertising plans and
- ✓ Working with editorial teams to develop features that will attract advertisers.

#### 4.2.3.1 Advertising Rates In News Papers And Television

**The Media Ant India** is one of the largest **Media Planning and Buying agency in India**. The Media Ant India has offices across major cities of India including **Bengaluru, Hyderabad, Delhi, Pune, and Mumbai**.

How is Telegraph Display advertisement priced?

## The Telegraph

calcutta, india

Display advertisement is typically the most creative one, and thus, it draws maximum attention. Telegraph is the best medium to place display ads, primarily because it has a huge readership figure. This would generate a higher response rate for the advertisement, which is likely to be noticed by many. Several factors are considered while pricing a display ad in Telegraph:

Fundamental pricing is done on the basis of **per sq. cm. of area covered**.

Display ad rates vary due to several other attributes. For instance, the front page ad costs more than the one published in the middle page. More area the ad occupies, more expensive it is likely to be. You can opt for the given sizes in Telegraph – full page, half page and so on, else you can settle for a custom ad size. The fact whether the display ad is coloured or black & white, will also influence the price.

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### Telegraph Display Advertisement Rates for specific locations

Edition	Circulation	Display Ad
Kolkata	44 L ( Copies)	Rs. 2480 / sqcm
South Bengal	37 K ( Copies)	Rs. 900 / sqcm
North Bengal	28 K ( Copies)	Rs. 495 / sqcm
Orissa	15 K ( Copies)	Rs. 200 / sqcm

The **sales department at a television station** is responsible for generating the revenue for the station to survive. A general sales manager leads a team that is comprised of a national/regional sales manager, a local sales manager, account executives, and at times, a traffic manager. In most cases, the national/regional sales manager will be a liaison from an outside organization that wins advertising contracts from regional and national advertisers.

The local sales manager, then, is charged with securing advertising accounts with local businesses and organizations. A staff of account executives helps the local sales manager sell advertising time to local businesses employing solicitation tactics similar to other sales businesses.

However, the salespeople of television must negotiate advertising sales using a rate card, a definitive list of airtime costs during the various time periods and television programs. Furthermore, the television account executive can also offer to create the advertisement for a client if the client so chooses, in which case the sales department cooperates with the production and programming departments for this venture.

### Rates for Advertising in ABP Ananda



Normally the mentioned rates are for per second of airtime. So for example, if the cost to advertise in ABP Ananda is mentioned as Rs 500/sec and your ad is 10 sec long, the cost for playing your ad once on ABP Ananda will come to  $Rs\ 500 \times 10 = Rs\ 5,000$ .

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Advertising Rate for ABP Ananda varies with the **time band** and is directly proportional to the **reach**.

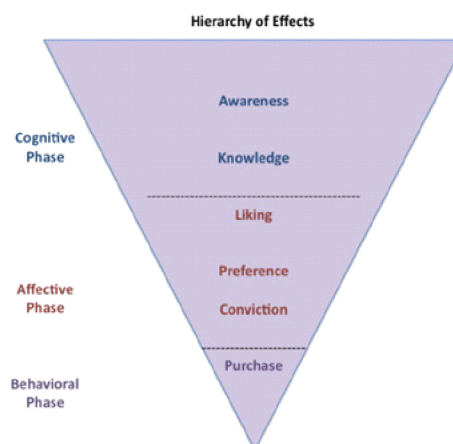
Prime Time in the News category is from 6 pm to 10 pm. 9 pm to 10 pm is also considered **super prime time**. Rates for Prime Time in ABP Ananda and Super Prime Time in ABP Ananda is significantly higher than non-prime time.

### 4.2.4 Introduction To Media Planning & Buying

Media planning means selecting the best combination of advertising media and specific vehicles for releasing the advertisement. Media buying involves negotiating with different media houses be it print media or radio or television to buy the space or time keeping in mind the client's advertising objective and budget. In 21<sup>st</sup> Century it is a challenging job to plan and select the correct media due to plenty of options available in the market. Companies are releasing their advertising in different media to try and take their consumer from a stage of brand awareness to purchase of their product/service/events.

#### Hierarchy- of- Effects Model-

This model was developed by Lavidge and Steiner. It helps in setting advertising objectives and providing a basis for measuring the results. It takes the consumer all the way from a stage of Brand Ignorance to Purchase of the product /Service/Event. Time is an important criterion to bring about the changes in the mind of the consumers.



[\* File contains invalid data | In-line.JPG \*]

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### 4.2.4.1 Functioning Of Advertising Agency With Respect To Media Department

Advertising Agency acts as facilitating organization in the business of advertising.

Three important functions of any leading full service advertising agency are-

- ✓ Plan the Advertising Campaign on behalf of their client.
- ✓ Prepare the Advertisement on behalf of their client.
- ✓ Place/Release the Advertisement on behalf of their client in different media.

Leading advertising agencies of India are JWT, Ogilvy & Mather, McCann Erickson, Mudra Communications etc.



Full Service Advertising Agencies generally have the following departments-

- ✦ ACCOUNT SERVICE & MANAGEMENT.
- ✦ CREATIVE- Copy, Art, Audio visual.
- ✦ MARKETING SERVICE-

Media-

Planning,

Buying & Execution

Research

Sales Promotion

MANAGEMENT & FINANCE

There are media planners in an advertising agency who are responsible for doing the media planning.

Depending on the media planning, the media buyer's negotiate with different media houses and book the **space (in case of print media) or time (in case of Television)** for releasing the advertisement.

## MEDIA MANAGEMENT

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The media execution department is responsible for sending the art work along with release instruction to the respective media department.

Many businesses hire advertising agencies to handle their advertising, which often is developed as integrated campaigns to be broadcast on TV, radio and the Internet, as well as print media. In addition to being responsible for the production of the ads themselves, ad agencies generally are also responsible for finding and securing the best placement of the ads, at the best rates, in suitable radio and TV programs in local, regional and national markets.

According to an August 2017 report in the media it is seen that Space selling for advertisement in print media will attract 18 per cent GST if an agency does so as an agent of a newspaper on a commission basis, the government said today.

GST of 5 per cent will be levied if the advertisement agency works on principal to principal basis — buys space from the newspaper and sells such space for advertisement to clients on its own account, a finance ministry statement said.

As an illustration, if a newspaper sells a unit of space worth Rs 100 to an advertisement agency for Rs 85 (after a trade discount of Rs 15) and the agency sells the space to client at Rs 100, the newspaper would pay 5 per cent GST on Rs 85 and the advertisement agency a similar amount of tax on Rs 100.

However, if the advertisement agency sells space for advertisement as an agent of the newspaper on a commission basis, 18 per cent GST would be levied on the sale commission it gets.

The newspaper would have to pay 5 per cent GST on the revenue earned from space selling but can avail of input tax credit for the tax paid by the advertising agency on commission received.

“However, if the advertisement agency supplies any service other than the selling of space for advertisement, such as designing or drafting the advertisement, and such supply is not a part of any composite supply, the same would be liable to tax at the rate of 18 per cent,” the statement said.

If such supplies are part of any composite supply, the rate applicable for the principal supply shall apply.”Therefore, everything depends on the terms of the contract between the newspaper, advertisement agency and the client,” it added.

Source- <https://economictimes.indiatimes.com/news/economy/policy/government-clarifies-on-gst-on-newspaper-ad-space-sale/articleshow/60196560.cms>

#### 4.2.4.2 Factors Important In Media Planning And Buying

Media planning is the process of identifying and selecting media outlets – mainly newspapers, magazines, websites, TV and radio stations, and outdoor placement – in which to place paid advertisements. The person responsible for evaluating the many media options in an advertising agency and strategizing campaigns to support a particular product, service, or brand is called a media planner. Media planners typically are employed by advertising agencies.

A media planner's job is to develop a coordinated plan for a particular client's advertising budget. They decide where, when, and how often to feature a specific advertisement. The more the planner can optimize – meaning stretch – a client's budget to reach the largest number of people, the better his or her odds of seeing results. The whole purpose of advertising is to make potential customers aware of a company's products, services, events and to persuade them to buy them.

##### **Factors considered for media planning-**

- OTS (Opportunity To See)
- REACH of the Medium
- READERSHIP- In case of Newspapers & Magazines
- VIEWERSHIP- In case of Television
- LISTENERSHIP- In case of Radio
- COST- It refers to the cost of time or space to be required for the advertisement
- FLEXIBILITY OF THE MEDIUM
- PERMANANCE- It is the capability of the medium to hold attention of the reader/viewer/listener.

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#### 4.2.5 Media Scheduling Strategy

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There are three common media scheduling strategy.

##### ➤ **FLIGHTING STRATEGY-**

- Planned message run in intermittent period. In some months the company spends money for advertising in mass media.

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- This strategy is relevant when there is fluctuation in sales
- Relevant mainly for seasonal products.
- Companies having limited budgets.
- Achieve “Frequency” without draining “Budget”.

### ➤ CONTINUOUS STRATEGY-

- Equal media spend throughout the year. The company spends same amount of money for advertising in mass media in every months of the year.
- Relevant mainly for brands with huge budget.
- Relevant mainly for brands having constant sales throughout the year.
- Used when brand decision making process is relatively long.
- Target Audience needs to be reminded about the brand.

### ➤ PULSING STRATEGY-

- Combination of Flighting & Continuous strategy.
- Floor of media support offered throughout the year.
- Fast food & Beverage companies with huge budget adopt this strategy.

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## 4.2.6 Summary

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In this unit we got a clear understanding about the role of advertising department of Newspaper and Television in the context of selling space and airtime respectively, rates of advertising in The Telegraph (Print media), ABP Ananda (TV Channel).

The unit also introduced the concept of Media Planning and highlighted the factors important in Media planning such as –

- OTS (Opportunity To See)
- REACH of the Medium
- READERSHIP- In case of Newspapers & Magazines
- VIEWERSHIP- In case of Television
- LISTENERSHIP- In case of Radio

## MEDIA MANAGEMENT

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- **COST-** It refers to the cost of time or space to be required for the advertisement
- **FLEXIBILITY OF THE MEDIUM**
- **PERMANANCE-** It is the capability of the medium to hold attention of the reader/viewer/listener.

The unit helped us to understand the concept of media buying and creating a Media Scheduling Strategy.

This unit also explained the functioning of advertising agency with respect to media department.

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### 4.2.7 Questions

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- 1) Explain the role of advertising department of a Newspaper in selling space to clients.
- 2) What do you understand by media planning and media buying?
- 3) Explain the factors to be considered in planning the media.
- 4) Discuss the three commonly used media scheduling strategy.
- 5) Explain with examples how advertising rates are calculated in News Papers and Television.

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### 4.2.8 Suggested Readings

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#### **Books**

Media Planning and Buying: Principles and Practice in the Indian Context by Arpita Menon.

The Indian Media Business by Vanita Kohli-Khandekar (Sage)

Advertising Management by Jaishri Jethwaney and Shruti Jain (Oxford)

Advertising Management - M. V. Kulkarni (Everest publishing house)

Advertising and Promotion: An Integrated Marketing Communications Perspective – Belch and Belch (Tata McGraw-Hill Education India)

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### **Research Articles**

P.G. Arul (2014) Media Buying Practices of Integrated Ad-Agencies to Deliver Advertisement through TV Channels. *Amity Global Business Review*. pp.108.

Mehta, B., & Patra, S. (2017) Newspapers Readership and Preference among College Students of Kolkata. *Role of Media in Democracy*. pp 118-131.

<https://economictimes.indiatimes.com/news/economy/policy/government-clarifies-on-gst-on-newspaper-ad-space-sale/articleshow/60196560.cms>

<https://www.themediaant.com/>

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## **Unit-3 □ Ethical Issues Related to Media-Intellectual Property Rights (IPR)**

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### **4.3.0 Structure**

#### **4.3.1 Learning Objectives**

#### **4.3.2 Introduction**

#### **4.3.3 What Are Intellectual Property Rights In India?**

#### **4.3.4 Summary**

#### **4.3.5 Questions**

#### **4.3.6 Suggested Readings**

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### **4.3.1 Learning Objectives**

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The objective of this unit is to understand the Intellectual Property Rights.(IPR). We have discussed about the ethical issues related to the media in our previous semester.

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### **4.3.2 Introduction**

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As the Indian economy races to transform itself into an ‘Information Society and an emerging economic power, it will necessarily have to take into account the implications of being an active member of the World Trade Organisation(WTO) and the global cultural regime that this organization has introduced in the form of the Trade Related Aspects on Intellectual property Rights Agreement (TRIPS). Mass Media, information and culture, it is assumed under the TRIPS regime, are private property that can be traded across the world for profit without any concern for universal access, human rights, free speech, affordability, public service, fair play and balance.

Intellectual Property Rights (IPRs) are considered to be the backbone of any economy and their creation and protection is essential for sustained growth of a nation. The IPRs are now not only being used as a tool to protect the creativity and generate revenue but also to build strategic alliances for the socio-economic and technological growth. Accordingly, the Intellectual Property Office in India is dedicated to mobilize the use of such technological advancement for socio-economic development, which is a constitutional mandate, by creating the requisite IP culture.

Intellectual Property Rights like patents, designs, trademarks play an important role in the international trade and commerce and also in industrial, economical and social development of a nation. As a result, IPR-related activities have gained prominence during the last several years.

The laws governing Intellectual Property Rights are necessarily techno-legal matters. Many complex issues are involved in creation, utilization and meaningful exploitation of Intellectual Rights. As such, there was a need for an effective means for improvement in knowledge.

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### 4.3.3 What Are Intellectual Property Rights In India ?

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**National Intellectual Property Rights Policy** was approved by the Indian cabinet on 12 May 2016 to ensure compliance to the Doha Development Round and TRIPS Agreement. With its seven objectives, it aims at creating a “Creative India; Innovative India”.

The National IPR Policy is a vision document that aims to create and exploit synergies between all forms of intellectual property (IP), concerned statutes and agencies. It sets in place an institutional mechanism for implementation, monitoring and review. It aims to incorporate and adapt global best practices to the Indian scenario. This policy shall weave in the strengths of the Government, research and development organizations, educational institutions, corporate entities including MSMEs, start-ups and other stakeholders in the creation of an innovation-conducive environment, which stimulates creativity and innovation across sectors, as also facilitates a stable, transparent and service-oriented IPR administration in the country.

The Policy recognizes that India has a well-established TRIPS-compliant legislative, administrative and judicial framework to safeguard IPRs, which meets its international obligations while utilizing the flexibilities provided in the international regime to address its developmental concerns. It reiterates India’s commitment to the Doha Development Agenda and the TRIPS agreement.

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While IPRs are becoming increasingly important in the global arena, there is a need to increase awareness on IPRs in India, be it regarding the IPRs owned by oneself or respect for others' IPRs. The importance of IPRs as a marketable financial asset and economic tool also needs to be recognised. For this, domestic IP filings, as also commercialization of patents granted, need to increase. Innovation and sub-optimal spending on R&D too are issues to be addressed.

The broad contours of the National IPR Policy are as follows:

**Vision Statement:** An India where creativity and innovation are stimulated by Intellectual Property for the benefit of all; an India where intellectual property promotes advancement in science and technology, arts and culture, traditional knowledge and biodiversity resources; an India where knowledge is the main driver of development, and knowledge owned is transformed into knowledge shared.

**Mission Statement:**

Stimulate a dynamic, vibrant and balanced intellectual property rights system in India to:

- o foster creativity and innovation and thereby, promote entrepreneurship and enhance socio-economic and cultural development, and
- o focus on enhancing access to healthcare, food security and environmental protection, among other sectors of vital social, economic and technological importance.

**Objectives:**

The Policy lays down the following seven objectives:

- i. IPR Awareness: Outreach and Promotion - To create public awareness about the economic, social and cultural benefits of IPRs among all sections of society.
- ii. Generation of IPRs - To stimulate the generation of IPRs.
- iii. Legal and Legislative Framework - To have strong and effective IPR laws, which balance the interests of rights owners with larger public interest.
- iv. Administration and Management - To modernize and strengthen service-oriented IPR administration.

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- v. Commercialization of IPRs - Get value for IPRs through commercialization.
- vi. Enforcement and Adjudication - To strengthen the enforcement and adjudicatory mechanisms for combating IPR infringements.
- vii. Human Capital Development - To strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IPRs.

These objectives are sought to be achieved through detailed action points. The action by different Ministries/ Departments shall be monitored by DIPP which shall be the nodal department to coordinate, guide and oversee implementation and future development of IPRs in India.

The National Intellectual Property Rights (IPR) Policy will endeavour for a “Creative India; Innovative India:

**(Source- Press Information Bureau)**

### **Copyrights**

The Copyright Act, 1957 (the ‘Act’) came into effect from January 1958. The Act has been amended five times since then, i.e., in 1983, 1984, 1992, 1994, 1999 and 2012. The Copyright (Amendment) Act, 2012 is the most substantial. The main reasons for amendments to the Copyright Act, 1957 include to bring the Act in conformity with two WIPO internet treaties concluded in 1996 namely, the WIPO Copyright Treaty (“WCT”) and WIPO Performances and Phonograms Treaty (“WPPT”); to protect the Music and Film Industry and address its concerns; to address the concerns of the physically disabled and to protect the interests of the author of any work; Incidental changes, to remove operational facilities; and enforcement of rights. Some of the important amendments to the Copyright Act in 2012 are extension of copyright protection in the digital environment such as penalties for circumvention of technological protection measures and rights management information, and liability of internet service provider and introduction of statutory licenses for cover versions and broadcasting organizations; ensuring right to receive royalties for authors, and music composers, exclusive economic and moral rights to performers, equal membership rights in copyright societies for authors and other right owners and exception of copyrights for physically disabled to access any works.

**Source- (<http://copyright.gov.in/>)**

We have explained the Copyright Act in our Semester I

### **Trademarks**

“Indian trademark law” statutorily protects trademarks as per the Trademark Act, 1999 and also under the common law remedy of passing off. Statutory protection of trademark is administered by the Controller General of Patents, Designs and Trade Marks, a government agency which reports to the Department of Industrial Policy and Promotion (DIPP), under the Ministry of Commerce and Industry.

Trademark defined under Section 2 (b) of the Trade Marks Act, 1999 as, “trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours.” A mark can include a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any such combinations. (Preamble, Trade Marks Act, 1999)

### **Patents**

The Patents Act, 1970 were brought into the force on 20 April 1972, and further amendments were carried in 1999, 2002 and 2005. The Patent Rules, 2003 were introduced along with the Patent Act (amendment), 2002 on 20 May 2003, and recent amendments were carried in 2016, and 2017. The Patents (Amendment) Rules 2016 mainly focused on expediting the grant process, benefits to startup, and increase in official fees.

### **Source : (Wikipedia)**

Please refer to the Semester CCIII (Media ethics) for more information on Patents Act.

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## **4.3.4 Summary**

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In this unit we have covered different contours of IPR i.e. Copyright Act, Trademarks Act, Patents Act etc.

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## **4.3.5 Questions**

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1. What do you mean by Intellectual Property Rights?
2. What do you mean by Patents?

### 4.3.6 Suggested Readings

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1. “Cabinet approves Intellectual Property Rights policy”, *The Hindu*, 13 May 2016
2. <http://copyright.gov.in/>
3. Arul George Scaria, *Piracy in the Indian Film Industry: Copyright and Cultural Consonance* (Cambridge University Press 2014) 47-53
4. Jatindra Kumar Das, *Law of Copyright* (PHI Learning Private Ltd. 2015) 88
5. <http://www.wipo.int/wipolex/en/details.jsp?id=13230> (WIPO Lex)
6. *Narayanan, P. (2004). Law of Trade Marks and Passing off (6th ed.). Kolkata: Eastern Law House. p. 3. ISBN 9788171772322.*
7. “DIPP under Ministry of Commerce and Industry”.
8. “Indian Patent System”.
9. “Amendments in Patent Act - Overview & Comparison”.
10. “WIPOLex”. *wipolex.wipo.int*. Retrieved 17 March 2019.
11. “The Patents (Amendment) Rules 2016” (PDF).
12. “About Us | Intellectual Property India”. *www.ipindia.nic.in*. Retrieved 23 February 2019

#### Web Resources

<http://copyright.gov.in/>

“Official website of Intellectual Property India”. *ipindia.nic.in*.

“Patent rules amendment 2012” (PDF)

“Patent Amendment Rule 2016” (PDF).

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## **Unit-4 □ New Media-Security Issues and New Media**

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### **4.4.0 Structure**

#### **4.4.1 Learning Objectives**

#### **4.4.2 Introduction**

#### **4.4.3 New Media And Cyber Issues**

#### **4.4.4 Need For Cyber Security**

#### **4.4.5 Summary**

#### **4.4.6 Questions**

#### **4.4.7 Suggested Readings**

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### **4.4.1 Learning Objectives**

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In this unit we will discuss about Cyber issues in new media.

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### **4.4.2 Introduction**

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Life is about a mixture of good and evil. So is the Internet. For all the benefit it provides to us, cyberspace has its worse sides too. Unlike conventional communities' though, there are no policemen patrolling the information superhighway, leaving it susceptible to everything from Trojan horses to cyber stalking, trademark, and cyber terrorism.

Our lives increasingly depend on the Internet and digital networks, but these create new vulnerabilities and new ways for criminals to exploit the digital environment.

### **4.4.3 New Media And Cyber Issues**

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#### **Distributed DOS**

A distributed denial of service (DoS) attack is accomplished by using the Internet to break into computers and using them to attack a network.

Hundreds or thousands of computer systems across the Internet can be turned into “zombies” and used to attack another system or website.

#### **Types of DOS**

There are three basic types of attack-

- a. **Consumption of scarce, limited, or non-renewable resources** like NW bandwidth, RAM, CPU time. Even power, cool air, or water can affect.
- b. **Destruction or Alteration of Configuration Information**
- c. **Physical Destruction or Alteration of Network Components**

#### **Forgery**

Counterfeit currency notes, postage and revenue stamps, mark sheets etc can be forged using sophisticated computers, printers and scanners.

Also impersonate another person is considered forgery.

#### **IPR Violations**

These include software piracy, copyright infringement, trademarks violations, theft of computer source code, patent violations. etc.

Cyber Squatting - Domain names are also trademarks and protected by ICANN’s domain dispute resolution policy and also under trademark laws. Cyber Squatters registers domain name identical to popular service provider’s domain so as to attract their users and get benefit from it.

#### **Cyber Terrorism**

Targeted attacks on military installations, power plants, air traffic control, banks, trail traffic control, telecommunication networks are the most likely targets. Others like police, medical, fire and rescue systems etc.

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Cyber terrorism is an attractive option for modern terrorists for several reasons.

1. It is cheaper than traditional terrorist methods.
2. Cyber terrorism is more anonymous than traditional terrorist methods.
3. The variety and number of targets are enormous.
4. Cyber terrorism can be conducted remotely, a feature that is especially appealing to terrorists.
5. Cyber terrorism has the potential to affect directly a larger number of people.

### **Banking/Credit card Related frauds**

In the corporate world, Internet hackers are continually looking for opportunities to compromise a company's security in order to gain access to confidential banking and financial information. Use of stolen card information or fake credit/debit cards are common. Bank employee can grab money using programs to deduce small amount of money from all customer accounts and adding it to own account also called as salami.

### **E-commerce/ Investment Frauds**

Sales and Investment frauds. An offering that uses false or fraudulent claims to solicit investments or loans, or that provides for the purchase, use, or trade of forged or counterfeit securities. Merchandise or services that were purchased or contracted by individuals online are never delivered. The fraud attributable to the misrepresentation of a product advertised for sale through an Internet auction site or the non-delivery of products purchased through an Internet auction site. Investors are enticed to invest in this fraudulent scheme by the promises of abnormally high profits.

#### **I. Sale of illegal articles**

This would include trade of narcotics, weapons and wildlife etc., by posting information on websites, auction websites, and bulletin boards or simply by using email communication. Research shows that number of people employed in this criminal area. Daily peoples receiving so many emails with offer of banned or illegal products for sale.

### **Defamation**

Defamation can be understood as the intentional infringement of another person's

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right to his good name. Cyber Defamation occurs when defamation takes place with the help of computers and / or the Internet. E.g. someone publishes defamatory matter about someone on a website or sends e-mails containing defamatory information to all of that person's friends. Information posted to a bulletin board can be accessed by anyone. This means that anyone can place Cyber defamation is also called as Cyber smearing.

### **Cyber Stacking**

Cyber stalking involves following a person's movements across the Internet by posting messages (sometimes threatening) on the bulletin boards frequented by the victim, entering the chat-rooms frequented by the victim, constantly bombarding the victim with emails etc. In general, the harasser intends to cause emotional distress and has no legitimate purpose to his communications.

### **Identity Theft**

Identity theft is the fastest growing crime in countries like America. Identity theft occurs when someone appropriates another's personal information without their knowledge to commit theft or fraud. Identity theft is a vehicle for perpetrating other types of fraud schemes.

### **Data diddling**

Data diddling involves changing data prior or during input into a computer. In other words, information is changed from the way it should be entered by a person typing in the data, a virus that changes data, the programmer of the database or application, or anyone else involved in the process of having information stored in a computer file. It also includes automatic changing the financial information for some time before processing and then restoring original information.

### **Fake Profiles**

A typical attack in most of the social networks is a fake-profile attack. In this kind of attack, an attacker creates an account with fake credentials on a social network and sends messages to legitimate users. After receiving friendship responses from users, it sends spam to them. Usually, fake profiles are automated or semi automated and mimic a human. The goal of the fake profile is to collect the private information of users from the OSN, which is accessible only to friends, and spread it as a spam.

### **Theft of Internet Hours**

Unauthorized use of Internet hours paid for by another person. By gaining access to an organization's telephone switchboard (PBX) individuals or criminal organizations can obtain access to dial-in/dial-out circuits and then make their own calls or sell call time to third parties. Additional forms of service theft include capturing 'calling card' details and on-selling calls charged to the calling card account, and counterfeiting or illicit reprogramming of stored value telephone cards.

### **Theft of computer system (Hardware)**

This type of offence involves the theft of a computer, some part(s) of a computer or a peripheral attached to the computer.

### **Physically damaging a computer system**

Physically damaging a computer or its peripherals either by shock, fire or excess electric supply etc.

### **Breach of Privacy and Confidentiality**

#### **Privacy**

Privacy refers to the right of an individual/s to determine when, how and to what extent his or her personal data will be shared with others. Breach of privacy means unauthorized use or distribution or disclosure of personal information like medical records, sexual preferences, financial status etc.

#### **Confidentiality**

It means non-disclosure of information to unauthorized or unwanted persons. In addition to Personal information some other type of information which useful for business and leakage of such information to other persons may cause damage to business or person, such information should be protected. Generally, for protecting secrecy of such information, parties while sharing information forms an agreement about the procedure of handling of information and to not to disclose such information to third parties or use it in such a way that it will be disclosed to third parties. Many times party or their employees leak such valuable information for monetary gains and causes breach of contract of confidentiality. Special techniques such as Social Engineering are commonly used to obtain confidential information.

#### **4.4.4 Need for Cyber Security**

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In today's techno-savvy environment, the world is becoming more and more digitally sophisticated and so are the crimes. Internet was initially developed as a research and information sharing tool and was in an unregulated manner. As the time passed by it became more transactional with e-business, e-commerce, e-governance and e-procurement etc. All legal issues related to internet crime are dealt with through cyber laws. As the number of internet users is on the rise, the need for cyber Security and their application has also gathered great momentum.

In India, cyber laws are contained in the Information Technology Act, 2000 ("IT Act") which came into force on October 17, 2000. The main purpose of the Act is to provide legal recognition to electronic commerce and to facilitate filing of electronic records with the Government.

The existing laws of India, even with the most compassionate and liberal interpretation could not be interpreted in the light of the emergency cyberspace, to include all aspects relating to different activities in cyberspace. In fact, the practical experience and the wisdom of judgement found that it shall not be without major threats and pitfalls, if the existing laws were to be interpreted in the scenario of emerging cyberspace, without enacting new cyber laws. Hence, the need for enactment of relevant cyber laws.

None of the existing laws gave any legal validity or sanction to the activities in Cyberspace. For example, the Net is used by a large majority of users for email. Yet till today, email is not "legal" in our country. There is no law in the country, which gives legal validity, and sanction to email. Courts and judiciary in our country have been reluctant to grant judicial recognition to the legality of email in the absence of any specific law having been enacted by the Parliament. As such the need has arisen for Cyber law.

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#### **4.4.5 Summary**

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To sum up, though a crime free society is perfect and exists only in illusion, it should be constant attempt of rules to keep the criminalities lowest. Especially in a society that is dependent more and more on technology, crime based on electronic law-breaking are bound to increase and the law makers have to go the extra mile compared to the impostors, to keep them at bay.

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Technology is always a double-edged sword and can be used for both the purposes – good or bad. Steganography, Trojan Horse, Scavenging (and even Dos or DDos) are all technologies and per se not crimes, but falling into the wrong hands with an illicit intent who are out to exploit them or misuse them, they come into the array of cyber-crime and become punishable offences.

Hence, it should be the tenacious efforts of rulers and law makers to ensure that technology grows in a healthy manner and is used for legal and ethical business growth and not for committing crimes. It should be the duty of the three stake holders viz. i) the rulers, regulators, law makers and agents ii) Internet or Network Service Suppliers or banks and other intercessors and iii) the users to take care of information security playing their respective role within the permitted limitations and ensuring obedience with the law of the land.

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### 4.4.5 Questions

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1. What do you understand by cyber security– Explain.
2. Describe in brief the Cyber related crimes in India.
3. Write Short Notes on the following :
  - a. Hacking
  - b. Trojan Attack
  - c. E-mail & IRC related Crimes

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### 4.4.6 Suggested Readings

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1. <http://www.legalserviceindia.com/legal/article-1019-importance-of-cyber-law-in-india.html>  
<https://www.cyberlawsindia.net/>