Aspiring Growth

Dainik Bhaskar Group: Aspiring Growth

Preface

Dainik Bhaskar Group with its ambitious growth plans exemplifies gutsy business strategy and marketing. It changed the contours of the marketplace by entering into markets with strong and entrenched incumbents. This task was even more arduous considering the nature of the category as it is difficult to change the habit of newspaper readers. Newspaper touches the life of every consumer and hence the case would drive strong emotional connect and animated discussion in the classroom. The focus of the company on tier II and tier III towns makes it an apt material for case study as such towns would be the drivers of future growth of Indian economy.

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On May 8, 2012; Pawan Agarwal, Director, Dainik Bhaskar Group (DBG) and winner of the Asia-Pacific entrepreneur of the year (2010) award,[1] called for a meeting of the executive team to choose a market for further expansion of the group, after its stupendous success in Maharashtra. DBG was India's largest newspaper group having 19.2 million readers (**Exhibit 1**). In 2011, it had revenues of ₹ 12 billion (1$ = ₹ 55, June 2012) and net profit of ₹ 2.5 billion (**Exhibit 2**). The group's ability to simultaneously consolidate in existing markets and expand in new markets resulted in its consistent growth in revenues and profitability.[2]

Besides newspaper, DB group also owned radio channel – MY FM, which operated 17 stations across 7 states. The group also had a strong digital presence with four portals – dainikbhaskar.com (Hindi), divyabhaskar.com (Gujarati), divyamarathi.com (Marathi) and dailybhaskar.com (English). The Hindi news portal dainikbhaskar.com itself attracted more than 10 million unique users and 245 million page views per month.[3] The group also had four magazines – *Aha Zindagi* (positivity in life), *Bal Bhaskar* (in Hindi for kids), *Young Bhaskar* (in English for kids) and *Lakshya* (for career grooming).

The group published newspapers in four languages – Hindi (*Dainik Bhaskar* and *Business Bhaskar*), English (*DNA*), Gujarati (*Divya Bhaskar*) and Marathi (*Divya Marathi*) in 65 editions across 13 states (**Exhibit 3**). Its newspaper had different supplements – *City Bhaskar* (city-based activities and a youth-centric coverage), *Madhurima* (for women), *Rasrang* (for literary) and *Navrang* (for entertainment). With its unrelenting focus on tier II markets (cities with population between 1 and 4 million); the group had acquired dominant No. 1 position in markets such as Madhya Pradesh (MP), Chandigarh, Haryana and Chhattisgarh (**Exhibit 4**). Its non-metro urban focus ensured that the group was the market leader in major cities such as Jaipur, Ahmedabad and Amritsar while being a formidable challenger in the respective states – Rajasthan, Gujarat and Punjab (**Exhibits 5, 6 and 7**).

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[1] The award was given by Enterprise Asia, a leading private organisation for entrepreneurship development in Asia.
[2] DB Group was listed in Bombay Stock Exchange and National Stock Exchange in 2010. Despite the recessionary trends, the IPO (initial public offering) was oversubscribed 39 times.
[3] Source: Google Analytics Data.

Girish Agarwaal, Director, DBG and winner of the Ernst &Young Entrepreneur award[4] said:

> We are the only group which is No. 1 in multiple markets and which has publications in multiple languages. Most other newspapers depend heavily on a single market and a single language whereas land and language does not make a difference to us!

The unparalleled success in Maharashtra in 2011 where it not only overtook the entrenched player *Lokmat* on the very first day of its launch in Aurangabad, but also gained a lead of 25% over its arch rival within a short span of six months,[5] further emboldened the group to pursue its vision of being the largest and the most admired media brand in the country enabling socio-economic change. The group firmly believed that tier II and tier III cities (population less than 4 million) were the catalysts for growth in India. Per capita income was growing faster in tier II and tier III cities resulting in higher consumption growth in these markets (**Exhibits 8 and 9**). This in turn would lead to growth in advertising in these markets. Since Indian language media dominated these markets (Hindi papers comprised 40% of the market, English 15% and regional 45%), the players with dominant readership would stand to gain the most from the resultant advertising growth.

To tap into the growth potential, DBG shortlisted various markets for possible entry. Peter Suresh, Head Strategy, DB Group presented to the executive team comparative data on the potential, population size, literacy, readership and SEC[6] for different states (**Exhibits 10, 11, 12 and 13**). Apart from readership and competition analysis, the choice of the market would be influenced by the socio-political-cultural milieu of the states. Pawan Agarwal wondered which market to enter.

HISTORY

The first edition of DBG was launched in Bhopal in 1958. It then entered the cities of Gwalior, Ujjain and Jhansi. In 1983, it entered Indore, the business center of Madhya Pradesh (MP) with a strong incumbent *Nai Dunia*. On the back of fair reporting and quality printing, it soon became the No. 1 newspaper in Indore and subsequently in the whole of MP in 1995. This success in a market dominated by an incumbent enhanced the group's confidence to expand outside MP. It explored options in the Hindi belt comprising Uttar Pradesh (UP), Bihar, Rajasthan, Delhi, Punjab and Haryana. UP and Bihar suffered from low levels of literacy and per capita income, Punjab was reeling under the threat of terrorism and Delhi was dominated by English newspapers. In 1996, the DB group zeroed in on Rajasthan as it was culturally similar to MP and being a vast geographical territory offered scope for expansion. Moreover, Jaipur had high readership of Hindi dailies among SEC AB and high per capita income indicating potential to attract advertisers. It was dominated by a single player – *Rajasthan Patrika* (RP), which had 80% market share.[7] Readership had not grown much in the past, indicating untapped potential and a need gap which DBG could potentially fill. Jaipur was even more challenging than Indore as unlike *Nai Dunia* which was strong only in Indore, RP was the market leader in the entire state. Traditional approach for launch of a newspaper was to produce a good paper and wait for readers to subscribe. However, DBG took a leaf out of the automobile industry's book where pre-booking was a practice and

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[4] Girish Agarwaal won the award in 2006 in IT, Communication & Entertainment category.

[5] As per IMRB Survey Report (Aurangabad) initiated by DBG.

[6] Socioeconomic classification was a tool for segmenting households in India. Originally developed by Indian Market Research Bureau (IMRB), it was standardised and adopted by the Market Research Society of India to categorise consumer behaviour. The urban SEC classified households into 5 groups A, B, C, D, and E on the basis of Education and Occupation. SEC A had the highest purchasing power. The rural SEC classified households into 4 groups R1, R2, R3 and R4 on the basis of education and type of house (mud, brick and mix). SEC R1 had the highest purchasing power.

[7] Out of 5.16 lakh people that read any Hindi newspaper in Rajasthan, 4.41 lakh people read RP (IRS 95).

pre-marketed the paper and got confirmed paid-up circulation. DBG conceptualised a twin-contact programme. In the first phase, it conducted research to identify readers' expectations of a newspaper – supplements, price, number of advertisements and content preference – and their attitudes towards existing newspapers. In the second phase, it shared the results of the survey with the potential readers and booked subscriptions (see **Exhibit 14** for the launch process). Jaipur and the surrounding areas had 3.5 lakh (1 lakh = 0.1 million) households and DBG targeted 50% of them (1.7 lakh) for the survey. Teaser hoardings were put across the city to arouse curiosity.

A team of 275 surveyors were recruited from colleges and trained for the survey. Sanjeev Kotnala, VP & National Head – Brand Communications said:

> The team started the day with the morning anthem '*humko man ki shakti dena* ' (a popular song in Hindi meaning 'O God give us the strength') led by Pawan Agrawal himself. The team at times did not survey all the households in a locality in one go. It created a mystique around the contact programme. People wondered why DB representative had talked to his neighbour but not him. This opened the doors for DBG. For getting a pulse of the market place, promoters wore surveyor DB T-shirts and went in the field. They ate in neighbourhood places and engaged in conversation with consumers. To keep the spirits of the team high, we would bring a celebrity and declare a party on Friday evening. We also created possibilities of absorbing some of the surveyors in the company.

In the first phase of the survey, DBG asked potential readers if they could come back to share findings of the survey. In the second phase, DBG shared the findings – consumers wanted quality content at reasonable price. It assured them of meeting the expectations and offered an introductory price of ₹ 1.5 against ₹ 2.25 of RP. The response was overwhelming. On the first day, DBG had a circulation of 1.72 lakh copies against 1.48 lakh copies of RP in Jaipur. Over the years, DBG expanded its operations in the whole state with Dainik Bhaskar.

After Rajasthan, DBG targeted Haryana and Chandigarh as they lacked the presence of a strong Hindi paper. Although Chandigarh was considered an English newspaper market (*Tribune*, an English paper was the market leader), DBG's research showed that people would be more comfortable with Hindi language newspaper and they patronised English newspaper only because of absence of a good Hindi newspaper. So when DB was launched, instead of using literary Hindi, DBG used colloquial Hindi. For instance, it used *university* instead of *vishwa vidyalaya* (a Hindi translation) and *judge* instead of *ucch nyayadheesh* (a Hindi translation). Once again, the group's newspaper – Dainik Bhaskar became No. 1 from the day of the launch.

DBG then explored the remaining markets. Wanting to break the language barrier, it selected Gujarat which was also prosperous and had high literacy. However, the state had low readership and readers perceived the quality of existing dailies – *Gujarat Samachar* and *Sandesh* as only moderate. DBG replicated its highly successful twin-contact model for launching *Divya Bhaskar* in Ahmedabad in 2003. A survey of 12 lakh households[8] revealed preference for non-sensationalist, better quality paper with fewer ads and lower price. On the first day, DBG sold 4.8 lakh copies becoming the leader from Day 1. The entrenched incumbents reacted strongly – they dropped prices to match those of Divya Bhaskar; ran promotions (attractive gifts, lucky draws and contests); increased supplements and upgraded print quality. With its focus on quality content, DBG was however able to hold on to its readers. It then expanded into other cities and bought *Saurashtra Samachar* for making inroads into Saurashtra region in Gujarat.

After the success in Gujarat, DBG entered Punjab in 2006 and Jharkhand in 2010. DBG designed the launch campaigns depending upon the need and relevance in the market. The launch communication in Punjab focussed on getting Punjab its rightful due – Punjab did not have good airports, its film industry was dying and sportsmen were not getting recognition. DBG spoke on behalf of Punjab with a Punjabi attitude, instilling pride among

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[8] Out of 12 lakhs, 8 lakhs were in Ahmedabad and 4 lakhs in surrounding areas.

residents. In Jharkhand, DBG took up the cause of the common man – it raised the issues of underdeveloped infrastructure.

Although DBG's launch strategy was highly successful across markets, it knew that while marketing could fetch initial subscriptions at the time of launch, renewal of subscriptions could come only from good editorial content.

EDITORIAL

DBG believed in unbiased, credible and courageous journalism. It was non-aligned – be it a religious group or community or political party or client. It did not patronise any particular religion, rather covered activities of different religions and communities. Other papers had a section on spirituality based on the belief that it would transcend all religions. However, DBG believed that such reporting comes from the lowest common denominator! It muted the religion factor! Similarly, it gave expression to many communities and castes and therefore created a plural identity. Owing to its non-alignment with politicians, it was not surprising that one day it would criticise a politician for an inappropriate action and the next day applaud him for a good decision. Yatish Rajawat, Group Managing Editor said:

> As any other media, we too at times face pressure from various segments regarding the news coverage. Under such situations, we are guided by our philosophy that our first commitment is to our readers. But, we always offer to carry alongside their point of view. Such is our commitment to the readers that if we believe that our own event may not be of relevance to our readers, we would not give it coverage.

DB group's journalism was credible because it told both sides of the story. For instance, when the nation was all gaga over the anticorruption movement led by Anna Hazare,[9] DBG too covered it on the front page. However, DBG also considered the point of view of Anna's critics and covered the critique in its editorial page. It followed courageous journalism despite the common occurrence of threats to underplay arrest or scam or crime news. For instance, news about Chinkara deer (black buck) poaching by Bollywood celebrity Saif Ali Khan and Salman Khan was broken by it as it was relevant to the Bishnoi community living in the area.[10] Similarly, in the murder case of Bhanwari Devi in Rajasthan in which prominent politicians were accused, DBG pursued the case and kept it alive until the government was forced to take action. Rajawat said:

> With time, such elements have realised that our paper will not succumb to any threats or pressure and hence the pressure on the editorial has also decreased.

DBG followed local and hyper-local journalism which focussed on local news from the city. It further divided cities into sectors and reported events specifically on that sector. For instance, in Jaipur, M.G. Road and Mansarovar were distinct sectors. Rajawat said:

> Our front page is on national affairs, but our pages after that up to eight are on the city. We are classified as a 'city newspaper.' If you look at *Los Angeles Times* or *Ohio Times*, they have deep sections on the city. Most newspapers were founded as city newspapers. *New York Times* was a New York newspaper and *Washington Post* was a Washington paper. But over time, this genesis was lost, so the connect with the readers was lost. Some papers thought that celebrities will touch everyone's lives and so embraced

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[9] Anna Hazare was one of India's well-acclaimed social activists.

[10] Black Buck was listed as an endangered species. Bishnoi was a community of Rajasthan that protected the wild life and environment with a missionary zeal. Their history was peppered with stories about martyrs who died fighting to save the environment.

'celebrity journalism' which is based on personalities rather than issues. Other papers follow French journalism in which they take one issue and expand it across the paper. For instance, if they take corruption, then it will be there on the front page as well as on inside pages. They will go heavy on one subject and editorial resources will be focussed on delivering the best on the subject of the day. It makes sure that you read at least one story. But slowly newspapers are realising that people connect with what is happening in their neighbourhood and so have started following the local model that we have been following since last 54 years. While TV and internet became national and international, newspaper reinvented itself by becoming local. Because of our hyper-local model, we have one of the largest journalist forces in the world!

To enable localisation, DBG had large number of editions and sub-editions. It launched a different edition for cities beyond 300 kilometres. However, it did not mean that DBG would not have a separate edition for less distant cities. For example, it had separate editions for Ujjain and Indore which were only 50 kilometres apart. The composition of the newspaper across 65 editions and 191 sub-editions or district editions was completely different. Unlike English newspapers, DBG did not standardise its product at all. An editor had the option of selecting the news from the central desk where all news of national, regional and international importance were available across genre at a click and the local desk which had local and hyper-local news. The editor chose the news keeping in mind the local impact, interest, cultural, social, political sensitivity and distance from the epicentre of the news. For instance, shifting of Nano plant to Gujarat was national news and so was carried across all editions. However, it was big news in Gujarat and Delhi editions. Whereas, the Gujarat edition carried additional stories about economic growth of the state, Delhi edition carried the story from the perspective of political victory of Narendra Modi.[11] The story also had impact value in Jharkhand due to its socio-economic proximity with West Bengal. The story also got prominence in the state capitals and business hubs such as Bhopal and Indore in MP.

DBG also tapped into the socio-cultural-political differences of states. For instance, a reader in Gujarat was more interested in news that directly affected his business, whereas a reader in Haryana was interested in news that affected his community. Maoist activity was very important for readers in Chhattisgarh, but for the other states it was just another happening. However, if a policeman from Rajasthan cadre was abducted, then the interest in Rajasthan would become high. Sports coverage also varied across states depending upon the popularity of particular sport in the region – apart from cricket, states differed in their preferences for sports – Jharkhand was interested in archery and hockey, Rajasthan in polo and shooting, Punjab in hockey and Haryana in boxing. Editors had the pulse of the market and used their judgement for deciding the size and tonality of the news.

DBG leveraged the editorial to act as a catalyst for socio-economic change.[12] For instance, its editorial campaign for developing Indian cities under 'Jawaharlal Nehru National Urban Renewal Mission'(JNNURM) led to recommendations which were adopted by the Planning Commission. Its relentless 'save water' campaign across markets for 8 years led to implementation of water harvesting schemes. Its editorial initiative for the project 'livable cities' under Ministry of Urban Development led to institutions voluntarily surrendering land for city development projects.

DBG believed in innovation. It constantly surprised readers with innovations such as first fragrance (Gulal) newspaper on the festival of Holi and the first 3-dimensional newspaper, which won its *Star News* brand excellence award for innovative marketing practices. It invented its own fonts – Bhaskar fonts which were more fine-tuned for greater legibility in newspaper printing. To provide new experiences to readers, DBG

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[11] Narendra Modi was the chief minister of the state of Gujarat.

[12] It won CMO Asia award for best corporate social responsibility practice.

changed its layout often. On every Sunday, DBG had the editorial take over the complete first page! It reduced the size of the newspaper by 1.5 inches to make it easier for the readers to handle the paper while also saving the newsprint. Competition quickly followed as DBG had made it acceptable to readers. Rajawat said:

> When you know that others will copy you, you have to constantly innovate. For encouraging people to innovate, we not only enjoy their success but also allow them to fail.

DB not only innovated structurally, but also treated the stories differently. It tried to evoke the feeling of 'did you read *Bhaskar* today?' among readers. For example, when other newspapers simply reported the news of Yuvraj Singh having cancer, it had a box explaining what cancer is, difference between malignant and non-malignant tumour and a photo of frontal body showing where his tumour existed. In some newspapers, reporters went to the event site and wrote the report after coming back to the office, losing emotional connect with the event and the story. In DBG, reporters carried a laptop and filed their report from the site itself. This not only ensured good quality reporting but the page formation also happened much earlier in the day (see **Exhibit 15** for the process of making the newspaper). To ensure that latest news got reported in its newspapers, DBG invested in technology like CTP (Computer to plate) and in the bigger centres installed high speed KBA machines from Germany which printed 80,000 copies per hour enabling it to take news until late in the night.[13] For instance, DBG was the only newspaper to carry the story of Shahrukh Khan engaging in a fight after midnight in the stadium during one of the Indian Premier League matches in 2012. DBG not only focussed on speed, but also on high quality of printing which enabled it to win the newspaper printer of the year award by *Print Week*, a reputed magazine that catered to the needs of the printing industry, for three consecutive years. However, good quality printing and editorial content was not enough. DBG had to consistently ensure timely delivery of the paper. Vinay Maheshwari, V.P. Sales and Market Development said:

> This is a fastest moving consumer good with a shelf life of 30 minutes. If it gets delayed by half an hour, it is of no value.

DISTRIBUTION

DBG set up a strong distribution channel of distributors, vendors and hawkers to ensure timely delivery of the paper. In bigger and strategically important markets such as Jaipur, Ahmedabad and Chandigarh, it supplied directly to vendors as it had the infrastructure and in smaller markets, it supplied to distributors who in turn supplied to vendors who hired hawkers. Typically, distributors were paid 5% commission and vendors 30%. Vendors in turn hired hawkers at ₹ 700–1000 per month.[14] Commissions of the channel were protected – even if the newspaper sold at a lower price, it had to pay 80 paise (1 ₹ = 100 paise) per copy to the channel.[15] If the paper had more pages, the hawkers would often ask for more money. They were paid extra for inserting leaflets and sometimes levied service charge for delivery in bigger cities. They were also incentivised by publishers for acquiring new readers.

DBG created a bond with the hawkers, as hawkers were the last mile of connectivity. DBG recognised them – it issued identity cards (which protected them from police questioning in the early morning hours), arranged for group insurance and scholarships for their children and printed a newsletter totally dedicated to this hawker–agent community. Maheshwari said:

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[13] DBG as a policy overinvested in capacity. To utilise the idle machinery during day time, it took printing contracts for magazines and supplements of other publication groups.

[14] ABC mandated that only those copies where the commission was 40% or less were considered as 'sold' copies.

[15] For instance, in Delhi, DBG had 70 centres.

We don't incentivise them much as even if they don't recommend our product, it is fine. Whereas traditional publishers use circulation to drive readership (distribute more copies, people would read sooner or later), we use readership to drive circulation (if your content is good, then people would want to read and circulation would automatically go up).

ADVERTISING AND SALES

Although DBG succeeded in securing high circulation and readership in new markets, it faced the challenge of earning commensurate advertising revenues. For instance, immediately after the launch, although its readership in Ahmedabad was higher than *Gujarat Samachar*, it earned only 75% of *Gujarat Samachar*'s advertising revenues. Advertisers initially wondered if DB group's readership was the result of marketing blitzkrieg at the time of launch which would dwindle. They questioned as to why readers would subscribe to two newspapers of the same genre or change their reading habits. They preferred to play safe and advertise in established newspapers. However, because of Divya Bhaskar's ability to expand newspaper reader base and get 'sole' readers (who read only Divya Bhaskar), it gained confidence of the advertisers (**Exhibit 16**). DBG obtained 83% of its revenues from advertising and 17% from subscription.[16] Maheshwari said:

> A single newspaper costs about ₹ 5-7 to print. The reader pays ₹ 3. Hence, on every paper, there is a loss of ₹ 2- 4 which is to be compensated by the advertiser. This is a business where the more I sell, the more I lose money! Moreover, the price of newspaper has not increased significantly in the last 10 years, whereas the cost of newsprint has increased dramatically.

DBG got 60% of its revenues from local advertisers (typically distributors, retailers and local service providers) and 40% from corporate advertisers. Whereas, local advertisers bought space frequently and in volumes and advertised in 1–2 cities, corporates advertised in urban markets and in multiple states.

Most corporate advertisers routed their buying through media agencies that aggregated space requirements across clients. DBG had a sales team that made presentations to the media agencies suggesting ways of using print media in general and DB newspapers in particular in their communication. Since most media planners were metro-based and read English papers – most did not know Marathi and Gujarati – DBG faced the challenge of making them experience the product. It gave them copies of the paper so that they could get a feel of the layout and print quality. Space selling in media was very competitive and intensely negotiated. Whereas, some publishers organised their sales team agency-wise or client-wise, DBG organised its sales team according to product category. It offered attractive rates to acquire not only new clients but also new categories – which had not been advertising in any print media.

The advertising expenditures were skewed towards metros posing a challenge for DBG as it was focussed on non-metro tier II cities. Although the tier II and tier III cities accounted for 60% of urban consumption, they garnered only 45% of urban advertising expenditure. Advertising rates too were higher in metros. However, the volume of advertising in non-metro cities was increasing in recent years as a result of faster growth of household income in non-metros. This was partly due to several government programmes such as JNNURM which aimed at modernising urban cities and creating special economic zones and the upward revisions in the pay scales of government employees by the two pay commissions which changed the economic status of many working class families. DBG first marketed the city to the advertisers demonstrating the potential to increase sales. Once advertisers were convinced about the potential of the city, DBG being the market leader was an automatic choice. It drew parallels – it compared top 6 metros with 8 states and demonstrated to advertisers

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[16] Indian newspaper model is Advertising dependent with more than 75-80% of revenue coming from advertising. But globally, some papers are subscription driven, where the revenue ratio are reversed.

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how it provided higher reach at lesser cost. To attract advertisers, DBG focussed on urban markets and SEC AB – the socio-economic classes having higher purchasing power. For instance, in Rajasthan, DB had only 44% of its readers from rural markets, whereas RP had 53% of its readers from rural markets. Maheshwari said:

> We don't have to just sell more; we also have to sell right. We identify the major cities and localities with higher household income and focus our efforts there. For instance, to build my readership in SEC A in Jaipur, I target localities such as Malviya Nagar which have a large percent of households belonging to SEC A.

Further, the English newspapers commanded premium over Hindi and other language papers in advertising rates. However, in the last few years, the difference in the rates was decreasing. Among non-English papers, DBG commanded premium ad rates due to its high reach and brand image (**Exhibit 17**).

To build its image, DBG conceptualised brand building programmes and activities. It signed M. S. Dhoni as its brand ambassador as he embodied the spirit of DBG as well as its readers.[17] A campaign 'Be Persistent. Change the World' ('Zidd Karo Duniya Badlo' in Hindi) featuring Dhoni and reflecting the spirit of *Bhaskar* and its readers was aired on television and print media.

Apart from mass media campaign, DBG conducted many on-ground activities for building its brand and strengthening relationship with readers. These activities rested on two pillars – engagement and corporate social responsibility (CSR). For instance, DBG organised a competition 'Junior editor,' recognised by Guinness world record as the world's largest manual newspaper competition, in which students manually prepared their own newspaper – produced news, drew caricatures, created advertisements – to compete for the awards for best advertisement, best editorial and best layout. Select entries were put up in exhibitions across states and the event was widely covered in the newspaper. To encourage the readers to experience the whole newspaper, in another contest, two visuals of coins – real and fake were sprinkled throughout the newspaper and readers had to count the number of real coins and send it by SMS.

Its CSR campaigns challenged traditional practices and brought positive change. For instance, in Maharashtra on Ganesh Utsav, it collected offerings (flowers and sweets) from temples and households and buried them in soil – as against the traditional practice of disposing them in water bodies – thus saving the environment. Its campaign 'dry Holi' encouraged people to play with natural colours – *abeer gulal* – and shun synthetic colours thus minimising the use of water. As part of its 'save bird' campaign, it distributed pots to households and encouraged them to keep water and grains in them to feed the birds in peak summers when many of them die due to scarcity of water (**Exhibit 18**).

LAUNCH IN MAHARASHTRA

The quest for growth led DBG to launch its newspaper in Maharashtra in 2011. The choice was guided by two criteria. Firstly, the high GDP growth rate of 14.5% and high per capita income of ₹ 80,000 per annum, indicating potential to attract advertisers. Secondly, the huge gap between people who could read Marathi (88%) and those who read any Marathi daily (44%), indicating the potential to attract new readers. Nishit Jain, Business Head, Maharashtra said:

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[17] M.S. Dhoni was a popular and well acclaimed cricketer and captain of the Indian cricket team.

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On one hand, the state attracted high advertising spends of ₹ 8 billion per year which was growing at the rate of 20% per annum and on the other hand, the total circulation of Marathi newspapers was just 3 million against the much larger number of literates making it attractive to enter the market.

Maharashtra was actually two states in one – 1) Mumbai, Pune and 2) rest-of-Maharashtra (ROM). The market potential of ROM was even higher than that of the entire state of Andhra Pradesh. In line with its strategy of being a non-metro tier II cities player, DBG decided to focus on ROM with a particular focus on Marathwada and Desh socio-cultural regions (**Exhibit 19**) which were culturally rich and economically prosperous. Aurangabad was chosen for launch in Maharashtra even though Nasik had higher population because of the greater potential of Aurangabad to attract advertising revenues.

Since 88% people spoke Marathi and Marathi newspapers accounted for 83% market share, Marathi was the natural choice of language for DBG. *Lokmat*, the fifth largest Indian daily, was the market leader with 53% circulation share followed by *Sakal* with 30% share. DBG followed its proven twin-contact strategy for launch. DBG surveyed 1.4 lakh households reaching out to 75% of the total households in Aurangabad. Survey revealed the readers dissatisfaction with biased news and unanimous preference for an unbiased paper. Readers considered existing newspapers to be politically biased – both *Lokmat* as well as *Sakal* had political lineage wherein the founders held prominent positions in national and state politics.[18] It was perceived that *Lokmat* was aligned to Congress party and *Sakal* to National Congress Party. Kumar Ketkar, Chief Editor, *Divya Marathi* said:

Marathwada has a rich political history. It was formerly ruled by Nizam. Aurangabad had a newspaper '*Marathwada*' which was anti-Nizam and a movement by itself. It had a strong cultural and emotional connect with people of Aurangabad. Then *Lokmat* came and it slowly expanded into other regions of Marathwada and became a dominant player. Readers had to opt for *Lokmat* as there was no other paper – *Sakal* came much later. But, the attitude towards it was hostile. When *Divya Marathi* was launched, people felt liberated. A paper without political affiliation was a welcome relief!

DBG aggressively targeted four segments – mass, corporate, SEC A (English newspaper households) and high visibility areas (airports, railway stations, bus stands, hospitals, malls, restaurants, shopping centres, etc.). Although DBG's readers spanned across age groups, income and SEC, a typical reader of DBG was 30 years old who started his day with either morning walk or regular exercises. He was self-employed individual or working in a private/government office, had a wife and two kids and lived in a joint family in a self-owned two-bedroom flat. He was proud to be associated with DB, read it for 30-40 minutes and left for work by 9:30-10:00 a.m. on his vehicle. He was traditional and festivals/religions were an important part of his life. He visited temple, relatives and went out for movies with his family.

The annual subscription of *Divya Marathi* (Aurangabad) was sold for ₹ 1,095 (cover price of ₹ 3) against ₹ 1,278 of *Lokmat*. DBG gave a pre-launch offer of ₹ 799 for annual subscription out of which ₹ 199 had to be paid at the time of booking and ₹ 45 had to be paid to the vendor every month. It also distributed coupons worth

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[18] *Lokmat*'s Chairman Vijay Darda was the Member of Parliament from Rajya Sabha since 1998 and his brother Rajendra Darda was the minister for education in the Maharashtra State government.

₹ 500 to the consumers which they could use for giving classified ad anytime within a year.[19]

The launch was a resounding success with *Divya Marathi* becoming No. 1 on the first day itself.[20] Moreover in the next six months after the launch of *Divya Marathi*, the average circulation of *Lokmat* declined from 73,158 copies to 59,548 copies and that of *Sakal* from 55,972 copies to 40,370 copies.[21] (**Exhibit 20**). *Divya Marathi* also earned attractive advertising revenues. With capital expenditure of ₹ 130 million and one-time operating expenses of ₹ 55 million, DBG projected to break even in 4 years. The successful launch of *Divya Marathi* in Aurangabad was followed by launches in other cities – Nasik, Jalgaon, Ahmednagar and Solapur.

Not only did DBG successfully enter new markets, it also warded off threat from competition in its home turf. For instance, when RP entered Bhopal, DBG introduced a lower priced variant without any supplements – *Jan Jagruti*, also called *Green Bhaskar*. Its flagship brand – *Red Bhaskar* had all the supplements free and was priced higher (the two variants had green and red lines, respectively under the mastheads). *Patrika* (*Rajasthan Patrika* was branded as *Patrika* in markets other than Rajasthan) on its entry had to fight *Green Bhaskar*. Later, *Green Bhaskar* was phased out. Another threat was posed by *Dainik Jagran* (DJ) when it entered Indore. However, due to loyalty of readers towards *Dainik Bhaskar*, DJ could not make much headway and eventually closed operations. The fierce competitiveness of the DB group stemmed from its vision of being the dominant player in each of the markets it operated in. Pawan Agarwal said:

> We want to not only maintain our readership, but also widen our lead over competition. Our goals are very clear – if we are in a 4-player market, we have to be ahead of our nearest rival by 25%; in a 3-player market by 30% and in a 2-player market by 40%. We also have the responsibility to grow the market as the penetration levels of print media are very low. Although 71% of India's population is literate, only 20.1% read newspapers daily, leaving a huge potential for readership growth in future. We can do this by consolidating our existing markets as well as by expanding into new territories.

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[19] The subscription offer varies from market to market. In Maharashtra, the classified advertisement coupons were a success. However, these have not been used in any other launches by DBG.

[20] According to the IMRB Survey (Aurangabad) initiated by DBCL *Divya Marathi* had the highest number of readers: 3.42 lakh and hence was the leader.

[21] As per Audit Bureau of circulation (ABC) *Lokmat* had an average circulation of 73,158 copies in Aurangabad city during January-June 2011 but after the launch of *Divya Marathi* on 29th May, 2011, the average circulation for *Lokmat* for the period July-December 2011 dropped to 59,548 copies. Similarly, the average circulation of *Sakal* dropped from 55,972 copies in January-June 2011 to 40,370 copies during July-December 2011.

Dainik Bhaskar Group: Aspiring Growth

EXHIBIT 1: THE TOP NEWSPAPER GROUPS

DAINIK BHASKAR GROUP	
Publication	**AIR**
Dainik Bhaskar	14876
Divya Bhaskar	3627
Saurashtra Samachar	255
Business Bhaskar	68
DNA	47
DB STAR	272
Dainik Prabhat Kiran	63
Total	19208
DAINIK JAGRAN GROUP	
Publication	**AIR**
Dainik Jagran	16458
I Next	655
Midday (Eng)	380
Midday (Guj)	147
Inquilab	145
Total	17785
TOI GROUP	
Publication	**AIR**
The Times of India	7467
The Economic Times (Eng)	812
Maharashtra Times	1217
Navbharat Times	2581
Vijay Karnataka	3487
Mumbai Mirror	760
Ahmedabad Mirror	53
Bangalore Mirror	169
Total	16546
HT MEDIA GROUP	
Publication	**AIR**
Hindustan	12033
Hindustan Times	3733
Mint	253
Total	16019
MALAYALA MANORAMA GROUP	
Publication	**AIR**
Malayala Manorama	9912
Total	9912

DNA is the English newspaper, *DB Star* is a tabloid and *Prabhat Kiran* is the afternoon newspaper in MP. Average Issue Readership (AIR) is the number of people who have read the publication within its publication interval. For instance, for a daily, AIR is the number of people who have read the newspaper yesterday. Indian Readership Survey (IRS) is the largest continuous study of the world with a sample size of more than 250,000 households across India. It collects readership information of print media, viewing habits of television and channels, listening habits of radio and usage of internet. It also collects information on consumption of over 100 product categories. It is conducted by Market Research Users Council (MRUC), a not-for-profit industry body and Hansa Research, a private market research company.

Source: IRS 2011 Q3 Figures in '000s

Dainik Bhaskar Group: Aspiring Growth

EXHIBIT 2: CONSOLIDATED FINANCIAL PERFORMANCE

Particulars (In Million ₹)	2008-09	2009-10	2010-11
Total Revenue	9,610	10,630	12,652
Advertising Revenue	7,256	8,025	10,016
Circulation Revenue	2,009	2,118	2,144
Total Expenditure	(8,137)	(7,200)	(8,621)
Newsprint	(4,075)	(3,279)	(3,838)
Other Operating Expenditure	(4,062)	(3,922)	(4,783)
- Personnel Expenses	1,311	1,318	1,846
- Advertisement and Publicity	207	130	125
- Distribution Expenses	262	228	213
- Business Promotion	147	123	150
- Survey Expenses	70	120	188
EBITDA	1,473	3,429	4,031
EBITDA Margin	15.3%	32.3%	31.9%
Net Profit	476	1,828	2,585
Net Worth	2,360	6,361	8,179
Cash & Bank Balance	452	1,926	1,731
Gross Debt	5,412	2,966	2,082
Net Block (Fixed)	6,471	6,475	7,358
Return on Capital Employed	15%	32.7%	35.1%
Return on Net Worth	20%	28.7%	31.6%

Source: Company Annual Report (Selling, General & Administrative Expenses were ₹ 1,204 mn, ₹ 1,167 mn and ₹ 1,458 mn for years 2008-09, 2009-10 and 2010-11, respectively).

Dainik Bhaskar Group: Aspiring Growth

EXHIBIT 3: STRATEGIC FOOTPRINT IN INDIA

INDIA

28 States

6 Metros (English Newspaper Market)
Bangalore, Chennai, Delhi, *
Hyderabad, Kolkata, Mumbai

7 Union Territories (UT)

Less: 7 North Eastern States
(Non-focus Markets)

Less: 6 Union Territories
(Non-focus Markets)

Remaining: Major 21 States

Remaining: (Major)
1 UT Chandigarh

Hindi **Bengali** **Oriya** **Marathi** **Gujarati** **South**

DBG

Bengal **Orissa** **Maharashtra** **Gujarat**

Andhra Pradesh
Tamil Nadu
Kerala
Karnataka

DBG **DBG**

Madhya Pradesh
Chhattisgarh
Rajasthan
Haryana
Punjab
Himachal Pradesh
Uttarakhand
Jharkhand
Jammu & Kashmir
Bihar
Uttar Pradesh

DBG

Source: Company
*DBG has minor presence in Delhi

Dainik Bhaskar Group: Aspiring Growth

EXHIBIT 4: DAINIK BHASKAR GROUP COVERAGE MAP

Jammu - 2010
DB(1)
Jammu

Himachal Pradesh - 2008
DB(1)

Himachal
Pradesh

Chandigarh-2000
DB(1)

Uttarakhand - 2008
DB(1)

Punjab - 2006
DB(4) & BB(2)
Punjab

Chandigarh

Uttarakhand

Delhi - 2007
DB(1) & BB(1)

Haryana

Delhi

Haryana - 2000
DB(3) & BB(1)

Rajasthan - 1996
DB(12), DNA(1), BB(1) & DB Star(1)

Jharkhand
2010
DB(3)

Gujarat - 2003
DvB(6) & DNA(1)

Madhya Pradesh - 1958
DB(5), DNA(1), BB(2), DB Star(3)
& Prabhat Kiran(1)

Chhattisgarh
1988
DB(4),
BB(1)
& DB Star(1)

Maharashtra - 2004
DvB(1) & DvM(5)

DB -   Dainik Bhaskar
DvB - Divya Bhaskar
DvM - Divya Marathi
BB -   Business Bhaskar

Source: Company
( ) Indicates number of editions
Divya Bhaskar was launched in Mumbai in 2004 and Divya Marathi in Maharashtra in 2011.

Dainik Bhaskar Group: Aspiring Growth

EXHIBIT 5: READERSHIP TRENDS IN DAINIK BHASKAR MARKETS

RAJASTHAN										
	1995 R2	1999 R2	2000 R2	2002 R2	2003 R2	2005 R2	2007 R2	2009 R2	2010 Q4	2011 Q3
POPULATION	32061	35647	36415	38746	40094	41886	44478	46883	48132	48642
CRH	-	-	-	-	21050	24005	24268	26646	29855	30502
AHD	3976	7593	9468	10616	9512	10176	10268	10230	11103	10951
RP	3359	4919	6482	5966	5865	6038	7353	6363	7026	6796
DB	-	4848	6810	7284	6354	6696	5745	5693	6379	6434
CHANDIGARH & HARYANA										
POPULATION	12508	13979	14286	15377	16103	17333	18837	20012	20626	20922
CRH	-	-	-	-	10862	11581	12976	14110	13978	15817
AHD	1650	1859	2414	3579	3829	4597	3529	3526	2869	3583
PK	1243	1342	1629	1283	1168	1436	868	850	1069	959
DB	-	-	-	1909	1847	2227	1669	1498	1571	1432
PUNJAB										
POPULATION	15426	17145	17398	-	18378	19745	21033	22007	22509	22770
CRH	-	-	-	-	9941	11777	12069	12909	13223	13462
AHD	1893	1337	1531	-	1979	2796	2516	2780	2579	2346
PK	1877	1337	1531	-	1147	1604	1132	1111	1070	955
DB	-	-	-	-	37	100	265	893	849	814
GUJARAT										
POPULATION	-	34161	34724	36731	38054	40486	43098	45239	46345	47190
CRG	-	-	-	-	25024	25533	29492	32454	33022	34648
AGD	-	8335	8542	8374	9446	10825	10503	10334	10068	10575
GS	-	4338	4688	4334	4914	5444	4421	4603	4365	4450
DvB	-	-	-	-	2215	3991	3295	3359	3507	3591
SNDH	-	4851	4722	4738	4204	3944	3591	3234	3303	3206
MADHYA PRADESH										
POPULATION	-	-	-	-	42994	45159	47862	50223	51443	52373
CRH	-	-	-	-	24196	24768	25428	29213	30639	32253
AHD	-	-	-	-	5362	5206	4794	4770	6092	6447
DB	-	-	-	-	3541	3547	3314	3025	3534	3881
NB	-	-	-	-	1828	1745	739	456	200	144
ND	-	-	-	-	709	789	467	790	1209	1213
NvD	-	-	-	-	-	-	-	139	291	361
RE	-	-	-	-	-	-	488	547	574	508
PAT	-	-	-	-	-	-	-	463	1080	1430
CHHATTISGARH										
POPULATION	-	-	-	-	14942	15640	16378	17019	17349	17599
CRH	-	-	-	-	7818	8703	9292	10414	11007	11644
AHD	-	-	-	-	2251	2599	1984	2261	2339	2356
DB	-	-	-	-	1240	1675	1095	1115	1016	1067
NB	-	-	-	-	1235	1301	790	819	771	745

Source: IRS Figures in '000s Readership is Average Issue Readership; **CRH** – Can Read Hindi, **AHD** – Any Hindi Daily,
RP – *Rajasthan Patrika*, **DB** – *Dainik Bhaskar*, **PK** – *Punjab Kesari*, **CRG** – Can Read Gujarati, **AGD** – Any Gujarati Daily,
GS – *Gujarat Samachar*, **DvB** – *Divya Bhaskar*, **NB** – *Nav Bharat*, **SNDH** – *Sandesh*, **ND** – *Nai Dunia*, **NvD** – *Nav Duniya*,
RE – *Raj Express*, **PAT** – *Patrika*. Till 2009 figures refer to R2 (Round 2) as IRS was half yearly. In 2010, IRS adopted Quarterly
reporting and the data refers to Q4. For 2011, Q3 was the latest data available at the time of case development.

Dainik Bhaskar Group: Aspiring Growth

EXHIBIT 6: IRS TRENDS IN SELECT DAINIK BHASKAR URBAN MARKETS

RAJASTHAN											
	1999 R2	2000 R2	2001 R2	2003 R2	2005 R2	2006 R2	2007 R2	2008 R2	2009 R2	2010 Q4	2011 Q3
POPULATION	8709	8925	9190	9824	10580	11004	11490	11854	12230	12616	12911
CRH	-	-	-	7148	7961	8171	8552	8896	9380	9950	10335
AHD	4407	4516	4806	4682	4807	5149	5097	5327	5241	5549	5658
DB	3187	3356	3529	3172	3373	3056	3037	3207	3186	3481	3580
RP	2787	2785	2876	2785	2616	3221	3416	3052	3018	3253	3180
JAIPUR											
POPULATION	1486	1537	1601	1833	1999	2085	2205	2305	2409	2518	2602
CRH	-	-	-	1466	1558	1680	1740	1844	1971	2062	2187
AHD	911	973	1074	1206	1222	1313	1331	1435	1423	1438	1543
DB	744	812	898	863	938	763	872	954	903	1023	1050
RP	493	550	543	698	606	833	827	711	659	703	746
GUJARAT											
POPULATION	12675	12959	13306	14820	16246	16971	17782	18393	19024	19672	20169
CRG	-	-	-	11658	12583	13648	14037	14766	15302	15699	16399
AGD	5514	5598	5535	6311	7048	7362	6918	7006	6782	6907	7401
GS	3004	3292	3233	3382	3526	3270	2944	3075	3071	3119	3253
DvB	-	-	-	1742	2756	2697	2448	2656	2479	2631	2714
SNDH	3029	2773	2741	2636	2381	2433	2210	2189	1954	1997	2020
SS	101	168	173	126	94	185	147	160	125	146	156
AHMEDABAD											
POPULATION	2978	3042	3120	3556	3869	4034	4210	4339	4472	4606	4708
CRG	-	-	-	2963	3165	3402	3513	3572	3645	3819	4018
AGD	1278	1448	1482	2016	2050	2012	1925	1890	1867	2017	2156
GS	843	1037	1092	1105	1056	845	785	803	822	870	873
DvB	-	-	-	1011	1099	1046	957	983	931	1058	1129
SNDH	730	843	755	699	566	534	454	460	441	503	489
PUNJAB											
POPULATION	5286	5404	5550	6415	7066	7383	7725	7974	8231	8494	8695
CRH	-	-	-	4596	5280	5504	5700	6045	6241	6406	6547
AHD	1173	1129	1204	1648	1948	1915	1985	2157	2269	2012	1926
DB	-	-	44	37	100	84	237	602	787	701	687
DJ	-	-	183	733	930	893	952	814	839	669	586
PK	1173	1129	1010	928	1057	1003	862	843	840	804	766

Source: IRS Figures in 000's Readership is Average Issue Readership
CRH – Can Read Hindi, **AHD** – Any Hindi Daily, **RP** – *Rajasthan Patrika*, **DB** – *Dainik Bhaskar*, **PK** – *Punjab Kesari*,
CRG – Can Read Gujarati, **AGD** – Any Gujarati Daily, **GS** – *Gujarat Samachar*, **DvB** – *Divya Bhaskar*, **DJ** – *Dainik Jagran*,
SNDH – *Sandesh*. Till 2009 figures refer to R2 (Round 2) as IRS was half yearly. In 2010, IRS adopted Quarterly reporting and the data refers to Q4. For 2011, Q3 was the latest data available at the time of case development.

EXHIBIT 7: READERSHIP (AIR) OF TOP 20 PUBLICATIONS

PUBLICATION	URBAN+RURAL	PUBLICATION	URBAN
Dainik Jagran	16458	Dainik Bhaskar	9649
Dainik Bhaskar	14876	Dainik Jagran	8748
Hindustan	12033	The Times of India	7278
Malayala Manorama	9912	Hindustan	5870
Amar Ujala	8836	Daily Thanthi	4452
The Times of India	7467	Amar Ujala	4400
Daily Thanthi	7447	Lokmat	4121
Lokmat	7438	Gujarat Samachar	3989
Rajasthan Patrika	6918	Ananda Bazar Patrika	3820
Mathrubhumi	6630	Hindustan Times	3670
Eenadu	6101	Rajasthan Patrika	3285
Ananda Bazar Patrika	6098	Dinakaran	3165
Dinakaran	5253	Eenadu	2988
Sakshi	5219	Malayala Manorama	2962
Gujarat Samachar	5186	Divya Bhaskar	2750
Daily Sakal	4273	Sakshi	2595
Hindustan Times	3733	Navbharat Times	2549
Divya Bhaskar	3627	Daily Sakal	2402
Vijay Karnataka	3487	Punjab Kesari	2251
Prajavani	3366	Mathrubhumi	2070

Source: IRS 2011 Q3 Figures in '000s

EXHIBIT 8: GROWTH RATES OF SEC AB

POPULATION SEGMENT	TOWN CLASSIFICATION	CAGR (2006–2011)
SEC A	Metro	10
SEC A	Tier II + III Towns	24
SEC B	Metro	14
SEC B	Tier II + III Towns	18
Tier I/Metro: Population > 4 Mn; Tier II: 1 Mn < Population <4 Mn; Tier III: Population < 1 Mn.		
Socio-economic classification was a tool for segmenting households in India. Originally developed by IMRB, it was standardised and adopted by the Market Research Society of India to categorise consumer behaviour. The urban SEC classified households in to 5 groups A, B, C, D, and E on the basis of education and occupation. SEC A had the highest purchasing power. The rural SEC classified households into 4 groups R1, R2, R3 and R4 on the basis of education and type of house (mud, brick and mix). SEC R1 had the highest purchasing power.		

Source: IRS 2011 Q3.

EXHIBIT 9: CONSUMPTION GROWTH

GROWTH 2008 VS 2011	METROS	TIER II	TIER III
Consumer Durables Ownership	46	104	96
IT & Communication Products Ownership	20	66	44
Automobile Ownership	27	61	58
FMCG Product Purchases	10	17	15

Source: IRS 2011 Q3 Figures in %

EXHIBIT 10: MARKET POTENTIAL VALUES (MPV) OF STATES

ZONE	STATES	MPV	% TO INDIA
West	Maharashtra	3138	13.5
	Gujarat	1409	6.1
	Madhya Pradesh	1140	4.9
	Chhattisgarh	376	1.6
	Goa	62	0.3
North	Uttar Pradesh	2861	12.3
	Rajasthan	1073	4.6
	Delhi	901	3.9
	Punjab	774	3.3
	Haryana	634	2.7
	Uttaranchal	183	0.8
	Himachal Pradesh	164	0.7
	Chandigarh	59	0.3
South	Tamil Nadu	1851	8.0
	Andhra Pradesh	1747	7.5
	Karnataka	1392	6.0
	Kerala	1010	4.4
	Pondicherry	33	0.1
East	West Bengal	1907	8.2
	Bihar	1019	4.4
	Orissa	577	2.5
	Assam	467	2.0
	Jharkhand	377	1.6
	Meghalaya	45	0.2
All India		23,199	100.0

Market potential value (MPV) was a measure of aggregate potential of the market by R K Swamy BBDO which helped marketers to prioritise markets. It combined various indicators of prosperity across two groups – ability to buy and willingness to buy through indices such as per capita income, house ownership, consumption of FMCG products, ownership of durables and media reach to indicate market potential.

Source: R K Swamy BBDO guide to market planning, 2008

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EXHIBIT 11: READERSHIP TRENDS IN SELECT MARKETS

ANDHRA PRADESH	Urban + Rural				Urban				SEC AB			
	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3
Population	64712	65907	66807	68026	19092	19578	19945	20444	4455	4366	4577	5121
Can Read Telugu	39043	40335	41468	42806	13599	14290	14709	15213	4031	3927	4135	4597
Any Dailies – AIR	10656	12286	12230	12330	5339	6181	5944	6052	2575	2750	2703	2926
Any Telugu Daily – AIR	9859	11696	11749	11718	4575	5647	5490	5495	2138	2450	2454	2575

BIHAR	Urban + Rural				Urban				SEC AB			
	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3
Population	64443	66091	67346	69060	7660	7907	8097	8356	2061	1997	2253	2553
Can Read Hindi	32424	33381	35302	38640	5445	5613	5839	6200	1975	1917	2150	2444
Any Dailies – AIR	6077	5887	6136	6693	2009	1950	2114	2351	1138	1068	1174	1383
Any Hindi Daily – AIR	5979	5847	6074	6546	1943	1910	2077	2266	1080	1034	1144	1314

KARNATAKA	Urban + Rural				Urban				SEC AB			
	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3
Population	45964	46934	47668	48665	16887	17369	17735	18234	4070	4577	4972	4991
Can Read Kannada	29410	31165	32015	32596	12108	13179	13415	13640	3555	4104	4402	4315
Any Dailies – AIR	8381	8380	9787	9808	5077	5017	5711	5779	2340	2451	2745	2746
Any Kannada Daily – AIR	7497	7349	8718	8538	4297	4189	4781	4645	1879	1990	2237	2059

KERALA	Urban + Rural				Urban				SEC AB			
	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3
Population	27706	28048	28304	28521	7277	7365	7431	7520	1457	1757	1829	1944
Can Read Malayalam	26233	26660	27015	27724	7026	7145	7258	7370	1442	1742	1808	1936
Any Dailies – AIR	15550	17311	18499	18819	4730	5207	5482	5439	1292	1516	1617	1715
Any Malayalam Daily – AIR	15442	17091	18429	18703	4687	5121	5443	5389	1266	1459	1596	1675

TAMIL NADU	Urban + Rural				Urban				SEC AB			
	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3
Population	56980	57755	58247	59008	26866	27433	27786	28343	5413	5829	6107	6064
Can Read Tamil	44580	45332	46225	47394	22942	23454	23959	24573	5160	5575	5831	5832
Any Dailies – AIR	13554	13779	13086	13183	8550	8861	8490	8558	3104	3387	3398	3267
Any Tamil Daily – AIR	12752	12955	12241	12322	7791	8087	7701	7744	2529	2777	2796	2694

UTTAR PRADESH	Urban + Rural				Urban				SEC AB			
	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3
Population	130285	133397	135766	137890	30884	31873	32630	33665	7992	8199	8481	9095
Can Read Hindi	76062	78518	82137	85444	22273	22949	23702	24907	7668	7815	8102	8715
Any Dailies – AIR	16141	16313	17221	18144	8532	8848	9154	9461	4826	5075	5198	5403
Any Hindi Daily – AIR	15857	16028	16916	17859	8258	8585	8875	9176	4596	4829	4938	5145

WEST BENGAL	Urban + Rural				Urban				SEC AB			
	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3	08 R2	09 R2	10 Q3	11 Q3
Population	68285	69694	70760	72205	20903	21343	21676	22126	5814	5933	6076	6129
Can Read Bengali	46699	49122	50104	52641	15291	15793	16229	16587	5240	5273	5428	5520
Any Dailies - AIR	11163	11113	11205	10905	6264	6212	6651	6569	3626	3561	3854	3834
Any Bengali Daily - AIR	10161	10006	10092	9718	5306	5231	5595	5455	3041	2918	3174	3211

Source: IRS Figures in '000s The 2008 and 2009 figures refer to Round 2 as IRS was half yearly.

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EXHIBIT 12: SOCIO-ECONOMIC CLASSIFICATION (PROFILE) OF STATES

STATES	A	B	C	D	E	R1	R2	R3	R4
Andhra Pradesh	2.64	4.88	6.32	6.54	9.67	3.03	9.44	22.10	35.37
Assam	1.63	2.70	3.26	3.94	4.05	2.22	7.42	42.01	32.76
Bihar	1.52	2.18	2.23	2.45	3.72	4.53	14.65	28.15	40.57
Chandigarh	22.73	19.66	21.25	15.34	21.02	-	-	-	-
Chhattisgarh	1.87	3.41	4.65	5.44	8.93	2.05	3.73	38.67	31.25
Delhi	23.25	21.36	19.63	17.31	18.45	-	-	-	-
Goa	4.38	11.97	12.36	11.03	12.05	4.07	15.26	24.18	4.77
Gujarat	4.00	7.03	8.72	10.46	12.53	1.48	6.64	27.11	22.03
Haryana	4.29	6.67	6.81	6.58	9.92	3.46	16.79	28.15	17.34
Himachal Pradesh	1.75	3.25	2.77	1.72	2.09	6.58	32.67	36.70	12.46
Jammu & Kashmir	8.87	20.74	34.05	19.66	16.67	-	-	-	-
Jharkhand	3.16	4.53	5.59	5.50	6.99	2.30	6.34	30.93	34.68
Karnataka	3.63	6.63	9.05	8.00	10.17	2.40	10.19	25.33	24.62
Kerala	1.84	4.98	7.28	6.88	5.40	8.74	23.90	39.93	1.06
Madhya Pradesh	2.90	4.67	5.21	6.87	9.91	1.24	4.95	30.31	33.94
Maharashtra	4.87	8.06	11.43	11.14	11.52	2.70	10.97	24.41	14.90
Orissa	2.10	2.93	3.48	4.50	4.55	3.35	5.39	33.59	40.11
Punjab	4.27	7.99	8.65	7.76	9.52	2.12	16.49	22.18	21.02
Rajasthan	2.73	4.92	5.10	5.83	7.97	3.62	9.11	28.52	32.20
Tamil Nadu	3.62	6.65	10.98	13.33	13.45	2.90	9.18	22.17	17.72
Uttarakhand	4.17	6.19	5.73	5.76	7.50	7.13	20.54	27.21	15.76
Uttar Pradesh	2.60	3.99	4.22	5.07	8.53	4.44	12.02	26.67	32.45
West Bengal	3.40	5.09	5.07	7.24	9.84	2.42	4.92	35.52	26.50

Source: IRS 2011 Q3 Figures in %
Data for Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura not available.
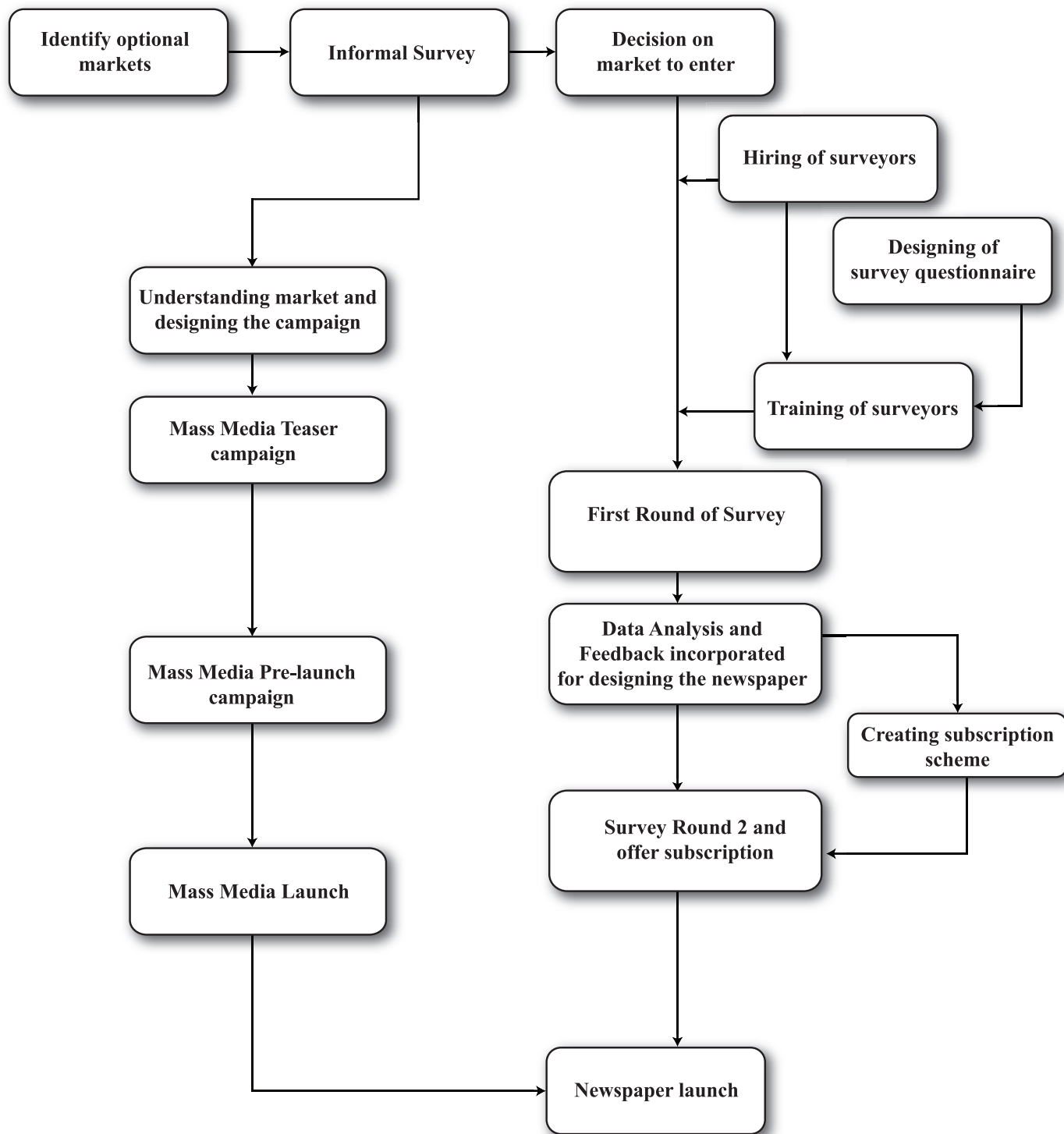
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EXHIBIT 13: READERSHIP (AIR) TREND OF TOP DAILIES

ANDHRA PRADESH			
Publication	Urban+Rural	Urban	SEC AB
Eenadu	6008	2914	1532
Sakshi	5159	2545	1096
Andhra Jyoti	2222	831	389
Vartha	356	165	84
Andhra Bhoomi	223	99	44
Deccan Chronicle	731	697	459
Hindu	308	288	208
Times of India	142	142	120
BIHAR			
Hindustan	4897	1612	948
Dainik Jagran	2861	1071	622
Prabhat Khabar	587	229	135
Aj	303	120	66
Times of India	152	124	114
Hindustan Times	80	63	55
UTTAR PRADESH			
Dainik Jagran	8981	4470	2734
Amar Ujala	7021	3453	1960
Hindustan	3884	1946	1167
Aj	690	258	108
Rashtriya Sahara	662	276	169
I Next	457	403	204
DLA	262	217	123
Times of India	558	511	476
Hindustan Times	280	276	241
WEST BENGAL			
Ananda Bazar Patrika	6015	3744	2382
Bartaman	2881	1512	816
Sangbad Pratidin	905	419	222
Gansakti	776	340	163
Aajkaal	663	349	202
Uttar Banga Sambad	508	256	102
Telegraph	1056	1023	875
Times of India	617	593	489
Sanmarg	472	460	190

KARNATAKA			
Publication	Urban+Rural	Urban	SEC AB
Vijay Karnataka	3484	1992	981
Prajavani	3363	1791	794
Kannada Prabha	1326	599	265
Samyukta Karnataka	1084	463	185
Udayavani	923	465	144
Times of India	634	629	438
Deccan Herald	394	337	240
KERALA			
Malayala Manorama	9828	2881	973
Mathrubhumi	6608	2049	633
Deshabhimani	2201	619	121
Madhyamam	998	231	67
Kerala Kaumudi	665	171	66
The Hindu	326	212	153
TAMIL NADU			
Daily Thanthi	7262	4319	1316
Dinakaran	5097	3045	935
Dinamalar	2615	1694	781
Dinamani	485	324	162
Malai Malar	451	325	108
Hindu	1097	1023	737
Deccan Chronicle	258	233	128

Source: IRS 2011 Q3 Figures in '000s

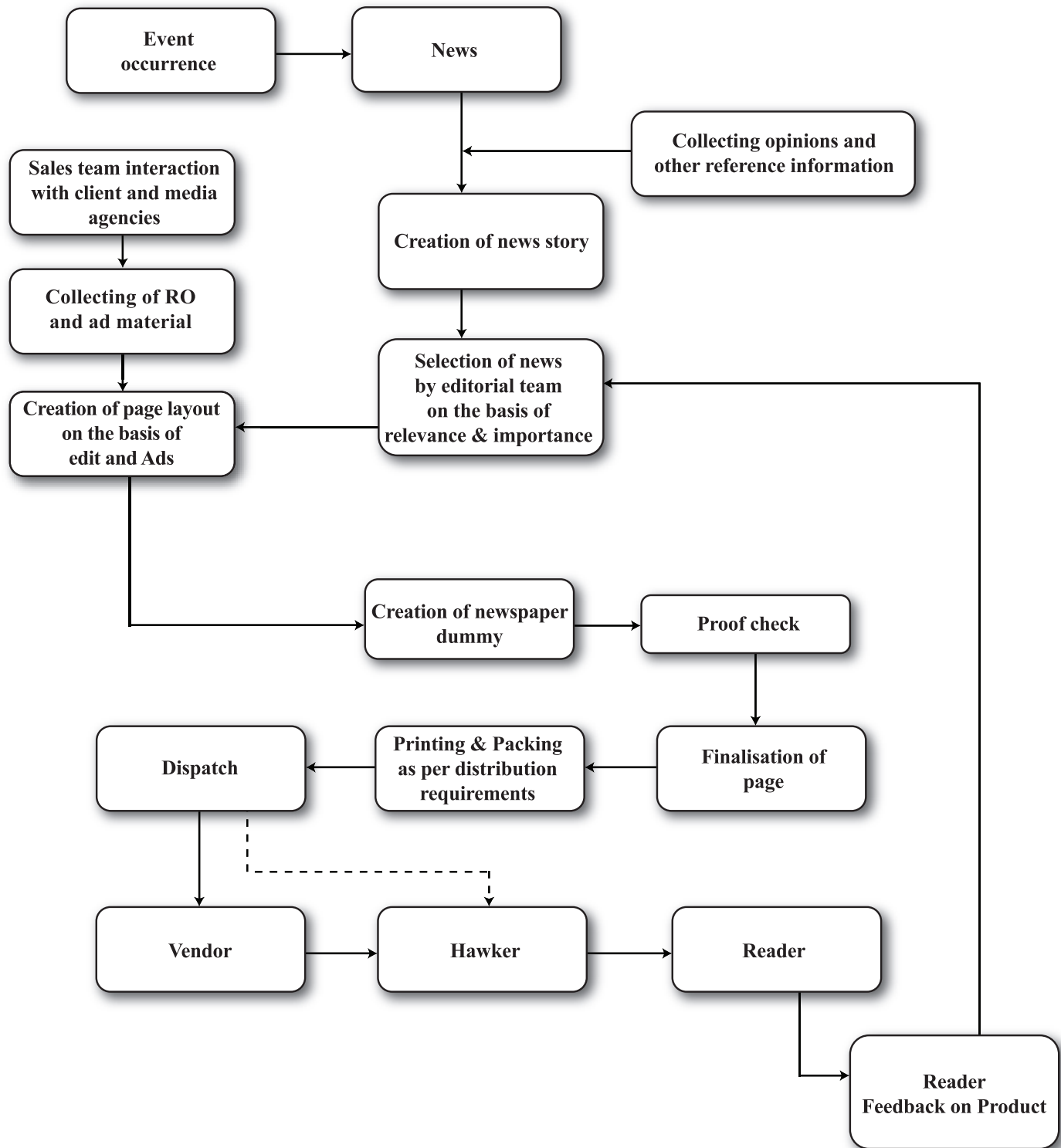## EXHIBIT 14: LAUNCH PROCESS AT DBG

Source: Company

EXHIBIT 15: NEWSPAPER MAKING PROCESS AT DBG

Source: Company

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EXHIBIT 16: INCREMENTAL REACH

Markets	Gross Reach Top 2 publications in the state (AIR)		Duplication DB vs Competition	Net Reach of top 2 publications in the state	Incremental reach of DBG over competition	Incremental reach of DBG indexed on competition (in %)	Sole Readership across language and periodicity (in %)
MADHYA PRADESH	DB	PAT	430	4,882	3,452	241	64.49
	3,881	1,430					
CHHATTISGARH	DB	HB	294	1,706	773	83	56.79
	1,067	933					
RAJASTHAN	DB	RP	2,522	10,708	3,915	58	58.41
	6,434	6,796					
PUNJAB	DB	PK	59	1,710	755	79	86.12
	814	955					
HARYANA	DB	PK	199	2,008	1,072	115	74.67
	1,271	936					
CHANDIGARH	DB	TT	30	229	131	134	-
	161	98					
CPH	DB	PK	262	3897	1,983	104	-
	2,246	1,914					
GUJARAT	DvB	GS	507	7,771	3,321	75	79.23
	3,846	4,450					
JHARKHAND	DB	H'tan	173	2183	439	25	47.31
	613	1,744					

Source: IRS 2011 Q3 AIR Figures in '000s AIR is for both urban and rural
DB – *Dainik Bhaskar*, **PAT** – *Patrika*, **HB** – *Hari Bhoomi*, **RP** – *Rajasthan Patrika*, **PK** – *Punjab Kesari*, **TT** – *The Tribune*,
DvB – *Divya Bhaskar* (DvB in Gujarat includes Saurashtra Samachar), **GS** – *Gujarat Samachar*, **H'tan** – *Hindustan.*

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EXHIBIT 17: COMPARATIVE ADVERTISING RATES

PUBLICATION	EDITION	READERSHIP ('000s)	BW CARD RATE (₹ / SQ CM)	COST PER THOUSAND (₹)	CPT INDEX
The Times of India	Mum+Del+Ban	3,942	7,595	1.93	100.00%
Hindustan Times	Mum+Del	2,680	4,900	1.83	94.90%
The Times of India	All editions	7,467	11,160	1.49	77.57%
Dainik Bhaskar	All editions	13,042	8,692	0.67	34.59%
Eenadu	Andhra Pradesh	6,008	2,590	0.43	22.37%
Dainik Jagran	All editions	16,458	6,930	0.42	21.85%
Gujarat Samachar	Gujarat	4,450	922.5	0.21	10.76%
Malayala Manorama	Kerala	9,828	1,400	0.14	7.39%

Source: IRS 2011 Q3 Readership: AIR

TG: SEC AB READERS

PUBLICATION	EDITION	READERSHIP ('000s)	BW CARD RATE (₹ / SQ CM)	COST PER THOUSAND (₹)	CPT INDEX
The Times of India	Mum+Del+Ban	3,159	7,595	2.40	100.00%
Hindustan Times	Mum+Del	2,243	4,900	2.18	90.86%
The Times of India	All editions	5,917	11,160	1.89	78.45%
Dainik Bhaskar	All editions	4,228	8,692	2.06	85.51%
Eenadu	Andhra Pradesh	1,532	2,590	1.69	70.32%
Dainik Jagran	All editions	5,109	6,930	1.36	56.42%
Gujarat Samachar	Gujarat	1,711	922.5	0.54	22.43%
Malayala Manorama	Kerala	973	1,400	1.44	59.85%

Source: IRS 2011 Q3 Readership: AIR

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EXHIBIT 17 (CONITINUED): COMPARATIVE ADVERTISING RATES

TOWN	PUBLICATION	LANGUAGE	READERS ('000s)	COLOUR RATES
Mumbai	The Times of India	English	1535	3925
	Maharashtra Times	Marathi	947	1510
Delhi	Hindustan Times	English	1929	3400
	Times of India	English	1888	3195
Kolkata	Ananda Bazar Patrika	Bengali	2656	3340
	The Telegraph	English	934	1670
Chennai	Daily Thanthi	Tamil	1267	1210
	The Hindu	English	548	2680
Hyderabad	Deccan Chronicle	English	506	3015
	Eenadu	Telugu	930	1495
Bangalore	Vijay Karnataka	Kannada	754	825
	The Times of India	English	519	2610
Ahmedabad	Divya Bhaskar	Gujarati	1129	613
	Gujarat Samachar	Gujarati	873	540
Surat	Divya Bhaskar	Gujarati	576	250
	Gujarat Samachar	Gujarati	470	217.5
Jaipur	Dainik Bhaskar	Hindi	1050	2431
	Rajasthan Patrika	Hindi	746	2750
Indore	Dainik Bhaskar	Hindi	438	1392
	Patrika	Hindi	249	1500
Bhopal	Dainik Bhaskar	Hindi	373	1051
	Patrika	Hindi	283	1200
Chandigarh	Dainik Bhaskar	Hindi	161	659
	The Tribune	English	100	850

Source: IRS 2011 Q4 Readership AIR Rates: Mediaware, April 2012. *Dainik Bhaskar* – All Editions excluding Jabalpur, Satna, Nagpur and Chhindwara.

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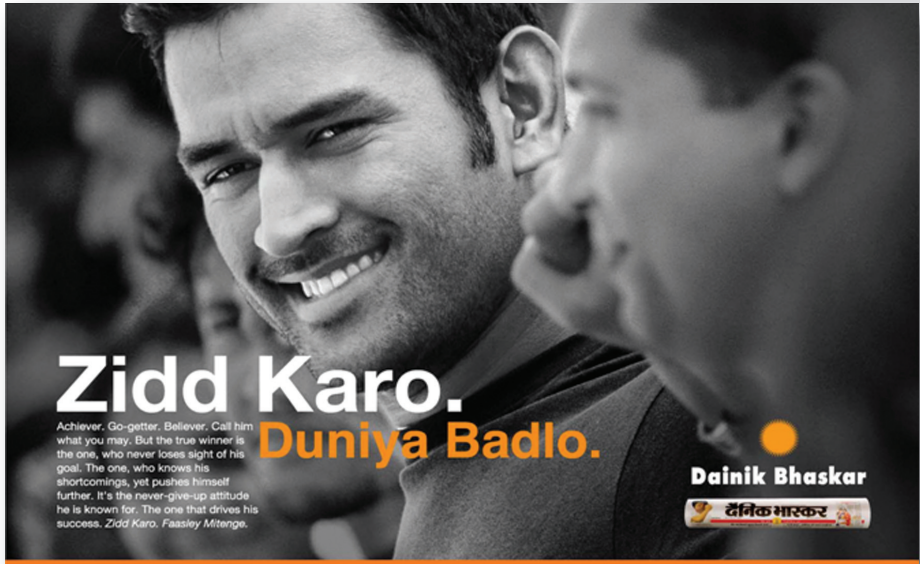
EXHIBIT 18: BRAND BUILDING ACTIVITIES

Exhibit 18A:
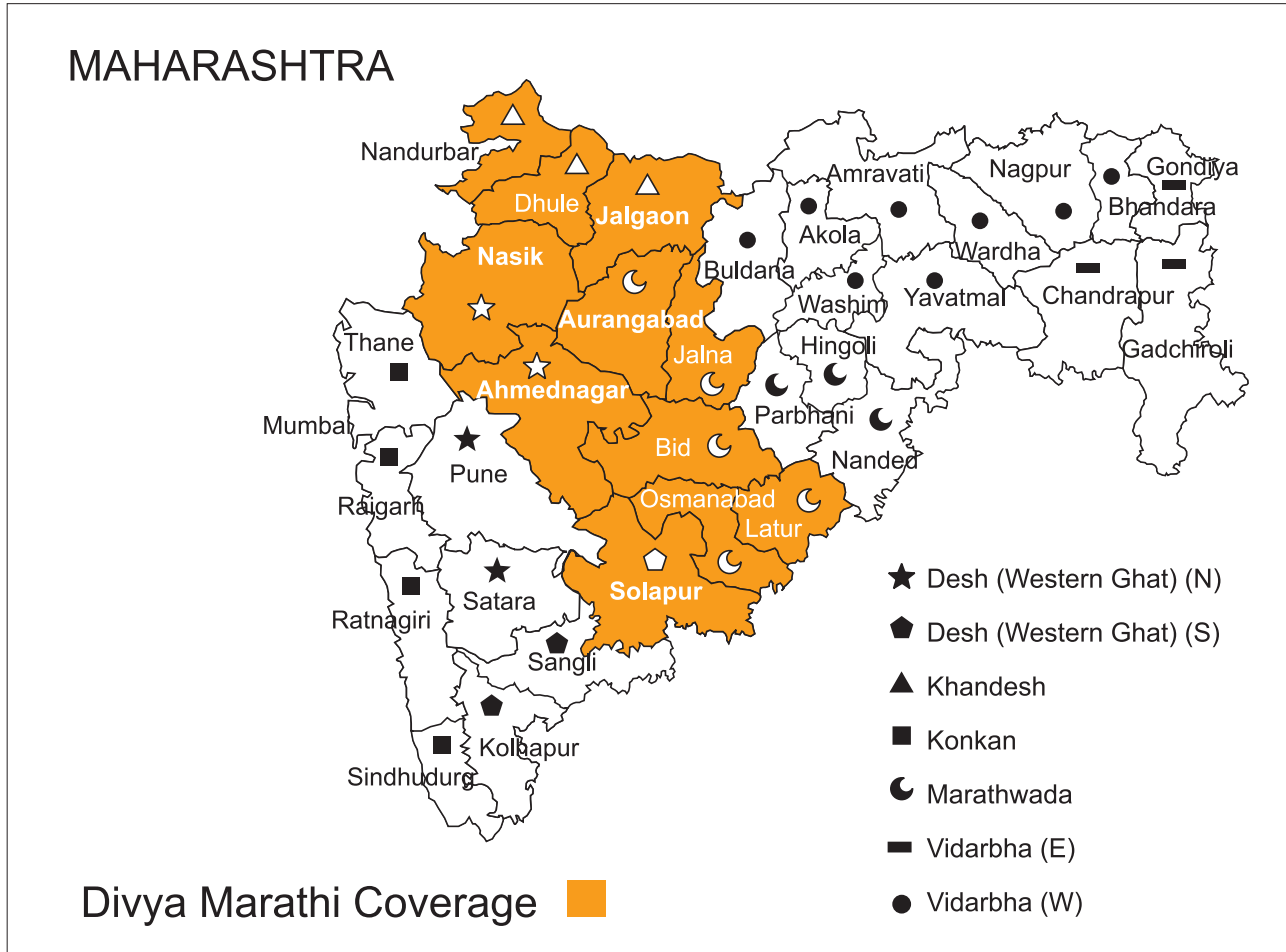Junior Editor Contest

Exhibit 18B:
Save Bird Campaign

Exhibit 18C:
Zidd Karo Duniya Badlo

Source: Company

Dainik Bhaskar Group: Aspiring Growth

EXHIBIT 19: MAHARASHTRA

Source: Company

EXHIBIT 20: READERSHIP IN AURANGABAD

Publications	Total	SEC			
		A	B	C	D/E
Divya Marathi	342	28	58	122	134
Lokmat	273	15	38	78	140
Daily Sakal	65	4	8	14	39
Punya Nagari	25	1	1	4	18

Source: IMRB Survey (Initiated by DBG) Figures in '000s AIR.