



Aryan Publications Ltd.: A Case Study

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ABSTRACT

Aryan Publications is an innovative entrepreneurial venture started by three friends. The company received a huge response in their very first year of operation and had an ambitious growth plan. The company wanted to pursue both expansion and diversification strategy concurrently, but resource constraint and difference of opinion acted as the deterrent. Students are asked to weigh the available options to resolve the issue and suggest the strategic move for sailing the situation.

**KEYWORDS :** Market Expansion, Market Diversification, Product Launch, Market Growth

Rohan, one of the directors of Aryan Publications- a partnership firm, was sitting in his office in Mumbai and was pondering over the shoddy politics going on in the organization. He was surprised and shocked by the way people were trying to take credit for the good work and transfer blame for any mistake. He was worried if such team conflict would surface then how would they take their entrepreneurial venture forward and grow. He was trying to comprehend the genesis of the problem and the restorative solution to resolve it.

**Publishing Industry in India**

India is one of the world's largest democracy with GDP of \$2073.4 billion and accounts for 3.34 percent of world economy. Lots of lines divide the society, but still the nation has unity in diversity. Publications play a vital role in this country as it brings people together. 1, 05, 443 newspapers and periodicals are registered with the registrar of newspapers for India (Registrar of Newspaper, India). Most of the registered newspapers and periodicals are in Hindi (40.3 percent), followed by English (12.9 percent) and remaining are in regional languages. Indian readership survey (2011) showed downward trend for general magazine readership and upward trend for niche and business magazines. It is observed that niche magazines have created a special place for themselves with Indians and these magazines are expected to grow with entry into new niche segments.

**Magazine Publishing : An Opportunity to Engage with Customers**

According to Association of Indian Magazines (2010), magazines connects with customers at a far deeper level than any other media form because of undivided engagement while reading. IMRB survey (2010) used various engagement measures like mind measures, escapism, information, and stimulation for the creation of engagement index for magazine readers. According to this study, 68% percent readers prefers to read the magazine in comparison to other media forms like televisions, the internet etc. For relaxation, 66 percent respondents selected magazines as a mean to pass time. In terms of share of mind, 87 percent respondents do not engage in anything when they read the magazine. It indicated the focus and level of indulgence people have with the magazines. 65 percent respondents give undivided attention to the magazine which is more than double to the attention given to television or radio. 68 percent respondents indicated emotional bonding with their favorite magazines and they opined that magazines are a mirror to their individual personality and lifestyle.

Comparative evaluation of media proliferation on time scale between 1980 to 2004/5 suggests more than threefold increase in the number of magazines introduced in the market (Fielding and Bahary, 2005). During the same period, the market has seen an upsurge in almost all forms of the media landscape. Number of commercial TV stations (192%), television sets per home (144 %), cable penetration (230%), and radio stations (158%) had seen a significant increase, but percentage increase in magazines (356%)

was much higher than any other form of media (Table 1).

**Media Landscape Time Comparison**

	1980s	2004/5
Number of Commercial TV Stations	700	1,345
Average Number of TV Sets per Home	1.8	2.6
Average Number of Channels Available per TV Household	11	103
Three-Network Primetime Household Share	75%	36%
Cable Penetration (+ADS)	40%	92%
VCR Penetration	1%	87%
Remote Control Penetration	50%	*95%+
Number of Radio Stations	8,748	13,838
Home Computer Penetration	5%	66%
Number of Consumer Magazines	1,500	*5,340
Number of Place-Based Media Options	—	Infinite

**Table 1: Media Proliferation on Time Scale**

According to Media Management Centre-Northwestern University (2003), the magazine reading offered the maximum value to customers in terms of building knowledge and smartness. Other forms of media like online network offers higher entertainment value, but magazine provides value for money and time (Table 2). Online networks are more often used for building connect, sharing information and entertainment while magazines involve the reader and align with their personality and personal characters.

Magazine	Online
I get value for my time and money	Entertains and absorbs me
It makes me smarter	Looks out for people like me
It's my personal time-out	Regular part of my day
I often reflect on it	My personal time-out
The stories absorb me	A credible, safe place
I learn things first here	Connects me with others
It's part of my routine	Touches me and expands my views
I find the magazine high quality and sophisticated	Makes me smarter
I trust it	Turned on by the ads
I feel good when I read it	Easy to use

**Table 2: Motivations for Media**

In of the interesting study conducted by Bronner et. al. (2005), various media forms were compared on experience factors felt by customers and results indicated the highest contribution of the magazine in identifying with readers. Table 3 ranks the experience factors considered by customers while exposed to various media forms (Source: Bronner et. al., 2005). For information, customers resort to newspapers while magazines occupy the second most important place for finding information. For emotional gratification

and social relationship also newspapers were placed higher than magazines. For personal transformation, radio was preferred and for getting the practical information like feedback Internet was the most preferred destination chosen by respondents. Magazines emerged as most important means for pastime and stimulation as the relational degree of respondents with magazines was much higher than any other media form.

	Magazines	Newspapers	TV	Radio	Internet
Identification	1	3	2	5	4
Information	2	1	4	5	3
Transformation	2	5	3	1	4
Emotion	3	1	2	3	5
Pastime	1	2	3	3	5
Stimulation	1	4	3	5	2
Social Relationships	3	1	2	5	4
Practical Use	2	3	5	4	1

**Table 3: Rank Position of Various Media on Experience Scale**

**Aryan Publications Ltd.**

Aryan Publications Ltd (APL) took the courage to launch the magazine in IT dominant world where most of the targeted youth b-school segment was using mobile and computer networks for their reading interests. Their business model was to create a platform for creative expression by youth which will be produced and consumed by youth. Due to their strong belief of inclusive production of creative content, they could able to set the ball rolling. Thus they focused on youth segment and acquired predominant choice for most of the business school students. The business news magazines were available in the market before their entry but no existing player has focused on the kind of activities takes place in different Business schools. This magazine has brought the students closer to each other, and it served as the platform to share their creative talent.

The publishing activity commenced in February 2014 with Rohan and two of his friend's effort. All the three were active in cultural activities since their college days. They had won various awards in different cultural, creative and writing competitions. Creative passion of all three has sown the seeds of this publication house. Rohan remembered of those days when all three used to act in unison and there were no differences in their opinion but what happened to their friendship now. Now everybody wants to take credit for the good work done.

**Organizational Structure of Aryan Publications**

At Aryan publications, the organization structure was kept very simple for integrated focused approach and seamless operations. The trio wanted to work on the principle of exemption, integrity, independence, quality and relevance. The organization has three departments' viz. production department, design department and marketing department. Ankur was heading the production department and was taking care of production process from manuscript submission to editorial process to production. Sarika being very innovative was heading the design department and was responsible for artistic presentation of the magazine. Rohan was the head of the marketing department and was looking after local marketing along with advertising resources. The three were complementing each other and was very comfortable with their roles. The success of their first title *Arth Gyan* can be attributed to their excellent teamwork and exceptional leadership style.

**The launch of new title *Darpan***

With the increasing acceptance of their first title *Arth Gyan*, Rohan thought to initiate the second title for publication. He discussed it with his partner friends, Ankur and Sarika. In fact, Sarika told him that one of the reputed publisher was willing to associate with them for bringing a new title. All the three were very excited for the success achieved in just one year and now national level reputed publishers were showing interest to associate with them.

One day Sarika shared some innovative idea with Rohan on how

they can help students in improving their overall personality and creativity skills. The idea was to invite entries from cultural/ creativity Club of different business schools. Aryan publications can also sponsor some intercollegiate creative writing competition hosted by any reputed business school in the country. The best creative writings in various sections of competition can be shortlisted for publication in their magazine.

On 17 August 2015, Rohan discussed this idea with all team members which was welcomed and appreciated by everybody. After getting consent from all members present, Rohan proposed to have an action plan to execute this idea. Different departments were asked to investigate the feasibility of new project further. Though Ankur was principally agreed to the idea but cautioned Rohan to rethink for the addition of new title as it would be too early for them to expand. He proposed to strengthen the existing title *Arth Gyan* further and market it to untapped segments but Rohan felt that they can do both expansion and diversification simultaneously.

During their course of project study, Rohan got the letter from Anirban, Managing Director of Aastha Publications to collaborate for any new project. Aastha was a reputed national level publication house and their market share was also very impressive. Rohan was delighted to accept this offer and scheduled a meeting to discuss the possibilities of co-publication with Anirban. Things went ahead with desired outcomes and two publication house joined for their new project *Darpan*. Rohan after initial review and important discussion with other two colleagues (Sarika and Ankur) converted initial proposal to the final document and submitted it to Anirban for his approval on Sept 7, 2015. Rohan was very enthusiastic about this project because it would have brought Aryan publications on the national scale. But Ankur had a feeling of compromising of their individual image as a publisher. He felt that they can achieve national-level recognition by innovating new titles and there is no need to collaborate with any external party. He felt that if all creative design and production were done by Aryan publications then why to share credit with Aastha Publications. Though he was giving agreement to the proceedings but his heart was not fully there in the new project. Sarika was able to notice the developing fractions between Rohan and Ankur but Rohan was so engrossed in the project that he could not gauge the developing tension.

Rohan believed in teamwork; therefore he consulted other two colleagues (Sarika and Ankur) at each and every step of the project but Sarika and Ankur were not very happy with the way Rohan imbibed into the new project. On 17 Sept. 2015, the first sketch of magazine got ready and approved by two directors, Rohan and Anirban. Sarika was overwhelmed with the success of her new designs and congratulated her section for their excellent job.

For next 15 days, design team worked very hard to collect creative writing contribution from students of different business schools and on Oct 4, 2015, design team called up Rohan for briefing him the progress. The number of entries received was very huge, and they had to discuss the screening process as well as the number of items to be selected for the first issue. The Sarika opined that they should constitute a review committee for selection of articles but Rohan expressed that there was no need for any external review committee and they can select best articles for publication. Sarika was not very happy with the way Rohan was rushing the things.

On Oct 10, 2015, Anirban called up the Rohan and requested him to fasten up the process as one of their competitors was also trying to come up with similar concept magazine. Anirban cautioned Rohan that if competitor's magazine would come in the market before their title, then they may lose the first mover advantage. Rohan was caught in a very dilemmatic situation as this was the alarming bell for them and he has to manage the whole thing with limited resources within minimum time. Rohan called up an emergency meeting with all departments and briefed up the whole scenario. With such tight deadline the different departments were not very comfortable and expressed their helplessness in executing the

project. During meeting things looked changed to Rohan. During the meeting, it was found that design team was still unfinished with their assigned work and need some more time. Production team asked for at least one month time for coming out with the first lot of printed magazine. Already the project got delayed and any further delay may breach the contract between Aryan publications and Aastha publications. The whole meeting took the shape of blame game and heated arguments. Even Ankur has started blaming Rohan for unreasonable expectations. Sarika was shocked to see the entire environment and left the meeting. It was the first time when the whole team looked fragmented and it started the worries for Rohan.

On Oct 25, 2015, Rohan shared his concern with his colleagues Sarika and Ankur. Sarika looked convinced with his concern but Ankur showed differing opinion. Ankur opined that they should drop the idea of this project and focus solely on their present magazine *Arth Gyan*. Rohan knows that it was not easy to let this project go because his image within and outside the organization was at stake. Rohan was in a big dilemma- How to handle the whole situation? Should he close this entrepreneurial venture started by three friends with the *common* dream or follow the advice of Ankur?

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