

Making breakthrough innovation

In 1996, the forty year old Bhopal-based newspaper group Dainik Bhaskar had a circulation of 350,000 copies per day in Madhya Pradesh. By 2004, this had grown by more than 1000 percent to 3.5 million (2.3 million in Hindi and 1.2 million in Gujarati across six states in India: Madhya Pradesh, Chhattisgarh, Rajasthan, Haryana, Chandigarh and Gujarat), making it one of the top twenty-five dailies in the world. In a little over ten years, Bhaskar has achieved circulation figures that others in global newspaper business taken nearly a century to achieve. Today Bhaskar has a collective circulation of a approximately 4.4 million across its titles – Dainik Bhaskar, Divya Bhaskar, Saurashtra Samchar, Prabhat Kiran, Business Bhaskar, DB Star and DNA.

Bhaskar's rapid growth has occurred in an unlikely setting. All the large, powerful media groups in India are based in the English language. Although Hindi is the most widely used spoken language in India, the vernacular press is highly segmented with small, regional papers holdings sway. No local language newspaper has been able to cut across states the way English newspaper have.

Further, the newspaper business was, and still is, a game of slow growth over generation of readers. People don't easily change newspaper-reading habits and if they do, it takes several years of persistent wooing to get them to shift.

But consider this: In Jaipur, its first city of launch outside Madhya Pradesh, Dainik Bhaskar entered the market as number one with 172,000 copies on 19th December 1996. In its next new market, Chandigarh, it was again number one with 69,000 copies when it launched in May 2000. In its third launch - the state of Haryana - it entered as number one with 271,000 copies in June 2000. And in its fourth launch, in Ahmedabad on 23 June 2003, it entered as number one with 452,000 copies - a world record. It expanded into Gujarat in a matter of fifteen months, entering the two other major cities of Gujarat - Surat and Baroda. It currently has nine edition in Gujarat and is the largest circulated Gujarati daily with 11.5 Lakh copies according to the Bureau of Circulation. It continued this in Punjab in 2006, launching simultaneously from Amritsar and Jalandhar with 178,000 copies. These are result that make one sit up and say 'Wow'!

The usual question is: How did the Dainik Bhaskar Group increase circulation by a factor of ten in such a short time in such a hostile environment? The larger questions are: What did these guys do differently from the others in the newspaper industry? What is replicable in what did and what can organizations in other industries learn from them?

To understand the nature of Bhaskar's achievement, you have to understand industry dynamics: Any industry is made up of a leader and followers. The leader is there by virtue of some outstanding strategy or because it began the industry. The followers try to emulate the leader but since the latter has enormous advantages of efficiencies and market share the former never quite catch up, though they keep him on his toes. This pattern persists across industries and this state

of affairs continues for years.

But one day: a ‘Radical Innovator’ arrives who thinks differently. Who thinks big and thinks big and thinks hungry and finds a brand-new way of doing things and ruthlessly implements his vision. When that happens, the comfortable industry equations change and become topsy-turvy and the entire industry undergoes a rapid restructuring. The Dainik Bhaskar Group is one such radical innovator.

You may have heard about Bhaskar’s achievements before and may also have learnt how they did it. You may even have thought that what the Dainik Bhaskar Group did was interesting, but not quite ‘relevant’ to your industry. After all you are in oil or FMCG, or garments or whatever. And what those guys did cannot happen to your industry. If you believe that, you are in trouble. Radical innovation like Bhaskar is becoming the norm rather than the exception. And if you are not one, you can become irrelevant very, very fast.

We are going to delineate the Dainik Bhaskar Group’s approach step by step to highlight what radical innovators do. We urge you to look beyond the actual mechanics of each step and into the essence of what was done. Reflect well: like you other people reading this. And one of them could be the next radical innovator in you industry.

THE ORBIT - SHIFTING CHALLENGE

From 1992 to 1995, the Dainik Bhaskar newspaper was the undisputed leader in Madhya Pradesh, displacing, they say, the newspaper Nai Duniya. Having become number 1 with some distance between them and their competition, members of the Agarwal family that controls the group - Rameshchandra, Sudhir, Girish and Pawan - were now restless and were seeking the next challenge.

The spoke about entering new markets in new states, as most directors of organization would do; and they even began exploring potential markets, as the market with the highest potential markets. They identified Jaipur, Rajasthan, as the market with the highest potential and began to discuss the mechanics of entering it. One day, they were discussing their hopes and aspiration for future and the mood was quite upbeat ... nothing different so far from what a thousand other managers and directors do every day.

How do you plan your organization’s future? In our experience, most organizations work strategy forward. They think up an outstanding strategy and, based on this, work out future projections of milestone and goals. But radical innovators like Bhaskar do the reverse. They first have a dream; an impossible aspiration and then work back from there, devising a strategy that can deliver on that dream.

But then the Chairman, Rameshchandra Agarwal, remarked: It sounds as if your aspiration is to reach the heavens’. The sons said ‘yes’. Do you know what you have to do to reach heaven?’ Pause ... ‘Die?’ Yes. Are you willing to die for this aspiration? Think carefully. Because if you are not, we are better off here in MP where we have reached comfort zone. If we want to grow and expand, we will need to become extremely uncomfortable. We will be the target of every newspaper group that is threatened by our aspiration. If we want to go ahead, we go ahead

completely and hold nothing back. Are we prepared to disrupt our personal lives, our families, and go there into the market and battle like we have never battled before? It may take years. If you are willing to do that, we go ahead. Otherwise we don't. The sons said they were ready and committed to doing whatever was necessary to make it happen.

So they decided to go ahead with Jaipur and Rajasthan. And since they were going to go all out, they decided that they would aim at being number 2 on the day of launch. It didn't make sense to them to aim any lower. After all, if you are going all out why aim at a piddling target? They would go in as clear number 2.



It wasn't just something that was 'nice to aim for'. It was a clear intent: be number 2 on the day launch. We've rarely seen companies bold enough to enter a new market with a clear, pre-declared intent of being number 1 or 2 at launch. For instance, when your company launches products and services in a new market, does it enter with aspiration to become number 1 or 2 on the day of launch, or does it just aim to get an initial toehold and then slowly expand? How would your entry strategy be different if you entered with the clear intent to be number 2 from Day One? And by the way, are you willing to 'die' to achieve your dream? 'Die' is also a metaphor; what, in your current ways of thinking and working, has to 'die' in order to give birth to something remarkable?



When the Agarwals articulated their aspiration, they had no idea how to achieve it. They had no strategy or plan in place. All they had was their commitment that if they were to expand, they would go all out and think big.

For Bhaskar, it certainly wasn't an easy goal. Newspaper takes decades to reach any sort of leadership position. And incumbent newspapers often enjoy a brand loyalty that other industries would kill for. Newspapers are perceived to be a morning habit and part of a person's morning ritual as much as tea or coffee. An added difficulty is that newspapers lose money in operations.

The more newspapers you sell, the more you lose money until advertising revenue catches up. But this often takes a long time. So the usual strategy is to grow a bit, wait for ads to come in, grow a bit more, and so on. A hugely painful process. But that's the way it's always been.

MEETING THE CHALLENGE HEAD-ON

When Bhaskar began with the aspiration of entering Jaipur as number 2 with a print run of 50,000 copies of demolishing all the industry entry and growth barriers. Every industry paradigm would necessarily have to be rethought.



Every industry has its entry barriers and its growth barriers. And everybody in the industry creates within them. The entry barriers keep newcomers out and the growth barriers

maintain the status quo. If you are number 1 or 2 that's a very comfortable situation. But sooner or later along comes a wild-eyed orbit shifter who refuses to play by the rules. And suddenly all the barriers that you thought had foundation in concrete tumble like a house of cards.



Therefore the group decided to go in for a truly in-depth understanding of the readership patterns in the city. Unlike a conventional survey that takes a random sample size and tries to extrapolate information into a broad need or trend, the Dainik Bhaskar Group decided to meet a whopping 200,000 potential newspaper-buying household in Jaipur!

The intent behind the massive consumer contact programme was to personalize the newspaper. As Girish Agarwal, director of marketing and member of the core team, says, buying newspapers is a personal habit and little influencing takes place. We are very independent in buying a

When was the last time you actually listened to 200,000 of your consumers in one city? No organization that I know of has done this. Most surveys are puny affairs using 'representative samples' and statistical variances' conducted by market research companies, at the end of which nobody knows who's been met and who hasn't. But reports are churned out and the 'will of the consumer' is presented to senior management with bugles blowing and flag fluttering.

newspaper. Therefore it makes sense to talk to the customer as an independent entity ... But then buying a soap and mobile phones and underwear are also personal habits. And how many consumers do the manufactures of those produces meet? I don't know about you, but no one has met me. As the Bhaskar bigwigs began to immerse themselves in the mechanics of the survey, given its scale, it quickly became an integral part of their strategy. They decided not only to find out more about the customer and his needs but also to make

it an experience enhancing contact with the consumer so that everyone 'surveyed' felt good at the meeting with the Bhaskar surveyor.



We love that term – Experience Enhancing! So different from 'customer feedback' or 'satisfaction survey' or (yawn) 'client servicing'. How does your organization Enhance the Experience of your customers? Actually, think about the 'Customer Service Department' that most organizations come up with. The term itself throws up images of someone being taken somewhere to be 'serviced' much like a car or a two-wheeler. How would the department function if its mandate was "Experience Enhancing"?



Something so important could not be outsourced to any market research company. It had to be finely controlled and therefore done in-house. The survey was becoming the cornerstone of their strategy. They set up a team of 700 surveyors from scratch.

During the survey, an idea emerged: they would finish the survey and go back with the result to the households already met. From there, the next idea was: 'If we go back, can we ask them to sign up for an advance subscription?' This was a radical question. They were thinking of asking customers to pay upfront for a newspaper they hadn't seen. Rather than dismiss this as too radical, the team began working back from here.

They did their thinking in detail. Working back from customer from the intent, they asked, 'If we do ask the customer to pay upfront, what comfort zone do we need to create within the consumer?' This threw up two follow-up questions: 'What are the major consumer concerns and forces of gravity on doing this?' And. 'How can they be overcome?'

The team realized that there were two major fears that customers had: the fear of being taken by surprise and getting something he/she didn't want, and the fear of losing money in a bad deal.

To overcome the first fear, the team hit upon the idea of evolving the product with customer. So they went to each customer and asked him/her question like: 'What are you getting in your current newspaper that you would like to get more of?' and 'What would you like your newspaper to do for you?' Then based on the feedback, the survey team went back to all 200,000 households to show them what they had created based on their feedback.

The entire survey team of 700 surveyors was highly trained in engaging with the consumer. Experts in the field taught them marketing and member of the core team, says, buying newspapers is a personal habit and little influencing takes place. We are very independent in buying a

Most surveys we know are superficial, insipid to engage with the customer. Both the surveyor and the customer are intent on just getting it over with. You can see it in the apologetic way the surveyor approaches the consumer. Imagine actually meeting your usually faceless customer face-to-face and then allowing the meeting to go downhill ... What a huge opportunity loss.

body language, grooming, posture, approach methods, social norms and rules, and how to engage and converse with consumers.

This triple whammy of engaging with the consumer, involving him in creating the product and making multiple visits to him sharply reduced his fear of being taken by surprise. It got the customer thinking: 'I know these guys, they're pretty friendly. Also I have played an important role in creating the product and for once I know just I'm getting.'

This set the stage for asking for the advance subscription of six months/one year. To overcome the consumer fear of losing money in a bad deal, the surveyor signed and gave the consumer a 'guarantee bond' that promised the consumer a subscription price of Rs 1.50 as against the newsstand price of Rs 2 and an immediate refund if he wasn't satisfied with the product. The bond also guaranteed that no matter what the fluctuations in newsstand price, the advance subscriber would get the newspaper at Rs 1.50. The consumer now had no reason not to subscribe ... and subscribe he did.

Dainik Bhaskar launched in Jaipur with 172,347 copies. Not as number 2, but as leader from Day

One. The erstwhile leader, Rajasthan Patrika, which has assiduously built its leadership position over thirty year and which had a circulation of 100,000 copies, was overthrown overnight! By a raw upstart.

As Girish Agarwal says, ‘Always challenge conventional wisdom-the Pandavas did, and won the Mahabharat.

Conventional wisdom dictated that armies won wars and what they should have taken Krishna’s army when it was offered. Instead, they refused the army and asked for Krishna alone-and that too as a non-combatant’.

Dainik’s success at Jaipur is remarkable in itself and many organization would have rested on their laurels, wallowing in self-congratulations. But the Dainik team went full steam ahead and, in keeping with their commitment to their chairman, Chandigarh, Haryana, Ahmedabad and Gujarat. Number 1 on the day of launch each time!

In Chandigarh, Dainik took on a city where English newspapers outsell Hindi ones by a factor of six! Selling Hindi newspapers in Chandigarh was considered impossible. But where others saw problems, this amazing team saw opportunities. So they hit the streets again in January 2000, this time in Chandigarh, and contacted 220,000 households. And they did so, they found insights that nobody else in the newspaper business had, because no one had met the common man!

They found that every household in Chandigarh was comfortable with Hindi and in many cases more comfortable with Hindi than with English. And that they brought English newspapers not because they preferred the language, but because the quality was better.

For thirty years, more English newspaper sold in Chandigarh as compared to Hindi ones and everyone assumed that’s the way the market was. In reality it was the quality, stupid. It was about design and content. It was about giving the consumer a newspaper he feels good holding.

Once Dainik realized that designed mattered, they not only made design the king, they went a step further and incorporated the local Chandigarh dialect in the design. The mixed both Hindi and English in the newspaper, making it a true Chandigarhi Newspaper.

This was awesome! At a single stroke they had created uncontested market space. You had English newspaper competing with each other and Hindi newspapers

We tend to think in terms of identities. We are an English newspaper company or a Hindi newspaper company or a Hindi newspaper company or a mobile or a watch manufacturing company or a mobile or watch manufacturing company. These identities trap us in words of our own making. A Hindi newspaper doesn’t ‘do’ English. A mobile phone doesn’t ‘do’ cameras or music or TV, a watch company doesn’t ‘do’ jewellery ... until some come

competing with one another. But you didn’t have a Hinglish newspaper. It stood alone. The result was that Bhaskar was the leader on Day One in Chandigarh. The erstwhile leader, the English – language Tribune (50,000 copies), was replaced by the Hinglish Dainik (69,000 copies at launch). Today Dainik is at 100,000-pluscopies. Another impact was that while the total readership of Chandigarh was 54 per cent of the population before Dainik, today it’s 61.4 per cent. Dainik expanded the market.

along who does, and you get done in.



That's what radical innovators like Dainik do. They expand the market. Incremental innovators focus in trying to grab market share from the competition and fight within the existing market space. But radical innovators go a step further. They create a brand-new space for themselves and bring in buyers from two streams: existing and brand new. What's your company doing? Batting harder and harder for customers who are getting fussier and finickier? Even thought of looking outside your existing customer base? And if you've thought about it, what have you done about it?



After Dainik had stormed through Jaipur, Chandigarh and later Haryana, it zeroed in on Ahmedabad and decided to launch in Gujarati! What was a Hindi newspaper doing thinking of Gujarati?

The Gujarati-language newspapers in Ahmedabad though they were safe and isolated from ranging maniacs like the Dainik Bhaskar group (thank goodness they are a 'Hindi group'). You see the identity barrier kicking in again? And sure enough, they got Bhaskared! Dainik Bhaskar launched in Ahmedabad as Divya Bhaskar with 452,000 copies – a world record. And as leader form Day One. Naturally.

As we said at the beginning of this chapter, you may think that your situation is different and that your company or industry would react differently and not get Dainik Bhaskared by a radical innovator. You would be dead wrong.

In Ahmedabad, the competition was not caught napping. They didn't underestimate Dainik's capability once it became clear that they were going to enter the market. The leading Gujarati newspapers came together and held discussions with their Dainik Bhaskared counterparts in Rajasthan, Chandigarh and Haryana to understand how Dainik Bhaskar operated in order to pre-empt them. For instance, they came up with colour pages once they realized that Dainik Bhaskar had done this in both Rajasthan and Chandigarh. They even responded with price reduction and several high-value consumer offers. But it was too little too late.

If there's one thing the Dainik story tells us, it's that the writing's on the wall? Do you see the writing on the wall? It reads: 'Arriving soon in your industry-Radical Innovators. Starring hungry, radical, orbit-shifting non entities nowhere on your current radar.' Do you see it the newspapers in Ahmedabad didn't?

They seemed to be just responding to Dainik Bhaskar's initiatives. And if I were a Regular buyer of these papers, that would make me mad. All these years I had been taken for granted and expected to lap up whatever was

Are you taking your customers for granted? Are you only giving them what you can get away with and what the industry norms prescribe? Or are you giving them what no one else can? If a hungry radical innovator were to come in today, what would he give your customers that's different from what you are giving? Different enough to cause a large-scale migration? Having reflected, what are you going to do about it?

dished out because I had no choice. And when someone comes along who has not only visited me at home and asked me what I wanted but also co-evolved my newspaper with me, my existing newspapers have suddenly woken up and started giving me colours pages and freebies. Do I feel loyalty towards them? No way! I would march with my chequebook. And apparently that's just what many readers did. Divya Bhaskar, the Gujarati version of Dainik Bhaskar, launched with 452,000 copies and their collective Gujarati circulation is now 11.5 Lakh. Divya Bhaskar both expanded the market as well as took the competitor's buyers away from them.

THE MECHANICS OF THE DAINIK BHASKAR SURVEY

The Dainik survey is a remarkable undertaking, they build their own team of part-timers from scratch. For instance, at Ahmedabad, where they surveyed (and enhanced the customer experience of) a titanic 12,00,000 households, they used 1050 surveyors, 64 supervisors, 16 zonal managers, and 4 divisional managers to run the show. It is possibly the single biggest direct consumer contact programme in history. And they met each household twice!

The people for the survey were gathered largely through posters at colleges and by word-of-mouth as the print advertisement channel was not available to Dainik Bhaskar and TV ad spots were too expensive. College campuses were targeted as well as graduates and first-time job seekers. The benefits promised were exposure to a truly unique real-time work experience, fun and where possible, induction into the organization. For example, the Sikar unit head in Rajasthan was recruited from the survey. He was a surveyor in Jaipur. Nearly 40-50 per cent of surveyors were absorbed in Dainik Bhaskar or Divya Bhaskar based on merit. The rest were given a certificate of appreciation that stated their contribution in this massive effort.

The surveyors also knew that they were part of something unique - a mammoth experience that would look good on their resumes.

Intense training was conducted on their grooming, present – ability, etiquette, body language, social skills and method of engagement. The training ensured a standardize contact method as well as standardized appearance and behaviour of the surveyors. Tracking teams were formed to ensure that the highest levels of engagement and social norms were adhered to. The surveyors

did so well that when they went back for the second round, they were greeted like long - lost friends and welcomed back and often offered refreshments. Now that's what we call customer engagement and experience enhancing.

The survey team had a time frame of forty days in which to reach out to eight lakh households in Ahmedabad (plus four lakh in the adjoining district). This gave the team a daily target of 20,000 households, with each surveyor expected to make a minimum of twenty productive calls. The primary respondent was identified as the chief wage - earner of the family.

Imagine if you will, typical morning in Ahmedabad that begins before dawn before dawn with batches of around 200-300 surveyors in blue, cream and yellow congregating in the parks and gardens of the city. Their morning begins with prayer and hymn from the film Ankush: 'Itni shakti hamay dena daata, mann ka vishwas kamzor ho na'. With over 200 people in straight lines, singing in unison, it's a sight that gives one goose bumps.

This exercise makes the group feel that they are going on a mission to achieve something spectacular. Then, after a short briefing, they hit the road for their 20,000 productive calls for the day. They knock on doors and are supported by supervisor who closely monitor success, failure and behaviour aberrations and coach on the spot those surveyors who need help, or send them with others more successful to observe how they do it.

After the surveyors knock on the doors and get feedback, they give the resident a 'thank you' gift of a handbook on Ahmedabad and a calendar-panchang.

The day ends with an evening sit-down review where successes are highlighted, songs sung, and a general review and sharing of the high and low points of the day takes place, as well as a sharing of observation by the computer operators for keying in. Throughout, the focus is on focus is on fun and enjoyment along with learning and results.

At frequent intervals throughout the survey period, there are parties and functions with celebrities invited for the surveyors to interact with, as well as reward programmes for individual and teams performing well. Fun is neglected part of most organizations. How much fun do your people have at work? What do you do to ensure they have fun?

At every stage there's inspiration and complete equality. The person in charge of the city, the core team member, is always on the field every single day with surveyors, moving from area to area, talking to them and solving problems on the spot. For instance, in Ahmedabad, the survey was done during summer and the surveyors were getting dehydrated. Instantly, glucose packs and water were organized for the 1000-odd surveyors even though it was not a part of the plan or budget. There were several such instances of caring being displayed and problems being overcome that built huge ownership among the surveyors.

By the end of the survey period, a total of twelve lakh household has been contacted and feedback taken from them. This feedback was summarized and analyzed by the core team, the editorial, reporting and feature teams and conclusions were drawn about product content and layout. Now they were ready for the equally challenging next phase that involved going back to the same households.

Think about the awesome scale of this and the 50,000-megapixel detail they go into. These guys paint a very rich canvas.

SUMMING UP

The Dainik Bhaskar Group is a fast mover. On an average, after the decision to enter a city, Bhaskar rolls out within nine to eleven months – and reaches leadership or close to leadership position in launch after launch.

These guys are formidable, larger - than - life competitors. They moved in on Mumbai with the newspaper DNA through they weren't number 1 because, according to Sanjeev Kotnala, vice president and national head, MARCOM, Dainik Bhaskar Group, they had made a strategic decision to enter as number 2 and grow from there. As Sanjeev says, it wasn't quite viable to be number 1 in Mumbai because to be number 1 they would to cross five-lakh plus circulation. And given production costs, this would be a challenge. Therefore, he says, it was a strategic business decision to launch with three lakh copies, occupy a number 2 slots and grow from there. Today they are at 4.18 lakh copies in Mumbai. In the meantime, the English-language DNA has expanded into Ahmedabad, Surat, Pune, Jaipur, and on 14th December 2008, it entered Bangalore.

Sometimes an orbit shifter doesn't need to become a leader. The job of an orbit shifter is to shift the dynamics of the industry.



Look at what these guys did systematically:

- 1.They set a quantum challenge to be number 2 on the day of launch, thereby challenging the long-standing industry paradigm of slow incremental growth.
- 2.They challenged the industry paradigm of waiting for the customer to come to them and instead went after the customer one-on-one. Lakhs of them.
- 3.They challenged the paradigm of the editor knowing better than the reader what the reader should reach and instead involved the reader in creating his own newspaper.
- 4.They broke the 'impossible-to-break-morning-habit' paradigm overnight.



Today the Dainik Bhaskar Group has come a long way from being number 1 in Madhya Pradesh to becoming the largest read newspaper group in the country. It now has eight newspaper group in the country. It now has eight titles in Four languages across nine states (Madhya Pradesh, Chhattisgarh, Rajashtan, Haryana, Punjab, Himachal Pradesh, Delhi, Gujarat, Maharashtra) and the Union Territory of Chandigarh, with a mammoth 4.4 million or 44 lakh copies (approximately) being printed everyday.(Note that all numbers in this chapter, except where specifically stated, are provided by the Dainik Bhaskar Group.)

In the final analysis it doesn't matter who us the exact undisputed leader in X market in Y year. What matters from an orbit-shifting perspective is that here's an organization that has shown us a possibility. It has shown us that generation of collective wisdom on how to grow a newspaper brand (or any other brand) can be overturned overnight when you challenge and rethink all that has been taken for granted. And that is perhaps, Bhaskar's greatest contribution. It has shown us, no matter what our industry, just what can be done if we only consciously seek to shift orbits.



- Decades of incremental growth can be eclipsed by six months of radical innovation. Are you part of the former or the latter? If your growth has been incremental, what are you going to do about it?
- Today, competition is no longer between products. It's between business models. Is yours radically different?
- Organization and people often mistake the unusual for the impossible. Just because something is unusual doesn't make it impossible. Where are you mistaking the unusual for the impossible?
- Are you challenging conventional wisdom? Do you choose Krishna or His army?

