



DIGITAL DISRUPTION AT THE VIKATAN GROUP: A CASE OF ADAPTATION AND STRATEGIC PERSISTENCE

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B. Srinivasan (Srini), the Managing Director of the Ananda Vikatan Media Group had organized a video call to discuss the Group's strategy for the lockdown induced by the COVID-19 pandemic. The group had been perfecting its digital strategy over the last few years and this lockdown had become a test of the strategy. The meeting was to be attended by the cross-functional leadership team of the group.

The Ananda Vikatan Media Group (hereinafter referred to as Vikatan) had come a long way from when he joined the publication heavy group in the 1990s. Srini had spent the last 30 years patiently adapting Vikatan to the latest changes in the society and the market to make it profitable. However, this had resulted in a piecemeal solution, which was becoming unwieldy. He now had to bring it all together and stitch a comprehensive digital strategy.

Vikatan was a media company, which had interests in printing, distribution, advertising, and digital content creation (Refer to **Exhibit 1** for Vikatan's financials). It was bought in 1928 by Srini's grandfather, S.S. Vasam. It had 7 magazines in print and digital formats, and another 10 in digital-only formats. The Vikatan magazines were consistently at the top of the market. The flagship magazine *Ananda Vikatan*¹ had been in the top two positions for most of its history. The other group magazines were at the top of their niche by a large margin. The content was also widely available across various platforms like YouTube, Facebook, and iOS and Android app worlds. The group consisted of four privately held firms: Ananda Vikatan Publishers Private Limited, Ananda Vikatan Productions Private Limited, Ananda Vikatan Digital Private Limited and Vikatan Media Services Private Limited.

Founding and establishment

The flagship magazine, *Ananda Vikatan*, was created in 1926 by Pudur Vaidyanathayar as a Tamil entertainment magazine. Its founding statement contained an intent to entertain people and provide moral guidance to youth. Right from Vasam's period, Vikatan made conscious efforts to stay in touch with the times. For instance, Vasam changed the dialect of Tamil from old literary Tamil to modern Tamil, which had a wider reach of readers. Although this change was internally opposed as a dilution of literary standards, Vasam stuck to the change. This change in language made the magazine accessible to a broader audience leading to an increase in circulation.

In 1956, Vasam's son, Balasubramaniam (Balan) joined Vikatan as a joint managing director. He took over as the editor a year later. Balan's son, B Srinivasan (Srini) joined Vikatan in 1990 as the joint managing director. He started his career at Vikatan in the printing section. He worked there for 5 years during which he gained experience at the printing section. The printing section had unutilized capacity which he attempted to streamline. When an opportunity came up to print for the Times group in Chennai, he took it up. He completed a deal to print the *Economic Times* for 7 years. This deal made the printing section profitable for the first time. This allowed printing to evolve as an independent section.

Using the profits from this deal, Srini sought to update the printing technology. He imported a pre-used heatset web offset printing machine, which would help the magazines to be produced in high quality papers. This changeover required little training as it was mostly automated. The increased automation also meant that Vikatan could print more using lesser manpower. Glazed newsprint and coated papers used for this printing increased the attractiveness of the magazine and allowed Vikatan to demand a better price for advertising. From 1996 to 2001, Vikatan got the deal to print the *Prajavani* supplement of the *Deccan Herald* paper.

Vikatan also used this opportunity to increase the cover price of each issue. The number of pages in *Ananda Vikatan* increased from around 80-90 pages to 144 pages, while maintaining circulation numbers. The additional advertisements also boosted revenues. Encouraged by the positive reception, Vikatan also increased the price of *Junior Vikatan*. An increase in readers' interest also prompted Vikatan to change the frequency of *Junior Vikatan*

¹ We use Vikatan to refer to the group and firms therein, whereas italicized names (like *Ananda Vikatan*) refer to the specific products and services, including magazines and publications.

from weekly to twice weekly. As in the instance of *Ananda Vikatan*, the circulation of *Junior Vikatan* also held steady even through the increased frequency. The combination of revenues from the printing services and the magazines incentivized Vikatan to foray into new ventures.

The first venture that Srini started was a daily newspaper in Tamil. *Vikatan Paper* was launched in September 1997 as an attempt to penetrate the newspaper market. It was meant to be an evening newspaper. Srini provided the reasoning behind the venture as, “Magazines were around 5% of overall print revenues. Whichever way you look at it, circulation, or advertisements. We end up garnering only 5% of revenues of the print industry. If I had become a newspaper and it had been successful, I would have at least been able to partake from the 95%.”

However, the paper was not able to attract enough ad revenue to be successful. After 18 months of publishing, the paper was closed in February 1999.

The second venture which Vikatan forayed into was a magazine dedicated to the needs of the modern woman. Thus, *Aval Vikatan* was started in October 1998. It was dedicated toward the working daughters-in-law, who required tips on work culture and family management among other topics. However, *Aval Vikatan* was not able to gain market share in the first year. At the end of the first year, the *Aval Vikatan* team put together a one-day event for the readers. They started the tradition of Jolly Day, where women from all over the district would gather for a one-day event consisting of cultural events, arts, dance, and music. The event also allowed Vikatan to gather feedback from their readers about what the magazine could improve upon.

Aval Vikatan took this feedback seriously. They started to print articles for homemakers, which included cookery columns and supplementary cookbooks. They also stayed true to their original agenda by printing articles on part-time work, how to earn money from home, how to manage time efficiently, cost cutting, etc. This gained popularity among the readers. After 6 years from the date of starting, by 2004, *Aval Vikatan* had become the leader in its segment. This also laid the way for the start of segment-based magazines.

The third venture of Vikatan Televistas was started in 1998. Televistas was Vikatan’s attempt to enter the emerging market created by satellite television. Televistas produced its first weekly soap for the leading Tamil satellite channel. Vikatan recreated the earlier synergies between the audio-visual and the print arms. The first daily soap, *Akshaya*, was released both in the magazine and on the satellite channel. The first half of each episode was released as a serial story in *Ananda Vikatan* to create anticipation for the entire episode to be telecast on the channel. The next week’s serial story contained the second half of the earlier episode and the first half of the next week’s episode.

The success with the first weekly soap induced Vikatan to further experiment. Televistas progressed toward making daily soaps. After two initial failures, Televistas again came up with two successful daily soaps called *Kolangal* and *Thirumathi Selvam*. The latter was remade into four other languages. The successes from the two soaps created a profit flow, which incentivized Televistas to progress to movie-making.

Vikatan started a new brand called Vikatan Talkies. It forayed into movie-making by producing a small-budget film called *Siva Manasula Shakti (SMS)*, which became a hit. However, the second attempt at movie-making resulted in a flop where Vikatan lost money. Srini then made a decision to exit movie-making and stick to producing daily soaps.

That day I decided, I went into the story with the same conviction that I had with SMS. I went in with a director that I believed in. I saw the product and I said yes this is a product that I want to release. I released it and I lost my money. When I delve head on with conviction into something, and it backfired so badly, then this is not the field for me. After that, I stopped making movies.

The fourth venture was into the internet. Vikatan set up a website in November 1996. Overseas readers, who made up around 15% of Vikatan's subscriber base, had long experienced problems in getting the print version of the magazine. The annual subscription fees were Rs. 100.² Overseas readers sent in an annual subscription fee and an additional postal fee of Rs. 1300 through demand draft or cheque or money order. The magazines were mailed through India Post on the date of publication. The magazines used to reach the readers damaged and after a considerable delay.

The problem became visible after Vikatan set up an email id. Earlier, the subscribers had to use trunk calls to register complaints. They ended up paying a huge fee just for the call. Once the email id was set up and publicized, the complaints started pouring in. Due to the ease of sending in complaints about the delivery of magazines, users were more vocal in making their problems known. To stem this flow of complaints, Vikatan published the magazine online for free for readers. Each magazine was simply scanned and uploaded to *Vikatan.com* as images on the date that it was published. Although it was free online, it was mainly accessed by overseas readers. For readers within the country, it was still cheaper to buy the print magazine due to costs of accessing the internet.

Vikatan was among the first in the Tamil publishing media to move into the online space (refer to **Exhibit 2** for pictorial representation of Vikatan's online evolution). Initially, the online space was free for access by all readers. A fledgling digital team would scan the documents into pdf format and upload it directly. The digital team did not have any real need for journalists. As and when new software or technology came up, the digital team would attend workshops and train themselves. The result of these efforts was a basic website, which did not necessarily look good. As the number of readers online began increasing, it became an increasingly cost-ineffective model. The cost of hosting and managing the server far exceeded the income coming in from advertisements. Instead of shutting down the unviable website, Vikatan then took a decision to make it a paid model. Readers would pay a subscription fee for access to the website. This model proved to be viable within 100 days of launching the model. To provide an incentive for readers to pay the subscription, Vikatan started putting up online-only articles. The website was modified in 2005 to become a freemium model, where some of the content was available for free and the exclusive content was accessed by paying a fee.

Online journalism was just taking off in India and Vikatan's journalists were not open to publishing their articles online. It was a matter of pride to see their names in the print magazine and they were unwilling to give that up. As a result, the articles which were online-only were not of good quality. The resulting criticism from the readers was also heaped on the web team. The print journalists accused the web team of putting up shoddy articles, which damaged the Vikatan brand, while at the same time refusing to write better articles for the website. It was only later in 2011 that Vikatan finally brought some journalists into the team.

Vikatan entered the world of social media right when it was taking off. Facebook was opened to international users in 2006. Vikatan jumped on the bandwagon in 2009 by starting as a personal page. However, they soon exceeded the maximum limit on the number of friends a personal page could have, that is, 5000. They took a decision to close the personal page and shift to a business page. They took the calculated risk of losing the existing followers. However, the decision paid off as the business page soon crossed 15 million fans.

Vikatan also introduced Vikatan apps on the iOS and the Android platforms in 2009. The apps essentially followed the same structure as the website and had the same content. There was no app-only content. However, the apps allowed for greater personalization of the content. Articles could be targeted on an individual basis. The digital media had grown to an enormous size dwarfing the print media (refer to **Exhibit 3**). The 12 magazines carried around 15 articles each per issue, a total of 180 articles. However, the digital team released almost 150 articles on a daily basis.

² The prevailing exchange rate in 1996 was 1 USD = 35.43 INR.

The entry into YouTube and consequently audio-visual content was triggered by an unexpected event in 2011. Karthi, the digital editor and member of the super desk elaborated:

All of a sudden, some version of the song Kolaveri Di leaked on YouTube. This led to Dhanush uploading his own version on YouTube. Since a funky Tamil song became popular on YouTube, people started coming on YouTube. There was no Tamil font to facilitate typing on these websites; only English fonts were available. Before then social media was notorious for people with fake ids catfishing girls. Then people realised that social media can provide them with real identities. This led to people creating real profiles and engaging others online. Where only bloggers were there, YouTubers and Facebookers become more prominent.

When the popularity of YouTube started to surge, so did the piracy of Vikatan Televistas's intellectual property. YouTubers recorded episodes as they were being telecast and uploaded the episodes on YouTube. These accounts gathered substantial followers and comments. To prevent this piracy, Vikatan started *Vikatan TV* channel on YouTube in 2011 and uploaded high-quality episodes. Over time, the original content drew a large fan base. Since the intellectual property belonged to Vikatan and the production costs were being covered through television broadcast, this channel proved to be a profitable venture almost from the start.

During the same period, Vikatan journalists created and uploaded non-fiction content on the Vikatan.com website. These videos were subsequently also posted on YouTube through a set of non-fiction channels starting from 2010-2011. These channels came under the umbrella of *Vikatan Web TV* channel. Some channels were also created without the Vikatan brand name. For instance, the channel *Suda Suda* was created along the lines of an audio podcast based on news published in *Junior Vikatan*. Unlike the fiction channels, the non-fiction channels required the videos to be produced exclusively for the digital media. This involved costs for people, equipment, resources, etc.

Between 2011 and 2015, the digital team also acquired powerful journalists from within Vikatan as well as external people from media houses like *Indian Express*. The multi-pronged efforts helped the Vikatan digital team evolve into a powerhouse in its own right. This also served to convince the remaining members of Vikatan that digital was the medium of the future.

Vikatan's editorial and ethics policies helped its shift into the digital media. Vikatan journalists were discouraged from posting personal opinions even on their personal social media pages. The thought behind this policy was that such opinions may undermine the strict code of impartiality that Vikatan maintained. Ravi Prakash, another member of the super desk gives the reasoning behind this policy:

Whatever our journalists do in public affects Vikatan. So, we instruct them to always consider themselves as a Vikatan employee, even when they are posting their personal comments. Suppose a reporter puts a photo of himself with one actor on his personal Facebook page. The next day we publish an article which is critical of a rival actor's movie. Then the readers will say that he is a fan of that actor, and that is why he is criticising the rival actor. Vikatan may not be partial to any one actor. That journalist may not even be on the cinema review panel. But readers will say that the standard of Vikatan has gone down, they have become partial to this person. To prevent this, we ask journalists not to post personal posts which can seem to compromise our impartiality on social media. If they have the same views as Vikatan, then they can post on social media. But if they know that Vikatan will not support this view, then they cannot post it even on their personal social media.

Such ethics and editorial policies formed the backbone of Vikatan throughout the years. To ensure that the next crop of journalists upheld these values, Vikatan developed a robust recruitment method called the student journalists' scheme.

STUDENT JOURNALISTS' SCHEME

Srini started the student journalists' scheme in 1998 with the purpose of bringing in new blood each year. It was a crucial feedback mechanism to stay in touch with the thoughts of readers and bring in the latest trends. The program was structured with four rounds: an initial screening of essays, a written test for writing skills and general knowledge, a group discussion and personal interview, and a final on-field round. After each round, students were shortlisted until around 50 students remained at the end. These students were given a three-day workshop where they were addressed by experts. They were also taught the Vikatan way, the ethics policy, editorial policy, etc.

The entry into digital media also impacted the recruitment of new talent. The student journalists' scheme was appropriately redesigned to accommodate the new media. Where Vikatan was hiring journalists earlier, it now looked for video editors and social media experts also. Students were not only tested for their writing talents, but also for their meme creation skills, photography skills, and short film making. The logo of the students' scheme changed from the Vikatan mascot holding only a pen to the mascot holding a pen and a smartphone. This new outlook also proved attractive to students. As students applied, they were enrolled on the Vikatan app. They contributed to the website and social media even before their selection. This also served to demonstrate their talent to the Vikatan team, which could then train them accordingly.

Student journalists had contributed to the innovations at Vikatan almost since inception. One of the latest examples was the start of the YouTube channel called *Say Swag*. This channel was started by a student because of her interest in fashion and lifestyle topics. With the permission of the top management, she got together a small set of people and started the channel. It was not a direct Vikatan product, but it enjoyed the sponsorship of Vikatan channels.

NICHE MAGAZINES

Ananda Vikatan was the incubator for several of Vikatan's innovations. Extensive market research was done during the trial period to understand the feasibility of the new initiative before more resources were invested. Almost all of the segment-based magazines described below were started as a weekly column in *Ananda Vikatan* and other existing magazines before it went on to become a standalone magazine.

Some of the initiatives were discarded after lack of success. For instance, *En Vikatan* was a supplement attached to the magazine in 2011. The supplement was used to write zone-specific news items to attract local advertisers. However, the advertising revenue did not justify the cost of creating the supplement, and it was discontinued. Other ventures which proved successful went on to become full-fledged magazines.

Aval Vikatan was one of the first segment-based magazines from Vikatan. The magazine along with its readers' connect program Jolly Day created a community of loyal *Aval Vikatan* readers. Vikatan attempted to recreate this success with other segment-based magazines starting with *Chutti Vikatan*.

Chutti Vikatan was started as a children's magazine, which tried to be different from its competitors. The target age group was around 8-13 years. It offered children stories about social skills and real-life problems that children may come across. However, with increasing use of technology by children and preference for visual media, *Chutti Vikatan* had trouble attracting ad revenues and sponsorships. Vikatan made a decision to move the magazine online. More audio-visual content was uploaded on their Facebook and YouTube channels in an effort to attract children. However, the costs of producing this content far outweighed the revenues brought in from the channels. *Chutti Vikatan* was finally discontinued in 2019.

The second segment-based magazine was *Shakthi Vikatan*, a religious magazine started in April 2004. It was conceptualized as a magazine dedicated to Hindus with a few stories from Sikhism, Jainism, and Buddhism too.

Nanayam Vikatan was the third segment-based magazine started by Vikatan in 2005. It was a personal finance magazine aimed at individual investors and small business owners. *Nanayam Vikatan* reached out to its community base through several events. They conducted workshops and classes on specific topics like SIP funds, which helped the attendees, understand the topic and clarify their doubts. The magazine facilitated investor awareness programs conducted by mutual funds. They also started an annual business awards program, where achievers from Tamil Nadu were recognized.

Motor Vikatan was launched in January 2007 as a monthly guide for people interested in cars and bikes. The late 1990s and the early 2000s saw a proliferation of consumer choices in automobiles. *Motor Vikatan* was launched to help readers make an informed choice in their purchases. It contained reviews of new car and bike releases.

Pasumai Vikatan was launched in February 2007 to meet the needs of the farming segment. Srini proposed the idea of a magazine, which educated farmers about organic and natural farming. It provided articles on topics related to farming like profitable crops, harvesting methods, sources of investment, water sources and conservation, and achievements in farming. In response to readers' feedback, the magazine also started *Pasumai Oli*, which provided access to information through phone calls. It was essentially a voice response system, which farmers could call to listen to short recordings of how to make natural fertilizers, how to take care of livestock, etc.

Time Pass was an entertainment magazine started in 2012. It was the first magazine launched without the Vikatan brand. It was targeted toward urban youngsters who did not have access to online entertainment. As the penetration of smartphones increased and data costs decreased, the readership of *Time Pass* also decreased. It was discontinued after a few years.

Thadam was started in June 2016 as a monthly magazine for stories. The flagship magazine *Ananda Vikatan* increasingly had political, social, or entertainment news. The number of stories had gradually reduced over the years. However, a core group of readers remained, who preferred stories in standalone or serial format. Vikatan started *Vikatan Thadam* to tap into this market. However, the low circulation figures and lack of interest from the advertisers led to its discontinuance after 3 years.

COMPETITION

The Tamil magazine world offered several competitors to the Vikatan family. At the forefront were *Kumudam*, *Kungumam*, and *Kalki*.

Kumudam

Kumudam was founded by SAP Annamalai Chettiar and P.V. Parthasarathy in 1947. It was among the first Tamil weeklies to enter the online space. In its initial primitive version, it uploaded graphic images of the magazine on mirror websites in Singapore for the NRI population to access. It later launched a full-fledged website in 2000 complete with a chat and email facility.ⁱ The magazine group offered a bouquet of seven other magazines like *Kumudam Reporter* in the investigative reporting space, *Snehiti* in the women's space, *Bhakthi Special* in the religious space, *Jothidam* in the astrology space, *Kumudam Health* in the health and fitness space, *Manvasanai* in the agriculture and farming space, and *Theeranadhi* in the literary space. *Kumudam* was the leader in the Tamil weekly market until 2004, when *Ananda Vikatan* displaced it.ⁱⁱ The magazine retained the conventional small size of issue size and printing.ⁱⁱⁱ The group also had a FM radio station *Aaha FM*.^{iv} The Kumudam Group became the number one in Tamil magazines in the 1960s, a position which it retained until 2005. The shift in market share was due to aggressive marketing by Vikatan, which allocated 10% of its revenue toward marketing. Intensive campaigns were run on Sun TV and Suriyan FM. Vikatan also completely overhauled its distribution strategy, increasing its reach by 25% (refer to **Exhibit 4** for digital market share data).

Kungumam

Started in 1977 by the Maran family, *Kungumam* was relaunched by the Sun Network in 2004.^v The magazine group contained sister magazines like *Kungumam Doctor* in the health space, *Kungumam Thozhi* in the women's space, *Vannathirai* in the entertainment space, *Mutharam* in the reporting space, *Kungumachimizh* in the education space, and *Aanmeegam* in the spirituality space. The group magazines were extensively supported by its Tamil television channels, and radio station *Suriyan FM*. *Kungumam* had gained popularity by announcing freebies and prize competitions for buyers. This continued until the Tamil Nadu government banned such prize schemes in 1998.^{vi} When Sun Network took over the magazine, it continued the same strategy of aggressive marketing. First, they bombarded their television channels with ads for *Kungumam* for the release of each issue. Second, they offered freebies to such an extent that the value of the freebies far exceeded the price of the magazine. For instance, for an issue priced at Rs. 8, they would offer freebies worth Rs. 18. This dramatically increased the sales of the magazine. *Kungumam* sold over a million copies in the 2 months after Sun Network took over. It overtook *Ananda Vikatan* and *Kumudam* to become the leader in the market. However, this change in market position proved to be short-lived. The circulation fell immediately after the freebies were stopped.³

Kalki

Kalki was founded in 1941 by Kalki Krishnamurthy and T. Sadashivam. Kalki Krishnamurthy had left the editorial post at *Ananda Vikatan* due to ideological differences with S.S. Vasan. He founded the eponymous magazine in 1941 along with T. Sadashivam who was the former advertising manager at *Ananda Vikatan*. The magazine existed until 1977.^{vii} The magazine became popular due to the serialized historical fiction written by Kalki. Some of his famous works written during the 1940s like *Ponniyin Selvan*, *Parthiban Kanavu*, and *Sivagamiyin Sabatham* had reprints even in 2020. Begun in 1950, *Ponniyin Selvan* increased the weekly circulation of the magazine to more than 70,000 copies, which was impressive given the low literacy levels.^{viii} *Ponniyin Selvan* was reserialized thrice; and each time, the circulation of the magazine jumped by 20,000.^{ix}

One of *Kalki's* popular offshoots was a children's magazine named *Gokulam*. Launched in 1972, it struggled to pick up a reader base and wound up. It was relaunched in 1983 and became popular enough to celebrate its silver jubilee in 2008.^x *Kalki* also offered *Mangayar Malar* in the women's section and *Deepam* in the spiritual section.

OVERHAUL IN 2014

Until 2014, Vikatan essentially used the same model it had used since its beginning. It was a print-only model, which had been adapted or extended to accommodate the introduction of the webpage, social media, and apps. In 2014, Srini realized that the current model was cumbersome and did not lend itself gracefully to extensions. Around the same time, the annual surveys also indicated that digital media would become increasingly relevant over time. The younger generation and the current generation of 30-40-year-olds were comfortable with receiving the news online. The emergence of live news sources on the internet like Inshorts app or television channels streaming news online also accelerated this trend. Readers no longer wanted to wait a whole week for their news updates.

Srini made the decision to completely overhaul the system so that it was compatible with both the print and the online models. He brought in experts to understand the existing system and propose changes. This led to the

³ The practice of providing freebies along with magazines was a common marketing practice. However, some magazines issued freebies, which were valued near the cover price of the magazine. This incentivized customers to buy the magazine for the freebies and not necessarily for the magazine itself. The Audit Bureau of Circulation, a non-profit circulation auditing organization, issued a set of guidelines to discourage this practice of excessive freebies. It denied certification to publishers, who issued freebies valued more than 50% of the cover price. <http://www.auditbureau.org/files/guide/page9.htm> Retrieved on July 25, 2020.

implementation of the Open Office system based on innovation modeling. The core philosophy behind the transformation was that articles were no longer written for a particular magazine or a particular media. The organization was restructured into a matrix based on themes and brands.

The existing journalists were split into three kinds of teams. The first type was the theme desks responsible for collating articles based on themes or topics. There were seven theme desks like public life desk, which collected political matter; private life desk, which collected cinema, entertainment, and fashion news; children and women desk, which collected cooking, clothing, and achievements in that area; and body and soul desk, which collected spirituality, health and psychology news. These desks had 7-10 people each.

The second type was the brand desks. These teams were responsible for the brand management of each of the sister magazines across all platforms. There was also a digital brand desk, which managed the digital content. They would source the relevant articles from different theme desks and decide which media and format to publish them in. For instance, the *Aval* brand desk could source articles from various themes like public life, personal life, and body and soul. The personal life theme desk, in turn, would distribute these articles to brand desks like *Ananda Vikatan*, *Aval*, *Junior*, and the digital desk. The teams had a matrix type of organization with articles both pushed and pulled across the desks as the need arose. The brand desks had 2-3 people; typically, a brand editor in-charge of sourcing the articles from the theme desks and maintaining the integrity of the brand, a closing editor in-charge of the actual appearance of the article, and one assistant for the larger brands.

The third type of team was the super desk. This was composed of the top people in Vikatan: the managing director, brand editor, audio-visual editor, digital coordinator and quality control manager. Srini, who headed the super desk, describes:

The [journalists] are writing stories which go to a common pool. From the common pool, it gets decided on the merits of the story whether it goes to Ananda Vikatan print or whether it goes to Ananda Vikatan digital or if a portion of it goes to social posting. When we do what, whether it is promoting the story on Ananda Vikatan print or is it promoting that piece on Ananda Vikatan digital? Where does it go, when does it go, is there a video component to this piece, is there a podcast component to this piece, all of this is decided by the central desk called super desk. From there once a call has been taken, it goes to the respective magazine or the digital and then it gets promoted accordingly in order to give it a long life.

The super desk was responsible for overall coordination and quality control. The rule of the thumb was that articles which were time sensitive and required immediate release would appear on digital platforms. The articles which appeared in print had more in-depth analysis and were future oriented. The debate on which article appeared in which form started even before the article was written. Vikatan used an app-based workflow management software called Asana for this process. The app ensured that the journalistic component remained a collaborative process with inputs from all levels of the organization.

The Open Office also had Radar which was responsible for generating news leads on a real time basis. When a journalist came across an interesting or important news item, they immediately called in to report it. Vikatan could send journalists to see if any follow-up or interview was possible immediately. The news reached the theme desk, which then uploaded it on the website as a small article. Any analysis or in-depth article was written and uploaded or published on a longer time frame.

The Open Office system combined with digital media also allowed Vikatan more options to experiment with. Releasing a new segment-based magazine was a time- and resource-consuming process in the print world. Each magazine had to be started as a column in the flagship magazine with dedicated brand building and market research to assess its success. Advertisers also had to be convinced that the idea was viable. The advent of digital media reduced the cost of this process considerably. Vikatan now had several magazines in online-only versions. For instance, *Tech Thamizha*, a technology magazine and *Sports Vikatan*, a sports-based magazine were recent

start-ups in the Vikatan world. Even earlier start-ups like *Chutti Vikatan* and *Doctor Vikatan* moved online to become financially viable. The Open Office system allowed Vikatan the flexibility of such experimenting. For instance, when Vikatan stopped the print version of *Doctor Vikatan*, it did not have to shuffle its journalists around. Since the journalists were in the body and soul theme desk, they continued to write on the same topics for the other brands.

The implementation of Open Office posed several challenges. One of the challenges which became evident almost immediately was the training of talent. The journalists who came in were typically educated in English medium schools. Ravi Prakash who worked at the super desk put it as:

When we started it, there were lots of spelling mistakes. After open office, we did not have dedicated proof-readers. The proof-readers went to write articles on the theme desks. The first issue had almost 600 mistakes. I almost had a heart attack. I spoke to the MD about that. Our open office bible did not even have a section on proof-reading. There is spell check software in English (sic). Even if the authors make mistakes, the software will indicate the right word, they just have to click on it. These people do not know the right words to use. Plus, the grammar is very different from English (sic).

Digital platforms offered less time for editing and exacerbated errors of clarity, vocabulary, and conventions. The earlier structure of Vikatan had proof-readers for every magazine. During the reshuffle, this specific job of proof-reading was dropped. Instead, this job was handled by everyone who came across the article. Unlike English, there was no software like Microsoft's autocorrect or Grammarly to reduce this problem. These were difficult to train for and only reduce with practice. However, the high number of articles, especially in the digital media, made this a difficult process.

Vikatan handled this challenge by creating a Quality Assurance team. The original Open Office manifesto did not have a provision for such a team. This team was created while Vikatan was working out the kinks of implementing the system. Vikatan also conducted weekly language training workshops for its journalists.

During this period, the print industry as a whole observed that readers' preferences were shifting toward non-fiction. The proliferation of television channels and daily soaps meant that audiences had to keep track of a dozen or more plotlines. This reduced the interest in reading weekly fiction series. As a response, *Ananda Vikatan* shifted its focus toward non-fiction series. The output of the group as a whole could be loosely bifurcated into fiction consisting of publishers and digital, and non-fiction consisting of productions. These three arms were supported by media services.

Vikatan had also entered the field of events. The individual magazines released a set of awards each year related to its industry. For instance, *Ananda Vikatan* announced a shortlist of achievers and winners in the entertainment industry. It also published the top 10 people who had contributed to the welfare of the society as a whole in *Nambikkai Awards*. Over the years, each of the awards became a televised event. The decision was made to televise the awards every year. Each of the awardees were given a brief introduction through a biopic. Kalaiselvan, who headed this venture puts the decision as:

Our strength is our events. Events consist of Vikatan Awards. For each award that we give, we compose a small audio-visual about that person... We tell them upfront who the winner is and then invite them. We also don't have juries. We use our own team. When we are thinking about such people, we wanted to portray them in front of the audience. This elevates them in their own eyes and that of the family and friends also. They are the lamps of their village or town. We just bring it to the top of the hill, so that more people can see. [We] thought we should show where these people come from. For instance, industrialists who get business awards are not known to the general public. We need to show where they come from. Similarly, for a writer. We generally don't even know what they look like. Through the biopics we show the world who they are and where they come from. The biopic makes the award receiver proud of what they have done.

The shortlisting and selection of the awardees would be done by the publisher's arm in tangent with digital. The actual production of the event would be done by the productions arm with the support of media services.

FORMING A COMPREHENSIVE STRATEGY

According to the latest Indian Readership Survey, the circulation of Vikatan was around 3 million copies. *Ananda Vikatan* was the market leader in Tamil magazines. However, this figure had been steadily declining over the years (see **Appendix 1**). On the bright side, there were more than 75 million people around the world who spoke Tamil as their primary language.⁴ This could prove to be a lucrative market for Vikatan if it was tapped right.

The pandemic had led to a loss of advertiser revenues which formed the larger part of Vikatan's income stream. There was also a similar fall in reader revenues. Vikatan was forced to shed one in every three staff member and had deferred salaries for almost all others. With advertising revenues drying up, it was imperative that Srinu hold the organization together, drive revenues and collections to restore profitability. For this meeting, Srinu had three main items in his agenda. The first pertained to a digital strategy, his team had to ensure that digital strategy meshed in perfectly with the overall ideals of Vikatan. The second was related to the employees. He had to obtain their cooperation in the implementation of any strategy that his team came up with. The third was a decision-making system for any product portfolio decisions in the future.

Digital Strategy

Vikatan had a digital strategy in place through the Open Office. Srinu now had to ensure that this aligned perfectly with the overall policies at Vikatan. For instance, the speed of the digital media had reduced the role of the editor. Instead, the whole team had to be trained in the ethics and editorial policies to ensure that the news reached the reader in a time-sensitive fashion. Any training that he implemented would fulfil this purpose only to some extent. He had to come up with other ideas. The digital arm of the business was yet to become cash positive. Now that the open office system was implemented, Srinu also had to figure out how to make it a profitable venture.

People Issues

The second challenge was the measurement of talent. There was no elegant system in place to measure the quality of a journalist. For instance, one medium could require a series of frequent short and quick articles, which were time-sensitive. Another medium could require a single in-depth article once a month. How would the two be measured for consistent delivery of quality?

Srinu saw two types of journalists in Vikatan: the older cohort, which was an integral part of Vikatan but digital refugees; and the newcomers who were digital natives but as yet not well versed in Vikatan's ethics. Srinu had to figure out how to break this divide and ensure that the journalists worked together playing to each other's strengths.

Srinu had a few choices in mind. He could fire some of the old-timers who were not willing to cooperate in the move to the digital world. This would provide the advantage of making Vikatan a leaner organization. However, Srinu was reluctant to do this as this would mean getting rid of the people who helped build the organization to what it had become. He also had to ensure that the old-timers were comfortable with the new Open Office system.

⁴ Data from Ethnologue database, as on May 29, 2020

Product Portfolio Decisions

The third challenge pertained to Vikatan's product portfolio. Readers were increasingly gravitating toward online sources and social media to receive news. These news sources were also progressively becoming audiovisual based. People received news through short video clippings or audio podcasts rather than read in-depth analysis. The news was also delivered right in their hands via an increasing number of apps. In this situation, Vikatan was faced with competition from unexpected sources. Almost any person with a smartphone was a news source or a movie reviewer. Vikatan had to make itself attractive and prominent in this scenario.

Srini also had to decide the importance of profitability to any product portfolio decision. He was reminded that Vikatan in its 90-year history had never been considered as a cash cow. It was always run as a business which contributed to society.

This dilemma was best illustrated by *Chutti Vikatan*. *Chutti Vikatan* was designed as the entry portal through which the next generation of readers were introduced to the Vikatan family. Some of the Chutti Stars award recipients later became student journalists at Vikatan family. However, currently, Chutti was not profitable and lacked sponsorships to conduct many events. Srini had made the decision to move Chutti into a digital-only version with plenty of audiovisual content.

Vikatan in the Post-Pandemic World

Srini and his team had to come up with a comprehensive strategy for its digital and print avenues to ensure that it tided over this current lockdown and remained relevant in the next decade. They had to ensure that the costs stayed under control while also laying the path for growth.

Exhibit 1

Financials for 2014-2015

Profit & Loss For the year ended (Rs.)	31.3.2015
Net Sales	1,75,33,97,492
Cost of Sales	96,04,28,065
Contribution	79,29,69,427
Human Resource	31,65,59,730
Others	24,65,23,172
Net Profit	22,98,86,525
Financing Charges	1,55,96,072
Depreciation	5,30,71,081
PBT	16,12,19,371
Inventory	10,59,45,224
Receivables	31,48,04,113
Current Assets	71,21,13,813

KEY RATIOS	
Contribution	0.45
Net Profit/Net Sales	0.13
Inventory Turnover Ratio (No. of days)	22.05
Receivables/Gross Sales (No. of days)	65.53
Net Sales/Current Assets	2.46

Exhibit 1 (Continued)

Balance Sheet (Rs.)	As on 31.3.2015
Shareholders' Funds	42,99,46,324
Non-Current Liabilities	7,93,44,072
Current Liabilities	54,24,89,747
Total	1,05,17,80,142
Non-Current Assets	33,96,66,331
Current Assets	71,21,13,811
Total	1,05,17,80,142

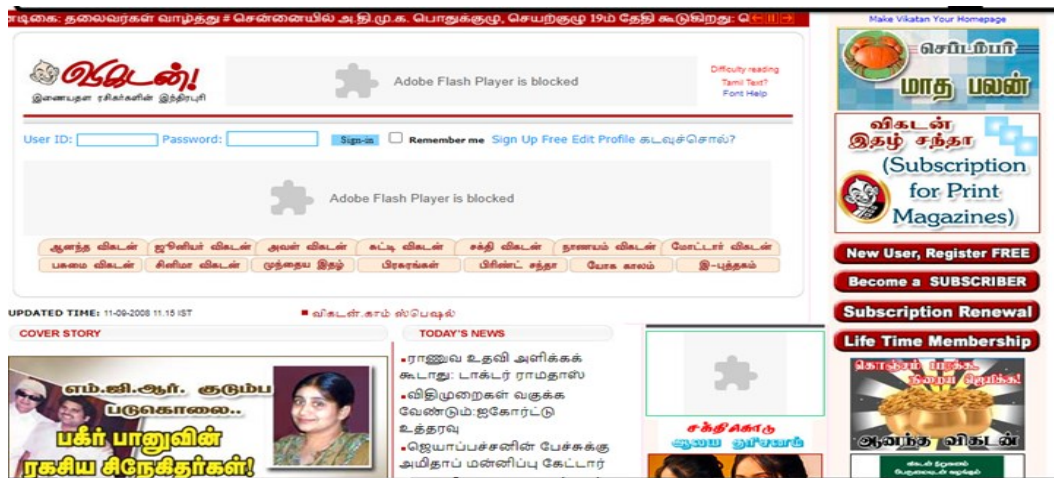
Key Ratios	
Current ratio	1.31
Long-term Debt/TNW	0.18
Total outside Liability/TNW	1.45

Source: Vikatan Group Archives (Company documents)

Exhibit 2

Vikatan's evolution in pictures

a. Vikatan website in September 2008



Source: Vikatan Group Archives (Company documents)

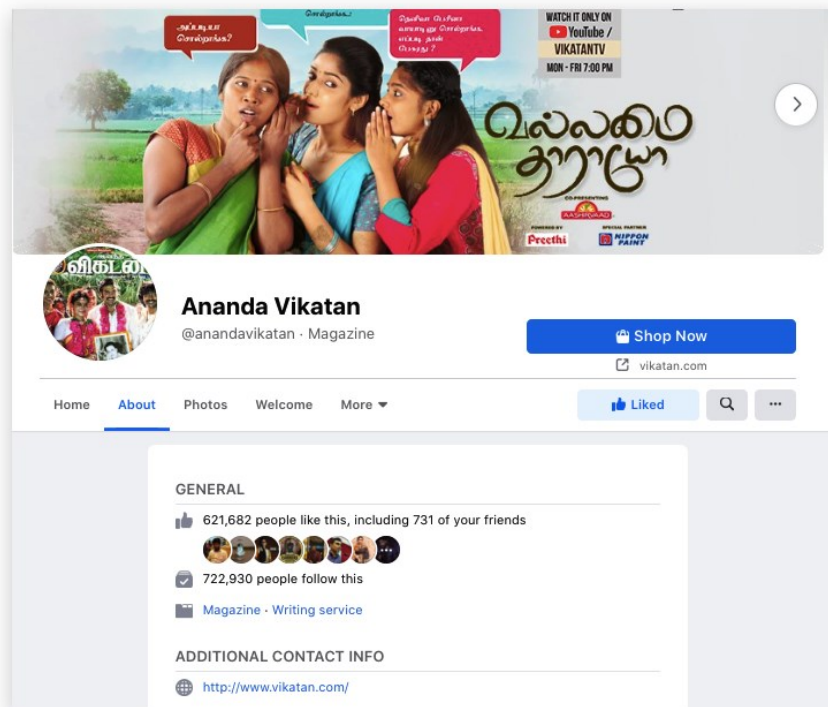
Exhibit 2 (Continued)

b. Vikatan website in March 2014



Source: Vikatan Group Archives (Company documents)

c. The Vikatan Facebook page



Source: Vikatan Group Archives (Company documents)

d. The Vikatan Android app screen



Source: Vikatan Group Archives (Company documents)

Exhibit 3a

Online subscriptions data

Returning paid users = Sum total of all payments made online year on year, across all digital platforms, in terms of numbers. This not only includes subscriptions but also single-issue purchases (SIP) and flipbooks (FLP), which are essentially one-off purchases, but often end up becoming subscriptions.

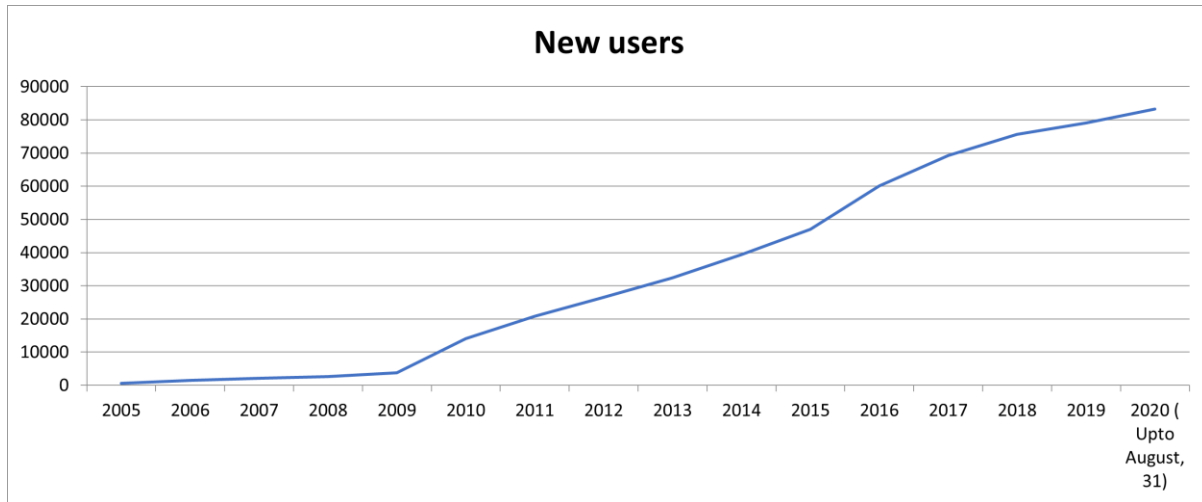
Payment Year	Users	Returning Paid Users
2005	604	604
2006	912	1516
2007	543	2059
2008	496	2555
2009	1232	3787
2010	10314	14101
2011	6677	20778
2012	5747	26525
2013	5812	32337
2014	7028	39365
2015	7634	46999
2016	13163	60162
2017	9123	69285
2018	6332	75617
2019	3452	79069
2020 (up to August 31)	4240	83309

Source: Vikatan Group Archives (Company documents)

Exhibit 3b

Graph of online subscriptions data

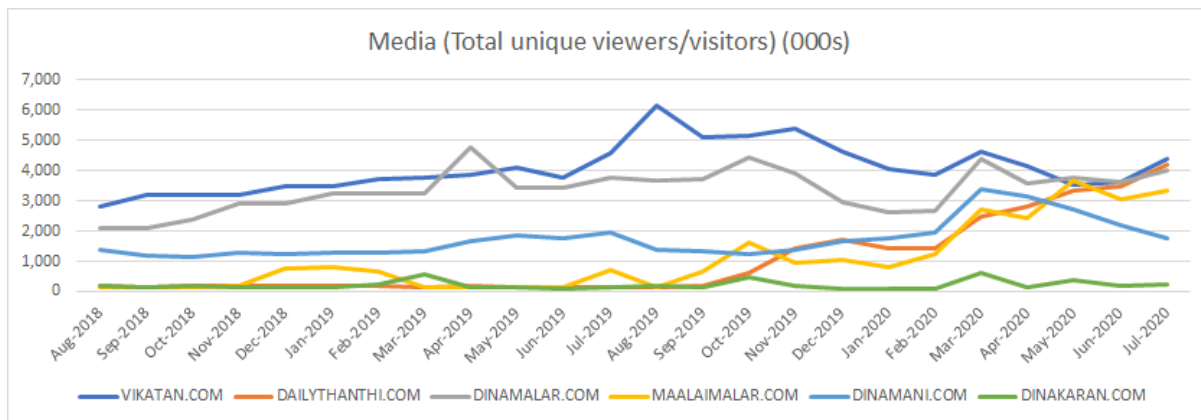
New users = Sum total of all payments made online each year, across all digital platforms, in terms of numbers. This not only includes subscriptions but also single-issue purchases (SIP) and flipbooks (FLP), which are essentially one-off purchases, but often end up becoming subscriptions.



Source: Vikatan Group Archives (Company documents)

Exhibit 4

Total unique visitors of Tamil media websites as measured by Comscore



Source: Vikatan Group Archives (Company documents)

Appendix

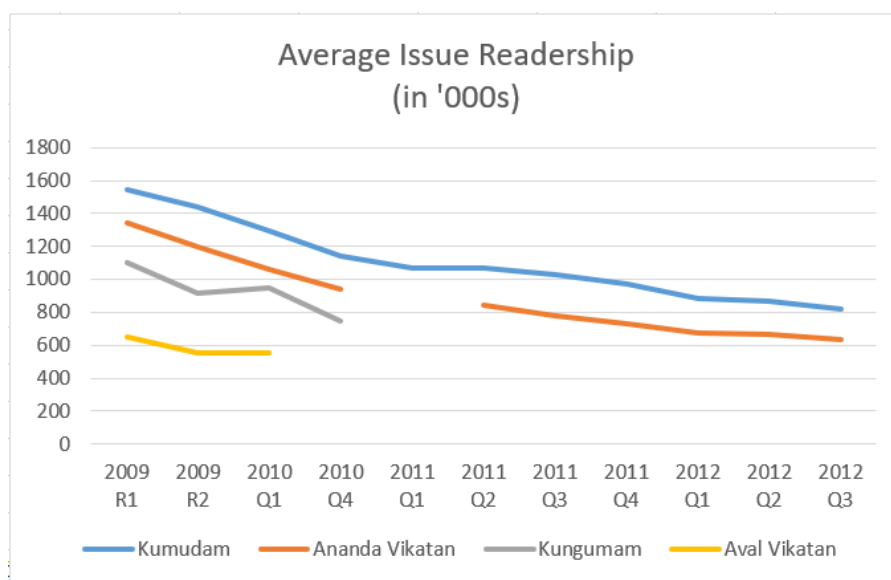
Average issue readership (in '000s)

Note: This data is retrieved from the Indian Readership Survey. It is meant to give a broad idea of the print media circulation figures. The data is not comparable across the years as there have been changes in data collection methods, and reporting. In addition, some of the survey results have been called into question by various media experts.

Average issue readership (AIR) of a publication is defined as the number of readers of that publication who claim to have last read it within its periodicity, that is, last read a daily yesterday, a weekly within the last week, a monthly within the last month, etc.

R1 and R2 indicate Rounds 1 and 2 conducted for the first and second 6-month periods of the year. Q1, Q2, Q3, and Q4 indicate the quarters of the year.

AIR ('000s)	2009 R1	2009 R2	2010 Q1	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3
Kumudam	1547	1443	1298	1143	1066	1066	1030	976	884	869	821
Ananda Vikatan	1342	1201	1061	940		847	781	728	677	666	636
Kungumam	1104	914	951	745		722					
Aval Vikatan	651	556	554								



Source: IRS (Indian Readership Survey) figures from various news articles on Factiva

Reference

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- ^x W. Sreelalitha, “A journey of sorts”, *The Hindu*, November 24, 2008, accessed via Factiva on November 7, 2020.