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THE NEW BLACK

Global players zero in on India

Eager to tap the Rs1,300 crore magazine opportunity in the country, international publications are finding the niche segment most conducive

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If 2008 is anything like 2007, expect a deluge of international niche magazines in the Indian market. US-based music magazine *Rolling Stone* and Condé Nast Publications' magazine for women, *Glamour*, are among the dozen-odd global players planning to launch India editions.

Niche is the new black in the Indian media industry, especially for foreign publications. Eager to tap the Rs1,300 crore magazine opportunity in India—which is expected to grow to Rs2,500 crore by 2010, according to audit and consulting firm PricewaterhouseCoopers—global publications have found the niche segment most conducive. Indian media laws, which restrict foreign equity to 26% in the news segment, allow 100% foreign equity in non-news and non-current affairs speciality magazines. "This has resulted in many publishers turning towards niche publications," says

Alex Kuruvilla, managing director, Condé Nast India. Almost half of the 26-plus magazine titles launched last year were international titles, says Anurag Batra, managing director and editor-in-chief, exchange4media group, a media house focusing on media and marketing. In the past few years, *FHM* (For Him Magazine), *Scientific American*, *Good Housekeeping*, *TimeOut*, a city magazine, and *Maxim*, a magazine for men, have been among those that launched India editions.

Some of them have already found a niche. Playing on brand value, these magazines have scored exclusive interviews with Indian celebrities besides leveraging the content of their international editions. Take *Vogue*, for example. Gauri Khan, the usually media-shy wife of superstar Shah Rukh Khan, agreed to pose for the *Vogue* cover in December. "She is extremely picky about what publications she poses for," says Kuruvilla.

The international brand is what *Rolling Stone*, too, wants to play on. "Prestige is one of the factors why *Rolling Stone* will be a success in India," says Radhakrishnan Nair, publisher and editor of *Man's World*, which is brought out by Mumbai-based **MW.com India Pvt. Ltd.** *Rolling Stone*, which MW.com has licensed from

Pvt. Ltd., the fortnightly city guide has notched up a combined circulation of more than 100,000, according to Pallav Moitra, CEO, Paprika. "Readers know *TimeOut* is the best in terms of detailing and quality. That is the advantage of an international brand coming to India," he says.

Another advantage the niche segment offers is that it is a good medium for advertisements. The focused reach of a select readership more than makes up for the limited circulation. "For advertisers, niche magazines make sense," says Moitra.

Vogue, for instance, has captured 60-65% of all fashion-related magazine advertisements in India within three months, according to Kuruvilla. "There are very few outlets for luxury brands. Even men's brands like Ermenegildo Zegna, Brioni and Gucci have advertised in *Vogue*," he says. *Vogue* is aimed at the affluent Indian woman, a favourite target group among advertisers. Priced at Rs100, the Indian edition prints 50,000 copies per month.

Advertisers find this select audience, and the brand value of the global titles, useful. Says Mekhla Muttoo, brand manager, Thanks, a Mumbai-based boutique that stocks luxury brands: "Advertising in *Vogue India* is a natural extension of our communication strategy."

TimeOut, too, offers advertisers a select audience. "Anyone picking up a copy of *TimeOut* is interested in cultural events, entertainment, shopping and eating out," says Moitra.

In contrast, general interest magazines are losing ground.

"You have newspapers for news, Internet for news, and a plethora of TV channels for news. Why would you want to read a re-circulation of the news in a magazine?" says Hoshang Billimoria, CEO, **Next Gen Publishing Ltd** (owned by the Forbes Group, Emap and HDFC). Billimoria helped launch *FHM* last October, and had brought *Car India* and *Computeractive* to India earlier.

Luxury is the most popular niche. Condé Nast is planning to launch *Glamour*, *GQ* and *Vanity Fair* in India soon.

"It's a reflection of the tremendous increase in affluence of the average upscale Indian," says Kuruvilla. "They want to buy nothing but the best, but they need magazines to go with it." India has 1.8 million homes with an annual income of more than \$100,000 (about Rs40 lakh), he points out.

Mohan Sivanand, editor-in-chief of India's *Reader's Digest*, however, believes this focus on lifestyle may be limiting. "That

Indian media laws allow 100% foreign equity in non-news and non-current affairs speciality magazines

(the fashion magazine segment) seems to get the most advertising," he says. "But other niches need to be explored to tap the entire Indian population. Subjects like local travel and religious issues are still waiting to be written about."

India stories, too, must be written about. According to Timmy Kandhari, a media analyst and director of the media and entertainment practice for PricewaterhouseCoopers in India, localized content will be a critical factor in the survival of these magazines. "They will need to Indianize the content to get the distribution figures they need. It may not be sustainable unless it is a truly Indian offering," he says.

Maheshwar Peri, president and publisher, **Outlook Publishing (India) Pvt. Ltd.**, too, believes that niche magazines should look beyond lifestyle and fashion. "The hidden wealth is in other niches which people are just starting to look at," he says. Peri, publisher of *Marie Claire*, a magazine for women, expects to launch the Indian edition of **Time Inc.'s** *People* magazine, which focuses on human interest stories, in June.

One of the reasons for the luxury focus in the niche segment is the dependence on advertising revenues. "Advertising accounts for about 70-80% of revenues for most magazines. And many of these niche magazines sustain themselves through advertising," says Billimoria.

This is partially because cover prices of magazines in India are much lower than abroad. For example, *Car India* sells for £4.20 in the UK, while it costs about a pound (Rs75) in India. "The rate per page in India is very low compared to abroad," Billimoria says. "These rates will have to become higher. The readers will have to learn to pay for valuable content."

Exchange4media's Batra says that is already beginning to happen. "That's where the brand is coming into play," he says. "If you have a strong brand and content like *Vogue* or *People*, people will pay."



Brothers in arms: (clockwise from left) Radhakrishnan Nair, publisher and editor of *Man's World*; Outlook Publishing's Maheshwar Peri; and Pallav Moitra, CEO, Paprika Media.

