



‘Third party monitoring will lead to hundred percent transparency in the business’ Pawan Bansal, chief operating officer, Jagran Engage

is responsible for overall functioning of various operations of the company. His major responsibilities include strategising for growth and expansion of business/media, deliveries of top line as well as bottom line, tie-ups with strategic partners. In a career spanning over 15 years, Bansal has extensive sales and marketing experience with companies such as Castrol, Bausch and Lomb etc. In an exclusive interview with

network2media's Neha Nagpal

, Bansal shares his thoughts on evolution of the outdoor advertising industry, his company and many other relevant industry issues. Excerpts:

How long has Jagran Engage has been in the OOH business and what has been the principal landmarks achieved during the period of its existence?

Jagran Engage started in 2006 as a division of Jagran Prakashan, its been 5 years. We have built a pan India presence. We are considered to be one of the key organised players in the industry. We have a professional team of about 80 people now. We have about 2000 media properties with a wide mix of all kind of media including conventional hoardings, street furniture, transit media – bus-shelters, railway branding and bus station.

□ We also have the agency side of business. We have clients and as an agency, we get a lot of repeat business. □□

Coming from a highly renowned and strong media group such as Jagran, how have you harnessed the groups combined media strength to benefit the out-of-home business of Jagran Engage?

We have harnessed the strength in a couple of ways. Since Jagran Prakashan has the existence for the last 60 odd years, they have a huge client base. They also have huge access to clients which they already deal with. This gives us tremendous headstart. Additionally, the goodwill and reputation of Jagran Prakashan help us in building relationships with government authorities and that in turn, helps us develop long term sustainable BOT projects specially in northern India. Jagran Prakashan helps in building the properties especially in north of India.

What is the primary business of Jagran Engage? Is it right to call Jagran Engage as a media owner which also acts as an agency or is it an agency that also acts as a media owner? Going ahead, which one do you see as your priority area?

Primary focus of the company is media ownership, however we do have an agency side of the business as well. Going forward, our priority would be to develop and strengthen the media ownership business. □□

While there are many media companies who are now offering different services under one umbrella, why does Jagran offer services under different entities like Jagran Engage and Jagran Solutions? Will it not be beneficial to offer clients a wider range of services under one roof?

Jagran Prakashan has a few verticals under its umbrella. Two of them are Jagran Engage and Jagran Solutions. There is another one that deals in digital domain. Jagran Engage and Jagran Solutions are two different entities. There is clear demarcation between these two entities. If a client has an OOH service requirement, they come to Jagran Engage and if the requirement is for BTL activities, then, they opt for Jagran Solutions. We do not encroach upon the business activities of Jagran Solutions and they do not encroach upon ours. We believe that every business should have clear focus and defined objectives and, this is why these verticals have been formed in an independent manner and they are headed by different CEOs.

As for deriving synergy, we do capitalise on each others strengths. For example, whenever someone from any of our verticals approaches a client, they always talk about the other services that are offered by the group and if the client so desires, then they are directed to the respective people in those verticals. However, when it comes to pitching for a client, each vertical does that independently. That way, we maintain sanctity of each vertical and do not end up subsidising one business with the other.

How has 2010 been for Jagran engage? What were the key milestones surpassed in the year? Also coming out of the recessionary phase, what has been the key learnings for the company?

2010 has been a reasonably good year for us. We have grown our topline by almost 30 percent, our profits have also grown exponentially. As for the milestones, I can think of the following:

- We have been successful in turning the business around and are profitable both at EBITA and net profit level.
- We have invested in two outdoor companies. In UP, we have acquired National Publicity and have rechristened it as Xpert. We have also entered into a JV with a mumbai based company for the street furniture project in Goa.
- We have been successful in more than doubling our share in the UP outdoor advertising market.
- We have made significant investment in BOT projects, specially in areas that have the Jagran footprint and we now have inventory in 11 cities in UP.

As for the learnings, firstly when we came out of the recession, we corrected our pricing strategy. Secondly, for properties that were with us on a leased basis, we had renegotiated the lease rates at the time of recession. Hence, when we came out of it, this stood us in good stead. Additionally, even at the time of recession, our yields had gone down, however, our occupancy rates were always high. This also helped us regain ground quickly. Just to give you an idea, our occupancy levels in non metro markets were higher than the metro markets.

Tier II and Tier III markets are increasingly becoming important for most brands and it seems that OOH in those markets attain higher levels of importance for planners. Keeping this in mind, are you planning major forays in these markets and what are your views on these markets?

Most of the categories are now focusing on these markets. We have already made major forays in UP. We are present across 11-12 cities. With our JV we have some odd 600 -700 hoardings in UP. We also have the rights for 5 railway stations and 5 bus stations in UP. We are aggressively looking at venturing into Bihar and Jharkhand markets. However, our focus area is primarily north India, as it is synergistic with the strengths of the Jagran group.

How successful has the industry bodies like DOAA/IOAA been in curbing various malpractices that are hindering the industry's image and growth? Do you see any workable solutions to the business problems related to delayed payments, lack of documentation, illegal displays and other malpractices that are severely hurting the industry and its reputation?

I think a lot of these malpractices related to putting up the right displays for the right period etc. are already on its way out. Because the monitoring system has become very robust both from the agency and the client side. Moreover, organised players have come into the industry and hence, professionalism is growing within the industry and the domain. Even the local vendors now have to compete with organised media owners and hence there is very little scope for unethical business practices. However, there might be some of it still existing in the smaller markets and I am sure they will also be rooted out over time.

Curbing the practice like delayed payments etc. will take some time. However a lot of things will change soon with the new service tax formalities coming into effect. This should solve almost half the problem as the entire financial cycle will have to be more efficient in order to fulfill statutory obligations. Additionally, the industry will see consolidation where smaller players will join hands with the larger and more organised players. This will also lead to large scale standardisation of business processes within the industry.

What are your views on having an universally accepted third party monitoring system?

This system is welcome. The DOAA has gladly accepted the proposal of setting up this service through a joint effort between media owners and agencies. This will lead to 100 percent transparency in the business. The suggestion has been taken up by DOAA and we are actively looking at ways to implement this.

Do you believe that long term PPP based projects will drive the growth and standardisation of the outdoor advertising industry? Please elaborate

I have a mixed reaction towards long-term PPP projects. Although some of them are profitable and are good for both the city as well as the business, inconsistent government policies pose a constant threat to these projects. It is not only the government, but flip-flopping of civic bodies also hurrth this business tremendously. That is why, there is hesitation in investing even in worthwhile projects. If standardisation and consistency of policies can be assured, then, it will be immensely beneficial both for the civic bodies, as well as the outdoor industry.

What are your views on IOS I and IOS II? Will research in the OOH domain become a reality in the immediate future?

Everybody wants some kind of a measurement system to be in place. It is important from the perspective of a media planner, client and everyone else involved in the business. It is important to measure OOH. It is important to have some indicative data. Otherwise, we will always talk about OOH being an effective medium, but will never know how to prove its efficacy. Therefore, I feel that organised, large players should come together, join hands with either MRUC or any other neutral body and execute this research at least in the top dozen cities of the country.

What are your views on Digital OOH and going forward, do you think that this will become a huge growth driver for the OOH industry?

Digital OOH has started picking up and has started to be noticed by media planners and client. But the extent of their success will depend on the scalability of this medium. Although it

is more measurable, clients are still more skewed towards traditional outdoor medium. Digital OOH will be integral part of the OOH business, however, but it will take time to establish itself.

There is a confusion prevailing about this medium in terms actual deliveries in terms of the right audience, right ambience etc. however, of late, the m digital OOH media owners are offering special packages for special categories and specific target audiences, and this should help the growth of this medium immensely. including this medium.

As one of the leading players in the industry and as a senior industry practitioner, what are the big changes that you would like to see happen on the Indian OOH landscape in the next few years?

- From the policy point of view, I would ideally want the state and the municipal corporations to be very clear about policies. Whenever they are deciding on a plan or a policy, they should always involve OOH industry people as well. They should not impose the policies on us.

- It is time that the media owners, agencies and everybody involved in the business should think of investing in research for outdoor media. We should make an effort as an entire industry.

- It is high time outdoor domain should get recognised as an industry. Also the recognition and general acceptance of IOAA as national body is important. It is a body which is working for the interest of the industry in conjunction with the media owners and in coordination with the agencies. We should not been seen as someone who arm twist agencies or the clients. Basically we are here to protect the interests of the entire outdoor advertising industry.

[You can contact Pawan Bansal here](#)