

Innovation key to new markets - New Age CEO Nazeem Howa



By Gill Moodie: @grubstreetSA

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Nazeem Howa surprised many when he left his job as the powerful operations chief at Independent Newspapers to become CEO of TNA Media, the owners of [The New Age](#) that was launched in December last year.



Howa was synonymous with Independent - often feared and resented by the journalists for enforcing the cost-cutting regimes of the Irish owners but you've also got to hand it to him for launching the now-hugely successful isiZulu paper, [Isolezwe](#), and that most tabloid of South Africa's tabloids, the *Daily Voice*.

Bizcommunity.com speaks to Howa about his business plan for the ANC-aligned (but independent, they like to point out) newspaper, how *The New Age* plans to find a market and working for influential players such as the Gupta family, who are close to President Jacob Zuma, and Essop Pahad, former president Thabo Mbeki's closest minister.

Bizcommunity: *I was going to ask about the different corporate cultures of [Independent](#) and [TNA](#) but as you're the first CEO, I guess you're starting off with a blank slate.*

Nazeem Howa: Exactly right. In a lot of ways we have to create our own culture because we have staff from [Media24](#), Independent, [Avusa](#) and from [the defunct Nigerian-owned newspaper] *ThisDay*. I think we're very fortunate in that we have a shareholder [Atul Gupta] who is leaving what he terms 'the professionals' to run the business.

Biz: *OK. Is he quite hands-off then?*

Howa: Increasingly so. We have to create a culture here and it's been quite fascinating as it is a melting pot of different [corporate] cultures. In a lot of ways it's an opportunity to look at the best practices of everybody else and try to put together this animal and make it our culture.

Biz: *You'll be the key person in creating the culture so what would you like to have?*

Howa: What we're trying to drive is one of great innovation, finding the right opportunities in the gaps. You know, we spent a day working on a business plan and one of our outside partners' response was how refreshing it was that we had a very different approach already to the business.

There are a lot of doomsayers [talking] about the death of newspapers and saying: "What idiot would think of launching another newspaper in this market?" But we're saying we're happy to find a niche that works for us... Obviously we launched in December, which is a crazy time to launch but we're quite comfortable with the outcome and lessons learned. And we're already starting to grow what I would call the "Phase Two" approach.

Biz: Which is?

Howa: Well, I would say: "What lessons have we learned." And our view is the product has to start its next level maturation, if I could put it that way. And that means in the next while you will find new sections in the paper and new elements coming in as the paper evolves.

Biz: Let's talk about the business plan you've put together. I interviewed [Gary Naidoo](#) (managing editor of The New Age) last year and he said the target market was LSM 5-7. Now that is the Daily Sun's core market. Not only is the Daily Sun [owned by Media24] a big, aggressive beast with which to compete but its own [market research](#) shows that their readers are cynical about the government. How will an ANC-aligned newspaper find a market here if that's the overriding sentiment?

Howa: Well, I think one of the first things we've been grappling with is this question of the target audience. We grappling with it because LSMs ([Living Standards Measure](#)) are a wonderful concept but it doesn't actually give you the flavour of the market - what does this person look like, what do they do, what do they want to do.

So in terms of us grappling with this, we've done quite a bit of market research and we've already identified the reader. And the best way I can describe the reader is a recently emerged person who would be generally supportive of the ANC and where it wants to go. People confuse this with being pro-ANC and I think there is a vast difference.

When we say supportive of the ANC, the ANC got a mandate of 60-odd percent to govern (in the last general election) so it's really people of that mind. I don't know about that [*Daily Sun*] research... but, certainly with our readership and the people we interact with, they are a lot more positive about the country and where it's going, and probably feel that the successes of South Africa are not being fully covered by other newspapers. I would say it's less about sunshine journalism and more about more balanced journalism...

Biz: I think you guys have an intriguing challenge. You're a journalist, Nazeem, so you know that newspapers in South Africa don't set out to be negative. The bad news floats to the top for a number of reasons and it does tend to be more attention-grabbing. But The New Age is setting out to be positive. Is that a hard thing to do?

Howa: I don't think it really is. My view at Independent was that negative journalism is easy journalism to do, simply because it's all out there. You just have to reflect; you don't have to work hard at it. If you want to do a murder story, phone the cops in the morning and you've got it. If you want to knock somebody, it's very easy to do.

The challenge - and this is where innovation comes in - is to say: "There are good things and positive elements to write about as well." There was a story on radio the other day about this kid who studied by candlelight in the Ekurhuleni area and he got six distinctions. Now for me, that is about someone applying his mind and actually being able to achieve something with his life. There are examples of people who can break that cycle of poverty.

Biz: But there are lots of negative things in our country, especially in the rural areas.

Howa: Sure, and we reflect them and write about them. We write about crime, for instance. Look, I'm not the editor but in terms of our planning, Government has set itself five key priorities and one of our functions is to hold Government accountable to what it promised to achieve. That has to be our function - to say: "You said you were going to create jobs. Tell us how you're going to do it and give us the details and time lines..." That would be the kind of role I would expect us to play.

Biz: Before you took the job, were you worried about your credibility as a journalist, working at a government-friendly newspaper?

Howa: Perhaps, I'm quite naive. That was never my concern, to be very frank with you. Simply because - though I thought long and hard about it - I got to know the shareholders well over a six- or eight-month period before we even started chatting

so I understood their philosophy and their approach to the business...

For me, it was more about what I was leaving than what I was coming to because I played a bit of a role at Independent. In a lot of ways, I was leaving something I was very familiar with and had been involved in building.

Biz: *Well, you were certainly seen as the enforcer of the ruthless will of the Irish [owners of Independent Newspapers that includes The Star, Pretoria News, Cape Times, Cape Argus, The Mercury and the Daily News]. Are you relieved to leave that behind?*

Howa: Certainly. I was speaking to someone from the Independent earlier [this week] and they were engaging me with what was happening there. And my response to them was: "You know, I'm not looking back at all; I'm looking forward. I'm really not interested." That's been my philosophy. I'm really focused on what we've got to do here [at TNA].

Biz: *It's quite a big change, isn't it? At Independent, you were operations. Now you're CEO so it's all about strategy. What have the main challenges been so far, would you say?*

Howa: In terms of the strategic thinking, it's really about living up to our promise of being different to other media. Operations is something I'm very comfortable with. This [new job] is more challenging for me, to be constantly thinking about what makes us different. Because if we're going to do more of the same, we're not going to challenge the incumbents.

Biz: *So who would you say are the main competitors?*

Howa: I'm going to say certainly not *Daily Sun*.

Biz: *It is The Times because you're both national dailies.*

Howa: You know, *The Times* is a very mysterious paper because the base sale is so small; it's really not a paid-for newspaper at all. The approach I'm really taking is that [since] newspaper penetration is really so low in this country, our job must be about forging our own plans rather than who we are going to take away from.

Otherwise, that will mean we're trying to base ourselves on someone else's strategy. And that's not a political answer. It's really about saying that if penetration is as little as what it is, we should be looking at who's not reading newspapers... If you look at where newspapers are growing, you have Brazil, India, China and Russia to some extent. The fundamental question we're asking ourselves is what are the fundamental lessons we can learn from those markets...

Biz: *So have you guys been looking at newspapers in Brazil and India?*

Howa: Well, obviously we've got a very good strategic partner in [The Times of India](#). They sell about four million newspapers a day and they're launching new branches and new editions all the time. Part of it has got to do with understanding the new generation, understanding their interests and how to adapt to their reading habits...

Biz: *Where's circulation at the moment?*

Howa: Our strategic decision is that we will not talk about that for the next while and I did the same thing at *Daily Voice*. Still, nobody knows what *Daily Voice*'s circulation is, [right]?

Biz: *Yes, I tried to find out the Daily Voice's circulation last year and I couldn't. I'm curious about that strategy. Why would you still not talk about the Daily Voice's circulation so long after launch? Is it because it's too low?*

Howa: No, certainly not. You know, the wonderful thing about *Daily Voice* - and I can see parallels here - is that it [not disclosing circulation] wrong-footed those in the market who were competing with us.

At this point *Daily Voice* is a hugely profitable newspaper and you've got several of the big retailers in it but we could do that without having to declare numbers or talk numbers... We really traded on readership [through AMPS]... The magic of having retailers in your paper [as advertisers] is that they measure their footfall so cleverly and so well that if you're not able to sell enough of their goods you don't get their business.

ABC [audited circulation] is not the only way of talking about penetration and traction in the market. In terms of our own

measures [at *The New Age*], we're on track with our own business plan. We're measuring ourselves against the launch of *Daily Sun* and *ThisDay* and we're extremely comfortable with where we're sitting right now.

Biz: So you're not submitting numbers to the ABC at the moment?

Howa: Look, I'm am thinking about how we deal with it. We've got some work to do around systems on our side. That is going to take us about a month to six weeks and, at that point, we'll take a decision.

At this point, we don't have the systems in place - and I'm talking about for the ABC to audit, not to get papers out. The other mistake we don't want to make is [to] go out to early... I was saying to the ABC [that] I want to use them to help us set up our systems so it's not like we're avoiding it. We will use the ABC and we will get the ABC [certification] but only when our systems are audit-proof.

Biz: So according to your business plan, do you have a guesstimate on when you're going to turn a profit?

Howa: With the shareholder, we have some side bets going on. To my mind, it's certainly not going to happen in the next six months. Probably in twelve to 24 months in terms of our business planning.

Biz: OK. And what do you foresee as the biggest challenges as your strategy unfolds?

Howa: I'm very confident about our advertising revenue but it has been harder than we expected. I think that is symptomatic of the market.

In terms of our engagement with the agencies and advertisers, there's quite a warm response to the product so I'm quite optimistic about that coming our way as we go forward.

I think getting enough penetration in the provinces [is another challenge] and that's to do with proper distribution more than anything else. Naturally, we don't own our own distribution channels. [It has been outsourced to Allied Publishing]. People often regard distribution as the single biggest challenge for any independent operation.

Biz: It would terrify me to work for Essop Pahad and he is a key member of your board. Somewhere along the line, a reporter will come across a cracking political-corruption story and Henry [Jeffreys, the editor] won't be able to resist using it. What will you do if Essop Pahad comes to you and says: "You guys can't do this?" Will you absorb the pressure or will you call in the editor?

Howa: In terms of our own mission statement, day-to-day content planning is the ambit of the editor. Nobody will influence that planning so there's no chance of that happening. Obviously at a board level you will talk about editorial strategy but you talk about that at Media24 and Independent and Avusa. I can tell you this categorically - there is no editorial interference at all by anybody. The editor runs the paper as he believes it should be.

For more:

- Bizcommunity: [Interview with Vuyo Mvoko, the first editor of *The New Age*](#), who left a few days before the aborted first launch of the paper
- Bizcommunity: [Interview with Gary Naidoo, managing editor of *The New Age*](#)
- Moneyweb: [Interview with Essop Pahad](#)
- The Harbinger: ["Come on New Age, you can do better than this"](#) by Prof Anton Harber
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ABOUT GILL MOODIE: @GRUBSTREETSA

Gill Moodie (@grubstreetSA) is a freelance journalist, media commentator and the publisher of Grubstreet (www.grubstreet.co.za). She worked in the print industry in South Africa for titles such as the *Sunday Times* and *Business Day*, and in the UK for Guinness Publishing, before striking out on her own. Email Gill at gill@grubstreet.co.za and follow her on Twitter at @grubstreetSA.

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