

## PARUL'S PROFIT PREDICAMENT: GROWTH AND BRANDING CHALLENGES OF A PUBLISHER

*Subhadip Roy and Soumya Sarkar wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.*

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Non-textbooks are published to create a reputation. There is no return from them. They just enhance our class as a publisher.

—Gourdas Saha, Managing Director, Parul Prakashani

In early 2013, Gourdas Saha was meeting with two freelance consultants, Surajit Sen and Abhishek Gupta. The consultants had just been hired by the book publishing company Parul Prakashani (Parul) on a part-time basis to help its non-textbook business. Saha's vision for the company was for "Parul to be present not only in Tripura, West Bengal or India, but all over the world. I consider it my responsibility to the society to reach out to them with my books." However, at the same time, he was wary of the realities of the non-textbook business in West Bengal, where he was mostly running at a loss. Parul had still come a long way since 1981 from being a new publisher with only one title to a company worth INR<sup>1</sup> 150 million with 5,000 titles in its catalogue in 2013 (see Exhibit 1 for Parul's sales trend).

Though the company had started out in the state of Tripura as a textbook publisher, it had diversified into a wide repertoire of non-textbooks for children, young adult and adult readers. In 2013, it had a major presence in the states of Tripura and West Bengal and its books were available in various other parts of India, such as Delhi. In spite of all this, in early 2013, the non-textbook division was not doing well. The majority of the company's revenue was coming from textbooks. Even though the company had come up with some rare and unique books based on significant background work and expenses, the response was lukewarm for many books. Thus, there was a need for some reflection on how the company could expand its non-textbook business. By 2013, the company had gained good exposure. However, a lot of branding activity still needed to be done. The textbook business also had its own challenges from the competitive and macro environment, but was doing well for the time being. Saha reminisced as he told Sen and Gupta the Parul story.

<sup>1</sup> 1 INR = 0.0153 USD according to data from the Reserve Bank of India, [www.rbi.org.in/scripts/referenceratearchive.aspx](http://www.rbi.org.in/scripts/referenceratearchive.aspx), accessed August 22, 2013.

## BACKGROUND

The seeds of the Parul publishing business were planted through a need felt by Saha during the early days of his career as a teacher. He completed his Master of Science in Mathematics at Calcutta University and took a job as a schoolteacher at a reputable school in Tripura in January 1979. Saha was asked to teach life science, but it was not his specialty:

I had never studied it before, so I started looking for a good book for life science. The textbooks available in the market for classes IX–X were no good. Not a single book could provide something useful to the students. I started thinking how a book could be oriented toward the students and friendly for the readers.

The drive to create a book inspired Saha to collaborate with one of his colleagues, who agreed to author a book on life science in the form of a guidebook. Saha took approximately five to six months to prepare the book, and then took the manuscript to Kolkata (then Calcutta) in May 1981.

Saha was publishing a book for the first time and knew nothing about publishing at the time, but he was determined to achieve the feat through sheer effort. As Saha reminisced:

After I finished my Master of Science, my professor said, “So far, you have studied for passing exams; now you have to start studying for your teaching purpose, which will be much more than what you have done so far.” He was right. I had to read a lot of subjects to prepare the book. The book turned out well and was meant for Tripura students.

The book was finally published by Saha in mid-1981. That was the beginning of Parul’s journey. The first edition had only 2,000 impressions<sup>2</sup>. The book was meant for students from standards (classes) IX and X, which in Tripura totalled around 20,000 in 1981. Saha’s initial target was only to cater to 10 per cent of the population. Initially, the book did not get much publicity, but Saha was convinced of its quality. The book was appreciated by most of the stakeholders — namely students, teachers and parents — who were the first set of customers. Slowly, sales started picking up. Within a year, the first edition had sold out. As expected, there was skepticism, such as, “A book written in Tripura cannot be good,” since at that time most books taught in Tripura schools came from publishers in West Bengal.<sup>3</sup> In spite of the criticism, the popularity of the book gradually increased. The next edition had 3,000 copies and outsold the first edition in three months. Saha shared a textbook sales secret, “When a book is not available in the market, it gets more publicity. Everyone starts looking for the book.”

By that time, the demand for a book on physical science was growing. Very quickly, Saha got a few colleagues and friends in the teaching profession to write a couple of chapters each. The target was to create a book with about 20 chapters. Since the workload was distributed among a group of authors, the manuscript was ready pretty quickly. Immense care was taken to ensure that the book was free of any textual, conceptual and typing errors. Saha again went to Kolkata to print the 1st edition of the physical science textbook and the reprint the 2nd edition of the life science textbook. The target this time was 10,000 impressions — 5,000 for each book. This was a big number for Saha, whose company was still in a nascent stage. As he recalled, “To tell you the truth, I worked out that if I could sell 5,000 copies of the book, then I would make a profit of INR 150,000. I started wondering where I would keep so much money.” Both books took off nicely.

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<sup>2</sup> In the local printing industry parlance, ‘impressions’ means the number of copies printed for each edition of a book.

<sup>3</sup>The two Indian states that speak Bengali as a vernacular language are Tripura and West Bengal.

## THE TEXTBOOK BUSINESS GROWS

By 1984–1985, Parul Prakashani had already gained a good reputation among students and teachers. In 1988–1989, the English syllabi of Tripura and West Bengal, which had been the same earlier, diverged, with Tripura keeping the old syllabus and West Bengal choosing a completely new one. The ABTA<sup>4</sup> Test Papers used as a preparatory book of question papers for the board exam for standard X students became obsolete because of this change. Saha recalled how he addressed the problem:

I felt that the students of Tripura would not get Test Papers now. There were hardly six to seven schools in Tripura that had Test exams. That would not be sufficient for building up a comprehensive Test Paper book. Then it struck me that all schools conducted Pre-Test exams. If one could collect those question papers, then the book would have a complete shape. In those days, Parul had built a reputation for its competence in coming out with both standard X and standard XII Test Papers. Thus we knew that if we approached the schools, they would cooperate.

The work started on an aggressive footing. It was a challenging job to collect all of the papers, to create answer keys for all of the objective questions, and prepare answers for all of the mathematics question papers within the span of just a month. However, Saha succeeded in this endeavour.

The best validation of his success came in the early 2000s when the Tripura government asked Saha to print a Bengali textbook for class VII with an impression size of 70,000 copies. Unlike in other instances, where the government floated tenders for similar jobs, Parul was invited to do the job directly. “Though we were publishing books for Tripura students, the job was being done in West Bengal. I stayed in hotels, as I used to come down here during vacations.”

By 2000, Parul had established itself in Tripura, and the news of its success had spread among the publishers in West Bengal. The sales of West Bengal-based publishers in Tripura had dropped drastically. Saha knew that he would have a market in West Bengal and wanted to set up a sister firm there. In 2002, Parul participated in the tender floated by the West Bengal government for books based on the new syllabi for classes VI–IX. These were to be used by the West Bengal Board of Secondary Education. As Saha stated, “We were quite successful in those books. We did not get a huge market but still were able to make a position for ourselves.”

## THE SHIFT

Saha was always brimming with new ideas and dreamed of leaving his mark on the publishing industry. He recollected the early days of Parul, “There is no shame in admitting now . . . when I participated in book fairs in Tripura, I had no book of my own. I used to display books from various publishers in our stall. Then I used to wonder . . . how nice it would be to have my own books in my stall . . . it used to be a dream then.” Thus, he wanted to establish a division for non-textbooks in the early 2000s. There were two main reasons for this move. The first one was to achieve class, “What we found while doing textbooks is that those who publish textbooks are perceived by the publishing fraternity and society as publishers of guidebooks . . . if you have to achieve prestige and distinction for yourself in the publishing world, then you have to come out with non-textbooks.” Second, in 2003, he felt that there was a dearth of good books for children. He felt that the market had a lot of publishers, but most of them operated with a profit motive

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<sup>4</sup> ABTA, the All Bengal Teachers Association, was founded in 1921 as an association of primary and secondary school teachers in the Indian state of West Bengal. ABTA initially excluded the teachers and staff of schools directly under government control. In 2013, ABTA was the largest teachers’ organization in West Bengal.