

## **Newspaper Marketing in Bangladesh: A Case Study on the Prothom Alo**

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**Abstract:** Newspaper has become a part of any modern society. This is one of the most important consumer products of our daily life. Like all other consumer goods newspaper industry requires some special marketing efforts. The main focus of this article is to describe the various tools of marketing mix i. e. 4Ps of newspaper marketing. To do so the researchers have selected Prothom Alo, as it is the number one daily (in terms of circulation) of our country. The article has also attempted to point out the marketing problems of Prothom Alo. It is found that the management of Prothom Alo does not have proper concept of marketing; they don't have any marketing manager; they don't conduct regular marketing research; the distribution channel is very long and costly; the price is comparatively higher and so on. At the same time researchers have suggested that to solve those problems Prothom Alo should adopt modern marketing concepts in their decision making process, hire people with proper background, follow differentiated pricing, target different consumer segments to increase the market share, minimize the distribution cost, develop Prothom Alo as a brand and the like.

### **1. Introduction**

Newspaper publishers spend millions of dollars annually to ensure that the newspaper arrives at the newspaper stand or the subscriber's doorstep every day. Reporters track down stories and editors diligently maintain the editorial integrity of the newspaper. The production department meticulously guarantees that advertisements make it onto the right page. It is no small feat that this daily production process has continued for centuries across every city and town in the world. Therein lies the rub. With a resolute focus on both the published newspaper and production efficiencies, newspapers have become true stalwarts of the industrial age. The last decade has ushered in a new era, the information age, which is characterized by an unwavering focus on customers. A newspaper's most valuable asset is customer acceptance. Today, customer service means more than delivering the newspaper on time, every time. Many newspapers are transforming their organizations from manufacturing-oriented enterprises to customer-centric businesses and relying on customer relationship management solutions to help catapult newspapers into the new age (Margaret' 2002).

In the early of the eighty's of the last century the then government of Bangladesh had declared the newspaper sector as an industry. Now a day it has become a wide and very important industry of the economy of our country. At present there are about four hundreds national daily newspapers and more than two thousand magazines in the country [Siddique' 2002]. This is one of the most dynamic sectors of our economy. A revolutionary change has been occurring in this industry especially from the last ten years. Technological revolution has brought a dramatic development in

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this sector. Our newspaper industry has been flourished highly during this period. A number of renowned daily newspapers are ready to face the challenge of the era of information age. It has crossed a long path from the era of letter compose to today's updated computer compose. Internet has changed the way of the newspaper business. Now a day, publishing of newspaper is not an adventure; it has become a business. And the ultimate objective of any business venture is to maximize the profit for the owner, not to maximize the social welfare. The newspaper industry has been transformed from its old entity, social work, to a for-profit business venture. Marketing is the most critical factor of today's market-oriented newspaper industry. That's why today's entrepreneurs of this industry have to think for various marketing variables i.e. the development and maintenance of product's quality; developing price strategies; establishing effective distribution channel; and lastly conducting promotional programs to pursue consumers to buy their product. And they have to do all these things keeping the needs, wants and demands of their consumers in their minds. In this way we can see that the understanding and application of modern marketing concepts is very significant in getting success in this industry.

## **2. Objectives of the Study**

The primary objective of the study is to identify and describe the use of various elements of marketing mix in the newspaper industry of Bangladesh through focusing the marketing practices of the highest circulated newspaper, Prothom Alo. This paper has been carried out with the following specific objectives:

- i. To cite the price determination process of a leading newspaper.
- ii. To describe the marketing cost of Prothom Alo.
- iii. To narrate the distribution channel of a national newspaper.
- iv. To illustrate the promotional activities of Prothom Alo.
- v. To identify the current marketing problems of a daily newspaper.
- vi. To find out the ways of increasing the marketing efficiency of Prothom Alo.

## **3. Methodology of the Study**

This is basically a descriptive research by nature and is prepared on the basis of secondary data. The sources of these secondary data are the relevant official documents of The Prothom Alo, the published articles of different research works, magazines, and reports of various government authorities and independent market research projects of various private research firms. A direct study has been conducted in the head office of the Prothom Alo during the period of June-July'2005 to collect relevant information about its marketing practices. The editor, the deputy editors, the news editor, chief reporter, administrative manager, accounts manager, the commercial manager, the press manager and the divisional heads have been interviewed to obtain the required data.

## **4. Scope of the Study**

This article does not focus on the marketing practices of all the major newspapers of Bangladesh. Rather it pays attention on the Prothom Alo, the number one (according to the volume of circulation) daily newspaper of the country. The research paper only attempts to describe the 4 Ps i.e. the product, price, place and promotion programs of the particular newspaper.

### **5. Limitations of the Study**

Despite of the level best effort of the researchers, this article is not fully free of certain obvious limitations. The basic limitation of this article is its sole dependence on secondary data. Secondly, the sources of secondary data were very limited. Relevant data is not available regarding this field. For this reason the accuracy of this report depends on the accuracy of the information furnished by the secondary sources.

### **6. Corporate Background of Prothom Alo**

The Prothom Alo was first published on 4<sup>th</sup> November, 1998 under the ownership of Transcom Ltd., a leading corporate giant of the country. Transcraft Ltd., a subsidiary company of Transcom Ltd., is playing the role of publisher of this daily. Prothom Alo is a sister concerns of 'Shaptahik 2000' and 'The Daily Star' which are the leading Bangla weekly and the leading English daily of the country respectively.

### **7. Corporate Mission & Strategy**

The **mission** of Prothom Alo is to prolong the market leadership and protect the business interest of the newspaper. Prothom Alo's **product strategy** is to provide independent, unbiased, nonpartisan, upholding social values, non-communal and modern out look to the consumers (readers) for the betterment of the whole society. **Critical Success Factors** of Prothom Alo are honest journalism, teamwork, freedom in decision-making, social interaction & involvement and strong financial support (investment). The main **differentiators** of Prothom Alo from its competitors are quality of news presentation, professionalism and journalistic approach. It believes that volume of revenue depends on competitive market position of the newspaper. So it focuses on increasing the volume of circulation as a part of its **strategy to actualize revenue**.

### **8. Organizational Structure of Prothom Alo**

The Prothom Alo follows a very flexible organization structure in which various departments enjoy sufficient freedom and they cooperate with each other.

### **9. Board of Directors (BOD) and the Editor**

As the agent of the Board of Directors the editor of Prothom Alo is directly controlling the overall activities of the daily. All the news and advertisings are published according to his decision. As the Chief Executive Officer (CEO), he plays the coordinating role between the Board of Directors and the management of the newspaper. He is leading the team from the front in developing and executing different policies and strategies in light of the expectation of Board to achieve the ultimate objective of the organization.

## 10. Departments and Divisions

Two departments – office department and press department perform all the activities of Prothom Alo. The **office department** is also divided into two sections- **news section** and **general section**. Within the **news section** there are three divisions- **editorial division**, **news division** and **feature division**. These three divisions are directed by three deputy editors who perform their job under the direct supervision of the editor of the daily. It is mentionable that in Bangladesh Prothom Alo has introduced the position of Deputy Editor. Within the **general section** under the supervision of the administrative manager there are four divisions- **administration**, **advertising**, **accounts** and **circulation**. And finally, the general manager with the cooperation of a press manager and a press supervisor controls the press department. Besides the head office there is a branch office in Chittagong, which is managed, in the same fashion of that of the head office. (Jogajog' 2002)

## 11. Work Force

Prothom Alo has three hundred and thirty five (335) full time employees including ten [10] female employees. For compensating employees, Prothom Alo offers the salary structure of the fifth Wage Board of Bangladesh government. It also provides various benefits such as provident fund, gratuity, individual employee insurance coverage, group insurance coverage to its employees. Prothom Alo is offering its employees a very cordial working environment with a high opportunity to build up their career.

## 12. Target Market Decisions

One of the major differences of newspaper marketing is that the marketer has to satisfy two major groups of customers:

- a. **Readers** (who buy the product for their personal consumption i. e, **final** consumers)
- b. **Advertisers** (who buy the advertising space for their business use i. e. business buyers)

In developing the target market decision, a newspaper marketer has to consider both of these two types of customers as well as other factors such as the different variables of market segmentation, the competitive situation of the market, the SWOT (*Strengths, Weaknesses, Opportunities and Threats*) analysis of the business venture etc. which influences the overall performance of newspaper business. Like other newspapers of our country, Prothom Alo is developing their target market decision by considering all of these factors.

## 13. Marketing Mix of Prothom Alo

Marketing mix is the set of controllable variables of marketing. In general it is expressed in 4 Ps: product, price, place and promotion of a particular company (Kotler, 2003). The marketing mix of Prothom Alo is described below:

### Product

In a narrow sense, a product is a set of attributes assembled in an identifiable form. In marketing, we need a broader definition of product to indicate that consumers are not really buying a set of attributes, but rather benefits that satisfy their needs. Product is an umbrella term that covers goods, services, places, persons, and ideas (Stanton 1994). Marketing offer is some combination of products, services, information, or experiences offered to market to satisfy a need or want (Kotler, 2003).

**Level of products**

A product planner must think about three levels of products and services (Kotler, 2003). Each level adds more customer value. The most basic level is the **core benefit** that addresses the problem solving benefit of the marketing offer. For Prothom Alo, the basic product is information i. e. news & views. At the second level, marketers turn the core benefit into an **actual product**. In this stage product features, design, quality level, brand name, and packaging are developed. The actual product of Prothom Alo is the newspaper itself. In the third stage, to differentiate their offers from competitors' a marketer offers some additional benefits with core benefit and actual product, which is referred as the **augmented product**. Prothom Alo offers different supplementary as its augmented product. In the annexure part there is a list of supplementary offered by Prothom AI

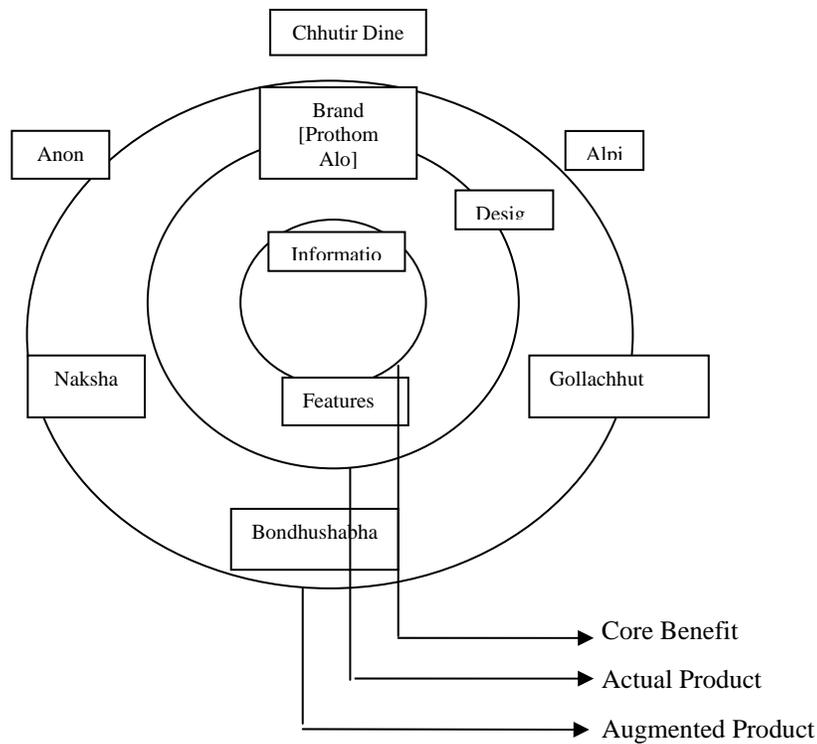


Figure 1: Levels Of Product Of Prothom Alo

**Product Mix**

Now-a-days firms do not rely on a single product rather they sell many products. According to Stanton (1994), the set of all products offered for sale by a company is called a product mix.

Kotler (2003) explained the term as the set of all product lines and items that a particular seller offers for sale. The different elements of Prothom Alo's product mix are:

- i. daily news & views
- ii. space for advertisements
- iii. web edition of Prothom Alo

#### 14. Web Edition of Prothom Alo

Like its regular issue, Prothom Alo is enjoying the market leadership in its web edition also. On an average worldwide more than One Hundred Fifty people read Prothom Alo daily. The web address of Prothom Alo is [www.prothom-alo.com](http://www.prothom-alo.com).

#### Space sold for advertisement

It's found that the total space of Prothom Alo's each issue is 7,040 square inches (24 October'05). The total space for matter is 6,130 square inches, which is 87% of the total space, and the rest of the 13% is the space for margin. The total space for news of that particular issue is 3558 square inches, which is 50.5% of the total space and 58% of the total matter space. The total space for advertising is 2,572 square inches, which is 36.5% of the total space and 42% of the total matter space.

**Table 1: Space Management of Prothom Alo (24 October'05)**

Content (20 pages)	Total Space (Square Inches)	% Total Space
Total Space for News	3558	50.5%
Total Space for Advertising	2572	36.5%
Total Space for Margin	910	13%
<b>Total Space</b>	<b>7040</b>	<b>100%</b>

**Table 2: Space Management of Prothom Alo (24 October'05)**

Content (20 pages)	Total Space (Square Inches)	% Total Space
Total Space for News	3558	58%
Total Space for Advertising	2572	42%
<b>Total Matter</b>	<b>6130</b>	<b>100%</b>

#### Pricing Decisions

Price is the exchange value of product. Price is the amount of money and/or other items with utility needed to acquire a product (Stanton 1994). Kotler (2003) explained price as the amount of money charged for a product or services, or the sum of the values that consumers exchange for the benefits of having or using the product or service. Pricing is a critical factor in the successful operation of for-profit and not-for-profit organizations. Setting prices for new and existing products appears simple enough. To find out the selling price of a product, a marketer apparently has to estimate the costs, add a margin for overhead and profit. Price is the primary element of the marketing mix that generates revenue.

The pricing strategy for newspaper industry is different from other consumer products. Prothom Alo is following a special type of competition based pricing approach to determine of the price of its product. The details of per unit production cost of Prothom Alo are as follows:

**Step 1: Determination of Per Unit Production Cost**

Newsprint	Tk 6.90
Printing	1.43
Factory Overhead	<u>.55</u>
	8.88
Indirect Overhead	<u>1.46</u>
<b>Total cost</b>	<b>10.34</b>

**Step 2: Determination of Per Unit Sales Revenue**

Per unit sales price	Tk 8.00
Agent's Commission	3.40
(42.5%)	<u>          </u>
<b>Per unit sales revenue</b>	<b>Tk 4.60</b>

**Step 3: Determination of Per Unit Marketing Cost**

i. annual promotion expenditure	
bill board	Tk .75 crore
incentive to the hawker & agency	.40 crore
trade promotion	.91 crore
(85000 copy x 12 x 8.88)	
<u>special promotion package</u>	<u>1.00 crore</u>
	Tk 3.06 crore
ii. annual distribution cost	
	Tk 1.45 crore
<u>iii. annual production cost</u>	<u>Tk 89.83 crore</u>
Total Annual Marketing Cost	Tk 95.34 crore
<b>Per Unit Marketing Cost</b>	<b>Tk 10.98</b>

**Step 4: Determination of Per Unit Target For Advertisement Revenue**

Cost of marketing	Tk 10.98
Sales revenue	<u>4.60</u>
<b>Advertisement target</b>	<b>Tk 6.38</b>

(If we multiply this per unit advertisement target by the total sales volume we will get the total daily target of the advertisement revenue.)

**Step 5: Determination of Deficit In Pricing**

Per unit marketing cost	Tk 10.98
<u>Per unit price</u>	<u>8.00</u>
<b>Per unit deficit in pricing</b>	<b>Tk 2.98</b>

Unlike other consumer products, Prothom Alo is not setting its product's price by adding a mark-up with its total marketing cost. Rather they have to make up the deficit in pricing and to make the targeted profit with the revenue of advertisement. So it's really tough to define the pricing strategy of Prothom Alo in the light of pricing approaches of marketing management.

**Table 03: Per Unit Price Changes of Prothom Alo**

Year	Taka
1998	6.00
1998-1999	6.00—7.00
2001	7.00
2003	8.00

Source: Prothom Alo

**Table 4: Sources & Daily Cost of raw Materials [Newsprint]**

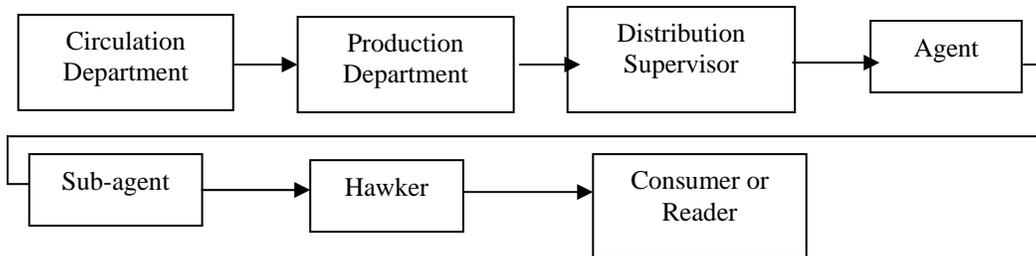
Source	Percentage	Amount (Ton)	Unit Price (Taka)	Total Cost of Newsprint (Taka)
Imported	85%	26.35	60000	15,81,000
Local	15%	4.65	45000	2,09,250
<b>TOTAL</b>	100%	31		17,90,250

Source: Prothom Alo

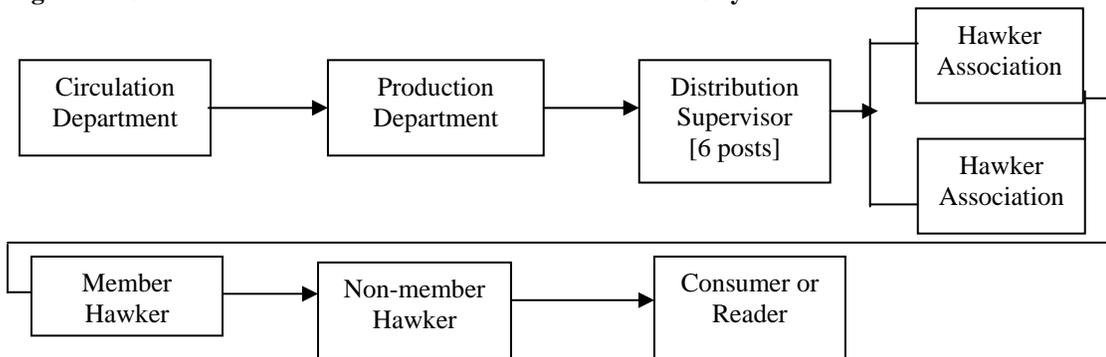
**Place Decisions**

A critical task for marketers in the new millennium is the efficient movement of goods and services from the point of production to the points of consumption. There are hundreds of ways in which goods and services can be distributed to consumers. There is no standard distribution system that can satisfy the needs of every firm. Many organizations use several distribution channels to reach different market segments. A distribution channel consists of the set of people and firms involved in the transfer of title to a product as the products move from producer to ultimate consumer or business user (Stanton 1994). In other words, channel of distribution is a set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer and business user (Kotler, 2003). Prothom Alo's channel of distribution is as follows:

**Figure 2 : Channel of Distribution of Prothom Alo for the whole country**



**Figure 3 : Channel of Distribution of Prothom Alo for Dhaka City**



From the above figures, it is clear that Prothom Alo's distribution channel in Dhaka city is different from the distribution channel in the whole country. But in both markets, Prothom Alo is using very long distribution channel.

### Cost of Distribution

Cost of distribution of Prothom Alo is very high. It's about 42% of per unit selling price. The major portion of the distribution cost is agent's commission, which is about 85% of the total distribution cost. The details of distribution cost of Prothom Alo is shown below:

Agent's commission ---	35%
Unsold, Trade promotion, Bad debt ---	<u>6.5%</u>
Total distribution cost ---	41.5%

### Promotion Decisions

Promotion is an attempt to influence the consumers to react in favor of the company. In other words, promotion is the element of an organization's marketing mix that serves to inform, persuade, and remind the market of a product. The organization is selling it, in hopes of influencing the recipients' feelings, beliefs, or behavior (Stanton 1994). Using the concept of promotion a company carefully integrates and coordinates its many communication channels to deliver a clear, consistent, and compelling message about the organization and its products (Kotler, 2003). According to Kotler there are five elements of promotion mix: personal selling, advertising, sales promotion, public relations and direct marketing. Prothom Alo is using all of these elements of promotion mix except sales promotion. It's using personal selling basically in collecting response from the advertisers; direct marketing in their web edition; advertising to increase their product image; and public relations to build up strong corporate image in the society. Study shows that Prothom Alo is using massive promotional activities than its competitors do. They are using print media (basically magazines), electronic media (satellite television channels) and out-door media (primarily banners & bill boards) for their advertisements. Sometimes they are using the different newspapers and magazines published from the same house to promote Prothom Alo, which is obviously free of cost. They are organizing seminars, talk shows, different competitions, contests, public rallies, award giving ceremonies, awareness build up programs in different social issues etc. as a part of their public relations \activities. The detail of the annual promotional expenses is shown below:

**Table 5: Annual Promotional Cost of Prothom Alo**

Sector of Expenditure	Amount [in Tk]
Bill Board & Banner	75,00,000
Trade Promotion [85000 x 12 x 8.88]	90,57,600
Incentive to Hawker and Agency	40,00,000
Television Commercials & Others	1,00,00,000
<b>Total</b>	<b>3,05,00,000</b>

Source: Prothom Alo

## 15. Circulation of Prothom Alo

Circulation refers to the sales of a newspaper. Circulation is the lifeblood of a newspaper. Study shows that there is a positive correlation between the volumes of circulation and the advertising revenue, which is the main source of earnings of a newspaper. The daily circulation print of Prothom Alo is shown in the following table from its inception:

**Table 6: Daily Circulation Print (1998-2005)**

Month	Daily Print (1998)	Daily Print (1999)	Daily Print (2000)	Daily Print (2001)	Daily Print (2002)	Daily Print (2003)	Daily Print (2004)	Daily Print (2005)
JANUARY		51669	136011	161268	194445	214438	230489	230378
FEBRUARY		59705	140556	167734	186773	209848	225455	237354
MARCH		65385	139961	166318	188225	230403	235262	235807
APRIL		66171	142551	174148	190376	239309	240389	235228
MAY		75195	142085	175495	190661	217518	243042	236887
JUNE		82641	143148	181017	200067	211360	234922	236868
JULY		89176	145245	194879	203053	217657	233688	237715
AUGUST		101920	148579	207036	203099	221983	243007	
SEPTEMBER		111567	153769	230015	206773	224996	245257	
OCTOBER		116655	156236	239275	208683	224014	240002	
NOVEMBER	53293	126722	162212	213023	216337	221385	232407	
DECEMBER	50024	132427	160872	195751	212156	228384	232900	

Source: Prothom Alo

#### **Territory Analysis of Circulation**

Study shows that Dhaka city is the largest territory of Prothom Alo's total circulation. About 46% of its total circulation covers by the circulation of Dhaka city only. The major sales territories are shown in the following table:

**Table 7: Monthly Sales of Prothom Alo Based on Territory [June, 2005]**

<b>Territory</b>	<b>Sales [June, 2005]</b>
Dhaka City	33,00,000 copies
Dhaka Division [excluding Dhaka city]	5,50,000 copies
Chittagong + Sylhet Division	20,06,845 copies
Rajshahi division	7,40,000 copies
Khulna Division	4,25,000 copies
Barishal Division	1,97,000 copies
<b>TOTAL</b>	<b>72,18,845 copies</b>

Source: Prothom Alo

### Sales Return

Sales return is a crucial problem of newspaper industry. In terms of sales return, Prothom Alo is in a convenient position. They are enjoying the lowest rate of sales return in the industry. The sales return position of Prothom Alo is shown in the following table:

**Table 8: Retutn on Sales of Prothom Alo**

<b>Territory</b>	<b>Amount</b>
National	9.87 %
Dhaka City	12 %

Source: Prothom Alo

### 16. Competitive Position of Prothom Alo

Companies can be classified into four categories in terms of their competitive position in the industry:

- a) **market leader**- the firm with the largest market share in an industry
- b) **market challenger**- a runner-up firm that is fighting hard to increase its market share in an industry
- c) **market follower**- a runner-up firm that wants to hold its share in an industry without rocking the boat
- d) **market nicher**-a firm that serves small segments that the other firms in its industry overlook or ignore (Kotler 2003)

From circulation point of view, The Prothom Alo is the unparalleled market leader of present newspaper market of Bangladesh. Prothom Alo supplies everyday on an average 2, 37,715 copies to the agents for sale. In terms of circulation (actual sale), Prothom Alo is ahead of the market challenger, The Daily Jugantor (the difference is 88,927 copies). Out of 64 districts Prothom Alo is the market leader in 43 districts. Out of the rest 21 districts, Prothom Alo is the market challenger in 11 districts and market follower in 9 districts and market niche in only one district. Except Barishal, Prothom Alo is the market leader in all the Divisional Headquarters of the country i.e. Dhaka, Chittagong, Khulna, Rajshahi and Sylhet with a big difference of 57,656 copies than the market challenger in selling point of view.

**Table 9: Country Wide Print, Supply, Sales and Unsold Copies of the Top Three Dailies**

<b>Name of the Newspaper</b>	<b>Average Print Copies</b>	<b>Supply Copies</b>	<b>Sales Copies</b>	<b>Unsold Copies</b>	<b>% of Unsold Copies</b>
Prothom Alo	2,32,339	2,32,339	2,13,255	19,084	8.21
Jugantor	1,41,467	1,41,467	1,24,328	17,139	12.12
Naya Diganta	1,13,950	1,13,950	95,285	18,665	16.38

Source: Prothom Alo

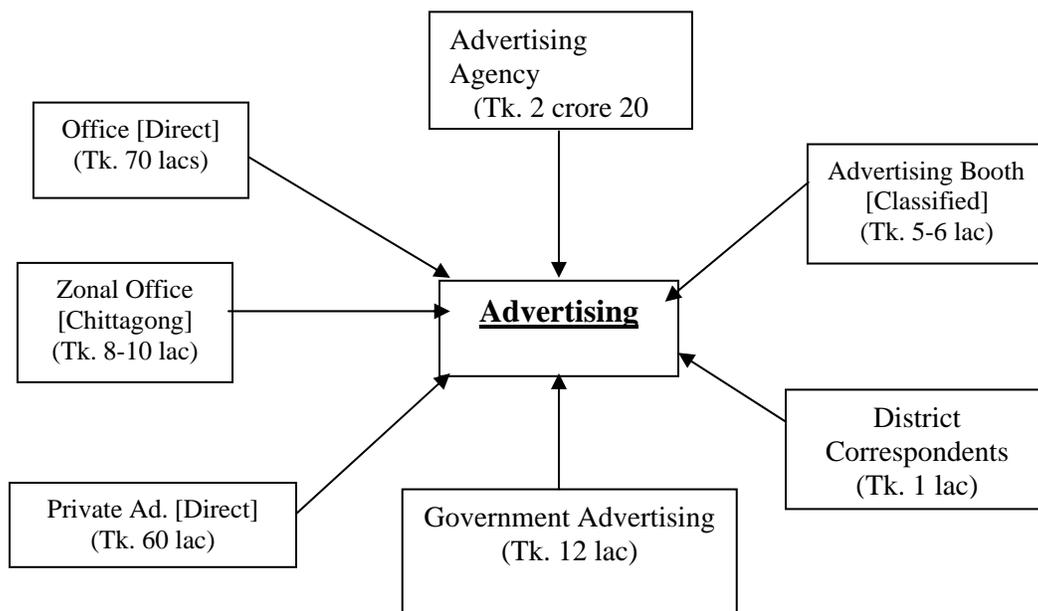
**Table 10: Market Share of the Top Three Dailies from Sales Point of View**

<b>Name of Dailies</b>	<b>Sales</b>	<b>% of Market Share</b>
Prothom Alo	2,13,255	30.83
Jugantor	1,24,328	17.97
Naya Diganta	95,285	13.78

Source: Prothom Alo

## 17. Sources of Revenue

Like all other newspapers, the main sources of revenue of Prothom Alo are advertising revenue and sales revenue. Prothom Alo is earning about Tk 3 crore 79 lac (after deducting the agent's commission) as its advertising revenue and Tk 3 crore 30 lac as its sales revenue (after deducting the cost of sales) per month. Among the different sources of advertising revenue (figure 03) advertising agency is the largest one. 58% of its total advertising revenue is earned from this source. Prothom Alo is the market leader in terms of sales revenue too.

**Figure 4 : Contribution of Different Sources of Advertising of Prothom Alo [June 2005]**

Source: Prothom Alo

**Table 11: Contribution of Different Sources of Advertising Revenue**

Sources of Advertising	% of total advertising revenue [June 2005]
Advertising Agency	58%
Office [Direct]	18.5%
Zonal Office [Chittagong]	2.5%
Private advertising [Direct]	16%
Government Advertising	3%
District Correspondents	0.5%
Advertising Booth [Classified]	1.5%
<b>Total</b>	<b>100%</b>

Source: Prothom Alo

## **18. Marketing Problems**

This paper identifies the following marketing problems regarding the overall marketing practices of Prothom Alo:

1. The management of Prothom Alo is not conscious about the modern concepts of marketing. It is found that it does not have any separate marketing department even though it is the market leader. At the same time, there is no research division to conduct survey about its consumer satisfaction. The study shows that in their organogram, there is no position of product manager also. It proves that their organizational structure should be redesigned.
2. The channel of distribution is a crucial component for a particular product like newspaper. It is found that the distribution channel of Prothom Alo is very long. It occurs high cost, which decreases the efficiency of its marketing system. Moreover, there is no sound distribution network in the rural area of Bangladesh, which decreases the overall market coverage of its product.
3. The price of Prothom Alo is higher in terms of the average household expenditure of Bangladesh. At the same time, it's not enjoying the benefit of price leadership. The study shows that being the market leader, Prothom Alo follows the going rate pricing approach.
4. The study identifies that Prothom Alo is sanctioning excessive space for the advertisement (42% of the total matter space) in comparison to the total news space (58%). It indicates that its management is highly profit oriented. The higher dependence on advertising encourages corporate journalism, which is controversial of professional journalism based on ethics.
5. There is a growing trend of price competition in our newspaper industry. It may create a real challenge for Prothom Alo.

## **19. Conclusion**

Prothom Alo may follow the under mentioned steps to improve its overall marketing performance:

1. The management of Prothom Alo should establish a separate marketing department. It needs to establish a research department and conduct market research on regular basis. At the same time it has to develop some feedback taking devices to monitor its consumer's response.
2. Prothom Alo ought to hire skilled employees who have proper academic expertise in their respective fields. It should train their employees of all levels in a way so that they can realize the importance of consumer satisfaction. It has to ensure professionalism (job security, higher salary, good corporate environment etc.) to minimize the turnover rate of its employees. And finally it needs to hire a product manager who will be responsible for its product development.

3. To increase the consumer satisfaction level, Prothom Alo needs to adjust the news-advertising space ratio of its daily offer. The allocation of advertising space should be decreased.
4. As the market leader, Prothom Alo may enjoy the advantage of price leadership. It should adopt a differentiated pricing strategy for the market outside Dhaka city to face the growing challenge of price competition especially from the new entrants.
5. Prothom Alo, as the market leader, will have to take initiatives to expand the overall market demand for daily newspaper in Bangladesh. It may enter into the rural market with the cooperation of different NGOs as its business partner to increase its market share. In this connection it can organize study circles in rural area and maintain newspaper stands at an increased number.
6. To attract more consumers (readers) it should focus on different segments of the market such as different religious minority, ethnic minority, older people, lefty people, disable people, farmers etc. It can publish separate supplementary issues for each of these distinguished groups.
7. It has to find out alternative distribution channel to minimize cost and gain more control over the distribution network so that it can increase the marketing efficiency.
8. It should appoint a brand manager and develop Prothom Alo as a brand.

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## **Annexure**

### **Chart 1: Brief Profile Of Prothom Alo**

Editor	:	Mr. Matiur Rahman
Publisher	:	Mr. Mahfuz Anam
Chairman & MD	:	Mr. Latifur Rahman
Company name	:	Mediastar Limited, It's a private limited company.
First publishing	:	04 November 1998
Number of pages	:	At present one day 30 page, 6 days 24 pages of every week
Price	:	Every day Tk.8.00
Present circulation	:	Around 2, 50,000 Copies per day
Mission	:	Prolong the market leadership and protecting the business interest of newspaper
Product Strategy	:	Independent, unbiased, nonpartisan, upholding social values, non communal and modern out look
Market Position	:	At present, from both circulation point of view and advertising revenue point of view they are market leader.
Critical Success Factors	:	Honest journalism, team work, freedom in decision making, social interaction & involvement and strong financial support (investment).
Differentiators	:	Quality of news presentation, professionalism, journalistic approach
Strategy to Actualize Revenue	:	In the newspaper industry reality of revenue depend on competitive market position of the newspaper.
Homepage	:	<a href="http://www.prothom-alo.com">www.prothom-alo.com</a> . They are the market leader at web page also.
Online Readers	:	World wide more than 130,000 people read Prothom Alo.
Regional office	:	18 regional offices with modern communication facilities.
Total Employees	:	At head office 335 employees among which 10 are female
Domestic Correspondent	:	Country wide 250 Correspondents.
Overseas Correspondent	:	8

### **Social Activities of the Prothom Alo**

Apart from serving news the Prothom Alo seriously participates in different social activities, like Prothom Alo Aid Fund for Acid Victims, Anti Drug Campaign, country wide Round Table Discussion on various national issues for opinion building, S.SC& HSC star students award, Gonit (math) Olympiad, various quiz competitions, sponsor for debating and tournaments, Bhasha Protijog etc, which has received overwhelming response from all over the country.

**Table 1: The daily offer of Prothom Alo**

Day	Regular Page	Supplementary Page	Total Page
Saturday	20	04	24
Sunday	20	04	24
Monday	20	04	24
Tuesday	20	04	24
Wednesday	20	04	24
Thursday	20	04	24
Friday	20	08	28

Source: Prothom Alo

**List of Supplementary:**

1. Weekly magazine Chhutir Dine [on Saturday]
2. Dhakay Thaki [on Sunday]
3. Alokito Uttor [weekly]
4. Alokito Chattogram [weekly 3 issues]
5. Alokito Dakkhin [fortnightly]
6. Alokito Sylhet [fortnightly]
7. Alokito Mymensing [monthly]
8. Stadium [on Sunday]
9. Bigyan Projonmo [on Sunday]
10. Shayshtho Kushal [on Sunday]
11. Weekly magazine Alpin [on Monday]
12. Naksha [on Tuesday]
13. Narimoncho [on Wednesday]
14. Bondhushabha [on Wednesday]
15. Gollachhut [on Wednesday]
16. Anonda [on Thursday]
17. Shamoikee [on Friday]
18. Onnoalo [on Friday]
19. Projonmo Dot Com [on Friday]
20. Cholti Bishsho [on Friday]
21. Others

**List of Feature Pages:**

1. Binodon [Published Daily on Page No.12]
2. Khet Khamar [once in a week]
3. Lav Khoti [on Monday Page No.09]
4. Paurashona [Published Daily on Page No.12]
5. Computer Protidin [Published Daily on Page No. 11]

**Table 12: Sales in Copies in Six Divisional Headquarters of the Top Three Dailies**

Name of Papers	Dhaka	Chittagong	Rajshahi	Khulna	Sylhet	Barishal	Total
Prothom Alo	85,817	26,500	5,101	4595	7060	1405	130478
Jugantor	55682	8175	830	1485	4200	2450	72822
Ittefaq	52722	3760	945	915	1265	805	60412

Source: Prothom Alo

**Table A-03: Circulation Position of the Top Three Dailies at A Glance**

Name of the Dailies	Average supply chain	Sales Copies	% of Unsold Copies
Prothom Alo	2,32,339	2,13,255	8.21
Jugantor	1,41,467	1,24,328	12.12
Naya Diganta	1,13,950	95,285	16.38

Source: Prothom Alo

**Table 13 : Division Wise Circulation Position of the Top Three Dailies**

Division	Prothom Alo	Jugantor	Naya Diganta	Ittefaq	Janakantha	Inqilab	Amar Desh
Dhaka	1,07,208	75,526	35,181	62,862	57,587	30,967	10,132
Chittagong	49,580	22,476	18,878	9,438	11,184	15,894	5,803
Rajshahi	25,183	6,724	18,598	6,713	8,680	5,358	3,465
Khulna	15,084	5,016	10,535	3,447	4,013	4,708	2,148
Barishal	3,207	5,096	4,710	1,980	1,347	1,527	815
Sylhet	12,993	9,490	7,383	2,460	2,369	3,745	2,212
Total	2,13,255	1,24,328	95,285	86,900	85,180	62,199	24,575

[Source: Prothom Alo]

**Table 14: Range of Advertising Commission**

Source of Advertising	Range of Commission
Advertising Agency	20% – 30% (in case of credit sale)
Advertising Agency	30% (in case of cash sale only)
Advertising Booth	20% - 30% (in case of both credit & cash sale)
Direct Personal Advertising	20% - 30% (in case of cash sale only)

Source: Prothom Alo