

**AN EMPIRICAL STUDY INTO THE FEASIBILITY OF LAUNCHING  
A NEW ZULU LANGUAGE NEWSPAPER INTO THE SOUTH  
AFRICAN MARKETPLACE**

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## ABSTRACT

Independent News & Media (South Africa) (Pty) Limited the leading newspaper group in South Africa commissioned an investigation into the strategic launch of a newspaper targeted at the African consumer in the KwaZulu Natal (KZN) market.

Independent Newspapers had a profitable Service Agreement with Mandla Matla the owners of ILANGA, the oldest Zulu language bi-weekly newspaper in KZN, which expired on March 31, 2002. Prior to the ending of the Service Agreement between the two companies, Independent Newspapers was restrained from publishing a Zulu language newspaper.

In order to minimise the effect of the loss of profit from the Service Agreement, various options were determined and a through investigation was commissioned.

One option was the possible launch of a new Zulu language newspaper. Reader research was commissioned in the form of reader focus groups and reader questionnaires to determine whether there was room for another newspaper targeting the African consumer. The reader research indicated the strong desire for a daily newspaper ideally in Zulu.

A comprehensive financial analysis and a new product development strategy was presented in order to best utilise the research findings and develop a profitable and consumer driven newspaper. In order to achieve this a number of strategic models were used in the development of the proposed new product.

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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 PROBLEM STATEMENT**

This study was undertaken to determine whether a clear gap exists in the current newspaper marketplace for a new Zulu language newspaper. Through research, reader perceptions, preferences and general dislikes about the possible new newspapers are to be determined.

### **1.2 PROBLEM BACKGROUND**

After a 15 year association, in the form of a Service Agreement, Mandla Matla the owners of the ILANGA newspaper gave notice on the agreement to Independent Newspapers in October 2001.

Independent Newspapers sold the ILANGA to the current owners in 1987 and part of the sale was an agreement that Independent Newspapers manage, distribute, sell advertising and market ILANGA for 50% of the profits. Mandla Matla would be solely responsible for all editorial matters, etc. This agreement was for a 15 year period, in which time Independent Newspapers was restrained from buying or starting another Zulu language newspaper.

Over the years the ILANGA Service Agreement grew into a substantially profitable portion of Independent Newspapers KwaZulu Natal's (KZN) overall business. With the loss of the contract the organisation had some strategic business decisions to make, as the

loss of the profits from the ILANGA agreement would have a profound effect on the company's overall performance.

Senior management of Independent Newspapers identified three possible courses of action to lessen the effect of the loss of revenue, one being the launch of a new Zulu language newspaper. The Managing Director of Independent Newspapers KZN commissioned a small task team to investigate, evaluate and report the feasibility of launching a new Zulu language newspaper into the market, before a final decision was to be made in order to lessen the effect of the loss of revenue.

The following text gives a comprehensive study of the Independent Newspapers KwaZulu Natal and the factors leading up to the decision to launch a new Zulu language newspaper into the KwaZulu Natal market.

### **1.3 STUDY OBJECTIVES**

In order to make the substantial investment decision to either launch or not launch a new newspaper title, a thorough investigation is required. The following details the key objectives of this study.

- 1)** Establish the key role players within newspaper publishing in KwaZulu Natal (Chapter 2).
- 2)** Undertake a situational analysis for Independent Newspapers KZN (Chapter 3).
- 3)** Establish the shape of the current newspaper market and identify a possible "gap" in the current Zulu language newspaper market (Chapter 4).

- 4) Plan the development of the new product using strategic models (Chapter 5).
- 5) Use qualitative and quantitative research to shape all aspects of the new product (Chapters 6 to 8).
- 6) Formulate the best possible financial model for the organisation determined by the requirements of potential adopters (Chapter 9).
- 7) Formulate a marketing strategy before the potential full commercialisation of the new product (Chapter 10).

Figure 1.1 below briefly details a conceptual map covering the various planning and developmental aspects covered in this study in the formulation of a new product. These are all related to the fulfillment of the above study objectives.

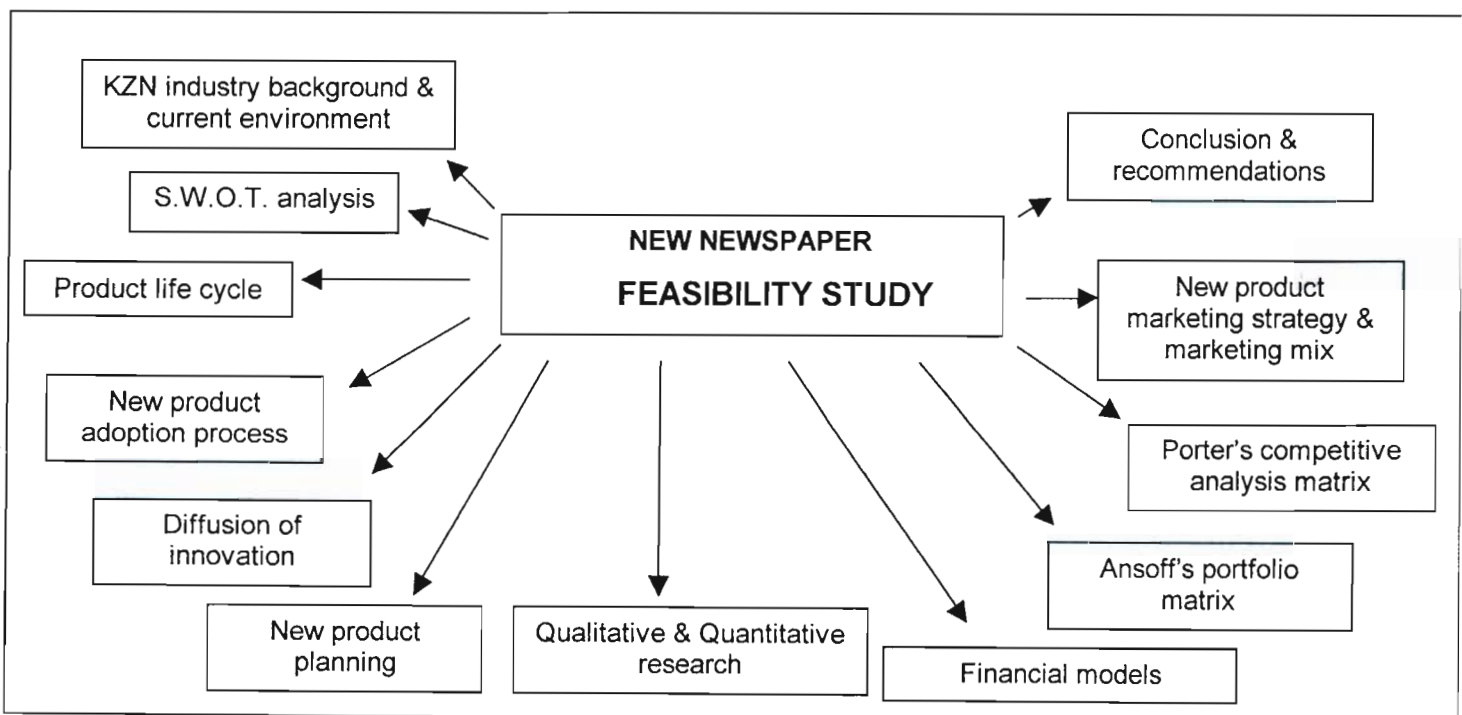


Figure 1.1: Dissertation conceptual model



#### **1.4 RESEARCH LIMITATIONS**

Due to the immediacy of the situation and the possible profound effect on the business (financially), Independent Newspapers did not have the time or extensive budget to undertake a series of descriptive and / or causal studies to gain further insight into the current and potential Zulu newspaper consumer, in order to best plan, implement and launch a new title for a well researched target market. Due to the time and financial constraints a convenience sample was taken for the focus groups, but more time and money was spent on the simple random probability sample that was taken for the field research.

## **CHAPTER 2**

### **NEWSPAPER PUBLISHING IN NATAL**

Newspaper publishing started in Durban when The Natal Mercury was first published in the town of Port Natal in November 1852. Started by the Roberson and Collins families The Natal Mercury primarily was an advertising broad sheet advising of imported merchandise for sale as well as produce and farmland in and around Port Natal.

Twenty six years later, on 5 January 1878, the first edition of what was to become the Daily News was issued free of charge. Peter Davis a Pietermaritzburg Printer founded the then called, Natal Advertiser and printed the title in his West Street printing shop.

As with The Natal Mercury the main focus of the paper was advertising and the front page gave details of grain, dairy products and liquor coming from Europe by ship. The real birth of the Daily news came when the innovative Horace Flather became editor in 1926. Under Flather's leadership the Natal Daily News became the most widely read newspaper in Natal and the leading opinion maker.

The Sunday Tribune was launched in 1937 by the Schlesinger family. It was the only Sunday newspaper and as the title grew it became the most widely distributed title across the province of Natal.

The once a week Golden City Post was launched in 1955 aimed at the increasing Natal Indian population, and over time firmly entrenched itself as the unchallenged voice of the Indian community in South Africa. It then became known as the POST in the early 1960's and the title's name was changed (Organisational Overview, 2002: 4).

## 2.1 INDEPENDENT NEWSPAPERS

### 2.1.1 COMPANY HISTORY

In the early 1980's the Durban branch of Argus Printing and Publishing Company Ltd owned four regional newspapers titles –

Table 2.1: Argus Printing and Publishing newspapers

TITLE	FREQUENCY	LANGUAGE
Daily News	Daily - Monday to Friday afternoons	English
Sunday Tribune	Weekly - Sunday mornings	English
Post Natal	Weekly - Wednesday mornings	English
ILANGA	Bi-weekly – Monday & Thursday mornings	Zulu

Source: Organisational Overview, 2002: 13

In 1985 following negotiations with Robinson and Company, owners of the Mercury (English daily – Monday to Friday mornings), it was merged with the four Argus titles to form a new company, Natal Newspapers Pty Ltd which commenced trading on 1<sup>st</sup> November 1985. Argus Printing and Publishing Company owned 70% and Robinson 30%.

In 1987 the Argus Company sold ILANGA newspaper to Mandla Matla a company belonging to the Inkatha Freedom Party (IFP), a political party, whose leader was and still is Dr Mangusutho Buthelezi. The sale was in response to the possible launch of a newspaper solely owned by the IFP in the KwaZulu Natal region.

Part of the sale agreement was that the Argus Company would relinquish their ownership of the title but retain a 50% share in profits,

the accounting for ILANGA would form part of the cost drivers of the Argus Company's Durban operation and agreed to a restraint of trade clause restraining the Argus Company from publishing any Zulu language editorials, starting or buying a Zulu language newspaper, for the length of the Service Agreement between the 2 parties – 15 years. The Service Agreement contracted the Argus Company to manage, distribute, sell and do all the accounting, based on cost drivers, for the title. Mandla Matla would be solely responsible for the editorial structure and editorial component of ILANGA.

The Argus Company's ILANGA operation comprised of a manager, a production manager and 5 staff, an advertising sales manager and 3 sales representatives, a classified advertising supervisor and 3 classified sales representatives, a promotions officer, an administration supervisor and a driver. Mandla Matla's editorial component comprised a total of 15 journalists including an editor and a librarian.

In January 1990 Robinson and Company relinquished its 30% share to Times Media Limited (TML), owners of the Sunday Times and Business Day. With the disposal by TML of their shares in 1994, Natal Newspapers Ltd became a wholly owned subsidiary of Argus Newspapers Ltd.

In 1994 Independent Newspapers Ltd PLC acquired controlling the controlling stake in the Argus Group.

Independent Newspapers Ltd PLC is a leading international media group which operates primarily in Ireland, Australia, New Zealand, the United Kingdom. The group's core businesses are newspaper publishing, electronic media (including internet and radio) and outdoor advertising.

In 2000 Independent Newspapers Plc acquired a 100% ownership and de-listed the South African Company from the JSE. The company is currently known as the Independent Newspaper and Media Group (Seymour & Taylor, 2001: 63).

### **2.1.2 COMPANY PROFILE**

Independent News & Media (South Africa) (Pty) Limited is the leading newspaper group in South Africa, publishing a total of fourteen daily and weekly newspapers in the countries three major metropolitan areas. It also has interests in magazines and electronic media.

Each of the group's newspaper titles are constantly reviewed to ensure that they are strategically positioned to serve the needs of their readers and advertisers in clearly defined key markets. With aggregate weekly sales of 2.8 million copies in Gauteng, KZN and the Western Cape, the group currently receives 48% of the total adspend in the paid newspaper market. It also reaches 54% of the English newspaper readers in these areas.

The group publishes eleven free delivery community weekly newspapers in Cape Town, holds a number of profitable commercial printing and distribution contracts in all areas.

Independent Newspapers and Media also owns an Internet portal – Independent On Line (IOL) and is one of South Africa's foremost news websites, with daily updates of news gathered by the news departments of the group around the country. This is in reaction to the era of significant Internet advertising, where printed media will now

compete with this electronic media to retain its share of adspend. South Africa is number 15 on “fast growing user lists internationally” (Media Futures, 1995: 6).

A mobile communications company – iTouch, is also owned by the group and specializes in mobile communication in the form of cellular communication and has a strategic alliance with VODACOM, South Africa's biggest cellular network provider. ITouch is listed on the London Stock Exchange (Merryl Lynch, 1999: 132).

### **2.1.3 OPERATIONS REVIEW (2000)**

The South African operations produced an impressive year-on-year performance despite the on-going volatility and uncertainty in trading conditions.

Turnover increased by 4.7% to R1.21 billion, and operating profits grew by 5% to R151.5 million. Margins have remained stable at 12.5%.

The business in South Africa is well set to take advantage of any improvement in the local economy (Merryl Lynch, 1999: 145).

### **2.1.4 PHILOSOPHY, AIMS, GOALS AND OBJECTIVES:**

The company's vision is “our company of the future will be a dynamic, market driven, growing and diversified company, representative of the communities we serve, producing professionally excellent products, newspapers and others in which people are valued and developed and which is making a 20% return on turnover” (Annual Report, 1997: 6).

Independent Newspapers views their key objectives and goals as being:

- 1) To be the leading creator, developer and manager of newspaper audiences in South Africa
- 2) To assess the needs of advertisers, and to seek to provide them with adequate penetration of relevant markets. Thereby increasing the share of all advertising markets held by print newspapers in the group.
- 3) To further the cause of racial co-operation, and to pursue a balanced policy calculated to enhance the welfare and progress of all sections of the population.
- 4) To gather and disseminate information by the most efficient and profitable methods that can be devised.
- 5) To make profits to ensure independence, provide means for growth and make it possible to improve standards. To ensure the long-term security of staff, and give shareholders a reasonable return on their investments.
- 6) To constantly raise the quality of their newspapers, and build a sustainable competitive advantage in printing and distribution.

The strong market position provided by Independent Newspapers improving quality gives them unique advantages and strengths in the developing market place. New product opportunities, as well as the development of additional niche products and titles in and around the Groups core titles remain a high priority (Media Futures, 1997: 36).

## **2.1.5 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (S.W.O.T) ANALYSIS**

The following outlines the strengths, weaknesses, opportunities and threats that Independent Newspapers as a whole potentially can take advantage of or at least prepare for (Seymour & Taylor, 2001: 71).

### **Strengths**

- Strong established brands
- Strong titles, such as Business Report and Personal Finance
- Expertise and skills in editorial and advertising
- Access to international links and editorial “wires”
- Access to shared and pooled resources - layout, design, marketing, financial, management, transport, etc.
- Sophisticated distribution network
- Market dominance in KZN newspaper readership
- Press Capacity
- Economies of Scale

### **Weaknesses**

- Monopoly
- Not entrepreneurial
- High duplicated readership
- Lack of focus/ for certain products
- Low newspaper penetration
- Lack of experience in new markets ie. Black market

### **Opportunities**

- Black market products
- Joint ventures in new products



- Diversification into other media
- Niching
- Press Capacity
- Group Internet initiatives – Classified, bookings system, etc

### **Threats**

- Static share of a market while population increases
- Erosion of advertising base
- Internet classifieds – other sources
- Not exploiting growth areas – Black market, youth spending power, etc.

## **2.2 MANDLA MATLA – COMPANY PROFILE**

Mandla Matla is solely owned by the Inkatha Freedom Party (IFP) a political party of national standing. The party's leader, Mangosuthu Buthelezi, is currently the deputy president of South Africa and was a very prominent politician in the mid 1980's before the unbanning of the African National Congress (ANC), the release of Nelson Mandela and South Africa's first democratic election.

In the late 1980's the ILANGA became the official mouthpiece of the IFP and any profits generated through the sale of advertising or through copy sales, after being split 50:50 with the Argus Company, was used to fund the IFP. When Mandla Matla took over the title the sale of ILANGA was approximately 100 000 copies on both Mondays and Thursdays and making a small loss.

By 1990, as the paper gained support from IFP supporters and Zulu speaking people were realising their, previously denied role in national politics, ILANGA reached an average sale of 132 000 copies, and was starting to make a profit. The early 1990's was the height of newspaper sale in KwaZulu Natal and was a landmark era in South Africa's history.

As the country stabilised politically into the mid and late 1990's newspaper sales declined year-on-year and ILANGA was equally effected dropping down to 110 000 copies by 1999 and down to 107 000 copies by 2002 (Seymour & Taylor, 2001: 15).

### **2.3 THE NATAL WITNESS – COMPANY PROFILE**

The Natal Witness is the oldest family owned newspaper in South Africa. It operates out of Pietermaritzburg the capital city of KwaZulu Natal and the location of the provincial legislature.

The title is published every morning Monday to Friday in English and is predominantly distributed and sold in the Pietermaritzburg area, with an average sale of 25 000 copies per day.

In 1999, the Natal Witness launched a new weekly tabloid supplement targeted at the Zulu speaking community of Pietermaritzburg called the Echo. The Echo was published in both English and Zulu and was distributed in the Natal Witness every Thursday and an extra 50 000 copies were distributed free in the black residential areas in and around Pietermaritzburg.

As newspapers circulations begun declining in the late 1990's so did newspaper profitability's decline. In 1999 it was rumored that the Natal Witness with its small circulation was feeling the pressure of falling profitability and was forced to retrench staff in order to lessen the impact.

In 2001, the Cape based Naspers, the second biggest newspaper publisher in South Africa, bought a 51% share in the Natal Witness and immediately commissioned a new, state of the art, printing press to be up and running by early 2002.

Naspers gave the Natal Witness the much needed financial injection it sought and allowed the company to pursue lucrative commercial printing contracts to utilise the printing capacity of the new Web printing press (Seymour & Taylor, 2001: 20).

## **2.4 UMAFRIKA – COMPANY PROFILE**

UMAFRIKA is a weekly Zulu language tabloid newspaper which was started in 1910 by Catholic Missionary monks based outside Durban operating from a monastery at Marianhill.

Its initial purpose was to communicate with the local and Catholic community in the Durban area. In the mid 1980's it began being positioned as a mouthpiece for the then banned ANC and started benefiting from a public eager to learn more about the ANC organisation and possible uprisings against the Apartheid government.

UMAFRIKA reached an average weekly sale of 60 000 copies by 1990, and Independent Newspapers KZN printed the title on behalf of the owners, but then, like all other newspapers, their circulations began to slide as the political environment became more stable.

In 1998 the Catholic Church gave the publishing and management rights over to a small family printing company, Du Plessis Printing, for which the church would get a contribution of profits made. By 2000 UMAFRIKA's circulation had fallen to 16 000 copies per week and was running at a loss due to lack of advertiser support.

In early 2000, UMAFRIKA ceased printing due to financial problems. Approximately 6 month later, 2 Independent Newspapers KZN executives (a newspaper Editor and the Advertising Director) approached the Catholic Church, the still owner of UMAFRIKA, to take over the printing and management rights of the title and resurrect it - the church agreed and in November 2001 UMAFRIKA started publishing again, once a week.

Since its reintroduction into the market the title has not managed to reach an average sale of over 12 000 copies a week, although it has been redesigned (Seymour & Taylor, 2001: 20).

## **2.5 SUMMARY**

This chapter presented the history to publishing newspapers in KwaZulu Natal dating back to 1852. Independent Newspapers' history and relationship with the ILANGA newspaper is discussed and the

organisations company profile, philosophy, goals, objectives and a brief S.W.O.T. analysis is presented.

The company profiles of Mandla Matla, The Natal Witness and UMAFRIKA were also outlined, in order to determine the key role players within the KZN newspaper market.

The following chapter looks at the strategic options available to Independent Newspapers as the result of part of the loss of the ILANGA service contract, making up the Situational analysis.

## **CHAPTER 3**

### **SITUATIONAL ANALYSIS**

The following text describes the history, events and characteristics leading up to Independent News & Media PLC making a final decision with regard to reacting to the loss of the profitable ILANGA Service Agreement, which endured for 15 years.

#### **3.1 SERVICE AGREEMENT BACKGROUND**

In 1987 the then Argus Company sold ILANGA newspaper to Mandla Matla. The sale was in response to the possible launch of a newspaper solely owned by the Inkatha Freedom Party in the KwaZulu Natal region.

Part of the sale agreement was that the Argus Company would relinquish their ownership of the title but retain a 50% share in profits, the accounting for ILANGA would form part of the cost drivers of the Argus Company's Durban operation and agreed to a restraint of trade clause restraining the Argus Company from publishing any Zulu language editorials, starting or buying a Zulu language newspaper, for the length of the Service Agreement between the 2 parties – 15 years (to expire in 2002). The Service Agreement contracted the Argus Company to manage, distribute, sell and do all the accounting, based on cost drivers, for the title. Mandla Matla would be solely responsible for the editorial structure and editorial component of ILANGA.

### **3.2 END TO ILANGA SERVICE AGREEMENT**

On 8 October 2001 Mandla Matla gave Independent Newspapers KZN notice that they would not renew their service agreement with them, which ran until 31 March 2002. They informed Independent Newspapers KZN that they had concluded an agreement with the Natal Witness.

The decision by Mandla Matla was a surprise for the executives of Independent Newspapers, as no indication was given that Mandla Matla was that unhappy that they would be looking at securing a new service contract with a competitor newspaper group, especially operated out of Pietermaritzburg, 100 kilometers away from Durban where ILANGA operates from.

ILANGA's profit contribution to Independent Newspapers KZN was by this stage quite substantial and would be very difficult, if not impossible, to generate in the short term by Independents current operation. The impact of the non-renewal of the service contact would effect the profitability of Independent Newspapers KZN in the short term and new positions or retrenchment packages would have to be considered for the ILANGA commercial staff, both again having negative cost implications for the company.

### **3.3 THE RELATIONSHIP BETWEEN INDEPENDENT NEWSPAPERS AND MANDLA MATLA**

Over the duration of the Service Agreement, numerous business managers and staff were seconded to ILANGA for the mutual benefit of both parties. As the circulation of the title rose and as management practices and operations became more efficient, so profit was generated.

However, since the inception of the Cost Driver accounting model which was used to calculate all costs and profits for ILANGA based on a shared costs with the Argus Company's other titles, there was conflict on the fairness of costs being allocated to ILANGA. Mandla Matla's allegation was that costs were unfairly allocated and hence having a negative effect on profits generated by the title, but suited the Argus Company as ILANGA contributed to the profits of their own titles as all costs were shared.

### **3.4 OPTIONS FOR INDEPENDENT NEWSPAPERS**

On being given notice by Mandla Matla, Independent Newspapers KZN immediately looked at their options in the light of them no longer being restrained from publishing a Zulu language newspaper after 31 March 2002, as well as finding avenues to lessen the impact of the loss of revenue generated by the loss of the service agreement.

The following 3 options were identified and investigated: 1) Purchase UMAFRICA, (2) Do nothing, and (3) Launch a new Zulu language title (Seymour & Taylor, 2001: 38).



### **3.4.1 PURCHASE UMAFRIKA**

Make an offer to the 2 ex-employees for the business and management rights to the title, and the Catholic Church to purchase UMAFRIKA outright, with effect from 1 April 2002.

A discussion was held with the 2 individuals and a degree of interest was shown, however Independent Newspapers KZN executives made it clear that it was the company's intention to own the title outright. The Catholic Church did not accept the offer to purchase and took a decision that for strategic reasons the title would not be up for sale for an indefinite period.

The owners of Independent Newspapers made the decision that to further pursue this option would be fruitless, as they did not want to enter into any type of service agreement with another titles owner and suffer the same predicament as that of the ILANGA.

This option was dismissed.

### **3.4.2 DO NOTHING**

By doing nothing and not reacting in anyway to the release of the restraint and the loss of a substantial revenue stream, Independent Newspapers would have no choice but to radically reduce its cost base by effectively reducing its labour force across all sectors of the

business, starting with the personnel that worked for ILANGA, due to operational requirements.

This approach would shrink the KwaZulu Natal business substantially and would effectively open the door for a major competitor to hire qualified and experienced staff members and launch into the KwaZulu Natal newspaper market, that Independent Newspapers monopolized for over a 3 decades. The loss of the experienced ILANGA staff members would also hamper the development of a new Zulu language newspaper at a later stage, if so decided.

The retrenchment process would cause major disruption to operations, employee dissatisfaction, loss of skills and have a profound financial effect in settling retrenchment packages, etc.

It was decided that this option should be the last option available and only considered if the investigation into the launch of a new Zulu language newspaper turned out to be unwise.

### **3.4.3 LAUNCH A NEW ZULU LANGUAGE TITLE**

As Independent Newspapers was now released from the restraint of publishing any Zulu editorial, a new Zulu language newspaper title could be launched on or after Monday, 1 April 2002.

A full investigation into the sustainability of another Zulu language newspaper was commissioned and a comprehensive business plan and financial model was to be presented to the Independent

Newspapers Group chairman, CEO and financial director (Seymour & Taylor, 2001: 69).

### **3.5 SUMMARY**

The history of the ILANGA service contract dating back to 1987, the termination of the contract and the relationship between Independent Newspapers and Mandla Matla was outlined in this chapter. Also, the options to either purchase UMAFRIKA, or not to react at all to the loss or to react by launching a new Zulu language newspaper were identified and briefly evaluated as the possible options for Independent Newspaper to take as a result of the loss of the service contract. The chapter concludes with the approval of an investigation, research and business plan formulation in determining the sustainability of a new Zulu language newspaper in KwaZulu Natal, by the board of Independent News & Media PLC.

Chapter 4 outlines the current “black” newspaper market in South African and KwaZulu Natal, details levels of newspaper penetration into the literate population of KwaZulu Natal and presents the demographic breakdown of the current black newspaper readership in the province. Finally an ILANGA and UMAFRIKA, competitive overview is presented.

## **CHAPTER 4**

### **THE CURRENT MARKET**

The following details the readership of newspapers in South Africa targeting the black consumer, discusses the penetration levels of press into the black readership market, maps a select number of newspapers on a 2 dimensional positioning map and details the demographic make up of the current black newspaper readership market of South Africa, according to the All Media and Products survey 2001a (AMPS 2001a). AMPS is conducted biannually by the South African Research Foundation (SARRF) which is funded by all media owners, advertising agencies, marketing companies and consumer product companies in South Africa. Finally a brief overview of ILANGA and UMAFRIKA is presented.

#### **4.1 BLACK NEWSPAPERS**

The following details a breakdown of Black newspapers within the South African newspaper market. Market share in each category is calculated by number of issues multiplied by circulation as a percentage of the category total – see Graph 4 for details.

##### **4.1.1 NATIONAL**

The SOWETAN dominates the black newspaper market on a national basis with 51% market share due to publishing Monday to Friday. PREMIER SOCCER has the second highest market share with 14% which only publishes once a week. It is interesting to note that CITY

PRESS, with the highest cover price (R3.50), has the highest market share out of the Sunday titles targeting black readers.

ILANGA has the third highest market share which is quite considerable considering that distribution and sale in the Gauteng area has never been a key focus area for the title.

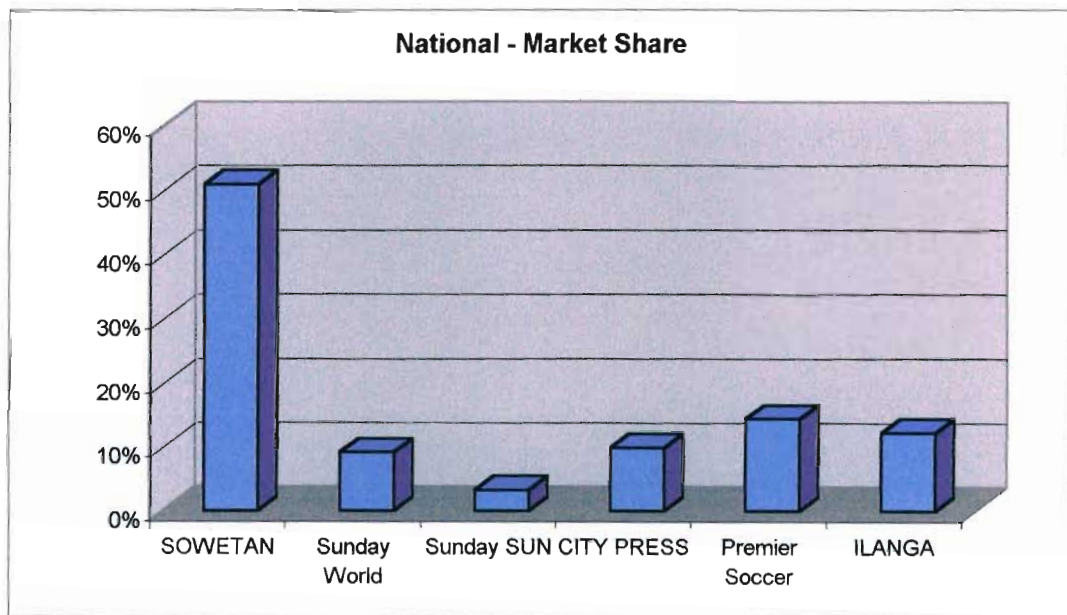


Figure 4.1: National Black readership newspapers - Market share

Source: AMPS 2001a

#### 4.1.2 BLACK NEWSPAPERS – KWAZULU NATAL

ILANGA clearly dominates the KZN market with its average weekly sale of 115 000 achieving 49% market share.

SOWETAN which is published in English and is sold Monday to Friday in KZN achieves second place with 13%. The SOWETAN has a

perception of only reporting on news in Gauteng and has little relevance to KZN.

A point worth noticing is that there has been a number of small weekly newspapers (Khula Sports, IKWEZI, KZN Newspaper) targeting the black reader emerging, but have had difficulties in marketing and gaining credibility with advertisers.

The Natal Witness (ECHO) as well as the Zululand Observer (Umlozi Wezindaba) also publish standalone Zulu supplements to their main titles, which are marketed separately with relatively small success.

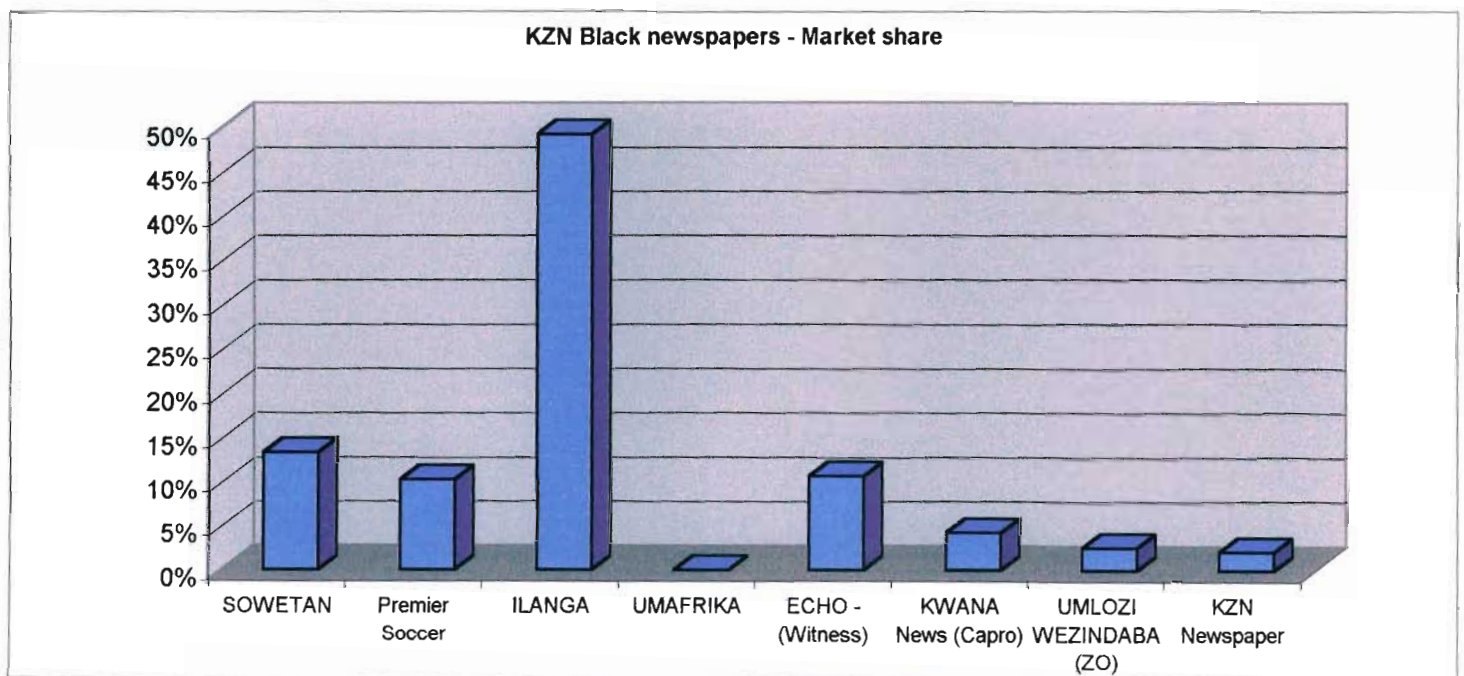


Figure 4.2: KZN Black readership newspapers - Market share

Source: AMPS 2001a

### 4.1.3 BLACK NEWSPAPERS – ZULU LANGUAGE

Again in this category the ILANGA dominates with 74% of the market, but ILANGA is the only Zulu newspaper, which publishes twice a week.

The ECHO with a circulation of 50 000 is in second place, but it is sold with the Natal Witness and approximately 45% is given away free in black areas in and around Pietermaritzburg.

UMAFRIKA which has restarted publishing after a period of 6 months has achieved a sale of 10 000 in 5 issues and possibly has potential to grow to over 12 000 per week by the middle of 2002.

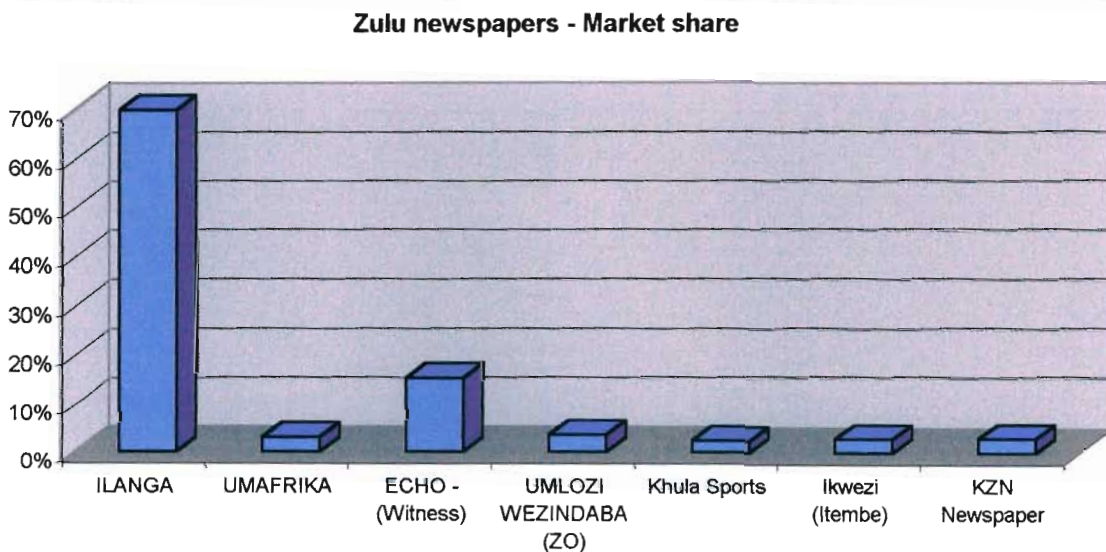


Figure 4.3: KZN Zulu readership newspapers - Market share

Source: AMPS 2001a

## 4.2 BLACK NEWSPAPER PENETRATION

The below graph details some key indicators with regard to newspaper penetration in KwaZulu Natal amongst the black, literate (English and / or Zulu) population of the province.

- In total, there is only a newspaper penetration of 27.11% of the total black population of KZN.
- Of the 4,1M Black, English or Zulu literate population of KZN, newspapers reach 30.79%,
- of the Black population that are English literate, newspapers reach 39.85%, and,
- finally, newspapers have a 30.29% penetration of the Black population that are Zulu literate.

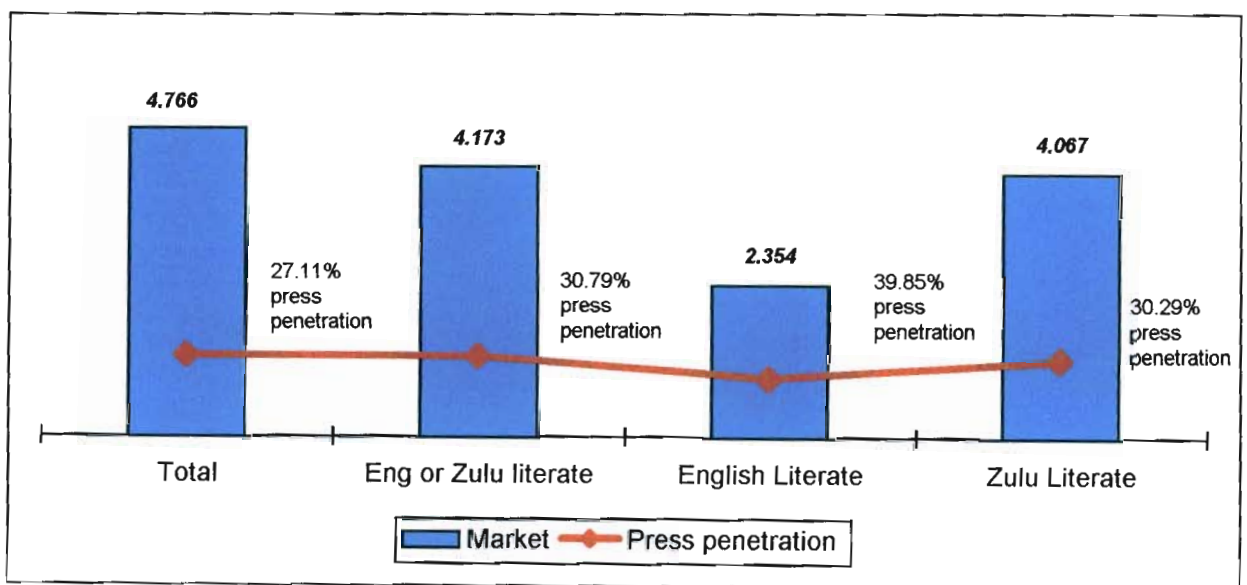


Figure 4.4: KZN literate market press penetration

Source: AMPS 2001a



- In terms of specific title penetration of the 4.1M Black, English or Zulu literate population of the province, the following graph details the titles which penetrate this market most.

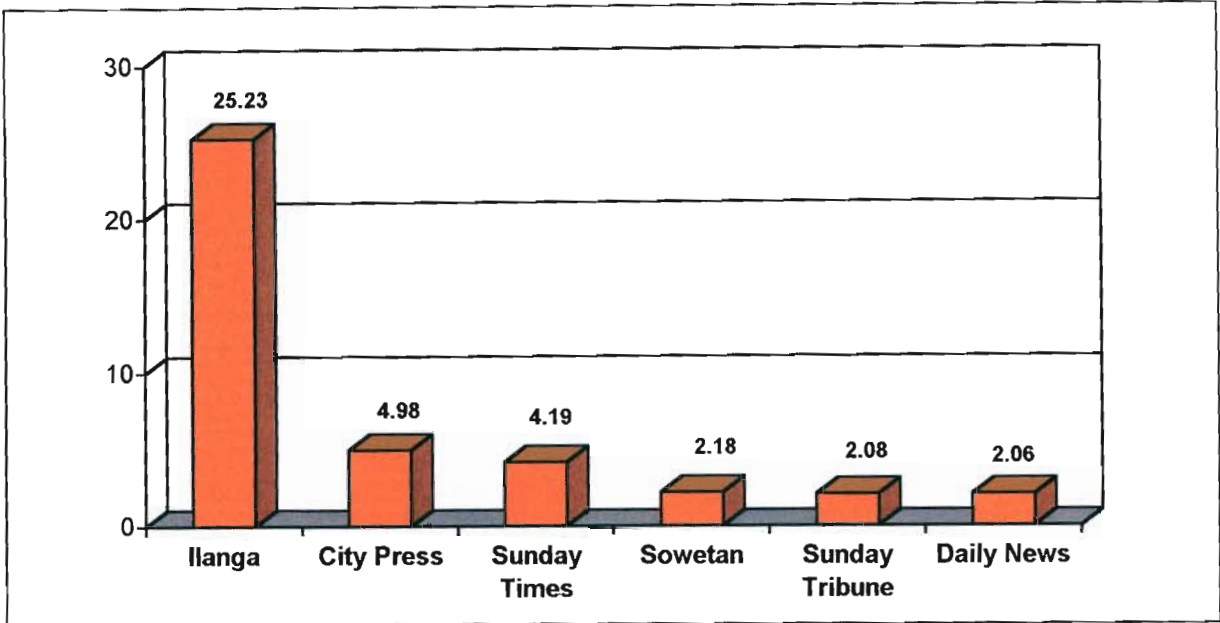


Figure 4.5: KZN Zulu literate newspaper penetration

Source: AMPS 2001a

### 4.3 NEWSPAPER CLUSTER ANALYSIS

In order to determine the degree of competitive rivalry amongst brands targeting similar target markets (in this case Zulu readers), positioning maps help in understanding the nature of possible competitive threats or opportunities, within a 2 dimensional framework. The cluster analysis approach is an inexpensive, logical, practical and useful resource in determining the positioning of products within a market (McCarthy & Perreault, 1995: 88).

The determinant gap map offers several levels of sophistication depending on the project investigated or determining factors from the organisation.

One system of formulating a determinant gap map is in the way of managerial expertise and judgment, by plotting products on a predetermined map. This system is speedy and cost effective, but only driven by managerial experience which could be different from customer perceptions. More sophisticated customer perception maps can also be developed using research and statistical analysis of target consumers (Crawford & Benedetto, 2000: 113).

The following, simple factor positioning map plots Zulu newspaper titles, discussed earlier, on 2 axes – Circulation and cover price. This clearly indicates the positioning of Zulu language titles within the KZN marketplace, with data relating to the two axis' derived from the All Products and Media survey conducted in 2001. Further gap analysis maps are presented in the following text.

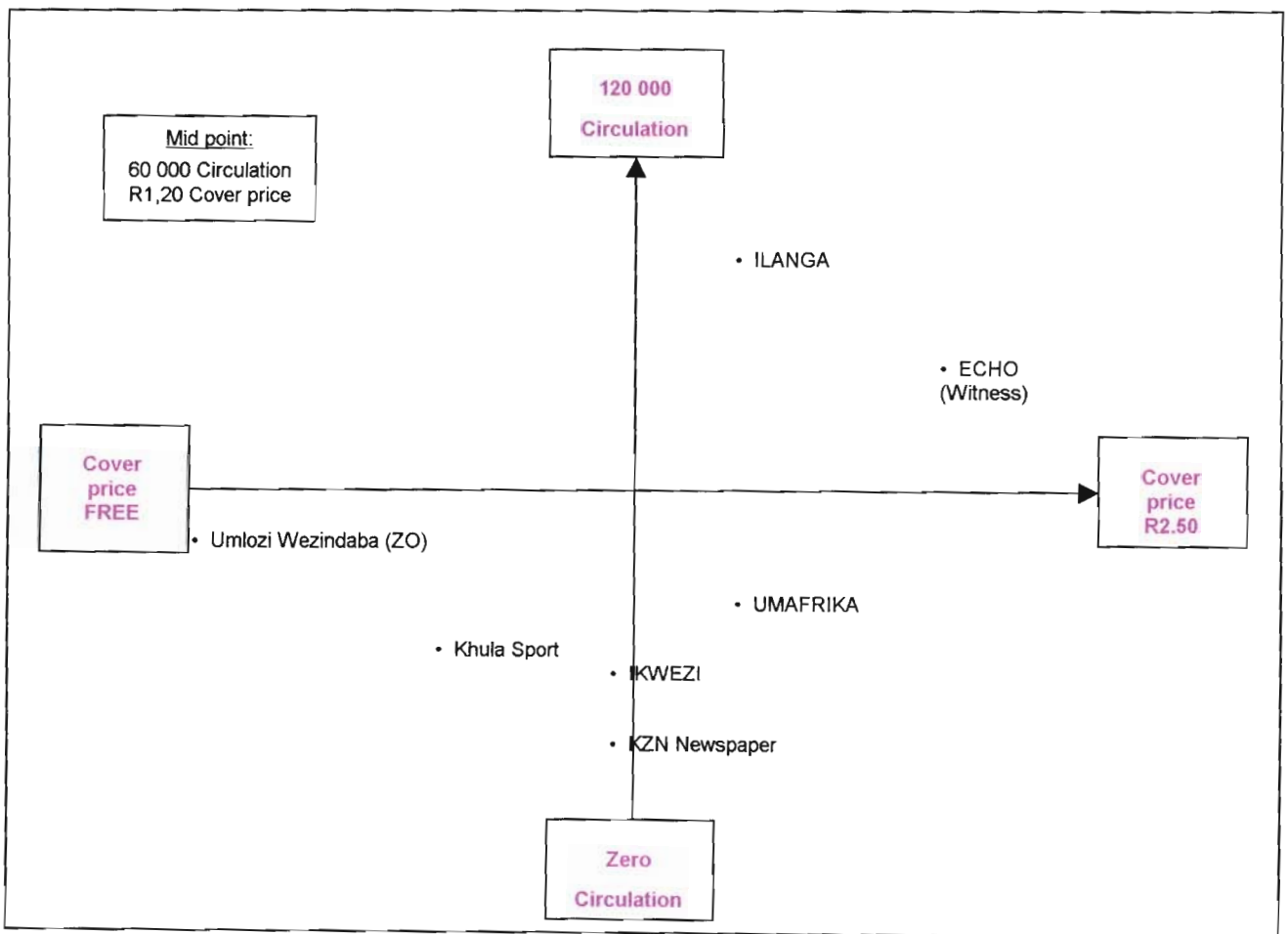


Figure 4.6: Zulu language newspapers – Cluster map

Source: AMPS 2001a

#### 4.4 CURRENT BLACK READERSHIP PROFILE

##### Gender

- Bias towards male readership.

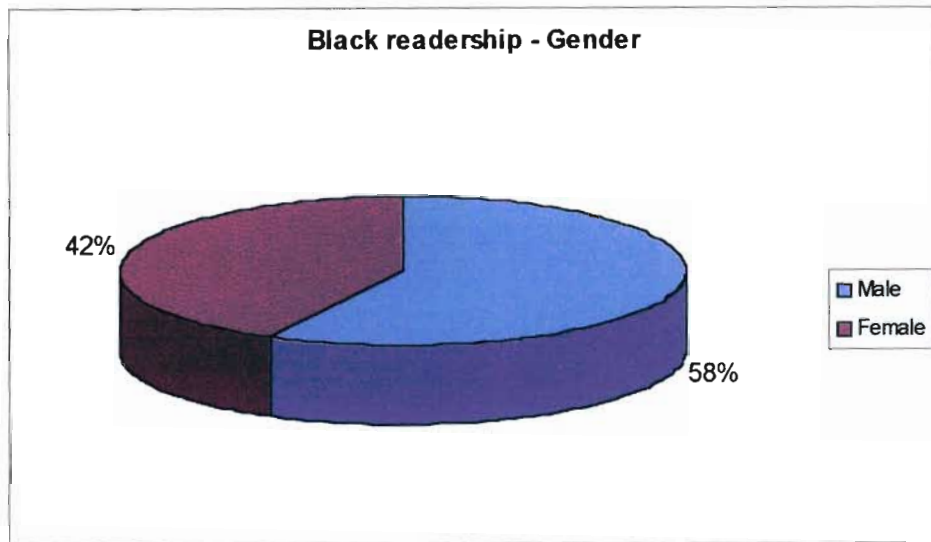


Figure 4.7: Black readership Gender

Source: AMPS 2001a

##### Education

- Some High school has the highest percentage with 40%.
- Matric education with 24% is the next highest percentage
- Technikon / University education is low with only 8%

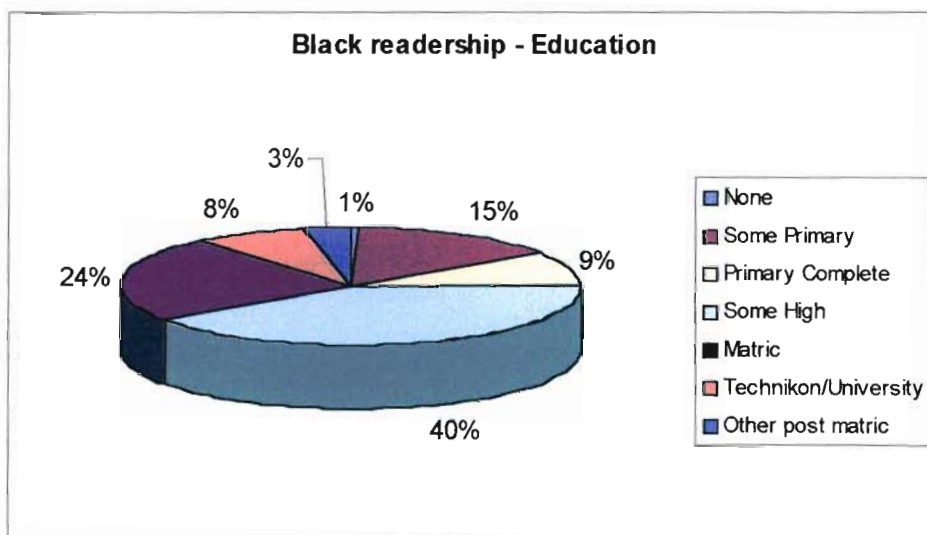


Figure 4.8: Black readership Education

Source: AMPS 2001a

## Income

- The income levels of Black readers is low with the majority earning between R500 and R1 399 per month (50%)
- 44% earn between R1 400 and R6 999 per month, which is the prime target market.
- Only 6% earn from R7 000 to over R12 000 per month

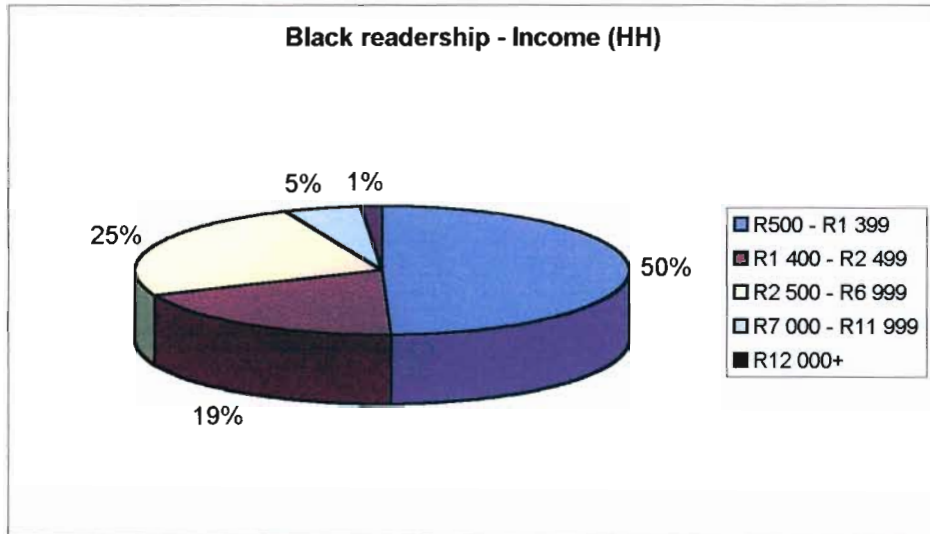


Figure 4.9: Black readership Household income

Source: AMPS 2001a

## Age

- Two thirds of Black readership falls within the 16 to 34 age group.

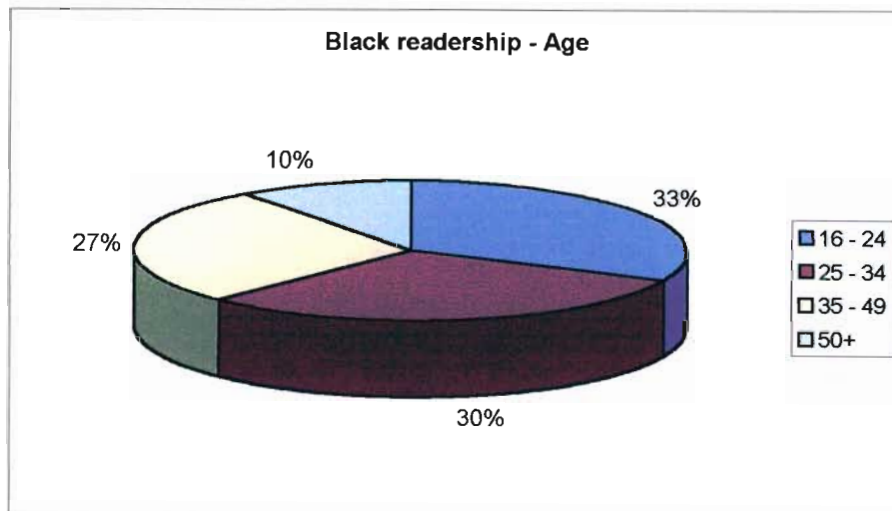


Figure 4.10: Black readership Age

Source: AMPS 2001a

## Living Standards Measure's (LSM's)

- Black readership almost has an even split of LSM's from LSM's 1 to 6.
- The growth opportunity is within the LSM's 7 to 10 category, combined only achieving 10%.

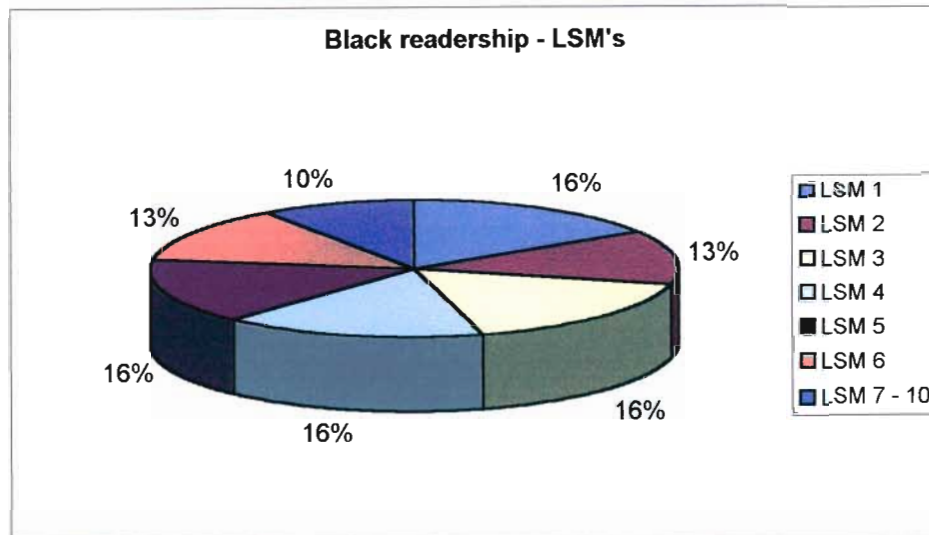


Figure 4.11: Black readership Household LSM's

Source: AMPS 2001a

## 4.5 COMPETITOR OVERVIEW

It is evident that ILANGA and to a lesser extent, UMAFRIKA, are the main competitors in the Zulu language market. Echo has been excluded as it is carried in the Natal Witness and distributed at various points free of charge. It is also an English and Zulu language publication.

### 4.5.1 ILANGA

ILANGA is a Bi-weekly (Monday and Thursday) morning newspaper,

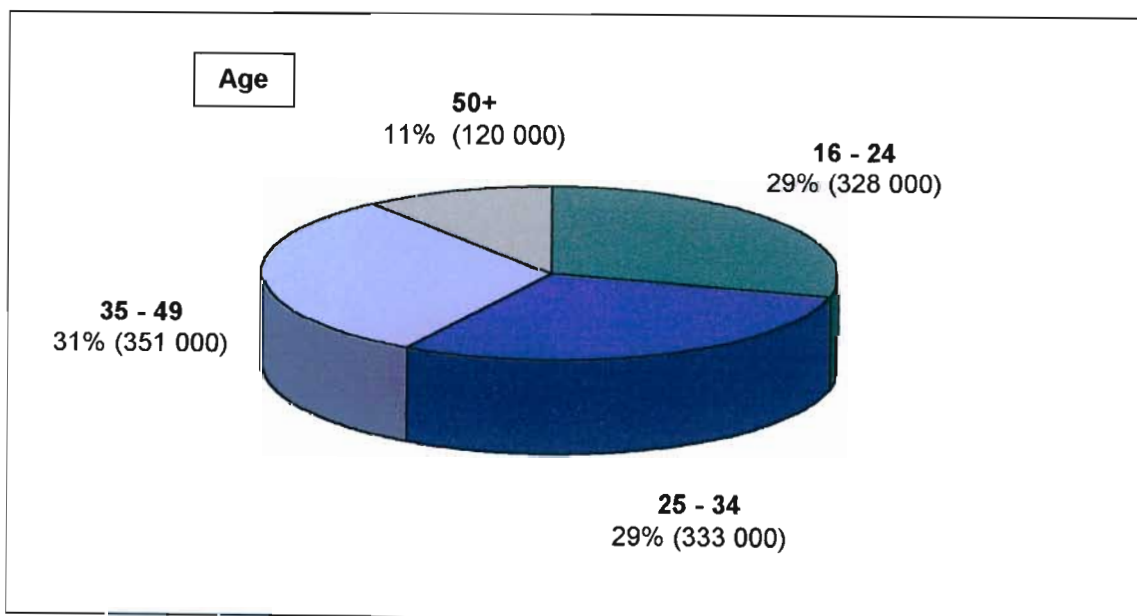
which is published in Zulu. The title sells for R1,50 and is distributed throughout KwaZulu Natal and has an average sales of 107 048 copies per edition (ABC 2001). The title is owned by the Inkatha Freedom Party (IFP) and enjoys an average advertising to editorial ratio of 50%.



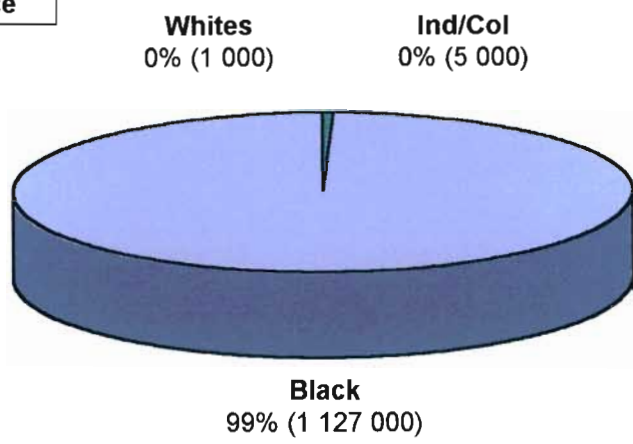
Figure 4.12 : ILANGA front page

Source: ILANGA, 2001

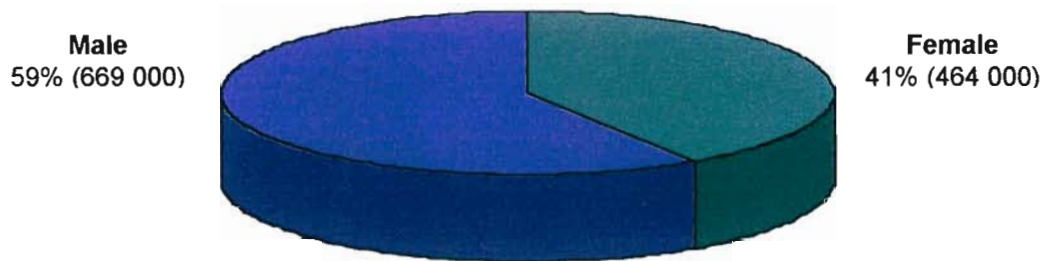
### Demographic Profile of ILANGA



**Race**



**Gender**



**Household Income**

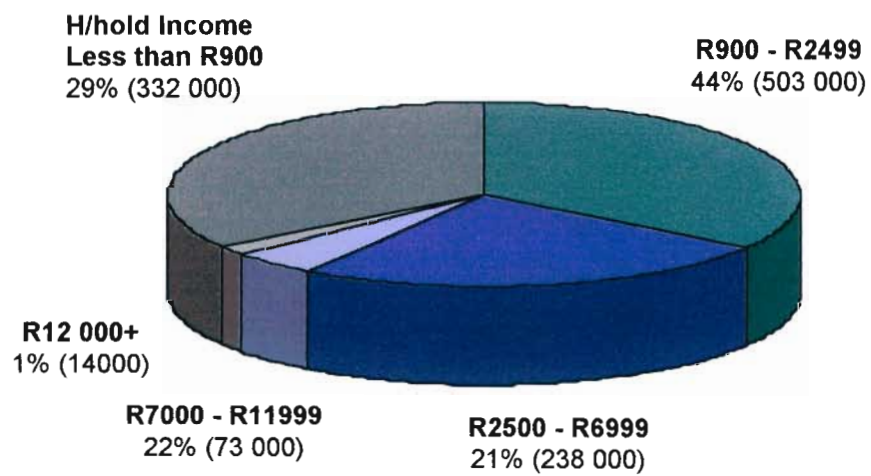


Figure 4.13: ILANGA Demographic profile

Source: AMPS, 2001a

## 4.5.2 UMAFRIKA

UMAFRIKA is a Weekly morning Tabloid newspaper, which is published in Zulu every Friday. The title sells for R1,40 and is distributed throughout KwaZulu Natal but the key sales area is the Greater Durban area (From Amanzimtoti to Durban up to Stanger). The title has an average sales of 15 000 copies per edition (UMAFRIKA, 2002). The title is owned by the Catholic Church and only has a marginal average advertising to editorial ratio of under 20%. As the title has not being measured by AMPS there is no reader demographic and psychographic information available at present.



Figure 4.14: UMAFRIKA front page

Source: UMAFRIKA, 2001



#### **4.6 SUMMARY**

This chapter gave an overview of the current “black” newspaper market of South Africa and KZN. The Sowetan has the highest national market share and the ILANGA has the highest KZN market share within the black newspaper market. ILANGA with 70% market share is the clear dominate force with in the KZN market place. Within the Zulu literate market there is room to grow press penetration as the market is not saturated and is at a relatively low level of penetration. Within the KZN Zulu newspaper market the ILANGA, a bi-weekly newspaper and UMAFRIKA, a weekly newspaper are the two oldest and most prevalent newspapers.

The following chapter details how the use and understanding of strategic models such as the Product Life Cycle, the adoption process, diffusion of innovation and the new product planning process help in the overall strategy, planning and formulation of any new product or innovation.

## **CHAPTER 5**

### **STRATEGIC MODELS AND NEW PRODUCT PLANNING**

A number of key strategic planning decisions need to be taken in order to fully understand the product market and the new product objectives before the full role out of the product launch. The planning decisions relate to the product life cycle, strategic and investment implications with regard to the introduction and growth stages of the product life cycle, the adoption process and the diffusion of innovation and their impact on new products.

#### **5.1 THE PRODUCT LIFE CYCLE (PLC)**

The product life cycle concept holds that a product's sales change over time in a predictable way and that products go through a series of five distinct stages: introduction, growth, shakeout, maturity and decline as seen in the below Figure. At the beginning (introductory stage), its purchase is limited because of a lack of awareness among members of the target market of its existence, further, it often lacks easy availability. As more people learn about the product and it becomes more readily available, sales increase at a progressively faster rate (growth stage). Growth slows as the number of buyers nears the maximum and repeat sales become increasingly more important than trial sales. "As both the number of buyers and their purchases stabilise, growth becomes largely a function of population growth as it relates to buyers of a given type" (Boyd, Walker and Larreche, 1995).

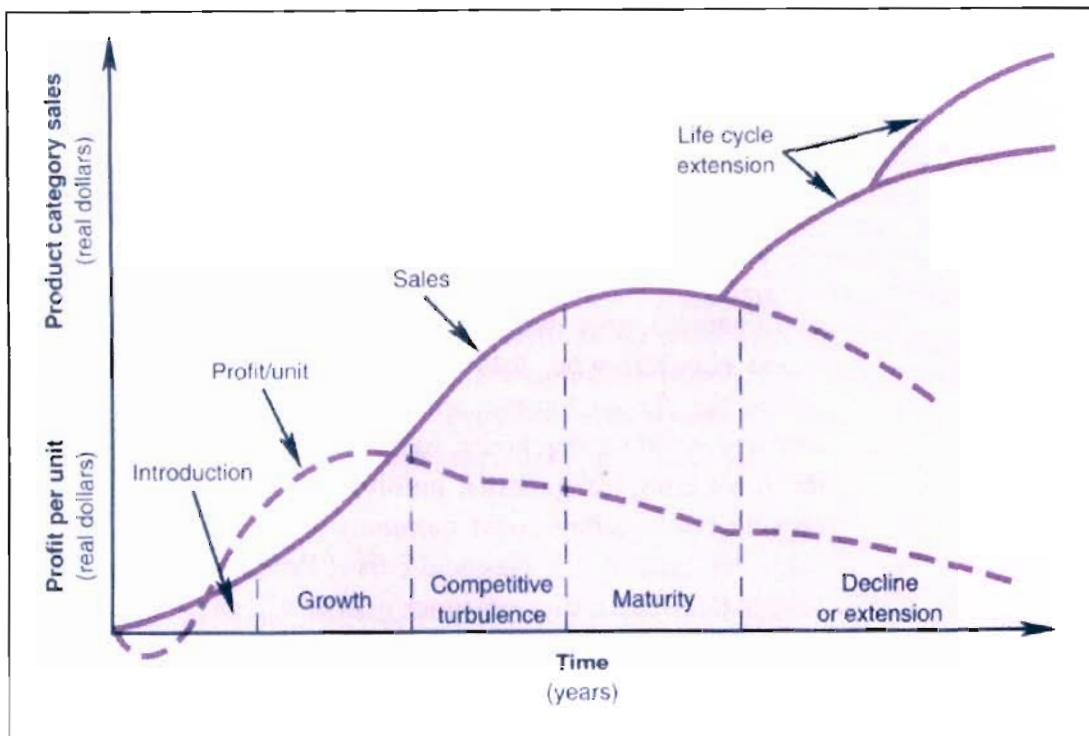


Figure 5.1: Product life cycle curve

Source: Boyd, Walker and Larreche, 1995: 89

Newspapers in general have reached the mature stage within the product life cycle, as market growth rate is generally insignificant, substantial technical changes to the actual product is limited, competitors are limited within the same product category and profitability is large for high market share holders. Circulation figures for newspapers in the stable have shown a consistent decline over the past ten years. The reader (buyer) markets have shown themselves to highly sensitive to price hikes. Circulation is driven upwards by news events, however there is an inability to sustain the interest of these consumers outside of these peak news events (Dewrance 1999:17).

A typical newspaper company who has survived over time has the following normative responses (Cravens, 1991: 234) within the mature stage of the product life cycle.

- The strategic marketing objectives are to hold share within the market
- There is a concentration on product features
- The length of the product line is held
- Price is held or reduced selectively
- Channels of distribution are an intense focus for the company
- Market communication is high to declining in this stage.

By launching a new newspaper title into a select market, the newspaper company is introducing the same “product” per se, and in most instances into a new market segment, and in so doing is attempting to rejuvenate the company’s product life cycle. According to Boyd, Walker and Larreche, this scenario is known as “Cycle – recycle” and is characterised by a products that have been in the mature stage for a long period of time with no immediate indication that the product will enter the decline stage for a further number of years (1995: 90).

## **5.2 STRATEGIC IMPLICATIONS OF THE PLC**

The product life cycle model is a framework that signals the occurrence of opportunities and threats in the marketplace and the industry, thereby helping the business change a products strategic objective, its strategy, and its marketing program.

By matching the entry’s market position objective with the investment level required, the profits and cash flows associated with each stage in the product life cycle, we can better visualise the interrelationships (see below Table). As would be expected, there is a high correlation between the market and industry characteristics of each stage, the market share

objectives and the level of investment, which in turn strongly affects cash flow (Boyd, Walker and Larreche, 1995).

Table 5.1: Relationship of strategic decisions and the product life cycle

Stage	Strategic market objective	Investments	Profits	Cash flow
Introduction	Accelerate overall market growth and product acceptance through awareness, trial and product availability	Moderate to high for R&D, capacity, working capital and marketing (sales and advertising)	Highly negative	Highly negative
Growth	Increase competitive position	High to very high	High	Negative
Shakeout	Increase competitive position	Moderate	Low to moderate	Low to moderate
Mature	Maintain position	Low	High	Moderate

Source: Boyd, Walker and Larreche, 1995: 96

### 5.3 INVESTMENT STRATEGY DURING INTRODUCTORY AND GROWTH STAGES

Because the introduction of a new product requires large investments, most firms sustain a rather sizable short term loss. As the product moves into the growth stage, sales increase rapidly, hence substantial investments continue. Profitability is depressed because facilities have to be built in advance to ensure supply. The firm with the largest share during this period should have the lowest per unit costs due to scale and learning effects. If it chooses to decrease its real price proportionate to the decline in costs, it dries up the investment incentives of would-be entrants and lower share competitors. At the same time, it lowers its own profitability and increases its cash flow problems. It has every incentive to hold or increase share during this period and to make the required investments to do so (McCarthy & Perreault, 1995: 197)

The innovating firm's share is likely to erode substantially during the growth stage. Nevertheless, it must still make large investments, for even though it is losing share its sales are increasing. New entrants and low share sellers are at a substantial disadvantage here. They must invest not only to accommodate market growth but also to gain market share. If low share sellers do not gain share; they will continue to be at a cost disadvantage to high share firms. This situation is aggravated as price decline to a point where low share firms may not survive the industry shakeout (Cravens, 1991: 203).

#### **5.4 THE ADOPTION PROCESS**

The product life cycle concept owes much to the diffusion of innovation theory, which seeks to explain adoption of a product or a service over time among a group of potential buyers. This, initially, lack of awareness limits adoption. As word about the product spreads, partially via satisfied buyers, the product enters the growth stage. When the net adoption rate holds steady, the mature stage is reached. When the rate begins to decline, the product has reached its final or decline stage.

While diffusion theory emphasises the behaviour of individuals, their demographics, and how they respond to various kinds of communication, it also considers product attributes and the competitive environment as determinants of the adoption rate. The theory has been tested extensively with considerable success.

The adoption process involves the attitudinal changes, experienced by individuals from the time they first hear about a new product, service, or idea until they adopt it. Individuals receive various stimuli about a new product from a variety of sources. These stimuli accumulate until

consumers respond by either accepting or rejecting the product. As might be expected, not all individuals respond alike – some tend to adopt early, some late, and some never. Thus, the market for a new product tends to be segmented over time.

The five stages in the adoption process include awareness, interest, evaluation, trial, and adoption (Jain, 1996: 462). Each of these is discussed briefly below.

#### **5.4.1 AWARENESS**

In this stage, the individual is exposed to the new product but does not have full information about it; the person is only aware of its existence and is insufficiently motivated to seek information about it.

#### **5.4.2 INTEREST**

Here the individual becomes sufficiently interested in the new product to seek information about it. But he or she is not yet involved and is only committed to the new idea in a very general way.

#### **5.4.3 EVALUATION**

This is sometimes referred to as the mental rehearsal stage. The individual is mentally applying the new product to his or her own use requirements and anticipating the results. This is a prelude to trial because if the evaluation is positive, the individual typically moves to the next stage.

#### 5.4.4 TRIAL

Here the individual actually uses the product, but if possible, on a limited basis to minimise risk. Trial is not tantamount to adoption, since only if the use experience is satisfactory will the product stand a chance of being adopted.

#### 5.4.5 ADOPTION

In this stage, the individual not only continues to use the new product but adopts it in lieu of substitutes. In other words, the adoption is complete.

### 5.5 DIFFUSION OF INNOVATION

If plotted on a cumulative basis, the percentage of people adopting a new product over time would have a curve (Boyd, Walker & Larreche, 1995: 98) like the one shown in Figure 5.2. Although the curve tends to have the same shape regardless of product involved, the amount of time required differs among products, often substantially.

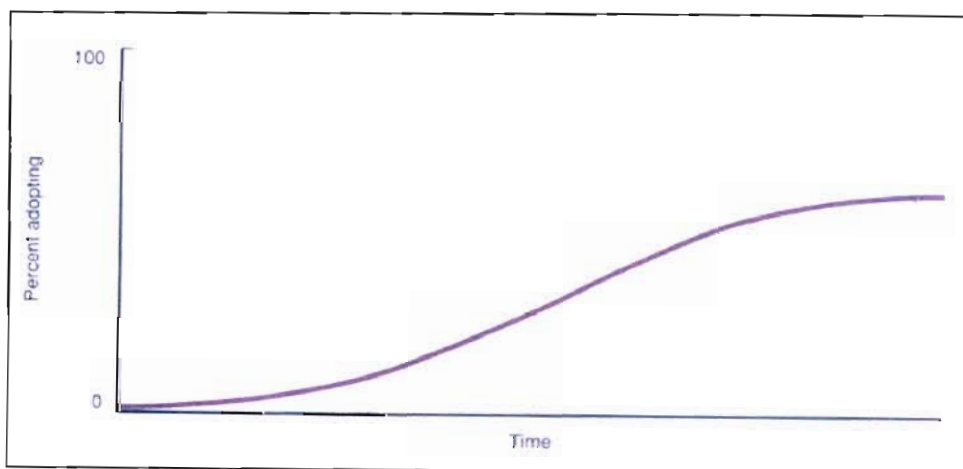


Figure 5.2: Percentage of people adopting over time

Source: Boyd Walker & Larreche, 1995: 98



The time dimension is a function of the rate at which people in the target group (those ultimately adopting) move through the five stages in the adoption process. This is also known as Diffusion of innovation, as discussed by Jain –

Diffusion refers to how a new product captures a target market over time. The adoption process is concerned with acceptance by individuals, while the diffusion process emphasises the aggregate of individual decisions to adopt a new product (1996:463).

A variety of product related and market related characteristics facilitate diffusion. The product related characteristics are relative advantage, compatibility, complexity, divisibility, and communicability. The market related characteristics include innovativeness of target customers, and their clearer perception of need and economic ability.

### **5.5.1 PRODUCT RELATED CHARACTERISTICS**

- Relative advantage – Relative advantage refers to the degree of superiority of the new product compared with current offerings. If the new product is perceived as more beneficial, that is, it appears to make a stronger promise of need fulfillment, it is likely to diffuse more quickly.

One of the major causes of faster diffusion of superior products is word-of-mouth from the innovator, or initial adopter, to other customers (Jain, 1996: 463).

- Compatibility – The higher the compatibility of the new product to the current ones, the more rapidly it will diffuse. According to Schiffman & Kanuk, compatibility refers to social / cultural perspectives and the consistency of the product with existing tastes, values and behaviours. Socially, a product requiring little change will be more readily accepted.

Change is painful because it necessitates adjustments, both physical and mental, in established patterns. New products or innovations, can be classified into three categories in order to judge compatibility –

- Continuous innovation – Has the least disruptive influence on established patterns. Alteration to an existing product is involved rather than establishing a new product ie: fluoride toothpaste.
- Dynamically continuous innovation – Has more disrupting effects than a continuous innovation, although it still does not generally alter established patterns. It may involve the creation of a new product or the alteration on an existing product ie: electric toothbrush.
- Discontinuous innovation – Involves the establishment of a new product and the establishment of new behaviour patterns ie: television (1994: 530).

A product representing continuous innovation would diffuse more rapidly than those in the other two categories. The diffusion of products in the last category, discontinuous innovation, would require the longest time (Jain, 1996, 465).

- Complexity – A product that is easy to comprehend and use would be diffused relatively quickly. A customer must not only be aware of the new product but also be educated in its use. The more complex the product, the slower the learning process.
- Divisibility – If a product is available for a trial on a limited basis, it diffuses far more rapidly. Customers can try without making major commitments. In other words, divisibility reduces risk to the customer,

because a product can be sampled or can be had on a returnable basis.

- Communicability – A product with attributes that can be conveniently communicated to the target customers and so distinguish it from other products can be more readily diffused. The degree to which the benefits / qualities of a product are obvious to potential customers dictates the pace of diffusion.

### **5.5.2 MARKET RELATED CHARACTERISTICS**

- Customer innovativeness – Wherever customers by virtue of their social / cultural traits are open and prone to accept new things, diffusion becomes easier. Thus, diffusion occurs more rapidly in Western societies than in Eastern cultures. Within the same country, different cultural groups show different tendencies towards acceptance of a new product.
- Need perception – In situations where customers have a clear perception of their needs, new products are more likely to be diffused rapidly, because it is easier to determine if a product matches the need. Where customers do not know whether they need the product or not, diffusion would be rather slow, even if the product is desirable.
- Economic ability – Despite the presence of all the characteristics favourable to rapid diffusion, a new product may fail if the customers are unable to afford it. Thus, the economic ability of the customers would be another determining factor in the rate of diffusion (Jain, 1996, 477).

### **5.5.3 ADOPTER CATEGORIES**

Early adopters differ from late adopters. Using time of adoption as a basis for classifying individuals, five major groups can be distinguished: innovators (2.5% of individuals who adopt), early adopters (14%), early majority (34%), late majority (34%) and laggards (16% of all adopters) (Schiffman & Kanuk, 1994: 529). Since each category comprises individuals who have similar characteristics and since individuals differ substantially across categories, these adopter groups can be considered market segments. One would use a different set of strategies to market a new product to the early adopter group than to market it to the late majority group (Boyd, Walker & Larreche, 1995: 99).

### **5.6 IMPACT OF THE DIFFUSION PROCESS ON NEW PRODUCTS**

The characteristics that affect the diffusion process can be added up for an estimate of the length of diffusion time. While the exact time of product spread cannot be predicted, the approximate length of time can be identified. If the diffusion time is longer than anticipated or desirable, it may become necessary to make some changes in the new product to achieve more rapid diffusion. For example, the product design may have to be simplified to make it convenient for the customers to understand and use the product. In some, if not all, instances adjustments may have to be made in the entire marketing mix to increase the pace of diffusion. However, the variable most related to diffusion, other than the product variable, is promotion. For example, promotional perspectives could be reoriented to provide customers an opportunity to try the product before making a commitment (Rogers, 1995: 167).

### 5.6.1 EARLY ADOPTION VERSUS LATE ADOPTION

Table 5.2 indicates the major differences between early and late adopters. Here the category “early adopters” refers to early adopters and early majority, and “late adopters” refers to late majority and laggards. The differences cited in the table are important because they provide guidelines for the development of strategic marketing programs for new products.

Table 5.2: Major differences between Early adopters and Late adopters

<b>Factors</b>	<b>Early adopters</b>	<b>Late adopters</b>
Income	Younger	Older
Education	Higher	Lower
Social class	Higher and more specialised	Lower and less specialised
Occupation	More prestigious	Less prestigious
Media and sources of information	Greater exposure to more media - variety of sources of information	Less exposure to fewer media and less variety of sources. More reliance on personal sources
Cosmopolitanism of contacts	More nonlocal contacts	Essentially local contacts

Source: Bain, Walker & Larreche, 1995: 100

As was evident from the discussion of stages in adoption process, information per se is usually insufficient for adoption. This is especially so of late adopters. Commercial sources of information (e.g: mass media advertising) are important at the outset. However, less commercial and more professional sources are sought as validators of the proclaimed merits of the new product, especially during the evaluation stage, which constitutes a mental rehearsal of the consequences of adoption. Advice from opinion leaders appears to be more critical as a legitimising agent than as a source of information.

Thus, commercial sources are most important at the awareness stage in the adoption process, while personal influence is most important at the evaluation stage. In the interest stage, both are important. In the trial stage, marketers should attempt to make it relatively easy for a prospect to try a product under conditions that minimise risk. Thus, strategic marketing programs should accommodate the various stages in the adoption process as well as the different adoption audiences (Rogers, 1995: 169).

## **5.7 NEW PRODUCT PLANNING PROCESS**

Finally, in planning the launch of any new product there is a planning process organisations should follow in order to avert any expensive mistakes in launching a new product (Figure 5.3). Ideally a customer needs analysis should drive the planning process and this is undertaken by analysing results from customer satisfaction surveys and product research. The next stage is the idea generating stage, where ideas from formal product research and / or from all sectors of the organisation can be presented to fulfill customer's needs. The next critical stages are the screening and evaluating, and the business analysis stages, where the two most important dimensions need to be evaluated: (1) the strategic compatibility of the idea, and (2) the overall commercial feasibility of the venture.

After successfully completing the business analysis stage, product planning moves to development and testing. During this stage the concept is transformed into one or more prototypes. The prototype should be as real as the final product to further evaluate the products advantages and disadvantages through customer research and organisational operations staff. In the next stage, Marketing strategy development, the new product could require a totally new targeting and positioning strategy or

modifications to current strategies for product variations. At the market testing stage a fully developed product is tested by introducing it into a test market and used to gauge buyer response to the new product and to test one or more positioning strategies. During the testing stage the consumer adoption process becomes very evident and again outlines that (1) new product adopters follow a sequence of stages in their adoption process, (2) their characteristics vary according to how soon they adopt the product after introduction , and (3) adoption findings are of value in new product planning.

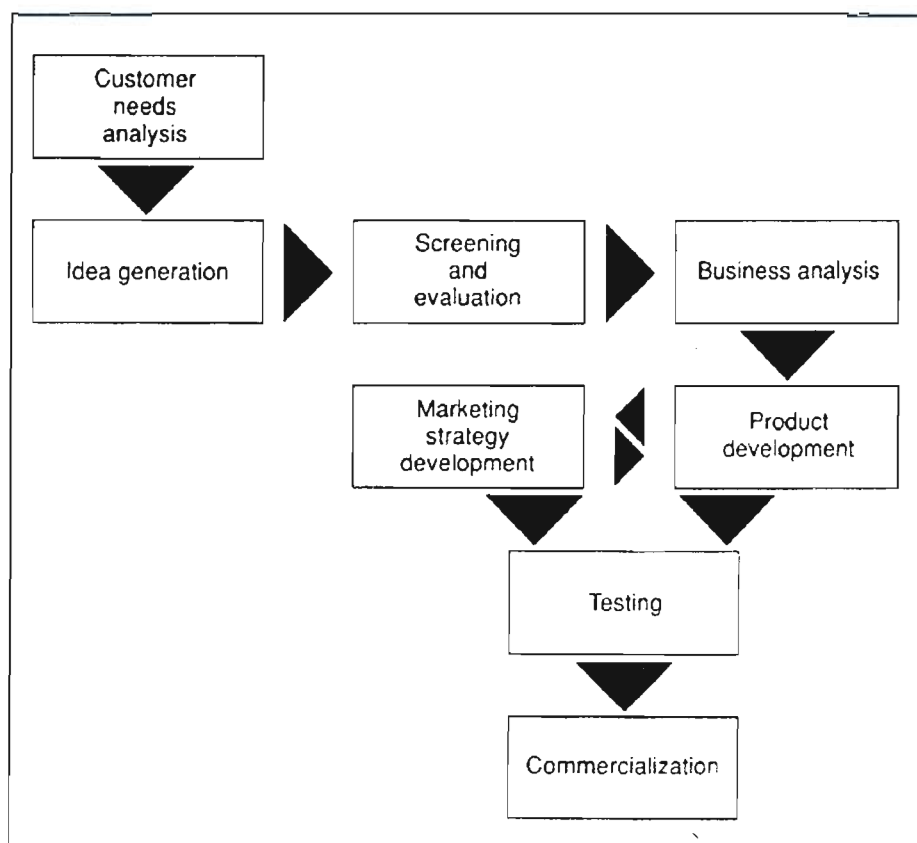


Figure 5.3: New product planning process

Source: Cravens, 1991: 332

The commercialisation stage is the final implementation stage of a new product. This stage requires a complete marketing strategy and implementation plan detailing actions, responsibilities and deadlines. An important decision in new product introduction is the timing and

geographical scope of the launch, either a national rollout or area-by-area rollout and in terms of timing, the organisations capabilities, operational procedures and competitor actions or movements. During this stage it is important to remember that a successful product may fail due to faulty implementation (Cravens, 1995: 356).

## **5.8 MONITORING AND CONTROL**

Real time tracking of a new product performance at the commercialisation stage is extremely important. Management should include product performance standards in the new product plan to evaluate how well the product is performing. Performance targets often include profit contribution, sales, market share and return on investment objectives, including the time horizon for reaching all objectives. It is also important to establish values for objectives that indicate unacceptable performance. Regular measures of customer satisfaction are also valuable gauges of market performance. An organisation must be prepared to drop a new product if it is apparent that unacceptable performance will continue (Cravens, 1995: 362).

In terms of the success of new products and successful product launches, it is the innovative products which drive incremental sales, which means the difference between long term success or failure. According to Quinn and Marshall, new products succeed if they deliver against five fundamental requirements (2002: 46).

- 1) The produce must fulfill the concept promise
- 2) Advertising quantity and quality
- 3) Distribution quantity and quality
- 4) Evaluation criteria must focus on incremental volume, and
- 5) Long term support is the basic plan element.



### 5.8.1 Measuring success

New international launch tracking shows that a brand that cannot sway 40% of trial buyers to make a second purchase after the first year, is doomed to failure. There are two early measures of launch success: (1) does the brand continue to gain trial after the first six months, and (2) does it hit the 40% repurchase rate.

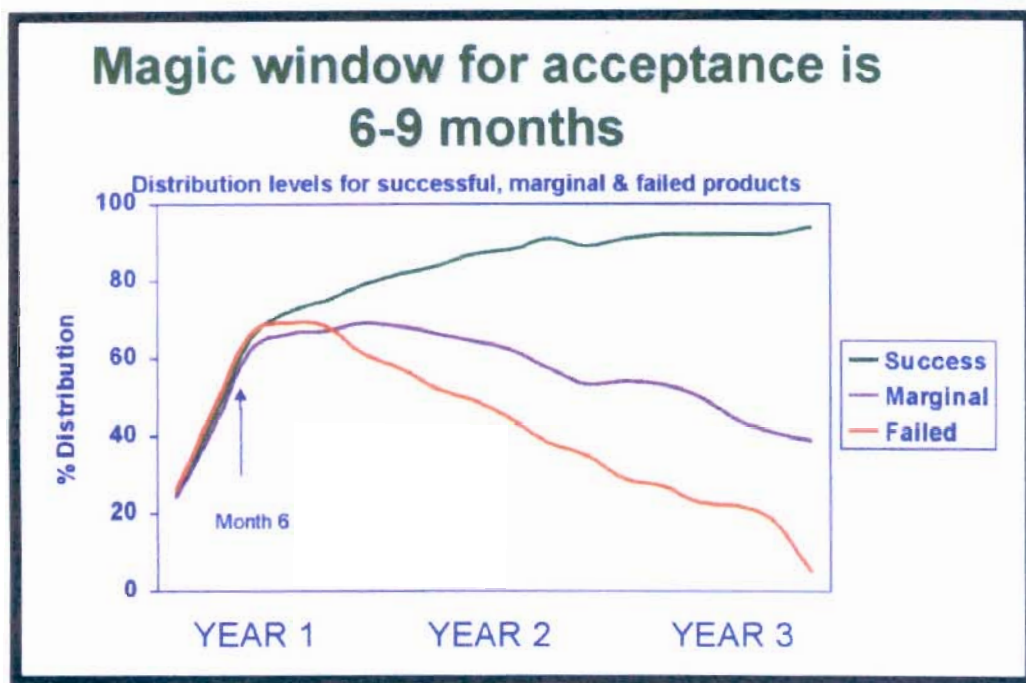


Figure 5.4: Measuring new product success

Source: Quinn & Marshall, 2002: 46)

On the first point, the magic window for a new product acceptance remains open for six to nine months. From then on it's either feast or famine (see Exhibit 5.4). If early adopters cannot be converted to multiple repeat purchases, the brand starts its spiral downward. Second, while advertising, media planning, distribution, pricing and competitor activity might influence trial, the 40% benchmark is a true measure of whether the product intrinsic has delivered (Quinn & Marshall, 2002: 47).

## **5.9 SUMMARY**

In this chapter the concept of the Product Life Cycle, its strategic implications and related investment decisions for new products was evaluated. The awareness, interest, evaluation, trial and adoption stages of the adoption process and the theory of diffusion of innovation was discussed and evaluated with regard to new product development. Finally the chapter concludes by briefly outlining the stages in the product planning process according to Cravens and discusses new product monitoring and control mechanisms.

In chapter 6 the design aspects of qualitative research, in the form of focus groups and quantitative research, in the form of field questionnaires, as commissioned by Independent Newspapers is outlined.

## **CHAPTER 6**

### **RESEARCH DESIGN**

The following text outlines the research design of both the quantitative and qualitative research undertaken by Independent Newspapers to evaluate the decision of launching a new newspaper title aimed at the Zulu population primarily situated in KwaZulu Natal. In terms of research types, the research presented is neither the classical - primary nor secondary data. Primary data are collected by the actual researcher especially to answer the research question. Where as, secondary data is research undertaken by others to answer their specific research questions, from which other researchers can draw insights from in answering their own research problems (Cooper, Schindler, 1998: 256). Both the quantitative and qualitative research studies were specifically undertaken to answer the research question with regard to the feasibility of launching a new newspaper title aimed at the Zulu population, but was undertaken by two reputable research companies as commissioned by Independent Newspapers KZN.

#### **6.1 QUALITATIVE RESEARCH**

Qualitative research in the form of focus groups was conducted in the primary stages of the feasibility study.

##### **6.1.1 INTRODUCTION**

Independent newspapers commissioned Marketing and Media Research (MMR) to investigate the feasibility of a new Zulu language newspaper in KwaZulu Natal to serve the needs of a large population of Zulu speakers who have no daily newspaper of their own language. Currently the Zulu

literate population of KZN is reading English language newspapers such as the Daily News and Mercury as well as Zulu language newspapers such as ILANGA and UMAFRIKA for local township news (AMPS, 2001a). This research was to form the basis for the formulation of questions for quantitative field research to be undertaken later in the month.

### **6.1.2 RESEARCH OBJECTIVES**

- Current reading habits
- Attitudes towards current newspapers
- Reaction to the concept of a new Zulu language newspaper
- Needs / requirements of a new Zulu language newspaper
- Reaction to proposed names
- Reaction to proposed slogans
- Reaction to a “dummy” of the proposed newspaper

### **6.1.3 RESEARCH METHODOLOGY**

Focus groups were conducted at Field and Tab in Durban on 14 and 15 November 14 2002, and lead by a qualified and experienced MMR researcher. The focus group was conducted in ZULU in a room with a viewing room attached, by means of one-way glass, and was recorded. This was pointed out to each group before beginning.

#### **6.1.3.1 SAMPLE**

Four focus group discussions were held among African male and female newspaper readers living in Durban. Two focus groups comprised “older” participants, aged between 35 and 60 years old, and

equally split in terms of gender. The other two focus groups comprised “younger” participants, aged between 20 and 34 years old, and again equally split in gender.

The participants were part of a probability sample, where “...units have known, but not necessarily equal, probabilities of being included” (Cooper, Schindler, 1998: 256). As a probability sample, a convenience sample was selected by MMR, as current Zulu literate newspaper readers, fitting a particular age criteria were selected.

#### **6.1.3.2 FORMAT**

The researcher merely lead the focus group discussion in the way of a discussion guide (Appendix A) and at no time influenced the participants decisions and conclusions. After the introduction, discussion format and procedures were outlined, the researcher proceeded to establish the following –

- a. Current newspaper reading habits of the group
- b. The reaction to the concept of the introduction to the market place of a new Zulu language newspaper and what perceptions the group had with regard to reading Zulu and English newspapers
- c. The requirements of a new Zulu language newspaper relating to editorial components and specific news coverage
- d. Desired frequency of publication
- e. Tabloid versus Broadsheet format and their perceptions to each
- f. Reaction to a prototype newspaper and encouraging comment on the layout and design of the prototype
- g. Reaction to 14 possible newspaper names
- h. Reaction to 3 possible slogans for the title

In conclusion the researcher thanked all the participants, gave each one a gift and excused them.

## **6.2 QUANTITATIVE RESEARCH**

Following the results of the qualitative research conducted by MMR, Independent Newspapers commissioned AC Nielsen to conduct quantitative research. This was done in order to further gauge the feasibility of launching a new Zulu title as well as gaining further insight into specific areas of editorial focus and other general preferences from potential consumers.

### **6.2.1 BACKGROUND**

As part of an investigation into the feasibility of launching a Zulu language newspaper in KwaZulu Natal, Independent Newspapers wished to conduct a newspaper concept / name test in the province. The new publication would be similar to, and in competition with, the current newspaper ILANGA, and in some extent UMAFRIKA.

Following a qualitative phase where the concept and potential names were tested among the target market – urban KwaZulu Natal black adults, three names were selected for testing at the quantitative phase – Isolezwe (The eye of the Nation), Elesizwe (Paper for the Nation) and Ikhwezi (The Morning Star).

### **6.2.2 RESEARCH OBJECTIVES**

Primary research objectives of the survey were to measure / identify –

- Newspapers read and personally purchased

- Purchase source habits and preferences
- Extent of suitability of current newspapers to reader needs
- Opinion on whether room exists in KwaZulu Natal for an additional paper, and preferred language
- Preferences in terms of newspaper topics
- Rating of appearance of ILANGA, UMAFRIKA and the three dummy papers
- Preference of shape, language and publication timing
- New paper name preference
- Propensity to purchase at various price points

### **6.2.3 RESEARCH METHODOLOGY**

Personal, in-home interviews were conducted in English or Zulu, in accordance with the respondent's preference. Interviews were conducted using a structured paper questionnaire as well as interviewing aids, copies of which are provided in Appendix B. To show the concept to the respondents, three dummy papers (Elesizwe, Isolezwe and Ikhwezi) were used. A selection grid using the respondent's questionnaire number was used to select the dummy paper to be shown to each respondent. The questionnaire and the show cards were translated into Zulu, copies of which are available on request.

#### **6.2.3.1 COVERAGE**

The survey covered black adults aged 16 years and over living in urban areas of KwaZulu Natal. Urban is defined as an area with 500 or more residents, anything smaller is considered rural.

#### **6.2.3.2 SAMPLE**

A random probability sample of 500 households was drawn from ACNielsen's Customized Research computerised dwelling unit census. In each household the person to be interviewed was chosen using a random selection grid. Two calls were made before substituting in an adjacent household with a person of the same sex.

The general population sample yielded a final effective sample of 357 past 4 week ILANGA and / or UMAFRIKA readers.

#### **6.2.3.3 FIELDWORK**

Fieldwork was conducted from 30 November to 7 December 2001 by trained, experienced ACNielsen interviewers working under the direction of field supervisors.

To qualify respondents were required to:

- Read and understand English or Zulu
- Read ILANGA or UMAFRIKA newspapers in the past 4 weeks

Back checks were done telephonically on at least 30% of the interviews.

#### **6.2.3.4 CODING**

The efficient and comprehensive cleaning of data is a critical aspect of any research operation, and ACNielsen works to extremely high standards to achieve this. Coding frames were established for each open-ended question. All open-ended questions on each questionnaire were coded. Both coding and editing instructions are drawn up by



experienced research staff.

#### **6.2.3.5 ANALYSIS**

Post-weighting was applied to represent the universe covered. Analysis has been done in total and by the breakdown as outlined in Table 6.2 at the end of the chapter.

#### **6.2.3.6 MARGIN OF ERROR**

The results of a survey where probability sampling is used can be evaluated within known statistical limits of error. A sample survey deals with a microcosm of the total population and from the results it is impossible to discover the exact proportion of people who act in a certain way. However, by determining the standard error of the sample, it is possible to say, with a per-determined degree of accuracy, that the true proportion falls within certain limits. For example, if 600 randomly selected people are interviewed and 35% of them claim to use a certain product, then the probable margin of error would be plus or minus 4% of this figure. In other words the true figure would lie somewhere between 31% (35% less 4%) and 39% (35% + 4%) in 95 cases out of 100.

Table 6.2 gives the percentages which have to be added to and subtracted from a survey finding for the sample sizes given, to establish the range within which the true proportion of the population will fall in 95 cases out of 100. The margin of error is dependent on the size of the sample and the level of response (AC Nielsen, 2001: 6).

Table 6.1: Margin of error at 95% confidence level

<b>RESONSE RATE</b>	95% or 5%	90% or 10%	85% or 15%	80% or 20%	75% or 25%	70% or 30%	65% or 35%	60% or 40%	55% or 45%	50% or 50%
<b>SAMPLE SIZE</b>	%	%	%	%	%	%	%	%	%	%
50	6.2	8.5	10.1	11.3	12.2	13.0	13.5	13.9	17.1	14.1
100	4.4	6.0	7.1	8.0	8.7	9.2	9.5	9.8	9.9	10.0
150	3.6	4.9	5.8	6.5	7.1	7.5	7.8	8.0	8.1	8.2
200	3.1	4.2	5.1	5.7	6.1	6.5	6.7	6.9	7.0	7.1
300	2.5	3.5	4.1	4.6	5.0	5.3	5.5	5.7	5.7	5.8
400	2.2	3.0	3.6	4.0	4.3	4.6	4.8	4.9	5.0	5.0
500	2.0	2.6	3.2	3.6	3.8	4.0	4.2	4.4	4.4	4.4
600	1.7	2.4	3.0	3.2	3.6	3.8	4.0	4.0	4.0	4.0
800	1.6	2.2	2.6	2.8	3.0	3.2	3.4	3.4	3.6	3.6
1 000	1.4	1.8	2.2	2.6	2.8	2.8	3.0	3.0	3.2	3.2
1 200	1.3	1.7	2.1	2.3	2.5	2.6	2.7	2.8	2.9	2.9
1 500	1.1	1.5	1.8	2.1	2.2	2.4	2.5	2.5	2.6	2.6
1 800	1.0	1.4	1.7	1.9	2.0	2.1	2.2	2.3	2.3	2.4
2 000	1.0	1.4	1.6	1.8	2.0	2.0	2.2	2.2	2.2	2.2
2 500	0.8	1.2	1.4	1.4	1.8	1.8	1.8	2.0	2.0	2.0

Source: AC Nielsen, 2001: 6

Table 6.2: Analysis breakdown for post-weighting

<b>Past 4 week reader</b>	ILANGA Daily News Sowetan Other
<b>Personally buy</b>	ILANGA
<b>Do not buy papers</b>	
<b>Isolezwe rotation</b> <b>Elesizwe rotation</b> <b>Ikhwezi rotation</b>	
<b>Buy Isolezwe, Elesizwe or Ikhwezi (rotation) at ...</b>	R2.50 R2.00 R1.50
<b>Area</b>	Durban Other urban
<b>Sex</b>	Male Female
<b>Age</b>	16 – 24 25 – 34 35 – 49 50+
<b>Personal income</b>	Up to R799 R800 plus None / refused
<b>Household income</b>	Up to R599 R600 – R1599 R1600 – R2999 R3000 plus
<b>Marital status</b>	Married Single Widowed Divorced Living together
<b>Education</b>	Some primary qualification (Grade 1-7) High school qualification (Grade 8-12) Post Matric qualifications
<b>Work status</b>	Employed (full time & part time) Unemployed Pensioner Disabled

Source: AC Nielsen, 2001: 11

### **6.3 SUMMARY**

Qualitative research was undertaken by a research company Media and Marketing Research in the form of 4 focus groups. The focus groups were made up of current newspaper readers and various research objectives were identified to be fulfilled. The second research study, quantitative research, was done by AC Nielsen in the form of field questionnaires. Out of a general population sample a sample 367 current Zulu newspaper readers were interviewed to fulfill the quantitative research objectives. AC Nielsen used a 95% margin of error to determine consistency and reliability of results.

In the following chapter the research findings from both studies are presented and various aspects of special attention are discussed.

## **CHAPTER 7**

### **RESEARCH FINDINGS**

The below text presents the findings of the quantitative research broken down into the various components which have a major impact in the planning and development of the new newspaper. Special attention is also given to the reactions of participants to the prototype “dummy” newspapers, the potential title name and title slogan, as once the new title is launched the name and certain design features can not be changed without a costly relaunch.

#### **7.1 FOCUS GROUP RESEARCH**

The key areas identified through the focus group results research was that the current newspaper offering is not fulfilling the needs of black readers. Certain negative perceptions exist for ILANGA, UMAFRIKA and the referred to “white” press in KZN. The target reader has firm views on what should be covered editorially and what design features should be present in a newspaper that they would adopt. The most telling comment and theme emerging from all the focus groups was that “Black people should be proud to say...’This is our paper’”. Further participants’ comments are briefly detailed in Appendix C.

##### **7.1.1 CURRENT READERSHIP**

The respondents were currently reading a wide range of newspapers. On a daily basis, most respondents read the Daily News and/or Mercury, almost all read ILANGA when it came out and many were regular readers of the Sowetan and UMAFRIKA. Sunday newspapers were also popular, especially the Sunday Tribune, Sunday Times, Sunday World and to some

extent City Press and Sunday Sun. Respondents appeared to be reading different newspapers for different purposes: -

- Daily News/Mercury for updates on general news on a daily basis
- Sowetan for sports, especially soccer, and news of African interest
- Sunday newspapers for an overview of all the news of the week as well as sports and interesting stories
- ILANGA and UMAFRIKA for news in the Zulu language about local events

Comments about specific newspapers are summarised as follows:

- THE Daily News: This offered daily, in-depth coverage of the latest news and sports. Respondents also considered The Daily News valuable for its employment advertisements, especially the job section on Wednesday. Classified advertising in general, e.g. for buying or selling a car, was a strength.
- The Mercury: Seen more as a business newspaper, with news in summarized form and not much focus on sports. One respondent appreciated the lighter moments.
- The Sowetan: Particularly appreciated for sport.
- The Sunday Tribune: Gave news in more detail than a daily newspaper, with particular reference to Durban events.

- The Sunday Times: Also gave in-depth coverage of the week's news and covered a range of national news, not just Durban. One could also consult the Sunday Times when looking for a job.
- The Sunday World: Read for sports and coverage of news around the country. A number of respondents commented that The Sunday World was easy to read.
- ILANGA: Was appreciated as a Zulu language newspaper in which one could read about events in one's own language. ILANGA was locally based and concentrated on news of interest to those living in and around Durban. However, some respondents felt that ILANGA was too local and should broaden its scope. Some felt that the fact ILANGA only appeared twice a week limited its ability to offer current news. On the other hand, if it concentrated only on specific townships, there might not be enough news to justify a daily newspaper. A number of respondents were very unhappy that ILANGA had become associated with a political party.
- UMAFRIKA: was a Zulu language weekly newspaper, which was viewed as traditional and focused on religion and women's issues.

### **7.1.2 REACTION TO CONCEPT OF NEW ZULU LAUNGUAGE NEWSPAPER**

Almost all respondents were very enthusiastic about the concept of a new Zulu language newspaper. Only a few felt there was no need and that current newspapers could rather be improved. Reasons for the perceived need for a new Zulu language newspaper included: A perception that the mainstream newspapers were primarily serving white needs rather than those of African readers. Current Zulu language newspapers were narrow in scope and did not provide enough information or cover a wide range of

issues. There was a need for Zulu to be encouraged and promoted as a language. Quite a few respondents felt Zulu words were more expressive than English and were proud of their language. There was concern that children were growing up being exposed to English rather than Zulu.

On being asked about the perceived image /Status of a person reading a Zulu language as opposed to an English newspaper, most respondents felt there was a difference in status. On the other hand, the reader of a Zulu language newspaper was perceived as on a lower social and educational level. However, it was felt there was nothing inherently wrong with reading a Zulu newspaper especially as there was growing pride in African roots.

### **7.1.3 REQUIREMENTS OF A NEW ZULU LANGUAGE NEWSPAPER**

A new Zulu language newspaper should have the following attributes: Zulu language which was clear and easy to understand, using idioms in common use rather than correct but obscure modes of expression. A few respondents felt a mixed language newspaper, i.e. a few articles in English, would be acceptable.

- Informative, current news reporting with in-depth coverage of a wide range of news, not only relating to KwaZulu - Natal but also national and international.
- News reporting which was impartial rather than biased towards one political party or another
- A strong sports section, with in – depth reporting of all sports but especially soccer. Boxing and horseracing were appreciated, with some mentions of minor sports such as netball



- High quality coverage of event by a talented staff of Zulu journalists
- Appeal to a wide range of readers, both old and young

The newspaper must be accessible/ widely available and affordable for readers. A price of R2-00 to R3-00 appeared to be acceptable, slightly less than the mainstream dailies such as the Daily News. The paper quality, typeface and print quality must be of a high standard. A job/ careers section was considered very important. An entertainment section, including TV schedules and a schedule of live events on the weekend. A business section, e.g. Rand value, shares and the economy. News about education and development. Advertisements of goods for sale / classified advertisements, competitions and Lotto results, funeral notices and Church news (but only if newsworthy).

- While most respondents saw a new Zulu language newspaper as competing with ILANGA and UMAFRIKA, they would like to have coverage comparable to the larger English language dailies such as the Daily News and Mercury.

#### **7.1.4 DESIRED FREQUENCY**

At the moment, ILANGA is published twice a week (Monday and Thursday) and UMAFRIKA once a week. Most respondents felt a new Zulu language newspaper offering coverage comparable to the Daily News and Mercury should be published daily (Monday to Friday), possibly with a weekend supplement. However, publishing less often would be acceptable if there wasn't enough information or readership to justify daily publication.

### **7.1.5 SIZE : TABLOID VS. BROADSHEET**

Respondents were very divided on the desired format of the proposed newspaper, with quite a few respondents opting for each format. The main Advantage of a tabloid was convenience, especially for those who read the newspaper on the way to or from work. However, there was a perception that a broadsheet, being bigger, carried more news / information. A broadsheet was associated with the inclusion of extra supplements. A few respondents felt a tabloid would have smaller print and would be more difficult to read.

### **7.1.6 REACTION TO PROTOTYPE NEWSPAPER**

Respondents were shown the proposed new Zulu language newspaper in dummy form. Initial reaction to the overall look of the newspaper was very favourable. The pictures were attractive to respondents. The front page motivated respondents to buy and read the newspaper. The articles were easy to read. Respondents noted that the newspaper covered current events, different sports, entertainment and women's issues as well as culture and tradition. In general, respondents were pleasantly surprised. The tabloid size was acceptable though some respondents still liked the idea of a broadsheet. The font and print size was easy to read in spite of the smaller size of the tabloid format. Those who read the paper on the way to or from work found the tabloid size convenient.

The newspaper gave an up-market impression, moving away from the association of Zulu language publications with the poor and hostel dwellers. Both older and younger groups felt the newspaper catered for all age groups. Respondents were happy about the wider scope of the new newspaper, covering a range of events from inside and outside KwaZulu

Natal. The respondents reiterated that the newspaper must be truly an African newspaper, run by Africans for African readers.

Because respondents liked the newspaper, they would like to see it daily (Monday to Friday). They were used to different newspapers on the weekend; while there could be a weekend version, it would face stiff competition from established weekend newspapers. While some respondents would expect the newspaper to be priced at R1,50 or even lower on introduction, quite a few would pay R2,50 for a newspaper which offered value for money comparable to a mainstream daily. Most respondents saw the proposed newspaper as being a direct competitor of ILANGA. However, if it appeared daily and offered full coverage of current event, some might reduce their readership of English language dailies.

#### 7.1.7 REACTION TO NEWSPAPER NAMES

The prototype newspaper respondents were shown had the proposed name Isolezwe. Most respondents liked this name, found it meaningful and appropriate and preferred it to any of the other names suggested. Respondents felt Isolezwe was a clear, striking, uncomplicated name, which suggested a national newspaper. Names that were rejected are listed in Table 7.1.

Table 7.1: Rejected Zulu title names

ILANGABI	ZIYASHISA
IZWI	IKHWEZI
EZETHU	USIBA
IZWI LABANTU	ELESIZWE
IZINDABA	LIYASHISA
INKANYEZI	INTSIKA
IZWI LESIZWE	ELETHU

Source: MMR, 2001: 4

### **7.1.8 REACTION TO SLOGANS**

The preferred slogan in all groups was: Isolezwe - Liwela Umfula Ugcwele (literal translation: the eye that sees over the swollen river).

'Libona kude' was also considered appropriate, similar to 'Liwela umfula ugcwele'.

'Geqa Amagula ' promised to expose it all, but was considered too close to the slogan of ILANGA.

## **7.2 FIELD QUESTIONNAIRE FINDINGS**

The field research indicates that only 57% of black newspaper readers say the current offering of newspapers fulfil their reading needs. Of these readers 65% are of the opinion that there is room for a new Zulu language newspaper to enter the market.

In terms of language preference, 60% want Zulu only, 35% want a combination of Zulu and English and only 6% want English only. It is evident that within KwaZulu Natal overall Zulu is still the preferred language for newspapers targeting the black consumer. In order of importance the target market felt that the following 6 components are the most important.

1. KwaZulu Natal news
2. Sport
3. Jobs available
4. National news
5. International news
6. Competitions

Politics as ranked by readers was only featured in the bottom quarter of importance ranked editorial components.

The research gives a clear indication that the ILANGA is the dominant force within the market, however only 22% of ILANGA readers say it has everything they require in a newspaper.

The tabloid format is preferred by 70% of the market and R1.50 cover price is the preferred price out of all offerings. Out of the 3 proposed title names, the highest was 46% for ISOLEZWE as the name for the new title.

The full research findings presentation and respondents demographic profile can be found in Appendix D, which was conducted by AC Nielsen.

### **7.3 SUMMARY**

It is evident from both the qualitative and quantitative research findings that there is a need for a wider sphere of news coverage in the Zulu language newspaper market. Political news as an essential component of a Zulu language newspaper is not rated highly, but local news and sports coverage is seen as the most important ingredients of a newspaper targeting the Zulu consumer. In both studies, Zulu is the preferred language for newspapers targeting black consumers in KwaZulu Natal.

The focus groups indicated that a possible new newspaper should be priced from R2.00 upward, and the questionnaires research indicates that a cover price of R1.50 would be preferred. The tabloid format was preferred over the broadsheet format and ISOLEZWE as the potential new title name was preferred by respondents from both research studies.

The following chapter presents an in depth analysis of the research findings from both studies and presents a final research conclusion.

## **CHAPTER 8**

### **ANALYSIS OF FINDINGS**

The following text details the analysis of the research findings from both the qualitative and quantitative research studies and presents a conclusion discussion derived from the research analyses.

#### **8.1 FOCUS GROUP ANALYSIS**

From the various potential reader preferences and reactions to current and proposed newspaper designs a full analysis is conducted to determine the actual factors which the proposed target market would prefer and adopt in as shorter time period as possible. The analysis is also done in order to fully understand the needs of the target newspaper consumer and to design the new product according to the target markets needs.

##### **8.1.1 REACTION TO THE IDEA OF A NEW ZULU LANGUAGE NEWSPAPER**

The reaction of the idea of a new Zulu language newspaper was very enthusiastic (see comments Appendix B). Reasons included:

- A perception that the mainstream newspapers were primarily serving White needs rather than those of African readers
- Current Zulu language newspapers were narrow in scope and did not provide enough information or cover a wide range of issues. ILANGA concentrated on certain areas such as Umlazi and was perceived as an Inkatha newspaper

- Respondents were proud of their Zulu language and felt it should be promoted, especially as children were growing up more exposed to English than to Zulu
- Even though at the moment reading a Zulu language newspaper was associated with low education and status, a high quality newspaper could change this perception
- Some respondents felt the ' African Renaissance had brought with it a pride in going back to one's roots

Requirements of a new Zulu language newspaper included:

- Clear, easy to understand Zulu language using idioms in common use
- Informative, up-to-date news with in-depth coverage not only of KwaZulu-Natal but of national and international events
- Politically unbiased
- Strong sports section covering all sports, especially soccer. Boxing and horse racing were also important, with minor sports also covered
- High quality coverage by Zulu journalists
- Appeal to a wide range of readers, both old and young
- Accessible, widely available and affordable
- High quality paper, typeface and print
- Jobs / careers section very important
- Entertainment section including TV schedules and live weekend events
- Business section, e.g. rand value, shares and the economy
- News about education and development
- Women's section including health and beauty, cookery/recipes, family and home issues, advice column
- Classified advertisements
- Competitions and Lotto results

- Funeral notices
- Church news (if of general interest)

While competing with ILANGA and UMAFRICA, coverage should ideally be comparable to the larger English language dailies. A Zulu language newspaper should be published daily, possibly with a weekend supplement. However, publishing less often would be acceptable if there wasn't enough information or readership to justify daily publications. Respondents were divided between a tabloid or broadsheet format. A tabloid was convenient for reading on the way to our from work, however, some respondents said that a tabloid had smaller print due to its smaller size and that a broadsheet, being bigger, carried more news / information and supplements.

### **8.1.2 REACTION TO PROTOTYPE NEWSPAPER**

Respondents were very favorable to the look of the prototype newspaper. The pictures were bright and attractive, the layout was clear and appealing and the front page/headlines would motivate respondents to buy and read the newspaper. The articles were easy to read and covered current events, different sports, entertainment and woman's issues as well as culture and tradition. In general, respondents were pleasantly surprised. The tabloid size was convenient and acceptable, though some respondents still liked the idea of a broadsheet. The font and print size was easy to read in spite of the smaller size of the tabloid format

The newspaper gave an up-market impression, moving away from the association of Zulu language publication with poor, uneducated readers. Both older and younger groups felt the newspaper catered for all age groups. Respondents were happy about the wider scope of the new newspaper, covering a range of events from inside and outside KwaZulu



Natal. It was important to respondents that the newspaper must be truly an African newspaper, run by African for African readers.

Respondents would like a daily newspaper (Monday to Friday) possibly with a separate weekend version. However, a weekend newspaper would face stiff competition from established weekend newspapers. Monday and Thursday might be too similar to ILANGA, however R2,50 appeared to be a fair price for a newspaper with wide news coverage.

The newspaper was seen as a direct competitor to ILANGA, however, if there was full daily coverage of current events, some might reduce their readership of English language dailies.

The preferred name was Iso-Lezwe, which suggested a national newspaper keeping a watchful eye on everything that was happening.

Posters featuring sports and entertainment celebrities would be welcome. In general, respondents were very enthusiastic about a high quality Zulu language newspaper not confined to local township news, and felt they would support it.

## **8.2 FIELD RESEARCH ANALYSIS**

The final (weighted) research results for the proposed Zulu language newspaper, based on a 357 sample and weighted up to the population of urban KZN (total population of current readers of 1,2 million) are as follows:

- 6 in 10 of those who read ILANGA buy it personally.
- Most buy their papers from a shop in the township or suburb, some from somewhere in the town or city.

- They are generally happy that the papers they currently read either suit all (57%) or some (39%) of their reading needs, but two-thirds do feel that there is room for another paper in KZN. Of those who feel there is room for another paper, 6 in 10 say it should be in Zulu only, and 35% say it should be a mix of English and Zulu.

- When showed the 3 papers together and asked which appeals to them most:-

Ilanga	41%
Isolezwe/Elesizwe/Ikhwezi	47%
UmAfrika	12%

- Which format would they prefer the new paper to be in:-

Tabloid	70%
---------	-----

- Which language should it be in:-

Zulu only	59%
Zulu and English	38%
English	3%

- How often should it be published:-

Table 8.1 – Frequency of sale preferences and projected sales

FREQUENCY	COPIES SOLD PER ISSUE
Once a week	120 900 (Monday)
Twice a week	111 228 (Monday and Thursday)
Three times a week	85 436 (Monday, Wednesday, Friday)
Monday – Friday	56 581

Source: Seymour & Taylor, 2002: 124

Although only 11% will purchase a daily title every day, 17% will purchase a paper three times a week, 56% will purchase a paper twice a week and 16% will purchase a paper once a week. This calculates to a 56 581 total daily circulation.

- Which name do they prefer for the new title:-

Isolezwe	46%
Elesizwe	41%
Ikhwezi	13%

- If the paper was sold Monday to Friday, how likely would they be to buy at:-

R2-50	24%
R2-00	26%
R1-50	42%

Total at a minimum cost of R1.50 = 92%

### 8.3 RESEARCH CONCLUSION

Both research groups comprised regular readers of ILANGA, and most had read UMAFRIKA and an English newspaper in the last 4 weeks. The respondents were experienced newspaper consumers.

In the focus group research it became clear that respondents felt that there was a gap for a more frequent, non political newspaper, published in Zulu. The field research did support this with 66% of respondents agreeing that there was room for another Zulu newspaper. Of those who said there is a gap, 60% said it should be published exclusively in Zulu and 35% said it should comprise a combination of English and Zulu.

The focus groups detailed the perception that current readers of Zulu language newspapers were inferior to readers reading English newspapers. They however pointed out that if a superior quality Zulu paper was published, this perception would change. With regard to the format of the product, the focus groups were undecided before being shown the prototype of the paper and then decided that tabloid was the better option. The field research overwhelmingly supported the tabloid format with 70% saying they would prefer the tabloid format newspaper. The cover price decided by the focus groups was generally R2.50 for a daily product, but the field research findings indicated that 92% of the population said the product should be priced at R1.50 upwards, equating to a projected daily sale of 56 581 copies per day.

The core editorial and content / recipe components that respondents from both research studies reflected were the following –

- Broader news coverage than current Zulu newspapers – not just township and KZN news

- A paper that appeals to the youth and older consumers
- High quality journalism and quality reproduction (colours, pictures, etc)
- A focus / sponsor of community upliftment, education and development
- A regular Woman's section
- Good competitions with big prizes to win
- A strong classifieds section with a substantial jobs on offer section

Although the research respondents were regular ILANGA readers the two research studies clearly identify the need for a new Zulu language newspaper to be possibly launched into the KZN market. A quality, Zulu language, daily, tabloid newspaper, priced at R1.50 was supported by respondents from both studies. The next chapter presents and evaluates various financial models based on the format, frequency, price and distribution of the potential new newspaper title. Other aspects based on the organisations fixed and variable costs are also build into the models in order to present a true trading and marginal profit for each potential scenario. Finally a financial recommendation is presented.

## CHAPTER 9

### FINANCIAL MODELS

In order to determine profitability and costs scenarios for the possible new title, three financial models for a new Zulu language title were constructed on a trading and marginal costing basis. Cover prices of R1.50 and R2.00 are compared over various sales levels. The three models presented are – (1) Bi-weekly tabloid, (2) Tabloid with three issues per week, and (3) Daily tabloid.

The following factors have been used in the financial models:

- **Size** – tabloid (39cm's x 26.5cm's)
- **Cover Price** – R1.50 and R2.00
- **Copies Sold** – 10 000 to 100 000
- **Newspapers Returns after sales** (unsold stock) -15%
- **Advertising to editorial percentage breakdown** (advertising percentage) – 20% for a daily; 25% for three issues per week and 30% for a bi-weekly
- **Average Advertising Rate** (for all categories of advertising ) - R25.00 per square column centimeter (psccm) without discounts for circulations of up to 50 000 copies sold; R30.00 psccm for circulations of 60 000 copies sold; R35.00 psccm for circulations of 70 000 and 80 000 copies sold and R40.00 psccm for circulations of 90 000 and 100 000 copies sold.
- **Maximum advertising discount** – 15%
- **Leaflet insert rate** – R190 per 1000 copies inserted
- **Pre-print newspaper waste** – 5% of total print order

- **Staffing –**

- Daily publication - 25 Editorial and 16 commercial staff
- 3 issues per week publication – 21 Editorial staff and 16 commercial staff
- Bi-weekly publication - 18 Editorial and 16 commercial staff.

## 9.1. BI-WEEKLY PUBLICATION

The following table lists the trading and marginal profit of a bi-weekly tabloid publication with a 30% advertising percentage at a cover price of R1.50 and R2.00.

Table 9.1: Bi-weekly profitability analysis

NEW ZULU TITLE - BI-WEEKLY (30%ADVERTISING)					
BI-WEEKLY COVER PRICE OF R1.50			BI-WEEKLY COVER PRICE OF R2.00		
COPIES	TRADING PROFIT R1.50	MARGINAL PROFIT R1.50	COPIES	TRADING PROFIT R2.00	MARGINAL PROFIT R2.00
10,000	-5,865,702	-1,838,331	10,000	-5,503,846	-1,476,475
20,000	-5,764,957	-1,144,322	20,000	-5,041,244	-420,610
30,000	-5,664,211	-450,314	30,000	-4,578,643	635,255
40,000	-5,563,466	243,695	40,000	-4,116,041	1,691,120
50,000	-5,462,721	937,704	50,000	-3,653,440	2,746,984
60,000	-4,705,935	2,291,072	60,000	-2,534,798	4,462,209
70,000	-3,949,150	3,644,440	70,000	-1,416,157	6,177,433
80,000	-3,848,405	4,338,449	80,000	-953,556	7,233,298
90,000	-3,091,619	5,691,817	90,000	165,086	8,948,522
100,000	-2,990,874	6,385,826	100,000	627,687	10,004,387

Source: Seymour & Taylor, 2001:67

The above table illustrates that a bi-weekly product at a cover price of R1.50 will only make a marginal profit at a circulation of 40 000. A bi-weekly product with a cover price of R2.00 will make a marginal profit at a

circulation of 30 000 copies. The graphs provide a graphical illustration of the figures recorded in the above table.

### BI-WEEKLY ISOLEZWE AT R2.00

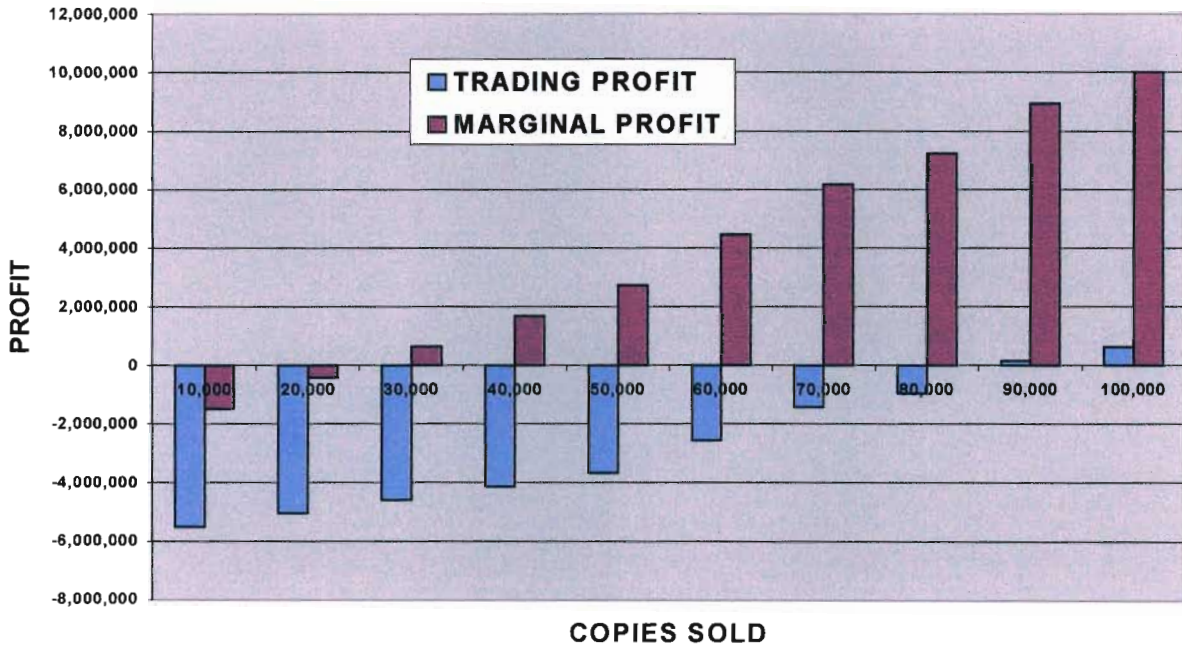


Figure 9.1: Bi-weekly profitability analysis graph at R2.00 cover price Source: Seymour & Taylor, 2001:68

### BI-WEEKLY ISOLEZWE AT R1.50

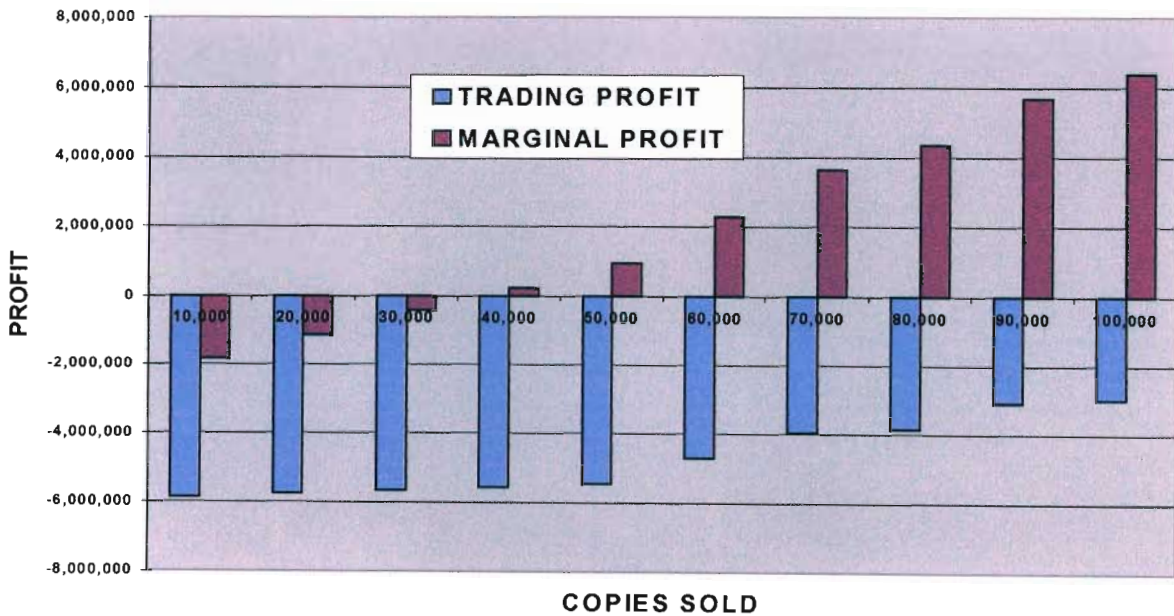


Figure 9.2: Bi-weekly profitability analysis graph at R1.50 cover price Source: Seymour & Taylor, 2001:69



## 9.2. THREE ISSUES PER WEEK

The following table lists the trading and marginal profit of a tabloid publication issued three times per week with a 25% advertising percentage at a cover price of R1.50 and R2.00:

Table 9.2: Three issues per week profitability analysis

<b>NEW ZULU TITLE – THREE ISSUES PER WEEK (25% ADVERTISING)</b>					
<b>THREE PW COVER PRICE OF R1.50</b>			<b>THREE PW COVER PRICE OF R2.00</b>		
<b>COPIES</b>	<b>TRADING PROFIT</b>	<b>MARGINAL PROFIT</b>	<b>COPIES</b>	<b>TRADING PROFIT</b>	<b>MARGINAL PROFIT</b>
10,000	-7,853,432	-1,816,525	10,000	-7,310,647	-1,273,740
20,000	-7,742,874	-816,072	20,000	-6,657,305	269,497
30,000	-7,632,316	184,381	30,000	-6,003,963	1,812,734
40,000	-7,521,758	1,184,834	40,000	-5,350,621	3,355,971
50,000	-7,411,200	2,185,287	50,000	-4,697,279	4,899,208
60,000	-6,480,592	4,009,940	60,000	-3,223,886	7,266,645
70,000	-5,549,984	5,834,592	70,000	-1,750,494	9,634,082
80,000	-5,439,426	6,835,045	80,000	-1,097,152	11,177,319
90,000	-4,508,818	8,659,698	90,000	376,240	13,544,756
100,000	-4,398,260	9,660,151	100,000	1,029,582	15,087,993

Source: Seymour & Taylor, 2001:70

The above table illustrates that a product which is published three times a week at a cover price of R1.50 will only make a marginal profit at a circulation of 30 000. A product which is published three times a week at a cover price of R2.00 will make a marginal profit at a circulation of 20000 copies. The graphs below provide a graphical illustration of the figures recorded in the above table.

**ISOLEZWE - THREE ISSUES PER WEEK AT R1.50**

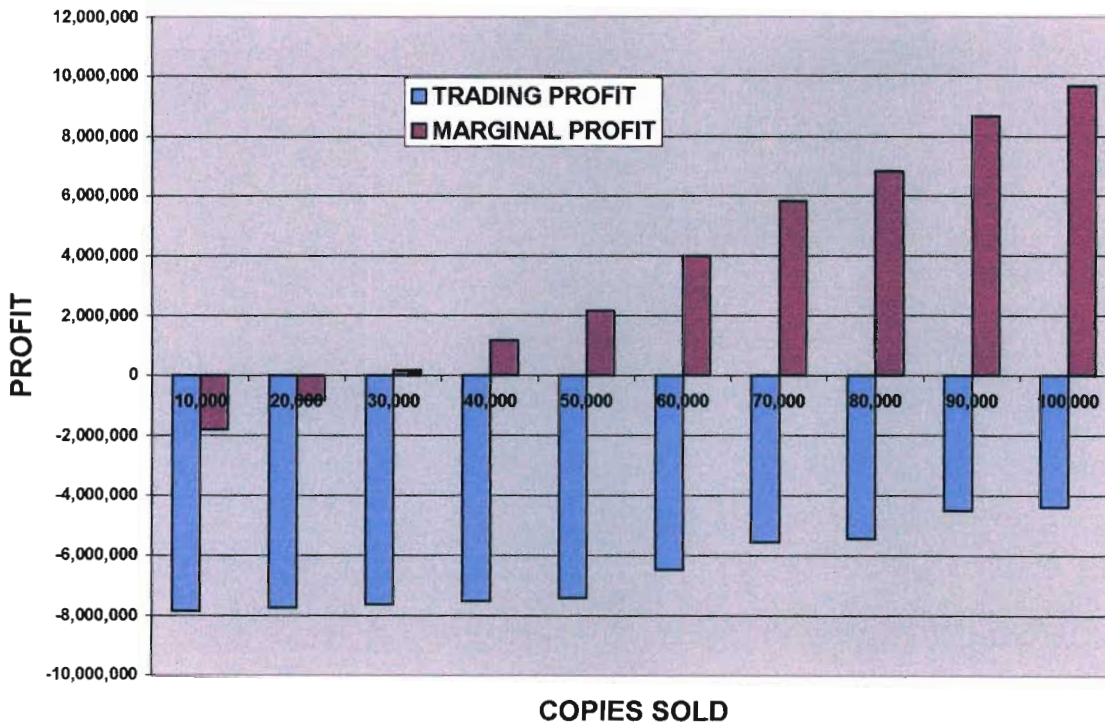


Figure 9.3: 3 issues per week profitability analysis graph at R1.50 cover price Source: Seymour & Taylor, 2001:72

**ISOLEZWE - THREE ISSUES PER WEEK AT R2.00**

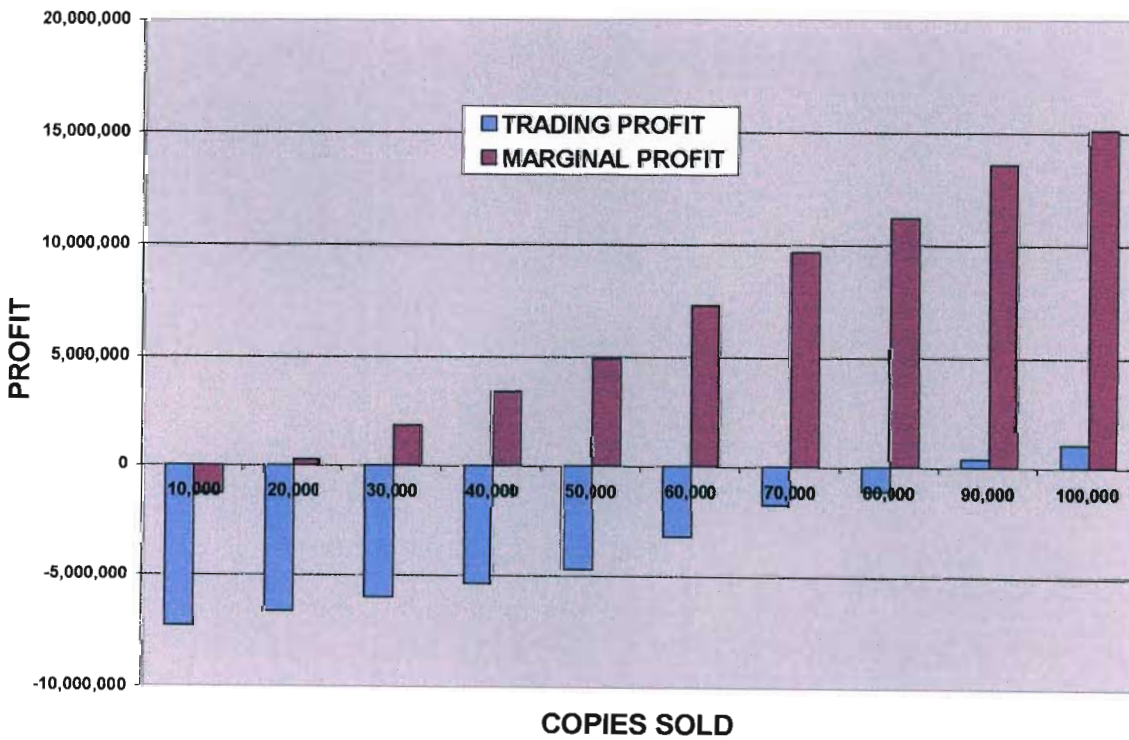


Figure 9.4 – 3 issues per week profitability analysis graph at R2.00 cover price Source: Seymour & Taylor, 2001:72

### 9.3 DAILY PUBLICATION (Mon – Fri)

The following table lists the trading and marginal profit of a daily tabloid publication week with a 20% advertising percentage at a cover price of R1.50 and R2.00:

Table 9.3: 5 issues per week profitability analysis

<b>NEW ZULU TITLE - FIVE ISSUES PER WEEK (20% ADVERTISING)</b>					
<b>DAILY COVER PRICE OF R1.50</b>			<b>DAILY COVER PRICE OF R2.00</b>		
<b>COPIES</b>	<b>TRADING PROFIT</b>	<b>MARGINAL PROFIT</b>	<b>COPIES</b>	<b>TRADING PROFIT</b>	<b>MARGINAL PROFIT</b>
10,000	-10,536,303	-681,127	10,000	-9,631,662	223,513
20,000	-10,284,439	1,053,895	20,000	-8,475,159	2,863,175
30,000	-10,032,576	2,788,916	30,000	-7,318,655	5,502,837
40,000	-9,780,713	4,523,938	40,000	-6,162,151	8,142,499
50,000	-9,528,849	6,258,960	50,000	-5,005,647	10,782,161
60,000	-8,183,586	9,092,914	60,000	-2,755,744	14,520,756
70,000	-6,838,323	11,926,868	70,000	-505,840	18,259,351
80,000	-6,586,459	13,661,890	80,000	650,663	20,899,013
90,000	-5,241,196	16,495,844	90,000	2,900,567	24,637,607
100,000	-4,989,333	18,230,866	100,000	4,057,071	27,277,269

Source: Seymour & Taylor, 2001:67

The above table illustrates that a daily product at a cover price of R1.50 will make a marginal profit at a circulation of approximately 15 000. The marginal profit increases from R1,1 million with a 20 000 circulation to R18,2 million with a circulation of 100 000. As the advertising percentage is retained at 20% for all circulation levels in the above model, the marginal and trading profit figures are likely to be better than the figures recorded above. Also, a daily publication absorbs a significant amount of the company's overhead costs – even at a circulation of 20 000 copies it absorbs R11.3 million of overhead costs that would otherwise be carried by

Independent Newspapers KZN's other titles. This option would be the most preferred.

A daily product with a cover price of R2.00 will make a marginal profit at a circulation of 10 000 copies. The graphs below provide a graphical illustration of the figures recorded in the above table:

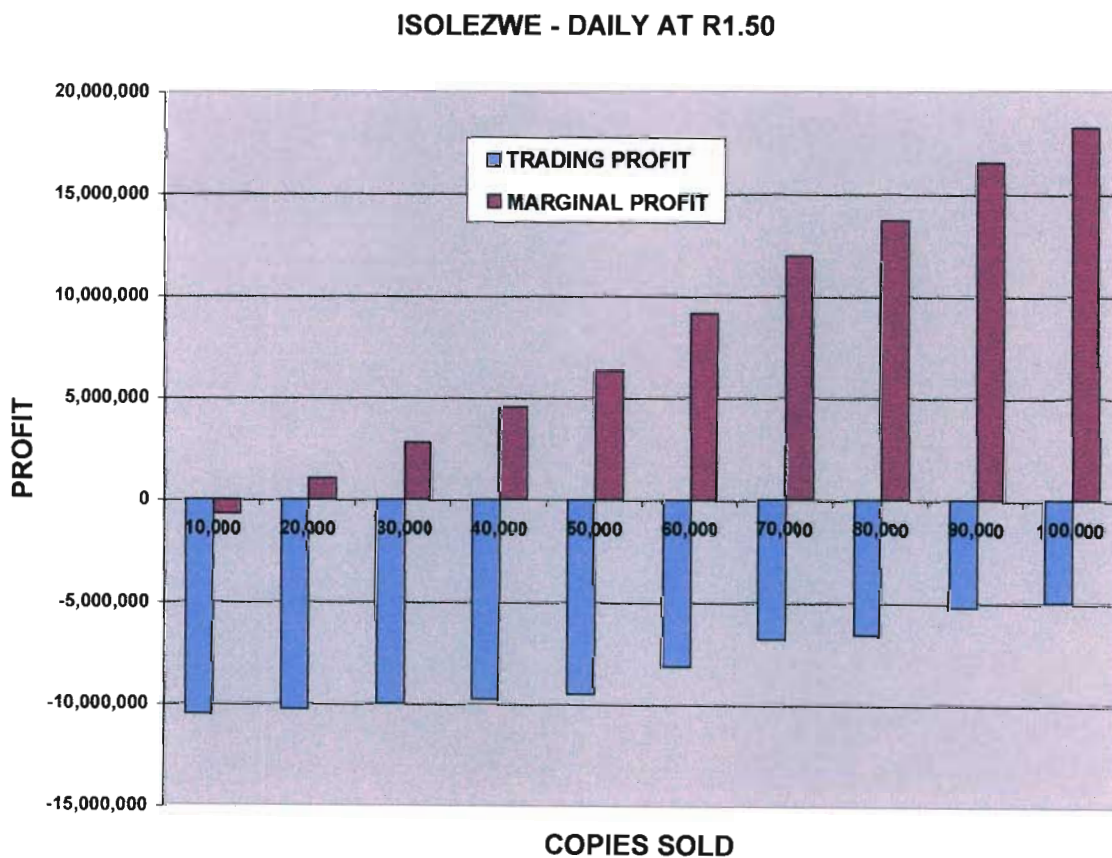


Figure 9.5: 5 issues per week profitability analysis graph at R1.50 cover price

Source: Seymour & Taylor, 2001:76

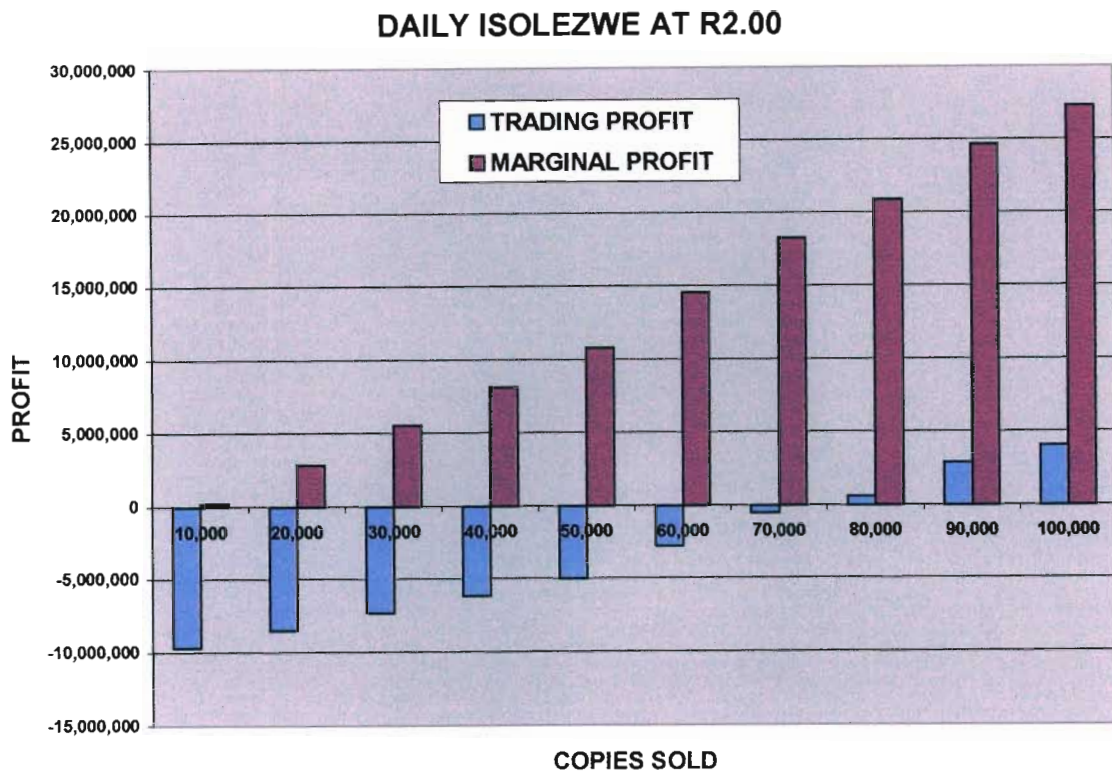


Figure 9.6: 5 issues per week profitability analysis graph at R2.00 cover price  
 Source: Seymour & Taylor, 2001:67)

#### 9.4 SUMMARY

In order to evaluate the projected financial performance of a proposed new newspaper title, a series of financial models were presented using all factors relevant in producing a newspaper, including the design and cover price recommendations as determined by the research studies.

Three financial models based on newspaper publishing frequency: twice a week, 3 times a week and 5 times a week, at cover prices of R1.50 and R2.00 were presented. As the title would contribute to the fixed costs and overheads of Independent Newspapers KZN a marginal profit model was presented along with a trading profit model. The final recommendation

after analysing the models is that, the 5 issues a week newspaper, at R1.50 cover price, would contribute the greatest marginal profit at a lower circulation when compared to the other two models. The 5 issues a week model would also absorb the most amounts of overhead costs of Independent Newspapers even at a small circulation of 20 000 per day, when compared to the other two models.

Chapter 10, presents a final new product marketing plan incorporating details with regard to target markets, the use of a number of new product planning strategic models and finally outlines a comprehensive marketing strategy and marketing mix.

## **CHAPTER 10**

### **ISOLEZWE NEWSPAPER – MARKETING PLAN**

The development of the key target markets, the target reader demographic and psychographic characteristics, the identification of target advertisers and numerous strategic models are discussed, before the new titles marketing strategy and mix (product, price, promotion and distribution) is presented.

#### **10.1 TARGET MARKETS**

For all South African newspapers both readers and advertisers are the target markets they must attract. They are both vital to the success of any newspaper title – readers to purchase the product and to attract advertisers to market their goods, and advertisers to pay for the titles reach to a certain type of targeted readership. Advertisers also attract readers into the title, for example sale and classifieds advertising.

##### **10.1.1. TARGET READERS**

The targeted Zulu newspaper reader has several outstanding demographic and psychographic characteristics. We would position our new title, to appeal to the needs of consumers fitting an identified demographic and psychographic profile.

##### **Demographic characteristics:**

- B, C and upper D income earners – from R2 500 to +R12 000 per household
- Male & female
- Zulu literate readers

- Aged from 16 to 45
- Living in KZN Urban areas – towns, cities, townships, etc
- Predominantly working members of the population who have High school and some tertiary education
- Family and community orientated

**Psychographic characteristics:**

- Social class - Working and blue-collar class citizens residing in cities, towns and villages with populations of over 500 residents.
- Personality & lifestyle
  - Family conscious – safety, education, personal wealth, health, political, housing, religion, welfare, etc
  - Consumer conscious – pricing, bargains, brand loyalty, consumer rights, etc
  - Sports & entertainment – sports supporter (local, national & international), sports participants (including school), relaxation activities (TV, get-togethers, clubs, etc)
  - Aspirational – brands, housing, car, schooling, educational level, employment, earning capacity, holidays, etc
  - Community – safety, security, policing, leadership, health & welfare, schooling, religion, etc

**10.1.2. TARGET ADVERTISERS**

In all major South African newspapers there are various categories of advertising that is sought after and targeted in order to attract revenue to the specific title (Dewrance, 2002). The categories are –



- National brand advertising - not product & price, more image / positioning adverts placed through advertising agencies eg: Coke, BMW Corporate ads, Nescafe, etc
- Agency retail advertising – Major consumer retail outlets advertising (product & price) placed through advertising agencies eg: Pick n' Pay, Shoprite Checkers, SPAR, etc.
- Direct retail – Advertising placed directly with the title from shop owners advertising their wares eg: Grab a Garb, Joe Kools, Liberty Liquors, etc.
- Government advertising – This is all advertising placed by South African government departments for various reasons – staff vacancies, public tenders, communication, etc.
- Classified advertising – Members of the public place adverts made up of lines of text advertising certain things for sale or services rendered. There are traditionally 6 categories of classified advertising – Miscellaneous (for sale columns), Property for sale, staff Vacancies (jobs offered), Motoring (cars for sale), Legals (tenders) and Auctions.
- Carrier Inserts – Brochures, pamphlets, leaflets and advertising supplements are offered to be inserted into the carrier publication at a charge for 1000 copies distributed eg: The weekly GAME advertising supplement.

According to Dewrance (2002), like all newspapers there will be a strong need for an **agency retail** presence in the new black market title, with anticipated strong support from the likes of Pick n' Pay, Shoprite and SPAR, etc.

**Direct retail**, as observed in ILANGA, will also form the backbone of the new title.

**Government advertisers** will be a key focus area for the advertising department, with at least one sales representative networking and selling to most, if not all, local and regional governmental departments and organisations. This sales person would also secure business from national government departments and legal tender advertisers etc.

Independent newspapers national sales team (INC) will target **national brand advertisers** with client specific presentations and brand solutions. These will be presented directly to both to advertising agencies and clients. Key non-traditional newspaper advertisers such as SAB, Coke, Colgate Palmolive, Unilever / Unifoods, Robertson's and Nestle' for example will be targeted by means of partnerships, brand launches, etc.

**Classified advertising** will be an important component of the new title. Independent Newspapers' new automatic call distribution system will be used in conjunction with various databases to enable the sales team to target all classifieds sales efforts. One key focus areas will be the selling of topic "features" of vacancies, motoring and property on select days of the week. Joint sales efforts with sister titles will also take place for the add benefit of both advertisers and readers.

- **Advertiser benefits**

- Good response to adverts and good quality leads throughout the month;
- Cheap and cost effective advertising rates (average rate of R25.00 pscm);

- Advertorial which helps to ensure that the advertisers product /service is well read and understood by the customer;
- Product will be popular with the public (readers) as it will be full colour and will contain quality editorial of reader interest and lots of advertisements for wider consumer choice;
- Effective and credible distribution to target market in Durban Metro, Pietermaritzburg areas, other metropolitan areas and Gauteng;
- Advertisers will be associated with a product which will enhance their credibility;
- Excellent, personalised customer service from INKZN staff;
- Publication can be kept by reader and read whilst in Taxi's and trains;
- Quality reproduction – register, colour and picture crispness.

## **10.2 STRATEGIC MODELS**

The following strategic models illustrate the position of a hypothetical new newspaper title – “Isolezwe” – situated in the most appropriate position. Each specific position is also explained briefly.

### **10.2.1 POSITIONING MAPS**

The first positioning map shows the position of current major South African newspapers on a circulation and a race 2 dimensional map. The new title is indicated in red.

The second map plots the same newspapers on a map based on gender readership and areas of focus (business or leisure).

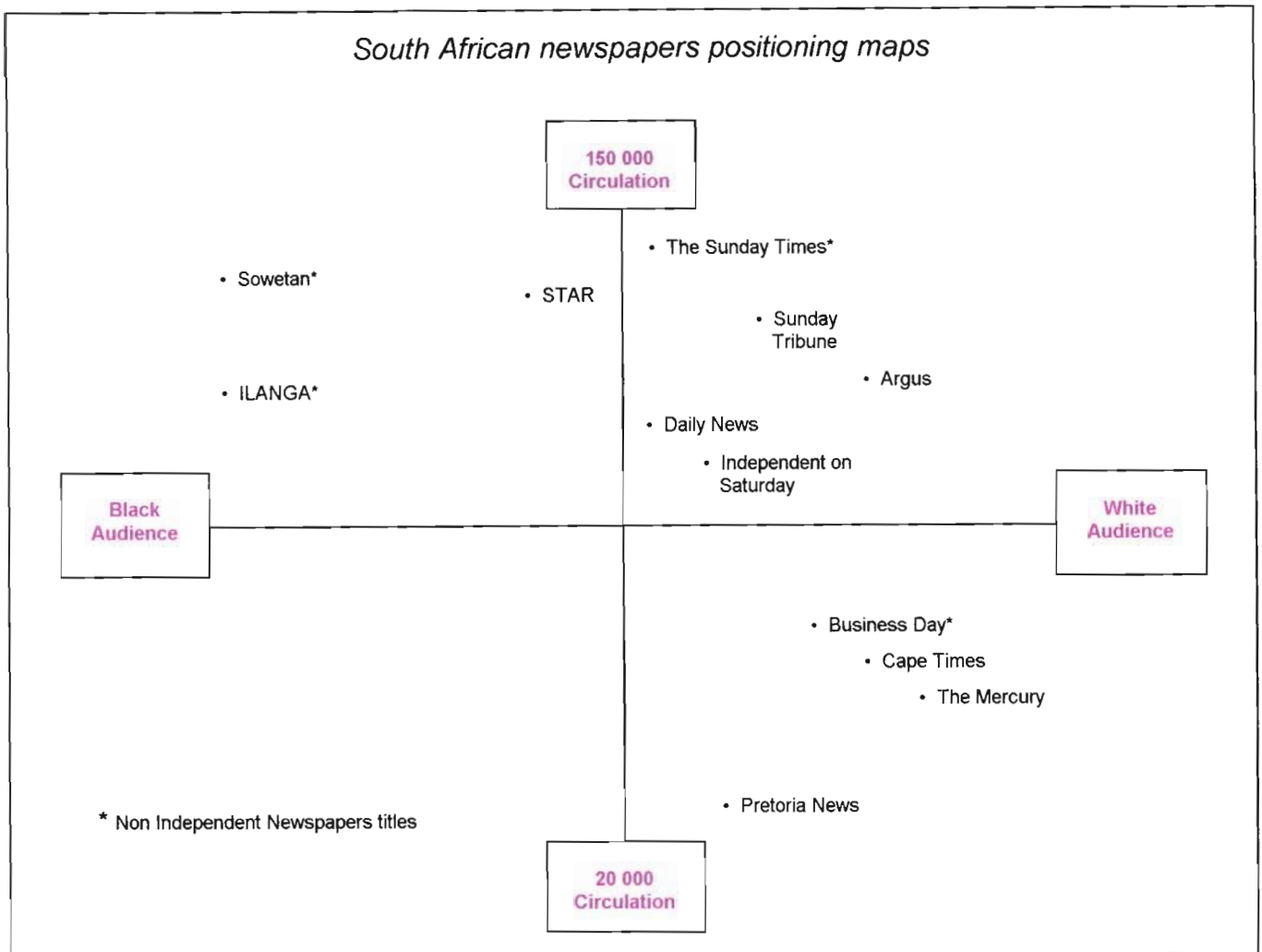


Figure 10.1: Positioning map of circulation levels versus Black and White audiences

Source: AMPS 2001a

The positioning map above shows a new Zulu title “Isolezwe” targeting black readers, positioned in relation to competitors in the SA market. It is proposed that a new title catering for the black market should be launched (Isolezwe) and therefore be positioned in the top left quadrant.

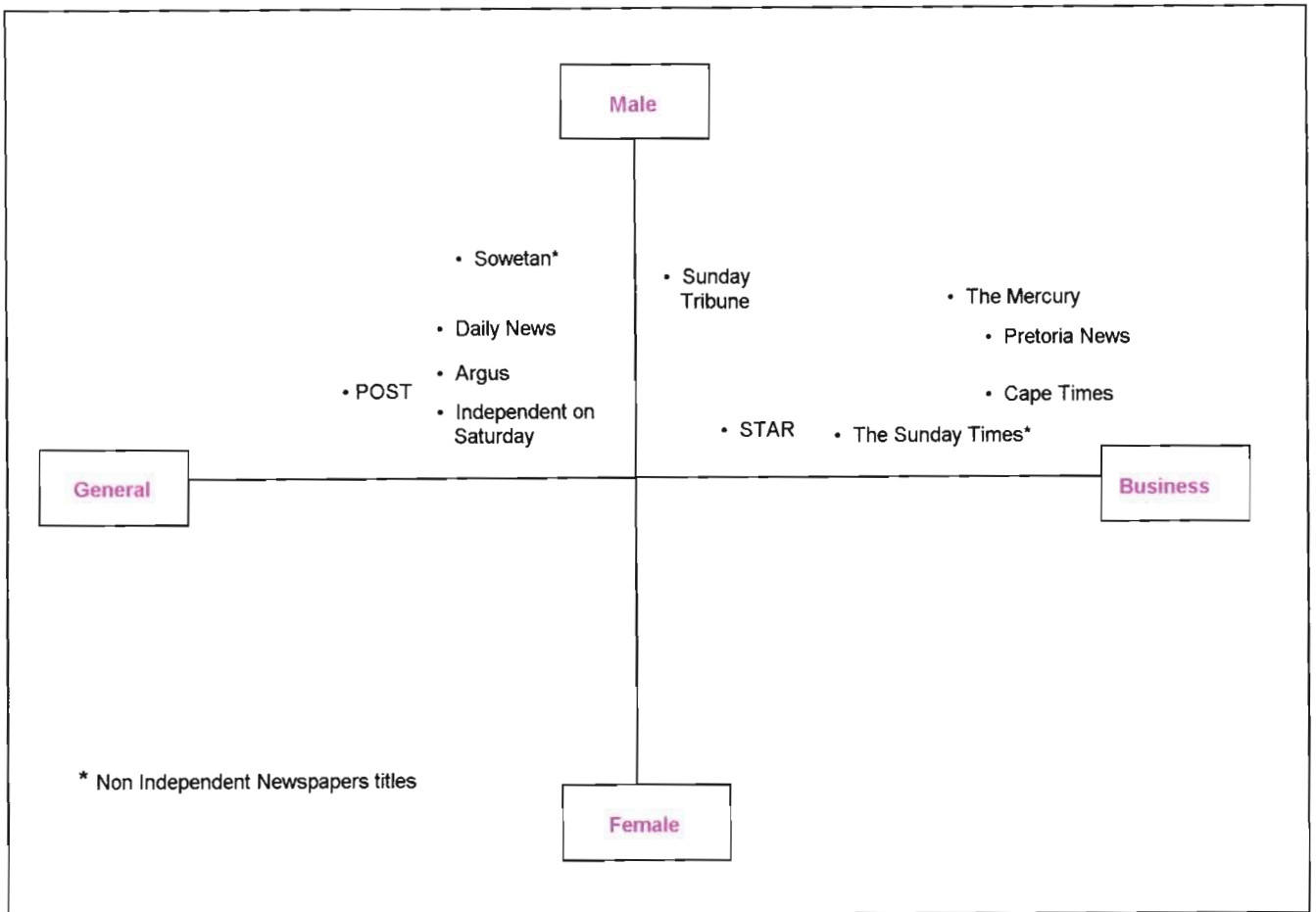


Figure 10.2: Positioning map of editorial focal areas *versus* gender audience  
 Source: AMPS 2001a

As seen above, major South African newspapers are male orientated, with most of them leaning towards business orientated editorial.

“Isolezwe” is placed in a clear gap in the market place for a newspaper to cover more “leisure” aspects of the news, as well as targeting the female reader more vigorously than current titles. Magazine type articles – advice, celebrity scandal, and competitions – would be featured to capture the niche female reader in “Isolezwe”, using fresh editorial and picture layouts. The newspaper would still focus on current events and business, but the

main thrust would be entertainment, sport, the outdoors and general leisure.

### 10.2.2 ANSOFF'S PORTFOLIO MATRIX

Ansoff's portfolio matrix shows the comparison between market and product newness of a product (Cravens, 1991: 125) within the newspaper publishing industry. The model is used to determine the correct strategy to use in the selected quadrant.

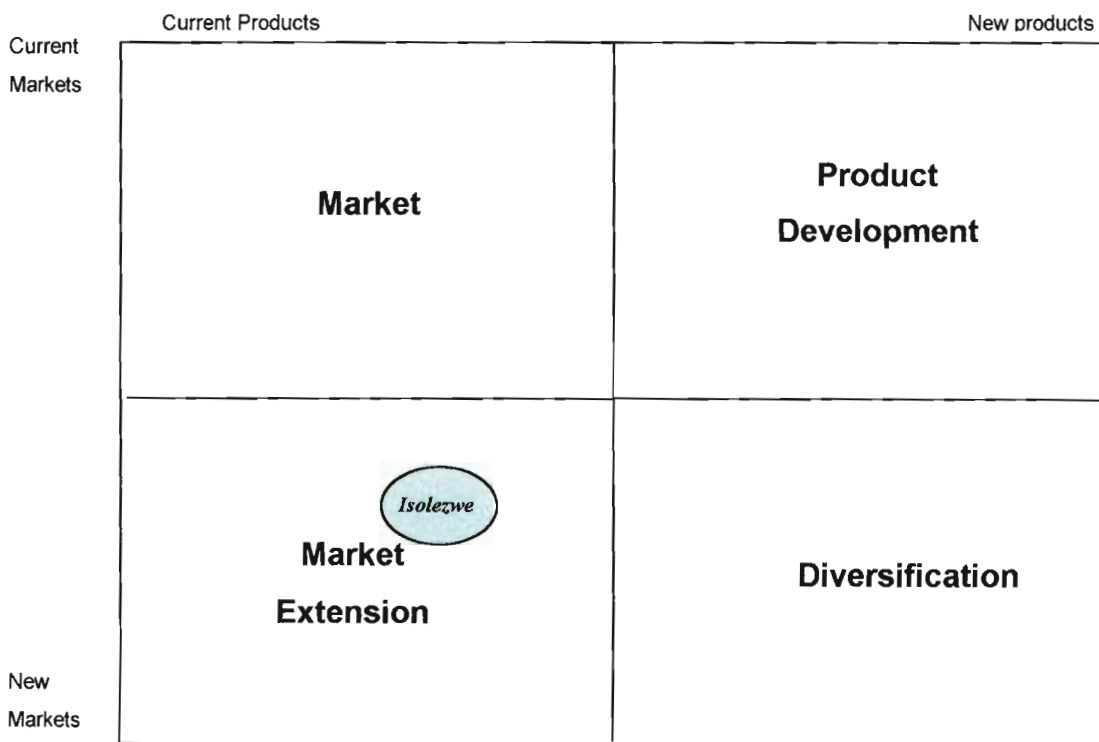


Figure 10.3: Ansoff's portfolio matrix  
 Source: Boyd, Walker & Larreche, 1995: 35

As Independent Newspapers' titles become more mature it is not surprising that the organisations newspapers will start to fall short of the company's long run growth and profitability objectives. Management must thus decide on a specific strategy to guide future corporate development. Essentially Independent Newspapers can go in two major

directions in seeking future growth: expansion of its current titles, or diversification into new products to new markets, either through internal business development or acquisition.

As the above position of “Isolezwe” indicates, Independent Newspapers will position this product in the Market Extension quadrant, where although the title is new the product is known by the organisation but it is positioned to attract a new market. More specifically, this is termed Related Expansion (Boyd, Walker & Larreche, 1995) where the current product is known and the customer is new to the organisation, but the internal resources of the company are used to launch and build the product into a successful one.

### **10.2.3 PORTERS COMPETITIVE ANALYSIS MATRIX**

Porters competitive analysis matrix shows the comparison between degree of relative costs and degree of marketing differentiation of a product or a service within an industry (Boyd, Walker & Larreche, 1995: 342).

The most appropriate and obvious quadrant for “Isolezwe” to be placed in is the Niche quadrant, with high relative costs and high degree of marketing differentiation.

As indicated in Figure 10.4, by the arrow, the aim of Independent Newspapers would be to move the product into a position of low relative costs but maintaining a high degree of differentiation, thus moving it into the Outstanding Success quadrant. This will obviously take a certain length of time, as the product’s costs will be high during its launch, as it becomes established and eventually attracts a loyal readership within in the desired target market and loyal advertising base.

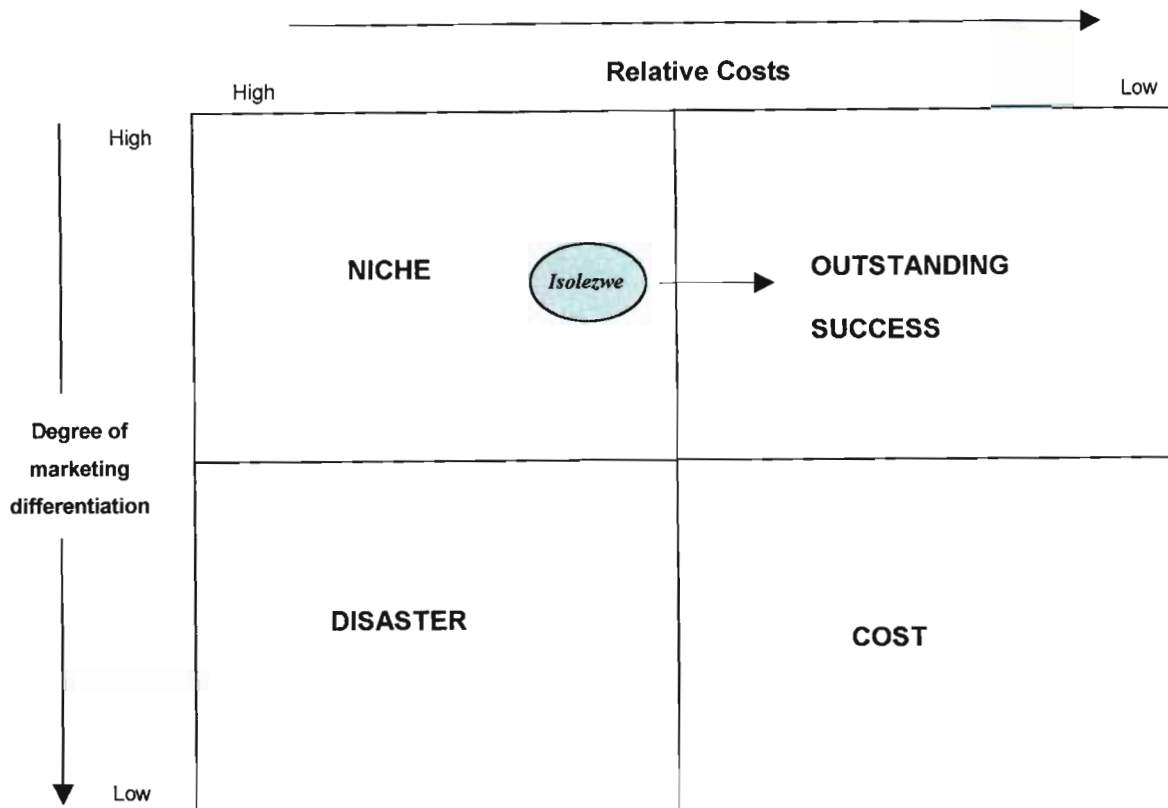


Figure 10.4: Porters competitive analysis  
 Source: Boyd, Walker & Larreche, 1995: 102

### 10.3 MARKETING STRATEGY

Independent Newspapers should implement a Penetration strategy in order to launch and capture market share within the Black newspaper readership market.

#### 10.3.1 PENETRATION STRATEGY

A “penetration strategy” should be implemented in order to launch and capture market share within the black newspaper readership market. As Independent Newspapers KZN is currently the current market leader in the relatively saturated White & Indian newspaper reader market, it makes sense to focus on the less saturated Zulu language newspaper market.



Eighty five percent (4.1 million) of the 4.8 million English and Zulu literate blacks in KZN, are Zulu literate while only 49% (2.4 million) are English literate (AMPS 2001a). None of Independent Newspapers KZN existing titles are niched at the Zulu literate black population of KZN. Independent Newspapers KZN needs to make inroads and establish dominance in the black market before it is too late. Already, Naspers, with its links with the Natal Witness, has a strong foothold in this market – the Natal Witness currently publishes the Echo which has a 15% market share (AMPS 2001a) and, from 1 April 2002, will print, distribute and manage ILANGA for Mandla Matla. As ILANGA has a 70% market share (AMPS 2001a), the Natal Witness and Naspers will effectively have an 85% share of the lucrative Zulu language newspaper market if Independent Newspapers does nothing. This situation is clearly risky if the organisation intends to launch into this market at a later stage.

Independent Newspapers KZN plans to use their printing, distribution, advertising, financial and editorial advantages to make significant short, medium and long term gains in this market. Their planned new title will differentiate itself from other the black newspaper titles in the market and its marketing mix will be customised to penetrate the desired target market.

### **10.3.2 POSITIONING STATEMENT**

Independent Newspaper KZN will be positioned as a popular Zulu language newspaper, which KwaZulu Natalians identify with and be proud of. It will cover all interesting and exciting subjects of reader interest (local, regional, national and international) while reflecting the 'soul' of the Zulu nation.

## 10.4. MARKETING MIX

In order to determine the marketing mix of the new title, the following key factors and have been addressed -

- readers and advertisers needs,
- the strengths and weaknesses of major competitors,
- Independent Newspaper KZN's strengths, weaknesses, opportunities and threats and
- available marketing research

Product, distribution, price and promotion form the basis of the desired penetration marketing strategy as follows:

### 10.4.1. PRODUCT

- Daily
- Zulu language
- Modern
- Tabloid
- Minimum 20 pages
- R1.50 cover price
- KZN & Gauteng
- Initially 20 000 circulation
- 20% advertising content



Figure 10.5 – *Isolezwe* Product summary and front page graphic

Source: Seymour & Taylor, 2001: 46

## **Title Name**

An in house competition has resulted in over 300 title names being suggested. A panel of staff reduced this list to 12 names. These names were then typeset onto the front page of dummy copies for focus groups to comment on. Although the focus groups were unanimous in selecting the name "Isolezwe" two other names were included in the field research questions to make certain that Independent Newspaper KZN have selected the best name.

The field research results indicate that Isolezwe and Elesizwe are running neck and neck at 44% each. Independent Newspapers trademark attorneys indicated that it would be difficult to register the name "Elesizwe" as it has a general meaning. However, they have indicated that there should be no problem in registering the name "Isolezwe".

"Isolezwe" (the eye of the nation) would be the name of the new title and the slogan - "Luwela umfula ugwele" meaning the eye that can see everything, would be used in conjunction with the title.

## **Editorial Content**

The field research conducted has helped in detailing the desired editorial content by consumers. Independent Newspaper KZN will need to target a broad Zulu reader market which includes ILANGA's and UMAFRIKA's rather conservative and traditional reader and Sowetan's younger, more aspirational reader. The editorial content mix will be people focused and will include the use, colour and size of pictures; local, national and international news; in-depth sports/racing coverage with in-depth analysis and personalities; jobs section - including interview hints etc; education/self-improvement/lifeskills; Newspapers-in- education (NIE);

pre-matric syllabus section; consumer affairs; health (AIDS); sponsored posters – preferably once a week; competitions; business and economic news; developing entrepreneurs; entertainment; TV; community focus; church focus; personalities; gossip; woman's issues; letters; political coverage - people, controversies, corruption vs heavy intellectual politics; funerals; reflection of KZN (Zulu) values, Zulu soul, "pride of the Zulu Nation"

### **Editorial Synergy**

Editorial synergies can be achieved by using lifting services (Reuters, SAPA), group services (Racing, Library, Independent News Network (INN), Parliamentary, and Foreign services) as well as regional services (Images, Photographic, Design and Writing Teams - Independent Newspaper KZN have Zulu literate journalists in our planned writing teams who can contribute columns and articles at no additional charge). In addition, Independent Newspaper KZN will be able to achieve synergies with our existing weekly employment, racing, motoring and TV supplements.

### **Tabloid vs Broadsheet**

Tabloid seems to be favoured by readers. It does however, present a problem for advertisers as their material may be in broadsheet format. Also, distribution contractors have indicated a preference for a broadsheet product. A further complication is that it is difficult to publish a tabloid editorially as the Zulu language tends to have long words and sentences – headlines, space and news posters could be a problem. Nevertheless, Independent Newspaper KZN believe that the advantages of a tabloid format and the overwhelming reader desire for this format outweigh the disadvantages. The new title would be in Tabloid format printed on the

traditional 48.8 gram per square meter (gsm). It is recommended that the title have minimum 20 pages per edition, as if it falls below this amount, readers might build a perception that the product is not value for money.

### **Advertising Staff**

All the staff currently working for ILANGA, with the exception of the editorial staff, are Independent Newspapers employees and will be available to work on the new title after 31 March 2001. These employees are competent and have in-depth experience and established business relationships in the niche Zulu market Independent Newspaper KZN will be targeting.

### **Advertising Categories - National, Display and Classified**

The bulk of the advertising will be in display format in the form of National, Agency retail and Direct retail advertising. Although everyday general news will be covered, each day of the week will have a special editorial focus component – Monday – weekend sports coverage, Tuesday – Education, Wednesday – Motoring section, Thursday – Job section and Friday – weekend entertainment section.

As previously discussed, the classifieds section could be made up of the 4 traditional pillars of Classifieds – motors, property, miscellaneous and vacancies. Traditionally the motoring sector in the Zulu language newspaper market has been poorly supported and has been severely under developed as motors features are not supported editorially – this is a developmental growth point for the new title. An opportunity exists to include a Zulu edition of the current Daily News/Mercury weekly motoring supplement every Thursday. A similar opportunity exists to include a Zulu edition of the Daily News/Mercury Employment supplement in Isolezwe on

Wednesdays. The Sunday Tribune TV Guide could also be offered as an added value product on Fridays. Tenders and legal advertising will be drawn to the new title due to initial low ad rates and the benefit of reaching the Zulu target market.

### **Number of pages**

As identified in the research, readers want a consistent product for the price they pay. Hence, the new title's minimum pages should be 20 tabloid.

### **Advertising Percentage**

If the title is to maintain a minimum 20 page size, advertising needs to maintain a minimum 20% advertising percentage for a daily product. This advertising percentage should be increased to 25% for a publication issued on 3 days a week and to 30% for a bi-weekly publication.

### **Frequency**

Independent Newspaper KZN have looked at various options including a weekly, a bi-weekly, three issues per week and a daily (Monday to Friday). Reader research has indicated the strong desire for a daily Zulu language title. Also, there is a gap in the market for a daily Zulu language newspaper as there is currently no daily Zulu language title in KZN. The consistent daily sale of the Sowetan in KZN indicates that there is a market for a daily title. The Sowetan consistently sells 11000 to 12 000 copies per day & approximately 16 000 copies on Fridays due to their Time Out supplement (ABC, 2002). The Sowetan has the disadvantages of being a Gauteng newspaper, being in English and being too expensive at R2.10 per copy. A daily title will also enable Independent Newspapers

to have more bargaining power with Independent Newspapers distribution contractors, as they will be able to survive without distributing ILANGA as well. The financial models, which are conservative, indicate that a new daily Zulu language newspaper will make a significant marginal profit contribution to INKZN due to its substantial contribution to overheads – even at a relatively low cover price (R1.50) circulation (20 000 copies sold) and advertising percentage (20%). This will also have the effect of substantially improving the trading profit of INKZN's other titles.

### **Colour Percentage** (colour to black and white ratio)

Independent Newspaper KZN will need to offer full colour on all pages, but make arrangements, within the advertising percentage limitations, for black & white pages when the product goes over 32 pages.

### **Printing Quality**

The new product needs to be set apart from what is currently available to readers in terms of print and colour quality. INKZN has the reputation of maintaining an excellent printing quality. Independent Newspaper KZN need to market the fact that they are the best printing and design newspaper company in the country. Their recent results in the PMA Annual Newspaper Design and Production where Independent Newspaper KZN won the McCall Trophy with the Mercury and were placed second in the Frewin Trophy competition with the Daily News and second in the Joel Mervis Trophy competition with The Independent on Saturday bear testimony to this.

## **Editorial Staff**

Independent Newspaper KZN identified suitable candidates for key editorial positions (Editor, News Editor, Sports Editor and Chief Sub). Independent Newspaper KZN looked for an editor would take a neutral political stance, be hands on, have links with community and community leaders, be respected by community and be prepared to follow a researched editorial formula. While some of these candidates were not employed by Independent Newspapers, Independent Newspaper KZN have a number of other well qualified, highly competent and experienced Zulu literate editorial staff who could be seconded to Isolezwe while the product is establishing itself in the market. In this way Independent Newspaper KZN could minimize the number of permanent editorial appointments in the branch until Independent Newspaper KZN have clearly established the ideal mix of editorial staff for all their titles. This would also enable the organisation to achieve savings in editorial costs on their other titles in the interim as Independent Newspaper KZN would only employ additional staff on our established titles on a contract basis where absolutely necessary.

## **Unique Selling Proposition (USP)**

The only **daily** Zulu language newspaper in South Africa.

### **10.4.2. DISTRIBUTION**

#### **Distribution Area**

Throughout KZN - to every town and city in the province and traditional Black residential areas around major cities. In order to maximise efficiencies (as calculated in the financial models) the new title would be



distributed along with the Mercury, which is also a morning title with the largest distribution pattern across the province. The possibility of launching and distributing in the Gauteng market would be looked at at a later stage.

### **Print Order**

According to a few experienced publishers as well as the ex ILANGA publisher, the initial print order, irrespective of the frequency of the publication, should be 40 000 and should be maintained at this amount for at least 2 months to enable the product to gain a clear sale and adoption pattern. A small portion of the print order will be distributed to major clients and advertising agencies.

### **Distributors**

Distribution is without question the biggest strategic advantage over our competition Independent Newspapers KZN has. This needs to be fully utilised in order to use this strength to their full advantage. Independent Newspapers KZN need to assess whether they have sufficient control over our distribution network to block out competitors. A strategic decision on whether Independent Newspapers KZN should take back some areas of distribution needs to be made before they sign contracts with their distribution contractors. New distribution contracts, are advised to include a clause forcing them to seek Independent Newspapers written permission to distribute other publications which are in direct competition with their titles.

## **Returns Percentage**

Independent Newspaper KZN would probably have to work on a fairly high return percentage of about 15% on average for the year, in order to grow circulation. The financial models include an advertising returns percentage of as much as 50% for the first 3 months in order to best establish a selling pattern and average daily sale.

## **Sales Forecast**

Realistically Independent Newspaper KZN could initially expect 20 000 to 30 000 copies if they were to launch a daily product, approximately 30 000 to 40 000 with a bi weekly publication and approximately 40 000 to 50 000 with a weekly publication. From the research it appears that the market has a strong price quality association, which suggests that the cover price should not be less than R1.50.

### **10.4.3. PROMOTION – Advertiser, Reader and sales agents**

#### **A) Advertisers**

- Pre Launch

A road show around the country to clients and advertisers, consisting of one-on-one presentations motivating the launch of the title and detailing the research, the titles vision, target readers and marketing objectives. A comprehensive advertising rate card and promotional brochure would be produced for advertisers with all relevant product information and benefits, etc.

A teaser campaign in the advertising trade publication, Advantage magazine would be undertaken and press releases would be sent out to other media and PR companies, in order to publicise the launch and objectives. The new titles "direct" sales staff would be active in the KZN market place. A teaser gift would be given to all that are presented to in order to build further anticipation for the launch.

- Launch

On the first day of publication, a substantial launch breakfast would take place at the Independent newspapers building in Durban, where select Zulu dignitaries would be invited including the Zulu King (cultural), the major political leaders, prominent black business men and personalities, fashion and black youth leaders, etc. Major advertisers and ad agencies would also be invited to attend and all attendees would receive a small cultural gift and some marketing material together with the first edition of the new title. A prominent Zulu language personality, the editor of the title and the Managing Director of Independent Newspapers KZN would give brief speeches marking the launch of the title.

- Post Launch

An immediate follow-up to all major advertisers and ad agencies would be undertaken to secure advertising for the title and an annual trade promotional plan would be formulated and communicated it to all sales agencies around the country.

## **B) Readers**

- Pre Launch

Undertake an extensive advertising campaign on billboards (CCI, Outdoor Network & mobile billboards), on radio (Ukhozi FM & P\$ radio) and in print media (Metro Beat, possibly ILANGA and UMAFRIKA, in Daily News and Sunday Tribune), building up to the launch. Communicate the benefits of the new title and launch a reader competition with prizes available for loyalty of initial first week readers.

- Launch

Secure a number of small reader prizes leading up to three big prizes for readers buying the first months editions. Give out caps, T-shirts and stickers during 1st month of publishing when the paper is purchased.

- Post Launch

Tell readers of the initial success of the title and further publicise the prizes to be won and value added components of the title – jobs, self-help, etc. Continue the advertising campaign on radio, and print (Metro Beat and possibly ILANGA and UMAFRIKA) and billboards (Corpcom & Outdoor network). Sponsor community and school events in black residential areas, to establish brand loyalty. Establish a promotional plan for the year and secure substantial prizes with future sponsors/advertisers – bursaries, cell phones, sports equipment, travel prizes, cars, houses, etc.

### **C) Sales Agents**

- Pre Launch

Communicate the launch of the new title and its benefits over Zulu publications sold currently. Communicate an agents sales incentive for the 1<sup>st</sup> year of operation, where certain categories for sales agents can win prizes after the 1st year of operation.

- Launch

Disclose details and prizes available for sales agents' competition. Give out caps, T-shirts and stickers to agents during 1st week of publication. Display ISOLEZWE merchandising materials in store – stickers, competition posters, etc.

- Post Launch

Solve any sales problems from agents timeously. Communicate status of agents' competition on a minimum bi-monthly basis. Secure prizes and establish final competition event details, etc.

### **D) Website**

Launch the first ever Zulu language website in the world. Link in with Independent on Line (IOL) and launch a website for Isolezwe readers and advertisers to gain information regarding the title. Site visitors would be encouraged to e-mail comments and views with regard to the site and newspaper articles in general. An Internet subscriber club could be formulated by site visitors leaving their e-mail addresses, in order to learn about the new title / Internet user.

Have available on the site – advertising feature calendars, reader competitions calendars, advertising packages per period i.e.: quiet advertising periods special offers, etc and a full list supplying Editorial and advertising contact details.

#### **E) Community Leaders**

Independent Newspapers will need to actively engage community leaders before, during and after the launch of the new title. Once the title has launched the editorial team are to make specific inroads and actively build relationships with community and business leaders in the province, and at all times promoting Isolezwe.

### **10.4.4. PRICE**

#### **A) Cover Price**

Strategic pricing options available to Independent Newspapers include:

- Profit maximising cover price strategy - Raise the cover price to R2.50; benefit from profit maximization at the possible expense of a growing circulation,
- Market share cover price strategy - Maximise circulation in an attempt to attract more advertising revenue by inserting additional copies of the product into current newspapers in order to reflect a larger distribution figure – such as Echo, which is inserted into the Natal Witness and distributed free as well, or

- Going rate competition oriented price strategy - Have a similar cover price to ILANGA and UMAFRIKA. The newspaper target consumer is familiar with current local newspaper cover prices.

Purchase agent cover price sensitivity and price / quality association are also important factors affecting cover price strategy. ILANGA is predicted to increase their cover price to R1.60 in February 2002, while UMAFRIKA charges R1.40 for a 20 page publication. The research indicates that the market has a strong price/quality association and that Independent Newspapers should not undervalue product, i.e. charging R1.00 per copy would imply an inferior product.

Also, the field research results indicate that the propensity to purchase the new title is very high - 93% would buy the paper at R1.50, 53% at a cover price of R2.00 and only 27% at a cover price of R2.50. Considering the above factors, it is recommended that Independent Newspapers charge a cover price of R1.50 per copy for new product irrespective of the frequency. Most copies will probably be cash purchases from streets, shops etc.

## **B) Newspaper coupon sales**

If Independent Newspapers proceed with the recommendation to publish daily, Independent Newspapers need to 'lock in' readers. One way of doing this is to sell weekly and / or bi-weekly or monthly coupons to readers at the beginning of the week or the month as the case may be. Coupons can either be in the form of a number of plastic tokens (milk tokens) or a perforated card, see Exhibit 10.6.

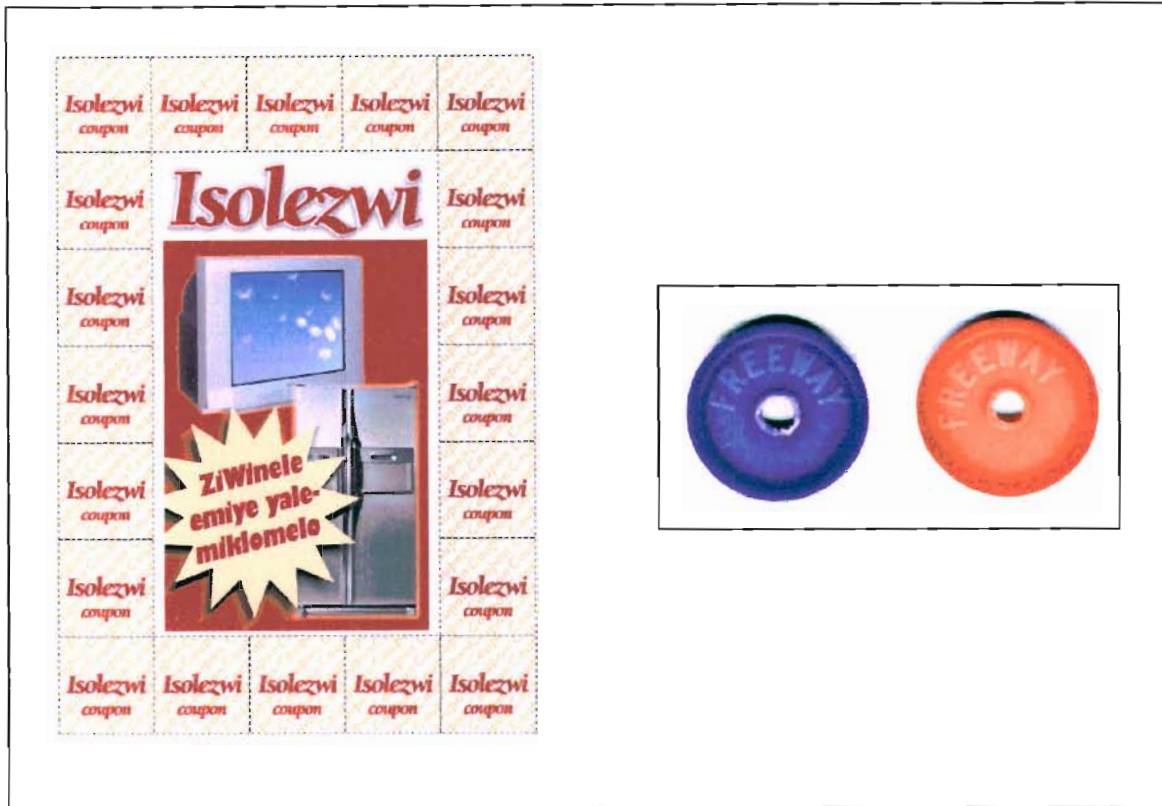


Figure 10.6 – *Isolezwe* newspaper tokens examples

Source: Seymour & Taylor, 2002: 88

Competitions would be built in for coupon purchases to win prizes, etc. A discount of one free issue per week or 5 free issues per month would be the incentive for readers to purchase the monthly coupon(s). The coupons would be sold through selected agents and redeemable from any sales agent.

### C) Advertising rates

- **Display advertising**

Rates to be quoted per square column centimeter (sccm) or by various standard advertising sizes. All the “block display” (all advertising except Classifieds) advertising rates would have one standard full colour rate. Substantial initial commitment



discounts for advertisers committing to a number of continuous adverts over pre determined periods.

Incentives would include the introduction of an upward sliding discount scale to encourage advertisers to commit to advertising in set patterns or batches. 3, 6 & 12 month advertising contract rates to advertisers that cannot commit to set pattern advertising.

- **Advertorial** (a page with editorial and pictures on it advertising a product, but looking like a normal news page)

Advertorial pages would be sold and a free page and advert layout service would be offered at no additional charge. The charge would be the normal rate for a full page advert plus 25% loading for perceived credibility of the page, compared with a traditional full page advert.

- **Classified advertising**

One Classified rate would be offered and discounted according to section requirements - motors, property, miscellaneous and vacancies. Contract discounts and commitment discounts would be offered and Classified block display rates would also be available for customers.

- **Most Valued Client - Discount strategy**

One substantial discount, i.e.: 50% discount, would be offered to only a select category of "new" advertisers who sign a spend commitment contract for a year, for example Unilever, Procter &

Gamble, Smith & Nephew, Robertson's, National Brands, SAB, etc.

## **10.5 SUMMARY**

The two key target markets were identified as target readers and target advertisers. The demographics and psychographics of the target reader and target advertiser details were outlined. Positioning maps, Ansoff's portfolio matrix and Porter's competitive analysis models were used in determining the positioning and strategy of the potential new product. A "penetration" marketing strategy is recommended for the new title and a detailed marketing mix, made up of components of price, product, promotion and distribution of the potential new product was discussed and analysed.

## **CHAPTER 11**

### **CONCLUSION**

Independent Newspapers, formally the Argus Group, has been publishing newspapers since the early 1980's, and has been the largest newspaper publisher in South Africa for over 20 years. Along with 5 other titles, the Argus Group owned the ILANGA newspaper, until it was sold to Mandla Matla in 1987. The Argus Group however signed a 15 year Service agreement to manage, market, distribute and print ILANGA, for a share in the titles profits. Part of the service agreement was that the Argus Group would be restrained to publish or own any other Zulu language newspapers for the duration of the contract.

In October 2001, Mandla Matla served notice on Independent Newspapers, in that it would not renew their service contract after it expired at the end of March 2002. In effect Independent Newspapers would be released from the restraint to publish a Zulu newspaper. With the loss of revenue from the non renewal of the service contract, Independent Newspapers were left with 3 options in order to minimise the effect of the revenue loss on the organisation, they were – (1) purchase another Zulu language newspaper, such as UMAFRIKA, (2) do not react and consolidate current operation, or (3) launch a new Zulu language newspaper title. An investigation was commissioned by the board of Independent News and Media (the holding company of Independent Newspapers KZN) to investigate, evaluate and report on the feasibility of launching a new Zulu language newspaper.

Sowetan dominates the current black newspaper market in South Africa with a market share of 48% of the black readership market in the country. However, in KwaZulu Natal, the ILANGA has a 46% market share compared to Sowetan's 13% share in the black, English and Zulu literate market. ILANGA again is

dominant in the Zulu literate market with 66% share compared to its next rival at a mere 11% share.

Newspaper penetration into the Zulu literate market of KwaZulu Natal is only 30% of just over 4 million Zulu literate adults. This is relatively low compared to the 40% penetration of the smaller 2.4 million English adult literate population of KZN. According to AMPS (2001), ILANGA is the clear market leader in the Zulu literate newspaper market with a readership of over 1 million readers per issue.

The Zulu literate market is somewhat dominated by male readers, most having some high school education, 50% earning between R500 and R1 399 income per month, the majority aged between 16 and 34, and the LSM spectrum spread evenly across all 10 sectors.

Various strategic models are presented in order to make strategic decisions concerning the possible launch of the new title. The Product Life Cycle, with its 5 distinct stages each has their own strategic decisions, with the introductory and growth stages being of specific importance for the new product. Further to this, the investment strategy for these two stages is presented and evaluated. The adoption process, made up of awareness, interest, evaluation, trial and adoption, is also of importance to the introduction and full adoption of any new product. The diffusion of innovation process is also related to the adoption process and analyses how a specific target market adopts a new product over time. The new product planning process with its 8 stages is critically important to the launch, as well as the various mechanisms for monitoring and controlling new products.

In order to fully evaluate the need and possible acceptance of a new Zulu both qualitative and quantitative research was commissioned. Marketing & Media Research, a research company, conducted quantitative research in the form of focus groups. Four focus groups made up of black consumers who currently read newspapers, were conducted, and lead through a predetermined discussion

guide covering their current reading habits, their reasons for buying newspapers, what they felt was important to find in newspapers and recording their reactions and comments to a number of prototype newspapers. Qualitative research was done in the form of 367 field questionnaires, conducted by AC Nielsen. The sample also comprised past 4 week readers of ILANGA and / or UMAFRIKA readers. Back checks were done on at least 30% of interviews and all data was coded by experienced AC Nielsen researchers. A 95% confidence level was used to determine the reliability and validity of the data collected.

According to the research, the current readership of Zulu language newspapers was very appreciative of ILANGA and UMAFRIKA for publishing in their home language – Zulu, however some respondents felt the news coverage was a bit too local and should be far broader and that being associated with a political party was a negative. Respondents from both research studies were very enthusiastic about the concept of a new Zulu language newspaper. Good news coverage, impartial reporting, good sports coverage, and a wide readership appeal were factors identified as the most important components of a new newspaper. Some respondents felt that the current Zulu titles are not catering sufficiently for their reading needs, and potential target readers see a new title as necessary competition. There was varied opinion on the required publishing frequency, but the tabloid format was preferred over the broadsheet format. A number of possible newspaper names were suggested to both sets of respondents, with the unanimous selection of ISOLEZWE as the new title name being chosen. When testing what language the newspaper would be preferred to be published, almost 60% said Zulu only, 35% said Zulu and English and only 5% said English only. In general it would seem that there is a need for a fresh start, a new era of a Zulu newspaper, which coverage goes beyond KZN, and which reflects the current issues of the day, without any links to political or other groups.

It is extremely important that editorial content be consistent with the needs of consumers for a Zulu newspaper, which is objective, broadminded and up-to-

date. The editorial team should consist of people who understand the market they are communicating with, and they should be seen to be part of the community. Suitable candidates for key editorial positions were identified (Editor, News Editor, Sports Editor and Chief Sub). While some of these candidates were not currently employed by Independent Newspapers, a number of other well qualified, highly competent and experienced Zulu literate editorial staff could be seconded to Isolezwe while the product is establishing itself in the market. In this way the number of permanent editorial appointments in the KZN branch could be minimised until the ideal mix of editorial staff for all titles is clearly established. Editorial synergies can be achieved by using lifting services, group services (Racing, Library, Independent News Network (INN), Parliamentary, and Foreign services) as well as regional services (Images, Photographic, Design and Writing). In addition, synergies could be achieved with the existing weekly employment, racing, motoring and TV supplements appearing in other Independent titles. Similarly, commercial synergies will be achieved in Management, Marketing, Circulation, Production, Advertising, Advertising Production, Transport and Facilities. Also, as Isolezwe staff will be accommodated in the Independent building, there will be no payment additional rent.

The launch of a new Zulu title would also assist the company to achieve their equity targets and would present a wonderful opportunity for current skilled journalists and commercial staff to mentor and assist previously disadvantaged journalists and commercial employees.

Based in the tabloid size, cover prices of R1,50 and R2,00 and frequencies of publishing of bi-weekly, 3 times a week and 5 times a week, the trading and marginal profits were determined at various circulation levels ranging from 10 000 to 100 000 copies per edition. The 5 issues per week model contributed the highest marginal profit at the lowest circulation level of approximately 15 000 copies per issue. It was also determined that the 5 issues a week option, at

20 000 circulation, would absorb the highest amount of overhead costs, that otherwise would have to be absorbed by the other titles. This was therefore the recommended option. The R1,50 cover price option was also recommended as the research indicated that this was the most acceptable price for a new paper, and is the price the market is most used to paying for newspapers.

The marketing plan of the proposed new newspaper – Isolezwe, comprised both target readers and target advertisers. The target readers profile is summarised as follows –

Table 11.1 – Target reader profile

<b>GENDER:</b>	Equally male and female
<b>EDUCATION:</b>	Some matric and higher
<b>INCOME:</b>	From R1 500 and higher
<b>AGE:</b>	20 to 49 years old
<b>LSM GROUPS:</b>	LSM's 5 to 10
<b>WORK STATUS:</b>	Full time working

Target advertisers would be national brand, agency retail, direct retail, government, classified and insert advertisers.

Marketing would focus on 'a modern Zulu paper with a new look and new feel, that empowers its readers and leads them into the future'. Isolezwe is anticipated to be positioned as a newspaper attracting black consumers, achieving 60 000 sale per issue, covering a broad range of news, with a strong vibrant woman's section. According to Ansoff's portfolio matrix, a market extension strategy will take place when as Independent Newspapers launches Isolezwe. It falls in line with the same product the company is producing (newspapers), however targeting a new market (Zulu language market). As the new product attracts high relative costs in the beginning and has a high degree of marketing differentiation, according to Porter's competitive analysis matrix, it would fall into the Niche

quadrant. The future plan would be to reduce costs and move into the Outstanding success quadrant, at high differentiation and low costs.

A market penetration strategy would be implemented by focusing on the less captured Zulu language market, compared to the English language market. The aim is to make Isolezwe a niche product within the Independent groups offering and utilise the company's economies of scale in printing, publishing and distribution, and marketing, sales and managerial experience to make the product an outstanding success.

The following table summarises the marketing mix for Isolezwe.

Table 11.2 – Isolezwe marketing mix

<b>PRODUCT</b>	
Name:	Isolezwe (eye of the nation)
Slogan:	<i>Liwela umfula ugcwele</i> (the eye the sees across the swollen river)
Format:	Tabloid
Frequency:	Daily
Editorial content:	Local, national & international news, extensive sports coverage, woman's issues and special sections, jobs section, competitions, property section, self improvement and advise columns, education, entertainment, etc. Extensive picture usage
Colour percentage	Full colour throughout
Number of pages	Minimum 20 pages
Staffing	Editorial management: Editor, News Editor, Chief Sub Editor, Sports Editor, with 18 additional journalists. Advertising: Business Manager, Advertising Sales Manager, 5 Sales representatives
USP	The only daily Zulu language newspaper in South Africa



<b>DISTRIBUTION</b>	
Distribution area	Throughout KZN – every town and city and traditional black residential areas.
Print order	Start at 50 000 to establish initial sale and adjust either upwards or downwards accordingly
Distributors	Established contract distributors and Independent Newspapers circulation department
Unsold returns %	Start at 50% for first 3 months then adjust down to 12% over 4 months
Sales forecast	Between 20 000 and 30 000 copies per issue
<b>PROMOTION</b>	
Advertisers	Launch roadshow, teaser campaign, rate cards and marketing material, launch party, launch advertising specials, follow up roadshow
Readers	Launch competition, advertising on radio, billboards, sister newspapers, street posters, TV. Reader roadshows, extensive readers promotions, giveaways and competitions, events, etc
Sales agents	Communicate launch, launch function, competition, point of purchase displays, support merchandise, posters, etc
<b>PRICE</b>	
Cover price	R1,50 per newspaper
Coupon price	Buy coupons for a week and get 1 free, buy for a month and get a week free
Advertising rates	R36,00 excl. VAT for black & white and full colour
Advertising discounts	Contact discounts ranging from 5% to 50% for advertisers depending on spend commitment over time

In conclusion, the launch of Isolezwe could be the birth of the eventual “Star” of the Independent Newspapers group as current newspaper offerings are targeted at markets that are declining year-on-year, as evident from the fall of newspaper circulations of Independent Newspapers offering around the country. Further to this advertisers are seeking ways of entrenching their brands into the growing black population of South Africa.

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## ***Appendix “A”***

### **FOCUS GROUPS – DISCUSSION GUIDE**

CONDUCTED BY MARKETING & MEDIA RESEARCH – November 2001

**My name is Beatrice Kubheka. I am a researcher by profession. I am not going to waste time. Before we begin, I must inform you that our meeting is being recorded and that behind the mirror on the wall you are being observed. Relax and answer the questions to the best of your knowledge.**

To start off, all I want to know from you all, is which newspapers do you read?

**(MERCURY, SOWETAN, DAILY NEWS, SUNDAY TRIBUNE, INDEPENDENT ON SATURDAY, ILANGA, SUNDAY TIMES, UMAFRIKA)**

Of all the papers you read, what papers do you prefer to read? And why?

What advantages do Durban based papers have over papers coming from Gauteng?

How do you find Durban newspapers concerning sports coverage?

Looking at all the papers that you read, do these papers take all your needs into account?  
**(PROBE)**

What are your impressions of a person reading a Zulu newspaper versus a person reading an English newspaper?

Do you feel there is any need for another newspaper? **(IF YES – WHY?)**

If a new newspaper was launched, what language should it be published in? why?

If you had to design a new newspaper, what should it cover, what should be included?

What newspapers would the new newspaper compete against? Why?

**NOTE: PLACE COPIES OF CURRENT NEWSPAPERS ON THE TABLE AND DISCUSS EACH ONE**

What size do you prefer – Tabloid or broadsheet? **(PROBE REASONS FOR BOTH)**

Where do you read your newspapers?

**PLACE DUMMY COPIES WITH DIFFERENT NAMES OF A NEW NEWSPAPER ON THE TABLE**

What are your first impressions of the new newspaper?

How do you feel about the new newspaper?

What current newspapers would this newspaper compete with?

**ASK RESPONDENTS TO LOOK INSIDE THE PAPER**

What do you think of the layout and colour?

What would you be willing to pay for this paper?

What out of the following newspaper names do you prefer the most?

<b>GAMALAYO</b>	<b>EZETHU</b>
<b>USIBA</b>	<b>IZWI LABANTU</b>
<b>ISO LEZWE</b>	<b>IZWI LESIZWE</b>
<b>INKANYEZI</b>	<b>LIYASHISA</b>
<b>IKHWEZI</b>	

How often would you like this paper to be available? **(PROBE REASONS)**

Does politics play a role in newspapers? Should it?

What is the strength of ILANGA?

Do you think we are going backwards if you read a newspaper in Zulu?

Do you think the youth will read a Zulu newspaper?

**THAT IS ALL I HAVE TO ASK - THANK YOU FOR YOUR TIME – AND  
GOODBYE**



## ***Appendix "B"***

### **NEW ZULU TITLE: FIELD RESEARCH QUESTIONNAIRE**

SHOW CARD 1

1. Which of these newspapers, if any, have you ever read?

SHOW CARD 1 AGAIN

2. And which of these, if any, have you read or paged through in the last 4 weeks?

- Daily News
- ILANGA
- Sowetan
- Sunday Times
- Sunday Tribune
- The Independent on Saturday
- The Mercury
- The Natal Witness
- UMAFRIKA
- Other
- None / Do not read newspapers

SHOW CARD 1 AGAIN

3. And are there any of these newspapers that you were reading a year ago, but no longer read?

ALL THOSE WHO READ ILANGA OR UMAFRIKA IN THE LAST 4 WEEKS (IN Q2) TO CONTINUE WITH INTERVIEW

4. OF ALL PAPERS READ IN Q2: Do you personally buy... (MENTION PAPER) or not?

IF NONE BOUGHT PERSONALLY, SKIP TO Q7

SHOW CARD 5

5. ASK ALL WHO BUY PAPERS IN Q4: Where do you usually buy your papers?

- At a shop in the township/suburbs
- At a shop in town/city
- From a street seller in the township/suburbs
- From a street seller in town/city
- At a taxi/bus rank in the township/suburbs
- At a taxi/bus rank in town/city
- Via subscription
- Other (PLEASE STATE)

6. SHOW CARD 5 AGAIN

Where would you ideally like to buy your newspapers?

ASK ALL

SHOW CARD 7

7. How well would you say the papers that you currently read suit your reading needs (by this I mean that you feel that they cater for what you want from a newspaper)?

- The papers I read suit all my reading needs
- The papers I read suit some of my reading needs
- The papers I read do not really suit my reading needs
- The papers I read do not suit my reading needs at all

8. If you think of all the newspapers available in the KZN, and what they offer, do you personally think there is room for another newspaper in KZN, or not?

- Yes
- No GO TO Q10

IF 'YES' IN Q8, ASK:

9. What language do you think this newspaper should be published in?

DO NOT READ OUT

- Zulu
- Zulu and English
- English

SHOW CARD 10

10. Which of the following topics or sections, if any, do you really enjoy reading about in newspapers? Do not think about one particular newspaper, but think about what you personally enjoy reading.

- Classified section
- International news
- News about South Africa
- Sport
- Racing
- Job section
- Education for school children
- Education for adults / Self improvement
- Consumer advice
- Health issues
- Competitions
- Business & Economic news
- Entertainment (What's happening?)
- TV Guide
- Neighbourhood / Community news
- KwaZulu-Natal news
- Church news / Religious news
- Interesting people / Personalities
- Gossip
- Women's issues
- Family advice
- Letters to the Editor
- Politics
- Births, marriages, funerals

- Social issues
- Advertisements
- Property section
- Comics
- Horoscopes
- None of these

INTERVIEWER TO SHOW 3 NEWSPAPERS.

IF QUESTIONNAIRE NUMBER ENDS IN NUMBERS 0, 3, 6, OR 9, SHOW ISOLEZWE PAPER

IF QUESTIONNAIRE NUMBER ENDS IN NUMBERS 1, 4 OR 7, SHOW ELESIZWE PAPER

IF QUESTIONNAIRE NUMBER ENDS IN NUMBERS 2, 5 OR 8, SHOW IKHWEZI PAPER

11. "Here are 3 newspapers. Some you may recognise, some you may not. This one, Isolezwe/Elesizwe/Ikhwezi, is a dummy of a newspaper which is being considered for sale in this area. It is still very rough, but will look something like this. The news is old, but it gives you idea of what it will be like.

Please take a few minutes to page through these 3 papers and I'll ask you some questions about them. Do not read articles in detail, just page through to get a feel for the papers. GIVE RESPONDENT ABOUT 5 MINUTES TO LOOK THROUGH THE PAPERS.

a. Which of the 3 papers appeals to you most, just from looking through them now?

- ILANGA
- Isolezwe CHECK AGAINST QUESTIONNAIRE NUMBER
- Elesizwe CHECK AGAINST QUESTIONNAIRE NUMBER
- Ikhwezi CHECK AGAINST QUESTIONNAIRE NUMBER
- UMAFRIKA

b. Why do you say that?

.....

.....

.....

.....

12. Take all the front pages of the papers into consideration. How would you rate each newspaper for the following, on a score out of 10, where 10 is "excellent" and 1 is "very bad"?

- Colour
- Pictures
- Eye-catching
- Boldness of writing
- Front page says "Read me"
- Layout

1. Let's look at the inside of each of the papers. How would you rate each newspaper for the following, on a score out of 10, where 10 is "excellent" and 1 is "very bad"?

- Colour
- Pictures
- Layout
- Types of stories

FOCUS ON ISOLEZWE/ELESIZWE/IKHWEZI

2. If this newspaper were to be published, would you prefer it in this tabloid format (SHAPE OF THE PAPER), or in the same shape (broadsheet) as ILANGA?

- Tabloid
- Broadsheet

3. Should it be in Zulu only, Zulu with some English, or English only?

- Zulu only
- Zulu, with some English
- English only

4. How often should be published: once a week, twice a week, or Monday to Friday?

- Once a week GO TO Q17
- Twice a week GO TO Q18
- Three times a week GO TO Q18a
- Monday to Friday GO TO Q19

IF ONCE A WEEK IN Q16, ASK:

5. What day of the week should it be published on?

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday
- Saturday
- Sunday

IF TWICE A WEEK IN Q16, ASK:

6. What two days of the week should it be published on?

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday
- Saturday
- Sunday

IF THREE TIMES A WEEK IN Q16, ASK:

18a. What three days of the week should it be published on?

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday

- Saturday
- Sunday

7. Do you think there is room for a newspaper like this on the weekend, that is Saturday or Sunday, or not?

- Yes
- No

SHOW ALL DUMMY PAPERS TOGETHER

20. I would now like to test some other names, apart from ... (MENTION NAME ON DUMMY PAPER). Please tell me which of the 3 names you would prefer for this paper.

- Isolezwe
- Elesizwe
- Ikhwezi

21a. If this paper were sold from Monday to Friday at a cost of R2.50, would you buy it, or not?

- Yes GO TO DEMOGRAPHICS
- No GO TO Q21b

b. If it were sold at R2.00, would you buy it, or not?

- Yes GO TO DEMOGRAPHICS
- No GO TO Q21c

c. If it were sold at R1.50, would you buy it, or not?

- Yes GO TO DEMOGRAPHICS
- No GO TO Q21d

d. Would you consider buying this paper at all, or not?

- Yes

- No

## **DEMOGRAPHICS**

- Gender (on front page)
- Age (on front page)
- Marital status
- Children in household
- Highest level of education
- Work status - if work, how do they travel to work
- Household income
- Personal income



## ***Appendix "C"***

### **FOCUS GROUPS RESULTS & COMMENTS (Brief)**

CONDUCTED BY MARKETING & MEDIA RESEARCH – November 2001

- **A range of papers, both English & Zulu, are read for different reasons & information:**
  - price
  - language: "nice to read in own language"; "read to understand English better"
  - content: sport, jobs, township news, entertainment, business, etc.
  - access: easily available
- **Current newspapers are not fulfilling readers needs sufficiently**
- **Perception of current Zulu newspapers:**
  - **UMAFRIKA**
    - too church/Catholic orientated
    - too political/ANC biased
    - lacking in women's issues
    - "only one a week"
    - "UMAFRIKA is boring"
  - **ILANGA**
    - lacking in substance
    - shallow - headlines misleading; stories don't carry through
    - political connotations / IFP owned
    - local news only
    - "twice a week is not enough"
    - sport is good - written in my language (descriptive, rich vocab)
    - good sports writer - Philani Nkwakhwa
- **Perception of current English newspapers:**
  - too white

- KZN papers do not empower black people
- **There is a perceived need for another paper in KZN:**
  - "Existing Zulu newspapers are behind the times"
  - "to give the other papers a run for their money"
  - "There's a big vacuum for a new newspaper"
  - "Not just a vacuum, a titanic vacuum exists for a new newspaper"
- **This new paper should ideally:**
  - be a South African paper in Zulu (unanimously by all)
  - not be written in difficult Zulu (deep Zulu) i.e. no big or difficult words, but should not undermine the language
  - be written for 'all people'
  - be written from a broader perspective than KZN
  - be unbiased, politically or otherwise
  - be rich in terms of content, report on a broad range of issues
  - "tell it like it is"; "report without fear"; publish 'burning' issues
  - be published daily, or at least twice a week (Monday was a definite, the other day(s) disputed)
  - go to where the people are
  - be a tabloid, although this was debated
  - align itself with the people
  - be run by someone who understands the people
- **The content of the new paper:**
  - good strong sports coverage - mix of sport
  - business e.g. economy, shares, Rand value, etc.
  - development & education articles and issues
  - articles that appeal to the youth
  - Jobs, jobs, jobs!!!
  - competitions

- adverts for sales
- entertainment - "What's Up?" for Fridays/weekend
- TV programmes
- Lotto results
- Letters: to the Editor & "Dear Aunt Dolly"
- stories
- woman's section
- thoughts for the day ("to motivate us")
- Black people should be proud to say... 'This is our paper' "
- **Initial reaction to Isolezwe:**
  - "Appealing"; "Eye-catching"; "Brilliant"
  - Says "Read me"; Says "Buy me"
  - "Cover page is beautiful"
  - "Good headlines"
  - "Surprised"; "This is encouraging"
  - "For all people"
  - like the pictures; "clear bright pictures"
  - colourful / colour co-ordination
  - easy size to handle; good for travelling on public transport
  - "More appealing than ILANGA"
  - "Covers different sport"
  - "Has current issues"
- **Other comments about Isolezwe:**
  - Strong negative reaction to the coat of arms: "political", "too limiting"; "doesn't suit name"; rather use South African flag or advertisements
  - good, it's a tabloid"
- **Reaction to the name Isolezwe:**
  - "Like the name"; "Name is suitable"

- name is perceived as covering a broader reach than just KZN
- "paper for the whole nation" / "National"
- "pierces like an arrow"
- **Reaction to other proposed names:**
  - Absolutely unanimously, Isolezwe was preferred
  - All the other names had some or other connotation
  - Was this because this was the first name tested? Respondents said "NO!!!"
  - Three names, including Isolezwe, will be tested on a rotational basis in the quantitative survey
- **How much should Isolezwe cost?**
  - Perceived costs varied from R1.50 to R5.00, but on average it should probably sell for about R2.00
  - Internal staff costed it at about R1.50

*Appendix "D"*

**AC NEILSEN RESEARCH FINDINGS**

CONDUCTED BY MARKETING & MEDIA RESEARCH – November 2001



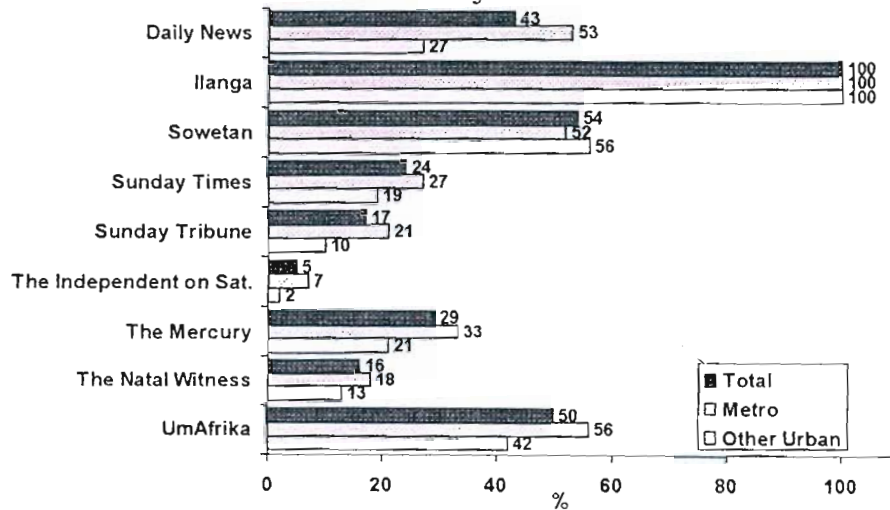
# Newspaper Concept Survey

January 2001

Prepared for  
**MMR & Their Client Inc.**  
 Prepared for  
 ACNielsen Customised Research *Strictly Confidential*

## Newspapers Ever Read

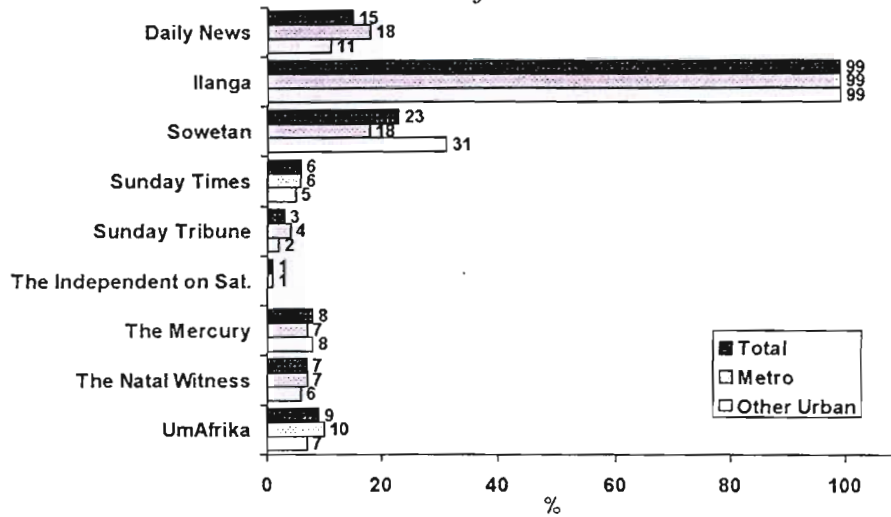
*Base: All Informants*



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Newspapers Read in Past 4 Weeks

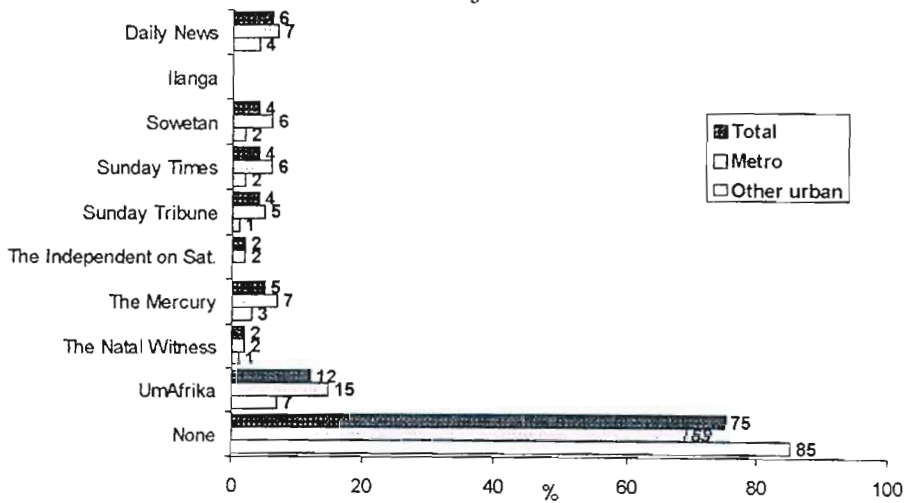
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Lapsed Readers

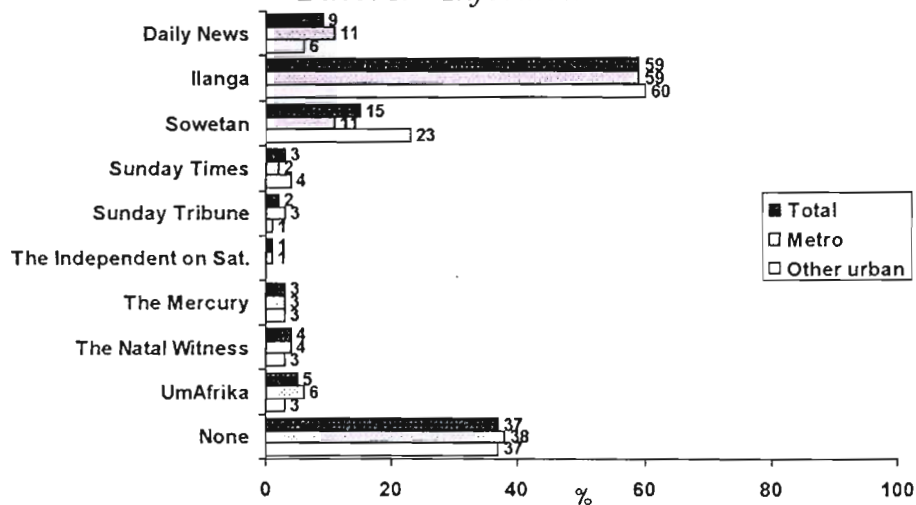
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Newspapers Personally Bought

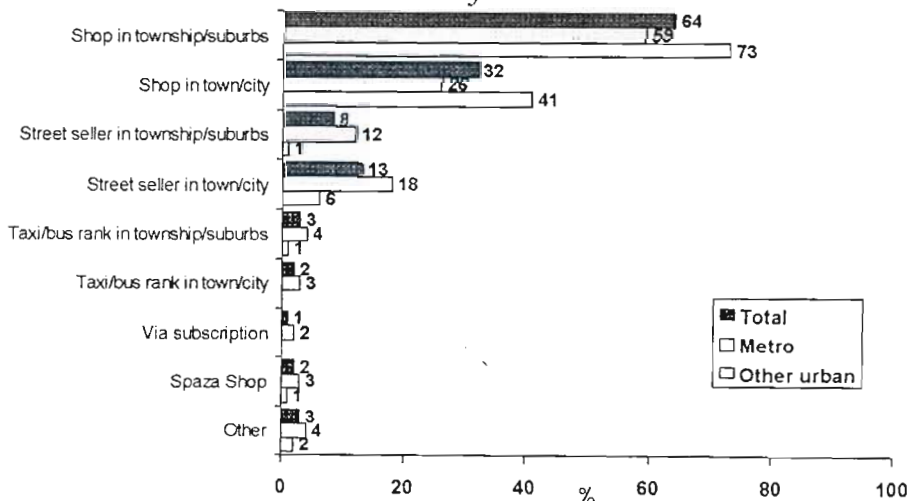
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Source of Newspaper Purchase

Base: All Informants

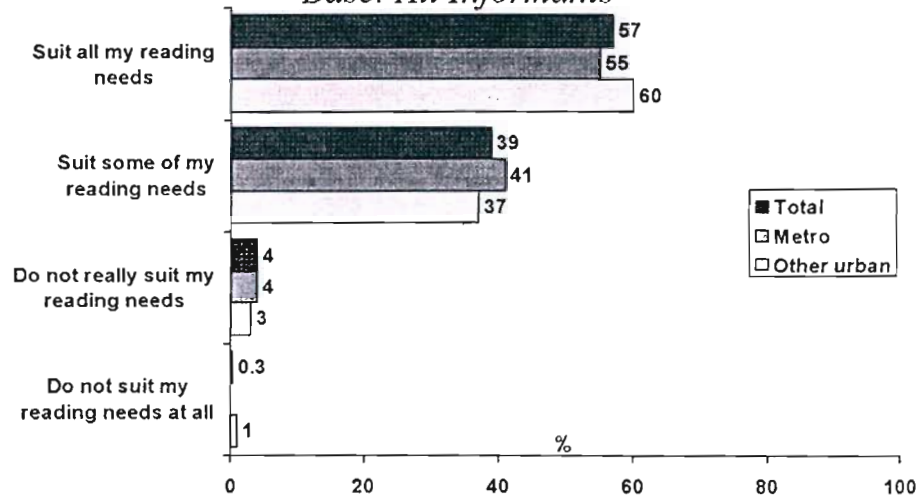


Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000



## Extent to Which Current Papers Suit Reading Needs

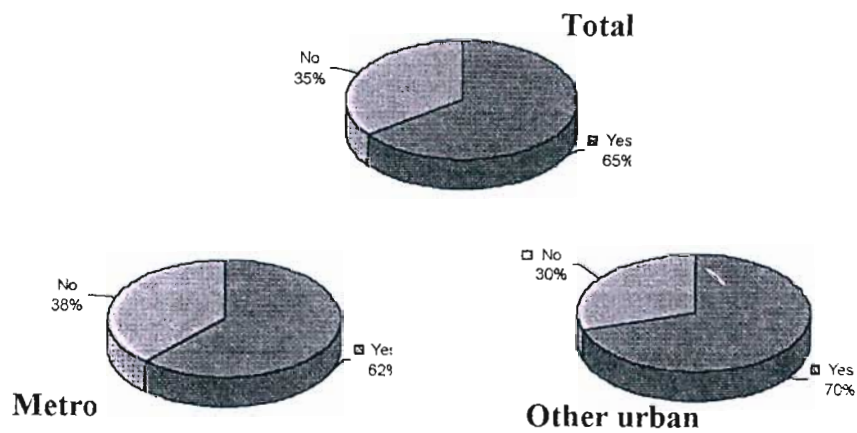
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Opinion on Room for Additional Newspaper in KZN

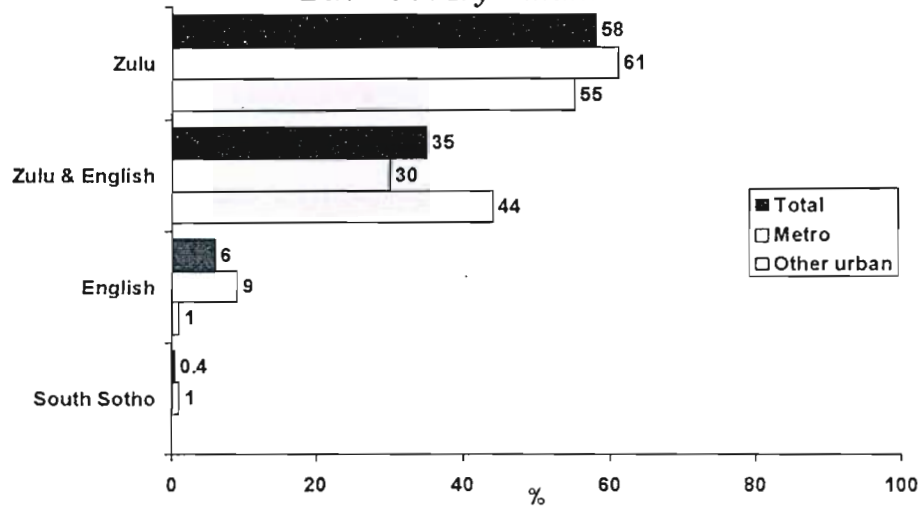
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Language Preference

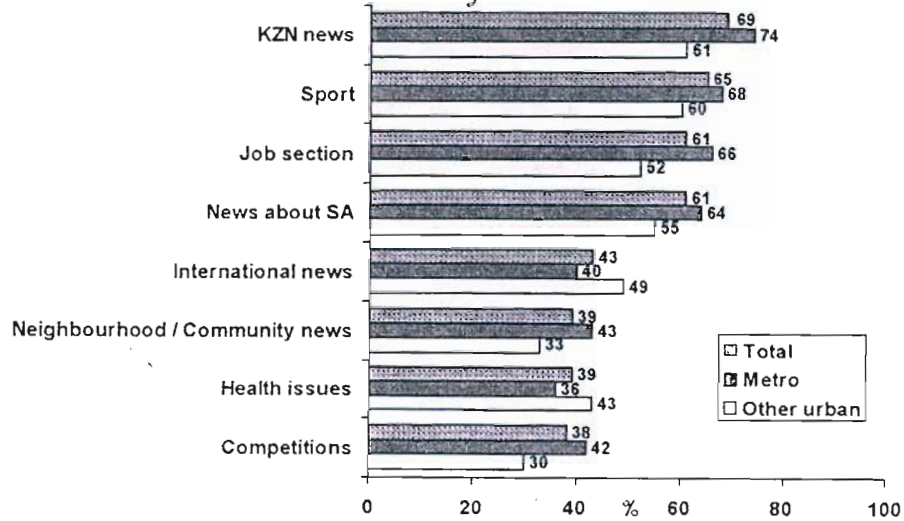
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Topics Enjoyed

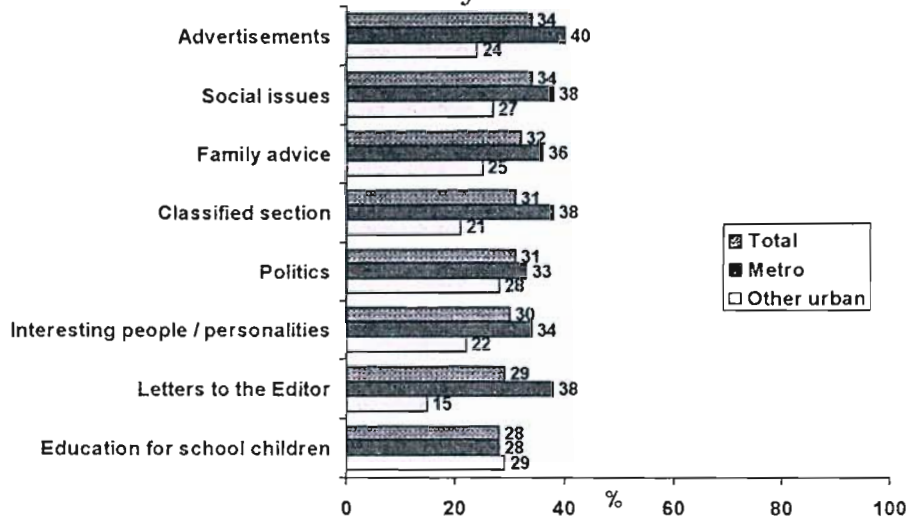
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Topics Enjoyed Cont.

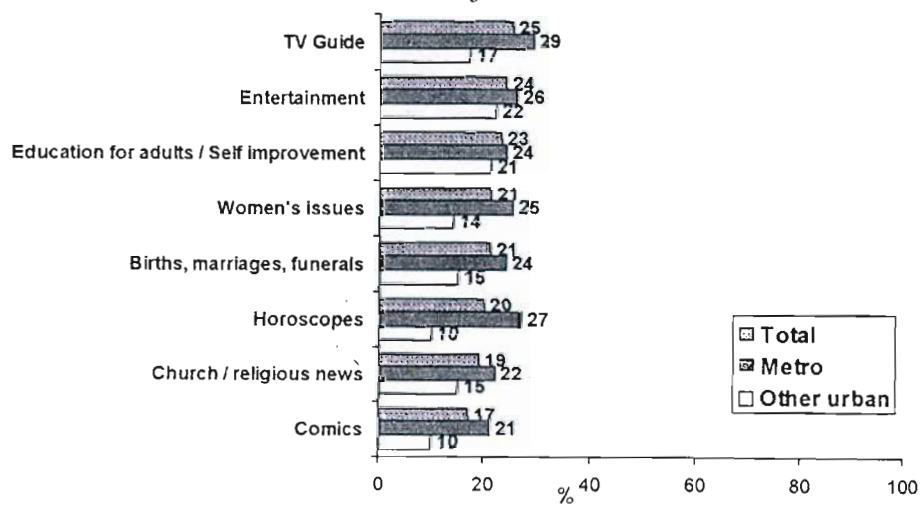
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Topics Enjoyed Cont.

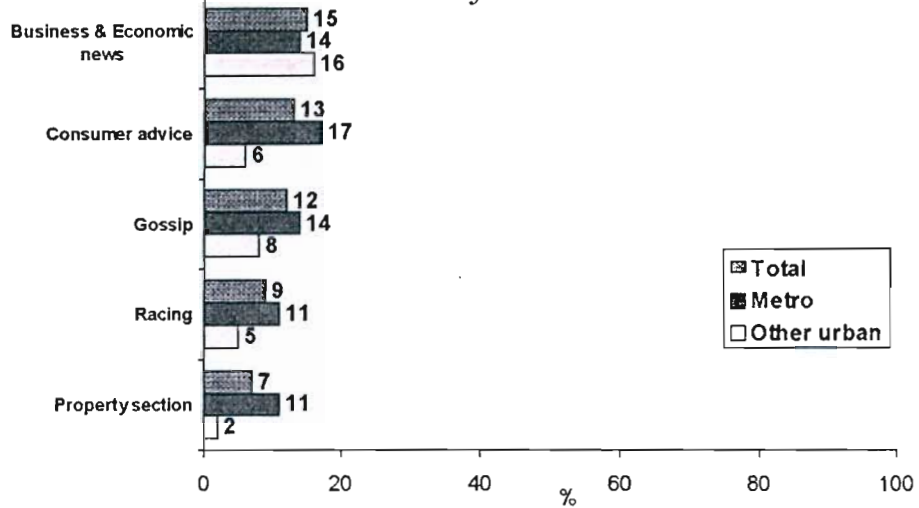
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Topics Enjoyed Cont.

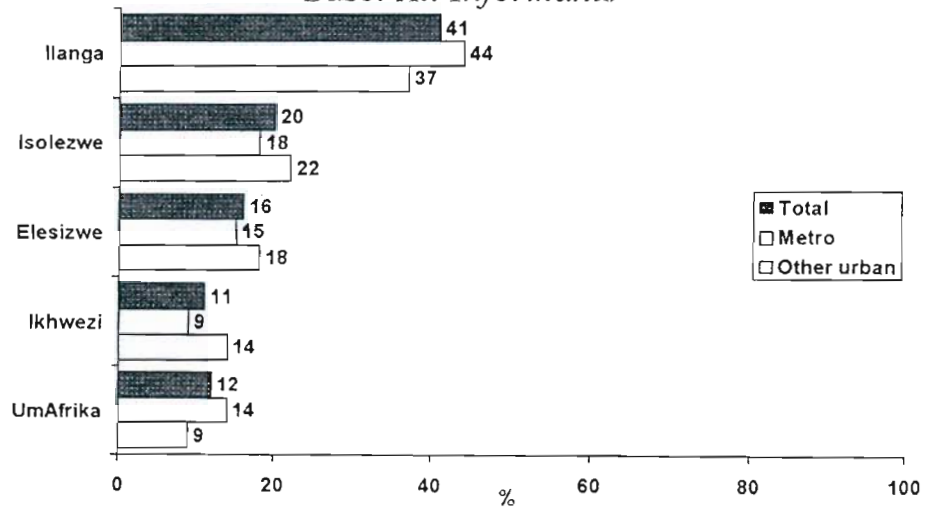
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Newspaper Preference

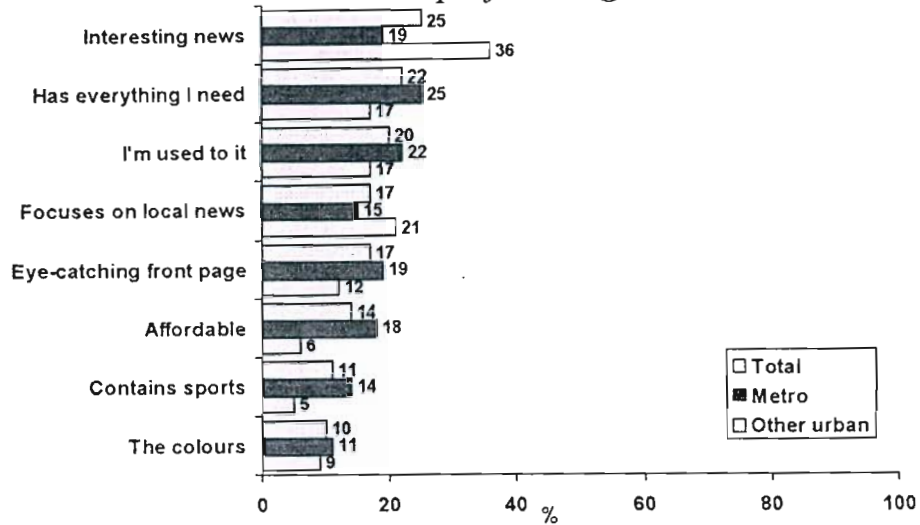
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Main Reasons for Preferring ILANGA

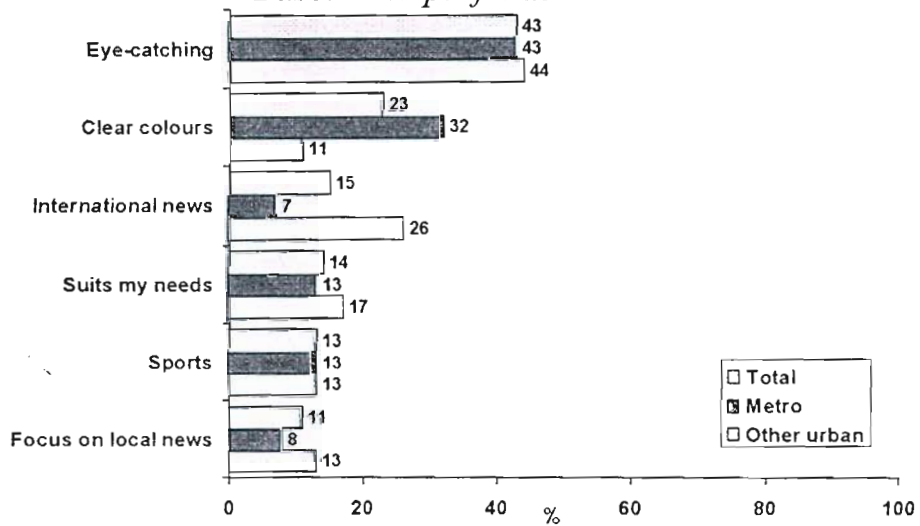
Base: Who prefer Ilanga



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=145 pop=497 000

## Main Reasons for Preferring ISOLEZWE

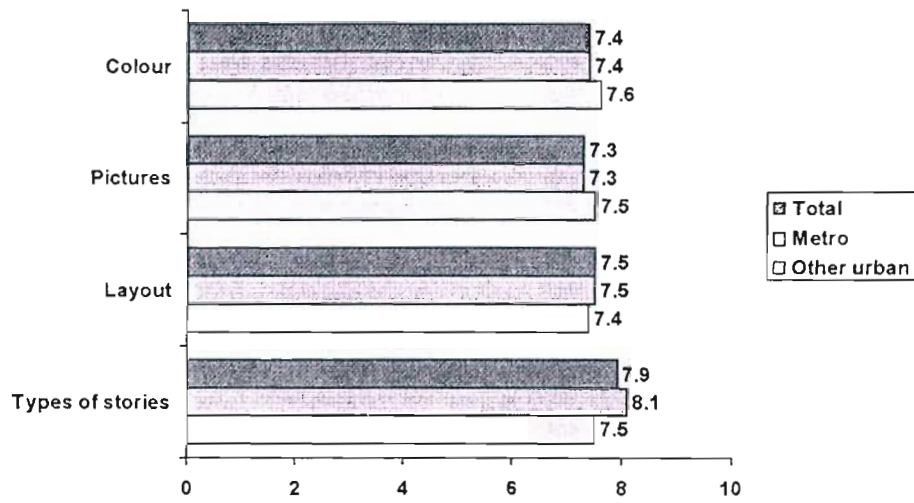
Base: Who prefer Isolezwe



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=69 pop=239 000

## Rating of Inside - ILANGA (Average/10)

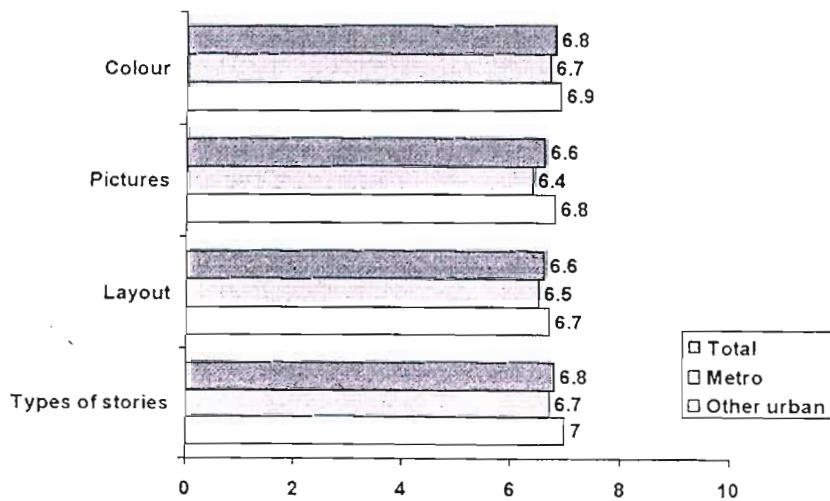
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Rating of Inside - UMAFRIKA (Average/10)

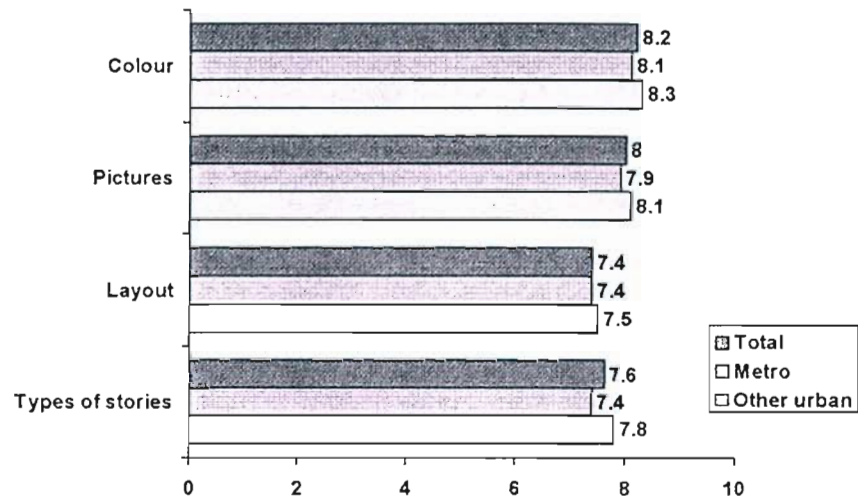
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Rating of Inside - ISOLEZWE (Average/10)

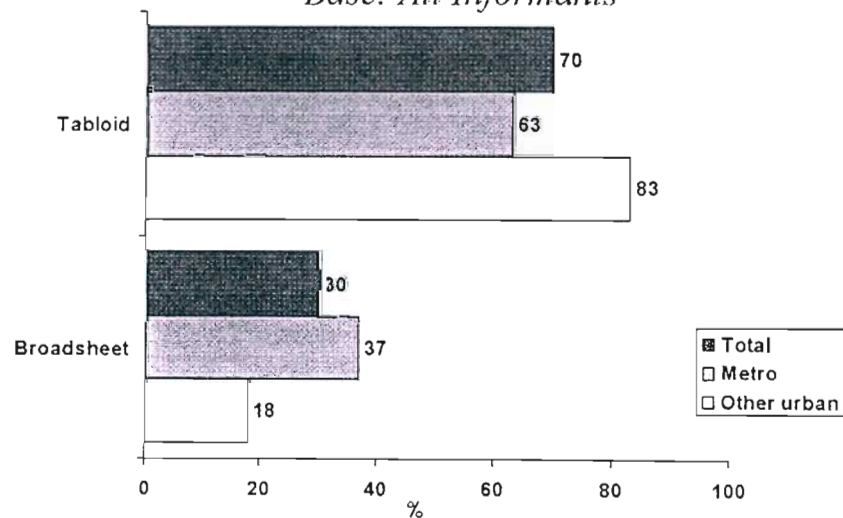
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=135 Pop=468 000

## Format Preference

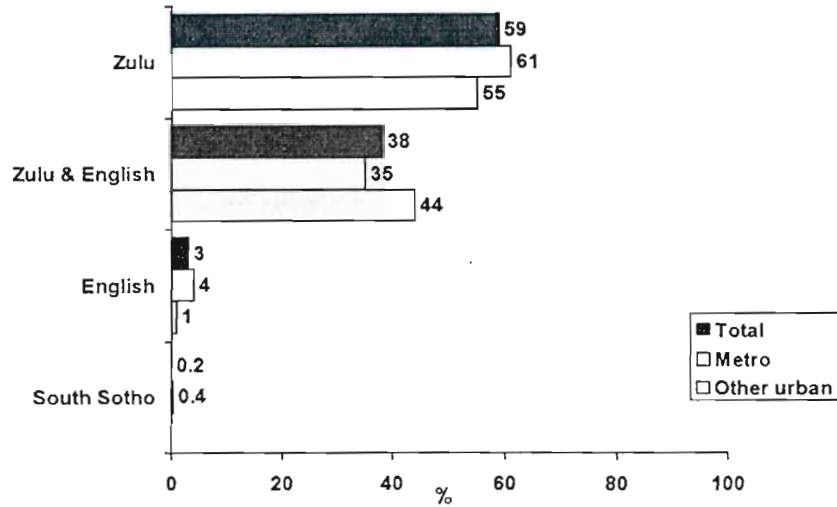
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Language Preference

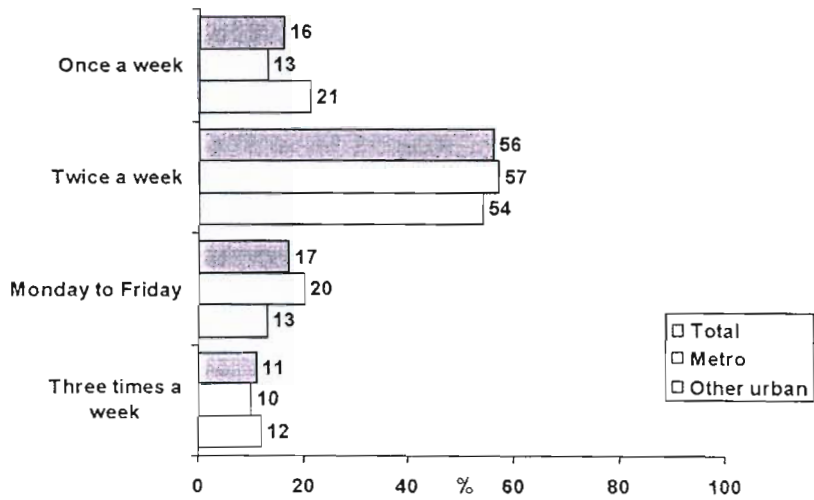
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Preference for Frequency

Base: All Informants

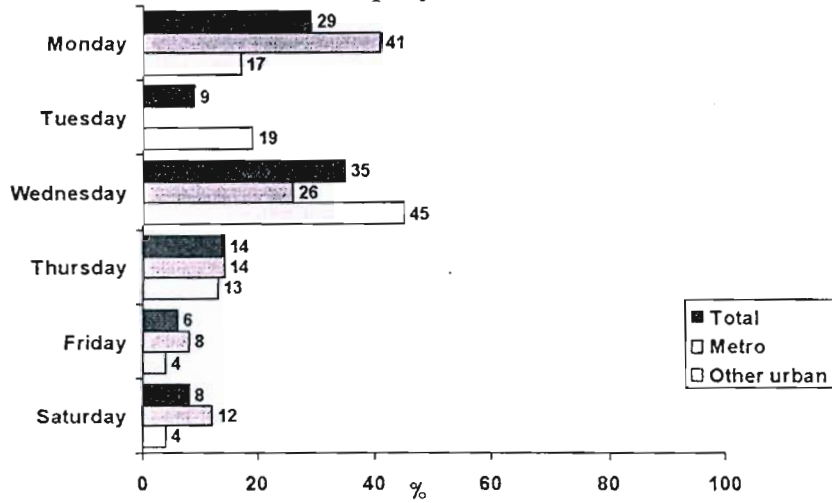


Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000



## Preference for Frequency - ONCE A WEEK

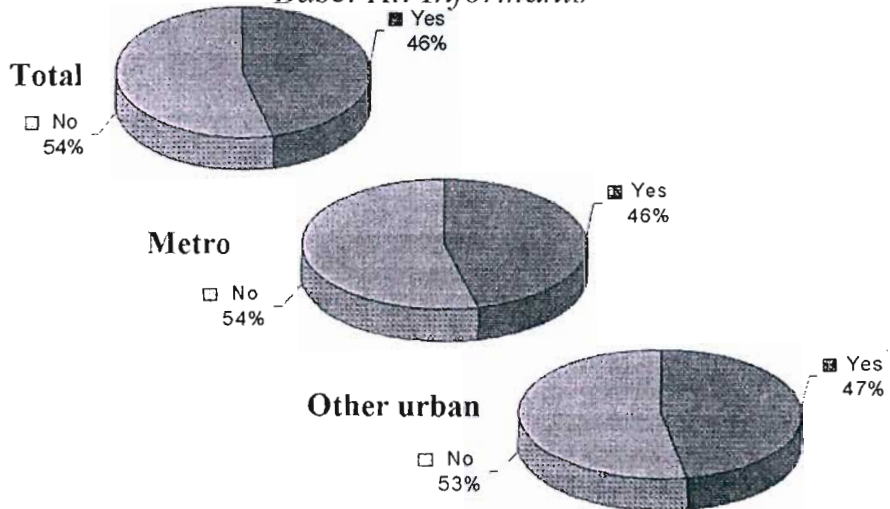
Base: Who prefer once a week



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Opinion on Weekend Market Opportunity

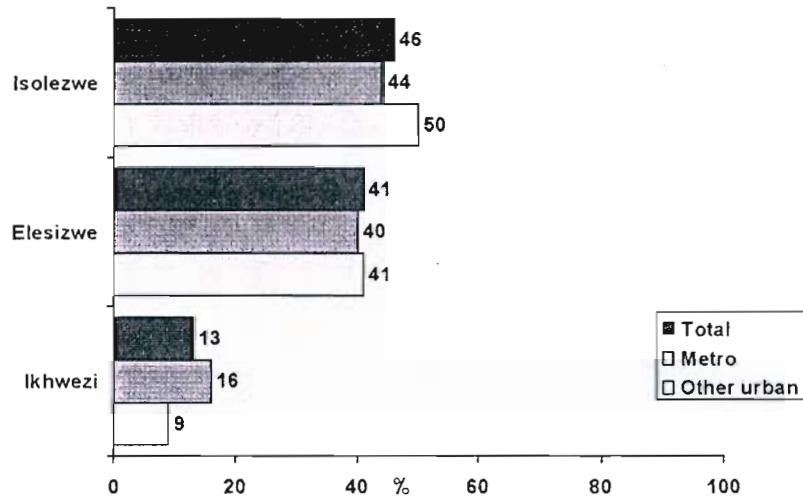
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## New Name Preference

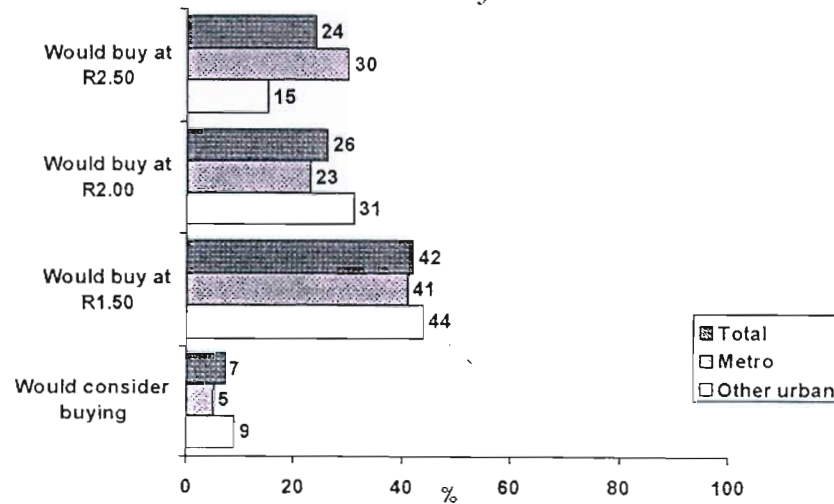
Base: All Informants



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

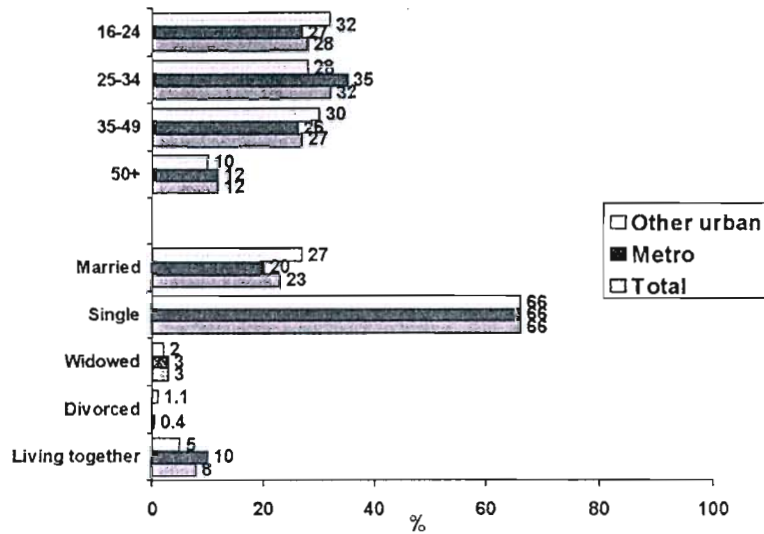
## Propensity to Purchase at Specific Price

Base: All Informants



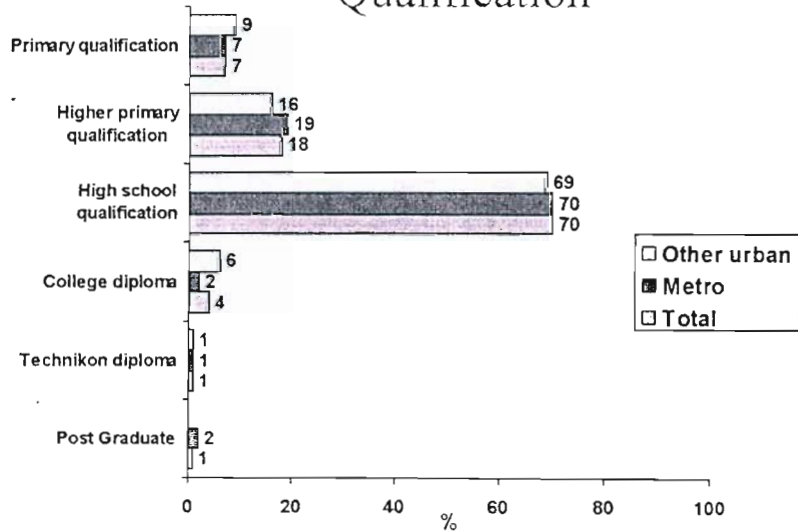
Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Personal Data - Age & Marital Status



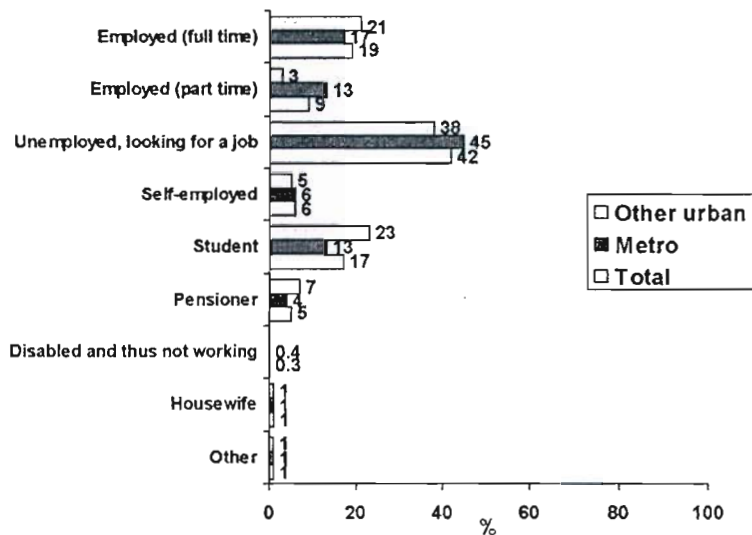
Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Personal Data - Education Qualification



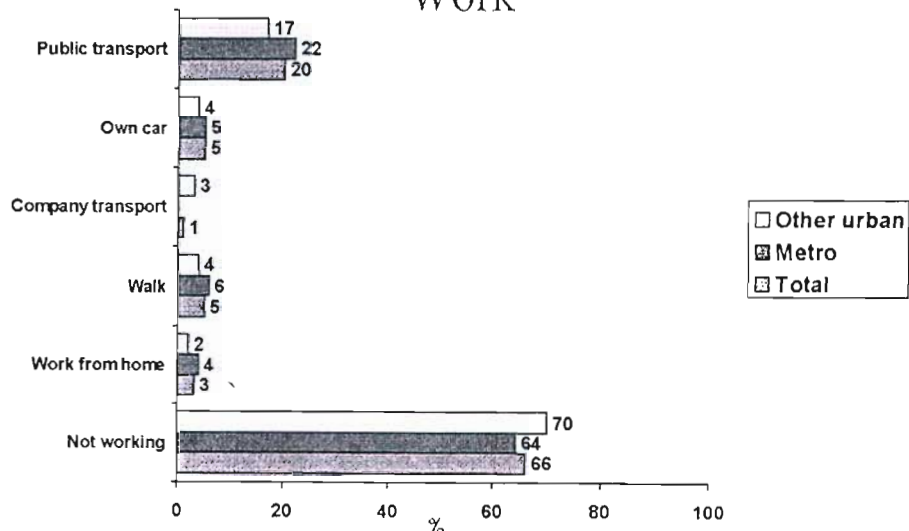
Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Personal Data - Work Status



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

## Personal Data - Mode of Travel to Work



Source: ACNielsen Customised Newspaper Concept Dec. 2001 n=357 Pop=1 211 000

