

Case 2.3

Bharat Sports Daily (A)

Mr Anil Mehra, a senior executive with a leading newspaper published from Delhi, was frustrated with his job. His idea of launching an exclusive sports daily was not warmly received by the top management. Anil Mehra had written a few notes explaining the need for launching such a daily. However, he was not able to convince his superior, Mr Ashok Kapoor. Mr Kapoor had specifically asked him the estimates of demand for such a paper in the first year of the launch and for which Mehra had no answers based on any scientific research. Kapoor had told him clearly that unless he convinced him about the need for such a paper with the help of an empirical study, he would not be able to help him out.

Anil Mehra was a graduate in English (Hons) from Delhi University and had obtained a diploma in journalism in 1982. For the last 12–13 years he had worked with many newspapers and business magazines and it was his knowledge which was inducing him to go for this type of a venture. He was regretting not having a business background, which would have helped him to carry out an MR study for which his boss had assured him sponsorship from the newspaper. However, the amount for the research study was too small for him to contact any MR agency for help. The total budget for the study was ₹ 50,000. Just as Anil thought of putting in his papers and starting a sports daily on his own, he received a phone call from his friend Prof. Ravi Sharma, who was working with one of the leading management institutions of India. Prof. Sharma was on a visit to Delhi for a consulting assignment and thought of calling Anil. Anil was thrilled to receive the phone call and fixed up a meeting with him for the next evening. Prof. Sharma was accompanied by one of his colleagues, Prof. Singh. The conversation which went between Anil, Prof. Sharma, and Prof. Singh is as follows:

Prof. Sharma: Anil, Why do you look so upset? What is wrong with you? Any problem with the job?

Anil: I feel I shouldn't have gone for journalism and should have opted for management as career, like you.

Prof. Singh: Mr Mehra, I do not think yours is a bad line. However, please tell us if we could be of any help to you.

Anil: Prof. Singh, I want that we should come up with an exclusive sports daily (in English). I gave this idea to my boss. However, I am not able to convince him as he feels that it is only my hunch that there exists a demand for such a daily. He wants me to give specific estimates through a scientifically conducted research and I find myself totally at a loss.

Prof. Sharma: Anil, suppose you bring out such a daily, who will be the buyers?

Anil: What do you mean by this?

Prof. Sharma: I mean who are the people you think would be interested in reading such a sports daily, what are their age groups, education, profession, income, etc.?

Prof. Singh: Further, how much do you think people would be ready to pay for such a sports daily?

Anil: Well, Prof. Singh, let me tell you one thing that in this business, the price of a newspaper is immaterial for us. In fact, things like the cost of printing is much higher than the price charged from the customer.

Prof. Singh: How will it be a viable proposition?

Anil: It becomes viable just because the money is recovered through advertisements and if the circulation is high, more and more companies advertise their products in the newspapers.

Prof. Sharma: Anil, there is a sports section in all the newspapers. Why would people go for another one?

Anil: Ravi, you are right that all the newspapers have a sports section but I do not think that sports lovers are satisfied with the material covered there.

Prof. Singh: I think there would be variations in the amount of satisfaction the readers derive depending upon which newspapers they read. Further, I feel that they can satisfy their love for sports by going through general magazines, sports coverage on TV, sports videos, sports coverage on radio, and sports magazines, and if that be the case, I have my doubts that there would be enough readership for such a sports daily.

Anil: Well, Prof. Singh, you are right. The programmes on TV and coverage on radio is on a specific time and the sports lovers may not have time to spare during those hours. Further, general magazines and sports magazines are usually quarterly or monthly and as such would be providing only stale material on sports.

Prof. Sharma: Prof. Singh, I think Anil has a point. However, it would be interesting to know the interests of the sports lovers for specific games so that one could know which games the sports daily should emphasize. Further, what is the profile of the people who like some specific games.

Prof. Singh: I have another question. At what time should the sports daily be brought out. That is to say should we bring it out in the morning or in the afternoon or in the late evening hours.

Anil: Look, Prof. Singh, these are all my problems and I have to convince my boss on all these issues. Please help me get a study conducted with the help of your students. I am sorry we have limited funds. We would be able to reimburse their travelling expenses plus give them a token honorarium for their efforts.

Prof. Singh: Mr Mehra, you do not have to worry about it. We would send two of our intelligent, hardworking and dedicated students to your organization for their summer job when they would conduct the study for you. Meanwhile, please tell me where would you like to launch this exclusive sports daily? Further, if you have any information you think would be relevant to this study, kindly hand it over to us.

Anil: Naturally, the sports daily has to be launched in Delhi on a trial basis. We have no idea what kind of information you are looking for. If you could spell out the same, I will try to supply it.

QUESTIONS:

1. What is the management decision problem in this case?
2. How would you translate the management decision problem into research problem?
3. Explain the various steps that would be involved in the conduct of the study?

(Note: Please note that when this case was written, cable TV was not launched in the Indian market. Therefore analyse the case in the light of this information.)