

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE

FOR REFERENCE

THE DISTRIBUTION OF NEWSPAPERS
AND MAGAZINES IN TURKEY

by

BİLGE ALOBA KÖKSAL, B.A.

THESIS

Bogazici University Library



39001100541393

14

Presented to the Faculty of the Graduate School of
Robert College in Partial Fulfillment
of the Requirements

For the Degree of
MASTER OF BUSINESS ADMINISTRATION

ROBERT COLLEGE
1970

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
1

TABLE OF CONTENTS

<u>Chapter</u>	<u>page</u>
Introduction	1
A: Definition of the Problem	.1
B: Methodology and Limitations	2
I: Historical Development of Newspaper Distribution in Turkey	4
A: The Meaning of Journalism	.4
B: Factors Favoring the Increase of Circulation	6
C: Early Turkish Newspapers	8
D: Distribution of Newspapers and Magazines Until 1960	.11
II: GAMEDA, BATEŞ and Hür Dağıtım	14
A: The Establishment of GAMEDA	.14
B: The Establishment of BATEŞ Bayicilik A.Ş.	19
C: The Establishment of Hür Dağıtım	20
D: Activities of GAMEDA and Hür Dağıtım, Concerning Marketing in General	22
E: Relations of the Distributors With Their Customers and Shareholders	.23
F: Organizations of the Distributor Companies	27
III: The Demand Side of the Problem	.34
A: Fluctuations in Demand and the Measures Taken.	.34
B: Effects of the Recent Price Increases	.38
C: The Effects of the Price Changes Upon the Channels of Distribution	41



THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
11

IV: Relations Among the Channel Members	42
A: The Dealers	42
B: The Head Dealers	48
C: The Distribution of 50 kş. Among the Channel Members	50
D: The Distribution of the Price of a Magazine Among the Channel Members	51
E: Relations of GAMEDA and Hür Dağıtım With Their Dealers	52
 V: The Problem of Returns	57
A: The Meaning of Returns and Return Rates . . .	57
B: The Management of the Returns	60
 VI: Editions Outside of İstanbul	63
A: The Reasons For Undertaking Local Editions . .	63
B: The Advantages of Local Editions	66
C: The Management of the Local Editions	68
D: Future Possibilities	69
E: The Foreign Editions	70
 VII: Distribution and Timing	73
A: Cost Problems Concerning Distribution	73
B: The Patterns of Distribution, Timing and Effects Upon Production	75
C: Evaluation and Discrepancies	89
D: The GAMEDA Distribution System, Compared With Hür Dağıtım	90
E: The İstanbul Distribution System	93
F: The Subscription Method in Distribution . . .	94
 VIII: Financing	97
A: The Financing of the Distributor Companies . .	97

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
111

B: The Collection System	98
C: The Distribution Expenses as a Percentage of the Price of a Newspaper or a Magazine	.99
Conclusion	101
A: The Conclusions of the Study	101
B: The Future of Newspaper Distribution	104
Appendix I-II	.108
Bibliography	111

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE

1

INTRODUCTION

A: Definition of the Problem.

Newspaper is a commodity which influences all of us. Being a commodity, it needs marketing policies such as those of pricing, content and appearance, promotion and distribution. Newspaper is one of the rare products whose sales depend mostly upon timing and distribution, in addition to its content.

In order to provide more efficient circulation and to make the magazines and the newspapers available to the readers at the desired time and place, institutions strictly for this purpose have sprung up in all countries and in Turkey.

The main aims of this paper are to investigate the development of the distribution of newspapers and magazines in Turkey, to present the reasons for this development and to provide a better understanding of the distribution channels and of the relations among the channel members. The emphasis of this study is more upon newspapers and less upon magazines since most of the problems, especially those of timing are less important in the case of magazines.

The local newspapers and magazines published in the various cities of Turkey, and those newspapers which are not in Turkish are out of the scope of this study.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
2

B: Methodology and Limitations.

To find out the structure of the distribution channels and the forces leading to the development of distribution in general, materials for the preparation of this paper have been mainly collected from three sources:

1. Unstructured interviews held with the managers of the Distributor companies, GAMEDA, BATES and Hür Dağıtım.
2. Unstructured interviews held with the publishers of some newspapers and magazines.
3. Library research. Certain books in Turkish and in English have been referred to in addition to the interviews.

There are two main limitations concerning this study, arising from the fact that the companies and publishers interviewed wish to keep certain matters confidential:

1. One of these limitations concerns the regional sales figures of the individual newspapers and magazines. The publishers and the distributors do not want to disclose these for competitive and political reasons.
2. The other limitation concerns the financial aspects of the companies. Actual yearly cost and profit figures cannot be obtained.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE

4

CHAPTER I

HISTORICAL DEVELOPMENT OF NEWSPAPER DISTRIBUTION IN TURKEY

A: The Meaning of Journalism

"Newspapers are the eyes and ears of human societies (1). As this quotation indicates, the newspaper is one of the most important institutions of the modern world in which we live and all civilizations have given it the place that it deserves. The present world journalism can be studied under four categories:

1. News Journalism.

These newspapers are published strictly for the purpose of making profit and their foremost aim is to increase circulation. These newspapers give news and provide distraction for the reader. In Turkey these are also called the "boulevard" newspapers.

2. Opinion Journalism.

This kind of journalism was nourished by the French Revolution of 1789. The currents of nationalism, democracy and independence, were given an impetus through this kind of journalism. These "opinion" newspapers are helpful in promoting the cultural development of the public since many articles written by scientists or intellectuals appear in these journals.

¹Şapolyo, E.B., Türk Gazetçilik Tarihi Ve Her Yönü İle Basın,
p.5

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
5

3. Party Journalism.

When the political parties began to come into existence in the 19th century, various newspapers favoring the views of these parties began to be published. For example, during and after the Industrial Revolution in Europe, the liberalist, the socialist and the conservative currents of thought were disseminated by these newspapers.

4. Regime Journalism.

This kind of journalism appeared after the first world war with the coming into power of the totalitarian parties in Europe. These parties published newspapers praising their policies in order to make possible the continuation of their regimes. The 10 000 different newspapers being published in the U.S.S.R. now, are of this type.

In Turkey, the first newspaper which was published by the government in 1831, can be considered to be under the category of news journalism. Its purpose was to inform the public of some of the happenings. In the 1840's, the newspapers published privately were opinion newspapers. The journalism during the second Constitutional Government in Turkey was party journalism, since at that time the political parties had begun to appear.

During the Republican Period which includes the present, the Turkish newspapers have been either opinion or news journals. Among the opinion newspapers we can mention Cumhuriyet, Milliyet, Akşam, Tercüman, Dünya and Son Havadis. Hürriyet, Günaydın, Son and Saklambaç are the news or "boulevard"

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
6

newspapers. An interesting fact is that, of the opinion newspapers, about 1/2, and of the news journals about 1/3 of the total circulation is being distributed in İstanbul. This is because the population of İstanbul makes up the greatest part of the total educated population of Turkey. The following table shows the daily circulation figures for the main newspapers for İstanbul and the rest of Turkey: (1)

The Daily Circulation Figures of the Main Turkish Newspapers for İstanbul and the Rest of Turkey

Name of the paper	İstanbul	Outside
Hürriyet	200 000	400 000
Günaydın	120 000	280 000
Tercüman	150 000	160 000
Milliyet	200 000	200 000
Cumhuriyet	170 000	120 000
Dünya	8 000	12 000
Zafer	3 000	4 000
Yeni Asya	16 000	20 000

B: Factors Favoring the Increase of Circulation

The development of journalism necessitates the existence of certain factors vital to the increase of circulation. These factors can be summarized as follows:

1. Increase in literacy. The appearance of printed matter which appeals to the masses, is very recent compared with the history of mankind, if we ignore the "carved newspapers" of the ancient Egyptians and the Romans. The first press which

¹For the names and locations of the main Turkish newspapers, see Appendix II.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
7

was established in Europe dates back to the fifteenth century and Jan Gutenberg. This is because only after the Dark Ages people began to read and write in any extensive sense and the books written by hand became too few to satisfy everybody.

In Turkey also, the increase in literacy and also the increase in population brought about high increases in circulation of newspapers, which in turn ~~turn~~ led to newer and more efficient methods of making the newspapers available to the public.

The increase in literacy during the Republican Period from about 15 % in the 1920's to 46% in 1970 in spite of the increase in population from 15 to 35 000 000, was the underlying force for the increase in circulation.

2. Trend from rural to urban. This trend which became apparent during the Industrial Revolution in Europe, can be closely traced in Turkey which is in its development stage. People migrating to the cities try to adapt to the city life and culture and become literate. As the populations of the cities increase, the circulation is also effected to a large extent.

3. Cultural and economic development. This factor effects circulation by increasing the income per capita and by making possible the spread of education.

4. Communication possibilities. This factor has played a very important role in increasing circulation in Turkey. When road conditions in Anatolia were improved a marked increase in circulation was noted.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE

8

C: Early Turkish Newspapers.

As soon as the Europeans learned to make paper and established printing houses, they began to publish newspapers. The earliest newspaper was published in 1588 in England under the name of "English Mercury" and after this in 1609 and 1618 other newspapers were published in Germany and Austria.

Although journalism appeared in Europe in the 16th century, it was not until the middle of the 19th century that newspapers were begun to be published in Turkey, in any extensive sense.

The first newspaper published in Turkey was the "Gazette Française de Constantinople" published in 1796. This was followed by others published in French such as the "Smyrneen" (1824), the "Courrier de Smyrne" (1824), the "Spectateur Oriental" (1824) and the "Moniteur Ottoman" (1831). These newspapers were undertaken by French persons in Turkey, and since they were not against the government or the nation, they were allowed to be published. The circulation of these newspapers never exceeded one or two thousand units and they were not published every day. However they were useful in informing the Turkish and the French people concerning the affairs in Europe and Turkey.

The following is a survey of the early Turkish newspapers, published in Turkish:

1. Takvim-i Vekayi. This newspaper which is the first one to be published in Turkish was published by the government during the reign of Mahmut II, in 1831. It was half

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
9

the size of the newspapers of today, had 8 pages and a supplement of two pages. Although it was intended to be a weekly paper, always fewer could be published. About 5000 units were published each time and these were distributed to the government members, the "ulema" or the learned men, high class government officials, important people in the surroundings of Istanbul and to the foreign ambassadors in Turkey.

2. Ceride-i Havadis. The second newspaper was the "Ceride-i Havadis" published first in 1840 by an Englishman called William Churchill. At first it was being published every 11 days and the yearly subscription price was 150 kş. and was considered to be expensive at that time. For the first three years its circulation was only 150 units, however with the help of the government in 1844, it became a daily newspaper and was continued to be published until 1864.

3. Tercüman-ı Ahval. The third important newspaper was the "Tercüman-ı Ahval" published by Şinasi and Agâh Efendi in 1860 and it soon began to be published every day. Very good articles on economics, banking and commerce were being written in this newspaper and it has been very useful.

4. Ruzname. This newspaper was begun to be published in 1864 by Alfred Churchill, the son of William Churchill.

An interesting fact concerning the early newspapers is that most of them were published by foreigners. This was because the Turks were not informed in this business at first. Another important fact was that the writers were financing the newspapers most of the time.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
10

The Early Magazines

The early magazines were different from the newspapers only in size, otherwise the contents were almost the same, and they were being published once every one or two weeks. The very first magazines published in Turkey are the following:

1. Mecmua-i Fünun. This magazine was published in 1862 by Mürşid Paşa, but continued only until 1883 and was closed down. It contained articles about the sciences, history and geography. This was a monthly magazine and had 600 subscribers.

2. Mirat. This was the first magazine which had pictures in it. It appeared first in 1862 but could be published only three times because its publisher Refik Bey died very soon after establishing it.

3. İntibah. This magazine was also begun to be published in 1862, but was closed down after twelve editions.

4. Caride-i Askeriye. This magazine was established by the Ministry of War and Şinasi is known to have helped in publishing it.

Very little is known concerning the circulation figures and the methods of distribution of the early newspapers and magazines. The circulation of the newspapers usually did not exceed 1-2 000 and in the case of magazines a few hundred. However the subscription method was being used because the prices are given as subscription prices. Although the newspapers were not being sent very far from İstanbul, in the case of magazines shipment to some cities in Anatolia by mail was present.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
11

During the second half of the nineteenth century, many other newspapers and magazines in addition to those mentioned above, were published. During the reign of Abdulaziz about 45, and during the time of Young Turks about 60 different newspapers were begun to be published. Especially after "Tanzimat", the efforts to westernize Turkey relied a great deal upon journalism.

At the time of the Wars of Independence, very many newspapers were begun to be published in the various cities of Anatolia, to arouse the people of Turkey. The most important among these was, and still is, "Yeni Asır" of İzmir which had achieved a circulation of 8 000 during the early 1920's. These newspapers were not distributed very far but were mostly sold in the cities where they were published. More than fifty different newspapers were being published during the Wars of Independence(1).

During the Republican Period, journalism in Turkey has shown the greatest development since the beginning. From 1923 to 1950, 650 newspapers and 1125 magazines have been published in Turkey, and some of them have continued to live until now.

D: Distribution of Newspapers and Magazines Until 1960.

Until recently, there was no definite organization for the distribution of printed matter (newspapers, magazines and books) in Turkey. Distribution was on an individual basis, that is, the publishers themselves had to find the dealers and the means of transportation in order to make their newspapers or books available to the readers. This went on for a long time until two dealers were established, one for Anatolia and the

¹For the names of the newspapers published during the Wars of Independence, see Appendix I

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
12

other for İstanbul in the early 1950's. One reason for this was that until about twenty years ago, few people outside of İstanbul were reading the İstanbul newspapers in a continuous way. As gradually sales increased outside of İstanbul, instead of the Anatolian dealer, two dealers, in İzmir and Ankara were established. With this setup, the newspapers and magazines in İstanbul began to operate through these dealers. However, since individual transportation was difficult, these dealers were sending the trucks or other facilities they owned or rented, to pick up the printed matter from the publishers. In the case of the magazines, trains were being used because timing is not an important problem in the distribution of magazines since they are weekly, fortnightly, or monthly. Because the dealers were assuming the transportation charges, they were asking for high discounts which increased costs and restricted the profits of the publishers.

The head dealers (baş bayi) of Ankara and İzmir often had disputes over the boundaries of the regions in which they were active, and a rather keen competition existed between them. In general until the establishment of GAMEDA and BATEŞ in 1959, which marks a great change and development in the distribution of printed matter in Turkey, the channel setup was as follows:

1. The head dealer
2. The "madrabaz"
3. Dealers
4. Ultimate
Sellers

The publishers were not in contact with the second middleman called the "madrabaz", the dealers or the sellers. Therefore the publishers could not follow up the activities of these channel members and this was to the disadvantage of the publishers, as everything was at the discretion of the head dealer.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
13

The newspapers were given to the head dealers at a discount of 25% and this profit was shared by the four middlemen mentioned before. The situation was unfortunate for the publishers not only because they had to give the printed matter at a high discount, but also because the dealers and the madrabaz were deducting high margins which left a very narrow margin to the ultimate sellers. This also retarded the increase in circulation.

The evening papers which are printed and distributed in Istanbul were and still are outside of this organization.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
14

CHAPTER II

GAMEDA, BATEŞ AND HÜR DAĞITIM

A: The Establishment of GAMEDA.

The previous chapter indicated that until 1959, the functions of editing and distributing in the newspaper field were not separated and the publishers were in direct contact with the head-dealers (baş bayi) to whom the newspapers and magazines were given on credit without demanding any security in return. The disadvantages of this procedure were the following:

(i) The distribution was not being carried out in an efficient manner, that is, the papers and magazines were not being made available everywhere and delays were frequent.

(ii) Collection of money was very slow. The dealers were sending only as much money as they wished. This did not satisfy the publishers because it was causing serious shortages of cash.

(iii) Individual efforts of the printing-houses cost more, because the head dealers were taking advantage of the situation and were asking for high discounts.

As time went on, this system proved to be more and more troublesome and as a result some of the leading newspapers came together and established GAMEDA (Gazete Mecmua Dağıtım) company, whose sole purpose was to be the distribution of papers

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
15

and magazines. Another reason for undertaking collective distribution was that individual transportation was too expensive since the vehicles would have to travel half empty.

As timing is the greatest problem in the distribution of newspapers, transportation by railway cannot be considered because it would take 3-4 days to reach the eastern regions of Turkey. Trains are being used in some European countries such as France but in that case special express trains are being provided by the government for this purpose.

Transportation by air is not very expensive in our country because 75% discount is allowed to newspapers, however since the volume is large, special airplanes would have to be hired which increases costs. In addition to this, THY is not in a position to provide as many cargo planes as needed and even if they were found, they could not be used extensively since in winter many of the eastern airports are not in service. In spite of the facts mentioned above there are some routes which lend themselves to air and railway transportation. The bulk of the printed matter in Turkey however, is being transported by trucks.

The GAMEDA company was established on September 4, 1959 by the following publishers:

Newspapers

Cumhuriyet

Hürriyet

Yeni Sabah

Milliyet

Dünya

Magazines

All the magazines of
Tifdruk Matbaası

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
16

The establishment of GAMEDA can be considered as the first rational undertaking in the field of newspaper and magazine distribution and also as the first step towards a more modern distribution system. The company was first organized as a partnership but later its status was changed and GAMEDA became a Limited company according to the Turkish Commercial Code.

The most important contribution of GAMEDA was that it made possible the bypassing of the head dealer and the "madra-baz" in distributing to the ultimate sellers. GAMEDA has also become the Channel Captain of the distribution channel thus established, because the other members are following the policies of GAMEDA. In the case of newspapers, the channel is composed of the following members:

Publisher ----- GAMEDA ----- Dealer -----Ultimate Seller

The distribution of magazines will be considered in relation to BATEŞ which acts as the head dealer for the magazines of Tifdruk.

During the year 1960, GAMEDA was only involved in distribution and not collection. The head dealers continued to do the collecting. Soon however, this function too was assumed by GAMEDA. The advantages of the organization brought about by the establishment of GAMEDA can be studied under the following points:

1. Many regions of Turkey which were not being penetrated by the old system are now reached. This has also helped in furthering the cultural development of our country.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
17

2. Since transportation can be carried out by one channel, distribution costs are lowered, and this way, the publishers do not have to give their papers to GAMEDA at a very high discount. This of course, increases their revenues. (This point is especially true for the partner newspapers as will be indicated later)

3. Collection of money became easier under this system. The collecting of the money of all the publishers by the use of one channel was advantageous both to the newspapers and the dealers. The dealers were satisfied because they preferred to be responsible to only one company instead of to many newspapers.

4. Obtaining security became possible with this setup. In the old system the head dealers and the dealers did not give any security and the publishers were at a loss. They could not do anything about it since the head dealers were in a stronger position. Now the distributor company is the strongest channel member and can enforce its policies.

5. Another advantage of the system is that the dealers now, can be made to carry those newspapers with little circulation, as it does not necessitate any extra effort on the part of the dealers with respect to the collecting and sending of money.

6. Through the use of a large distributor company, the profit margin of the ultimate seller or the newsboy was increased because the number of middlemen declined. This has also helped to increase the total sales volume of newspapers and magazines.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
18

The Development of GAMEDA

GAMEDA, since its establishment, has not been involved in the distribution in the city of İstanbul. This is being done by the head dealers who are directly responsible to the individual publishers and not to GAMEDA. The regions in which GAMEDA first began to operate during the partnership period of the company, 1959-1960, were the regions close to İstanbul. This area included the whole of Trakya and the western part of Anatolia covering the vilayets of Balıkesir, Bolu, Eskişehir, Afyon, Kütahya and Çanakkale.

The company, since its establishment, has always used transporters and has never tried to distribute by its own facilities since it would be too expensive.

We know that for a newspaper to really serve its purpose and to induce a desire to read it daily, it must reach the reader during the early hours of the day. When this was accomplished at least in the western part of Turkey, a great increase in circulation was recorded.

Increase in Daily Circulation From 1959 to 1962

	1959	1960	1962
Hürriyet	200 000	270 000	340 000
Milliyet	120 000	170 000	220 000
Cumhuriyet	90 000	120 000	150 000

This encouraged the newspapers to sell to Anatolia hoping to find a sufficient market there and their estimates proved to be true. When the local editions of the leading newspapers began to appear, GAMEDA started to undertake countrywide

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
19

distribution of its newspapers.

B: The Establishment of BATEŞ Bayicilik A.Ş.

BATEŞ Bayicilik Anonim Şirketi was established two months after GAMEDA in December 1959 by Tifdruk Matbaası and GAMEDA, and through GAMEDA, its partner newspapers also became shareholders. BATEŞ was first established to serve as a service organ for Tifdruk, later however, its scope of activities were enlarged.

The field of activities of BATEŞ is different from that of GAMEDA which is involved in the distribution of newspapers and magazines in Turkey. GAMEDA also sends some newspapers to foreign countries.

The activities of BATEŞ are the following:

1. BATEŞ acts as the first channel member or the head dealer in the distribution of the magazines of Tifdruk which include, Hayat, Ses, Resimli Roman and Doğan Kardeş. BATEŞ gives these to GAMEDA for distribution in Turkey. This way GAMEDA is not responsible to the publishers but to BATEŞ. Neither GAMEDA nor BATEŞ deducts any profit when giving these magazines to the next channel member. In return however, both companies receive commissions from Tifdruk every year according to the volume distributed. This procedure increases the profit margins of the other channel members.

2. BATEŞ also carries out the distribution of the magazines of Tifdruk to foreign countries.

3. Another important activity of BATEŞ is the

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
20

distribution of books and encyclopedias in Turkey. The books published by the Tifdruk Printing House are included in this. Any publisher can apply to BATEŞ for the distribution of his books, however, BATEŞ has the right to choose those which have higher probability of sales. The company works upon contract with the publishers.

4. The fourth activity of BATEŞ is to send books, magazines and encyclopedias to the subscribers in Turkey and in the foreign countries.

GAMEDA and BATEŞ cooperate in many of the activities and use the same transportation facilities. The packaging of the magazines distributed by GAMEDA is done by BATEŞ. The expenses are later divided and allocated to the two companies.

The advantages which result from fast distribution, efficient collection and increased sales volume, are also applicable to BATEŞ.

C: The Establishment of Hür Dağıtım.

Until 1963, GAMEDA was carrying out the distribution of Hürriyet, which was one of its shareholders. In 1963, Hürriyet and Veb Ofset (one of the important shareholders of Hürriyet), established the Hür Dağıtım Anonim Şirketi, to carry out the distribution of the newspapers and magazines of both the Hürriyet and the Veb Ofset groups. Until the end of 1964, Hür Dağıtım was only involved in distribution, and collection was continued to be carried out by the facilities of GAMEDA. In August 1965, the

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
21

shareholders of GAMEDA decided to put an end to the partnership of Hürriyet in GAMEDA, on the grounds that the situation was causing unfair competition.

After August 1965, Hür Dağıtım became the distributing and the collecting agent for Hürriyet and Veb Ofset and some customer newspapers which include the following:

Newspapers

Hürriyet
Yeni Gazete
Günaydın
Saklambaç
Akşam
Son Havadis
Yeni İstanbul
Bugün
Babıalide Sabah
Ulus
Adalet
Yeni Tanın
Vatan

Magazines and Encyclopedias

Hafta Sonu
Foto Roman
Foto Spor
Pazar
Sen-Ben
1001 Roman
Seksek
Ant
Devrim
Forum
Buffalo Bill
Meydan Larousse
Okul Ansiklopedisi

The activities of Hür Dağıtım are very similar to those of GAMEDA. Hür Dağıtım also has been very successful in increasing the circulation of the newspapers and magazines which it distributes.

Hür Dağıtım uses the same head dealers and dealers as GAMEDA. However, in contrast to GAMEDA, Hür Dağıtım uses its own facilities on some routes. (The reasons will be discussed later)

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
22

D: Activities of GAMEDA and Hür Dağıtım Concerning Marketing in General.

The distributor companies do not have an active role in selling. This is the responsibility of the individual publishers. For example, advertising is never undertaken by GAMEDA or Hür Dağıtım. If a general decrease in sales is noted, the publishers concerned have to try to remedy the situation by resorting to such methods as advertising, lotteries, premiums etc..

The Distributors also have some role in increasing the sales in certain areas, by influencing the dealers in those regions or by establishing new dealers, if necessary. Both Hür Dağıtım and GAMEDA have controllers who are constantly travelling around the country and checking to see if the dealers are acting in accordance with the agreements. GAMEDA has three such inspectors and Hür Dağıtım has two. However, in addition to these two, there are controllers at each branch office of Hür Dağıtım. The managers of the companies also travel often for the same purpose. The yearly cost of this activity to GAMEDA can be calculated as follows:

Salaries of the 3 controllers	100 000 Tl.
Costs of travelling etc..	<u>70 000 Tl.</u>
Total	170 000 Tl.

The companies are willing to forego such amounts in return for higher efficiency.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
23

E: Relations of the Distributors With Their Customers and Their Shareholders.

In their treatment of the publishers, the companies divide the publishers into two categories:

- a) The shareholders
- b) The customers

In the case of GAMEDA , the shareholders and customers are those given below:

Shareholders

Cumhuriyet
Milliyet
Dünya
Tercüman
Hayat
Ses
Resimli Roman
Doğan Kardeş

Customers

Anadolu
Yeni Asya
Zafer
Hakikat

In the case of Hür Dağıtım the classification is as follows:

Shareholders

Hürriyet
Yeni Gazete
Günaydın
Saklambaç
Hafta Sonu
Foto Roman
Foto Spor

Pazar
Sen-Ben
1001 Roman
Sek-Sek
Reklâm Gazetesi

Customers

Akşam
Son Havadis
Yeni İstanbul
Bugün
B. Sabah
Ulus
Adalet
Okul Ansiklopedisi

Yeni Tanin
Vatan
Anı
Devrim
Forum
Buffalo Bill
M. Larousse

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
24

Both Distributors employ a discriminative policy towards their shareholders. This different treatment is in the field of money transactions and can be explained in the following manner: The companies give the partner newspapers to the dealers at the same price they receive them, that is at 40 kş. each. All the transportation expenses are charged to the individual newspapers every month. This means that the Distributors do not have a profit motive when dealing with the shareholders. At the end of each year the companies receive commissions from the shareholders according to the sales volume accomplished.

When dealing with the customer newspapers, the companies specify a certain amount to be charged for each unit of newspaper or magazine sold, in their agreements with these publishers. Usually they receive the customer newspapers at 36-37 kş. each and give them to the dealers at 42kş., thereby receiving a revenue of 5-6 kş. on each unit distributed.

An agreement with the publishers is generally made up of two types of conditions:

- 1) General -- concerning all newspapers
- 2) Special -- concerning only the customers

Since the agreement is a commercial contract or treaty transacted according to the Turkish Commercial Code and protected by it, the first and foremost function of the agreement is to protect the rights of the publishers on the one hand and the Distributors on the other. There is no law in Turkey pertaining to the distribution of newspapers.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
25

In general a typical written agreement with the publishers is composed of the following articles:

- 1) The first article specifies who the two parties are, which are in this case the publisher and the Distributor.
- 2) The second article specifies the price at which the publisher will give his newspaper or magazine to the Distributor, and also the price at which the dealers will receive it from the Distributor. (This article can be a special one if there is a difference between the two prices)
- 3) The third article concerns the lines of transportation and indicates that the present lines are to be kept constant. However if a new line is added, no additional charge will be required of the newspaper or magazine concerned, and if any changes are made in the lines, the publishers will not object to it.
- 4) Transportation expenses from the printing-house to the place of departure of the vehicles, will be paid by the individual newspapers concerned. However after loading, all charges are assumed by the Distributor.
- 5) The fifth article is concerned with the timing of the local editions outside of İstanbul. For example, if a newspaper has an Ankara edition, it must time its printing activities so that no delay in shipment may be caused. If the newspapers do not arrive at the place of loading at the times specified, the Distributors will not be responsible for not delivering them. The departure time for each vehicle is shown

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
26

in this article for the İstanbul, Ankara, İzmir and Adana areas.

6) The sixth article of the agreement is about the packaging and labelling of the newspapers and magazines for shipment. In the case of GAMEDA the packing of the papers into bundles is done by BATEŞ. The labels for each bundle are prepared by GAMEDA and Hür Dağıtım and sent to the printers the day before shipment. The labels indicate the destination (city, village, address of the dealer), the number of units in each bundle and the route which will be followed in transporting. Since daily demand fluctuations are better known by the Distributor companies through the demand which comes from the dealers every day, the companies keep accurate records for informing the publishers.

7) This article concerns the number of packages or bundles to be shipped daily. The total indicated on the labels does not always equal the actual number of units leaving the printing-houses. For this reason, the printers are required to inform the Distributors about the amount that they are intending to ship at each shipment. Because transportation is the responsibility of the Distributors they need to know these amounts to keep track of the shipments and possible losses.

8-9) These articles are about the details of pricing which the Distributor will apply. These articles are arranged according to the wishes of the companies when dealing with the customer publishers.

10) The tenth article concerns the payment of the collected sums to the publishers. Invoices are prepared and sent to the publishers every fifteen days. The printers are also informed of the amount of returns.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
27

11) This article concerns the shipment of unsold newspapers back to the printing-houses. According to this article, the Distributor will send the returns in bundles of 500 units, to the warehouses of the publishers concerned.

12) The twelfth article confirms that the Distributor company (GAMEDA or Hür Dağıtım), is the only head dealer in Turkey for the newspaper or magazine indicated. In the case of GAMEDA, this article applies only outside the city of İstanbul since the city distribution in İstanbul is undertaken by head dealers for the magazines and newspapers of GAMEDA.

F: The Organizational Setups of the Distributor Companies.

When GAMEDA was first established, there was only one office, located in İstanbul since the distribution was not widespread. In 1963 when the leading newspapers began publishing in Ankara, GAMEDA was forced to open up a branch office there, and in 1965 the Adana and the Samsun branch offices came into operation. The latest to be established was the İzmir office, which became active in 1970.

Hür Dağıtım had two offices at the beginning, one in İstanbul and the other in Ankara. However when the İzmir and Adana editions of Hürriyet began to appear, the Samsun, Adana and İzmir offices were established.

Both Hür Dağıtım and GAMEDA have five return warehouses located in the cities where there are branch offices. The most important ones among them are the İstanbul and the Ankara depots.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
28

It can thus be seen that the organizational setups of the two Distributor companies are exactly the same except for the number of employees and workers the companies have in their various branch offices. Hür Dağıtım, being a larger company which distributes 70% of all the newspapers and magazines in Turkey, employs more people than GAMEDA. The number of employees working in the branch offices and headquarters of GAMEDA and Hür Dağıtım is shown below:

	<u>GAMEDA</u>	<u>Hür Dağıtım</u>
İstanbul	20	20
Ankara	15	60
Adana	13	15
İzmir	10	4
Samsun	<u>8</u>	<u>8</u>
	66	107

Apart from these employees, the companies employ workers to do the packaging, handling and loading. The number of workers is very large in the case of Hür Dağıtım because they do the packaging of the newspapers and magazines themselves, whereas in the case of GAMEDA, the packaging of magazines is carried out by BATEŞ. In addition to these workers Hür Dağıtım also has drivers and repairmen for their trucks which of course increases the costs for Hür Dağıtım. For example the number of workers, repairmen and drivers of the İstanbul office of Hür Dağıtım adds up to 110, whereas the workers at the headquarters of GAMEDA do not exceed 27.

The Functions of the Branch Offices

The branch offices of GAMEDA and Hür Dağıtım all have managers who organize and control the activities of

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
29

these offices. The branch offices are autonomous to the extent that the managers are given the authority to decide and act individually concerning the internal matters of their offices. For example, the managers can hire and fire employees at their will and can change some of the policies concerning the management of their offices or of the return depots attached to them, but they cannot change the policies concerning the routes, the timing of distribution and the relations with the dealers.

The offices, their functions and their areas of activity are indicated below:

1. The İstanbul Offices. The greatest burden lies with these offices which distribute not only the İstanbul editions of the newspapers, but also those newspapers and magazines which are printed only in İstanbul to the other centers of distribution. The area covered by the İstanbul offices is not large but is among the most populated in Turkey. It includes the following 14 vilayets:

İstanbul, Kırklareli, Edirne, Tekirdağ, Kocaeli, Sakarya, Bolu, Zonguldak, Kastamonu, Bilecik, Bursa, Eskişehir and the eastern part of Balıkesir.

This region covers the largest industrial centers of Turkey and the literacy here is very high. The amount of newspapers distributed to this region daily, by the Distributor companies is as follows: (excluding the city of İstanbul)

	GAMEDA	HUR DAĞITIM
Hinterland only	117 530 units	329 900 units

2. The Ankara Offices. The main function of these offices is to distribute the newspapers and magazines which come to Ankara from İstanbul and also those newspapers which have

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
30

Ankara editions, to the hinterland of the Ankara Center. The area of distribution covered by the Ankara offices includes the following 30 vilayets:

Ankara, Çankırı, Çorum, Amasya, Samsun, Sinop, Yozgat, Tokat, Ordu, Giresun, Trabzon, Rize, Artvin, Kars, Ağrı, Erzurum, Erzincan, Tunceli, Gümüşhane, Sivas, Kayseri, Nevşehir, Niğde, Kırşehir, Konya, Antalya, Burdur, Isparta and Afyon.

It may appear that the Ankara offices assume most of the business because the area is very large. However this is not the case because most of the regions falling into this area are among the least developed and the least populated, in Turkey. Therefore the demand is little. As the following figures indicate, the amount of newspapers distributed to the city of Ankara is more than the total shipped to the hinterland.

	GAMEDA	HÜR DAĞITIM
City of Ankara	104 100	270 000
Hinterland	99 900	250 500

Another reason for including the eastern regions in the Ankara area is that the capacities of the printing houses in Ankara are more than those of the Adana and the İzmir printing houses.

3. The İzmir Offices. This office takes care of the distribution and timing of the papers published in İzmir and also of those received from İstanbul. This office distributes to the following vilayets:

İzmir, Manisa, Çanakkale, Western part of Balıkesir, Uşak, Aydın, Denizli and Muğla.

The area assigned to the İzmir Offices is small because this region is highly populated and developed, and the

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
31

the sales are considerable in this area. The daily circulation figures for this area are as follows:

	GAMEDA	HÜR DAĞITIM
City of İzmir	32 900	65 000
Hinterland	33 300	63 000

4. The Adana Offices. These offices are charged with the distribution of the İzmir editions of the newspapers and also the distribution of the magazines and newspapers which come from Ankara and İstanbul. The region covers the 16 vilayets given below:

İçel (Mersin), Seyhan (Adana), Hatay, Maraş, Elazığ, Gaziantep, Adıyaman, Malatya, Urfa, Diyarbakır, Mardin, Bitlis, Muş, Siirt, Hakkari and Van.

Although this region includes some of the less developed vilayets of Turkey such as Hakkari, Van and Siirt, total circulation is not low as the figures below indicate.

	GAMEDA	HÜR DAĞITIM
City of Adana	12 500	28 000
Hinterland	56 500	135 000

The three offices mentioned above, in addition to supervising the physical distribution in their areas, also take care of the returns, return warehouses and the collections. However the İzmir office of Hür Dağıtım has delegated the job of collecting to a head dealer in İzmir. The same thing is true for the Adana office of GAMEDA.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

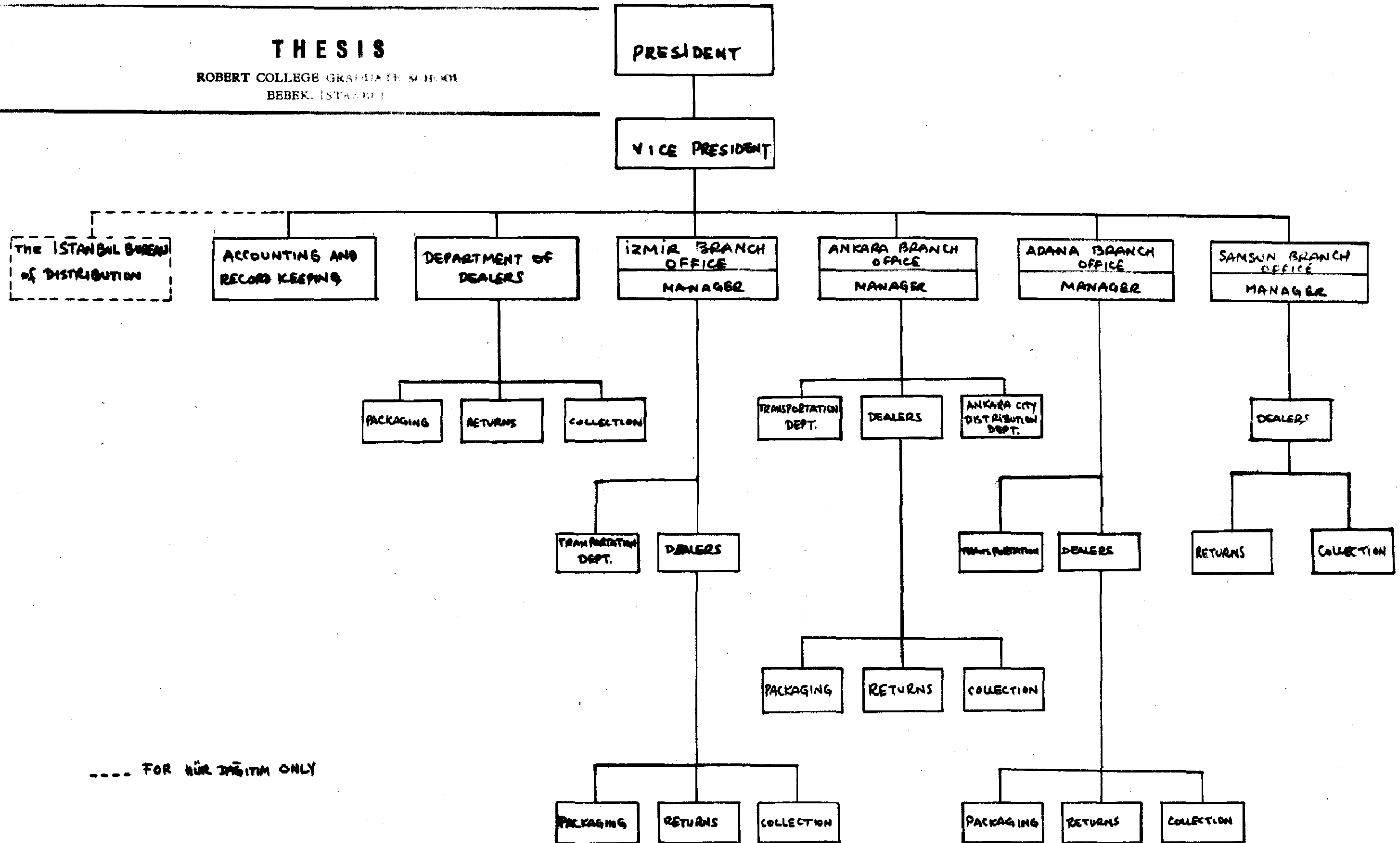
PAGE
32

4. The Samsun Office. The Samsun offices of Hür Dağıtım and GAMEDA do not engage in physical distribution but they control the activities of the transporters and the owned trucks. Since both Distributors employ head dealers do do the collecting in this area, the offices are not in direct contact with the dealers concerning collections. However, the offices are responsible for collecting the returns and managing the return depots in Samsun. These offices are thus supplementary to the main four offices discussed above. (1)

In the case of Hür Dağıtım there is a special branch office attached to the Vice-president which is responsible for the distribution and collection in the city of İstanbul.

The chart on the following page shows the organizational setups of Hür Dağıtım and GAMEDA.

¹For the map showing the areas and the branch offices, see page 33



ORGANIZATION CHART - GAMEDA AND HÜR DAĞITIM

MAP OF THE ISTANBUL, ANKARA, IZMİR AND ADANA AREAS



THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
34

CHAPTER III

THE DEMAND SIDE OF THE PROBLEM

A: Fluctuations In Demand And The Measures Taken

The general trend in the sales of the important Turkish newspapers such as, Hürriyet, Cumhuriyet, Milliyet and Tercüman, is a continuous increase which became even more apparent after 1960, when the large Distributor companies were established. This trend can be traced by observing the development of Hürriyet, the newspaper with the highest circulation in Turkey. Hürriyet began to be published in 1948 and very soon its circulation reached 200 000 daily. The drop in circulation at the end of 1969 is due to the rise in prices.

The Development of Hürriyet Since 1949

Years	Monthly Circulation (end of year)
1949	5 500 000
1950	5 900 000
1952	6 600 000
1960	8 100 000
1961	8 500 000
1962	10 000 000
1963	12 500 000
1964	13 000 000
1965	15 000 000
1966	17 500 000
1967	21 000 000

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
35

Years	Monthly Circulation
1968	24 000 000
beginning of 1969	26 000 000
end of 1969	22 000 000

The increase in the sales of newspapers is mostly due to a more efficient method of distribution and to the opening up of new highways which facilitated communication. However, still communication with certain parts of eastern Turkey is difficult especially in winter.

The increase in circulation is also due to the increase in the number of people who are literate, and to the general increase in the population of Turkey. We know that at present, about 46% of the population of Turkey is illiterate which means that 54% X 35 000 000 = 18 900 000 people are potential readers of newspapers. We can estimate from this, that with better methods of distribution, we can increase the total circulation in Turkey. The newspaper Milliyet is showing the highest rate of increase in sales, but some of the other newspapers are trying to retard this development by resorting to illegal competition.

Since every newspaper has a certain group of people to whom it can appeal, satisfaction of customers is achieved by manipulating or keeping constant, the contents of a newspaper. As long as the political views of a paper remain unchanged, great fluctuations in demand are not expected except for seasonal variations or inefficient distribution. In the latter case the reader may shift to a newspaper that he can receive at the time he expects.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
36

Seasonal fluctuations in demand are very typical of both newspapers and magazines. In summer many people leave the cities during their summer vacations and go to the coastal regions of Turkey. Also in Anatolia, workers migrate for a few months to regions where they can find work, usually in the field of agriculture and construction.

The decline in demand starts at the beginning of April and continues until September or the beginning of the school year when sales begin to rise again. Towards the end of August, sales reach their minimum level, with a decline of 15% compared with the highest level, which is attained in March. From September until March sales increase gradually. Thus, a cycle can be observed which repeats itself from year to year.

In contrast to this decline in the large cities, sales in the summer resorts such as Erdek, the islands of Marmara and Avşa, and the western part of the Black Sea coast show an increase. As this is known beforehand by the Distributor companies, measures are taken to increase the distribution to these areas. To overcome the decline in sales, GAMEDA and Hür Dağıtım find summer dealers in the regions mentioned above. This way, about 7.5% of the lost sales can be recovered. The efforts of the Distributors are not sufficient to recover all of the lost sales which is due to the fact that some people consider the reading of newspapers as a burden during their vacations.

In the case of magazines, these seasonal fluctuations are more pronounced. The declines reach 20-22% with

THESIS

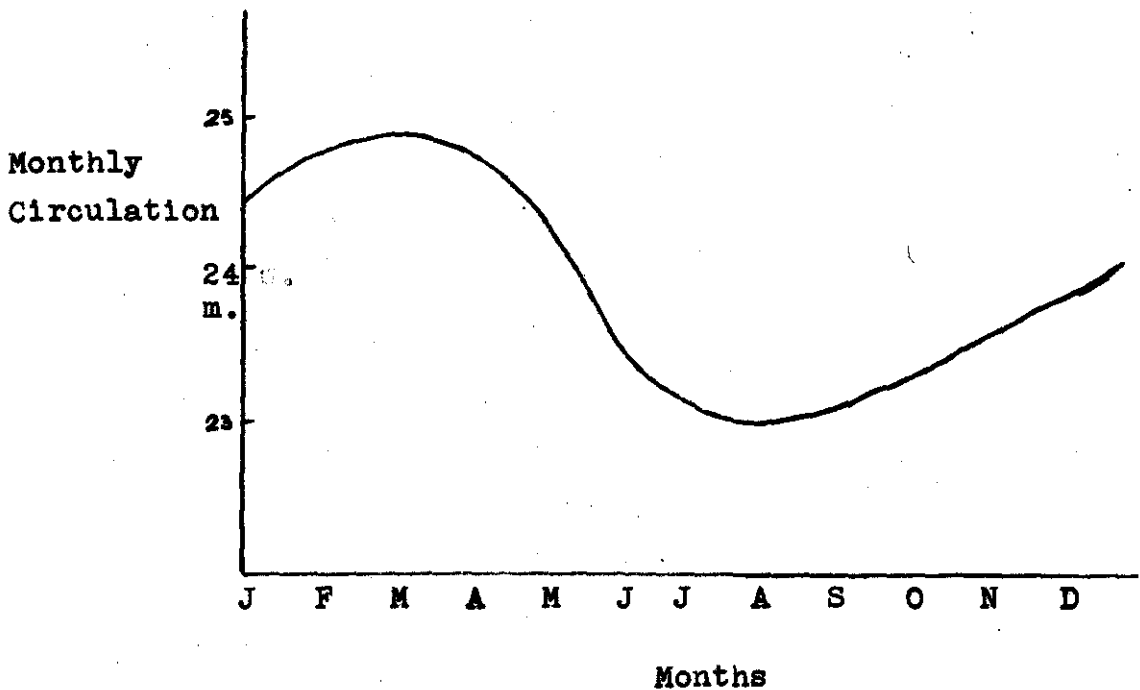
ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
37

some magazines. The reason is that attachment to magazines is less than attachment to newspapers.

The following graph shows the seasonal variations in the demand of Hürriyet.

Seasonal Flucuations in the Demand of Hürriyet
In the Year 1968



When a general decline in the sales of a magazine or a newspaper takes place, the percentage decline in all the regions of Turkey is almost the same, due to the fixed group of people to which it appeals. However, certain political events may cause declines in certain areas, in which case the companies have to take measures by warning the dealers. In the case of general decreases in sales the publishers take measures against the situation.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
38

B: Effects of the Recent Increase in the Prices of Newspapers

Not so long ago, most publishers in other countries and in Turkey felt that newspapers should be sold at the lowest possible price and that advertising should be relied upon to bring the revenue needed for the continuation of a newspaper. Now however, there is a growing belief that the circulation department must also receive its share of the profits. Therefore prices were raised more freely. The same thing has been true in Turkey. After the raising of prices from 25 kş. to 50 kş., the cost of a newspaper is no longer more than its price.

On April 10, 1969, the newspapers Cumhuriyet, Milliyet, Tercüman, Akşam and Son Havadis raised their prices to 50 kş. per unit. The reason of the increase was the decision of the government to raise the prices of paper. This 100% rise in prices at first caused serious decreases in the sales of the above mentioned newspapers. The reasons for this rather high decrease were the following:

1. The time chosen by these newspapers to apply the increase was inappropriate because it coincided with the beginning of the seasonal decline in sales.

2. The purchasing power of the Turkish reader is limited. Many people who were buying two or three newspapers daily gave it up and either reduced the number of newspapers he bought or began to read only one newspaper. Diverse news or entertainment thus became too expensive to afford for some people.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
39

Hürriyet and others which increased their prices in October 1969 when sales were rising, did not suffer a very serious fall in sales. In the case of Hürriyet the decline was very little (14%) compared with the others. This is due to the attachment of the readers to Hürriyet especially for distraction purposes.

The effect of the raise in prices on some of the newspapers is shown in the table below:

Effects of the Rise in Prices on Some Newspapers

Name of the newspaper	Decline at first	Later
Milliyet	40%	20%
Cumhuriyet	15%	13%
Tercüman	15%	12%
Hürriyet	14%	12%

The reasons for the recovery experienced later by the newspapers are the following:

1. After getting used to the price increase, many people returned to buying two or more newspapers.

2. To recover the lost sales, most of the newspapers began to arrange lotteries.

Lotteries:

In the U.S.A., "The Audit Bureau of Circulation" discourages lotteries, premiums and contests as means of increasing circulation because by experience and investigation, they have

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
40

found out that the effects of these are little and temporary.

In Turkey, especially for the past 10 years, many of the newspapers have been resorting to premiums and lotteries to increase their sales. In the case of news or "boulevard" newspapers, this strategy of marketing showed considerable effects. The reason is that these newspapers such as Hürriyet, Günaydın, Saklambaç and Son, are purchased by many people as secondary newspapers. It is to this group of readers that these newspapers are trying to appeal through lotteries. This activity has come to such a point in Turkey that now many newspapers are involved in it and some depend on it to keep their circulation at certain levels. For example, when Günaydın began giving furnished flats in 1969, its circulation increased more than 100%, from 90 000 to 200 000. It was mostly due to the way of presenting this premium. Hürriyet also benefited from this activity. The latest Mother's Day lottery increased the circulation by 250 000 and reduced return rates from 11% to 8.5-9%.

In the case of "opinion" newspapers such as Milliyet and Tercüman the effects were little and temporary. This is because, a reader cannot easily be made to switch to another "opinion" newspaper if it does not satisfy his views.

Magazines

The price elasticity of demand in the case of magazines is a little more than newspapers, because magazines are considered to be less necessary by the readers. As an example we can consider the increase in the price of Hayat in 1966. When the price of Hayat was increased from 100 to 150 kş.,

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
41

its sold circulation or sales dropped by 12%, which means that its price elasticity, $\frac{\% \text{ change in sales}}{\% \text{ change in price}}$, is .24. In the case of newspapers however, the greatest elasticity, after adjustments were made, was .26 (Milliyet). As Hayat is the best quality magazine in Turkey, the attachment to it is very high. Another reason is that Hayat has no competitors.

C: The Effects Of The Price Changes Upon The Distribution Channel

When declines in circulation took place, as a result of increased prices, the dealers were not unhappy because their profit margins increased. Therefore no disputes arose with them.

GAMEDA and Hür Dağıtım were effected at the beginning because costs tended to rise. Since a lesser amount was being distributed by the same facilities, the unit cost of distributing newspapers rose. Although this was significant at first, when the newspapers recaptured some of their lost sales, this cost became so little that now no importance is being attached to it by the Distributors.

The return rates also increased at the beginning but later resumed their previous figures. This did not cause any trouble from the point of view of the Distributors.

Because of the drop in circulation, advertising declined and therefore the profit of the publishers was decreased. This effected the commissions received by the Distributors from the shareholder newspapers especially at the end of 1969. This situation effected GAMEDA more than Hür Dağıtım since the drop in the sales of newspapers distributed by GAMEDA was more pronounced. It is conjectured that by 1972-73, with the present trend continuing, the circulation attained before the price increases will be reached.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
42

CHAPTER IV

RELATIONS AMONG THE CHANNEL MEMBERS

A: The Dealers

The dealers of Hür Dağıtım and GAMEDA are the most important elements of the distribution channel, because they constitute the link between the publishers and the ultimate sellers.

When GAMEDA was first established in 1959, it was more difficult to find dealers especially in the eastern regions of Turkey. The reasons are presented below:

1. Because of inefficient road conditions and slow transportation, fewer newspapers were reaching these regions and usually with a delay of 3-4 days. Therefore interest in reading daily newspapers was not aroused which resulted in little overall demand.

2. Since demand was little, few dealers were interested in distributing newspapers as it would bring them little profit, but in turn would necessitate assuming responsibility, such as collecting and sending the money and the returns on time.

3. Another reason was that at the beginning, the facilities of GAMEDA were not sufficient and the organization was weak. This also made the dealership business less attractive.

As a result of better service and increased possibilities of circulation, in the following years, not only demand for

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
43

dealership increased, but also dealing with newspapers and magazines became a business in itself by providing enough profit. Although earlier, the dealers were also engaged in other affairs to make a living, they are now engaged in newspaper distribution as their only business.

As demand and circulation increased steadily from 1960 onwards, many dealers who acted also as ultimate sellers earlier, established organizations of their own to distribute to other dealers and ultimate sellers in the kaza's and villages of their vilayets. As the profitability of this business began to increase, the dealers assumed an active role in selling. They tried to create more demand since it was to their advantage to do so. This also helped in increasing total circulation.

One of the reasons for the efforts of the dealers to sell more was the low profit margin of the newspapers. They wanted to compensate for this by increasing the volume they handled. For a long time until 1969, the newspapers were sold 25 kş. per unit. The papers were delivered to the dealers at a discount of 5 kş., that is, at 20 kş. (in the case of the partner newspapers). The dealers gave them to the ultimate sellers at 21-21.5 kş. per unit, which left them a margin of only 1-1.5 kş. When the price of a newspaper was raised to 50 kş., the dealers began to receive 2 kş. on each newspaper.

Number of Dealers

As road conditions were improved and distribution became efficient especially after the local editions began to be published, the number of dealers were allowed to increase but only up to a certain limit. Many demands are being received

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
44

from persons who wish to become dealers, however, it is not the policy of the Distributors to increase the number of the dealers. As GAMEDA and Hür Dağıtım already have 502 dealers each, with more, it would become very difficult to follow them up and risks would increase considerably.

The number of dealers with whom GAMEDA operates and the number with whom Hür Dağıtım operates are equal since both companies distribute to the same dealers. The reason is one of convenience. When Hürriyet was separated from GAMEDA, Hür Dağıtım wanted to continue selling through the same dealers in order not to cause complications.

Dealership is on an exclusive basis with respect to the areas of activity of the dealers. No two dealers can operate in the same region, that is, competition is not allowed. Both companies are very alert concerning any bias that the dealers may have towards the newspapers or magazines of any one company.

Since the number of the dealers was not allowed to increase indefinitely, the ultimate sellers have increased considerably, especially after the local editions appeared. The ultimate sellers are estimated to have increased 8-10 times since 1960.

At the time of the establishment of GAMEDA, there were about 60 dealers outside of İstanbul. As no records have been kept until 1966, the exact number of dealers in those years is not known. After the year 1966, the increase in the number of

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
45

dealers has followed the pattern below:

<u>Years</u>	<u>No. outside of Istanbul</u>
1967	416
1968	495
1969	502

In large cities there is sometimes more than one dealer, such as Edirne and Erzincan, but in the kaza's usually one is present unless the kaza is very populated or the villages attached to it are numerous. In such cases the boundaries of the areas of the dealers are well specified.

The distribution of dealers in Turkey is as follows:

Number of Dealers and Their Distribution

<u>The Istanbul Area</u>		<u>The Ankara Area</u>	
İst.-Ankara Route	11	Ank.-Adana Route	9
İst.-Balıkesir Route	28	Ank.-Samsun Route	32
Düzce-Yeniçağa Route	28	Ank.-Rize Route	37
İst.-Eskişehir Route	21	Ank.-Artvin Route	11
İst.-Edirne Route	16	Ank.-Antalya Route	26
İst.-Uzunköprü Train		Ank.-Sivas Route	58
Route	6	Ank.-Kayseri Route	12
		Ank.-Konya Route	15
		Ank.-Garağ	9
		Adana dealer	1
Total	110	Total	210

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
48

The İzmir Area

İzmir-Milas Route	14
Aydın-Fethiye Route	13
İzmir-Denizli Route	29
İzmir-Uşak Route	15
İzmir-Edremit Route	16
İzmir-Soma Route	8
İzmir- Bodrum Route	9
Total	104

The Adana Area

Ad.-Diyarbakır Route	31
Ad.-Elazığ Route	24
Ad.-Antakya Route	9
Ad.-Silifke Route	5
Vilayet of Adana	7
Airway to Van	2
Total	78

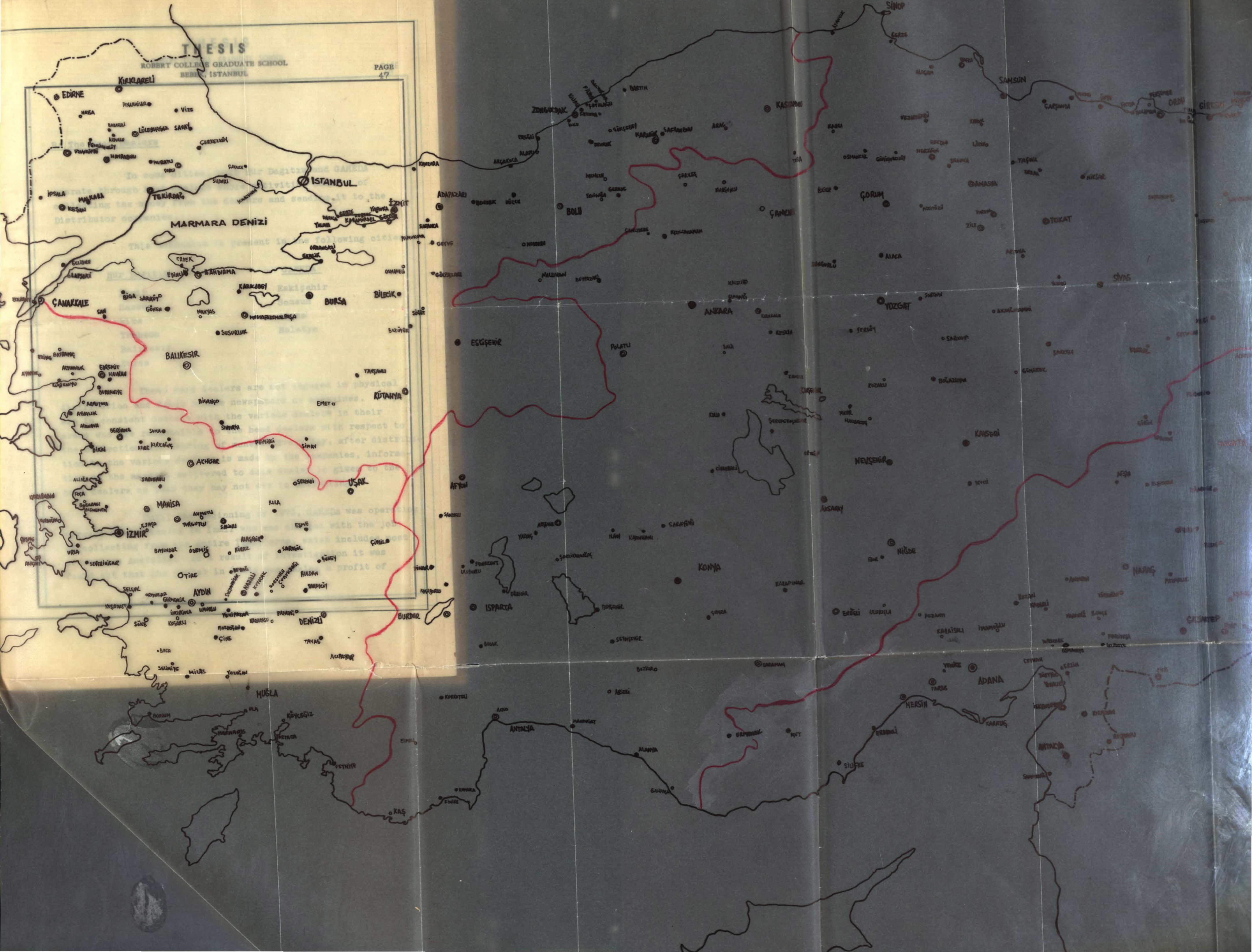
Presently, both companies have 502 dealers as mentioned earlier. Since GAMEDA distributes 30% of the total amount of newspapers and magazines, and Hür Dağıtım distributes the remaining 70%, it may appear that distributing to the same number of dealers would be more expensive for GAMEDA, since the volume they carry, is considerably less. However, this is not so due to the fact that GAMEDA hires small trucks which cost less.

The following map indicates that the dealers are more concentrated in the densely populated and economically developed regions of Turkey:

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
47





THE 502 DEAKERS OF GAMEDA AND HIR DAĞITIM

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
48

B: The Head Dealers

In some cities, both Hür Dağıtım and GAMEDA operate through head dealers whose activities consist of collecting the money from the dealers and sending it to the Distributor companies.

This mechanism is present in the following cities:

Hür Dağıtım

İzmir
Samsun
Rize
Trabzon
Balıkesir
Bursa

GAMEDA

Eskişehir
Samsun
Adana
Malatya

These head dealers are not engaged in physical distribution and do not handle newspapers or magazines. They are in constant contact with the various dealers in their areas who are responsible to the head dealers with respect to the collection and sending of money. Every day, after distribution to the various dealers is made by the companies, information on the amounts delivered to each dealer is given to the head dealers so that they may not err in collecting.

Until the beginning of 1970, GAMEDA was operating through a head dealer in İzmir who was charged with the job of collecting from the entire İzmir area, which includes most of western Anatolia. As a result of investigation it was found out that the dealer in İzmir was making a profit of

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
49

360 000 Tl. per year. If GAMEDA does the collecting in the İzmir area, by establishing a branch office in İzmir, the yearly cost of this activity was to be 60 000 Tl. and the profit would accrue to GAMEDA. Upon this cost and profit analysis, GAMEDA opened up its own branch office in İzmir in February 1970.

There are two main reasons for using head dealers:

1. Both GAMEDA and Hür Dağıtım are large companies whose monthly sales are, $15\ 000\ 000 \times 40\ \text{kş.} = 6\ 000\ 000\ \text{Tl.}$ and $30\ 000\ 000 \times 40 = 12\ 000\ 000\ \text{Tl.}$ respectively, in the case of newspapers. This being the case, the business assumes very high risks. By using head dealers for certain regions, the companies reduce the number of dealers they are in touch with, which reduces the risks of collection. However, this setup also results in some additional costs to the companies. Normally, the customer newspapers are given to the dealers at 42 kş., but in this case they have to be given at 40 kş. which means a loss of 2 kş. per unit to the companies. In the case of the partner newspapers, there is no difference as they are given to all dealers at 40 kş. and the additional costs are charged to the publishers. Both companies are willing to forego this amount because the risks of collection are considered to be more important.

2. The other reason which is related to the first is that the hinterlands of these particular cities are large, dealers are numerous and sales are considerable. This way the companies are relieved of some of the burden of collecting.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
50

C: The Distribution of 50 kş. (The Price of One Newspaper) Among the Channel Members.

The Distributor companies have a profit motive when dealing with their customer publishers, like any other business enterprise. The Distributors receive the customer newspapers at 36-37 kş. each and give them to the dealers at 42 kş. which means a revenue of 5-6 kş. to the companies, as mentioned earlier. The shareholder newspapers are delivered at 40 kş. per unit.

The dealers give these papers to the ultimate sellers after deducting a margin of 2 kş. per unit, that is at 42 or 44 kş. according to whether they are customer or partner newspapers.

The ultimate seller who receives these papers at 42 or 44 kş per unit has a profit margin of 6-8 kş. on each newspaper sold. The ultimate sellers are allowed to receive the highest margin because the amount they sell is considerably less.

The Distribution of the Price of a Newspaper

	Publisher	Distributor	Dealer	Ultimate Seller
Partners	--- 40	40-40	40-42	42-50
Customers	-36-37	37-42	42-44	44-50

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
51

When head dealers are being employed, the dealers receive all the newspapers at 42 kş., because of the 2 kş. of margin allowed to the head dealers. Under this system, the distribution of the 50 kş. is as follows:

	Publisher	Distributor	Head Dealer
Partners	----40	40-40	40-42
Customers	--36-37	36-37--40	40-42

	Dealer	Ultimate Seller
Partners	42-44	44-50
Customers	42-44	44-50

The profit margin of the ultimate seller is the same for both the customer and the partner newspapers when head dealers are used. When head dealers are not being used, which is the most common case, the customer newspapers are at a loss because the ultimate sellers may not show efforts to sell the customer newspapers, as it brings them less profit.

D: The Distribution of the Price of a Magazine Among the Channel Members

The magazines differ somewhat from the newspapers. The profit margins allowed to the channel members are higher in the case of magazines. The reasons for this are:

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
52

1. The selling price of a magazine is higher than that of a newspaper.

2. The sales volume in the case of magazines is always less than that of newspapers.

The Distributor companies, GAMEDA and Hür Dağıtım, discriminate in favor of the shareholder magazines, when dealing with them. These magazines are given to the dealers at the same price at which they are received from the publishers or BATEŞ (in the case of GAMEDA). The customer magazines are delivered to the dealers after deducting a margin of 10-15%.

As an example we can consider the Hayat weekly magazine. Hayat which is priced at 150 kş., is received by GAMEDA from BATEŞ which acts as the head dealer. Tifdruk gives this magazine to BATEŞ at a discount of 20%, that is, at 120 kş. It is delivered to the dealer at the same price because the Distributors do not deduct any profit. From this point on, the dealer himself can bargain with the ultimate sellers, but usually the dealers deliver at 130-132 kş. to the other sellers or the ultimate sellers, so that the final seller may receive 10-13% of profit.

E: Relations of GAMEDA and Hür Dağıtım with Their Dealers

As mentioned earlier, the Distributor companies have 501 dealers. Since this is a very large number, following them up and preventing abuses which are mostly in the field of collecting and discriminating in favor of certain newspapers, becomes a very difficult task.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
53

As can be understood from the agreements with the publishers, the Distributor companies have not been delegated the formal authority to take measures when decline in sales is observed. It is implicitly understood however, that the dealers are to be warned if unusual increases in returns or decreases in sales occur.

Because the dealers occupy a very significant position in the channel, their activities must run smoothly. For these purposes, an agreement is drawn up with each dealer which puts the dealer under certain restrictions. The conditions specified in the written contract between the dealer and the Distributor are the same for both GAMEDA and Hür Dağıtım, and comprise the following:

1. Article one is about the collections and their payment to the Distributor. The invoices are prepared every 15 days and sent to the dealers who must send the money in at most 7 days.
2. In order that a guarantee may be provided for the publishers during the period in which payments are delayed or stopped, a security in the amount of one month's sales is demanded from the dealers.
3. The third article puts the dealer under the restriction that he can engage in selling activities only within his own territory and must not try to sell in the territory assigned to another dealer. This article is very important in preventing illegal competition among the dealers.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
54

4. This article specifies that the Distributor company will be controlling all the activities of the dealers very closely and in the case of any abuses or actions out of compliance with the wishes of the Distributor, this agreement can be annulled by the sole action of the company.

Reasons for annulment could be, trespassing on another dealer's territory, acting in a discriminative way in the selling of certain newspapers or magazines, not sending the collected sums on time, or practicing "okutma", which means giving out some magazines or newspapers for 1-2 hours in return for a certain amount of money and selling them afterwards.

The integrity of the dealer's character is also very important in choosing and keeping dealers. Personal life of the dealer is also investigated to see if he owes money, whether or not he keeps his promises, whether he is liked by the community or not, whether he drinks in any extensive sense or not, et..

To accomplish the purpose of following up closely the activities of each dealer, the controllers mentioned earlier prepare monthly reports about the dealers. Any point in favor of or against the dealer is entered into the file kept for him. This activity is considered to be very important by the Distributor companies.

5. The sixth article specifies that it is the responsibility of the Distributor to deliver the newspapers or magazines to the dealers. However, the returns are to be sent

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
55

by the dealers and the expenses are to be assumed by him. In those areas where distribution is carried out by transporters or the company's own trucks, the dealers can give the returns to these vehicles on their return trips. In the other areas the dealers have to post them to the return depote specified.

7. The last article of the agreement points out that if a dealer causes the Distributor company any loss, the company may ask for indemnity. No cases of this kind have yet arisen, which indicates the efficiency of the controlling activities.

There is no article in the agreements pertaining to the activities of dealers in increasing sales in their territories. It is assumed by the publishers and the Distributors that the dealers will automatically try to increase sales. So far, this has proved to be true because there was a large potential demand which was waiting to be satisfied, but in the future when selling more becomes difficult, the dealers may be less willing to increase the volume they handle.

Difficulties in Application

Most of the difficulties encountered in applying the agreements are in the field of collections and their timing. From the point of view of physical distribution, few difficulties are being faced as long as the publishers make their newspapers and magazines available at the time of departure of the vehicles.

As specified in the agreements, invoices are sent

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
56

to the dealers two weeks after the shipments and the dealers have to send the money one week after receiving the invoice. This means a delay of three weeks and if the dealer can collect in about 1-2 weeks, he will have a large amount of money in his hands. The dealer being a businessman, wants to invest this money elsewhere and make a profit. For this reason some delays occur. It is this activity that the Distributors are trying to prevent by exercising control over the dealers, but they are not always successful.

The practicing of "okutma" also cannot be prevented with complete success.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
57

CHAPTER V

THE PROBLEM OF RETURNS

A: The Meaning of Returns and Return Rates

As it is true with the marketing of most products, demand cannot be estimated with certainty. This is especially true for newspapers where hundreds of thousands of each kind are being distributed and sold daily. For this reason and for better penetration into all regions, always more is published than can be sold and some unsold newspapers remain. These are called the returns.

The circulation of a newspaper is measured by two lines on a graph, one indicating the amount printed and the other, the amount sold. The most important responsibility of a publisher, in addition to increasing the circulation of his newspaper, is to minimize the difference between these two lines, that is, to minimize the returns.

In the newspaper field, the optimal return rate is 8-9%. Hürriyet is the only newspaper in Turkey which has achieved this figure. A return rate which is lower is not desirable because it would mean that the particular newspaper is not being made available everywhere. Ideally, a newspaper with a return rate of more than 20% should not be considered to be in a good position, however in Turkey, there are newspapers with return rates of up to 50%.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
58

The following table shows the return rates of the important Turkish daily newspapers. (Weighted average for İstanbul and the rest of Turkey)

Return Rates of the Important Newspapers

Name of the paper	Return rate
Hürriyet	9-10%
Günaydın	9-10%
Saklambaç	11-12%
Cumhuriyet	14%
Tercüman	15%
Milliyet	18%
Akşam	25%
Son Havadis	30%
Yeni Gazete	40%
Dünya	50%
Yeni Anadolu	50%

Those newspapers which have high circulation figures have low return rates. The reasons are the following:

1. The sales of these newspapers are more stable than those with low circulation and therefore the sales can be forecasted more accurately and production can thus be adjusted.

2. An interesting phenomenon concerning the return rates is that in the case of those newspapers which have lower sales volumes, a lesser amount is distributed to a great number of ultimate sellers and each seller therefore has fewer to sell. Therefore a small amount of unsold newspapers remaining in the hands of these ultimate sellers means a high return rate.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
59

3. Another reason would be that by publishing more the newspapers which sell less could be trying to make more papers available at the newsstands or in the hands of ultimate sellers, thereby increasing exposure, which is another way of attracting customers.

Magazine return rates

As the case was with newspapers, those magazines with high circulation figures have low return rates, the optimal rate being about 10%. In Turkey recently, reading magazines has become a very popular distraction especially among women and sales have increased correspondingly. The greatest increases are recorded by Resimli Roman (distributed by GAMEDA) and Foto-Roman and Sen-Ben (distributed by Hür Dağıtım). The greatest markets for magazines are the large cities. For example 2/5 of all the magazines is being distributed in İstanbul. The return rates and the circulation figures of the magazines distributed by GAMEDA are the following:

Circulation and Returns of Magazines

Distributed by GAMEDA (İstanbul and outside)

<u>Name of the magazine</u>	<u>Yearly circulation</u> <u>1969</u>	<u>Returns</u>	<u>Return Rates</u>
Hayat	5 600 000	950 000	17%
Ses	3 920 000	640 000	16%
Resimli Roman	13 000 000	1 350 000	10%
Doğan Kardeş	2 200 000	550 000	25%

This table shows that in the magazine field also, the return rate in Turkey has reached the optimal point with Resimli Roman. Foto-Roman which is distributed by Hür Dağıtım has also attained this rate.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
60

B: The Management of the Returns

In some European countries and in the U.S.A., the unsold newspapers are not sent back to the publishers and the dealers suffer the loss. In the U.S.A., in rare instances some dealers are permitted to send the returns back, however, this is considered to be a privilege.

This system can only be applied in a consistent and steady environment. In Turkey, readers are indecisive, subscription is very small scale and many people are attracted by a newspaper for one or two days and then cease to buy it. All these reasons make the demand uncertain and if a system of "no returns" were applied in Turkey, the dealers would order only that amount which they would be certain of selling and the sales would drop considerably.

The rules governing the returns in Turkey can be explained in the following manner: The dealers never suffer a loss if some of the newspapers or magazines remain unsold. The responsibility of the Distributor companies does not end with the delivery of the papers or magazines to the dealers. The dealers are followed up closely to see if all of the returns are handed back to the Distributors. Hür Dağıtım and GAMEDA also do not suffer any losses and they give the returns to the publishers at the price they receive them.

The dealers send the returns either by giving them to the trucks of GAMEDA and Hür Dağıtım on their way back, or send them to the return warehouses located in Samsun, Adana, İzmir, Ankara or İstanbul, in which case the dealers assume the

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
61

transportation charges. The unsold papers and magazines are accumulated in these warehouses and the function of the personnel of these depots is to receive these, fill out their inventory records, prepare their invoices and to hand them back to the publishers concerned. Before handing them to the publishers, all the returns have to arrive at the İstanbul or the Ankara depots. This system was decided upon in order to prevent illegal activities and to keep a central control over the returns. When the returns arrive at İstanbul and Ankara, sometimes the Distributors sell these as scrap and give the money to the individual magazines and newspapers concerned.

An important problem concerning the management of the returns is to find personnel to do the work. Both GAMEDA and Hür Dağıtım face this problem because the qualified personnel in the large cities do not want to go to Anatolia and therefore the personnel found there have to be trained which needs time and has costs associated with it. In one month about 45 000 0000 newspapers and magazines are being sent to all parts of Turkey by GAMEDA and Hür Dağıtım, and the corresponding amount in cash has to be collected. If the returns associated with this amount is considered, the complexity of the problem can be better understood.

Hür Dağıtım and GAMEDA keep accurate records of the returns which are very important for the reasons indicated below:

1. If mistakes are made or if some of the returns are lost on the way back, the Distributors suffer the loss.
2. Monthly records and reports are given to the publishers, through which adjustments in production can be made

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
62

to achieve the lowest possible return rates under the existing circumstances.

It takes usually 30-40 days for the returns to come to the Istanbul or the Ankara warehouse. Since money from the dealers has to be collected in 20-22 days, the companies know before the arrival of the returns, how many they should expect in a certain period. Therefore the records of the various warehouses also serve as a check upon the amount sold by the dealers.

In the case of the newspapers and magazines which are sent to the foreign countries, the return method is applied by cutting out and sending the titles or the names of the newspapers and magazines. The reason for this is that, according to Türk Parasını Koruma Kanunu (Law Protecting the Turkish Currency), whenever a certain amount of goods is exported., the corresponding amount in money has to enter the country. If the returns are not sent back, then the total value of the exported amount is not returned and difficulties arise. Since it is difficult to send back the returns of the few newspapers and magazines, the dealers send the titles by mail and this method is accepted officially. The dealers in the foreign countries dispose of the rest of the newspapers by selling them as scrap or throwing them away. With this system, the dealers suffer no losses, but the publishers do. In some countries of Europe, this system is being used with success. In Turkey it has been tried, but was later abandoned because it led to abuses.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
63

CHAPTER VI

EDITIONS OUTSIDE OF ISTANBUL

A: Reasons For Undertaking Local Editions

When road conditions became more and more efficient, demand outside of Istanbul increased, and when the Distributor companies began to operate, some newspapers began to consider printing outside of Istanbul, in some of the highly populated cities of Turkey. When demand reached high levels, usually more than 20-25 000 daily in Ankara and the İzmir areas, after the 1960 Revolution, it became difficult to ship to these cities in large quantities and to deliver them at a very early hour in the morning. The two main difficulties encountered were:

1. Timing. Effective scheduling became hard to arrange especially for the areas around Ankara and İzmir. Many papers were arriving either late in the afternoon or the next day. The southern and eastern regions could only receive papers every 3-4 days. Before the Ankara edition was started, the trucks carrying the various kinds of newspapers were travelling the distance between Ankara and Istanbul in 4 hours and were racing with each other. This was very dangerous especially at night. The same thing was true for the shipment to İzmir.

2. Costs. The other main problem was that of high costs of transportation. For example the transportation cost

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
64

for each newspaper from İstanbul to the environment of İzmir was 8-9 kş.. As the price of a newspaper was 25 kş. until 1969, and the papers were given to the dealers at 20 kş. each, the newspapers were suffering losses and were spending efforts to compensate for this by obtaining advertisements.

Transportation by air to Ankara, İzmir and Adana was tried for a short period but was later abandoned because the local newspapers of these cities took advantage of it and began to resort to illegal methods of competition. By using force, these local newspapers prevented the newspapers that arrived at the airports from being distributed to the dealers before the local newspapers were distributed.

The first newspaper to try printing outside of İstanbul was Akşam in 1962. Hürriyet, seeing this also started its Ankara edition in the same year in order to compete with Akşam. This idea proved to be so profitable that the sales of Akşam increased to 35-40 000 units daily, in the vilayet of Adana. In the case of Hürriyet, the sales were increased by 150 000 in about one year.

Soon after Hürriyet and Akşam, the other leading newspapers, namely, Cumhuriyet, Milliyet and Tercüman began to look for printing houses in Ankara. By 1965 all these newspapers had begun printing in Ankara. In 1965, Hürriyet took one further step and started its İzmir and Adana editions. The other leading newspapers soon followed the example of Hürriyet and by the end of 1966 all of them were printing in İzmir and Adana. When the İzmir edition of Hürriyet first appeared in 1965, its circulation in the vilayet of İzmir was 19 000 daily. Now Hürriyet's circulation has reached 47 000 in the same area, which is a remarkable development. Due to the fact that Hürriyet has

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
65

the largest sales volume among the Turkish newspapers, none of the local newspapers, except Yeni Asır of İzmir, are in a position to compete with Hürriyet. Yeni Asır, with a total circulation of 60 000 is the most important competitor of Hürriyet around İzmir.

Among the newspapers which began to undertake local editions, only Hürriyet was able to establish its own printing facilities in the cities mentioned earlier. All the others operate in rented printing houses. For example, Milliyet and Cumhuriyet have rented the Ulus printing house in Ankara. It was the very strong financial position of Hürriyet, compared with the others, that enabled Hürriyet to undertake this activity by using its own facilities.

The increase in the circulation of Hürriyet after starting the local editions can be traced from the following table:

Regional Increases in Circulation Accomplished
by Hürriyet After 1964

The İstanbul Area (Daily circulation)	
1965	199 005
1966	213 862
1967	230 140
end of 1969	235 357

Western Anatolia and the Aegean Region	
1965	137 055
1966	140 288
1967	156 330
end of 1969	165 980

(continued)

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
88

Central and Eastern Anatolia	
1965	182 362
1966	184 451
1967	206 514
end of 1969	243 580

Increases have also been recorded by the other newspapers but to a lesser extent. The fast increases in circulation indicate that in Turkey a great potential demand exists and the most effective way to activate this demand is to make large quantities available at the early hours of the day, which is largely the responsibility of the Distributors. If demand continues to increase at this rate, there is enough unutilized capacity in the printing houses to satisfy the demand for 4-5 years. The capacities of the printing houses of Hürriyet and their utilization are shown below:

Daily Capacities of the Printing Houses of Hürriyet and Their Utilization

	Capacities	Utilization
İzmir	110 000	75 000
Adana	110 000	72 000
Ankara	250-300 000	180 000
İstanbul	350 000	250 000

B: The Advantages of the Local Editions

There are four advantages associated with the local editions. These advantages which have led to marked increases in demand, are indicated below:

1. Speed. The first and greatest advantage is the speed that results from distributing to a smaller area. In

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
67

and around the highly populated cities of Turkey such as Ankara, İzmir and Adana, where the readers wish to read the papers early in the morning, this advantage is more apparent. Speed has led to increases in circulation especially in the hinterlands of these cities.

Speed in delivery also helped to keep good relations with the dealers, whereas before, because of late delivery many problems were arising. The dealer could not sell the papers which arrived late and this effected his profit.

Another consequence was that with faster distribution, many of the eastern regions began to read daily newspapers. Even Hakkari now receives newspapers every other day.

2. Cost Reduction. The second great advantage is the reduced cost and difficulty of the long distance shipments. As mentioned earlier the cost of a newspaper was reaching 28 kş. in some areas.

3. Local News Pulls. The local editions made possible the printing of those news which interested the local readers. Emphasis placed on these news also helped in increasing the circulation. For example, more space could be devoted in the İzmir edition, to a football match in İzmir.

4. Local Advertisements. The local ads have proved to be advantageous from the point of view of both the publisher and the customer (giver of the ad).

a) The advantage of the publisher can be explained in the following manner: Without the local editions, only a certain number of ads could be printed in a limited space

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
68

and therefore the total revenue received from ads was less. With four editions four times as much space can be devoted to ads, each edition printing those ads which would interest its own locality. The total advertisement revenue was thus increased.

b) The advantage of the customer comes from the reduction in advertisement rates which became possible with more than one edition. This arrangement has also led to less waste in advertising.

C: The Management of the Local Editions

The Ankara, Izmir and the Adana editions of the newspapers are not prepared in those cities except for some minor parts, because of cost considerations. Instead, each page is transferred to a mold made of pressed cardboard, called a 'matris', and these matrises are then sent to the cities where printing takes place. Since airline service to these cities is quite regular, the matrises can be sent by air at the time desired. If any local changes are needed, they can be made by a process called 'erasing' in which certain parts are cut out and other parts containing the local material are inserted. For example, the matrises which are to be sent to Adana are loaded onto the aircraft at 4.30 p.m. at the Istanbul airport and they arrive in Adana at 6 p.m.. If other news are received by the office in Istanbul, the Adana office is immediately informed by telephone so that the necessary changes can be made before printing starts. The first, second and the third pages are sent first since they require little changes. The other pages are sent later.

The Distributor companies are not involved in these activities. The shipment of matrises etc., are all the responsibility of the publishers.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
69

D: Future Possibilities

In deciding to undertake local editions, the following factors are considered:

1. Transportation facilities and road conditions in the region.
2. Possibility of obtaining advertisements.
3. Potential demand in the area.
4. Current circulation in the area.

Before deciding, investigation and research concerning the above factors are carried out by the individual newspapers, because as in all business decisions, the investment must be a source of revenue.

Hürriyet and the other leading newspapers are now considering to start printing in Erzurum or Diyarbakır, to serve the eastern region. At present 30 000 units of Hürriyet are being distributed to this eastern region every day by Hür Dağıtım. Although this is a significant amount, it is not a sufficient reason to start an edition. The biggest problem in this area is the insufficiency of roads, especially during winter. The only possible transportation is by train and it takes usually 2-3 days to reach some inner regions. Transportation by air cannot be used because of the irregular service.

Another shortcoming of this region is that the area is less developed compared with the western part of Turkey. This not only limits the purchasing power of the individuals,

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
70

but also hinders the possibility of obtaining ads, which are vital to the existence of a newspaper. The edition in Erzurum may be undertaken in the near future because the potential demand in the area is considerable and also because one of the functions of a newspaper is to help the cultural development of a country.

It can thus be seen that, ads, potential demand and the transportation possibilities are more important factors than the current circulation in the area, for undertaking local editions. Current circulation is important to the extent that it provides some background to the investigation of potential demand.

E: The Foreign Editions

In the year 1967, the leading Turkish newspapers, considering especially the demand created by the Turkish workers in foreign countries, started printing in Germany. Akşam led the way and it was immediately followed by Hürriyet and Tercüman. Soon however because of the very high costs of this operation all these newspapers were forced to cease printing in Europe and instead, began publishing the special European editions in İstanbul and sending these by air to the foreign countries. Printing in Europe cost about four times as much as printing in İstanbul and sending by air. This indicates the lack of research and investigation on the part of the publishers.

None of the newspapers have a profit motive in selling to foreign countries. It is mostly a question of prestige both for Turkey and the individual publishers. The price of one newspaper is 80 phenics in Germany which is more than the cost of the newspaper itself. Therefore the publishers are spending

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
21

efforts to get ads from Europe in order to compensate for the high costs.

The newspapers as mentioned before are being sent by air, which costs one dollar per kilogram or 50 kş. for each unit. Since there are no flights at night to Europe, the papers have to be sent the following day which means that the readers will receive them with a delay of 24 hours. For this reason, the date of the following day is printed on the newspapers which are sent to the foreign countries.

Hürriyet has established a company in Germany to carry out the distribution. This company assumes the transportation charges, receives the newspapers at the airport of Munich and distributes them to the dealers in Germany by its own means or by mail. In the case of the other newspapers, GAMEDA finds distributors and dealers in the foreign countries to whom the newspapers of GAMEDA are sent. The Turkish newspapers and magazines are being sent to the following countries:

Australia	Germany
Cyprus	Sweden
Greece	England

The largest selling newspapers in the foreign countries are Hürriyet and Tercüman. The foreign circulation figures of the newspapers which are being sent to the foreign countries are given below:

	Daily Circulation
Hürriyet	6 000
Tercüman	5 500
Milliyet	2 000
Cumhuriyet	500
Dünya	300

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
72

The sales figures for each country are kept confidential because of the keen competition among the newspapers to increase their foreign sales. However almost 80% of the amounts shown above, are sold in Germany where the Turkish workers are more numerous. The figures exclude the units sent to the subscribers in the foreign countries, which does not amount to more than 200 units daily in the case of GAMEDA. In the case of Hür Dağıtım subscribers are very few.

The foreign distribution of the magazines of Tifdruk, as mentioned before, is taken care of by BATEŞ. This is more profitable than sending newspapers because the magazines can be sold at a high price, they do not lose their novelty for one week, and the magazines of Tifdruk are of high quality. Another reason is that, timing is not a problem with magazines and therefore they can be sent by mail, which reduces the unit cost considerably. Every week 10-12 000 units of Hayat are being sent abroad (subscribers included). The other magazines including those of Veb Ofset, such as Pazar, Foto Roman, Sen-Ben etc., have little sales outside of Turkey. Of these magazines, about 1000 units are sent abroad weekly most of which are sold in Cyprus because the quality of these magazines does not satisfy the readers in Europe. This activity is being carried out by Hür Dağıtım.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
73

CHAPTER VII

DISTRIBUTION AND TIMING

A: Cost Problems Concerning Distribution

In the newspaper business, success is mostly dependent upon scheduling in order that the daily newspaper may reach its destination early in the morning. For a reader to become a permanent subscriber, this condition has to be satisfied.

This being the most important marketing aspect of a newspaper, fast delivery is considered to be more important than minimizing the cost of distribution through choosing the cheapest route available. Transportation by railway is the cheapest method since the postage price is 1 kş. per unit of newspaper, whereas with trucks the cost reaches 4-5 kş. on some routes. The publishers and the Distributors are willing to sacrifice a few kuruş, in return for fast delivery and increased demand. Therefore, minimization of costs in this respect is not relevant. What is relevant is, minimization of costs under the restriction that the newspaper is delivered at a certain time of the day.

At present most of the lines of distribution are taken care of by owned trucks in the case of Hür Dağıtım and rented trucks in the case of GAMEDA. Although Hür Dağıtım gives some lines to transportation companies, the managers want to distribute as much as possible by their own means because they can organize shipments better and thereby can prevent delays.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
74

The amount distributed by Hür Dağıtım is twice as much as that distributed by GAMEDA.. Therefore, finding transporters which are reliable and checking them becomes a problem. GAMEDA on the other hand, is quite satisfied with the transporters because the volume is less and by using smaller trucks, costs can be kept low. In general using transporters costs less than using owned facilities for the following reasons:

1. The transportation companies usually do not allow their drivers to drive fast because they want to slow down the deterioration of their vehicles. This becomes an important point in the delivery of daily newspapers for which even a delay of 15-30 minutes is a significant period of time. The companies, considering this aspect, can charge lower prices. However, the deterioration of the trucks of Hür Dağıtım is at a higher rate which inevitably increases costs.

2. The vehicles of the transporters can be used to carry goods on their return trips. Hür Dağıtım cannot do this. Their trucks are only allowed to carry the unsold newspapers and magazines to the various return warehouses and for this activity, no payment is received. This also increases the costs for Hür Dağıtım.

The difference in costs of using transporters and distributing by own means, can be shown by the following examples:

The transporting of newspapers and magazines on the Ankara-Antalya route which is 550 km. long, was being carried out by the trucks of Hür Dağıtım until recently. However, by making cost comparisons, the company decided to give this line out to a transporter since no delay would be involved in that case. When the company distributed by its own trucks, the cost

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
75

was 1500 Tl. for the round trip, calculated as follows:

Salary of the driver/day	150
Salary of the second driver/day	150
Gasoline	300
Repairs	200
Depreciation	500
Maintenance expenses	150
Travelling expenses of the drivers	50
Total	1 500 Tl.

If a transporter is employed the cost is 1000 Tl. Therefore, Hür Dağıtım no longer uses its own facilities on this route. This example shows that each separate route is investigated closely and in those cases where there are no delays the line is given to transporters.

When new highways are opened to communication, the possibilities of more efficient transportation and distribution are investigated by both GAMEDA and Hür Dağıtım and if a better route is found, the companies immediately begin using it.

B: The Patterns of Distribution, Timing and Effects Upon Production

Printing in each of the cities is so timed and arranged that, those newspapers which are distributed to the far spots are published earlier and sent to their destinations. Those which are distributed inside the cities are the latest to enter the printing machines. Therefore printing in all cities has to start very early in the evening. In general, as soon as the matrisers arrive from İstanbul, printing starts.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
76

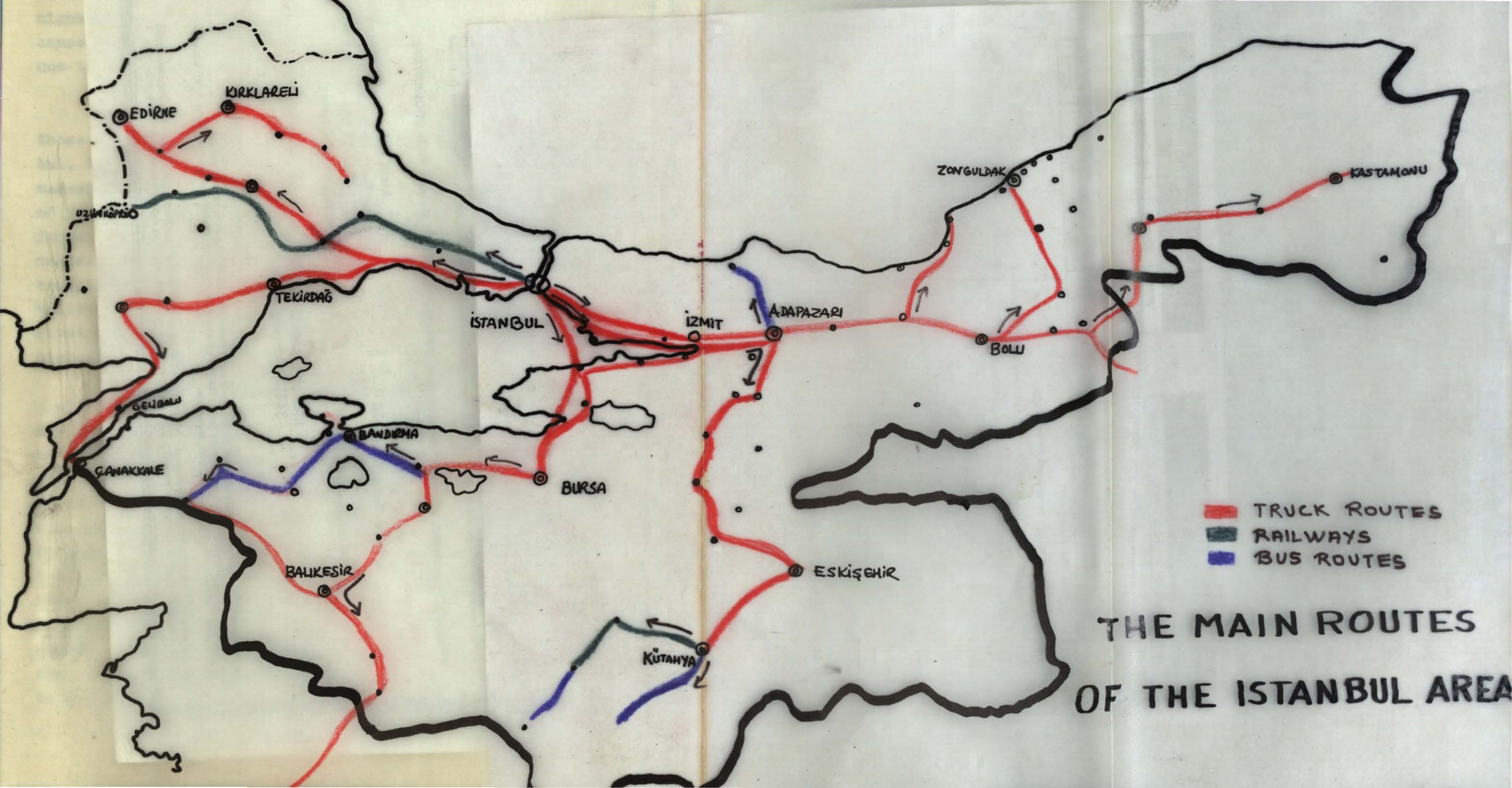
As there are editions in the four cities, Ankara, İstanbul, İzmir and Adana, there are four centers from which distribution is being carried out. From these four centers, distribution follows almost the same pattern with respect to timing of production (printing), loading, shipment and timing of deliveries to the dealers. No separate vehicle is being used for each different kind of newspaper, since it would involve unnecessary costs as the vehicles would have to travel half empty.

Exactly the same routes are being used by GAMEDA and Hür Dağıtım. The timing of the departures and arrivals are also the same because of the keen competition between them. For this reason, the distribution patterns of Hür Dağıtım will be analysed first and the differences from GAMEDA will be indicated later.

1. The İstanbul Center and Its Hinterland

In the İstanbul printing houses, those newspapers which are to be shipped to the hinterland of İstanbul are begun to be printed at 7.30-8.00 p.m. every evening, in order that the surroundings may receive their papers early in the morning. The newspapers of the following day which are sold late at night in İstanbul are those which are printed to be sent to the other cities. The shipment to the hinterland is started at 9.00 p.m. and is completed at 11.00 p.m., when the İstanbul city edition begins to be printed. This takes longer because the amount distributed to the city of İstanbul is more than the total amount shipped to the hinterland. The timing of printing and distribution in the other cities, Ankara, İzmir and Adana is very similar to the timing in İstanbul, except that the city editions begin to be printed at 12.30-1.00 a.m..

The map on the following page shows the İstanbul area and the routes of distribution.



THE MAIN ROUTES
OF THE ISTANBUL AREA

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
78

There are five main routes emanating from İstanbul. Train is being used on the İstanbul-Uzunköprü route because no highway is present in that particular area. The train does not cause any delays in this case because the distance is not long. One truck is being used on each of the other routes.

a) The İstanbul-İzmir Route. This route carries those newspapers and magazines which are printed only in İstanbul, to İzmir. These include, Yeni Gazete, Saklambaç and the magazines such as Foto-Roman, Sen-Ben, Seksek etc., in the case of Hür Dağıtım. In addition of course, the truck carries the İstanbul editions of the newspapers to be distributed to the dealers on the way. The truck owned by Hür Dağıtım leaves İstanbul at 8.30 p.m. every day and passes through Yalova, Bursa, Balıkesir and Manisa, and arrives in İzmir at 4.30 a.m. which gives sufficient time for distributing to the city and to the hinterland of İzmir.

b) The İstanbul-Ankara Route. On this route also, Hür Dağıtım uses its own trucks. The truck which leaves İstanbul at 9.00 p.m. carries the İstanbul editions of Hürriyet, Günaydın, Akşam, Son Havadis, Bugün, Sabah and Ulus, to the dealers on the way to Ankara and also those newspapers and magazines which are not printed in Ankara. This route passes through İzmit and Sakarya and goes directly to Ankara. This truck also carries those newspapers and magazines to be distributed to Zonguldak, Bolu and Kastamonu. These are given to a transporter at Düzce who takes them to the cities mentioned above. This truck does not stop in İzmit in order not to lose time. These cities are taken care of by the truck which goes to Eskişehir.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
79

c) The Trakya Routes. These routes are given to transporters. One of the trucks goes to Çanakkale and the other to Edirne. The truck which goes to Çanakkale passes through and distributes to the vilayet of Tekirdağ. The other truck leaving for Edirne, distributes to the dealers in the vilayet of Kırklareli. Both trucks leave at 10.00 p.m., and arrive at 4.30 a.m. in the morning.

d) The İstanbul-Kütahya Route. The distribution on this route is done by transporters. The truck leaves İstanbul at 10.30 p.m. and on its way distributes to İzmit, Bilecik, Eskişehir and Kütahya. For distribution from the city of Kütahya to the other parts of the vilayet train is used because of the inefficiency of roads. For distribution to the Yalova-Bursa area, some of the newspapers carried by this truck are given to another transporter in İzmit.

e) The İstanbul-Uzunköprü Train Route. The train leaves İstanbul at 11.30 p.m. and arrives in Uzunköprü at 4 a.m. distributing on its way to Çerkezköy, Alpullu, Hayrabolu, Pehlivan köy, Muratlı and Uzunköprü.

Cooperation between regions sometimes occurs which both reduces costs and speeds up delivery. This can be arranged by making two trucks, each leaving a different printing center, meet at some point and exchange the newspapers and magazines that they are carrying. For example, such a meeting is arranged between İstanbul and İzmir. The truck which leaves İstanbul and goes by way of Tekirdağ to Çanakkale, meets the truck which comes from İzmir at Çanakkale. The truck coming from İzmir picks up the İstanbul newspapers and distributes them to Çanakkale, Ayvalık, Edremit etc., on its way back to İzmir.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
80

2. The Ankara Center and Its Hinterland

The Ankara offices of the Distributor companies distribute to the largest area which covers the vilayets of the Black Sea region, central Anatolia and far eastern Anatolia.

The seven main routes leaving Ankara and their scheduling are indicated below:

a) The Ankara-Adana Route. The owned trucks of Hür Dağıtım are being used on this route. The truck which departs from Ankara at 11.00 p.m. and arrives in Adana at 7.50 a.m., passes through the vilayets of Ankara, Konya and Adana on its way, and distributes to the dealers located in the kaza's of these vilayets. This truck ships to Adana, the newspapers and magazines which are not printed in Adana. Since the hinterland of Adana is large, these newspapers are received at noon or in the afternoon by the vilayets of Urfa and Malatya.

b) The Ankara-Trabzon Route. This route is a very important one because all the newspapers and magazines which are to be distributed to the eastern Black Sea coast, have to be carried on this route. The truck leaves Ankara at 11.30-12.00 p.m. and arrives in Samsun at 5.00 a.m., passing through Çorum and Amasya on its way. The same truck which continues distributing to Ordu and Giresun, finally arrives in Trabzon at 10.30 a.m.. From Trabzon to Rize and Artvin, the line is given to a transporter. This way, the vilayets close to the border have the chance of reading newspapers only in the afternoon.

There are two short routes leaving this main route: Samsun-Sinop and Trabzon-Gümüşhane. These are given to transportation companies.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
81

c) The Ankara-Antalya Route. This route was given to a transporter after some investigation, as mentioned before. The truck leaves at midnight and arrives in Antalya at 8.30 a.m. From there on small scale distribution by busses or trains, is carried out to the kaza's and villages of Antalya. This route passes through the vilayets of Eskişehir, Afyon, Isparta, and Burdur.

d) The Ankara-Sivas Route. This route is given to transporters. The truck for this route leaves Ankara at midnight and arrives in Sivas at 7.30 a.m.. All the newspapers and magazines which are to be distributed to Eastern Anatolia are sent by this route. The truck passes through Yozgat and gives some of the papers to another transporter in Yozgat who takes them to Tokat.

From Sivas to the east, road conditions are not favorable to direct transportation by trucks. Therefore from Sivas trains have to be used to reach the far eastern regions. For this reason, the vilayets of Erzurum, Tunceli, Erzincan, Kars and Ağrı receive the newspapers with a delay of 2-3 days. The fewness of the dealers in this area is also a result of this.

e) The Ankara-Kayseri Route. The truck belonging to a transporter leaves at 12.30-1.00 a.m. at night, passes through Kırşehir and Nevşehir and arrives in Kayseri at 8.00 a.m. For distribution inside the vilayet of Kayseri and the southern part of the vilayat of Sivas trains and busses are used.

f) The Ankara-Konya Route. The distribution on this route is also taken care of by transporters. The truck

THESIS

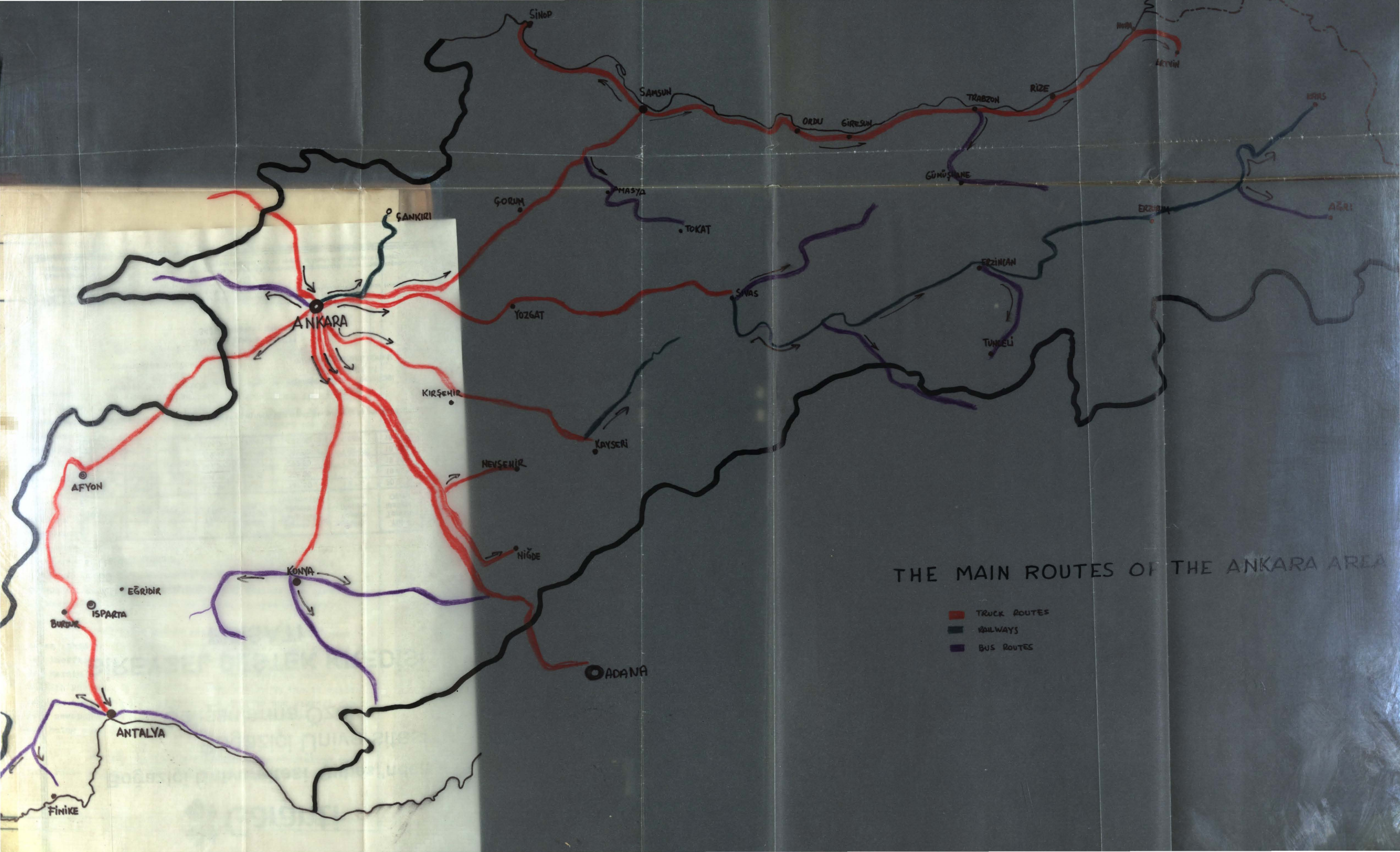
ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
82

leaves Ankara at 0.45 a.m. and arrives at 6.15 a.m. in Konya. Since Konya is the largest vilayet of Turkey, from Konya distribution by means of four routes takes place to the kaza's and villages, usually using busses or trains.

g) The Ankara-Nigde Route. The truck belonging to Hür Dağıtım leaves Ankara at 0.30 a.m. and arrives in Nigde at 7.30 a.m. and on its way distributes to some of the kaza's and villages of Ankara and Nigde.

The following map shows the Ankara area and the routes of distribution:



THE MAIN ROUTES OF THE ANKARA AREA

- TRUCK ROUTES
- RAILWAYS
- BUS ROUTES

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
84

3. The Adana Center and Its Hinterland

There are two main routes leaving Adana for southeastern Anatolia which covers the area from Adana to Muş, Van and Hakkari. Two trucks operate on each of these routes every day. Two of them leaves at midnight and carry the newspapers which are printed in Adana to the hinterland. The other two leave at 8.00 a.m. and distribute those papers and magazines which are printed in Ankara and sent to Adana. These two routes are the following:

a) The Adana-Urfa Route. Hür Dağıtım itself carries out the distribution on this route. The truck passes through the vilayets of Seyhan and Gaziantep and arrives in Urfa at 6.45 a.m.. The truck which leaves Adana in the morning at 8.00 a.m. arrives in Urfa at 4.45 p.m.. The great advantage of printing in Adana can be seen here. At Osmaniye, some of the newspapers and magazines are given to a transporter for distribution to the vilayet of Hatay.

When the papers arrive in Urfa, a transporter takes them to Diyarbakır. From Diyarbakır, again because of the inefficiency of the roads, the papers are sent to Siirt and Mardin by train. From Urfa to Van airway is being used by both Hür Dağıtım and GAMEDA. The service to Van is quite regular and four times a week, this way Van and Hakkari can read newspapers every other day. From Van to Hakkari, busses are being used for transportation.

b) The Adana-Malatya Route. Transportation on this route is also carried out by the trucks of Hür Dağıtım.

THESIS

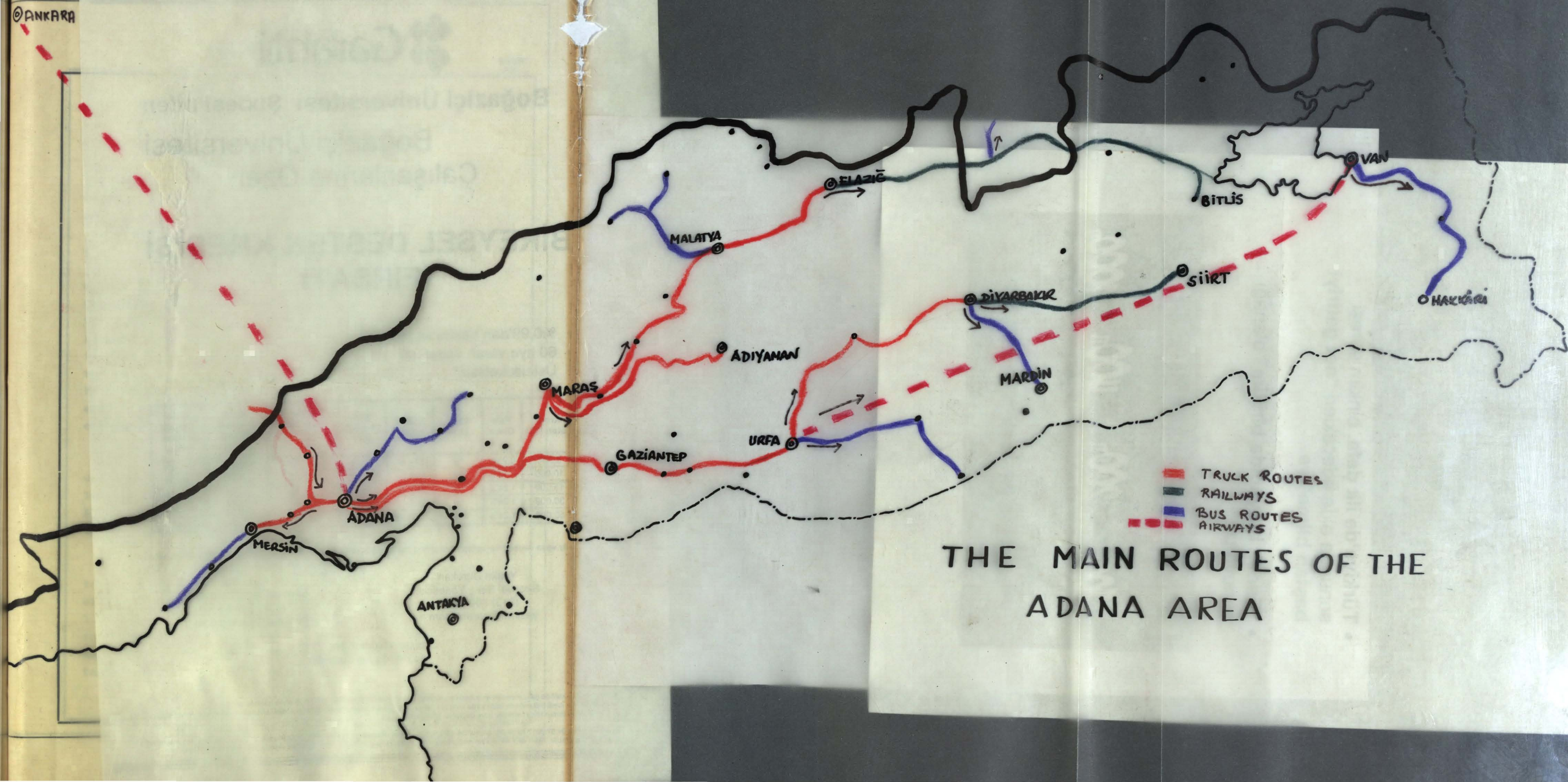
ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
85

The two trucks which leave Adana at midnight and at 8.00 a.m., arrive in Malatya at 7.00 a.m. and 5.00 p.m. respectively. From there to the vilayet of Malatya, to Bitlis and to Elazığ, busses or trains are being used. Because train transportation is slow, Bitlis and Muş receive newspapers every two sometimes three days.

The following map shows the Adana area and the routes of distribution:

ANKARA



THE MAIN ROUTES OF THE
ADANA AREA

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
86

4. The İzmir Center and Its Hinterland

There are four main routes leaving İzmir. As the case was with the Adana center, there are two services on three of these routes, one at midnight for the İzmir editions and the other at 5.30-6.00 a.m. for the newspapers coming from Istanbul.

a) The İzmir Çanakkale Route. As mentioned before a meeting is arranged with the truck coming from Istanbul, in Çanakkale. The truck which leaves İzmir at midnight distributes the İzmir editions to the dealers in the vilayets of İzmir, Manisa, Balıkesir and Çanakkale, and arrives in Çanakkale at 4.00-4.30 a.m. in time to meet the truck coming from Istanbul. After loading the newspapers which are not printed in İzmir, the truck distributes these to the same dealers on its way back to İzmir. This area therefore can read both the İzmir editions and the Istanbul editions early in the morning.

b) The İzmir-Uşak-Konya Route. Two trucks are used on this route, one leaving at 0.30 a.m. and the other leaving at 5.30 a.m.. These arrive in Uşak at 4.00 a.m. and 9.00 a.m. respectively. The trucks then continue to Afyon and the northern part of the vilayet of Isparta.

c) The İzmir-Fethiye Route. The trucks belonging to transporters leave İzmir at midnight and at 6.00 a.m. and arrive in Fethiye (on the Mediterranean coast) at 5.00 a.m. and 1.00 p.m. respectively. These trucks distribute on their way to the dealers located in the vilayets of Aydın and Muğla. In Muğla, some of the papers are given to another transporter who takes them to Bodrum.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
87

d) The İzmir-Denizli Route. On this route, the transportation is carried out by the transporters. The two trucks which leave İzmir at midnight and at 5.30 a.m., arrive in Denizli at 5.00 a.m. and 2.00 p.m. respectively, after distributing to the kaza's of Aydın and Denizli, such as Torbalı, Buldan, Karacasu, Nazilli etc.. (1)

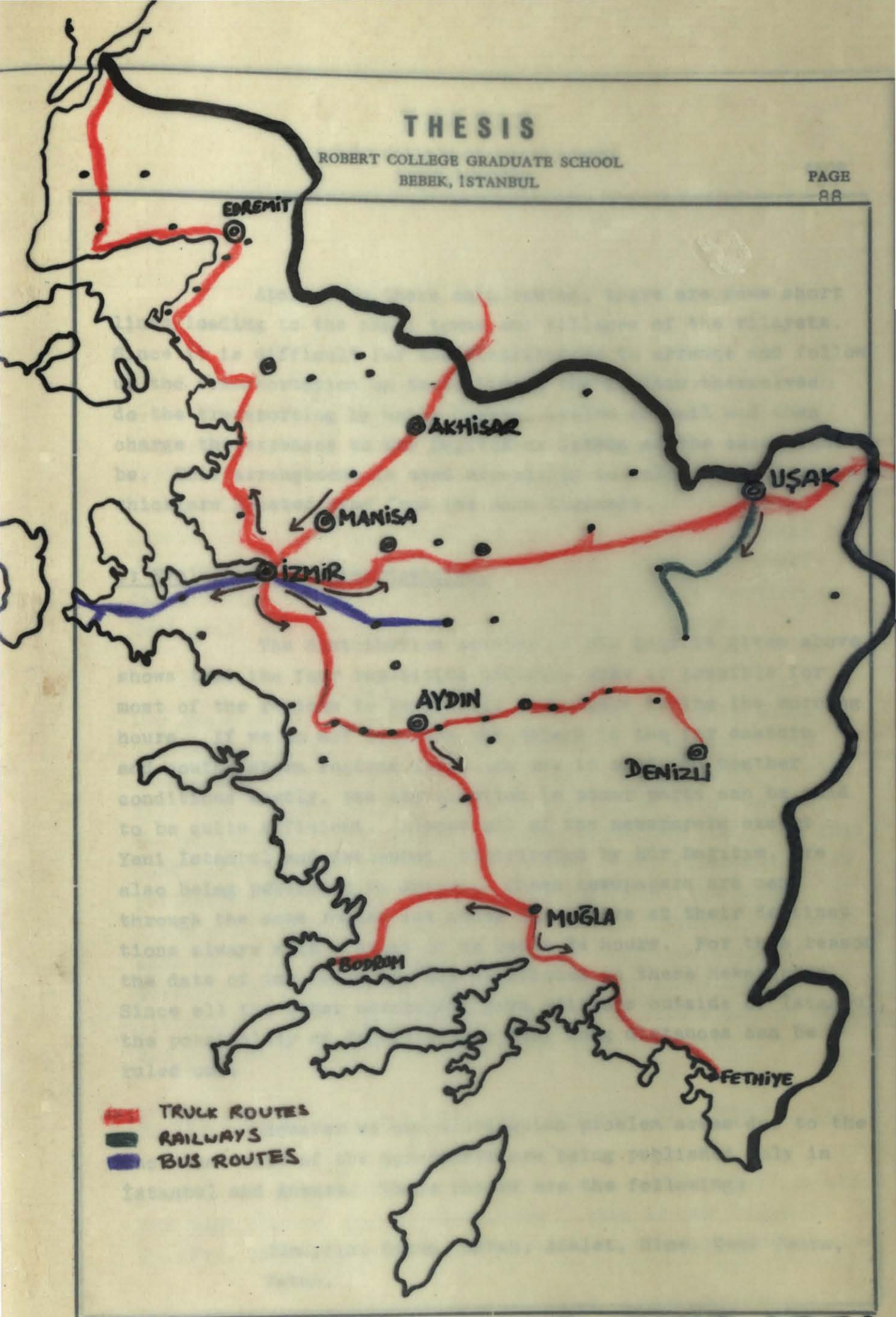
The map on the following page indicates the routes of the İzmir area.

¹For the chart showing the timing and the quantities shipped by each route, see the end of the chapter.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
88



THE MAIN ROUTES OF THE İZMİR AREA

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
89

Apart from these main routes, there are some short lines leading to the small towns and villages of the vilayets. Since it is difficult for the Distributors to arrange and follow up the transportation on these lines, the dealers themselves do the transporting by using busses, trains or mail and then charge the expenses to Hür Dağıtım or Gameda as the case might be. This arrangement is used especially to reach those dealers which are located away from the main highways.

C: Evaluation and Discrepancies.

The distribution network of Hür Dağıtım given above, shows that the four repetitive patterns make it possible for most of the regions to read daily newspapers during the morning hours. If we do not consider the delays in the far eastern and southeastern regions which are due to road and weather conditions mostly, the distribution in other parts can be said to be quite efficient. Almost all of the newspapers except Yeni İstanbul and Saklambaç, distributed by Hür Dağıtım, are also being published in Ankara. These newspapers are sent through the same routes and means but arrive at their destinations always with a delay of at least 24 hours. For this reason the date of the following day is printed on these newspapers. Since all the other newspapers have editions outside of İstanbul, the possibility of delays due to very long distances can be ruled out.

However we can distinguish problem areas due to the fact that some of the newspapers are being published only in İstanbul and Ankara. These papers are the following:

Günaydın, Bugün, Sabah, Adalet, Ulus, Yeni Tanın,
Vatan.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
90

The two problem areas of Hür Dağıtım are those given below:

1. The İzmir Area. Some of the newspapers which are not printed in İzmir are sent from İstanbul through the (İstanbul, Yalova, Bursa, Balıkasır, Manisa route) to İzmir and arrive there at 7.00-7.30 a.m.. We know that three main routes leave İzmir for Konya, Denizli and Fethiye. Because these papers are picked up at 7.30 a.m. in İzmir, the hinterland can receive them at noon or in the afternoon. This is a great disadvantage for these newspapers in comparison with Hürriyet, Yeni Asır and the newspapers distributed by GAMEDA.

2. The Adana Area. A similar situation exists in the Adana area. As we know, the truck which goes to Adana, leaves Ankara at 11.00 p.m. and arrives at 7.30 a.m.. The newspapers that are not printed in Adana have to come through this route. Therefore the hinterland of Adana which covers the vilayets of Urfa, Malatya, Hatay, Gaziantep etc., can only read these papers late in the afternoon. The disadvantage is reflected in the circulation figures such that the total circulation of the newspapers which are not printed in Adana adds up to 50 430 units daily, whereas the circulation of Hürriyet in the same region (the vilayet of Adana and its hinterland) has reached 73 795. The local newspapers of Adana are not yet in a position to compete with Hürriyet.

D: The GAMEDA Distribution System, Compared With Hür Dağıtım.

In general, GAMEDA follows the same routes and uses the same kind of transportation facilities as Hür Dağıtım. However, there are some minor differences concerning the routes

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
01

and timing.

As we know, the most important newspapers distributed by GAMEDA and which have high circulation figures are: Milliyet Tercüman and Cumhuriyet. These newspapers as Hürriyet and Akşam are being published in Ankara, İzmir and Adana, therefore delays in distribution are very rare and pertain to those areas where transportation facilities and road conditions do not permit efficient distribution. In addition, there are some newspapers which are published only in İstanbul and Ankara, which are: Dünya, Hakikat and Bizim Anadolu.

In contrast to Hür Dağıtım, no problem areas exist in the distribution of these newspapers, because airways are being used for the İstanbul-İzmir and Ankara-Adana routes. GAMEDA is able to use airways because the volume to be sent is little and the cargo space in the passenger airplanes is sufficient, thus not necessitating special flights. This way the transportation cost is 2 kş. per newspaper which is not more than land transportation charges. This provides for the arrival of the newspapers mentioned above, in Ankara and İzmir on the day that they are printed. GAMEDA carries out the distribution of two other newspapers, Yeni Asya, published in İstanbul and Zafer, published in Ankara. These newspapers do not create problems because their circulations are not extensive and from those to be sent far, the date of the following day is being printed.

GAMEDA, as Hür Dağıtım uses airways to reach the vilayets of Van from Diyarbakır. The airways mentioned earlier are supplementary to the original truck routes.

The Distribution of Magazines

Because timing is not a problem in the distribution

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
92

Of magazines, no need for editions outside of Istanbul has yet arisen. Because most of the magazines are weekly or fortnightly printing is arranged to start 3-4 days in advance. Those which are sent far are distributed first and those which are to be sent to the regions around Istanbul are the last to be printed. The magazines are shipped as soon as they come out of the printing machine which means that no stocks are allowed.

The magazines are distributed through the same routes and to same dealers as those mentioned in connection with newspapers. To lower the costs trains can be used to a greater extent than the case was with newspapers without causing delays. Air transportation is never used for magazines except for shipment to foreign countries.

Distribution in Ankara

A setup which is exclusive to the city of Ankara is the following: Since the city of Ankara does not cover a very wide area, GAMEDA and Hür Dağıtım do not operate through dealers or head dealers in this city. By bypassing the dealers they distribute to the ultimate sellers which means of course, a higher profit margin for the ultimate sellers in Ankara. This was first started by Hür Dağıtım for competition purposes, but GAMEDA soon followed. The Distributor companies give the shareholder newspapers at 40 kş., and the customer newspapers at 42 kş. to the ultimate sellers, which leaves a margin of 8-10 kş. to these sellers. The same thing is true for the magazines.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
93

E: The İstanbul Distribution System.

Since about $1/3-1/2$ of the sales are made in İstanbul in the case of newspapers and about $2/5$, in the case of magazines, the İstanbul distribution system has always been separate. GAMEDA is not involved in the distribution of its newspapers in İstanbul, instead head dealers are being employed who are directly responsible to the publishers. But in the case of İstanbul, in contrast to some cities mentioned earlier, both the distribution and collection are being carried out by the İstanbul head dealers.

The important daily newspapers, Tercüman, Milliyet and Cumhuriyet have their own separate head dealers. The other newspapers with less financial means cannot afford to undertake this by themselves and therefore employ the head dealers of the newspapers mentioned above. This organization works as follows: The İstanbul head dealer, by using his means of transportation picks up the newspapers at the printing houses, that is, the publishers are relieved of the burden of delivering to the head dealer. The other dealers located in the city of İstanbul (within the municipal boundaries) come to the head dealer to get the newspapers and magazines, and use their own facilities to distribute to the ultimate sellers which add up to about 550-600 in number. However, in order to compensate for the expenses undertaken by the head dealer in connection with picking up the newspapers at the printing houses, the papers are given to the head dealer at 38 kş. instead of 40 kş. The head dealer in turn deducts 2 kş. before giving the newspapers to the 22 dealers located in the city of İstanbul.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
94

For distributing the shareholder newspapers and magazines of Hür Dağıtım, a separate office is established which is responsible to the vice president of Hür Dağıtım. This office which is called the İstanbul Bureau of Distribution, acts very much like a head dealer. However, in contrast to the head dealers, the distribution to the 22 dealers in İstanbul is done by the vehicles of this bureau and the newspapers are delivered at a lower price, usually at 39 kş. per unit, thereby increasing the profit margins of the dealers and the ultimate sellers.

This can be considered as price competition undertaken by Hürriyet, Günaydın and Saklambaç (and the shareholder magazines), to induce the dealers and the ultimate sellers in İstanbul to sell more.

F: The Subscription Method in Distribution.

When a reader wants to become a permanent customer of a newspaper or a magazine, he does this through subscription and is thus assured of receiving his newspaper or magazine at his door. However, subscription carries two meanings which are quite different from each other.

1. Subscription by Mail. In this method, the reader subscribes directly to the publisher or the main distributor and deposits a certain amount of money equalling six month's or one year's purchases. In return for this he receives a discount on the price of the newspaper or magazine concerned. This method is popular in the U.S.A and Europe especially for selling magazines within the countries or abroad. As dependence upon postage is the main characteristic of this system, it is more suitable to magazine distribution where timing is of lesser importance.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
95

In Turkey, the mail subscription method was being used, although on a small scale, until the establishment of the large Distributor companies. However as the train and airline services are not very efficient, the method was causing significant delays and was later almost abandoned because even in Istanbul the newspaper, by mail, does not arrive until the afternoon. This method is sometimes being used by newspapers for advertising purposes where the copies are sent free of charge, but never exceeding 20-30 copies and for a limited period of time. In the magazine field some subscription still exists, but it is negligible. One of the reasons for abandoning it was that theft occurred frequently in mail. In the case of the magazines sent to foreign countries subscription is used by the publishers. For example Hayat has 1 500 subscribers outside of Turkey.

2. Subscription Through Ultimate Sellers. This method is the most advanced one and it is being used to a great extent in the U.S.A., Europe and in Japan. This method is applied in the following manner: The sellers and the readers arrange between themselves for daily or weekly delivery of newspapers and magazines to their homes. No advance payments or discounts are involved in this method and the payments are made at the end of each month (usually) to the ultimate sellers. In the big cities of Turkey this is applied, however it cannot be used in Anatolia for the following reasons:

a) Readers are indecisive.

b) Delivery to the door is difficult in the villages because some villages cannot be reached easily and the houses are widespread.

c) It is difficult to find newsboys because some families feel humiliated if their children become newsboys.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
96

In the U.S.A., obtaining subscribers is so important for the newspapers that they conduct campaigns for persuading the families into encouraging their children to become newsboys.

As the increasing and stabilizing of demand is very important for the newspapers, this method of subscription is what all newspapers and magazines are looking forward to. For the "boulevard" newspapers in Turkey, this is even more important because their sales fluctuate greatly. In the more advanced countries almost all of the newspapers published are being distributed through this method. For example in Japan, of the 6 000 000 units of newspapers published every day in Tokyo, 5 900 000 are being distributed by the subscription method to the homes.

ISTANBUL	DEPARTURES					DISTANCE Km	QUANTITY SHIPPED
	8 pm	9 pm	10 pm	10.30 pm	11.50 pm		
İZMİR arr.	4.30 am					603	144 455
ANKARA ROUTE arr.		6.30 am				400	67 564
ĞANAĞKALE arr.			4.30 am			337	25 228
EDİRNE arr.			4.30 am			235	36 826
KÜTANYA arr.				6 am		353	113 105
UZUNKÖPRÜ					4 am	220	45 83

A: The

new

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

ADANA	DEPARTURES					DISTANCE Km	QUANTITY SHIPPED
	8 ⁰⁰	00 ⁰⁰					
MALATYA arr	5 am					426	56 034
ELAZİĞ arr	7 am					101	
BİNGÖL arr	10 am					141	
MUŞ arr	00 ³⁰ pm					120	
BİTLİS arr	2 pm					85	
GAZİANTEP arr		4 am				218	
URFA arr		7 am				146	55 426
MARDİN arr		11 am				190	
SİİRT arr		5 pm				307	
ANTAKYA							21 792

send

office

tions

ANKARA	DEPARTURES							DISTANCE Km	QUANTITY SHIPPED
	11 pm	11.30 pm	12 pm	00 ⁰⁰	00 ³⁰ am	00 ⁴⁵ am	01 am		
ADANA arr.	7.30 am							486	156 998
SAMSUN arr.		5 am						417	
TRABZON arr.		10.30 am						363	116 836
RİZE arr.		12.30 am						79	
ARTVIN arr.		4.30 pm						174	
KAYSERİ arr.					8 am		9 am	326	24 272
ANTALYA arr.				8.30 am				549	58 934
NİĞDE arr.					7.30 am			334	
KONYA arr.						6.30 am		260	30 185
YOZGAT arr.				3 am				220	
SİVAS arr.				7.30 am				447	71 696

Quantities are the sums of GAMEPA and HÜR DAĞITIM shipments

The quantities show the amounts distributed from the center to the city indicated

İZMİR	DEPARTURES				DISTANCE Km	QUANTITY SHIPPED
	00 ⁰⁰	00 ³⁰ am	05 ³⁰ am	06 ⁰⁰ am		
ĞANAĞKALE arr	4 am				337	30 528
UŞAK arr		4 am	9 am		225	18 368
AYDIN arr	2 am			8 am	125	56 80
MUĞLA arr	4 am			10 am	146	11 568
FETHİYE arr	7 am			1 pm	138	7 500
DENİZLİ arr	5 am		2 pm		249	25 783

CHART SHOWING THE TIMING AND THE QUANTITIES SHIPPED

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
97

CHAPTER VIII

FINANCING

A: The Financing Of The Distributor Companies

The financing of GAMEDA, Hür Dağıtım or BATEŞ is never done by issuing shares, bonds or by bank credit. Under the system of payments being applied, shortages of cash occur very rarely and in such a case, the partner newspapers or magazines would be ready to help. Although Hür Dağıtım and BATEŞ are corporations, the shareholders are reluctant to have other partners among them.

The companies have very high yearly sales figures. The value of the newspapers handled by GAMEDA in one year adds up to 75-80 000 000 TL. and the value of those distributed by Hür Dağıtım amounts to about 150-160 000 000 TL. As mentioned earlier, the companies do not have a profit motive when dealing with their shareholders, therefore their profits cannot be calculated by taking a certain percentage of their sales volume. The company and the important employees receive commissions at the end of each year according to the volume achieved, however the amounts are kept confidential, by the Distributors.

The financing of the branch offices is done by sending the cash needed from the headquarters in İstanbul. The offices are not allowed to deduct their expenses from the collections they receive.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
98

The Distributor companies prepare budgets every year, using a very arbitrary approach to appropriation. These budgets are not based upon investigation or forecast, and are flexible.

B: The Collection System

Maintaining a strong circulation depends as much on a prompt and regular collection system as it does upon the sales and distribution policies applied. Through experience, the Distributors have arrived at a system of collection which is quick and efficient under the circumstances, meets the cash requirements of the companies and the publishers, and does not put the dealers under pressure.

The whole channel of distribution in Turkey, works upon credit, as it does on all countries. Payments are made only after sales have been realised.

Security is required by the Distributors, both from the head dealers and the dealers. This security which is equal to one month's sales (realised by the dealer), can be in the form of cash, letter of credit and sometimes mortgage on real estate.

As mentioned earlier, collections are received by the Distributors about 20-22 days after sales are made. Payments to the publishers are made every 15-20 days considering the time of collection. It would be to the advantage of the publishers and the Distributors to collect the money in a shorter period and to invest it, but it would be impractical from the point of view of both the Distributors and the dealers because

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
99

preparing the invoices takes very long and the dealers would not want the additional burden of collecting in a shorter period. For collecting from the foreign countries, invoices are prepared once every month because of the long export procedures.

Since İstanbul covers a small area, collection is on a weekly basis in İstanbul, in contrast to the rest of Turkey. Invoices are prepared every week, and the head dealers have to submit the money collected on the Tuesday of each week, to the publishers since GAMEDA is not involved in the distribution and collection in İstanbul. The collection system of the İstanbul Office of Distribution of Hürriyet is also on a weekly basis.

C: The Distribution Expenses As A Percentage Of The Price Of A Newspaper Or A Magazine

The expenses of the Distributor companies can be discussed under two headings:

1. Physical distribution expenses
2. Administrative expenses

1. The physical distribution expenses are those of packaging and transportation which may be the expenses paid to the transporters, to P.T.T., to THY or as is the case with Hür Dağıtım the maintenance expenses of the transportation facilities which they own.

Expenses of distribution vary according to the route used, depending upon whether it is short or long, whether transportation is by train, busses, trucks or by air and whether

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
100

transporters are being used or not. In general the expenses of the southeastern routes are high because the routes are long, roads are not in good condition, and it is difficult to find transporters on those routes. In addition, air transportation has to be used for some lines such as the Diyarbakır-Van line. Expenses are as high as 5 kş. per unit of newspaper on these routes which means 10% of the price. In contrast to this, the shipment to some regions such as those around Ankara and İstanbul costs much less, so that the average cost of distribution is lowered. The average cost of physical distribution is 2kş. per unit in the case of GAMEDA and 3-3.5 kş. in the case of Hür Dağıtım. Since Hür Dağıtım is stronger financially, it can afford to own its transportation facilities which increases the costs. One of the reasons for using owned facilities is the desire of Hür Dağıtım to be self-sufficient.

The average per unit cost of physical distribution is 4% of the price of one newspaper in the case of the papers distributed by GAMEDA, and 6-7% in the case of those distributed by Hür Dağıtım.

2. Administrative expenses are those of salaries paid to the employees, rents paid for the offices and the return depots, supplies used in the offices, travelling expenses of the managers and other expenses needed to run the offices. These expenses constitute about 3-4% of the price of one newspaper in the case of both GAMEDA and Hür Dağıtım.

The overall distribution expenses are:

$4\% + 3-4\% = 7-8\%$ for GAMEDA

$6\% + 3-4\% = 9-10\%$ for Hür Dağıtım

In the case of magazines, the total distribution charges are not more than 4% of the price, because of higher prices

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
101

CONCLUSION

A: The Conclusions of the Study.

The following conclusions have been arrived at:

a) The establishment of the large Distributors in Turkey, the development towards local editions and repetitive patterns of distribution, and the application of concentrated circulation policies have paralleled the process in the more developed countries. However compared with European methods which are the result of scientific investigation, the methods in Turkey can be considered to be in a development stage. The hiring or purchasing of airplanes or the installation of T.V. communication systems cannot be thought of for the distribution in Turkey because the costs would be too high and the present volume is not enough to justify the necessary investment. The hiring or purchasing of an airplane has once been thought of by GAMEDA and Hür Dağıtım, but the physical distribution cost per unit of newspaper was estimated to be 8-9 kş., which is four times as much as the present cost of distribution. Therefore the project was dropped.

b) As no institution springs up by itself, there have been many environmental forces which nourished the establishment of these Distributor companies, such as:

- 1) The general economic development of Turkey.
- 11) The increase in literacy.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
102

iii) The increase in the volume of circulation.

iv) The improvement of road conditions and communication in general.

c) The improvement of newspaper distribution in Turkey is quite remarkable considering the very short period in which it took place. Whereas before 1960, most of Turkey did not receive the daily newspapers of Istanbul. Now even the vilayets of Van, Hakkari and Agri receive newspapers three or four times a week. This improvement was beneficial also from the point of view of opening up employment possibilities, since thousands of people, dealers and ultimate sellers, are now employed in this business.

d) The Distributors are not very scientifically oriented, however investigations of timing, efficiency, possible new routes, and cost and profit analyses are being carried out by the companies. This is being carried out not by a special department or personnel trained for this purpose, but by the managers during their spare time.

Whenever the need arises, the companies look for improvement. For example, Hür Dağıtım is considering to install a telex system for faster and better communication.

e) The discriminative policies of GAMEDA, Hür Dağıtım and BATEŞ towards their shareholders cannot be justified because this improves the position of the stronger newspapers and magazines at the expense of those which are financially too weak to afford the setting up of their own distribution organs.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
103

f) Hür Dağıtım and GAMEDA are the only two competitors in the field of newspaper and magazine distribution and they share the total market. Any improvement, concerning new routes, efficiency etc., is learned and applied immediately by both companies, therefore both companies are in the same position with respect to business efficiency. This keen competition has been helpful to the distributors and the publishers on the one hand, and the public on the other because they profit from the improvements made.

g) In spite of the efforts of the distributors, certain problem areas exist. The problem areas result either from insufficient road conditions or inefficient timing of distribution. For the first category of problem areas the Distributors cannot do anything but in the case of those which result from inefficient timing some measures need to be taken. For example, the İzmir and Adana problem areas can be prevented if Hür Dağıtım carries out some investigation concerning the possibility of using airways to a greater extent. We know that delays are caused by those newspapers which are not printed in İzmir and Adana. By printing these newspapers a few hours earlier and by hiring small trucks which leave İstanbul and Ankara at an earlier hour than the usual departure time of the vehicles, this could be prevented. However, the costs of such an activity should also be investigated.

We know that the hinterland editions are begun to be printed at about 8.30 p.m. and are shipped at about 0.30 am from Ankara, Adana and İzmir, whereas the shipment from İstanbul is started at 10.00-10.30. p.m.. The reason for this is that printing can start only after the matrices are received and the necessary changes are made. If a solution can be found for starting the printing and shipping earlier, the Black Sea Coast

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
104

and some of the eastern and southeastern regions may be able to read newspapers in the morning.

h) The Distributor companies have been successful in reducing the costs of distribution to 7-8% of the price which is to the advantage of the publishers and the ultimate sellers whose profit margins have thereby increased.

i) The relations with the dealers can be considered to be satisfactory since no important disputes have so far arisen. This is due both to the efficient follow up of the dealers and to the satisfactory margins allowed to them.

j) The distribution to foreign countries will increase as the number of Turkish workers in those countries increases. As transportation prices are high and profit is low, the printing of the European editions on special paper for air shipment, could be tried, as the case is with other countries. However, the possibilities of finding this kind of paper at suitable prices must also be investigated.

B: The Future of Newspaper Distribution.

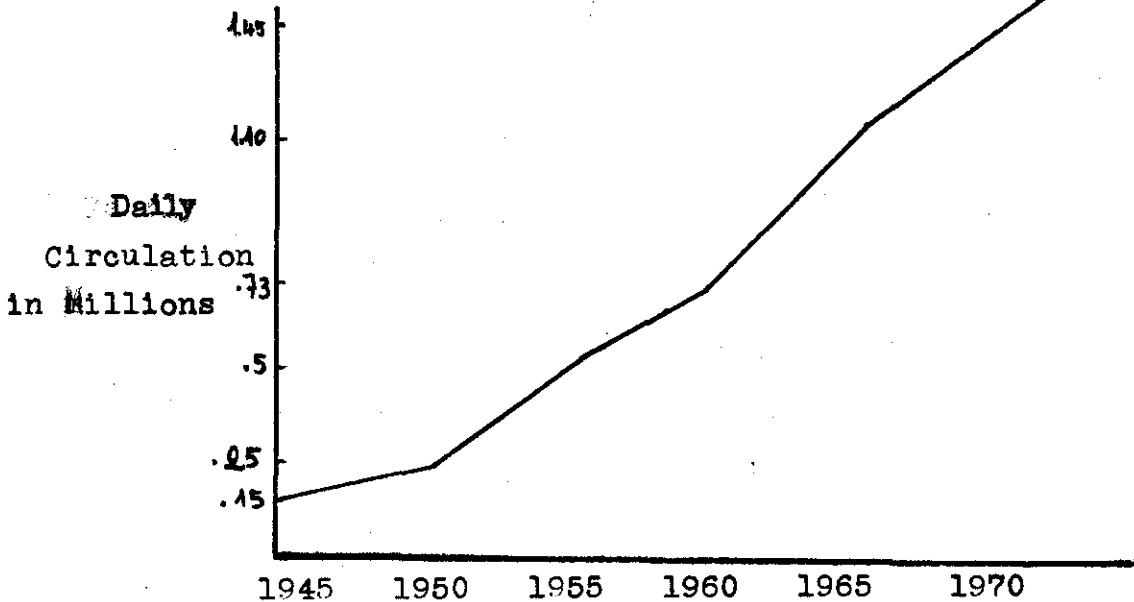
If the economic development and improvement in roads continue, the circulation in Turkey can also be expected to increase. The following graph shows the increase in total circulation since the year 1945: (The figures are yearly averages)

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
105

The Increase of Total Circulation
since 1945. (Local newspapers excluded)



If the trend shown above continues, the total daily circulation of newspapers will reach 1 650 000 units in 1975 and almost 2 000 000 in 1980. This increase will also affect the methods of distribution, and the organizations of the large Distributors.

Another trend is towards the offset printing technique. Already some newspapers such as Son, Günaydın, Tercüman and Saklambaç have begun using this technique. In about two years all newspapers will be employing it, since it is the newest and the best method available. The essence of this technique is photographing the pages which are written by IBM typewriters and then photocopying them. This highly expensive method is estimated to increase the circulation of all newspapers by at least 25%.

The leading newspapers such as Hürriyet, Cumhuriyet Tercüman and Milliyet, as mentined earlier, are considering to

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
106

start local editions in Erzurum or Diyarbakır. If this is done changes in patterns of distribution are likely to take place which will make the newspapers available earlier. The Distributors will have to change their organizations and establish new branch offices and return depots as needed.

Possibility of Establishing Other Distributors

In the establishment of the Distributors, a common phenomenon is the coming together of at least 5-6 newspapers and magazines in order to make collective dealing possible. The reason is that no newspaper, even if it has the highest circulation, can afford to carry out its distribution alone. This would mean that we cannot expect the individual publishers to open up their own distribution organizations in the future. This can only be true of local newspapers which are not sent far.

In contrast to what we have said above, very soon, by the end of June 1970, Hürriyet and Veb Ofset groups will be separated and Veb Ofset which publishes, Günaydın, Saklambaç, Foto-Roman, Foto-Spor, Pazar, Sen-Ben, 1001 Roman, Seksek etc., will establish its own Distributor company. However, this is not because the trend is in this direction but because misunderstandings arose between Hürriyet and Veb Ofset. The basis of the misunderstandings was that Hürriyet was hindering on purpose, the efficient distribution of Günaydın and Saklambaç, whose daily circulations have reached 400 000 and 250 000 respectively and which have become important competitors of Hürriyet. As a result of this separation, the following problems would be likely to arise:

a) Because of the lesser volume of business left to Hür Dağıtım, costs of distribution will rise and they may have

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE
107

to abandon using their own vehicles.

b) Laying off of some of the personnel working in the branch offices may become necessary.

c) In the case of the Veb Ofset distribution company, extra efforts will have to be spent in order to persuade the dealers into giving more security.

d) The dealers may be unwilling to deal with three companies instead of two concerning money transactions and this may cause delays in collection.

e) c and d may result in a temporary decrease in the sales of both Hürriyet and Veb Ofset, in some parts of Anatolia.

In general we can say that the future of newspaper and magazine distribution in Turkey is quite promising. New techniques and methods are being applied and a continuous improvement can be noted. Customer orientation is well realised in the marketing and distribution of printed matter and will continue to be more so in the future.

THE S I S

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE

APPENDIX I

NEWSPAPERS PUBLISHED JUST BEFORE AND DURING THE WARS OF INDEPENDENCE

Ahenk	1904	İzmir
Köylü	1904	İzmir
Babalık	1911	Konya
Hakem	1909	Konya
Meram	1910	Konya
Osmanlı	1911	Konya
Tekamül	1914	Konya
Telgraf Haberleri	1918	Konya
İntibah	1919	Konya
Halk	1922	Konya
Hedef	1924	Konya
Öğüt	1920	Konya
Dicle	1910	Diyarbakır
Yeyman	1910	Diyarbakır
İzmire Doğru	1919	Balıkesir
Doğru Söz	1919	Balıkesir
Ses	1919	Balıkesir
Rumeli	1904	Selanik
Yeni Adam	1919	Adana
Türk Sözü	1920	Adana
Çiftçi Gazetesi	1909	Yozgat
Albayrak	1913	Erzurum
Varlık	1921	Erzurum
Hakikat	1918	Bursa
Mücadele-i Milliye	1921	Sivas
Gaye-i Milliye	1921	Sivas
Emel	1920	Amasya
Hak Yolu	1921	Amasya

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, ISTANBUL

PAGE

102

Trakya	1919	Edirne
İstikbal	1918	Trabzon
Trabzon	1922	Trabzon
Işık	1918	Giresun
Adalet	1919	Bandırma
Ordu Bucak	1920	Ordu
Amali Milliye	1920	Elazığ
Derdli	1919	Bolu
Türk Oğlu	1921	Bolu
İrşad	1921	Eskişehir

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE

APPENDIX II

THE MAIN DAILY NEWSPAPERS IN TURKEY

The names of the most important newspapers being published in Turkey at present, are the following:

In İstanbul:

Hürriyet, Cümhuriyet, Milliyet, Yeni Gazete, Son, Akşam
Son Havadis, Tercüman, Yeni İstanbul, Dünya, Haber, Ekspres,
Her Gün, Son Saat, Günaydın, Saklambaç, Yeni Tanin, Vatan, Bugün

In Ankara:

Ulus, Zafer.

In İzmir:

Yeni Asır, Sabah Postası, Demokrat İzmir.

In Adana:

Yeni Adana, Vatandaş, Bugün, Türk Sözü.

In Eskişehir:

Eskişehir.

In Bursa:

Hakimiyet, Yeni And.

In Edirne:

Edirne Sesi.

In İzmit:

Türk Yolu, Hürses, Demokrat.Kocaeli.

In Aydın:

Hür Aydın.

In Antalya:

Şelale, Atayolu.

In Samsun:

Demokrasinin Müdafii.

THESIS

ROBERT COLLEGE GRADUATE SCHOOL
BEBEK, İSTANBUL

PAGE
111

BIBLIOGRAPHY

Interviews:

1. The president of GAMEDA Ltd. Şti. Ruhi KOÇOĞLU.
2. The president of BATEŞ Bayıcılık Anonim Şti.,
Ümit KORTUN.
3. The vice-president of HÜR Dağıtım Anonim Şti.,
Mahir ATAMAN.
4. The publishing Manager of HAYAT Mecmuası,
Hikmet FERİDUN ES.
5. The assistant manager of MİLLİYET Gazetesi,
Erol ÖKTEM.

Books:

1. Rucker and Williams, Newspaper Organization and Management, The Iowa State University Press, Ames, Iowa, 1965.
2. Şapolyo, Enver Behnan, Türk Gazetecilik Tarihi ve Her Yönü İle Basın, Güven Matbaası, Ankara, 1969.
3. Ertuğ, Hasan Refik, Basın ve Yayın Hareketleri Tarihi, Sulhi Garan Matbaası, 1960.