


FREE DAILY NEWSPAPERS

FND NEWSLETTER NO. 3 – JANUARY 2005 – WEBSITE: users.fmg.uva.nl/pbakker/freedailies

Launches: Portugal & Spain

Metro Lisbon takes off


 *Metro* Lisbon was launched on December 30, 2004. Grupo Media Capital (commercial broadcaster) has a 35% stake in the operation. Media Capital will provide editorial content for the new paper. An exclusive distribution contract with public transport (Metropolitano de Lisboa) is secured. *Metro* will also be distributed through racks.



The circulation is 100.000 according to *Metro*. Total Portuguese circulation in 2003 however was only 570.000 – meaning that *Metro* could have a market share of 15% already. In 2003 *Metro* expressed plans for

Portugal. On November 25, 2004 the Lisbon plans were announced. Lisbon has already two strong free weeklies: *Destak* and *Jornal da Região*. There are no plans yet for Porto, the second city in the country. The Portuguese edition extends the *Metro* operation to 17 countries.

¿A million Qué!?

 Recoletos launched *Qué!* in twelve Spanish cities on January 18 2005. Initial circulation is said to be around a million. There will be a staff of 140 journalists working for the paper. *Qué!* will invest in their online edition (www.quediario.es) and are trying to incorporate many online features (blogs and readers photographs) in the printed paper as well. A marketing campaign of more than 8 million Euros will accompany the launch. Recoletos also owns sports paper *Marca* and financial paper *Expansión*.



In Oviedo, Mallorca and Vigo *Qué!* is the only free paper. In Sevilla, Madrid, Barcelona, Allicante and Zaragoza it will compete with *Metro* and *20 Minutos*. In Valencia it will face also *La Micalet* and *Mini Diario* making Valencia a five-free paper city. In La Coruna only *Metro* is present while it will compete with *La Nervion* in Bilbao and with *Que Pasa* in Malaga.

Schibsted launched a Malaga edition (the 7th in Spain) of *20 Minutos* (circulation 50.000). Total circulation of *20 Minutos* in Spain will be 720.000. Total Spanish free paper circulation will be more than 2.5 million (from 300.000 in 2000). Paid newspapers had a combined circulation of 4.2 million in 2003, meaning that almost 40% of the total Spanish circulation consists of free daily newspapers.

Merger: Singapore

Pulling the plug from Streets



The merger of the TV and free newspapers activities of MediaCorp and Singapore Press Holdings (SPH), already announced in August 2004 was completed on January 1, 2005, resulting officially in 'incorporating' *Streets* in *Today*.




The operation however, looks more like the closure of *Streets*, only the name survives in the masthead (left) of *Today*. In the edition of 31 December 2004, *Today* happily announced: 'Goodbye to Streets'. The last farewell *Streets* edition counted no less than 92 pages. *Streets* had a staff of 44 people at the end. The 'merger' resulted also in pulling the plug from the afternoon edition that was

only launched in March 2004. Government owned publisher MediaCorp will be the majority (60%) shareholder in *Today*, SPH will have the remaining shares.

Streets and *Today* were both launched in the fall of 2000. Metro International started talks in 1999 with subway operator SMRT but was either dropped by the consortium (MediaCorp, SMRT, Singtel) or was unable to get a newspaper license in 2000. Another SPH newspaper *Project Eyeball* was dropped in 2001, less than a year after it's launch.


Circulation & Readership: the Netherlands, Hungary

Spits & Metro 2nd & 3rd

 Free newspapers *Spits* and *Metro* rank 2nd and 3rd in readership survey November 2003 – October 2004 with 11.6% and 9.3% of all Dutch readers (13+ age group) reached. *De Telegraaf* is still leading newspaper (17.2%) but the second paper in the Netherlands, *de Volkskrant* reaches only 5.6% while *Algemeen Dagblad* (third in paid circulation) ranks 4th with 7.9%. (Source: www.nommedia.nl.)


Owner *De Telegraaf* reported that *Spits* showed the first profits in 2004 – the paper was launched in June 1999.

Metro second after *Blikk*

 *Metro* Hungary was the 3rd read paper in the country in the first half year of 2004 (506.000 readers), in the third quarter is was already 2nd (after *Blikk*) with 600.000 readers.

Publishers: Finland, France, USA, Sweden

Sanoma builds freebie unit

 Sanoma Corporation (part of Sanoma WSOY Group) expands their free sheet operation. In June 2004 Sanoma bought the free daily *Uutislehti 100* from Janton Oyj (after selling their 20% interest in the company in December 2003). The new business unit will contain this title and free weeklies *Kellokasa* and *Hyvinkään Kellokas*, which will be published twice a week instead of once. Also


Sanoma bought free sheet *Palvelulehti Itäväylä*. This title will also be included in the new business unit Sanoma Kaupunkilehdet.




Sanoma Corporation publishes

Helsingin Sanomat, the largest daily in the Nordic region. Mikael Pentikäinen, Sanoma Corporation's President: 'We have been closely monitoring the market for free sheets and papers distributed in public transport systems. International examples indicate that these papers will be a growing advertising medium. They also develop potential readers for traditional newspapers.' (Source: Sanoma).

Healthy journalism at Socpresse

 Ten percent of the staff of Socpresse (270 in total) has left between June and December 2004 because of the takeover by the Group Dassault and the ideas of Serge Dassault about 'healthy' journalism. Socpresse owns among other assets (70 titles) *Le Figaro*, *Le Progrès* and *La Voix du Nord*; these two last papers publish the free dailies *Lyonplus* and *Lilleplus*. (Source: www.acrimed.org.)

NYT enters Boston *Metro*

 Metro International and the New York Times Company (owner of *Boston Globe*) have announced a new joint venture, which will publish the Boston edition of *Metro* (launched in 2001). The New York Times Company bought 49% of the shares for 16 million dollar. *Metro* Boston and the *Boston Globe* agreed in 2002 already on joint recruitment advertising.

Tabloid *Boston Herald* will file a complaint against the new joint venture because it feels it is faced with unfair competition by *Metro* ('that freebie tabloid so expertly thrust in the faces of MBTA commuters'). The tabloid has explained the Herfindahl-Hirschman Index to its readers (!), called for a boycott (see below) and directed complaining readers: 'We hope you'll join us in this fight in the days ahead by contacting your senators, your congressmen and the U.S. Department of Justice. Letters to the latter should be directed to John R. Read, chief of Litigation III Section, Anti-Trust Division, U.S. Department of Justice, 325 7th Street, N.W., Suite 300, Washington, D.C. 20530.' (*Boston Herald*, Jan. 11)

Metro execs forced to resign



Blogger Rory O'Connor forced *Metro* execs Hans-Holger Albrecht and Steve Nylund to resign after he broke the news of racist remarks being made at *Metro* meeting in Rome in 2003. (Nylund will still be vice president of *Metro* – a phony resignation according to the *Boston Herald*.) At that meeting, Steve Nylund, *Metro*'s North America executive told a joke beginning with: 'There were two niggers standing by a pool, and they took their dicks out' according to former Boston *Metro* editor John Wilpers, who told O'Connor. (Wilpers, by the way, will be heading the new free paper *Washington Examiner*.) In August 2002 Albrecht hosted a Stockholm meeting and started by saying 'Good evening, Ladies, Gentlemen and Niggers.' (source: www.roryoconnor.org).

After this news broke on January 10, *Metro* decided three days later that Albrecht had to go. More damaging however is the accusation made by several ex-*Metro* employees that there is a definite racist and sexist corporate culture in the company. Ironical as it may be, *Metro* threatened to sue Boston Transport company MBTA in 2000 over equal treatment opportunities because most of *Metro* hawkers were black or Hispanic. According to the *Boston Herald* *Metro* already paid \$7.500 to a former employee to settle a discrimination case. According to the *Herald*: 'both a reader boycott and an advertising boycott are options that will be considered by ministers and other community leaders.' (*Boston Herald*, Jan. 11)

Nordic giants fight over broadcasters



Norwegian publisher Schibsted (*20 Minutes*) offers 705 million Euros for Finnish commercial broadcaster Alma Media. The deal has to be accepted before February. If accepted, Schibsted will also get a 23.4% stake in Swedish commercial broadcaster TV4, taking Schibsted's share to 49.4% (provided Schibsted buys 6% in TV4 from union LRF). Largest Alma shareholder is now Bonnier (*Stockholm City*). *Metro* International sold their 15% share in TV4 to private investor Proventus.

Plans & Rumors: USA, UK

Anschutz' free empire dream



Washington Post's free sister paper *Express* will get competition. On February 1, 2005 The Journal Newspapers probably will launch a free tabloid in Washington DC: *The Examiner*. The company already publishes editions of their free local daily *The Journal* in Northern Virginia and Maryland.



The free *San Francisco Examiner* is owned by the same parent company: Clarity Media Group Inc. Owner of the group is Denver investor and Qwest Communications founder Philip Anschutz who bought The Journal Newspapers in April 2004 and the *San Francisco Examiner* in February 2004. Anschutz already filed applications to trademark the Examiner-brand for newspapers in 70 (!) US cities. The new paper will also replace the three existing free dailies in Maryland and North-Virginia. Combined circulation will be 260.000. Several ex-*Metro* staffers will work for the new paper that will employ at least 16 journalists.

Meanwhile former *SF-Examiner* owner, the Fang family, is suing new owner Anschutz and broker McKibben. The Fangs state that McKibben who worked for them sold the paper too cheap to Anschutz and got a well paid job with the new company shortly after the sale. McKibben however is suing the Fangs because he didn't get paid for the sale. (*San Francisco Chronicle*, Jan. 12)

MEN lite



The *Manchester Evening News* is thinking about a free afternoon edition. Modeled after the London *Standard Lite* - not a lunchtime edition but a late afternoon one. The latest afternoon edition of the *Manchester Evening News* is showing very poor results.

OFT stalls - Ken acts



London mayor Ken Livingstone wants exclusive distribution deal between *Metro* and London Tube changed so another free (afternoon) paper can enter the market. Probably there will be chance for bidding for the afternoon distribution contract. Livingstone wants to invest the money in London Underground improvement. It is however not sure if the contract between Associated Newspapers and Transport of London will allow such a deal. Meanwhile the Office of Fair Trading has not decided on the AN-London Underground deal yet, this could take at least a few months. The most probable candidate for a new free paper is Richard Desmond, owner of the *Daily Star* (already almost free with the new cover price of 15p). Rupert Murdoch (NewsCorp) also had plans for London three years ago.

Meanwhile, the *Standard Lite* did not save the *Evening Standard* in December. The *Standard* was in fact the big loser that month with a 6% drop in circulation from November. (source: MediaBulletin)

HOY not free: *controlled*



The Tribune Company announced that their Spanish language paper *Hoy* in Chicago and LA will be converted from a cheap (25c) to a 'controlled circulation' paper in 2005 but no date is set yet. It is however no longer possible to get a subscription on the LA edition via the website www.holahoy.com. The paper will undergo a major facelift when relaunched. *Hoy* was launched in 1998 in New York, in 2003 in Chicago and in 2004 in LA. Circulation in Chicago and LA will rise. In 2004 *Hoy* was one of the leading players in the US circulation scandal, overstating readership with 46%. (source: Editor & Publisher)

Research



New article on Paris newspaper market: *Les bouleversements des champs organisationnels: Quelles leçons tirer de la Presse Quotidienne Parisienne* (2004) by Amélie Trouinard. Link to the article on the homepage.

Questions & Suggestions:
<mailto:piet.bakker@uva.nl>