

# FREE DAILY NEWSPAPERS

FDN NEWSLETTER NO. 11 – OCTOBER 2005 – WEBSITE: [users.fmg.uva.nl/pbakker/freedailies](http://users.fmg.uva.nl/pbakker/freedailies)

Launches	Plans	Readership	Publishers	Research
<i>Metro</i> and <i>Herald AM</i> launch in Ireland (p. 1)	Spain, Germany, Czech Rep., USA, Switzerland. (p. 2-3)	USA, Denmark, the Netherlands, Portugal, (p. 3)	Metro, Chicago, Hoy, City AM, the Netherlands (p. 3-4)	San Francisco Bay area research part III (p. 4)

## ANALYSIS

### Auditing

Chicago's *Red Streak* has a circulation of "several times more than a couple of thousands", *JPARhus+* (Denmark) claims a circulation of 50,000 but chooses not to be audited while the audited circulation of *Metro* Holland in Q2 2005 is 60,000 lower than the July 2005 circulation claimed by the publisher. *Newsday* (NY) was involved in a circulation scandal in 2004, Dutch daily *De Telegraaf* had a paid circulation of 709,000 in 2004 but reports 753,000 in World Newspaper Trends. It is no secret that the increase of Spanish circulation in 2004 is caused by marketing campaigns which include free distribution.

Comparing circulation of paid and free newspapers often leads to discussions about free papers that are not picked up or read, bulk (unpaid) distribution of paid newspapers and the doctoring of circulation figures in general. Publishers are ready to reveal how competitors are sexing up circulation, and in many cases they do have a point.

Almost as a rule, official audited figures of free papers are lower than figures reported by the papers themselves. This can be seen in Denmark and Holland where all papers are measured by the same organization. The difference can be partly explained because circulation of free papers varies more due to seasonal differences than circulation of paid papers. In many countries free papers don't publish during summer or the Christmas holiday. Official audits take the average circulation while the papers are convinced that advertisers are interested in the 'actual' circulation on days the paper is published.

Paid newspapers do add bulk distribution, copies used for marketing, and free papers for personnel, distributors, advertisers and other contacts to the paid distribution, while omitting weak days from audits. In other words: circulation of paid newspapers is seldom 100% paid. Comparing paid and free papers is also difficult because the average daily circulation of paid newspapers is positively influenced by the high weekend sales, something a free paper does not have.

Problems could be avoided by using the same auditing procedures for all newspapers without restrictions. In Belgium, Denmark, France, the Netherlands, Spain, Sweden, the UK and Canada both readership and circulation is audited in similar ways for free and paid papers. In other countries (the US, Italy, Finland, Austria) free papers cannot join the official auditing organization.

Discussions about the reliability of circulation data will continue if circulation of paid and free papers is not audited in the same way, sometimes because paid newspapers (who more or less control some auditing organizations) don't allow free papers to join, but in other instances because free papers don't want to join. Which usually means they have something to hide.

## LAUNCHES

### Irish free paper battle


 An Irish *Metro* was published on October 10 in Dublin. The High Court ruled on October 8 that the Independent News & Media (*Evening Herald*) could not use the word *Metro* in a newspaper masthead because it could confuse readers. The right to use the *Metro* trademark is owned by a joint venture of Metro International (10%) and Associated Newspapers (*Metro* UK 90%) which explains that the paper has the *Metro* UK-design instead of the green Metro International logo. Both companies will move to an equal share of 33.3% in the future with *The Irish Times*, the company that will print *Metro* and is responsible for local content, also owning a third of the shares.




The two former rivals already work together on pan-European advertising. The paper has an initial circulation of 53,000 and has 35 employees. The 40-page, full-color paper will be distributed from 6.30 on by hand and is also available at bus stops and Dart and Luas stations. To counter *Metro*, Independent News & Media (*Evening Herald*, *Irish Independent*) launched the spoiler publication *Herald AM* also on the 10th of October. Circulation of this paper is probably also around 50,000. The introduction costs of *Herald AM* is said to be around €2m. (*Irish Examiner*, *Times Online*, *Metro International*)

## PLANS & RUMORS

### 4th Spanish national free paper

 *Página Cero*, a 4<sup>th</sup> national Spanish free paper will be launched with a circulation of 1 million in February 2006. Headquarters will be in Barcelona; in other markets regional editions will be published together with regional publishers. The paper will be published by the Planeta Group (*La Razon*, *Avui*) and José Sanclemente, formerly of the Zeta Group. ([hispanidad.com](http://hispanidad.com))

### Springer war fund: €300 Million

 Axel Springer is reserving €300m to protect its flagship *Bild Zeitung* against free competitors. Springers own free paper *Gratisissimo* can be launched in 15 markets within a very short time span. (*Die Welt*)

The *Süddeutsche Zeitung* (Munich) can be added to the list of German papers who is preparing to counter Schibsted's free paper *20 Minuten*. A launch is now

expected in 2006, Schibsted is still looking for (regional) partners in Germany. (*Der Standard*)

## Ringier free paper in 2005



Swiss publisher Ringier's plans for a Czech free paper will materialize before the end of 2005. Circulation will be around 250,000. *Metro* Prague has now a circulation of 200,000. In the past *Metro* has expressed plans for a national edition but has not revealed the launch date of such an edition. The Ringier paper is also meant as a test for a later launch in Switzerland itself where the position of the company's flagship *Blick* is threatened by Tamedia's free paper *20 Minuten*. (*WPT facts, Der Standard, Frankfurter Rundschau*)

## Philly15?



The *Philadelphia Inquirer* is thinking about a free paper. The working name is *Philly15* and should compete with *Metro*. When *Metro* was launched in Philadelphia the *Inquirer* teamed up with other publishers and tried to have free papers banned because they were considered as a threat to the freedom of expression. Times have changed.

## CIRCULATION & READERSHIP

### Free Hoy sees readership rise



Spanish language paper *Hoy*, distributed for free in L.A. and Chicago and with a paid edition in New York, saw readership increase the first six months of 2005. In L.A. readership grew with 27% to 176,000; in Chicago a rise of 39% was reported while the NY edition saw readership increase with 21%. Publisher Tribune Company does not mention in their press release that growth in Chicago and L.A. can be attributed to moving to a free distribution model in January 2005 nor that the NY edition was involved in a circulation scandal last year.

Total readership is 525,000 according to the Tribune Company, while the average circulation of the three editions combined is 165,000. Separate circulation figures are not revealed, earlier reports indicate that 125,000 copies are distributed in Chicago and L.A. during weekdays, while weekend distribution was around 210,000. The pre-scandal NY circulation was said to be between 40,000 and 50,000. (Tribune Company)

## The Free Danish



*Urban* saw its officially audited circulation rise to 228,000 (2005), due to the launch of more editions, *MetroXpress* has a circulation of 241,000, *10 Minutter* 25,000, *Xtra* is not yet audited while *JPAarhus+* is not audited at all. *MetroXpress* is published in three editions (Copenhagen, Aarhus & national), *Urban* has six different editions: North Jutland (Aalborg), Aarhus, Fyn (Odense), Copenhagen, Midtvestjylland (Herning) and a Jutland edition which covers the areas outside Aarhus and Aalborg. Paid newspapers had a circulation of 1.3 million in 2004; so 30% of Danish newspaper circulation is free.

### Circulation of free papers Denmark (\* 1000)

	2001	2002	2003	2004	2005
<i>MetroXpress</i>	140	199	171	222	241
<i>Urban</i>	108	181	171	215	228
<i>10 Minutter</i>		25	24	27	25
<i>JPAarhus+</i>			50	50	50
<i>Xtra</i>					25
Total	248	405	416	514	569

## Metro Portugal to 150,000



*Metro* Portugal (Lisbon & Porto) increased circulation from 131,000 to 150,000 in October 2005. *Metro* started in December 2004 in Lisbon and moved to Porto in May 2005, it competes in Portugal with *Destak*, which is also published with editions in Porto and Lisbon. (*Meios de Publicidade*)

## Dutch free papers 2<sup>nd</sup> & 3<sup>rd</sup>



In the first three months of 2005, the two Dutch free dailies *Spits* and *Metro* reached 11.5% and 10.8% of the population above 13 years old. *De Telegraaf* is still the best read paper in the Netherlands and reaches 16.5 % of the population. Fourth and fifth are *Algemeen Dagblad* (7.3%) and *de Volkskrant* (5.2%). Each copy of a free paper is read by more readers than a copy of a paid one when readership data and circulation are compared. (*NOM print monitor 2005-1*)

## PUBLISHERS & TITLES

### Moves at Metro



Svenn Dam, President and Chief Operating Officer (COO) of Metro International suddenly stepped down on September 28. Dam joined Metro in 2001 and was responsible for the launch of *Metro* in Denmark.

After that Dam served as COO of Metro's European operations. After the abrupt parting with Carlos Oliva Velez after 'unhealthy and unprofitable outsourcing contracts' in Spain were discovered, Metro International now lost two possible successors of CEO Pelle Törnberg within 6 months.

Carlos Oliva Velez is now an independent consultant working for *Metro* and claims that his "exit was absolutely voluntary" in an interview with *PRNoticias* (September 29). He denies that problems with Metro Spain led to his stepping down: "Simply, the directors of *Metro* considered it necessary to change the type of relation we had, and we could reach an agreement."

After aggressive investments in the first months of 2005, the company has been quiet, the only notable expansions were in St. Petersburg (a franchise deal with a local free paper) and the minority share in *Metro* Ireland, which is basically a Metro UK (Associated Newspapers) operation.

Metro's 3<sup>rd</sup> quarter results will be presented on October 20, 15.00 by webcast from the [www.metro.lu](http://www.metro.lu) website.

## Reds absolutely free



*RedEye*, the Chicago free paper from the *Chicago Tribune*, moved to an all free model on October 3, 2005. In the months before, only 10% of the 95,000 copies were paid for, according to *RedEye* general manager Brad Moore. *RedEye* was launched in October 2002 and had a cover price of 25c. Nearly half of their readers are in the targeted age group 18-34. It is distributed through boxes, convenient stores (7 Eleven) and 126 Starbucks coffee shops. Circulation is increased to 105,000.

*RedEye*'s competitor *Red Streak* (by the *Sun-Times*) also dropped its cover price. Circulation of *Red Streak* is "several times more than a couple of thousands" according to the *Sun-Times*. Editor John Cruickshank,

however, is thinking about shutting down *Red Streak* altogether in December. (*Editor & Publisher, Chicago Business*)

### 3i bids for Socpresse



British investor group 3i wants to buy the regional papers of the Socpresse group (publisher of *Le Figaro*), which also includes *Le Progrès* and its free paper *LyonPlus*. (ANIMA Newsletter)

### Fin de Semana expands



*Hoy*, the Spanish language paper by the Tribune Company that is distributed for free in Chicago and Los Angeles will launch their weekend edition *Fin de Semana* in Los Angeles after it proved already successful in Chicago. From November 5 on, the paper will be distributed to 200,000 households in the L.A. area. (Tribune Company)

### Russia: red turns to green



The St. Petersburg *Metro* has recently changed its design and looks now like any other *Metro*. *Metro* is according to a TNS Gallup Media research, the best read paper in this city (400,000 readers, 10.5% of the population). Plans for other Russian cities still exist. The St. Petersburg *Metro* also contains one page in English, aimed at tourists.



There is, however, also another English-language free paper, the *St. Petersburg Times*. This title is only published twice a week. The company behind it (Dutch financed Independent Media) also started the free daily *Moscow Times* in 1992, which changed to paid circulation later.

With the Russian edition *Metro* is published in 18 languages, in Spain not only in Spanish but also party in Catalan (Barcelona) and Gallego (Galicia).

### the Netherlands: event marketing



*Metro* Holland is sponsoring the gaming event Power Unlimited Gameplay 2005 in November to attract younger readers and find new distribution outlets. *Spits*, the other Dutch free paper, announced that it will also distribute more on gaming, holiday and career events for young people.

### More Ahora problems



Spanish afternoon free paper *Ahora* landed in financial and editorial problems last month and decided to solve them not only by selling to another owner but also by sacking part of the staff. What remains is a conflict between publisher and former staff members about payments. (*Hispanidad*)

According to *Libertad Digital*, *Ahora* was not published at all in September & October because of these problems.

### City A.M. upwards



Positive reactions to the new London business oriented free paper *City A.M.* lead already to the first increase in circulation from 60,000 to 70,000. (*MediaWeek*)

### Gay Praise for Examiner



Gay news website *washingtonblade.com* (Oct. 14) praised the *Washington Examiner* and its sister publication in San Francisco for its 'fair and balanced coverage' on gay issues. Obviously something else was expected from the free papers of right wing billionaire Philip Anschutz.

A Baltimore edition of the *Examiner* will be launched in spring 2006. (*Editor & Publisher*)

### One year of Heute



Austrian free daily *Heute* is celebrating the first birthday with a website where readers congratulate the newspaper. Watch it at <http://heuteonline.at/aktuell/>

## SITE UPDATE

### Research Page

The research listing, which originally was on the home page with links to available research reports, articles and journals, has moved to a separate page.

## RESEARCH

### Third Grade

"Free papers' growth threatens traditional news" by Michael Stoll is the third research article on free newspapers in the San Francisco Bay area on the Grade the News website: [www.gradethenews.org](http://www.gradethenews.org)

### Content research

With professor Anker Brink Lund from the CBS International Center for Business and Politics / Copenhagen Business School I will conduct a research on the content of free papers. We will do a content analysis on European free papers first – later also on papers from other countries.

Editors and researchers in European countries have already expressed interest in the project. They will provide us with hard copies of that week. Titles that participate in the research will get results as soon as they are ready (before an official publication is available). We still welcome participants from other countries and papers.

### Events

On November 11/12, I will present a paper on Newspaper Innovations together prof. Klaus Schönbach, at the conference on Innovation and Media: Managing Changes in Technology in Stockholm. The conference is sponsored by the Media Management and Transformation Centre of the Jönköping International Business School.

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