

# FREE DAILY NEWSPAPERS

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## ANALYSIS

### Minimal Impact?

Research from Scarborough Research and the *New York Times* on US readership (see p. 3) revealed that free dailies have had a minimal impact on reading habits in New York, Dallas, Chicago and New York. Given the low penetration in the US market (4% in total) this may be not that surprising, but what is the share of free dailies in other markets and how has it developed?

In Europe market shares are considerable higher than in the US, with Iceland and Spain having the highest market shares. In most European countries with free dailies their market share is rising during the last years, while only three countries report market shares of less than 10%.

### Market share of free dailies Europe

	2000	2001	2002	2003	2004	2005
Iceland		45%	50%	55%	60%	72%
Spain	6%	19%	20%	27%	30%	46%
Italy	6%	22%	26%	25%	25%	31%
Denmark		15%	22%	23%	28%	30%
Portugal					25%	30%
Greece	16%	13%	12%	26%	26%	26%
Sweden	19%	16%	16%	17%	23%	23%
Hungary	13%	15%	17%	17%	18%	21%
Switzerland	23%	22%	20%	18%	15%	20%
The Netherlands	14%	16%	14%	14%	15%	19%
France			10%	11%	15%	18%
Belgium	9%	9%	12%	12%	13%	16%
Ireland						15%
Lithuania						13%
Latvia						12%
Czech Republic	11%	9%	9%	9%	9%	11%
Poland	7%	12%	10%	8%	11%	11%
Finland	9%	9%	8%	8%	8%	9%
UK	4%	4%	4%	5%	6%	7%
Austria		6%	6%	6%	6%	6%


Note: 2005 is an estimate based on paid circulation of 2004 (source: World Association of Newspapers) and free papers circulation in November 2005.

In the America's the picture is less consistent, for some countries (Mexico, Ecuador, Chile) no reliable year-on-year figures on paid circulation are available, in other countries high shares are realized. In Canada the share of free papers increased from 7% in 2000 to 20% in 2005; in Argentina 11% of the circulation is free, although this was much higher in 2000 (35%), in the US the share rose slowly from 1% in 2001 to 4% in 2005.

In Australia 5% of the circulation is free, in Singapore 26% (53% in 2003). For other countries data on paid circulation are not fully available, although sometimes high circulation figures are reported, for instance in Korea (2,000,000) and Hong Kong (728,000). Readership, however, is not quite the same as circulation (although in Korea a 26% drop in paid readership was reported), so some further research into that area is needed.


## Launches

### Montpellier Plus

 On November 14, *Montpellier Plus*, already the 5<sup>th</sup> Plus-edition in France, was launched. It is published by *Midi Libre*, part of the *Le Monde* group. Other Plus-editions in Lille, Lyon, Toulon and Bordeaux are also published by regional papers. In contrast to these places, neither *20 Minutes* nor *Metro* were already present in Montpellier.

The southern city will therefore experience the first pre-emptive launch in France. The paper has a circulation of 25,000, counts 24 pages, is distributed by 17 hawkers and is also available at 80 distribution points in the city centre. Total circulation of the Plus-editions is 240,000 while *20 Minutes* publishes 815,000 copies (9 editions) and *Metro* 630,000 (8 editions). (*Editorsweblog*)

### Le Matin Bleu


 Monday 31 October Edipresse (*Le Matin, Tribune de Geneve, 24 Heures*) launched *Le Matin Bleu* in the Geneva and Lausanne area (44 communities, including Yverdon and Freiburg) with a circulation of 100,000. This is the first free daily in the French-speaking part of Switzerland. The paper counts 32 pages and is handed by hawkers and available through 360 boxes; 20 journalists will work for the paper.



In March 2006 Tamedia, publisher of the leading free daily (and most read daily altogether in Switzerland) *20 Minuten* will launch editions in Geneva and Lausanne with a combined circulation of 120,000. This edition will employ 30 journalists. *20 Minuten* started in 1999 and is already published in Zurich, Bern, Basel, Luzerne and St. Gallen. Both companies could not agree on a joint venture to publish a free paper. ([www.swissinfo.org](http://www.swissinfo.org); AP)

In an interview, Edipresse director Theo Bouchat expressed the idea that the new title will bring new readers to the publisher but also to the paid edition: "if you like the free press, the step towards a paid newspaper will be easier". He also said that *Le Matin Blue* and *Le Matin* (combined readership 500,000; *Le Matin Blue* counts on 180,000 readers) will operate together for advertisers. (*Medienhandbuch.de*)

## Metro goes national in Spain

 Metro launched a national edition in Spain on 17 October, expanding to Burgos, Salamanca and Valladolid (Castilla-León), Gijón and Oviedo (Asturias), Santander, Pamplona and Mallorca. With this edition, Metro is available in more than 30 cities. Metro now covers 67% of the Spanish population. On October 10, the Barcelona Metro was converted into a Catalan edition, distributed also in Girona, Lleida and Tarragona. Circulation of these editions is not yet known. Metro calls itself the most 'widely distributed' free paper in Spain, but probably 20 Minutos still distributes more copies. (Metro International)




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


	2000	2001	2002	2003	2004	2005
20 Minutos	240	500	500	550	650	1100
Metro		414	393	590	700	852
Qué!						979
others	50	102	168	391	472	688
Total	290	1016	1061	1531	1822	3619

## PLANS & RUMORS


### Ahora back on the street

 Spanish free afternoon paper *Ahora* will launch a Sevilla edition on November 19. Until now the paper was only available in Madrid. In Sevilla 20 Minutos, Metro and Qué! are already published in the morning with a total circulation of 180,000. (Periodistadigital.com)

### Day or Hours

 The free paper of publisher Ringier that is about to be launched in November in the Czech Republic and later in Switzerland, has the working title *Day!* according to *persoenlich.com* – this is confirmed by other sources. The Swiss weblog later reported that it would be called *Der Tag* and will be distributed in the afternoon in Zurich, Bern and Basel. The *Czech Business Weekly* reports that the Czech edition will be called *24 hodin* (24 hours).


### 3<sup>rd</sup> Examiner in Baltimore

 The Clarity Media Group, owned by billionaire Philip Anschutz, announced that it will launch a Baltimore edition of their free *Examiner* daily next spring. In 2004 Clarity bought the *San Francisco Examiner* (formerly paid) and in 2005 the *Washington Examiner* was launched (formerly the free *The Journal* newspaper).

The Baltimore edition will be the first new launch. Anschutz trademarked the Examiner name in 67 cities in the US. The *Baltimore Examiner* will have a circulation of 250,000 and will be published Monday till Friday. Like its sister publications it will be home delivered and is also available through news racks. The paper will compete with the *Baltimore Sun* (weekday circulation 271,000) by the Tribune Company. (Editor & Publisher)


## CIRCULATION & READERSHIP

### Dublin tabloids down


 Circulation of Irish tabloids *The Sun*, the *Daily Star* and *The Mirror* fell by 2% in the first week of the launch of the two competing Irish free papers *Metro* and *Herald AM*. The three titles together normally sell about 300,000 copies each day. Metro is planning also to distribute more papers in Dublin's suburbs. (www.TimesOnline)

## PUBLISHERS & TITLES


### Calle20

 Schibsted (20 Minutos) is planning to launch a new free monthly magazine in November in Spain: *Calle20* (Street20). (F.A.Z.-institut newsletter)

### Le Metro


 French quality paper *Le Monde* was relaunched with a new design in the beginning of November with help of free daily *Metro* which carried an eight page supplement about *Le Monde*, a page of investigative reports from the paper and interview with the chief editor. (Alain Neuvilles ANIMA Newsletter)

### Anschutz / Knight Ridder


 Clarity Media owner Anschutz ( *SF & Washington Examiner*) is mentioned as possible buyer of Knight Ridder, publisher of more than 30 dailies in the US and five free local free papers (*Palo Alto Daily News*, *San Mateo Daily News*, *Redwood City Daily News*, *Burlingame Daily News* and *Los Gatos Daily News*) in the San Francisco area. (Denver Business Journal)

In the beginning of 2005 the company announced that they were thinking about launching more free newspapers. One of the markets could be Philadelphia where Knight Ridder publishes the *Philadelphia Inquirer* and showed test copies of *Philly15* to advertisers. The subway contract between *Metro* and SEPTA was not renewed so there are distribution possibilities for a new title.


### Free press freedom down under

 Australian journalist Julian Morrow ( *CNN*) told a *MX* journalist "that it was important to maintain media diversity so that the public continues to have the opportunity to hear the maximum number of views and opinions from as many members of the Murdoch family as possible. Of course, this rather funny gag posed a dilemma because dear old Rupert owns *MX*, as well as almost every other newspaper in Australia. So, not surprisingly, the reporter rang Morrow to say she couldn't use the joke". (quoted from *The Age*)


## Socpresse / Vocento

 Spanish publisher Vocento is interested in part of the French Socpresse group (Dassault). Both companies publish free papers, Vocento controls *Que Pasa* (Malaga) *El Nervion* (Bilbao) and partly *El Micalet* (Valencia), Socpresse operates *LyonPlus*. (Elmundo.es)

## Swiss 20 Minutes results

 *Der Tagesspiegel* (Germany) carried an article (Nov. 5) on the Swiss newspaper market and the success of *20 Minuten* (circulation 380.000). Tamedia, the company that bought the title from Schibsted, expects a result of €19m this year for the paper. The 'consumer oriented' advertising strategy of the free paper is also analyzed. ([tagesspiegel.de](http://tagesspiegel.de))

## CanWest Fund Finances

 The new CanWest Fund (the paid and free newspaper spin off from CanWest MediaWorks), released the first financial information in November. The launch of *Dose* and *Metro* (together with Metro International) did result in a loss of Can\$8m. (*Yahoo Finance*).

## Metro results for Q3 2005


 Metro International reported a \$10m loss over the third quarter, and \$12.9m over the first nine months of 2005 – this year there is also an operating loss while in the first nine months of 2004 a profit was reported. Although the company is still losing money, sales have gone up again. US editions are still losing money, in France an operating loss was reported. The Swedish edition saw a 27% increase in operating profits.

In Korea Metro acquired a further 25% interest in the local franchise (a share of 5% is already owned by Metro Int.). Both French and Spanish summer editions *Metro Plage & Metrosol* were profitable according to the company.


*Metro* Madrid will publish 200,000 copies of Cervantes' Don Quixote via inserts over a six month period.

In Philadelphia the contract with subway operator SEPTA was ended, the paper relies now more on hand and rack distribution.


## Ahora back on the street

 Madrid free paper *Ahora* returned to the streets on October 25 after a very long summer closing since July 15. The paper has now a new owner (Grupo Gambio 16) and a new chief editor (Manuel Dominguez Moreno), some journalists, however, are still waiting for their October paycheck. (*Periodistadigital.com*)

## NYT satisfied with Metro Boston

 The New York Times Company reported a 52% decline in profits in Q3 2005 but expressed nevertheless that it was still 'pleased' with the 49% investment in *Metro* Boston. Less pleasing are the *Boston Globe* results with daily circulation down 7.7%. (*investors.com, E&P*)

## Metro sued over buy-out sum


 Three former shareholders of *Metro* Holland sued Metro International over the price of their minority share (3.3% each) in the Dutch operation. Tiago Jurgens, Bart Lubbers and Falk Madeja helped *Metro* to launch in the Netherlands in 1999. After four years Metro could buy them out for a sum which would be negotiated between them. In the end Metro paid them €500,000 while the former minority owners claim at least €5m.

In August 1999, two months after the launch of *Metro* Holland the three sued Metro for the first time, to claim their joint 10% of the shares, Metro denied that a written contract did exist. On October 29, 2005 a Dutch court decided that it would not force Metro to agree on settling the price by an independent third party. According to the press release on Metro's 3<sup>rd</sup> quarter the parties are still negotiating. (*Adformatie*)

Competing Dutch free daily *Spits* is offering free mobile content (news, weather, show, sports) for T-Mobile users.

## RESEARCH

### Little impact of US free papers

 At the Prague Readership Symposium Kathleen P. Mahoney (The New York Times) and James H. Collins, (Scarborough Research) presented *Consumer Newspaper Choice in Markets with Free Print Options: Are Free Daily Newspapers Competition or Opportunity for Traditional Paid Products?* According to the study, which can be downloaded from the Scarborough.com website, free newspapers have only minimal impact on reading paid newspapers.

Most people read free and paid papers – there are relatively few 'new' readers (except in Boston). The readers of free newspapers are younger, have a lower income, and are more non-white. The chances of free daily-readers developing into readers of paid dailies is quite minimal according to the report. Research was carried out in Boston, New York, Dallas and Chicago.

## Content Research

The Content Research on European free dailies is in full swing now – the majority of European dailies take part in this research – if publishers/titles still want to participate, please contact the editor.

## Events

On the first European Communication Conference in Amsterdam (25 and 26 November) I will talk about the future of newspaper research. ([www.ecc2005.nl](http://www.ecc2005.nl))

Questions & Suggestions:  
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