

# Free Daily Newspapers

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Launches	Plans	Readership	Publishers	Update
Switzerland, Croatia, Rumania, US, Czech Republic, UK, Spain	UK, the Netherlands, Denmark	20 Minutos 2 <sup>nd</sup> in Spain	Metro, Schibsted, Examiner, Hoy	Free papers Israel, Denver

## ANALYSIS

### Free papers hit 25,000,000 mark

With launches in the UK, the US, Spain, Rumania, the Czech Republic and later this month in Switzerland, Croatia and Austria, the total amount of free dailies distributed, is more than 25 million. In 2001 the 10 million circulation mark was reached, while in at the end of 2005 almost 23 million copies were distributed. In France, Italy, Spain, Sweden, Switzerland, the UK, Canada, USA, Hong Kong and Korea free papers have a circulation of more than one million. Spain has 23 titles and the highest circulation (4.9 million). In Spain and Iceland the majority of the total newspaper market consists of free titles. Italy, the Czech Republic (both 31%), Denmark (30%), Switzerland and Portugal (both 29%) also have a substantial market share of free papers.

#### Free dailies circulation 1996-2006 (\* 1000)

	1996	1998	2000	2002	2004	2006
Europe	249	918	5,532	8,906	11,102	17,560
America's			1,839	1,631	2,927	4,126
Asia/Pacific			435	1,943	3,288	4,156
total	249	918	7,806	12,480	17,317	25,842

More than a 100 different titles are published, with Europe leading the way with 79 titles. There are free dailies in 38 countries, 24 in Europe. Latvia, Lithuania, Ireland, Israel, Croatia and Rumania are the latest additions. Metro is market leader with 29% of the total circulation.

#### Free dailies (titles) 1996-2006

	1996	1998	2000	2002	2004	2006
Europe	2	6	29	34	55	79
America's			11	13	19	21
Asia/Pacific			2	8	13	15
total	2	6	42	55	87	115

The end of the growth is not yet in sight. New launches in the UK, the US, Denmark, Mexico, Eastern Europe and the Netherlands are planned. Before the end of 2006 there probably will be free dailies in 40 countries with a circulation of more than 28 million.

### New url, new blog, new design

The Free Daily Newspaper webpage will soon move to [www.newspaperinnovation.com/free](http://www.newspaperinnovation.com/free). It will have the same information, but the main page is converted into a blog with more news and room for comments. Being a blog, subscription to the RSS-feed is recommended.

On the main page also news on other innovations will have a place. First information on research on format changes will be added. Also the Compact-page will move to a separate place on the homepage.

The newsletter also got a slightly different design. The redesign was NOT done by Mario Garcia – I wanted something different ;).

## LAUNCHES

### Metro Croatia

A Croatian *Metro* will be launched on May 15 by Europa Press Holding (EPH), the biggest newspaper publisher in Croatia in which German publisher WAZ (Essen) has a 50% stake. The paper is a Metro franchise and will have the familiar green Metro design. Metro will be published in four different editions (Zagreb, Istria, Dalmatia, and the northern area) with a circulation of 250,000.

### US: San Francisco Daily

Former Daily News Group (*Palo Alto Daily News* and sister editions) owners Dave Price and Jim Pavelich launched the *San Francisco Daily* May 3 in Marina, Chestnut, Cow Hollow, North Beach and Fillmore. The paper started with 8 pages and a circulation of 5,000 but wants to increase pages and rise circulation to 7,000. The *SF Daily* employs eight people. Price and Pavelich sold the Daily News Group to Knight Ridder in 2005 but left when Knight Ridder went up for sale. (*E&P*)

### Switzerland: Heute

Ringier joins the free newspaper world in its home country with afternoon paper *heute*. Ringier saw *20 Minuten* (Tamedia, formerly Schibsted) take over the position of the best read paper from their flagship *Blick*. Basle and Zurich also have local free dailies while both Tamedia and Edipress launched papers in French speaking

Switzerland. *20 Minuten* has seven editions; *heute* will start in Zurich, Basle and Bern on May 15. The paper will employ 20 journalists. Ringier publishes free dailies in Rumania and the Czech Republic. Absent from the Swiss market is Metro International, *Metropol* editions in Zurich, Basle and Bern were launched in 2000 – in 2002 the Swedes moved out. In 2004 daily paid circulation in Switzerland was 2.5m.

#### Free dailies Switzerland 2000-2006 (\* 1000)

	2000	2002	2004	2006
<i>20 Minuten/Minutes</i>	235	300	333	472
<i>Metropol</i>	262	100		
<i>Baslerstab</i>	102	98	94	94
<i>Tagblatt Stadt Zurich</i>	186	165	137	137
<i>Matin Bleu</i>				110
<i>Heute</i>				200
total	878	663	564	1,013

### Compact Bucharest

Ringier launched *Compact* in the Rumanian capital Bucharest on May 2 with an initial circulation of 150,000. *Compact* has 20 journalists. In 2000 and 2001 Bertelsmann (Gruner + Jahr) published free daily *Metrobus*, this publication changed to a weekly and is still distributed in the subway system. After *24 hodin* in the Czech Republic *Compact* is the second Ringier free daily in Eastern Europe. (*Persoendlich*)



## UK: from *MEN lite* to *MEN fat* free

The last issue of *MEN Lite*, the free edition of the *Manchester Evening News* was published on April 28. From the ashes of the freebie (launched in November 2004 and a circulation of ±10,000) a new free daily emerged: the *Manchester Evening News*. 50,000 copies of the paid edition are distributed daily during lunch hours in the city centre from May 2 on. People outside this area have to pay for the paper. With 130,000 paid copies and 50,000 free copies *MEN* wants to position itself as the major regional player in Manchester and the largest UK regional newspaper.



The free (fat) *MEN* is hoped to perform better than *MEN Lite* because distribution is moved forward and intensified. Two questions remain: how will paying readers react to the fact that it is handed out for free only a few blocks away; and: will advertisers pay the same rates for readers who pick up free copies as for paying readers.

The strategy is a bold move - bolder than the *London Evening Standard's* move to convert the first two editions to the free *Standard Lite*. This example was followed by *Argus* (Brighton) which launched *Argus Lite* in February. An even bolder move would have been a move to a morning paper and compete with *Metro* (Associated Newspapers, circulation 110,000) directly. (*Press Gazette*, *HoldtheFrontPage*)

## Prague: *Metropolitní Expres*

The crowded Czech newspaper market saw a third free daily launched on April 24: *Metropolitní Expres* by Mafra (owned by German *Rheinische Post*), also publisher of *Mlada fronta Dnes* and *Lidove Noviny*. The new title competes with *Metro* (1997) and *24 hodin* (2005) by Swiss publisher Ringier. *Expres* will employ 20 people, 15 of them journalists.



*Metro* has a regional distribution of 366,000 while *24 hodin* distributes 220,000 copies in Prague; the new title has a circulation of 150,000. (*Czech Business Weekly*, *Radio.cz*)

## Spain: new sports free daily

*Penalty*, a new Spanish 'quality' sports daily is published in two editions in Madrid and Barcelona with a combined circulation of 400,000 (250,000 in Madrid). The paper started with 24 pages full color and wants to move to 32 pages in the future according to publisher Fernando Amores. More than 90 people work for *Penalty*, the Madrid editorial staff counts 11 people. For 2007 editions in Sevilla, Valencia, Bilbao, Zaragoza and La Coruna are planned.

Important minority shareholder is the Portuguese Cofina group (*Correio de Manhã*, economic paper *Journal de Negócios* and sports paper *Record*). The paper will compete with paid sports papers like *Marca* and *As*, with *El Crack 10*, a free sport daily with Madrid and Barcelona editions and with free sports weeklies like *Gol* and *Mediapunta*. (*PRNoticias*, *Periodismodigital*)



## Austria: *Heute* goes west & south

Vienna free daily *Heute* is launching an edition for Nieder-Österreich (St. Pölten) on May 15. The new edition will have a circulation of 100,000 while the Vienna edition will increase its circulation to 260,000. A launch in the southern part of the country (Graz) is anticipated. Total circulation will then move to 400,000. *Heute* is not held back by plans of *Kleine Zeitung* (by Graz publisher Styria) for their own free paper in that area. There are no plans for Linz yet, local publisher Wimmer (*OÖNachrichten*) is also planning a free daily for that area. (*Der Standard*)

## PLANS & RUMORS

### Denmark: free fever rises

Plans by Icelandic publisher Dagbrun for a free daily, distributed door-to-door in Copenhagen and other Danish cities are not well received. The most widely distributed free Sunday paper *Søndagsavisen* will increase distribution from 2 million to 2.5 million to counter the new competitor. Dagbrun publishes *Frettabladid* in Iceland also door-to-door and wants to expand the concept this autumn. (*Copenhagen Post*)

### New London free daily by Xmas

Bidding for the second afternoon free daily slot in London started April 10. Until April 21 parties could register their interest in a 90 month contract for the afternoon distribution slot in the London tube. In June a shortlist will be ready, formal bids must be handed in late July or early August.

The new title will compete with *Standard Lite* and two morning papers: *Metro* (like *Standard Lite* by Associated Newspapers) and *City AM*. Possible bidders include News International (Murdoch) already testing *thelondonpaper*, Express Newspapers (Richard Desmond), Guardian Newspapers, Trinity Mirror and Metro International. Transport for London expects the new title in the Tube by Christmas. (*MediaGuardian*, *Timesonline*)

### Netherlands: PcM plans new freebie

PcM, publisher of four national dailies, plans a third Dutch free daily. The concept will be ready in the summer and will compete with *Metro* (Metro International) and *Spits* (*De Telegraaf*), both titles have a combined circulation of 900,000 in the Netherlands, almost 20% of the total circulation. In the past PcM had contacts with *Metro* for a joint operation but could not come to terms with the Swedes. Last year PcM planned *Moment*, to be published three times a week and aimed at housewives. This plan seems to have been shelved. (*NRC Handelsblad*)

*nrc.next*, compact lite version of PcM's *NRC Handelsblad* increased the print run to 125,000 after just one month. The paper aimed at 80,000 sold copies in three years.

## CIRCULATION & READERSHIP

### Spain: *20 Minutos* in 2<sup>nd</sup> place

After sports paper *Marca* (2.5 million readers), *20 Minutos* is the second best read Spanish daily with 2.4 million readers. *El País* is third with 2 million while free daily *Qué!* comes in at fourth place (1.9 million) and *Metro* at the fifth (1.8 million). Both *20 Minutos* and *Qué!* gained readers, *Metro* lost compared to the last audit. New free daily *ADN* is not yet audited. The only two other newspapers with more than a million readers are sports paper *As* and *El Mundo* according to the EGM (Estudio General de Medios) report from Spanish auditing organization AIMC.

**Schibsted annual report 2005**



Norwegian publisher Schibsted, majority owner of *20 Minutos* Spain (20% owned by Zeta Group) and 50% owner of *20 Minutes* France (other 50% owned by Ouest France) published the 2005 results in April. The company saw revenues for *20 Minutes* increase with 24% in 2005 although cost increased with 35% because of ten new launches. Schibsted expects online readership to increase dramatically in the next years. Most investments will be in that area. The Swedish Blocket concept (online classified) was introduced by *20 Minutos* Spain (as *CompraVenta.com*) while in Austria (together with Styria) a similar website (*willhaben.at*) was launched.

The monthly magazine *Calle20* was launched in November 2005 in Madrid, Barcelona and Valencia (circulation 150,000). The Swiss *20 Minuten* was sold in 2005 to tamedia, which gave Schibsted a profit of NOK 200m (€26m). Total operating losses for *20 Minutes* in 2005 were below €1m. In Spain the paper version expects to make a small operating profit in 2006 while investments in online activities will result in a total break-even situation. In France also a break-even result is expected – before online investments.

**Metro Q1 2006 results**

Almost half of Metro's countries operations - 8 out of 17 - made operating profits in the first quarter of 2006. Sales increased but the company overall did not make a profit. The Spanish edition made an operating profit for the first time while the Swedish, Danish and Dutch operations performed above average. The losses for the combined US-editions were halved. The New York edition started a classified section in April.



The April 5 edition of *Metro* Toronto was printed on green paper with a Dove (sponsoring the issue) Cool Moistere sample glued on the frontpage. Also page 17 (with a Dove add) was printed bigger so it peeked out of the paper.

**US: Express gets own website**

*Express*, free daily by the *Washington Post*, recently got it's own website [www.readexpress.com](http://www.readexpress.com) after having to suffer more than two years with a WP-sub-page. The website is set up together with Ooodle, a search engine for local classifieds. The classified section is substantial, but the page looks like an blog (*FreeRide*) with a focus on current local affairs. The site also has an interactive map with places of interest, hotels, bars, museums and news.

**US: HOY includes Billboard Latino**

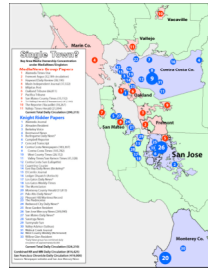
Since April 2006 the monthly *Billboard* edition for latin music *Billboard Latino* is inserted in the *HOY* editions in New York, LA and Chicago. *HOY* is the free Spanish language daily published by the Chicago Tribune Company. The magazine is also supported by a weekly TV show on the Azteca America network. (*MediaBuyerPlanner*)



Louis Sito, former publisher of *HOY*, pleaded guilty to charges of mail fraud. Sito nearly doubled *HOY*'s circulation figures in the past without increasing the actual circulation. (*Editor & Publisher*)

**US: Daily News to MediaNews**

The sale of the Knight Ridder papers to McClatchy and the resale of some titles to the Denver based MediaNews Group also includes the Daily News Group. This group, of six free dailies (*Burlingame Daily News*, *East Bay Daily News*, *Los Gatos Daily News*, *Palo Alto Daily News*, *Redwood City Daily News*, *San Mateo Daily News*) in the



San Francisco Bay area, was only acquired by Knight Ridder in 2005. The company wanted to expand the concept to other areas the sale and resale prevented all this. (*Grade The News*, *Mercury News*)

The [www.gradethenews.org](http://www.gradethenews.org) website contains a map of newspaper assets in the Bay area (see left for a small version)

**US: opt out of Examiners**

On the *Baltimore Chronicle* website, Alice Cherbonnier complained about unwanted copies of the *Baltimore Examiner*. She calculated 3.7 billion pages had to be recycled in Baltimore alone in one year. Publisher Michael Phelps immediately reacted: you could opt out by one phone call. Phelps, however, added that more people were complaining that they did not receive the free daily.

**AM NewYork adopts new design**

On April 24 free daily *AM NewYork* was launched with a new design: less fonts, more links and smarter color. Examples can be viewed on [NewsDesigner.com](http://NewsDesigner.com).

**UPDATE**

**Israel: HaYisraeli**

In 2005 free daily *HaYisraeli* was introduced in Israel. Owned by Hirsh Media, controlled by Shalom Ben-Zvi and since the end of 2005 by 50% share holder Sheldon Adelson, "the richest Jew in the world" according to Israeli newspaper *Ha'aretz*. Adelson bought the 50% for \$15m. Ron Lauder, chairman of Estee Lauder Cosmetics holds 8% of the shares. Ben-Zvi and Lauder also are partners in newspapers *Makor Rishon* and *Hatsofeh*. All shareholders are leaning politically towards the Likud party. The owners are said to invest \$35m in the next years in the paper. *HaYisraeli* counts 16 to 32 pages and is said to have a circulation of 130,000 to 180,000 in 2006 and is distributed through public transport (trains and busses) and at Delek gas stations for which a special edition (60,000 copies) is made. (*Ha'aretz*, *TMCnet*)

**Denver Daily News**

Also not yet included was local US paper *Denver Daily News*, launched in 2001 and owned by Price & Palevich (see front page). The daily circulation is 12,000.

**CORRECTION**

**RedStreak**

Free Chicago paper *RedStreak* was not converted into a total free publication in November 2005 but in May of that year – *RedStreak* closed down in December 2005. Its competitor *RedEye* converted to a free model at that time.

Questions & suggestions: [piet.bakker@uva.nl](mailto:piet.bakker@uva.nl)  
website: [www.newspaperinnovation.com/free](http://www.newspaperinnovation.com/free)