

# Free Daily Newspapers

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Launches	Circulation	Titles/Publ.	Plans
Seoul, Portugal, Hungary, Brazil, South Africa, the Netherlands (p.1-2)	Poland, Austria, Greece, Moscow (p. 2)	Spain, Canada, Finland, Switzerland, SF (p. 3-4)	Switzerland, Israel, London (p. 2)

## 2007: Saturation sets in

After significant growth in 2004, 2005 and 2006, the free dailies market is beginning to show signs of saturation. Launches have not been as frequent as in 2006 while closures already began in the second half of 2006 (Czech Republic, Spain, Denmark) and continued in 2007 (Poland, Denmark). In 2004 the market grew with 25%, in 2005 with more than a third and in 2006 with more than 50% - in the first five months of 2007 growth was less than 10%. It should be noted however, that in the five largest newspaper markets in the world: China, India, Japan, USA and Germany no or only a few free newspapers are published. In the USA free papers have a market share of around 6%, Germany and China (excluding Hong Kong) have market shares of less than 1% while there are no free dailies in Japan or India.

## FDN - BAROMETER

The FDN barometer measures free dailies and circulation, comparing 2005 with June 2007.

### Free Dailies 2005 / June 2007 (circ. \* 1000)

	Countries		Titles		Circulation	
	2005	2007	2005	2007	2005	2007
Europe	24	28	80	125	15.291	26.292
America's	8	9	44	62	4.439	6.398
Asia/Pac/Afr	7	12	16	27	4.224	6.820
<i>Total</i>	39	49	140	214	23.954	39.510

## LAUNCHES

### The Times South Africa

No better time for a launch when the whole world is watching. *The Times*, free weekday daily by paid *Sunday Times* in South Africa launched June 5 during the World Newspaper Congress in Cape Town. The tabloid is delivered to the 120,000 subscribers of the Sunday paper. On the forum page of the paper some readers already express their feelings towards the new product.

### 5<sup>th</sup> title for Portugal

In the already crowded Lisbon free dailies market, a 5<sup>th</sup> paper will launch on June 6. *Meia Hora* (half hour) will be launched as 'a paper of record' in the Portuguese capital. Circulation of the 24 to 32 paper will be 100,000; publisher is Cofina Media/Metro News, also owner of *Destak*. The paper will be targeting higher class readers in residential areas, distribution is through offices, at traffic lights, in restaurants. 15 journalists will be employed by the paper. Cofina is investing €2m in the project that hopes to break even in three years. (*Correio da Manha*)

Portugal is now the fourth market in Europe in terms of market share of free newspapers (45%). After *Destak* and *Metro* were introduced in 2004, the market expanded with business paper *OJE* in June 2006 and sports paper *Diario Desportivo* in January of this year. *Destak*, *Metro* and *Diario Desportivo* have different editions for Lisbon and Porto, *Metro* also distributes a national edition in some other areas. Total circulation in Portugal is almost

480,000. Papers are distributed in the subway but also handed out by hawkers, dropped off at offices and hotels and distributed in the street to people waiting in their cars for the traffic lights. In a crowded market some saturation sets in, not all boxes are emptied at the end of the morning. In the subway more than half of the people are reading a newspaper, most of them the free ones.

### Seoul's 6th

Anyone who thinks that London, Paris, Copenhagen, Amsterdam, Rome and Madrid are well served with four different free dailies, should think again after visiting Seoul. In 2002 first *Metro* launched, in 2003 *Daily Focus* and *AM7* followed, while *Daily Zoom*, *Sports Hankook* and *Good Morning Seoul* launched in 2004. This last title closed down in 2005, but on May 2, another title was added: *The City*, a free afternoon daily with a circulation of 400,000. Total circulation in Seoul is now three million.

Market leaders are *Daily Focus* (662,000 copies) and *Metro* (485,000 copies) although also other titles claim a circulation of 500,000. But there is no audited circulation data to back up these claims. Free dailies are primarily circulated the subway system which serves approximately 10 million users a day. President of The City Media, Jerry Cho, was also involved in the launches of both *Metro* and *Daily Focus*. *The City* counts 32 pages on average and is distributed from 17:30 to 20:00.

### PubliMetro Sao Paulo

Monday May 7, the Sao Paolo edition of *Metro* in Brazil was launched with a circulation of 150,000. The 16-page edition is owned for 30% by Metro International because Brazilian legislation forbids foreign media ownership.

### 4th free Dutch DAG

Fourth free national Dutch daily *DAG* launched May 8, with a circulation of 300,000 copies. Distribution is through public transport and 700 Albert Heijn retail supermarkets. The paper has a staff of 45 people, who also are responsible for a website and a version for mobile phones. Plans for the website are ambitious, *DAG* wants to become one of the leading Dutch news sites with focus on recent news, blogs, photos, audio and video. Publisher PCM and telecom operator KNP are joint owners of *DAG*. Total circulation of free papers in the Netherlands will rise to 1.8 million.

### Hungarian monopoly ends

One of the last free daily monopolies in Europe, *Metro* in Hungary, ended two months ago. On March 20, the first edition of *Busz* was published. The new free daily has a circulation of 50,000 and is mostly distributed by hand in Budapest in 30 locations. During two days another daily publication *Vonat* (train) was published, according to the publisher this title will be back in September. Publisher is Frenk Reklám és Kiadó Kft while Ringier (*Blikk*) prints the paper. A weekly free paper *BuszPlusz* is distributed in areas outside the capital. *Metro* (launched September 1998) is still market leader in Hungary with a more national distribution and a circulation of 340,000.

## PLANS

### Adelson for Israel: free or paid

Sheldon Adelson, the "world's richest Jew" with an estimated fortune of \$26 billion, according to *Globes*, is ready to invade the Israeli media, either by acquiring paid daily *Ma'ariv*, or by launching free daily *Israel Today* with a circulation of several hundreds of thousands. Adelson was also financially involved in free paper *Israeli*.

### Swiss door-to-door free daily

With a capital of 50m Swiss Francs (€30m), a door-to-door-delivered free daily is planned for Switzerland in September of this year. Editor in chief will be Sacha Wigdorovits, former chief editor of *Blick*, the leading Swiss paid tabloid. Investors are publisher Jürg Marquard (magazines in Switzerland, Austria, Germany, Poland and Hungary), Andy Rhis (Phonak) and printer Eugen Reuss. German publisher Holtzbrinck could be the fourth investor. Holtzbrinck has, like Eugen Reuss, experiences in publishing free products. Since August 2006 it publishes *Business News*, a free financial daily in Germany. There are also contacts with the Direct Mail Company (Swiss Post subsidiary) for distribution. With five free titles in Switzerland already (*20 Minuten/Muntes*, *Heute*, *Le Matin Blue*, *Baslerstab*, *CashDaily*), the market share of free papers is around 33%. (*Persoenlich*)

### 20 minutes for 7 days?

The French language edition of *20 Minuten* in the western part of Switzerland (Geneva, Lausanne) is said to think about moving from 5 to 7 days publication in September of this year. At the paper, these rumors are neither denied or confirmed because they study "many options everyday" and this may be just one of them. Also an Italian edition is studied by the publisher. (*24 Heures*)

### Sports daily for London

The success of free weekly *Sport* and the general craze about sports in the UK, has led Chris Mackintosh, former marketing director of *Sport First* (folded in 2004) to think about a free evening sports paper with the working title *Sportsnight*. The evening paper is planned for the start of the next soccer season. It will also be published on Saturdays and will be distributed through pubs and social clubs. (*Sportsjournalists*)

### City A.M. plans for Edinburgh

London business free daily *City A.M.* wants to launch in Edinburgh later this year. After the Scottish capital, seven other markets may follow, Manchester, Glasgow and Leeds were mentioned.

## CIRCULATION & READERSHIP

### Metro Poland expands

After the closure of *Metropol* (Metro International) in January, remaining Polish free daily *Metro* by Agora (*Gazeta Wyborca*) extended distribution and increased circulation. The paper is distributed in all 20 major towns. Total circulation on weekdays is around 450,000 - on Friday a weekend edition with a circulation of 830,000 is distributed. After paid papers *Fakt* and *Gazeta Wyborca*, *Metro* is the third paper in Poland, in circulation as well as in readership. In Metropolitan areas the paper is second after *Gazeta Wyborca*.

### Österreich flooding the market

Austria has fast become a country with a high circulation of free papers, After *Heute* started in September 2004,

local models followed in Graz, Kärnten, Linz and Innsbruck; while the new cheap paper *Österreich* is also distributed for free in Vienna and Linz. Subscription is also possible (less than €10 a month) which means that subscribers actually pay for delivery only. The new paper is flooding the market with copies, many of them not picked up although the paper still is pretty well read in Vienna. Total circulation of free dailies in Austria is now more than 800,000 - meaning that more than 25% is free. *Heute* is with 500,000 daily copies the second paper after *Kronen Zeitung*, although this position is threatened by *Österreich* (paid and free combined).

### Metro Moscow to 600,000

Free Moscow daily *Mempo* (Metro) increased the number of distribution points from 75 to 100 subway stations in the Russian capital. Moscow has one of the largest subway systems in the world with a length of 280 km, 170 stations and more than 7 million daily users. Circulation almost doubled to 600,000 copies. The newspaper is also available through two retail chains. In February 2007 the Thursday edition was converted to a magazine format called *Metro Life*. Metro is distributed from Monday to Thursday. The same publisher also distributes the free weekly TV magazine *Telesreda* in the subway. The newspaper started in September 1997 as a weekly with a circulation of 200,000 - in 2003 the paper moved to two times a week. In 2005 *Metro* was published four days while circulation was increased to 327,000. In Russia two other free dailies are published: the English language *Moscow Times* and the St. Petersburg *Metro*.

### Greek frees lead in readership

*City Press*, with editions in Athens and Thessaloniki, and launched in 2003 by journalist George Kirtsos was already the best-read paper in 2005 and is again leading in 2006 with 261,000 daily readers. *Metro*, launched in 2000 by Metro International, has 238,000 readers. *City Press* is a political paper with editorials and opinions.

### TheSun 5 years

Malaysian free daily *TheSun*, converted in 2002 from paid to free, saw circulation in 2006 go up from 200,000 to 230,000 in March and to 265,000 in October. *TheSun* (Nexnews) is getting close to the *Star*, the English language paper (circulation 300,000 in 2005) and Chinese language paper *Sin Chew Star* (350,000). *TheSun* had an sales revenue of RM47 million (€10m) in 2006, according to Nexnews editor-in-chief Ho Kay Kat. *TheSun* is still losing money, last year RM5 million (€1m), which is much less than in the last years of the paid paper. More than half (55%) of *theSun's* 40 pages are filled with advertising.

## PUBLISHERS & TITLES

### Vocento considers Qué!

Basque publisher Vocento is interested in free daily *Qué!* after Recoletos sold sports paper *Marca* and business daily *Expansion* to Italian RCS group (also owner of *El Mundo*). *Qué!* is not making a profit but it has the highest circulation in Spain with more than 1 million copies. The price of €200m, however, is considered too high according to PRNoticias. The paper is also responsible for the price war on advertising, by giving substantial discounts to advertisers. Vocento publishes *ABC*, regional dailies and free dailies in Bilbao and Malaga.

### CanWest out of Metro

Torstar Corporation and Metro International have bought the shares of CanWest in *Metro Vancouver* and *Ottawa*, both launched in March 2005. Torstar (*Toronto Star*) and

Metro International both have now an approximate 50% financial interest and also co-own *Metro* papers in Toronto, Calgary and Edmonton. The French language *Metro* in Montreal is owned by Metro International, Transcontinental and Groupe Gesca (*La Presse*).

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## Mecom expands

Mecom, the David Montgomery company that acquired newspapers in Germany (*Berliner Zeitung*, *Berliner Kurier*, *Hamburger Morgenpost*), Norway (local newspapers), Poland, Ukraine, Denmark (*Berlingske*, *BT*, free daily *Urban*) and the Netherlands (*Limburgs Dagblad*, *De Limburger*, weekly freesheets), has made a bid for Dutch newspaper company Wegener (regional newspapers, free weeklies). Mecom already owns 24% of Wegener. With Wegener, Mecom will control almost 30% of the Dutch newspaper market and has a 33% share in AD Nieuwsmedia, publisher of *AD*, a national paper with 20 regional editions and a market share of 14% in the Netherlands. Majority owner of AD is PcM, a company without too much love for local newspapers. The position of AD is still unclear in the sale.

Although the strategy is still unclear, Mecom's ownership could mean two things. The first is building a chain of local European papers. The second is harvesting: cutting jobs and lowering expenses, go for short term profits, and break-up or sell the company after some years. Mecom, being a company financed by debt, is likely to go for the second option. Mecom started free daily *Dato* in Denmark in August 2006 and pulling the plug six months later.

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## CashDaily takes over

*CashDaily*, the free daily spin-off of the paid business weekly *CASH*, will be the only *Cash* from the end of this month on. The weekly will be closed down. This, of course, could mean two things: either the daily is so successful that the weekly is no longer needed, or, the weekly has suffered so much from the free daily that it was only a burden for publisher Ringier. (*Persoenlich*)

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## Metro Elche (Spain) closed

The last issue of Elche edition of the Spanish *Metro* was published on May 18. The edition was operated in cooperation with Ediciones Primera Plana (like in Castilla la Mancha, Alicante and Valencia), publisher of *El Periódico de Alicante*. The Elche edition was launched in April 2005 and had a circulation of only 8,000. Apparently the employees were left in the dark until the last moments about the closure. A new edition for Murcia, however, is already planned. (*El Sacapuntas*)

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## Metro Finland with V

Sanoma Kaupunkilehdet Oy, free paper division of Finnish publisher Sanoma, will change its free monthly *V* (Vee) into a weekend supplement for *Metro* Finland. The monthly will be published this month for the last time before it becomes part of *Metro* on September 7 when it will be launched as *Metro Live*. To distinguish *Metro* from *Uutislehti 100*, the other free daily by Sanoma, *Metro* and *Metro Live* will be more targeted to younger readers. The magazine will also be distributed separately. According to the publisher, *Metro* has a daily readership of 300,000.

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## San Francisco

The newsrooms of the *San Francisco Daily* are located above Crystal Cleaners on Lombard street. Well, actually it's 'newsroom' as there is only one, and it also contains the sales staff. But only two chairs were taken at the time I visited the office to talk to editor/publisher Dave Price, the rest of the staff was out selling ads and hunting for news. More than 20 of the 28 pages of the edition I

checked were filled with ads. The *SF Daily* was launched in May 2006 by Price and Jim Pavelich, who already were involved in free dailies in Colorado before they started the *Palo Alto Daily* in 1995. Later five more editions were launched in the Bay area before the group was sold to Knight Ridder and soon changed hands to McClatchy and then again to Dean Singleton's MediaNews Group.

Anschutz' Clarity Media Group, until then operating the only free daily in San Francisco: the *Examiner*, reacted by launching the *City Star*. Both papers have circulations of 6 to 7 thousand and serve mainly local advertisers. *The Star* uses more color and is slightly smaller in page size. But the real difference is in page count and ads. The issue of the *Star* counted 16 pages with less than half of it filled with ads. *The Examiner* is much more metropolitan (circulation 160,000) and counts 56 pages - 21 of these filled with ads, with lots of classifieds.

Competition is not only between *SF Daily*, *Star* or *Examiner*. Almost every street corner in San Francisco has several newspaper boxes, sometimes more than a dozen, with the free dailies, some paid papers (*the Chronicle*, *Mercury News*, *NY Times*, *USA Today*) and many free weeklies. The *SF Daily* is standing out, not only because it proves that even in such competitive markets there is still room for a new model but also because it shows that the *Metro* model is not the only one.

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## Italian free dailies 5% ad share

Advertising revenues for Italian newspapers, including four free dailies (*Leggo*, *City*, *Metro*, *24 minuti*) increased with 7.7% in the first three months of 2007 compared to the same period in 2006. In total it is now €442m, with the free dailies taking €22m (5%) of that. The (almost) free dailies of the *E Polis* group, sports daily *Sport24* and the local *InCitta* papers were not measured. (*Affari Italiani*)

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## Fastest papers in the world

*Süddeutsche Zeitung Primetime*, the free edition of the German *Süddeutsche Zeitung*, is the fastest newspaper in the world according to its printer. The digital paper arrives at 14:30 at the printing plant, while distribution to first class Lufthansa travelers begins at 16:00. *Heute* in Switzerland delivers its data at 13.30 to its printing plants in Zurich, Berne and Basle, and from 15.00 on the distribution-boxes are filled with 220 000 papers, the last box must be full at 16.00. That is just as fast but with a print run higher than *SZ Primetime* more impressive.

*Heute* is the paper with the highest percentage of 14-34 age readers in Switzerland. All free papers and both tabloids (*Blick*, *Le Matin*) do better than average, but frees do better than tabloids and *heute* is champion with more than 50% of readers in that age group.

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## El Crack 10 & Penalty stopped

Spanish free sports paper *Penalty*, in which the Portuguese media group Cofina had a minority share, stopped publication, the last news on the website dates from December 5. The paper was launched in 2006 in Madrid and Barcelona and a circulation of 400,000. The paper had lots of sports but minimal advertising. Also free sports paper *El Crack 10* did not survive the year 2006. The website does not contain any recent information later than of December 6, 2006. On November 15, the publisher Prensa Deportiva Gratuita SL / European Sport Press SL was declared bankrupt with a debt of more 1.1 million euros. The paper started in 2003.

Remaining free sports dailies are in Germany (*Sportzeitung*), Portugal (*Diario Desportivo*), Italy (*Sport24*) and Korea (*Sports Hankook*). The business

model seems to be somewhat difficult, mostly because the male audience is not really an advertising-reading (and product buying) audience.

### When is a daily a daily?

Dutch paid newspaper *De Barneveldse Krant* took Wegener, publisher of the free newspaper *Barneveld Vandaag*, to court because the free publication calls itself a 'daily' while it is only published 4 days a week. The court agreed with *De Barneveldse Krant* so *Barneveld Vandaag* has to drop the 'daily' caption. Another free newspaper, *Almere Vandaag* (by *De Telegraaf*), that moved from 4 to 5 times a week last year, will go back to 4 times in May of this year.

### Danish casualties

*Dato*, the free door-to-door newspaper by Berlingske Officin was closed down in April. One month earlier, *JPARhus+*, the free daily by *Jyllands Posten* that was launched in 2003, 'merged' with the Arhus edition of *24timer*. The new edition will be called *24timer Arhus+* and will have a circulation of 80 to 90,000 - 30,000 will be distributed through public transport, the rest door-to-door.

### Strikers free daily allowed

Striking employees of the Canadian *Journal de Québec* can publish their free daily *Média Matin Québec*. Sun Media, subsidiary of owner Quebecor, asked the court to forbid the locked-out employees to publish the free daily, but the court saw no reason for that. (*Radio Canada*)

### Mr. Sarkozy goes on holiday

The luxury holiday trip by the new French President Sarkozy just after his victory caused a storm of protests in France. Sarkozy was the guest of France' latest media tycoon: Vincent Bolloré, owner of a commercial TV station, production companies, advertising agencies and of three free papers: evening paper *Direct Soir*, *MatinPlus* (the third Paris morning paper, 30% owned by *Le Monde*) and *BretagnePlus* (local free daily in Bolloré's backyard Bretagne). (*Observatoire des media's*)

After inviting Sarkozy on his yacht, Vincent Bolloré proved himself a true lapdog for the new government. An article about the misbehaving toward Hungarian musicians by the French police at Charles de Gaulle airport, was suppressed by Bolloré himself according to Alexandre Lévy, Eastern Europe editor of the *Courrier International*. This magazine has a contract with *MatinPlus* for copy on foreign affairs. Official reason was that this was no way to report on the French police and that *MatinPlus* has a right to reject articles that are not 'neutral'.

*MatinPlus* increased circulation from 350,000 to 400,000. The paper will deliver the extra copies through the existing 225 distribution points. The paper will also introduce new advertising pages for jobs and real estate.

### London Lite closed for lunch

Associated Newspapers' free daily *London Lite* stopped the lunchtime edition to protect paid paper *Evening Standard*. The 40,000 copies that were distributed between 12:30 and 14:30 are now handed out later in the afternoon so the paper will be available until 19:30 and will compete more with *thelondonpaper*. (*Guardian*)

- The *Guangzhou Metro Daily*, launched October 2006 moved from 3 to 5 day a week in January 2007.
- Ukraine Daily *Obzor* (Dutch publisher De Telegraaf) moved from 3 days to 5 days in April 2007.

### Kuryr Prague closed

The fourth Prague free daily, *Kuryr*, did not survive the summer holidays of 2006, the paper changed to a weekly during summer but ceased publication soon afterwards.

## RESEARCH

### French Frees on the web

*Magazine Strategies* has a feature on web performance of free newspapers in France. Metro updated its website in 2006 while *20 Minutes* redesigned in March of this year. As in readership, *20 Minutes* is ahead of *Metro* with more daily unique visitors.

### Measuring Innovation

Matthijs Van Duijvenbode and I wrote the cover story for the May/June edition of *Ideas*, magazine of the International Newspaper Marketing Association (INMA). The article "Measuring Newspaper Innovations" covers long-term effects of innovations like tabloid switches, introduction of new sections, local editions and Sunday papers, re-designs, electronic editions and flexible subscription models in the Dutch newspaper market. The main conclusions are that electronic editions and flexible subscription models (unbundling the full week subscription) do seem to attract extra readers and raise total circulation, whereas other innovations hardly seem to affect circulation in the long run.

## EVENTS

### London freesheet walk

On June 13, Project Freesheet will organize a walk through London. Volunteers will spend the day on the tube and the streets, wearing a Project Freesheet t-shirt, and collecting discarded (free) newspapers.

### N-American free daily conference

On June 18 and 19, the first North American Free Daily Newspaper Conference will take place in St. Petersburg (FL). The conference "The Free Daily Newspaper: Innovation and Strategy" is organized by Gansevoort Media, and hosted by the *St. Petersburg Times*, publisher of free daily *tbt\** / *Tampa Bay Times*. More information on the conference and about the an Association of Free Daily Newspapers is available at [www.gansevoortmedia.com](http://www.gansevoortmedia.com)

## WEBSITE UPDATE: Spain

The new page on Spain now contains two dozen titles in one of the most crowded markets of Europe. One of the free dailies in Murcia, *Diario de Murcia* changed its name to *Cronica del Sureste*. Apart from the closed down sports papers *Penalty* and *El Crack 10*, also *Diario del Mediterraneo* (Benidorm, Valencia), *Diario Express* (Valencia) and *Daily Malaga* could not be traced.

The *Mes*-group now consists of 12 titles after five new editions were launched in Sabadell, L'Hospitalet, Cornellà, Ebre, and Alcobendas / San Sebastian (Madrid). Total circulation of the group is now more than 80,000. In Galicia, free daily *LV*, was launched in December 2006 by the publisher of paid paper *El Progreso*. Airline Iberia started its own in-flight daily *Universal*. The *Viva* group launched new editions in Jaen and Jerez in 2006 after *Viva Cadiz* that was launched in 2004. Total circulation of the 24 titles is now 4.3 million.

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