

# Free Daily Newspapers

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|   |   |                               |   |                                     |
|---|---|-------------------------------|---|-------------------------------------|
| <b>Netherlands</b>                        | <b>Launches</b>                         | <b>Audit disputes</b>         | <b>Readership</b>                       | <b>Journalism</b>                   |
| Publisher exit after free spin-off (p. 2) | Thailand, Romania, US, Ukraine (p. 1-2) | Canada and Austria (p. 3 & 4) | Portugal, Spain, Poland, Austria (p. 4) | Pro-am reporting at Examiner (p. 6) |

## Profitability & Myopia

Sparked off by the Q1 2008 loss of Metro, the closure of BostonNow, and losses of Murdoch's thelondonpaper in its first year, the topic of free dailies making no profits has been much discussed lately. It was on Philip Stone's Follow the Media, in the Wall Street Journal and MediaLife. The MediaLife article was criticized by free-daily.com for being inaccurate.

In Follow the Media I was quoted for the rough estimate of 70% of the free dailies not making profits. It was a rough estimate because most publishers are either privately owned or don't break out results for separate titles.

Other media copied these stories, mostly ending with the catch phrase that free apparently doesn't equal profitable. Some media almost seemed to be gloating over it. The question of course, is whether this really means that the 'free daily'-model has no future.

Of the more than 300 free dailies ever launched, almost a quarter (74) has been closed down, mostly within the first years. Defensive papers, sports papers, afternoon papers and last entries in crowded markets were the first to go. These obviously didn't make any money. Almost half of the remaining 235 titles were launched in 2005 or later. Launching costs are substantial and almost no paper expects to make a profit in the first years.

Furthermore, many of these papers were launched in markets with already two or more free dailies; Denmark, Switzerland, Spain, France, the Netherlands, Italy, Portugal, Sweden, Korea, Hong Kong, Israel. Competition is high and advertising rates are under pressure.

While some first entries made profits rather quickly (Sweden, UK), most count on three years at least while some publishers (Bolloré) think it may take longer.

Titles that are longer in business usually make money although not all of them. Sometimes because of difficult markets or fierce competition but also because they launched new editions which lead to new start-up costs.

The recession did not help. That the three closures of 2008 are in the US is no coincidence. Not finding a new investor for BostonNow is definitely recession-related. Print is very vulnerable for economic downturns. Of the 75 closures, most of them were in 2001 and in 2006/2007.

Most titles don't expect to make profits. Actually, most businesses don't expect to make money in the first years.

More interesting is why so many media cover the non-profitability of free dailies. There seems to be some myopia concerning money-losing newspapers.

Non-profitability of paid papers is covered less. What about The Times (London), the Evening Standard, The Independent, The New York Post, The New York Sun, The Washington Times, Le Monde, Le Figaro etc?

Interesting was the launch of Metro Halifax in Canada on the remains of the Halifax Daily News last year. There was a fair amount of criticism on the takeover, but the fact that the Halifax Daily News lost money for 18 years in a row, was apparently taken for granted.

The difference between free and paid dailies when it comes to press subsidies is also not often covered. In many European countries paid papers are subsidized by the state, either directly or through tax laws and postal rates. Free papers usually are excluded from subsidies.

Money-losing paid newspapers apparently have hardly any news value while their state subsidies are seen as natural benefits. When free newspapers are losing money, the fact seems to be celebrated as often as possible as the death wish of a mortal enemy.

## FDN - BAROMETER

The FDN barometer measures free dailies and circulation, comparing 2005 (updated) with April 2008.

### Free Dailies 2005 / April 2008 (circ. \* 1000)

|              | Countries |      | Titles |      | Circulation |        |
|--------------|-----------|------|--------|------|-------------|--------|
|              | 2005      | 2008 | 2005   | 2008 | 2005        | 2008   |
| Europe       | 24        | 32   | 83     | 125  | 15,404      | 29,289 |
| America's    | 9         | 10   | 47     | 74   | 4,792       | 6,613  |
| Asia/Pac/Afr | 10        | 16   | 20     | 35   | 4,409       | 8,711  |
| total        | 43        | 58   | 160    | 234  | 24,605      | 44,613 |

## LAUNCHES

### Daily Xpress first free Thai daily

Last month Thailand joined the group of countries with free newspapers after Daily Xpress was launched. The new tabloid is published by paid newspaper The Nation.

With a circulation of 100,000 the paper will be the English language paper with the highest circulation in Thailand. Xpress is designed by Mario Garcia. The paper also want to promote citizen journalism and readers' interaction by using reader-generated content. It will be more focused on life style.

Daily Xpress will also be delivered to subscribers of the Nation on Monday to Saturday, on Sundays an expanded Daily Xpress will also be delivered to Nation-subscribers. (Asianews Network)

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## **De Financiële Pers 'test run'**

New free Dutch business paper De Financiële Pers by free daily De Pers and business platform IEX.nl was a two-days test run only. The paper was distributed in business centers in the Netherlands. Publisher Cornelis van den Berg stepped down four days later. The experiment may have helped him on the way out. Only after the launch it was announced that it was a two-days experiment. If owner Marcel Boekhoorn did not know about the plan, as was suggested, he could have been responsible for turning the launch into a two-days test.

The business paper may have pushed the publisher over the edge, but the financial performance of De Pers might be a better reason. De Pers lost €20m in 2007. For 2008 a loss of €10m is expected while in 2009 De Pers will lose another €5m. Van den Berg revealed these data in an interview in Belgian daily De Morgen on March 28.

Although €35 million was 'an awful lot of money', Van den Berg was not worried: 'we lost 20 million last year, so what?' In year 4 or 5 he expected to make a profit of €3m and because 'healthy' papers can be sold at 'ten to twelve times the profit', the investor can still make money.

A curious piece of calculating with unclear parameters. Is the profit expected in 4 or 5 years and is a sale 10 or 12 times a profit? If the paper is sold at 10 times a profit of €3m in year 5, there is a net loss. And even if the paper is sold at 12 times a €3m profit in year 4 the investor would have been better off putting his money in the bank.

But profit is still far away for De Pers, with a net price of €10,000 for a full-page ad, the paper needed at least eight pages of advertising to make a profit. De Pers now has two to five ad pages. Whether advertisers really pay €10,000 is unclear. With four free dailies competing, discounts might lead to a page price of €2000.

Owner Marcel Boekhoorn - assets estimated at €1.1 billion - was calling up Van den Berg every week 'to complain about costs' according to the publisher.

Furthermore, Van den Berg might be a problem for a sale of De Pers because he isn't famous for making friends with publishers, media buyers and advertisers. The former publisher always denied that De Pers was for sale. But in fact De Pers has been offered to quite a few publishers.

From June/July 2007 on, Boekhoorn was contacting De Telegraaf, NDC, PCM and Het Financieele Dagblad, meaning all major Dutch publishers except Wegener. De Telegraaf was visited by Boekhoorn and his associate Cees van der Hoeven, famous because of his involvement in the AHOLD fraud scandal in 2003 after which he was forced to step down as CEO and was convicted for doctoring the books. To send him on a sales trip seemed a pretty desperate move.

De Pers was even offered to Metro International. When the London-based publisher did not show interest in the paper, Boekhoorn threatened to buy Metro International instead. Nothing was ever heard of it again.

That Wegener was not mentioned is understandable. Wegener sued editor-in-chief Ben Rogmans because he left the company to work for De Pers. Van den Berg blamed Wegener for mistakes they made with the merger of Algemeen Dagblad with regional newspapers. (Van den Berg himself was in charge of this 'mistake'.)

Van den Berg was probably more a liability than an asset for De Pers - with him a sale would be impossible and more losses inevitable.

## **Fourth Romanian free daily: Ring**

Monday 21 April a second free daily launched in the Romanian capital Bucharest. Ring is distributed in 50,000 copies by street distribution and at subway entrances. It is the fourth title in the country.

The new compact paper counts 16 pages and covers politics, show-biz and sports with an emphasis on the last subjects, according to the 'media details' blog, one of the best sources on media developments in Eastern Europe.

Ring is published by Confort Media SRL, a company owned by two Romanian entrepreneurs Robert and Ionut Negoita. The owners have been active in real estate, hotels (Rin Hotel) and commercial operations (carpet retail). This is their first media project.

Ring's editor in chief is Alexandru David, an ex-editor of gossip weekly VIP. A team of 40 people are working for Ring: 28 as journalists. The website [ziarurling.ro](http://ziarurling.ro) only has the the frontpage yet. The investment is around 10 million euros in 2 years according to the owners. They also want to go into radio and TV.

In Bucharest, also free daily Compact (Ringier) is published since 2006 while Curentul has a more national distribution. Inform Media publishes free daily Expres in Timis, Arad, Hunedoara and Cluj. (Media Details)

## **Baltimore 'b'**

Baltimore got a second free daily simply called 'b'. The youth oriented daily is published by paid paper the Baltimore Sun and will have an initial circulation of 50,000. Circulation is expected to grow to 75,000 in September and even to 100,000 at the end of the year.

The paper will be available at 2500 distribution points, including 1000 to 1600 boxes, at retail outlets, on campuses and in restaurants, bars, gyms and coffee shops. Every day b will have a section devoted to a particular theme like money, health, home decoration, music and movies.

'b' will contain user-generated content (on 'nearly every page') and material from Chicago free daily RedEye, published by the Chicago Tribune and owned by private investor Sam Zell who also owns the Baltimore Sun. The publisher is targeted at the half a million young adults living in the Baltimore area.

**In Baltimore also free daily the Examiner is published with a circulation of 250,000.**

## **Vecherkom 3<sup>rd</sup> Ukrainian free daily**

On April 7 the third free daily in the Ukraine, Vecherkom, was launched in capital Kiev. Vecherkom is an eight page afternoon paper with a circulation of 80,000. The first issue was handed out by a team of 100 distributors.

In the Ukraine also two morning free dailies are published: 15 Minut by KP Media and Obzor (by Dutch owned Telegraaf Media Group). The first is published in six editions with a circulation of more than 250,000 while Obzor has a similar circulation as Vecherkom in Kiev.

The paper was developed and designed by a team of Spanish based Innovation International Media Consulting Group. On Antonio Giner's blog more information is given while some pages in full can be seen.

Some of Innovation International's consultants were also involved in Spanish free dailies Qué! and ADN and in the relaunch of the Ukraine paid daily Segodnya.

## ORBITUARIES

### **BostonNow: Dagsbrun pulls plug**

After selling Danish free daily Nyhedsavisen for 1 kroner, Boston free daily BostonNow is the second casualty of the Icelandic economic crisis. BostonNow owner Dagsbrun closed down the paper Monday April 14. Financial problems of Dagsbrun in Iceland, which is facing a severe financial crisis with high interest rates and high inflation, is the reason for the closure.

BostonNow was launched a year ago, and was competing with the Boston Metro edition. The US editions of Metro (including New York and Philadelphia) are up for sale already for some months.

Russel Pergament, who also was involved in launching Metro in USA, started the paper. BostonNow was a forerunner in including bloggers in the creation of content for the paper. According to Pergament, interviewed by the Boston Herald, BostonNow was 'healthy' and 'on track' moving towards profitability in three years as expected. BostonNow employed 50 people.

The BostonNow website has the official announcement (with many comments).

### **Nashville City Paper semi-weekly**

Free daily The City Paper in Nashville moves to a twice-a-week schedule at the end of April. On April 25 the last daily issue was printed.

The paper was founded in 2000 but has been struggling since launch according to free-daily.com. The move towards the semi-weekly model was accompanied by a sale to local company SouthComm Communications.

## PLANS

### **Second free daily for Vail**

Jim Pavelich, founder of the Vail Daily in Colorado in 1981, is planning another daily in his hometown (population 4500). The Vail Daily was sold to Swift newspapers in 1993 but Pavelich is not satisfied with the job the paper is doing now.

Pavelich and former Aspen Times editor Dave Price started the Palo Alto Daily News in California, which they sold to Knight Ridder in 2005. Price is now running the SF Daily. (free-daily.com)

## CIRCULATION

### **Examiner 5<sup>th</sup> US paper**

Via the Publicitas newsletter I got the latest US circulation data on the top 10 paid dailies. Not a very happy sight, with 8 out of 10 losing circulation in 2007/2008. Only the Wall Street Journal and USA Today saw their circulation increase. The list, however, also showed that the 10 most circulated dailies are not all paid dailies.

Wall Street Journal and USA Today are leading, followed by The New York Times and the Los Angeles Times. Free daily The Examiner is 5<sup>th</sup> although with roughly the same circulation as the New York Daily News, the New York Post, and the Washington Post. Metro is the 9<sup>th</sup> paper in circulation, followed by the Chicago Tribune.

### **Metro leads in France**

Metro is the French free daily with the highest circulation. In February 2008 the paper distributed 749,000 copies

(742,000 in full year 2007). 20 Minutes follows with 717,000 copies (same in 2007). The two Bolloré free dailies had a joint circulation of 900,000 in 2007.

With these circulation data, the four French dailies are by far the national newspapers in France with the highest circulation. Le Figaro has a circulation of 339,000 in 2008.

### **Italy: 5 free dailies, 1 audited**

The last Italian circulation audit by ADS includes only one free paper, the part paid but mostly free E Polis, with 15 different editions, has an official free circulation for the full year 2007 of 413,000. For 2006 the official number is 219,000 - rather different from the more than 900,000 copies E Polis claimed to be distributing in that year.

The other free dailies in Italy: Leggo, City, Metro, 24 Minuti and DNews are not audited. In readership, Leggo, City and Metro are in the top 10 in Italy (4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup>). E Polis is the smallest in readership: 832,000 in 2007.

### **Canadian publishers change audit**

Three major Canadian newspaper groups: Torstar, Sun Media and Transcontinental have left the Canadian Audit Bureau of Circulations ABC circulation auditing to join the Canadian Circulations Audit Board (CCAB).

The publishers said they made the move so all their titles were audited by one auditor, because CCAB is tracking also the smaller community papers from the same publishers. The real reason, however, might be that CCAB has less strict rules on bulk and unpaid circulation.

The publishers were unhappy with ABC because of the strict rules on promotional copies, and sponsored circulation handed out at public events like auto shows. Metro (partly owned by Torstar and Transcontinental) was already audited by CCAB. Sun Media also owns the 24 heures/24 hours free dailies in six markets.

Media buyer Troutbeck-Chernoff president Robert Troutbeck said he would recommend his clients boycott advertising in papers that don't use ABC, calling it the gold standard for tabulating newspaper circulation. "This is really an attempt to pass off dubious-quality distribution as paid circulation. ... You can guarantee the numbers will go up," according to the Globe and Mail.

Jack Wojcicki, PR Counsel with motum b2b, AOR for CCAB, responded on the blog. His comments are reprinted here.

*Statements issued by the Audit Bureau of Circulations (ABC) included comments made by spokespeople who were represented as independent, concerned media buyers and advertisers. What was not disclosed was that these individuals are directors or past directors of ABC, the major competitor of CCAB (a division of BPA World Wide). As such their comments are not without bias, nor are they representative of the industry in general. Furthermore, the statements made regarding the quality of a CCAB audit are false and unsubstantiated. CCAB's audits are conducted according to the highest industry-accepted circulation auditing guidelines and will adhere to its universal principles of accuracy and full disclosure. Of greatest concern is that these statements are not constructive nor are they in the interests of anyone in the media industry.*

### **Welt / Welt Kompakt circulation rise**

Circulation of paid paper Die Welt and Welt Kompakt by Springer has increased for the third year in a row. In 2005 it was 222,000, in 2006 252,000; in 2007 267,000; in the first months of 2008 joint circulation was 278,000.

The tabloid Welt Kompakt is probably responsible for this growth, although the publisher does not publish separate data. Welt Kompakt is mostly paid although part of the circulation is distributed for free in first class trains.

Springer's flagship Bild Zeitung again lost circulation and distributes now 3,326,000 copies. In 2005 this was 3,655,000. The Frankfurter Allgemeine Zeitung saw its circulation rise for the first time since 2005. It now distributes 369,000 copies. Also Süddeutsche Zeitung saw circulation rise. (Publicitas)

### **Herald and Metro battle in Boston**

Thanks to an article in the Boston Phoenix there now is some discussion on which paper is second in Boston: the Herald or Metro (after the Globe). Publishers and journalists are juggling with data to prove that one or the other is leading the race.

The real issue, however, is that circulation is pretty badly audited in the US. The process is not very transparent, the procedures are fuzzy, it is done by different organizations (Audit Bureau of Circulations, Scarborough Research, Certified Audit of Circulations) with different measures over different intervals while the results are not available to the public.

The circulation scandal of 2004 did not improve the reputation of how circulation was measured and reported in the US. It is probably better done than in Albania, but below standards used in most European markets. Readership audits in the US, for advertisers even more important, have the same problems.

### **Q4 2007 circulation the Netherlands**

De Telegraaf is still the Dutch daily with the highest circulation in the last three months of 2007: 703,000 copies a day, including bulk sales and free copies. Paid circulation was 637,000. Free daily Metro (539,000) is 2<sup>nd</sup> paid paper AD 3<sup>rd</sup> with 477,000 copies.

Free dailies De Pers (491,000), and Spits (452,000) are 4<sup>th</sup> and 5<sup>th</sup>. Free daily DAG follows with 401,00 copies.

### **Today & MyPaper rise circulation**

Both free dailies in Singapore, Today and MyPaper have increased circulation from 250,000 to 300,000 in 2008. Today (MediaCorp) was launched in 2000 while MyPaper (Singapore Press Holdings) started in 2006.

MyPaper increased circulation to 250,000 after the paper moved from a Chinese language edition to a bilingual newspaper. More than a third of the total Singapore newspaper circulation consists now of free papers.

### **Frees lead in Spain**

The March circulation data from Spain revealed that free dailies still lead in circulation. Qué! leads with 1,049,000 copies before ADN (1,022,000), 20 Minutos (980,000) and Metro (853,000). Paid paper El País distributes 460,000 copies. The growth in free circulation is gone, however. Indicating a focus more on readership and cutting costs.

## **READERSHIP**

### **Spanish frees see readership grow**

All four national free dailies have more readers in the period April 2007 - March 2008 than in previous periods.

20 Minutos is the best read paper with 2,685,000 readers (+ 7% compared to the previous audit). Sports paper Marca is 2<sup>nd</sup> with 2,550,000 readers. El País is 3<sup>rd</sup> with

2,336,000 readers; Qué! is 4<sup>th</sup> with 2,106,000 readers (+8%) followed by Metro (1,764,000 readers; +3%). The fastest growing paper is ADN with 1,636,000 readers, (+16%). (EGM)

According to PRnoticias free dailies have 8.2 million readers against 14.2 million for paid papers. They arrive at this figure by adding readers up, something that cannot be done because readers can read several free dailies. Total Spanish newspaper readership is 16 million.

### **Portugal: paid down / free up**

Portuguese readership data for Q1 2008 reveals a decline in readership of paid general papers while business dailies and free papers see their readership go up.

Paid paper Jornal de Noticias saw daily reach go from 11.5 to 11.1%; second paid paper Correio da Manha went down from 11.3 to 10.8%. Also the 'smaller' paid papers Publico, Diario de Noticias and 24horas saw readership decline. For the five free dailies the situation is different.

Free Destak has 615,000 readers (7.4% reach) which makes it the 3<sup>rd</sup> paper. Metro is 4<sup>th</sup> with 598,000 readers (7.2%). Global Notícias, launched in September 2007, has 424,000 readers (291,000 in 2007) while Meia Hora (launched June 2007) has 208,000 readers. Free business paper OJE had 58,000 readers. (Publicitas)

### **Austria: no frees audited**

The 2<sup>nd</sup> and 3<sup>rd</sup> best-circulated newspapers in Austria: paid/free daily Österreich and free daily Heute are not included in the readership audit over the full year 2007.

Best-read paper is Kronen Zeitung with 2.9 million readers. Kleine Zeitung is second with 821,000 readers, while Kurier is third with 624,000 readers. All three lost readership in the last two years. (Publicitas)

Circulation audits in Austria are also almost useless because Kronen Zeitung and Kurier don't participate.

### **Metro Poland 3<sup>rd</sup> newspaper**

Metro (Agora) is the 3<sup>rd</sup> newspaper in Poland, after Gazeta Wyborcza (Agora) and Fakt (Springer). Gazeta Wyborcza reaches 5.5 million readers on a weekly basis (18%), while Fakt had a readership of 5.1 million (17%). Metro has a readership of 2.4 million (8%) in the period September 2007 - February 2008.

Compared to the previous two periods, all papers, however, lost some readership. Gazeta Wyborcza reached 19.7% in 2006-2007, Fakt 18.9% and Metro 8.15%. (Publicitas)

The (small) drop of Metro's readership is curious because Metro had a competitor in the previous period. Metropol (Metro International) closed down in January 2007.

## **PUBLISHERS**

### **Tamedia profits from newspapers**

Swiss publisher Tamedia has seen its revenue rise in 2007, mainly thanks to its newspaper business. The newspaper division had a total revenue of CHF 348m (€440m), a rise of 16%.

Tamedia publishes paid papers Tages Anzeiger (Zurich) and Berner Zeitung. Free daily 20 Minuten (20 Minutes in the French speaking part of Switzerland) was responsible for an important part of the revenues. In 2007 Tamedia launched free dailies News in Switzerland and L'Essentiel in Luxembourg. (Persoenlich)

## One year *MédiaMatinQuébec*

The longest lock-out in Canadian newspaper history made free *MédiaMatinQuébec* celebrate its first birthday. The conflict at *Journal de Québec* (Quebecor) started 22 April 2007. From 24 April 2007, locked-out employees started free daily *MédiaMatinQuébec*, distributed in 40,000 copies, five days a week.

According to Quebecor, circulation, readership and advertising income are declining which makes measures necessary at the *Journal de Québec*.

Employees were paid generously according to the publisher, with a yearly income between Can\$ 83,000 and 100,000. Employees at the *Toronto Sun* got at least \$12,000 less. Also holidays were better than average; 6 weeks to start with, but because of all kinds of special arrangements, employees work 40 weeks a year. These weeks count 4 days (32 hours per week).

The publisher proposed working weeks of 37.5 hours, more cooperation between papers, website work for journalists, and journalists taking photos occasionally.

The lock-out concerned 69 journalists and 68 administrative staff members after 97% of the staff voted for a general strike. (CNW Telbec)

## Murdoch for another freebie

According to *Free-daily.com* Rupert Murdoch bid for *Newsday* (Tribune Co.). Free New York daily *amNewYork* is part of the deal. The free daily was launched in 2003 and 'piggybacks' on the *Newsday* operation. A spokesman from the company prefers 'synergy'. Murdoch's flagship is the money-losing *New York Post*.

Murdoch's bid is matched by Mortimer Zuckerman, owner of the *New York Daily News*. Although his bid is also \$580m, Zuckerman's offer is expected to lead to less public resistance. A Murdoch takeover would also cause more problems with antitrust legislation because of combined print/TV ownership. (ChainLinks)

## The London paper

Free London paper *thelondonpaper* (News International) lost nearly £17m (€22m) in the first ten months (September 2006 - June 2007). Turnover was £8m.

Launching costs and disappointing ad sales were responsible for the loss. For this year better ad sales are expected. *Thelondonpaper* has a staff of 52 people, 33 working in editorial positions. Circulation is around 500,000. (Guardian)

## London litter

After Westminster, also the Camden council is thinking about measures against free paper waste in London. Westminster reached an agreement with the publishers of *thelondonpaper* (News International) and *London Lite* (Associated Newspapers) to place waste bins in the borough. The Camden council is thinking about limiting the number of free dailies distributed and has informed the publishers of their plans. (Greenslade)

## UK domain & trademark war

Both News International (*thelondonpaper*) and Associated Newspapers (*London Lite*) are engaged in a 'phoney' expansion in the UK. Both companies are trademarking their brands and registering Internet domain names.

Associated trademarked the 'Lite' name for Leeds, Leicester, Liverpool, Birmingham, Brighton, Bristol, Cardiff, Derby, Edinburgh, Glasgow, Newcastle, Norwich,

Nottingham, Scotland and Yorkshire. The company also bought web addresses for more than 20 cities in the UK.

News International claimed the *birminghampaper*, the *bristolpaper*, the *glasgowpaper*, the *manchesterpaper*, the *hullpaper*, the *edinburghpaper*, the *liverpoolpaper*, the *yourkpaper*, the *cardiffpaper*, an the *leedspaper*.

News International also bought the *newyorkpaper.com*.

Associated bought .co.uk web addresses for 'Lite' in Brighton, Bristol, Bath, Southampton, Plymouth, Cambridge, Ipswich, Norwich, Oxford, Birmingham, Nottingham, Derby, Stoke, Leicester, Coventry, Leeds, Hull, Liverpool, Sheffield, Edinburgh, Glasgow, Cardiff and Swansea. (Press Gazette)

## Metro 2008 Q1 results

Sales of Metro International decreased in Q1 2008 compared to the same quarter in 2007. The operating loss of €5.6m was less than the loss in 2007 (€8.8m).

CEO Per Mikael Jensen singled out Spain, Denmark and the US as having 'difficult market conditions'. Spain and the US always were difficult, but the Danish operation apparently is feeling also the increased competition, although it is still profitable.

Metro Sweden is developing towards higher profitability while also Metro Holland did very well. The results in Southern Europe (Portugal, France, Italy, Greece, Spain) are under pressure because of the results in Spain and difficult sales in March (Easter). Chile and Hong Kong are showing good results for the company. Of the Joint Ventures, Canada and Mexico were singled out as performing very well.

## DAG: €10m down, €10m to go

According to the 2007 results of publisher PCM, their free daily DAG - the fourth title in the Netherlands - lost €10 million in 2007 and will lose again 10 million this year. The publisher hopes that DAG will make a profit in 2009.

DAG, owned by PCM publishers (Volkskrant, NRC, Trouw) and telecom operator KNP is thinking about a weekly magazine. Design studio Lava is working on a concept of a magazine. Lava also designed the daily and was involved in the recent redesign. PCM recently sold their city magazine NL20 to publisher Boomerang.

Edwin Tromp, director DAG left the paper, within one year after the launch. He is being replaced by Jan-Roelof Stienstra, originally from telecom operator KPN.

## German Post angers publishers

German magazine publishers consider it a 'scandal' that the German Post plans to launch a free weekly magazine. The title would be distributed in several million copies to households and will contain national advertising as well.

Deutsche Post already distributes *Einkauf Aktuell*, a free advertising weekly (17 million copies). The new weekly will contain news as well so it can be distributed also to households that don't want advertising material delivered.

The magazine publishers' organization VDZ will use every 'political and legal' way to prevent the launch of the magazine. Also it is thinking about starting its own delivery service for magazines.

The news items will be provided by Klaus Madzia, formerly responsible for the *Holtzbrinck* cheap daily *News* and its free successor *Business News*. Earlier Deutsche Post also wanted to launch a free daily. (FT Deutschland)

## Good year for *Le Matin Bleu*

Swiss publisher Edipresse saw profits increase in 2007. Edipresse publishes paid papers 24 heures, Tribune de Genève and Le Matin, and the free daily Le Matin Bleu.

The results for the free papers were pretty good for 2007. Ad sales increased with 50%. Readership is 469,000 which could be one of the reasons for the fall in readership in paid papers. (Persoenlich)

## Adelson to expand in Israel

US casino billionaire Sheldon Adelson is - again - trying to buy Israeli paid daily Ma'ariv. Adelson, owner of Israeli free daily Israel Today, and earlier of the now-defunct Israeli, tried to buy the paper twice in the last years.

After his first attempt failed two years ago he invested in Israeli, but ended up in court with co-owner Shlomo Ben-Zvi. Israeli was closed down at the end of 2007. On the remains free daily 24 Minutes (by Yedioth Ahronoth) was erected. A year ago he again went for Ma'ariv but ended up with Israel Today when the deal did not succeed.

To soften up Ma'ariv owner Ofer Nimrodi, Adelson decided to postpone the launch of a weekend edition of Israel Today that was planned for June. Israel Today also plans to expand the page count to 48.

According to Globes the price for Ma'ariv has gone down to \$100m, after owner Ofer Nimrodi asked \$180m two years ago. According to the Jerusalem Post Sheldon Adelson offered 'only' \$50m and also demanded a 'clean slate', meaning that only part of the staff can stay. According to JP: "The significance of Adelson's "clean slate" demand, it is speculated, is that he may wish to acquire Ma'ariv less with the idea of maintaining it, and more to use it as a platform for Israel Today."

Also paid paper Ha'aretz is said to be interested in Ma'ariv, the Ma'ariv Holding is negotiating with Ha'aretz about 'cooperation'.

## TITLES

## Four weeks of *SpitsNieuws*

Dutch free daily Spits merged their website in the beginning of April with NieuwNieuws. This website is owned by News Media, a 40% subsidiary of Telegraaf Media Group, owner of Spits and publisher of De Telegraaf, the best-read newspaper in the Netherlands.

News Media is mostly known for 'shock blog' GeenStijl, a website with a rather unorthodox way of approaching the news. Comments and news are often mixed up, while the level of abuse in the users' comments is quite high. GeenStijl is notorious for its campaigns on certain issues, personal attacks included.

NieuwNieuws was always more news-oriented although it shared many of its users with GeenStijl. The merger was meant to result in increased traffic on the new combined Spits / NieuwNieuws website SpitsNieuws. The website indeed succeeded in having much more visitors.

The comments are still close to the old NieuwNieuws. It's often suggested that people should be hung, shot, bombed, cut in pieces, thrown off from high buildings etc. Most of the abuse, however, is directed at other users. Success (page views) apparently comes at a price.

## Changes at Dutch *Metro*

Metro editor-in-chief Rutger Huizinga left the free daily on May 1. Huizinga, who joined Metro one year ago, leaves because of a different view on editorial policies.

## Metropraca supplements

The Monday recruitment supplement Metropraca of free daily Metro (Agora) is extended to local markets since April. After Warsaw (September 2007) also readers in Katowice, Krakow, Lodz, Poznan, Szczecin, Trojmiasto and Wroclaw will receive Metropraca. The supplement has its own recruitment website Metropraca.pl.

## Examiner hires pro-am's

Steve Outing covered in Editor & Publisher the Examiner's local pro-am (professional-amateur) strategy. In this approach, called Citizen Journalism 2.0 by Outing, websites invite amateur writers or bloggers and employ them as specialists on local topics.

The Examiner has free dailies in San Francisco, Washington, and Baltimore, but websites in 60 cities. In Denver, Seattle and Baltimore the concept is 'in full swing'. Apart from local models, 15 national writers write on topics like celebrities, education, and Internet.

The Denver writers - called Examiners - cover the Broncos, the University of Colorado, politics, beer and the gay scene. In Denver 27 local Examiners are active. They are paid on the basis on page views. The bloggers can also submit audio and video to enhance their stories.

The Baltimore Examiner won five Maryland-Delaware-District-of-Columbia Press Association awards for investigative reporting, editorials and sports reporting. (Free-daily.com)

## .ch sports portal

On April 24, Swiss free daily newspaper .ch launched their new on line sports portal. The new website focuses on results, statistics and background information. With the European football championship coming to Switzerland and Austria in June, all Swiss media have upgraded their offerings. The .ch portal will also cover other sports beside football. (Persoenlich)

## Journalism recycled at *De Pers*

Dutch free daily De Pers is the only free daily in the Netherlands with a Saturday edition. This edition counts more pages, is printed in the Berliner size and has more advertising than the week edition. Circulation is 200,000 - less than half of weekday circulation.

Also distribution is different, more in shopping areas and also home delivered in some areas. Not many readers will see both weekday and weekend editions. Those who did some weeks ago found some striking differences and similarities between the editions.

The Saturday edition had a special section on the environment; it was called "De Groene Pers" (The green Pers). One of the stories was about 'green' cars. The caption read "Groen & toch stoer", meaning something like "Green and still cool".

Green journalism also means recycling stories. The Monday edition had exactly the same story. Well, almost exactly, the caption now read "Groen en stoer gaan niet samen", meaning "Green and cool *cannot* go together".

## April fool's issue 15min

Lithuanian free daily 15min published a special issue on April 1: fool's day. The issue contained no photos, only drawings. The special issue can be downloaded from the archive (Archivas) on the paper's website.

Creative director Tomas Bindokas said about the issue: "Our purpose was to surprise our young readers - instead of real photos we used drawn pictures, cartoons and comics strips on that special day. We hired four painters. They were redrawing real photos into pictures with some humor interpretation. They made around 60 pictures. We received a lot of calls from readers. They praised us for a great and original idea."

## Gaste & 20dk

Last month I got some copies of the first free dailies in Turkey: Gaste and 20dk. The first is published by Free News of which Pelle Anderson, one of the Metro founders is CEO; 20dk (20 Minutes) is published by Istanbul paid newspaper Hürriyet. Both papers launched in January.

The Gaste copies counted 28 pages on average, 25% of them filled with ads. The paper has the 'classic' free newspaper design. Different colors indicate the sections of the paper (domestic, national, sports). Center pages have a bigger story in a so-called 'spread'. The focus in the paper is on serious, but often short news items.

20dk has more the 'lite & young' approach with more pictures (Pamela Anderson on the front page and more scarcely dressed ladies inside). Design is 'loud', with a big font for headings and also a rather big font for plain text. The copies of 20dk counted 32 pages, 30% filled with ads. The by-lines suggest that copy from Hürriyet is used.

## UPDATE

## Macedonia

Free dailies were introduced in Macedonia in May 2006 when Shpic was launched in capital Skopje. The publisher Velija Ramkovski, is also owner of paid paper Vreme and TV station TV A1. The paper had some reputation for independent reporting, which seems unusual in Macedonia. The group now has good connections with the government as they have a lot of official advertising.

The same year a second free daily was launched, 24 casa (24 hours) by Media Print Macedonia (MPM), owned by German publisher Westdeutsche Allgemeine Zeitung (WAZ). MPM is the market leader in the country and publishes paid papers Dnevnik, Utrinski Vesnik and Vest.

Shpic reported a circulation of 50,000 at launch, but as circulation is not audited in Macedonia, this seems to be quite high (the best-circulated paid paper Dnevnik also reported 50,000 in 2006). In 2008 Shpic reported 125,000 circulation, which seems even more improbable.

The MPM free daily 24 casa also claimed a high circulation: 100,000 copies at the start. It was probably not published as a stand-alone paper but more as a supplement to the other MPM dailies - which indeed had a joint circulation of 100,000. 24 casa had a different theme each weekday, but now it is only published on Mondays.

A new free daily, Koha (Time), however, appeared on the scene in the beginning of 2007 (or end 2006). The paper is connected to the Shpic/Vreme group and is published in the Albanian language. Koha claims a circulation of 27,000.

## Colombia: Diario Occidente

Free paper Diario Occidente, in the Southwestern town of Cali in Colombia, was recently 'discovered'. The paper moved from paid to free - probably in 2006. The tabloid is published from Monday to Saturday and has a circulation of 30,000, it counts between 16 and 40 pages. Diario Occidente is the first free paper in the country.

The paid paper was launched in 1961. Cali is the capital of the Valle del Cauca department and has a population of 2.4 million. It is the third city in Colombia after Bogota and Medellin. (Thanks to the editor of 103-year-old Argentine daily La Razon who send me the information).

## RESEARCH

## Newspaper Next 2.0

A must-read for newspaper executives and others interested in innovation is the NewspaperNext 2.0 report by the American Press Institute. Some case studies on free weeklies or even dailies like the Beachcomber in Portsmouth (N.J.), a beach season free daily. The paper was published last year by paid daily Portsmouth Herald.

## Korean free dailies

On the Resources page, an article in the Journal of Media Management on free and paid newspapers in Korea: "What to Read in the Morning? A Niche Analysis of Free Daily Papers and Paid Papers in Korea" by Keunyeong Yi and Yoontaek Sung. They argue on the basis of analyzing readership and circulation data, on a survey, that free dailies have cannibalized on paid and sports papers, and could be even more harmful to the latter category.

## Print & advertising

Robert Picard, my colleague Richard van der Wurff and myself recently published an article in the Journal of Media Economics on the relation between the state of the economy and advertising revenues for different media. Again: not very good news for print - in general more vulnerable for economic downturns.

March was the best month for the website. For the first time it had more than 50,000 visits (again in April). One year ago the visits were below 30,000. For the first time, on March 11, the site had more than 2000 daily unique visits. Most visitors come from the US, the Netherlands, Sweden, Germany, Denmark, the UK and Italy.

## EVENTS

### Toronto

On Friday May 9 I will speak at the Canadian Newspapers Association (CAN) conference in Toronto on 'the Future of Free'. More info at: [www.cna-aci.ca](http://www.cna-aci.ca).

### Lisbon

May 18-20 the 8th bi-annual World Media Economics Conference will be organized in Portugal. I will present a paper on the life-cycle of the free newspaper model. More information at [www.mediaxxi.com/8wmemc](http://www.mediaxxi.com/8wmemc).

### Montreal

The International Communications Association (ICA) conference 2008 is organized in Montreal. On Saturday 24 May I will present a paper with my colleague Mervi Pantti on journalism and user-generated content.

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