

## **The impact of free daily newspapers on the circulation of paid newspapers.**

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### **Abstract**

Paid dailies in Western Europe and Northern America have seen their circulation decline in the last decade. During the same period free daily newspapers have seen their circulation go up to more than 30 million. In this paper the relation between the two developments is studied in 14 European markets. Circulation development before and after the introduction of free papers was compared. Also data from countries without free papers were used to assess whether non-free dailies markets also suffered. Media substitution, however, seems to be modest at least. Other factors may be more important causes for the decline in paid newspaper circulation. Long term effects, however, are not yet clear.

### **Introduction**

Between 1995 and 2005 European circulation of paid newspapers dropped with 12%. The two largest markets, the UK and Germany saw their combined circulation drop with 15%, in some other markets like Greece, Denmark, Iceland, Hungary and the Czech Republic the decline was even more than that. Also in Canada and the US paid circulation went down in the last decade. At the same time, the total amount of free dailies distributed worldwide, increased from 200,000 in 1995 to 23 million in 2005 while it will be around 35 million at the end of 2006. In Europe the market share of free papers is more than 20%; in three countries: Iceland, Denmark and Spain, the combined circulation of free papers is higher than that of paid ones. In those markets, but also in Greece, Hungary, Italy, Latvia, Portugal, Switzerland and Sweden, the paper with the highest circulation is a free title. Also in Canada, the US, Hong Kong and Korea free papers have a combined circulation of more than a million. The trend seems to be unmistakable, free papers are attracting substantial audiences while paid papers in most western markets face a decline in circulation. Free newspapers are apparently successful in markets where traditional paid newspapers have been struggling to keep up circulation. In particular, it seems that traditional papers have

problems attracting the younger audience (Lauf, 2001). Free newspapers, however, claim that they are quite successful in reaching this age group.

The aim of this paper is to map and explain the possible influences of the emerging new free daily newspapers on the circulation of paid newspapers, and on the development of the newspaper market in general although it is also very likely that other factors, like the use of new digital media play a significant role.

Newspapers were always considered as media that provided society with a wide choice of news, information, and opinions and serving as a platform for different groups. Their importance was also related to their availability to many, to a wide choice of different titles, and the space they devoted to political issues and other content important for modern societies (McQuail, 2005). A decline in circulation of paid papers could be interpreted as a decline of their societal influence. It is not clear, however, whether free newspapers can play the same role. An important question related to the rise of free and the decline in paid circulation concerns therefore the content of free dailies, and how readers use them, these issues are not dealt with in this paper and could only be answered by extensive content analysis and research on readers. But before such a research could be conducted an assessment of the shifts in newspaper use is important in our view.

### **Literature overview and theoretical framework**

Academic research on free newspaper is relatively scarce, probably because of the recent introduction of these media in most countries. The studies available are often limited to the introduction period (Vogel, 2001; Picard, 2001; Arnoud & Peyrègne, 2002; Bakker, 2002) or to specific regions like Sweden (Wadbring & Weibull, 2000; Wadbring, 2002), Switzerland (Bachman, Brander & Lenz, 2001; Haas, 2005), Spain (Sporstøl, 2003), Chile (Larenas Martinez, Ramoz Flores & Siegel Silva, 2002), Italy (De Chiara, 2002) or France (Trouniard, 2004). Substitution is hardly covered because in the introduction period. Wadbring (2002), however, tracks circulation of Stockholm papers (the first free commuter daily Metro was published in Stockholm in 1995) back to 1990 and concludes that the circulation of the three leading dailies was already declining between 1990 and 1995 and did not suffer more in after 1995.

Picard (2001) hypothesizes that free papers would mainly serve readers who normally read newspapers only occasionally, thereby also suggesting modest substitution at the most. In 2004 Bakker calculated that the four national paid morning newspapers in the Netherlands lost 25% of their single copy sales to free newspapers. This, however, was only 10% of the total circulation of free papers, meaning that reading both free and paid newspapers or reading only free papers and not reading a paid one before was much more common than substitution. Dutta-Berman (2004) concludes on the basis of research done on traditional broadcast media and new electronic media that complementarity is more likely than substitution. The report *N2 Newspaper Next; the Transformation Project* (2006) however, claims that substitution by free papers may be modest in the beginning but can rise after a certain time. This last research is based on theories on disruptive innovation by Christensen (1997). In other words, media substitution is not overwhelming supported by research although data on newspapers show at least some substitution while longer-term developments in this area are not really studied.

From the perspective of many paid newspaper publishers, however, free papers indeed are a threat and could lure away readers. Alex Springer, publisher of the German tabloid paper *Bild Zeitung*, stated that “Jeder Tag ohne Gratis-Zeitung ist ein guter Tag“ (any day without a free paper is a good day) (*Alex Springer plant...*, 2005, September 12). *Globe and Mail* (Canada) publisher Phillip Crawley also remarked that free dailies caused the decline in circulation at some Canadian newspapers (Blackwell, 2006).

On a theoretical level a direct relation between the success of the free newspaper and the problems of the paid ones is not obvious. It can also be that free newspapers attract readers that did not read a newspaper before and that the decline in circulation of paid newspapers is the result of other forces. In Europe and the US, readership is also declining because young readers do not, or hardly, read newspapers (Lauf, 2001). The percentage of readers below the age of 35 is declining in almost every western country (*World Press Trends*, 1996 – 2006). The reasons why young people don't read newspapers could be various, but the growing importance of other media and entertainment sources like television, computer games, mobile phones and of course the Internet seems to play a significant role (Dimmick, Chen & Li, 2004).

## **Method and data collection**

A free daily newspaper is published at least from Monday till Friday (few titles have a weekend edition). Tabloid is the most common format, although some smaller formats exist. In the first years, free papers were mainly distributed through public transport systems: subway, trains, buses, airports, ferries, trams, and trolleybus. From 2003 on alternative ways of distributing papers are used increasingly: racks in shopping malls, universities, post offices, parking lots, hospitals, filling stations, restaurants and other places where commuters pass; more and more are handed out on the street. Door-to-door delivery is used in some markets in the US, in Denmark, the Czech Republic, Switzerland and Iceland.

Free commuter dailies were introduced in 1995 in Sweden and were launched in the Czech Republic and Finland in 1997, in 1998 Hungary and Germany followed while in 1999 there were papers in ten countries. We focus in this research on the period 1995-2005 which means that for every country (except Sweden) we include years with and without free dailies. For Sweden we will use data from the years before 1995 (Wadbring, 2002). We will limit our research to countries where free paper have gained a substantial market share – 10% or more of total circulation in 2005, this means that markets like the US and Australia were left out of the analysis. (In the US only 4% of the circulation consists of free dailies although this is concentrated in a few markets: Boston, New York, Chicago, Dallas, Philadelphia, San Francisco, Washington and Baltimore – this would require and probably warrants a separate study on these markets). In 2005 there were 38 countries with free newspapers – in eight countries free newspapers were only introduced in 2004 or 2005, in these countries it would be difficult to analyze impact on paid readership because of the short time span.

Some countries were left out of the analysis because there was insufficient data. Circulation data for paid newspapers is taken from *World Press Trends* (1996-2006), a yearly publication by the World Association of Newspapers. Data for most regions are, however, incomplete. There is no complete set of data for any African country but as there are no free dailies in that continent this is not a problem. For Northern America there are complete data on the USA (but only a market share of 4% for free

dailies) and Canada. In Southern America only circulation in Brazil is available for the whole period, but free dailies have only a market share of 6% in that country. For Asia and the Pacific there is no complete information on Hong Kong, Korea and Singapore, countries with a substantial market share of free dailies. Only western European and data are complete for the whole period. For this reason we will concentrate on these market. For Northern America Canadian data could be used but in Canada free papers have been a Toronto/Montreal operation until 2005 so a nationwide comparative study would make little sense. To assess whether free papers have an impact on paid circulation we will also use data, if available, from comparable countries without free dailies.

Circulation data on free papers is obtained from various sources, in a growing number of countries circulation is officially audited by national organizations while *World Press Trends* include data on free dailies from 2004 on for most markets. When official audited figures are absent, data from research reports, the publishers themselves or press releases are used. Publishers of papers with missing data were contacted via e-mail. But even when figures from all available sources are used, some data are missing. In those cases circulation data were estimated on basis of available data from other years. Data were gathered until the end of October 2006.

Our research focuses on 15 markets with available data where free newspapers were introduced between 1995 and 2002, and where those papers had a market share of at least 10% in 2005. The following table lists those markets with the market share and the amount of titles available. Although we study only the 1995-2005 period, we also mention market share and numbers of titles published in 2006 to show the relevance of the developments. As can be seen in table 1, in more than half of the fifteen markets the market share rose in the first ten months of 2006 because of new launches. Free newspaper circulation in fact exploded in 2006 – Europe already saw a rise in circulation of free dailies of 60% compared to 2005.

**Table 1 Free dailies in 14 markets**

<i>Country</i>	<i>Introduction of free dailies</i>	<i>Market share 2005 (2006)</i>	<i>No. of titles 2005 (2006)</i>
Sweden	February 1995	20 (28)	3 (4)
Finland	April 1997	10	2
Czech Republic	July 1997	16 (37)	2 (4)
Hungary	September 1998	21	1
Netherlands	June 1999	19 (20)	2 (3)
Switzerland	December 1999*	24 (34)	4 (6)
Spain	February 2000*	45 (54)	22 (26)
Italy	July 2000	31 (39)	4 (6)
Belgium	October 2000	15	1
Greece	November 2000	27	3
Poland	November 2000	11	2
Iceland	April 2001	75	2
Denmark	September 2001	30 (63)	5 (10)
France	February 2002	16 (27)	8 (9)

Sources: World Press Trends 2006 (2006) (total market), own research for free titles

\* In Switzerland a local door-to-door free paper with a modest circulation was published in Zurich from 1995 to 1999; free commuter dailies were introduced in 1999. In Spain a small free local daily was launched in 1992 in Valencia. Free commuter dailies were introduced in 2000.

In Europe four groups of countries are distinguished: Scandinavia, Middle Europe (German speaking countries, the Netherlands, Belgium), Eastern Europe and Southern Europe. In three groups there is at least one country without free newspapers, in Portugal free papers were only introduced at the very end of 2004, in Germany there were only free papers during 19 months in the period 1999-2001 in one market (Cologne) while Luxemburg and Norway have had no free dailies published.

The differences between these groups are not only based on geographic. Newspaper reading differs in these groups: from very high in Scandinavia to low in the southern part of Europe. In Eastern Europe reading habits differ however, with Poland and Hungary having low readership figures compared to the Czech Republic (table 2). We use readership data from 2001 and 2002 because after these years sometime readership data for all newspapers (including free ones) were used.

**Table 2 Daily reach of newspapers 2002**

<i>Scandinavia</i>	<i>Middle Europe</i>	<i>Eastern-Europe</i>	<i>Southern Europe</i>
<b>Sweden</b> <sup>+</sup>	88.0		
<b>Finland</b>	86.0		
Norway	86.0		
<b>Iceland</b>	80.5		
<b>Denmark</b>	74.5	Germany 77.3	
	<b>Switzerland</b> <sup>^</sup>	73.1	
	<b>Netherlands</b> <sup>#</sup>	66.1	
	Luxembourg	63.5	
	<b>UK national</b> <sup>*</sup>	50.4	
	<b>Belgium</b> <sup>†</sup>	50.0	<b>Czech Rep.</b> <sup>#</sup> 50.3
			<b>Italy</b> 40.1
			<b>Spain</b> 37.4
			Portugal <sup>#</sup> 37.0
		<b>Poland</b> 31.7	<b>France</b> 31.4
		<b>Hungary</b> 30.1	
			<b>Greece</b> 18.2

World Press Trends 2002, 2003

+ Countries with free newspapers are in **bold**.

<sup>^</sup> Free papers are only in the German-speaking part of Switzerland.

<sup>#</sup> The Netherlands, Czech Republic, and Portugal: 2001 data.

<sup>\*</sup> For the UK regional readership is 31.1%. Because of people possibly reading both regional and national papers the figure is between 81.5% (no overlap) and 50.4% (total overlap).

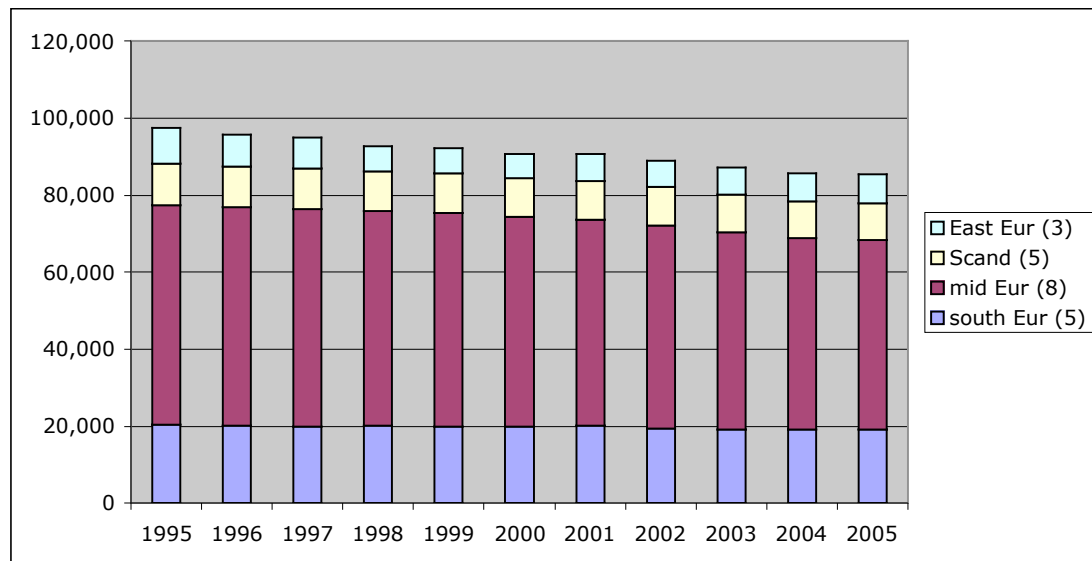
<sup>†</sup> Belgium consists of a Flemish (Dutch speaking) and a Wallone (French speaking) part. Readership in Dutch speaking areas is higher than in French speaking areas: 68% of the circulation of the top 10 dailies is Dutch, while Dutch is the language of 60% of the population.

## **Paid circulation**

In Europe, circulation of paid dailies has decreased with 12% since 1995. In the two largest markets, Germany and the UK the drop in circulation has even been more dramatic: -14% in Germany and -16% in the UK. The rest of the top five markets performed a little bit better, in France circulation dropped with 11%, in Italy with 4% while Spain saw an almost stable circulation (-1%). The total EU15\* market saw a 11% drop – apart from the UK and Germany also the Netherlands, Denmark, Greece and Luxembourg lost considerably more than average, while Austria, Ireland and Portugal saw circulation increase. In Austria, however, a large part of the circulation was not officially audited for some years while in Ireland a third of the circulation consist of UK-papers which are not included in the total circulation for all years. Poland, the Czech Republic and Hungary also saw huge drops in circulation. For most other eastern European countries circulation data are missing for one or more years. For the 21 European countries with complete data there is a clear trend: a 1% or 2%

\* Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Denmark, Sweden, and the United Kingdom; in 2004 10 member states were added: the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, and Slovakia.

decline in almost every year with particularly big losses in middle Europe (German, Dutch and English speaking countries) and eastern Europe (figure 1).



**Figure 1: paid circulation in 21 European countries**

### The rise of free daily newspapers

Circulation of free daily newspapers rose from 230,000 in 1995 to 11 million in 2001 and almost 23 million in 2005; 66% of this circulation is realized in Europe (table 3). Data from two dozens small local papers in the US are not included because only circulation data for the last two years are available ( $\pm 400,000$  in 2005). Not in the table but worth noting is that in October 2006 total circulation reached 33 million.

**Table 3 Circulation (x 1000) of free daily newspapers 1995-2005**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Europe	231	249	558	918	2,711	5,542	8,023	8,954	9,164	11,231	15,123
Americas					180	1,779	2,131	1,631	2,447	2,927	3,967
Asia/Pacific						435	765	1,943	2,377	3,288	3,819
Total	231	249	558	918	2,891	7,756	10,919	12,528	13,988	17,446	22,909

By the beginning of 2006 free papers were introduced in 23 European countries, in seven countries on the American continent and in eight countries in Asia/Pacific. In total 114 different titles were published with 252 editions (in October 2006 there are 150 titles with 344 editions in 41 countries) (table 4).



**Table 4 Free daily newspapers 1995-2005: countries, titles and editions**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Countries	2	2	4	6	12	21	26	30	29	33	38
Titles	2	2	4	6	18	43	56	57	68	94	114
Editions	4	4	6	9	27	60	85	95	116	166	252

## Results

In the Scandinavian countries Sweden is a special case because it was the birthplace of free daily newspapers. As noted above, Wadbring (2002) found that Stockholm circulation was already dropping before 1995, this trend is only accelerated in 1996 but notwithstanding the fact that the circulation and market share of free papers increase, circulation of paid papers keep going down at a moderate level of 1 to 2% and it even stabilizes in the years 2001-2004 (table 4). In Finland the same pattern emerges: a modest decline in the year before the introduction and no extra drops although the circulation of free papers rise. In Denmark, a country with a relatively high market share of free papers from the beginning and a higher marker share in the last years, compared to Finland and Sweden, the picture seems somewhat different because the decline is higher than in the two other countries, but is should also be noted that also in the years before the introduction of free papers, circulation declined faster. If there is an effect, it is only modest. Iceland, however, shows indeed a different pattern. From the beginning a high market share of free papers a steady and substantial decline in circulation decline of the paid press. It is every likely that we see a substitution here (table 4).

**Table 4: Free daily newspapers in Scandinavia 1995-2005**

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Sweden	paid	4,041	3,874	3,871	3,807	3,721	3,700	3,685	3,671	3,668	3,652	3,603
	-/+		-4%	0%	-2%	-2%	-1%	0%	0%	0%	0%	-1%
	free	211	229	228	298	360	772	604	621	628	889	919
	share free	5%	6%	6%	7%	9%	17%	14%	14%	15%	20%	20%
Finland	paid	2,368	2,335	2,324	2,343	2,331	2,304	2,309	2,268	2,243	2,255	2,240
	-/+		-1%	0%	1%	-1%	-1%	0%	-2%	-1%	1%	-1%
	free			110	110	242	227	215	209	194	194	260
	share free			5%	4%	9%	9%	9%	8%	8%	8%	10%
Denmark	paid	1,613	1,631	1,617	1,583	1,528	1,481	1,456	1,433	1,381	1,325	1,290
	-/+		1%	-1%	-2%	-3%	-3%	-2%	-2%	-4%	-4%	-3%
	free							248	405	422	504	560
	share free							15%	22%	23%	28%	30%
Iceland	paid	98	93	92	94	91	91	79	76	71	63	62
	-/+		-5%	-1%	2%	-3%	0%	-13%	-4%	-7%	-11%	-2%
	free							70	76	86	101	183
	share free							47%	50%	55%	62%	75%
4 markets	paid	8,120	7,933	7,904	7,827	7,671	7,576	7,529	7,448	7,363	7,295	7,195
	-/+		-2%	0%	-1%	-2%	-1%	-1%	-1%	-1%	-1%	-1%
	free	211	229	338	408	602	999	1,137	1,311	1,330	1,688	1,922
	share free	3%	3%	4%	5%	7%	12%	13%	15%	15%	19%	21%
Norway	paid	2,582	2,578	2,603	2,600	2,591	2,578	2,527	2,524	2,450	2,405	2,338
	-/+		0%	1%	0%	0%	-1%	-2%	0%	-3%	-2%	-3%

Interesting is that also in Norway, a country without free papers circulation declined, most of all in the last six years, the period when other countries in the same group lost more than before.

In Eastern Europe the picture is somewhat blurred by curious and sudden shifts in circulation in the Czech Republic and Poland. There is, however, no clear indication of dropping circulation because of free papers. In all three countries paid circulation took substantial hits before the introduction of free papers (table 5).

**Table 5 Free daily newspapers in Eastern Europe 1995-2005**

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Czech Republic	paid	2,542	2,224	2,082	1,802	1,764	1,704	1,727	1,690	1,467	1,661	1,742
	-/+		-13%	-6%	-13%	-2%	-3%	1%	-2%	-13%	13%	5%
	free			200	200	200	200	174	173	173	173	420
	share free			9%	10%	10%	11%	9%	9%	11%	9%	19%
Hungary	paid	1,980	1,646	1,742	1,700	1,659	1,624	1,665	1,595	1,540	1,470	1,460
	-/+		-17%	6%	-2%	-2%	-2%	3%	-4%	-3%	-5%	-1%
	free				190	207	239	302	322	320	320	380
	share free				10%	11%	13%	15%	17%	17%	18%	21%
Poland	paid	4,846	4,352	4,194	3,011	2,958	2,820	3,592	3,571	4,077	3,979	4,369
	-/+		-10%	-4%	-28%	-2%	-5%	27%	-1%	14%	-2%	10%
	free						198	485	412	295	526	526
	share free						7%	12%	10%	7%	12%	11%
3 markets	paid	9,368	8,222	8,018	6,513	6,381	6,148	6,984	6,856	7,084	7,110	7,571
	-/+		-12%	-2%	-19%	-2%	-4%	14%	-2%	3%	0%	6%
	free			200	390	407	637	961	907	788	1,019	1,326
	share free			2%	6%	6%	9%	12%	12%	10%	13%	15%

In 'middle' Europe the picture is more consistent. In both the Netherlands and in Switzerland circulation drops begin to accelerate in the last years when free papers are reaching a more substantial market share. In Belgium there seems to be an impact in the second and third year but less after that. Data from Germany and Luxemburg however indicate that also countries without free newspapers see paid circulation go down.

**Table 6 Free daily newspapers in Middle Europe 1995-2005**

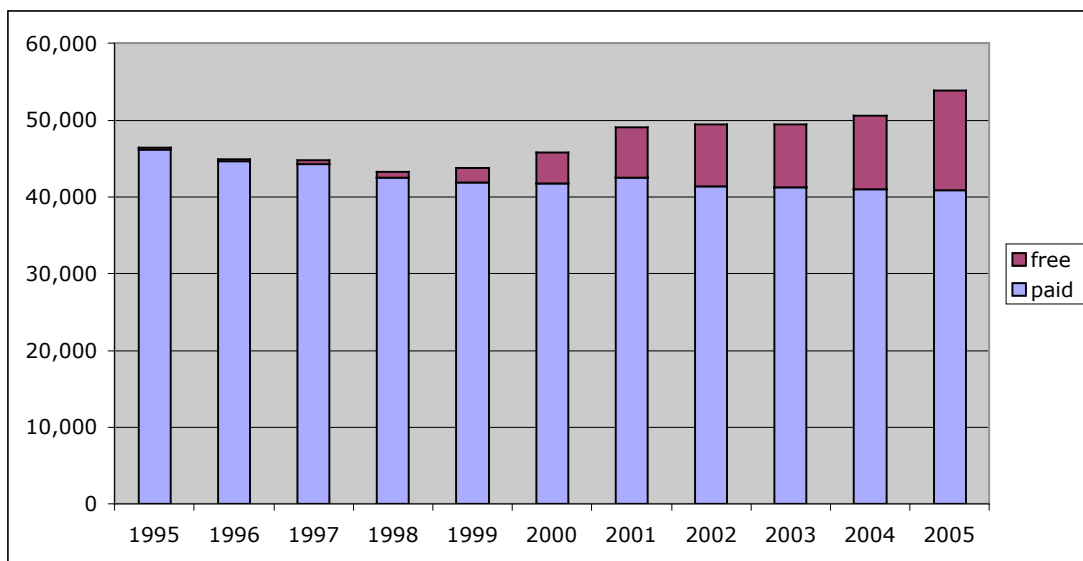
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Netherlands	paid	4,658	4,658	4,652	4,421	4,374	4,323	4,375	4,311	4,204	4,061	3,912
	-/+		0%	0%	-5%	-1%	-1%	1%	-1%	-2%	-3%	-4%
	free					515	694	795	670	655	698	901
	share free					11%	14%	15%	13%	13%	15%	19%
Switzerland	paid	2,721	2,715	2,711	2,676	2,679	2,666	2,634	2,594	2,539	2,486	2,405
	-/+		0%	0%	-1%	0%	0%	-1%	-2%	-2%	-2%	-3%
	free					346	787	728	663	563	564	766
	share free					11%	23%	22%	20%	18%	18%	24%
Belgium	paid	1,628	1,621	1,602	1,588	1,564	1,568	1,531	1,475	1,478	1,486	1,466
	-/+		0%	-1%	-1%	-2%	0%	-2%	-4%	0%	1%	-1%
	free						160	159	196	203	219	250
	share free						9%	9%	12%	12%	13%	15%
3 s	paid	9,007	8,994	8,965	8,685	8,617	8,557	8,540	8,380	8,221	8,033	7,783
	-/+		0%	0%	-3%	-1%	-1%	0%	-2%	-2%	-2%	-3%
	free					861	1,641	1,682	1,529	1,421	1,481	1,917
	share free					9%	16%	16%	15%	15%	16%	20%
Germany	paid	25,557	25,456	25,260	25,016	24,565	23,946	23,838	23,267	22,571	22,095	21,543
	-/+		0%	-1%	-1%	-2%	-3%	0%	-2%	-3%	-2%	-2%
Luxemburg	paid	135	135	121	124	124	120	120	118	115	115	115
	-/+		0%	-10%	2%	0%	-3%	0%	-2%	-3%	0%	0%

In Spain, a country with a high market share of free papers, there seems to be no impact at all while in Greece paid papers seem to perform even better after the introduction of free papers. Also in Italy there seems to be no relation while in France the drop in circulation seems to be modestly accelerating in the last years. In is pretty hard to make sense from the Portuguese data (with free papers introduced at the end of 2004) but in general also in this country seems to be dropping without free papers (table 7).

**Table 7 Free daily newspapers in Southern Europe 1995-2005**

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Spain	paid	4,237	4,180	4,265	4,300	4,173	4,261	4,274	4,157	4,185	4,240	4,200
	-/+		-1%	2%	1%	-3%	2%	0%	-3%	1%	1%	-1%
	free						270	1026	1071	1541	1878	3499
	share free						6%	19%	20%	27%	31%	45%
Greece	paid	728	758	719	672	637	681	671	628	622	618	593
	-/+		4%	-5%	-7%	-5%	7%	-1%	-6%	-1%	-1%	-4%
	free						125	101	88	215	217	217
	share free						16%	13%	12%	26%	26%	27%
Italy	paid	5,977	5,890	5,894	5,889	5,914	6,073	6,057	5,806	5,726	5,737	5,739
	-/+		-1%	0%	0%	0%	3%	0%	-4%	-1%	0%	0%
	free						400	1729	2128	1903	1973	2613
	share free						6%	22%	27%	25%	26%	31%
France	paid	8,770	8,656	8,498	8,593	8,447	8,423	8,429	8,151	8,037	7,934	7,807
	-/+		-1%	-2%	1%	-2%	0%	0%	-3%	-1%	-1%	-2%
	free								938	989	1,363	1,485
	share free								10%	11%	15%	16%
4 markets	paid	19,712	19,484	19,376	19,454	19,171	19,438	19,431	18,742	18,570	18,529	18,339
	-/+		-1%	-1%	0%	-1%	1%	0%	-4%	-1%	0%	-1%
	free						795	2,856	4,225	4,648	5,431	7,814
	share free						4%	13%	18%	20%	23%	30%
Portugal	Paid	610	697	634	673	686	556	614	551	571	593	570
	-/+		14%	-9%	6%	2%	-19%	10%	-10%	4%	4%	-4%

All 17 European markets show a remarkable picture: a steady drop in circulation before and in the first years after the introduction of free papers, and a more stable pattern in the years with substantial market shares of free papers (Figure 2). It should be noted however that the influence of Germany is quite substantial with more than 50% of the circulation of the total group.



## Discussion

In the results there is actually only one clear example of substitution: Iceland. In some markets like Denmark, the Netherlands, Switzerland and maybe in Belgium and France there are indications that free papers had a (minimal) impact. The results from Eastern Europe are inconclusive. Substitution seems even more unlikely when we look at data from countries without free papers, also in those markets paid circulation declines. We must therefore look for other explanations for the rise in free circulation and the decline in paid as well.

Free newspapers depend only on advertising revenues. There is ample evidence that the state of the economy (recessions, upheavals – measured as changes in Gross Domestic Product) and advertising expenditures are related (Jones, 1985; Swerdlow & Blessios, 1993). The state of the economy could therefore be a predictor for the amount of launches in a given period. Almost every country saw a decline in GDP growth in 2001-2003 compared to the years before that (OECD Factbook 2005, p. 30). Based on this knowledge the relation between the rise of free newspapers and the decline in circulation of paid papers is not very likely.

The fact that younger readers in particular don't turn to paid newspapers because there are so many other alternatives in news media available is probably a better explanation for the decline in paid circulation than the advance of free papers. For the

total market however, there is for the group studied only one conclusion: more people read newspapers in 2005 than 10 years before.

Two problems emerge for researchers. The first is that we know very little about the content of free papers. Their format is different while the size (20 to 40 pages) is much smaller than that of paid newspapers – but is there also less diversity, less coverage of politics or foreign affairs? All these questions are mostly unanswered until now. The second problem is that we know very little about the readers of free papers except that they are younger. But how they appreciate the paper (different than paid ones?), or whether they trust it and have some kind of relation with it, is mostly unknown until now. Answering these questions in further research would shed light on the – possible – shifting role of the newspaper in society.

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