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Mixed paid/free models target the total audience

FREE NEWSPAPERS ARE MAKING HEADWAY in markets around the world, many from publishers of traditional dailies. These companies are developing diverse ways to incorporate and mesh their product lines. **by piet bakker**

A spokesman for Axel Springer once said, “Every day without a free newspaper is a good day.” The German publisher was not alone.

Incumbent publishers reacted to free dailies by starting lawsuits and launching spoilers. But things have changed. At the end of 2008, more than half of the total circulation of free dailies is controlled by publishers who own both paid and free newspapers and use them to target their audience as a whole. They are convinced that some readers, particularly younger ones, can only be reached by free products. Even Axel Springer reversed its policy, launching *Wochendende Extra*, a free weekend edition of the paid-for *Berliner Morgenpost*.

In some cases, the same newspaper is distributed for free and for a cover price. The United Kingdom’s *Manchester Evening News*, Austria’s *Österreich*, and Italy’s *E Polis* are examples of this model.

The “lowest” form of cooperation is for a traditional newspaper company to buy an ownership stake in a free publication.

Between these models, other levels of cooperation are distinguishable: sharing facilities, joint advertising, sharing content, and publishing a free appetizer, evening, or “lite” edition under the same brand.

Executives from publishers around the world have reflected on their collaboration models and the results they have delivered.

Sharing facilities. Chris Jones, editor of the free afternoon newspaper *mX* in Brisbane, shares facilities with News Limited’s *Courier-Mail*, the area’s leading morning newspaper. “We use the same building, the same presses, and administrative and IT support as the *Courier-Mail* but we are a different business unit. We have our own advertising and editorial staff. We share circulation staff with other Queensland operations.”

Portuguese media group Cofina uses shared facilities to produce the paid newspaper *Correio da Manhã* and the free dailies *Meia Hora* and *Destak*. Said Cofina’s Francisco Pinto Barbosa: “The cooperation between the two business models occurs mainly in back office and printing functions. In terms of cost, it is more efficient, either by volume negotiations with suppliers and clients or by augmenting the productivity of staff. In terms of readership, combining different reader profiles can be very interesting to clients seeking a wider range of advertising impact.”

Joint advertising. In Sweden, Schibsted publishes paid newspaper *Aftonbladet* and owns 35 percent of *Metro*. The publisher’s “Dawn till Dusk” campaign promises advertisers 4.2 daily readers — 60 percent of the Swedish population — by using paid and free dailies. The package was received “in a very positive way,” said Andreas Ohlson, managing director of *Metro Sweden*. Ohlson adds that 2009 “will be a big test of the offer.” *Metro* also offers local advertising packages with paid newspapers *Svenska Dagbladet* and *Aftonbladet*.

Swedish free daily *City*, from Bonnier, publisher of paid dailies *Dagens Nyheter* and *Expressen*, are also sharing back office, printing, and distribution. Said *City*’s Jakob Ståhl: “Advertising is 75 percent combined with the paid daily, but we do have our own sales and editorial organisation.” The main benefit is “a solid base of local advertising that we would never accomplish without the default package sales with the paid morning newspaper.”

The German-language Luxembourgish *Wort* started the free daily *Point24* in 2007. Mahnaz

{ publishers of paid & free newspapers (example)

Country	Free daily	Since	Publisher	Paid newspaper
Austria	Die Neue	2006	Wimmer Verlag	Oberösterreichische Nachrichten
	TT Kompakt	2008	Moser Holding	Tiroler Tageszeitung
	Österreich	2006	Wolfgang Fellner	Österreich
Belgium	Metro	2000	Concentra	Gazet van Antwerpen
Czech Republic	Metro	1997	Mafra	Dnes
	24 Hodin	2005	Ringier	Blesk
Denmark	MetroXpress	2001	JP/Politiken*	JP/Politiken
	Urban	2001	Berlingske	Berlingske Tidende
	24timer	2006	JP/Politiken*	JP/Politiken
Estonia	Linnaleht	2005	Eesti Meedia / Ekspress Group	Postimees, Eesti Päevaleht

*minority share

Nikbak, publisher of Saint-Paul Luxembourg, said that opportunities for “advertising improved because of the increase in total readership.”

Paulo Cuturi, publisher of the free daily Oberösterreichs Neue in Linz, Austria, is “sharing back office and printing, but also advertising. We have a completely separate team of journalists, producers, and sales staff, but also support from the sales team of the paid newspaper. The major benefit primarily regards the cost structure.”

Spain’s ADN cooperates with local newspapers in the markets where they are published. Laura Jimenez Ramos, in Pamplona, explained that the collaboration developed gradually: “first administration, then sharing facilities, and finally sharing advertising sales. It has led to advertising campaigns in both newspapers because the free daily offers a younger target audience while the paid has wider coverage.”

Sharing content. In Argentina, the Clarín group converted paid daily La Razon to a free newspaper in 2000. Said Clarín’s Luis Vinkler: “La Razon has its own editorial and commercial staff. But photo services, administration, distribution, printing, technical operations, security, marketing, and online are shared. The only ‘own’ cost is the staff, no more. Also, Clarín provides a lot of content.” International news and news from areas outside Buenos Aires and photography are made accessible to La Razon.

The United Kingdom’s Associated Newspapers — publisher of the paid dailies Daily Mail and Evening Standard, and the free dailies Metro and London Lite — uses two strategies: shared facilities only for Metro while London Lite also shares content with the Evening Standard. Karen Wall, assistant marketing director of Associated

Newspapers’ Free Division, said, “Both our free titles have attracted a young, upmarket professional readership that is attractive to many advertisers. This has had a beneficial effect for the group in taking greater share in some advertising categories. Shared facilities also allow improved efficiencies and shared costs.” Yet cooperation is not easy. “Cultural challenges sometimes exist when you are working with people who are used to following the paid-for model.”

Clarín’s Vinkler sees the same issue. “The biggest challenge as to make the Clarín people understand that La Razon is a complement, not a competitor.”

Two newspapers, one brand. In Slovenia, 24sat — both paid and free — is going all the way in collaboration. Advertising in only the paid morning edition or the free evening edition is impossible. Said Director Jasna Zemljic: “Paid and free editions are produced in one editorial, sharing all facilities and offering combined advertising. The free p.m. edition is published under the same brand.” The benefits are clear. “After launching our free p.m. edition, we have managed to become the number one newspaper in Zagreb and on the national level. This has, of course, given a big push to our advertising growth. Furthermore, the free edition serves as a great promotion tool for the paid edition and has helped to grow its circulation.”

Colombia’s ADN — published by CEET, which also publishes the paid newspaper El Tiempo — is fully integrated with its stablemates, although different brand names are used. Fernando Millan, director of ADN, said: “More than 150 journalists are involved in producing daily materials for ADN, El Tiempo, Portafolio, Hoy, and eltiempo.com. At the same time, each product has a team of journalists that adapts news and content according to specific characteristics.” Also in Colombia, some resistance was felt at the beginning. “We are seen as Cinderellas because there have been some defensive attitude from the leading newspaper. However, little by little, cooperation has evolved practically without encountering any problems.” ♦



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