

Cannibalization? *Au contraire!*

*French newspapers with web sites beat
their print-only peers' circulation performance*

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PRESS*flex*

The webmaster for publishers ©

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Overview

The world's first countrywide survey shows that local newspapers with websites have healthier print circulations than papers without sites.

While conventional wisdom suggests that newspaper web sites cannibalize print circulation, the analysis of circulation at 236 French newspapers shows no such effect. In fact, the typical French newspaper with a web site outperformed its siteless peers between 1999 and 2001, a period in which French Internet usage soared.

The French figures validate previous US newspaper readership surveys that have suggested that newspaper web sites generate significant marketing benefits. The market-wide analysis means that publishers with weak circulation can cross the Internet off their list of suspected culprits.

Summary numbers

The 236 newspapers, all members of the French circulation audit association Diffusion Contrôle (www.ojd.com) recently released their circulation results for the first half of 2001.

Between 1999 and 2001, the average French regional daily newspaper without a web site lost 0.88% of its circulation. Newspapers with web sites did better than that, losing just 0.27% of their circulation over the same period.

The average weekly newspapers in France with a web site increased its circulation by 1.2% in the 1999-2001 period, versus an increase of 0.96% for the average weekly without a web site.

Table 1: Average newspaper circulation changes (=median)

	1999-2001		1999-2001
Daily with site	-0,27%	Weekly with site	1,20%
Daily without site	-0,88%	Weekly without site	0,96%

Analysis: why does a web site help print circulation?

1. *Web sites provide substantial marketing benefits that overwhelm any print defections.*

A newspaper's web site, filled with content, can become a magnet for new visitors, effectively doubling the paper's reach. A fully indexed web site of a small newspaper with a circulation of 10,000 copies can bring the paper an additional 10,000 web visitors a month. Traffic sources include:

- *Search engines:* A weekly with only 10,000 in print circulation can win 3,500 referrals from search engines each month.
- *Links from other sites:* Links to articles on a news site can provide free marketing, with small weeklies gaining up to 1,000 such visitors a month.
- *Web address publicity:* A newspaper's web address (www.papername.com) is easily promoted on billboards, bumper stickers, posters, and provides an easy point of access for newcomers to the community.
- *Scoops:* Beating competitors with online summaries of breaking news items can boost the brand name of a weekly paper and increase its exposure.

As a magnet for new prospective readers, the site can become a new point of sale for the newspaper's current subscriptions, special publications and prior issues. The significance of this revenue stream is expected to increase as micropayment technology becomes mainstream, Internet users become more comfortable making online payments, and the euro makes cross-border shopping more popular in Europe.

However, much still remains to be done to extract the full marketing potential of web sites, even in the U.S. An August 2001 study by the Finberg-Gentry, Digital Fruit Consultancy found that more than half of 100 American newspaper web sites surveyed bury the subscription link on their sites if they have it at all.¹

2. *The web taps potential readers untouched by traditional print sales channels.*

- **Demographics:** The typical web reader in Europe is still young, urban and tech savvy – and as such is currently less likely to read the printed edition of the newspaper. This “alternative” audience is not attached to the newspaper,

¹ <http://www.naa.org/TheDigitalEdge/DigArtPage.cfm?AID=1915>.

but finds articles via search engines when looking for news on a particular topic.

- Geography: A substantial flow of readers comes from outside the printed paper's traditional circulation area – from another part of the country or from abroad.²

3. *News consumption is habit-forming.*

A newspaper site's contribution to its community's "news culture" increases the likelihood that people will buy a paper. A web site with forums, questionnaires, polls or even just an e-mail address can connect with the reader in new ways. Interactivity brings feedback, story ideas, letters to the editor, and local "buzz," but also a higher level of engagement and loyalty from print readers. A U.S. survey³ last year of 15,657 visitors to eight newspaper-affiliated Web sites found that:

- Among site visitors who read the print edition, 7 percent began their subscriptions after first visiting the site. That's a net gain of 3 percentage points when compared to the 4 percent of combined print-online readers who ended their print subscriptions.
- Single copy purchases fared even better, showing a net gain of 8 percentage points. Readership, rather than circulation, was the biggest winner, with a net of one in five in the combined print-online audience reporting that they were reading the print edition more since becoming visitors to the Web site.

4. *Readers prefer paper to pixels*

For most readers, the online experience is sufficiently different from print reading that web browsing is not a "replacement" for reading newsprint but rather a supplement. According to a 2000 study by the Newspaper Association of America, print newspapers are preferred over online for their ease of use.⁴

Daily newspaper circulation performance 1999-2001

Conventional wisdom notwithstanding, France's 27 regional daily newspapers with web sites did better in the past two years than their 30 peers without web sites.

Regional daily newspapers without sites on average⁵ lost 1.5% of their circulation over the past two years. Newspapers with web sites did better than that, losing just 0.77% of their circulation between 1999 and 2001.

² While this latter trend is the most significant for English language papers, French newspapers using Pressflex's web publishing service receive to 25% to 40% of their traffic from outside the country.

³ Report by [Borrell & Associates](#) based on data from research firm [Belden Associates](#) and underwritten in part by the Newspaper Association of America. <http://www.naa.org/TheDigitalEdge/DigArtPage.cfm?AID=2599>

⁴ http://www.digitaledge.org/monthly/2000_01/synergize.html.

⁵ To exclude anomalous data, the top and bottom 5% of newspapers have been left out in calculating the statistical mean (average) of newspaper circulation changes. Since the statistical median already excludes

Considering how the “average newspaper” fared, by calculating the statistical median of the data, yields similar results. (Medians eliminate the effect of extreme cases and thus better reflect what happened to a typical group member.) Last year, for instance, the circulation of the average daily paper with a site grew 0.25% versus 0.14% for the average daily paper without a site.

Table 2: Daily newspaper circulation changes

	1999-2000		2000-2001		1999-2001	
	Average	Median	Average	Median	Average	Median
Dailies with site	-0.87%	-0.28%	0.20%	0.25%	-0.77%	-0.27%
Dailies without site	-1.56%	-1.12%	-0.14%	0.14%	-1.50%	-0.88%
All papers	-1.18%	-0.65%	0.02%	0.19%	-1.15%	-0.68%

Weekly newspaper circulation performance 1999-2001

Of France’s 179 audited weekly papers, just 19 have web sites. Weekly newspapers with sites increased their circulation less than their peers without web sites over the past two years – an average increase of 0.81% versus 1.34% since 1999, but increased their circulation more than their siteless peers between 2000 and 2001: 1.12% versus 1.01%. The average newspaper with a site, in terms of the median, outperformed its counterpart without a web site in both periods: growing 1.20% in circulation versus 0.96% for papers with no sites over the last two years.

Table 3: Weekly newspaper circulation changes

	1999-2000		2000-2001		1999-2001	
	Average	Median	Average	Median	Average	Median
Weeklies with sites	-0.18%	0.01%	1.08%	1.12%	0.81%	1.20%
Weeklies without site	0.06%	0.05%	0.99%	1.01%	1.34%	0.96%
All weeklies	0.04%	0.05%	1.00%	1.02%	1.24%	1.01%

Context: French Internet usage

Although French Internet usage significantly lagged countries like the UK and Germany in the 1990s because of high telephone rates and low PC usage, French Internet usage accelerated in 2000 and has continued to rise. According to market research firm Netvalue, the number of people in France with home Internet access rose from 5.8 million in July 2000 (10% of population) to 10 million (16%) by September 2001. (Comparable Netvalue statistics for the UK are 16% and 26%.)⁶

extreme cases by returning the middle value from among a set of numbers, the complete data set was used for median calculations.

⁶ http://www.netvalue.com/fr/news/index_frame.htm?fichier=sommaire.htm

Conventional wisdom

Many publishers instinctively see a web site as a competitor to the print edition. Why would readers pay for news if they can get it for free?

Internet research firms have stoked these fears: a 1997 study by Forrester Research projected that by 2001 newspapers would lose up to 14% of their circulation to the web.⁷

And when PCM Utigevers, the largest Dutch newspaper group, drastically cut its online operations in September 2001, it blamed the sites of its five national broadsheets for cannibalizing print subscriptions.⁸

Online features and circulation

Do particular web site features help or hurt print circulation?

The number of articles included on the site, searchable archives, polls, forums or e-mail newsletters on the web site does not show any correlation to changes in print circulation. The only feature with a possible impact on circulation growth is a print subscription form online.

Eight of the 19 regional dailies with web sites included a print subscription form on their sites. These papers did slightly better than papers with no sites or papers with web sites but no subscription form. The eight dailies saw their circulation over the last two years drop by just 0.09% on average, versus an industry average of a 0.96% decline. Weeklies with a subscription feature on their site increased circulation by 1.36% over the same period – more than papers without sites or papers with sites but no online subscription form.

Unfortunately for newspaper publishers, the data also indicate that for newspapers the web is not yet as important a marketing tool as for magazines – where web sites strongly contribute to print sales.⁹

Methodology

The 57 French daily and 179 weekly newspapers, all members of the French circulation audit association Diffusion Contrôle, recently published their circulation results for the first half of 2001.¹⁰

After calculating the circulation changes for each newspaper between 1999 and 2000 and between 2000 and 2001, Pressflex compared the performance of papers with sites to those without sites. To evaluate the effect of various online features on circulation, Pressflex also correlated the performance of sites relative to the amount of content online and features such as a poll, a forum, an e-mail newsletter and a print subscription form.

For the purposes of this analysis, the Sunday editions and/or various zoned editions of a daily newspaper were not counted. Also, when Diffusion Contrôle tracked the total circulation of a

⁷ <http://www.nytimes.com/library/cyber/week/010697newspapers.html>

⁸ <http://www.siliconvalley.com/docs/news/tech/060825.htm>

⁹ <http://www.pressflex.com/news/fullstory.php/aid/18.html>

¹⁰ http://www.ojd.com/gb/basegb/body_resSousCat.asp?cat=1&catChoisi=QUOTIDIENS

group as well as the circulation of the group's individual titles, only the circulation of the members was taken into consideration. Newspapers whose web site consisted of only a single page with contact information were counted as papers without sites.

Conclusion

Online publishing poses no threat to a newspaper's print circulation and may offer significant advantages. As common sense suggests, the inclusion of a print subscription feature online further boosts circulation performance... although too few paper's take advantage of this obvious idea.

About Pressflex

Pressflex provides turnkey sites, consulting and seminars to Europe's largest publishing groups. Based in Budapest, Hungary, Pressflex serves clients in the UK, France, Switzerland, Hungary and the United States.

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