Newspapers: Adapting and Experimenting

Anker Brink Lund, Karin Raeymaeckers and Josef Trappel

Print media markets in Europe are confronted with challenging changes that threaten to destabilize the relationship between newspapers, the advertisers and their publics. Those changes are occurring fast, thus granting the management of print media actors only a limited time to adopt new strategies to reach the vanishing public and to find innovative solutions to attract advertisers. The factors of change are related to societal developments, to shifts in audience and advertising preferences, but also to the appearance of new media competitors; these factors apply more specifically to the newspaper market where free sheets and online media are turning the traditional business model upside down. This may call for experiments, e.g. synergies with online media, mobile platforms and e-readers. It also poses new challenges to decision makers – not only at the national level, but also in the European Union (EU) and the European Free Trade Association (EFTA) – who are habitually more willing to regulate broadcasting than matters concerning the print media.

Digital technology enables media firms to become part of the convergence process that transforms individual media companies into integrated media corporations that offer new possibilities, but also new threats for media content and distribution (Picard 2004). The adoption of technological innovation has implications not only on news gathering and news processing but also on media concentration and the development of political systems (Hallin and Mancini 2004).

European newspaper publishers are struggling to find a new market position facing Google and other non-journalistic media appropriating their traditional income from classified ads, and readers preferring free media to print-based media on subscription. Newspapers do not only face the Internet as a technological challenge. More fundamentally, the very business model of subscription and single copy sale supplemented by classified advertising is in jeopardy. New payment models such as micro payments have failed so far, and cut-backs in staff offers only temporarily provide relief from the major challenge: how to sell less of more (Anderson 2006) and still make enough money to offer high quality journalism.

In this chapter we will discuss characteristics and current development trends in the print industry, identify strategic responses by the print media industry and spot patterns of print media policy in Europe. We illustrate these processes by taking a closer look to the print media in selected areas: Scandinavian countries (Denmark, Norway and Sweden), the German speaking countries (Germany, Switzerland and Austria) and the Benelux countries (Belgium, Luxembourg and the Netherlands). We also include information from eastern European print markets.
Decline in Circulation and Advertising

In her critical analysis of the printing press as an agent of change, Elizabeth Eisenstein (1980) demonstrates how most historians have failed to make proper sense of the transition from the era before and after the seminal Gutenberg innovation. In order to understand Europe before and after the spread of such a disruptive technology, we should not only consider the progressive changes but also the establishment’s struggles to maintain continuity. This was an important lesson from the fifteenth century, which is often forgotten in the current online revolution of the twenty-first century.

In both instances, media analyses tend to overestimate specific changes in the short run and underestimate general changes in the long run. But European newspapers are ‘firmly-rooted in history, culture, and politics’, as Els de Bens (2007: 141) put it in her overview of the developments and opportunities of the press industry. Newspapers are expected to inform citizens on news and current affairs, they set the agenda for the people but also for many other forms of mass communication and they are considered relevant agents for political success by institutions and politicians. The degree of relevance varies according to different political and media systems in Europe. While the leading role of newspapers for public communication in general is well accepted in most of the northern and central parts of Europe, newspaper consumption – and therefore newspaper relevance – for the political discourse is lower in large parts of southern and eastern Europe.

In Europe, print media is still the backbone of public debate and the production of news (Lund and Willig 2010). What is common to most European print markets, however, is the continuous decline in circulation for subscribed and sold copies. Figure 1 displays the circulation of paid daily newspapers in eight European countries representing Denmark, Sweden, Norway, Belgium, the Netherlands, Germany, Ireland and Switzerland. For all these countries the statistical models based on simple linear regression shows the future development trend in paid daily circulation, assuming trends from 1995 to 2008 will continue.
Since the mid-1990s this decline in newspaper circulation has been fastened and may in part be explained by the steady rise of television and the development of new digital media distributed on the Internet. For example, Germany and Switzerland lost some 15 per cent each of the total newspaper circulation between 2002 and 2008, amounting to a loss of 3 million copies in Germany and 400,000 copies daily in Switzerland. The Netherlands experienced a loss of 400,000 copies between 2004 and 2008; Sweden lost more than 300,000 copies during the same years. Austria had a temporary increase in 2006 when a new high-circulation daily was launched. However, this paper had to rapidly cut down on circulation and so its overall number of copies decreased to 2.3 million by 2008 (see Table 1).
Table 1: Number and Circulation of Paid for Daily Newspapers.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of paid for daily newspapers</th>
<th>Circulation of paid for daily newspapers in ‘000</th>
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<tbody>
<tr>
<td>Austria</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Germany</td>
<td>371</td>
<td>370</td>
</tr>
<tr>
<td>Switzerland</td>
<td>93</td>
<td>91</td>
</tr>
<tr>
<td>Belgium</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Netherlands</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Denmark</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Norway</td>
<td>78</td>
<td>77</td>
</tr>
<tr>
<td>Sweden</td>
<td>90</td>
<td>85</td>
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There is, however, an important exception to the rule of declining circulation: most post-Communist countries in central and eastern Europe experienced a strong growth in the number and circulation of their newspapers in the aftermath of the collapse of the old regimes. The newly gained freedom to publish newspapers stimulated a high number of start-ups but in most cases these newly founded papers did not survive in the long run. With reference to Poland and other post-Communist countries, Karol Jakubowicz concludes: ‘Tabloidization, falling circulations and the survival of only limited numbers of quality newspaper now appear to be the norm in all of them’ (Jakubowicz 2007: 305).

Despite the loss of circulation, newspapers continue to be an important element of the mass media landscape in all European countries. Differences can be observed not only in the market power of
newspapers (such as readership figures, shares of the advertising market), but also with regard to their role in political debates. Over the decades, daily newspapers in Europe changed their role considerably. During the peak circulation years, the newspaper landscape was characterized by a press closely affiliated with political parties. In the 1980s and thereafter, the party press retreated in most European countries; titles were closed or had their editorial line changed towards a more forum style press (de Bens and Østbye 1998: 14f). Thus, a smaller number of newspapers managed to enlarge their daily reach and thereby increase their profitability. This emerging dominant type of newspapers brought with it the requirement to redefine the relation between social and political holders of power in society on the one hand, and newspaper owners on the other hand (who in some cases became powerful both horizontally and vertically, and concentrated multi-media corporations with stakes not only in newspapers, but also in television, radio and online media).

Scandinavia, one of the regions with strong newspaper reading traditions, can serve as an example of how these relations are redefined. Denmark, Norway and Sweden invite comparative research because these regional media markets share a number of common features with a long tradition for self-regulation on business terms, combined with politically negotiated and culturally legitimized subsidies. Market-driven competition combined with state subsidies have led to a relatively uniform coverage of news and views.

The homogeneous perspective and weighting in the editorial process rests to a great extent upon the fact that the journalistic actors are dependent upon collective norms and a mutual dependency in a mediated field of strategically conflicting sources in geographically enclosed newspaper markets. Over time, an institutional practice based on professional norms has emerged in which journalists negotiate the news agenda through a constant give-and-take. In doing so, newspapers still deliver the lion’s share of news production and public debate. Advertisers, however, do not necessarily honour these efforts, leaving newspapers with growing deficits in revenues.

**Ownership Concentration and Line Extension**

Change of the newspaper industry all over Europe is motivated by the search for economically viable ways to combat the slow but steady decline in readership. Two dominant options – though often combined – can be observed: corporate expansion and the launch of new products in print markets.

The former strategy is observed since several decades ago and results in a high, or very high, degree of ownership concentration at the national level. The number of newspaper publishers has decreased in almost all countries covered by the compilation of national media systems (Terzis 2007). In the Netherlands, for instance, the three dominating publishers control up to 90 per cent of the newspaper market (Bakker and Vasterman 2007). High levels of press ownership concentration are
also evident in the German speaking countries. Austria had only 16 newspapers for its population of 8.5 million in 2008, while Switzerland still had 87 dailies, many of which were very small and published only three or four times a week. Germany had 358 dailies during that year -and ranks between the two other countries in relation to the population.

In many European print markets, closure of secondary regional newspapers and the emergence of relatively large media conglomerates led to paradigm change from partisan press to forum press. In Germany, the Axel Springer publishing group and a few other former newspaper publishers developed into integrated media conglomerates with strategic interests not only in the press but also in the online business. The Axel Springer group, for example, took over majority control in Stepstone, one of the largest online job portals in Europe. In a similar move, Swiss publishing companies acquired, or founded, regional radio and television companies in addition to their expansion in regional newspaper markets. The most aggressive example is the Tamedia publishing group in Zurich, who acquired the Swiss capital’s leading newspaper, Berner Zeitung, within only two years (2007 to 2009), and also obtained the dominating press group in the French speaking part of Switzerland, Edipresse. Outside Zurich, there is almost no region left where more than one sizeable newspaper exists.

In Austria, the most radical wave of press concentration happened in the 1980s when newspaper competition outside the capital, Vienna, virtually ceased. There are functional newspaper monopolies in all provinces of Austria. These regional monopolies are challenged only by the omnipresent national daily Neue Kronen Zeitung and its regional editions.

In Belgium, the fall of the number of newspaper titles was spectacular. Since 1950 dozens of newspaper titles disappeared in the concentration process and the number of independent media companies shrank from 34 to only five. In Flanders (5.8 million inhabitants), the market is controlled by three groups: Corelio Media, De Persgroep and Concentra. In Wallonia (3.1 million inhabitants), the French-language press is dominated by two groups: Rossel and IPM.

Media ownership in Belgium was until recently determined by language interests. Only a few years ago did the Flemish newspaper group Corelio took an interest in and eventually bought out the Walloon media group, Mediabel. Other recent developments include joint investment procedures in which Flemish and Walloon media firms teamed up to buy newspaper titles. The former independent titles, De Tijd and L’Echo, both financial newspapers, were taken over by a consortium of Rossel and De Persgroep. There are also other joint ventures in media ownership. Concentra and Rossel publish together the free daily, Metro (133,000 copies in Flanders; 122,000 in the French speaking part of
Ownership concentration at the national level has expanded significantly across national borders since the early 1990s. Large media (print) corporations – some of them limited by national media concentration rules – realized the opportunity to invest in the post-Communist countries in central and eastern Europe. By 2010, the newspaper market in most of these countries was under control of non-national, mostly West European media companies. Table 2 displays a choice of foreign press ownership in these countries.

Table 2: Foreign Investment of Publishers in Central and Eastern Europe (Selection).

<table>
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<tr>
<th>Media Companies</th>
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<tr>
<td><strong>Bulgaria</strong></td>
</tr>
<tr>
<td>• Westdeutsche Allgemeine Zeitung WAZ (Germany): largest and second largest newspaper, largest weekly</td>
</tr>
<tr>
<td><strong>Croatia</strong></td>
</tr>
<tr>
<td>• WAZ (Germany): interests in daily newspapers</td>
</tr>
<tr>
<td>• Styria (Austria): tabloid daily, interests in broadsheets</td>
</tr>
<tr>
<td><strong>Czech Republic</strong></td>
</tr>
<tr>
<td>• Ringier (Switzerland): largest tabloid daily, free sheets and other newspapers</td>
</tr>
<tr>
<td>• Rheinisch Bergische Verlagsgesellschaft (Germany): second daily, free sheet</td>
</tr>
<tr>
<td>• Georg von Holtzbrinck / Handelsblatt (Germany): economic newspaper</td>
</tr>
<tr>
<td>• Verlagsgruppe Passau (Germany): regional newspapers</td>
</tr>
<tr>
<td>• Modern Times Group (Sweden): free sheet Metro</td>
</tr>
<tr>
<td><strong>Estonia</strong></td>
</tr>
<tr>
<td>• Schibsted (Norway): first daily newspaper</td>
</tr>
<tr>
<td>• Marieberg / Bonnier (Sweden): second daily newspaper</td>
</tr>
<tr>
<td><strong>Hungary</strong></td>
</tr>
<tr>
<td>• Ringier (Switzerland): largest tabloid daily Blick, interests in broadsheets</td>
</tr>
<tr>
<td>• WAZ (Germany): several regional daily newspapers, news magazines</td>
</tr>
<tr>
<td>• Springer (Germany): several regional daily newspapers, magazines</td>
</tr>
<tr>
<td>• Vorarlberger Medienhaus (Austria): several regional daily newspapers</td>
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In the 1990s such investments were conceived by the target countries as welcome opportunities to profit from know-how and financial resources. Without temporary investments from German publishers – such as Axel Springer, Westdeutsche Allgemeine Zeitung (WAZ), Süddeutsche Zeitung and Bertelsmann (Gruner + Jahr) – several newspaper and magazine launches in Austria would not have happened in the 1980s and 1990s. Some of these German publishers have since pulled out of Austria while others (in particular the WAZ group which still holds 50 per cent each of Neue Kronen Zeitung and Kurier, and Gruner + Jahr which controls the News-Group) still hold important shares in the Austrian press.

But foreign domination of the core newspaper markets is rarely considered as acceptable in the long run. The British Mecom Group, for example, ran into trouble when expanding into Norway, Denmark, Poland, Germany and the Netherlands. In the latter market, similar criticism was raised during the takeover of the large Dutch media group PCM, de Volkskrant, NRC Handelsblad, Trouw and Algemeen Dagblad, by the Belgium family trust De Persgroep in 2009. The Dutch media regulator allowed this acquisition only on the condition that De Persgroep sells NRC Media, the company behind NRC Handelsblad and NRC.next.

While the rather long experience in Austria shows that foreign ownership does not necessarily alter the products as long as they are profitable, cases have been reported from central and eastern Europe were publishers unduly used their market power. In several cases, newspapers in central and eastern Europe

<table>
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<tr>
<th>Country</th>
<th>Company/Details</th>
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<tr>
<td>Latvia</td>
<td>• Bonnier (Sweden): largest daily newspaper (shares)</td>
</tr>
<tr>
<td>Lithuania</td>
<td>• Orkla (Norway): daily newspaper</td>
</tr>
<tr>
<td></td>
<td>• Schibsted (Norway): free sheet</td>
</tr>
<tr>
<td>Poland</td>
<td>• Springer (Germany): largest tabloid daily Fact, interests in broadsheets</td>
</tr>
<tr>
<td></td>
<td>• Marieberg / Bonnier (Sweden): national daily Super Express (shares)</td>
</tr>
<tr>
<td></td>
<td>• Orkla (Norway): economic newspaper (shares)</td>
</tr>
<tr>
<td>Serbia</td>
<td>• WAZ (Germany): interests in daily newspapers and magazines</td>
</tr>
<tr>
<td></td>
<td>• Ringier (Switzerland): tabloid daily, free sheet</td>
</tr>
<tr>
<td>Slovenia</td>
<td>• Styria (Austria): largest daily newspaper, free sheets</td>
</tr>
</tbody>
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Sources: Company information and Tabakova, Buric, Smid, Loit, Kaposi, Sulmane, Nugaraité, Lara, Milosavljević (2007).
were bought by western companies only to close them down in order to strengthen another title of the same press group. In Hungary, for example, Ringier (Switzerland) was sharply accused of such practices when it closed down the long standing daily Magyar Hirlap in 2004, only to increase the circulation and market shares of Népszabadság. The former editor-in-chief of Magyar Hirlap publicly called this behaviour ‘a catastrophic defeat for press freedom in Central Europe’ (Der Standard 2004).

More generally, a driving force for press concentration is commercialization. Since the 1980s commercialization became a dominating trend in media markets, both for broadcast and print media. This commercialization paved the way for growing concentration and the emergence of large media corporations with monopoly aspirations. Bagdikian (2004), Baker (2007) and McChesney (1999) describe how ownership of media firms is concentrated in the hands of a very small number of entrepreneurs who strive for a monopoly market position. McChesney warns explicitly for the manipulation potential of these large media conglomerates and argues that they have an impact on public opinion, selfishly directing the information flow in accordance to their economic and financial interests.

Counteracting forces are weak, however. Newspaper markets are characterized by strong economies of scale and scope, making new market entries very costly, risky and difficult. Successful launches of new newspapers – apart from free sheets – are rare. Again, post-Communist central and eastern European countries are the exception to the rule, but market consolidation and the economic recession have also played part in cooling down ambitions to launch new titles in these countries.

**Experiments with Free Sheets**

It is general text-book knowledge that a commercially sound newspaper should aim at a split budget of 50 per cent from advertising revenue and 50 per cent income generated by readers (either from subscription or by single copy sales). As of lately, the latter way is the more lucrative because home delivery costs increased far beyond other newspaper related costs.

In 1995, this was one of the reasons why the Swedish Modern Times Group (MTG) decided to offer a newspaper called Metro free of charge to commuters of metropolitan Stockholm. Distribution cost was cut and advertisers were offered comprehensive readership, including a young people audience who had been dropping newspaper reading over the previous decades. From the readers’ point of view, the paper was ‘free’ (at no cost for consumption), i.e. entirely financed by advertisements.

Free weekly and monthly papers based on this business model were well established in many European print markets long before the launch of the free daily papers. But the free daily concept was
met with contempt by publishers. No professionals – including most newspaper journalists – seriously imagined that one could make a sustainable business case by giving editorial content away for free on a day-to-day basis. The concept of a free daily newspaper – invented by the two journalists Robert Braunerhielm and Pelle Anderson – was rejected by all major newspaper publishers in Scandinavia. When they finally found financial backing, it came from a company making its money from television and mobile phone services.

This was hardly incidental. Electronic media, in contrast to print media, has a long tradition of delivering free content. In most media markets, radio and television are substantially (or entirely) financed by advertising. In this sector of the media business free-to-air content has been the rule rather than the exception. Only recently has electronic content been provided by subscription (based on satellite and cable distribution) or sold on pay-per-view terms.

Fuelled by their almost instant Swedish success, Metro International exported the concept of free dailies to the Czech Republic (1996), Hungary (1998), Holland and Finland (1999), Chile, United States, Italy, Canada, Poland, Greece, Argentina, Switzerland, the United Kingdom (all 2000) and Denmark (2001).

News about the Metro-concept also reached Iceland. Because in Iceland metropolitan areas are small and public transportation is of little importance, an Icelandic company called Dagsbrún, amended the free paper business model by testing a home delivery model called Frettabladid. The experiment failed in its first attempt. But supported by capital from the Baugur Group, Frettabladid gradually became a commercial success. By 2006, some 95,000 copies were delivered in a country with 105,000 households seven days a week. This gave the paper a share of readership of 70 per cent coverage and an impressive grip on younger readers. Based on their domestic success, Dagsbrún decided to go international in 2006. They chose Denmark and regional markets in the United States as testing grounds because the potentials in terms of readership and advertising were promising. Denmark has a long tradition for newspaper literacy, but the drop in daily use among young readers has been among the highest in Europe. After two years of heavy losses, however, the Icelandic experiment abroad was ended. At the same time several free commuter papers were closed down as well.

These examples illustrate how newspapers adapt and experiment with new business models. Not always successfully, it should be noted. The loss of advertising revenues following the economic recession that hit Europe in the second semester of 2008 is a major concern for all media, but it is far more urgent for those media that fully depend on advertising income. In Switzerland, for example,
from seven free newspapers only the three survived the first wave of the economic recession in 2008–09.

The introduction of free newspapers, however, provoked a major shift in the business models of traditional newspaper editors. For example, the Metro and 20 Minutes newspapers (originally launched by the Norwegian Schibsted) were exported to a wide range of European countries and the national newspaper groups had quite different patterns of reaction to those new competitors. In some countries the traditional newspaper groups copied the model and edited their own free newspaper brand, thus competing directly within their national markets with the Scandinavian competitors. In other countries (e.g. Germany) the traditional newspaper groups started legal procedures to stop the publication of free newspapers, and in France the resistance against the free competitors was organized through the Labour Unions who fiercely fought against this new phenomenon. Again in other countries, the Scandinavian brand was acquired by national publishers (e.g. Switzerland).

One way of reacting to the challenge of free newspaper competition was the introduction of compact newspapers. Light versions of existing newspapers addressed the niche of young readers, and readers with limited time and attention. This concept has been introduced in Germany and the Netherlands where Die Welt Kompakt and NRC.next managed to attract a new audience. In Belgium, however, the copycat of this idea was a financial disaster for the newspaper group Corelio who introduced the title Espresso as the light version of its quality newspaper De Standaard. In Switzerland, Ringier first changed the format of its tabloid newspaper Blick to small size, only to return two years later to its former larger format in 2009.

Another major route to escape decreasing advertising income and losses in newspaper circulation is the launch of online media distributed exclusively in the Internet to various reception devices (see also Chapter 6 on online media in this volume). Newspapers were in many countries late-comers when online media were established in the early 1990s. Some newspaper publishers were hesitant to lose their paying readers to the online editions. Lately, newspapers have realized that there is no alternative to an extensive online representation in the Internet. By this move, younger readers can be reached and some circulation losses compensated. However, the need to establish a viable business model with sufficient revenue creation became a pressing need when the economic recession hit the media business in the years 2008 and 2009. In fact, in many European countries only very few – if not only one single, dominant information portal – manage to cover their cost through advertising income alone. Paid content, however, is highly unpopular among Internet users who are accustomed to free
access to information.

How this may affect the newspaper business is hard to forecast. But it will probably encourage experiments with micro-payments and the so-called ‘walled garden’ technology in order to regain some of the losses on the printed editions. We shall probably also see newspaper publishers going into e-reader publishing and mobile media to a much larger extent than has been the case in the first decade after the turn of the millennium.

Subsidies and Regulation

European newspapers have been heavily supported by state subsidies since the 1960s. Scandinavian media enterprises, for example, enjoy VAT abatements, distribution benefits and state support for innovative experiments. The crucial question is whether this political tradition, based upon national regulation of the media derived from statutory powers and professional autonomy, can preserve content diversity and a political economy under global convergence and increasing ownership concentration.

Aside from press subsidies, the national governments of Europe and the European Union regulatory authorities tend to keep a low profile in mingling with the print media business. Media regulation at the national, as well as at the pan-European, level is much more explicit on the broadcasting market. Consequently, newspapers enjoy comparatively far reaching freedom with regard to content regulation. Their content autonomy is firmly rooted in the nineteenth century at a time when censorship was abandoned and the proclaimed ‘free press’ emerged. However, contemporary media markets raise concerns about pluralism and opinion diversity.

Media ownership concentration poses the question whether newspapers (and media in general) guided entirely or predominantly by market forces and competition rules can deliver the optimum result for contemporary democracies (Trappel and Maniglio 2009). Democratic virtues critically depend on the public discourse displayed by newspapers and other news media. Therefore, print media regulation concentrates on measures to maintain (or establish) pluralism with little or no interference in editorial matters. In cases where competition rules are ineffective to maintain pluralism, other forms of intervention, such as direct or indirect subsidies, are executed in various European countries.

As shown above, most European national print media markets are divided between only a few business actors. In the United Kingdom, two publishers control 55 per cent of the print market; in Italy there are five dominant press groups; in Spain six media groups control 90 per cent of the market (two
of them account for 50 per cent); and in small countries, very few publishing groups divide the markets among them: five in Belgium and only four in the Netherlands, three in Norway and one dominant publisher in Ireland. Regulation at the national level to prevent press concentration was not successful or was implemented too late, when the concentration process was already too far spread (like in the Austrian case).

Some countries developed specific media policy measures to regulate the national newspaper market. Selected European countries implemented national anti-trust legislation, as well as regulation on cross-ownership. Big media corporations regard these national regulation measures as obstacles for their expansion and seek support for their position with the European Commission. The Commission, however, tends to direct such complaints back to the national legislative framework. Only major concentration cases meet the requirements (such as a minimum turnover of 2 billion Euros) and have to be decided at the European level. These requirements normally do not apply to European newspaper companies which are of considerably smaller size.

Some media regulation is based on specific numeric indicators. In Germany the Bundeskartellamt (Germany’s national competition regulator) argues that no newspaper group can acquire more than 25 per cent of the shares of another German newspaper group. As a result, German newspaper editors who had intended to expand their activities, ended up seeking growth opportunities across the national borders (in central and eastern Europe), or they diversified into the magazine or broadcasting markets. A similar development can be seen in Norway, where the major player Schibsted was forced into a globalized strategy rather than a national market consolidation.

In France, there is a highly elaborated set of rules in place including indicators such as market shares and geographical penetration. The French anti-trust regulation stipulates that no group can acquire more than 30 per cent of the overall circulation of national newspapers. This measure was criticized as the ‘Hersant-standard’, since this 30 per cent was very well tailored to the then existing market situation where media mogul Robert Hersant indeed controlled the market to that extent.

Scandinavian countries have developed relatively sophisticated media policy regimes covering the press. These nations have a long tradition of parliamentary control of the mass media as a cultural-political supplement to market-based self-regulation under free trade conditions. Government intervenes in media business with the intent of securing diversity and national identity. The official political goal has usually been to create and preserve the basis for free speech and fair competition on the media market. But tools and methods utilized for political regulations vary from nation to nation
In order to mitigate inequalities in opinion making and access to public debate, all the Scandinavian nations have some form of politically defined subsidies for the printed mass media, ranging from direct funding over tax relief to cheap rates for delivery by the postal services. Norway, however, is the only Scandinavian country in which formal limits of ownership have been politically regulated. This may be an incentive for national media houses to expand internationally to a greater extent than other Scandinavian players. While Norway and Sweden offer direct support to selected newspapers to varying degrees, the representatives of the press, supported by a political majority, have rejected similar proposals in Denmark. The consequences of these differences in press subsidies are disputed and invite future research (Rambøll 2009).

The past 100 years of interaction among media businesses and political regulators has created institutional conditions that, to a great degree, have preserved home markets for national and regional newspapers in Europe. It has been difficult and risky for foreign players to penetrate the print market, and the promise of success was limited. These barriers of entry, however, have decreased, e.g. free sheets from Metro International and Schibsted penetrate a growing number of European newspaper markets.

At the European level, media policy developed and implemented by the European Commission has not addressed newspapers specifically. Media policy is directed towards free competition and regulation on the European level and is tailored to the largest players in the market. Press subsidy schemes as effective as the ones in Austria, France, the Netherlands, and some Scandinavian countries are as a matter of principle suspected to be incompatible with the rules of the common market (state aid rules) but they are tolerated as exceptional practices of long national tradition if proper notification takes place. Audio-visual policy and print media policy overlap in the area of online media. The 2009 Broadcasting Communication by the European Commission stipulates that online media markets should become the domain of private companies with strict rules for public service media companies.

Another way of supporting newspapers that are still important for public deliberations and for keeping the public informed is their use in the educational system. This introduces the medium to the younger generations who are more literate in terms of the Internet and other electronic channels of communication. In Belgium, editors and policy makers have joined forces in a long term effort aiming at the preservation of the future readers’ market. Since 2003, Flemish newspaper publishers distribute almost 1 million copies to schools every year. Within each school year, approximately 100,000
students participate in the Newspapers in Education Project. Research-based results (Raeymaeckers et al. 2009) indicate that the project is successful: participants have a more positive attitude towards newspapers and newspaper reading, and subsequent participation suggests a cumulative positive impact.

**Conclusion**

Loss of revenue requires publishers to reconsider their business model and look for innovative ways to cope with digital convergence. Online media are an essential market segment where publishers compete with broadcasters and genuine web-only content providers. It is, however, doubtful whether the implemented model of free access to information and entertainment can be developed into a sustainable business proposition of ‘selling less of more’ in a profitable fashion.

Advertising markets are sensitive to economics and have started to migrate towards new media. Over time, the free sheet business model, which is currently very successful in the reader market, may translate well into the advertising market. But newspaper publishers have already lost much of their classified business to online media (e.g. Google), and they are on their way to lose considerable amounts of display advertising as well.

Currently it is difficult to see a strictly market-based solution to these challenges – unless the quality of newspaper journalism suffers severely. Optimists comfort the European print media business that waning newspapers have sustained competition from new media for more than half a millennium (Dimmick 2003). This has been achieved by constantly adapting to new communications technology in an experimental fashion (Achtenhagen 2008).

Pessimists, though, suggest that the current crisis of print media calls for ‘thinking the unthinkable’, as Clay Shirky (2009) has eloquently put it: ‘The newspaper people often note that newspapers benefit society as a whole. This is true, but irrelevant to the problem at hand; “You’re gonna miss us when we’re gone!” has never been much of a business model. So who covers all that news if significant fractions of the currently employed newspaper people lose their jobs?’

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