

# COMPACT QUALITY NEWSPAPERS – BRIGHT FUTURE OR FALSE DAWN?

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Legend has it that Simon Kelner, editor of The Independent, had a flash of inspiration as he ploughed up and down the aisles of his local supermarket. “If I can buy toothpaste in different sizes, why can’t newspapers do the same?” The Independent published in both compact and broadsheet formats from September 30<sup>th</sup> 2003, although in practice this was merely a step in the transition of the newspaper to a compact-only format from May 2004.

The global significance of this change has, however, been huge. At the last count 71 major broadsheet titles have either followed suit or have well-publicised plans to reduce their size in the near future. From El Litoral in Argentina to the San Francisco Examiner in the US, the New Straits Times in Malaysia and Hufvudstadsbladet in Finland, The Times in the UK and Cotidianul in Romania.

Turning tabloid is not a new phenomenon, so why has The Independent caught the imagination of the newspaper publishing world and is it based more on hope than evidence? Our paper will examine the attitudes, mindset and lifestyles of the compact reader to assess the reality of the conversions in the UK.

## **Last chance saloon for The Independent?**

Since its launch in 1986, The Independent had been the number four broadsheet daily in a market of four. Circulations in this sector have been in steady decline for the past ten years and, without the deep pockets of its competitors to finance advertising and promotions, it was no surprise that The Independent had to adopt a more radical strategy.

The results for The Independent were remarkable. Initially, the compact version was only available in the London area and circulation grew by 40% there. Interestingly, they also saw changes in the profile of purchase – from September 2003 to May 2004 sales were up 66% at travel points, 61% at supermarkets and 65% at petrol stations.

Sales steadily moved to 70:30 in favour of the compact format and after eight months the broadsheet format was withdrawn. The average daily sale had increased from 216,522 (Nov 03 to Apr 04) to 262,004 a year later.

## **Sign for The Times**

Also facing circulation decline, The Times (second in the market and with a history going back to 1785) watched developments with keen interest. The risk was much greater, with an older and more traditional reader profile than The Independent, but The Times did follow suit providing both formats in December 2003 and converting fully to compact in November 2004. A massive investment was made to minimise the risks – a helpline and website were established for disaffected broadsheet readers and every phonecall, email or letter was followed up within 48 hours, readers receiving vouchers and free gifts.

Again circulation has grown. The average daily sale increased from 622,000 in November 2003 to 698,000 in July of this year.

## **It’s not how big it is...**

Naturally when newspapers convert from broadsheet to compact there is much discussion of the impact of the advertising. However, research has shown that the impact of the ad is not related to the size of the newspaper but to the size of the ad itself. Concentra Media who publish Gazet van Antwerpen in Belgium researched the advertising impact of both formats when they were being published concurrently in early 2004.

They examined three categories of advertising (same size in broadsheet and compact, size proportional to each page, full pages) and in almost all cases the ad recall and other measures for the compact were at least as high as for the broadsheet. The only advertising that performed less well in the compact was the type packed with lots of detailed information.

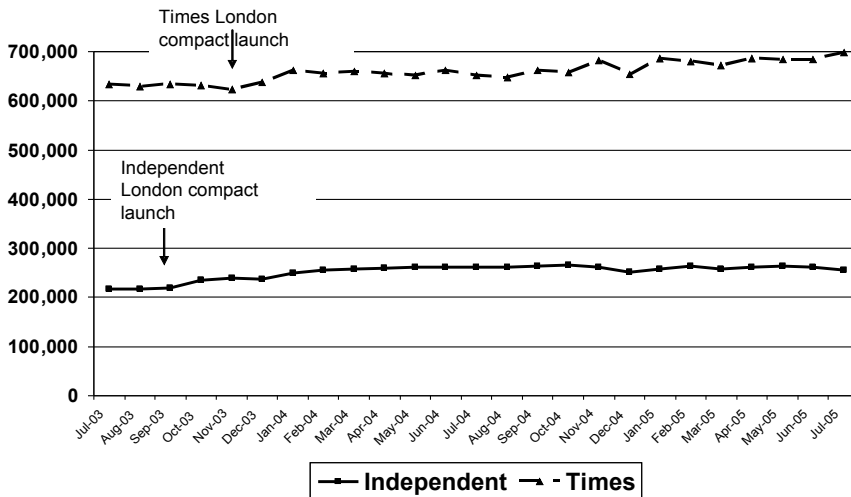
So if the change in format to compact benefits circulation, at least in the short term, and there is no evidence of a deterioration in advertising impact, the final piece of the jigsaw is the size and composition of the readership. Will the newspaper succeed in taking its broadsheet readers with it, can it attract new and desirable readers or will the change dilute the value of the readership to advertisers by bringing in traditional “tabloid” readers? Bold claims have been made about the new readership; that the newspapers are now appealing more to younger, active, time-poor (and therefore typically hard-to-reach) people. But is this claim supported by the evidence?

Using TGI trend data we have been able to track changes in reader profile over time from broadsheet through the evolution to compact format. Importantly we have been able to look at the attitudes, mindset and lifestyles of the compact reader on top of traditional demographics.

**An increase in readers?**

There's no doubt that the move to compact has added sales in what was a declining market. While other qualities have continued to decline both the Times and the Independent have shown significant increases in circulation (see Figure 1).

**Figure 1: Circulations of Compact Qualities: 2003 - 2005**



Monthly Circulations

Source: ABC

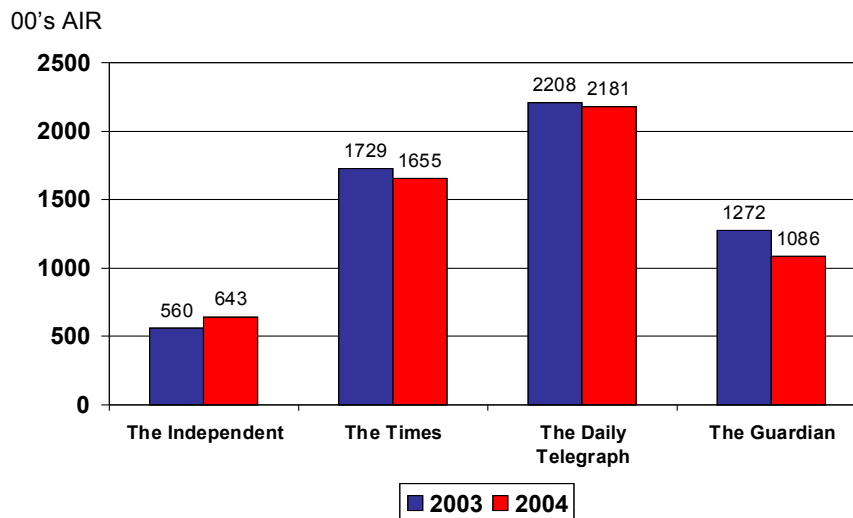
In the same fashion the readership of the Independent has grown substantially. From an average issue readership of 560,000 in 2003 to 673,000 readers in the first quarter of 2005<sup>1</sup>. An impressive growth of 20% in average issue readers.

For The Times the picture is less clear cut. In fact, since the compact launch, at the end of 2003, average issue readership has actually fallen by 5%. Of course this is significantly less than the decline experienced by one of its closest rivals, the Guardian, who to date have continued to publish a broadsheet.<sup>2</sup> Over the same period readership of this title fell by 15%. Without the move to compact we may very well have seen a far more significant decline for the Times. We can hypothesise that in fact the move to compact has stemmed the loss.

At the time of writing readership data for the second quarter of 2005 were yet to be published however given the recent increases in circulation for the Times it seems likely that readership will follow suit.

<sup>1</sup> For ease of comparison and to generate reliable base sizes we have used the calendar year 2003 as a surrogate for “pre compact”. This was the last year in which the titles were published in broadsheet format and although the move to compact happened for the Independent in September and Times in December this was on a partial basis – limited to the London area and with broadsheet still available. For “post” comparisons we have used 2004 when the compact version for each was dominant and Q1 2005 when the move to compact was fully complete.

<sup>2</sup> The move to a Berliner format is due in September 2005.

**Figure 2: Readership 2003-2005**

It is interesting that the Times has seen a small decline in readership while the circulation has risen. We know that the relationship between the two is not clear cut but this does suggest a decline in readers per copy. Perhaps the move to compact has led to a more personal read. Readers are perhaps more likely to hold onto their copy and read more thoroughly rather than leave for others to pass on? As we'll see later the compact readers certainly seem to be more appreciative of their title than the old broadsheet. Supporting this suggestion we found that between 2003 and 2005 the number of secondary readers to the Times (AIR) has declined from 304,000 to 207,000 while primary readers remained relatively constant.

So, the move to compact has certainly had a positive impact on sales for both titles. Readership has increased for the Independent and it appears to have at least stemmed the decline in readers from The Times. So, are we seeing an increase in the frequency with which people read the title? As a more portable read are readers more likely to pick up a copy on more days? Or, are the compact titles attracting brand new readers (those new to the market or switched from another brand)?

There is clear evidence that the move to compact has brought in more trialists. Those claiming to have read or looked at the Independent at all in the previous 12 months has risen by 17% over the 2003 figure and by 13% for the Times.

**Figure 3: Increased Trial**

Base: all who have read the title at all in the previous 12 months

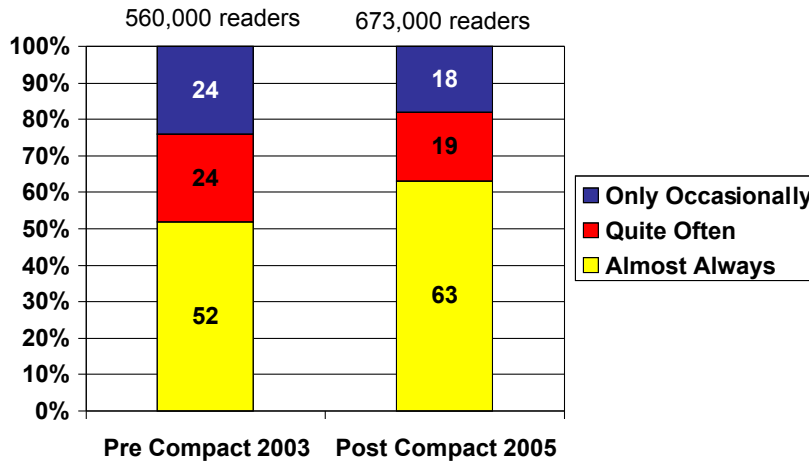
	2003	Quarter 1 2005	Change
Independent	4,224,000	4,951,000	+17%
The Times	7,370,000	8,345,000	+13%

We also found that the Independent increased its pool of loyal readers: from 425,000 who claimed to read almost always in 2003 to 577,000 in the first quarter of 2005<sup>3</sup>. This represents a massive growth of 37%. The Times also grew these regular readers but by a much smaller 5%.

<sup>3</sup> Defined as those who have read the title in the past 12 months and claim to read "almost always"

So, in terms of reader profile how has the frequency of reading changed? Do we see a change in the frequency with which a “typical” reader reads the title?

**Figure 4: “Loyalty”: Frequency of Reading The Independent**

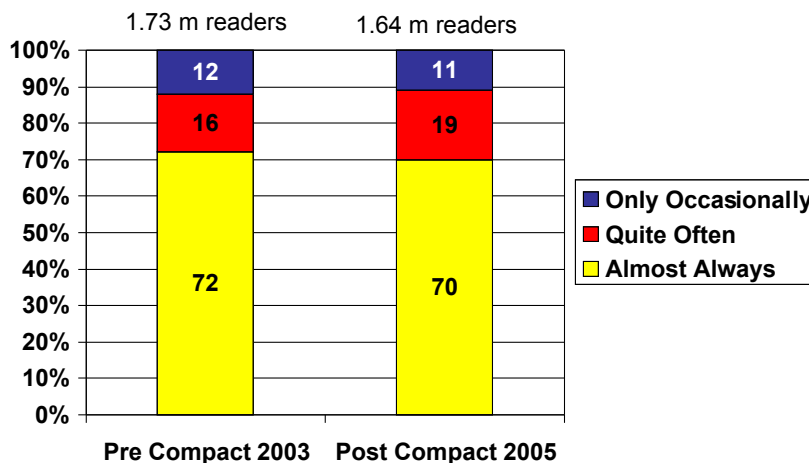


Base: Average Issue Readers of the Independent

Source: NRS

The Independent has grown its loyal reader base. From a situation where just half of its average issue readers claimed to read it “almost always” in 2003 to the first quarter of 2005 where this proportion has risen to almost two thirds. Clearly the move to compact has had an impact on brand loyalty whether this is purely practical, reflecting the relative ease and portability of reading, or a more emotional attachment to the brand.

**Figure 5: “Loyalty”: Frequency of Reading The Times**



Base: Average Issue Readers of the Times

Source: NRS

The Times has a generally more loyal and frequent reader base with 70% of average issue readers who claim to read the title “almost always”. However, neither the number of loyal readers nor the proportion have changed significantly since the launch of the compact. In fact the NRS registered a small decline in their number from 1.249 m to 1.154 m, a drop of 5%. There is a small increase in the proportion who claim to read “quite often”, up 15% in number and perhaps the move to compact has increased the number of previous occasionals who now read on a slightly more regular basis.

So the move to compact brought in new triallists to the brand for both titles. Both have increased their circulation since the compact versions were launched. For the Times this has not necessarily been reflected in a significant change in readership although there are signs that it has largely protected its primary readers and perhaps increased the frequency with which the occasionals pick up the title. It is the Independent which has gained most from the move with a significant increase in readership and in the loyalty or frequency with which its readers now choose to read a copy.

**A Dilution of the Readership Profile?**

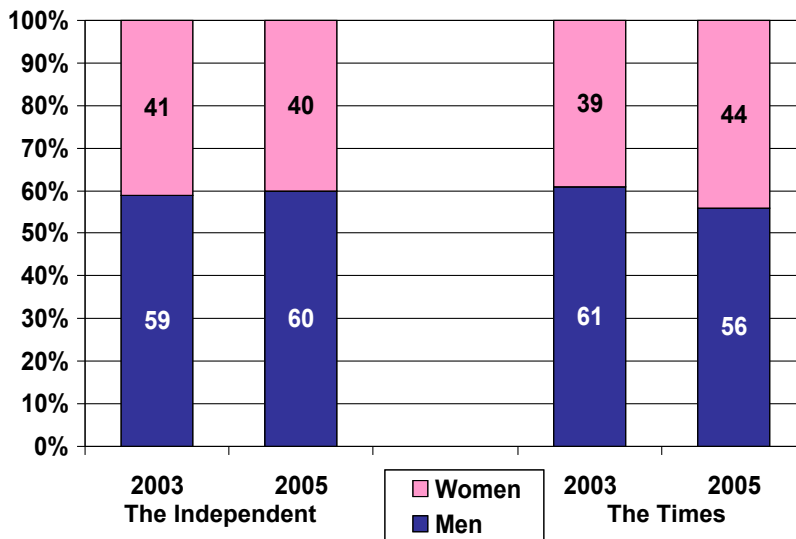
Whilst the quality press in Britain do not deliver the mass audiences of the popular tabloid titles they do attract enviable upmarket audiences, often strong in delivering hard-to-reach groups such as business decision makers and high earners. Does the move to compact dilute this profile?

Early in the process there were many who were concerned that a move to compact format would devalue the editorial and brand image, bringing it closer to the traditional mid market and popular tabloid sector. At the same time others argued that today’s business people and professionals have no time to spend poring over their newspaper at home, it needs to be easy to read on the move, something that fits into today’s modern lifestyles. So how have the reader profiles been affected?

National newspapers have been traditionally skewed male and this continues with the move to compact. However the titles show quite different changes in the numbers of male readers. The Independent now has an additional 42,000 male readers to each copy while the Times has lost 127,000. Each title has seen a small gain in women – 8,000 to the Independent and 6,000 to the Times.

As a consequence, the profile of the Times readership is now far less male than it was two years’ ago.

**Figure 6: Compact Profile: Sex**

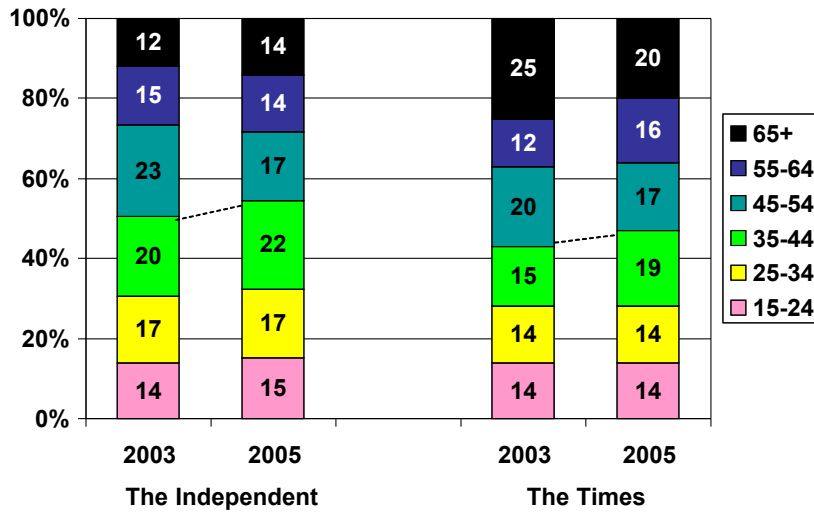


Base: Average Issue Readers

Source: GB TGI Oct 02-Sept 03 vs April 04 – March 05

The challenge for all newspapers is to become relevant to younger readers, many of whom are losing the newspaper habit. The move to compact appears to have addressed this, at least in part. The Times has retained a similar number of under 35’s to that of 2003, stemming the losses seen in previous years. The Independent has seen significant growth among the younger groups. In fact the number of average issue readers aged 15 to 24 has grown by 20%.

**Figure 7: Compact Profile: Age**



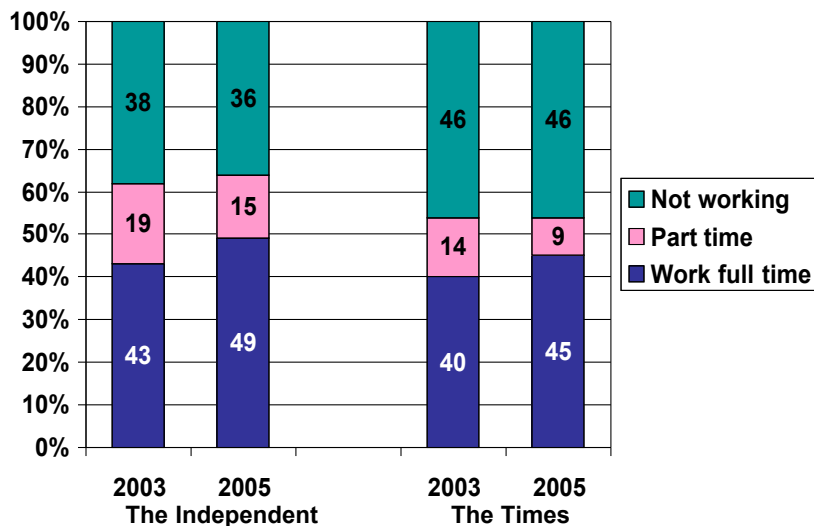
Base: Average Issue Readers

Source: GB TGI Oct 02-Sept 03 vs April 04 – March 05

Compacts do therefore attract a slightly younger profile than their broadsheet predecessors.

The key change in profile since the launch of the compact has been the growth among full time workers. Much of the rationale in moving to a compact format was to allow readers to read their newspaper comfortably on their daily commute to work and to fit in to today's busy modern lifestyles. Both titles have grown their readership among full time workers since the compact launch. The Independent now has 24% more full time workers among its readership and the Times 5% more. At the same time full time readers of the Guardian have dropped by 9% and to the Telegraph down by 29%.

**Figure 8: Compact Profile: Working Status**



Base: Average Issue Readers

Source: GB TGI Oct 02-Sept 03 vs April 04 – March 05

The London readership too has grown partly reflecting the early launch in London but also the fact that many of the country’s full time workers and professionals are based in the capital. It is these urban workers and commuters who see greatest practical benefit of the new format:

**Figure 9: London Readership**

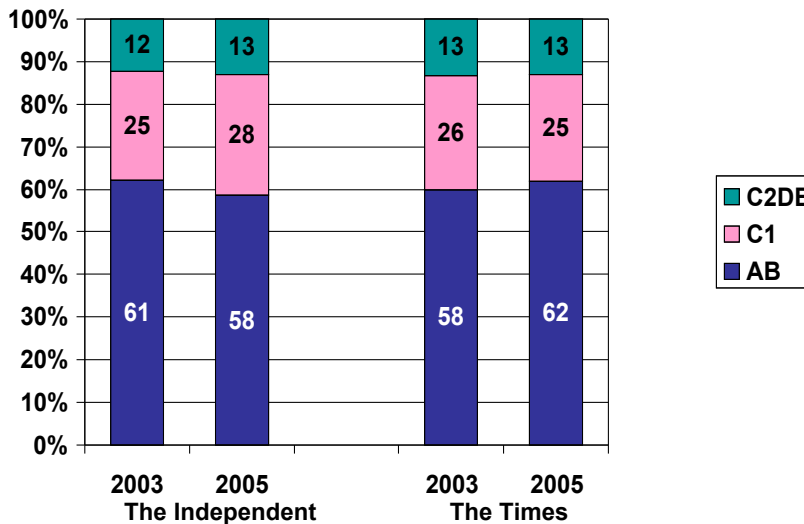
	2003	2005	Change
Independent	138,000	172,000	+25%
The Times	376,000	455,000	+21%

Base: average issue readers, Greater London standard region

In itself this is quite a feat given that it is in London that the national press has seen the greatest threat from free newspapers such as Metro and from competing media such as high spec mobile phone penetration.

For the Times not only have full time workers grown but the profile of AB readers to the compact has also enjoyed a growth of some 133,000 – up 12%. For the Independent there was little change in the number of AB readers, the major growth area has been C1’s growing from 138,000 to 173,000.

**Figure 10: Compact Profile: Social Grade**



Base: Average Issue Readers

Source: GB TGI Oct 02-Sept 03 vs April 04 – March 05

Far from diluting their audiences the move to compact has brought in more of those highly desirable, hard to reach groups. The social grade profile of each title has remained firmly ABC1 with the Times growing the number of AB’s in its readership. The move to compact has also brought in those groups who had been drifting away from the national press:

- Full time workers
- Londoners
- The under 35’s

All of these groups have grown since the move to compact. However, again it is the Independent which has gained the most growing under 35’s by 20%, full time workers by 24% and Londoners by 25% overall.

### Delving deeper: the attitudinal profile of the Compact reader

Given the radical change in design many commentators expected that the new compacts would attract the more adventurous, early adopters. Equally the nature of the new format suggests that those feeling under greatest time pressure might be more likely to choose a compact over a broadsheet. Is this borne out by the available data?

Using TGI we have an array of different attitudes spanning personal motivation, shopping, travel, family and work. We have made comparisons of the reader profile in 2003 to that of 2005 in order to identify any significant changes.

The first interesting observation is that on the whole attitudes are remarkably consistent. It is well known that the selection of a newspaper brand is driven not only by personal, demographic circumstance but also by outlook. For many of the attitudes this has not changed with the change in format. However, there are a few interesting comparisons to be made.

#### Time starved?

The compacts have grown the numbers of full time workers, younger readers and Londoners, all groups with busy, modern lifestyles. We would therefore have expected that the profile of attitudes associated with “time starvation” would have changed.

**Figure 11: Time related statements on TGI**

% agree with each statement

	The Independent			The Times			All Adults		
	Pre (2003)	Post (2004)	Change	Pre (2003)	Post (2004)	Change	Pre (2003)	Post (2004)	Change
<i>There aren't enough hours in the day to do everything I would like</i>	64%	70%	+6%	56%	62%	+6%	56%	56%	=
<i>In this day and age its important to juggle various tasks at the same time</i>	72%	59%	-13%	71%	66%	-5%	59%	60%	+1%
<i>I'm willing to sacrifice time with my family in order to get ahead</i>	19%	11%	-8%	16%	10%	-6%	14%	14%	=

Base: Average Issue Readers

Source: TGI

Although there is a small increase in the number who feel that there are not enough hours in the day, other time and work related attitudes do not necessarily follow the same pattern. The evidence that the new compacts attract more time starved readers is therefore limited.

#### Early Adopters?

We could hypothesise that the change in format, targeting younger and upmarket readers and those open to change might therefore result in an increase in the number of readers we could categorise as “early adopters”. Often we use the surrogate of attitudes towards new technology as a means to identify this group.

**Figure 12: Technology related statements on TGI**

% agree with each statement

	The Independent			The Times			All adults		
	Pre (2003)	Post (2004)	Change	Pre (2003)	Post (2004)	Change	Pre (2003)	Post (2004)	Change
<i>I try to keep up with developments in technology</i>	68%	54%	-14%	66%	47%	-19%	45%	47%	+2%
<i>I love to buy new gadgets and appliances</i>	37%	30%	-7%	36%	32%	-4%	32%	32%	=

On this occasion it seems that agreement with the technological related statements on TGI has in fact fallen in the last 2 years. This seems to be true across other quality titles' readerships while the figures for all adults have shown little change.



As an alternative we have also investigated attitudes to experimentation and new brands. There are a number of statements on TGI which can be categorised in this way covering new brands, new experiences and general openness to change. To summarise those who might be generally more “open to change” we chose 5 of the most discriminating statements and created a new group “the adventurers” who agree with at least 3 out of the 5 statements and comprise around 30% of adults. Using these statements we can see that the change to compact has attracted a small increase in this group.

**Figure 13: “Open to change” statements on TGI**

% agree with each statement

	The Independent			The Times		
	Pre (2003)	Post (2004)	Change	Pre (2003)	Post (2004)	Change
<b>“Adventurer”</b>	<b>30%</b>	<b>36%</b>	<b>+6%</b>	<b>30%</b>	<b>35%</b>	<b>+5%</b>
<i>I like to try new drinks</i>	27%	37%	+10%	29%	27%	-2%
<i>I like to try new food products</i>	48%	53%	+5%	46%	49%	+3%
<i>I like to pursue a life of challenge, novelty and change</i>	50%	51%	+1%	39%	38%	-1%
<i>When I see a new brand I often try it to see what it is like</i>	23%	23%	=	23%	26%	+3%
<i>I try to go somewhere different on holiday every time</i>	45%	44%	-1%	42%	51%	+9%

Base: Average Issue Readers

Source: TGI

So our expectations of an increase in readers who are early adopters of new brands and ideas or those short of time to read a newspaper are not wholly borne out by the data. Given the previous profile of each title these groups were already well represented within their readerships, new readers have simply added to them rather than changed the overall profile to any significant degree.

### Overview of Attitudinal Profiles

From launch The Independent tried to set itself apart from the more established titles and succeeded in attracting an audience that is distinctive in attitude and expectations of a newspaper.

An analysis of the highest indices for the Independent across the range of statements contained on TGI reveals a readership that is liberal, progressive and interested in a range of different subjects.

**Figure 14: Attitudinal Profile of Independent Readers**

Highest indices across all TGI attitudes (TGI 2005)

Base: All Independent Average Issue Readers (326)

	% Agree	Index
A single European currency would be a good thing for Britain	59%	258
I'm a regular cinema goer	35%	235
I consider myself interested in the arts	76%	215
I always check the nutritional content of food that I eat	30%	209
I only buy products from a company with whose ethics I agree	38%	205
I worry about work in my leisure time	34%	202
Cannabis should be legalised	45%	202
I'm a vegetarian	12%	200
I trust homeopathic medicine	30%	190
I prefer to take holidays off the beaten track	44%	182

This profile has remained relatively constant since the move to compact with two areas of change:

- A move away from the image conscious, status driven and materialistic
- An increase in agreement with the more progressive, liberal attitudes and those associated with strong ethics

Some examples are given below.

**Figure 15: Changes in Attitudinal Profile Pre- Post Compact**

Base: All Average Issue Readers of the Independent

	<b>% Agree (2005)</b>	<b>Change</b>
A car is only there to get me from A to B	49%	+12%
I choose a car on the basis of its looks	11%	-10%
Money is the best measure of success	4%	-7%
I really enjoy shopping for clothes	24%	-8%
I only buy products from a company with whose ethics I agree	38%	+16%
I think all fast food is junk	54%	+14%
A single European currency would be a good thing for Britain	59%	+12%

The Times again is quite distinctive. Readers are financially aware and interested in financial products. Like readers of the Independent their views and interests are broad ranging and challenging.

**Figure 16: Attitudinal Profile of Times Readers**

Highest indices across all TGI attitudes (TGI 2005)

Base: All Times Average Issue Readers (891)

	<b>% Agree</b>	<b>Index</b>
I read the financial pages of my newspaper	47%	204
I'm interested in financial services advertising	17%	183
I rely on newspapers to keep me informed	49%	179
To do my shopping by the Internet makes my life easier	26%	177
I prefer to take holidays off the beaten track	43%	176
I worry about work during my leisure time	29%	171
I consider myself interested in the arts	61%	170
I would never think of taking a package holiday	28%	160
I'm interested in other cultures	71%	159
A single European currency would be a good thing for Britain	36%	156

Again this profile has not changed dramatically since the change to compact.

The key change in attitude relates to travel. The readership have become more interested and adventurous in their travel plans. Whether this relates to editorial content or that those with a broader mind and younger profile tend to be more interested is open to interpretation.

**Figure 17: Changes in Attitudinal Profile Pre- Post Compact**

Base: All Average Issue Readers of the Times

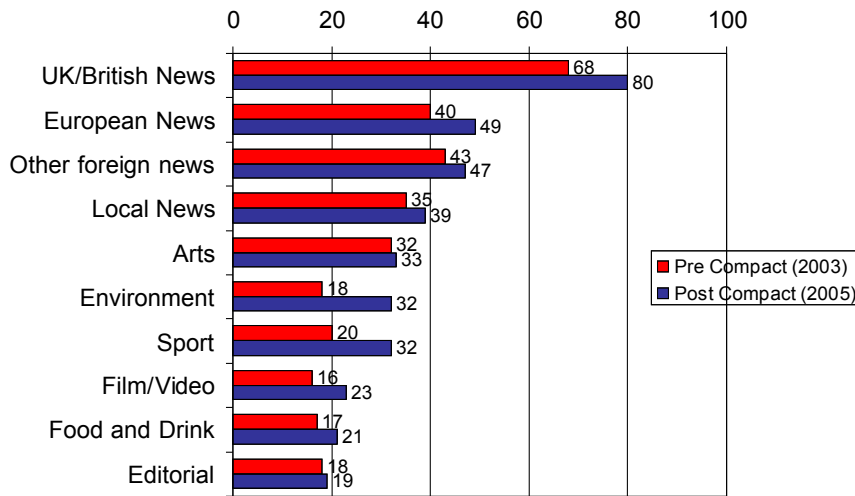
	<b>% Agree (2005)</b>	<b>Change</b>
I prefer to take holidays off the beaten track	43%	+8%
I'd never take a package holiday	28%	+9%
I try to go somewhere different on holiday every time	51%	+9%
I like the idea of travelling abroad	84%	+6%

**Expectations and Opinions of the Compact Titles**

One of the concerns in a move to compact was that the titles would “dumb down”. That the size of the page would lead to compromise in editorial and as a result those readers serious about their news and opinion would no longer read the title. Equally those midmarket readers with lighter tastes would be attracted to the brand now that the broadsheet barrier was removed.

In fact readers of the compact titles are just as serious about their news coverage as before. Just 13% of Times readers agree that “I read a daily newspaper more for entertainment than news” and 8% of Independent readers, these figures have not changed since the move to compact. On TGI we ask about the topics of interest when reading national newspapers. Figure 18 illustrates the proportion of Independent readers who are either fairly or very interested in each topic pre compact and compact readership.

**Figure 18: Newspapers Topics of Interest Independent Readers**



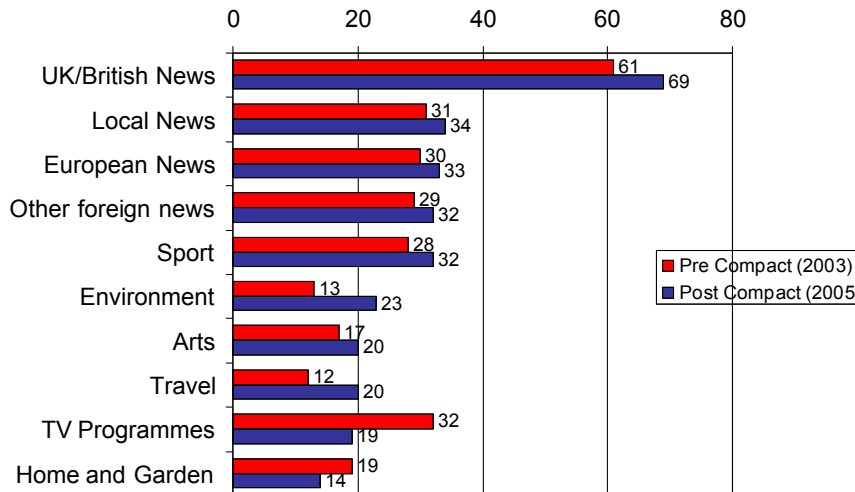
Base: Average Issue readers of the Independent

Source: GB TGI

Clearly, readers of the compact version show greater interest in news, particularly UK news, than the readership of the old, broadsheet version. It is also worth noting that all topics increase in interest – perhaps as a result of the newspaper being easier to navigate and therefore opportunities to read more sections, more thoroughly are presented?

Other significant increases are seen for environment, sport and film all topics typically associated with a younger reader profile.

**Figure 19: Newspapers Topics of Interest Times Readers**



Base: Average Issue readers of the Times

Source: GB TGI

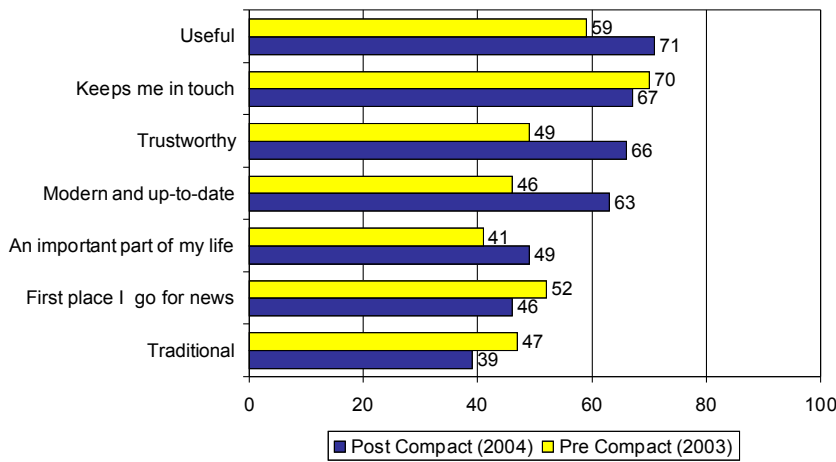
Again readers of the compact Times remain serious in their outlook with increased interest in news topics. Interest in reading about travel jumps from 12% of readers to 20% reflecting their overall attitude to travel we noted earlier.

Finally, have the compacts met their readers expectations? The changes were made with the reader in mind – a compact style being better suited to reading in different situations and when time was limited. To what degree has this been addressed?

The increase in readers and the change in profile suggests that these needs have been met. Around half of compact readers agree that they “rely on newspapers to keep me informed”. This has remained constant since the move to compact.

On Premier TGI we ask views of different media including the quality press. Among these upmarket, AB readers there has been a significant change in attitude since the move to a compact style.

**Figure 20: View of Quality Newspapers Among AB Independent Readers**



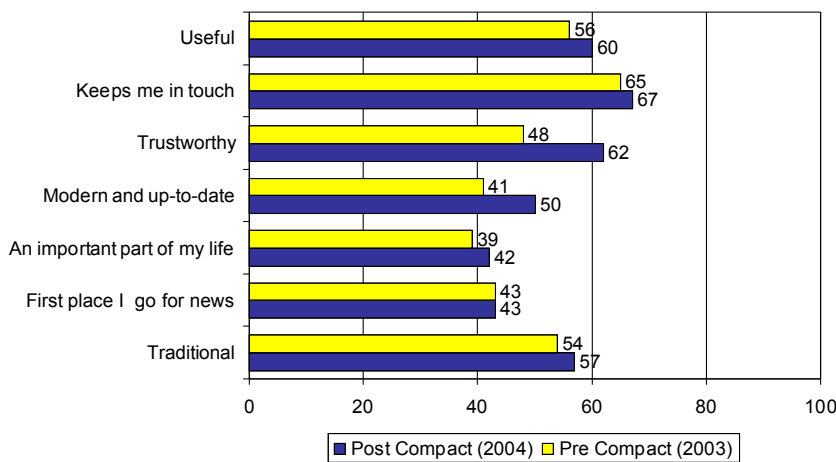
Base: AIR Independent

Source: Premier TGI, 2003 and 2004

For the majority of aspects covered Independent readers have become more positive. In particular there is a higher association with being seen as “modern and up to date” from 46% agreement in 2003 to 63% agreement in 2004. Other significant increases are seen on “useful” and “an important part of my life” suggesting an increase in reading practicality and occasions since the move to a new format.

The picture on the Times is very similar. Here the gain on being “modern and up to date” is outweighed by being seen as “trustworthy”. The investment in managing the change to compact seems to have paid off.

**Figure 21: View of Quality Newspapers Among AB Times Readers**



Base: AIR Independent

Source: Premier TGI, 2003 and 2004

## Summary

The move to compact by the Independent in Britain prompted a massive change worldwide with many established newspapers following suit or choosing variations on the format. The move to smaller formats seems to have become unstoppable.

The experience in Britain has been a largely positive one. Circulations have grown or at least losses stemmed with consequent benefits to readership. Based on the evidence in Britain it seems that greatest benefit is seen by the first to market. The Independent as the smaller, less established title had less to lose. With its younger, perhaps more progressive readership and less traditional editorial the change fitted perfectly with its established brand image. With its editorial stance and content it was able to capitalise on those likely to be attracted to the new format.

The Times with its well established brand, larger readership and older profile had more to lose. However, the evidence is that its conversion has been largely successful with readership at least maintained and some signs of real growth.

There is no evidence of damage to reputations. Even to a newspaper as long established and well respected as the Times. Indeed the evidence we have seen from AB readers is that the image of the newspapers was enhanced by the move, each being seen as more modern and up to date as a result.

Fears that the profile of readers would be diluted by the move to compact have not been realised. Each title has maintained a strong up market profile and indeed, in the case of the Independent, brought in the highly desirable younger readership. However, there is only limited evidence that the new compacts have radically changed their profiles since the move. There is little to substantiate the claims that compacts attract more early adopters and those “time starved” individuals who find it hard to find time for a newspaper. However, they certainly do seem to have met the needs of many full time workers and urbanites who have either switched or been brought into the newspaper market afresh with the advent of compact.

Compact is not the final word on format. The Guardian is launching in Britain with a “Berliner” size, titles around the world are experimenting with new formats down to pocket size A5. Small might be beautiful but it remains to be seen whether it is also a guarantee of success in the newspaper market.

