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SUPPLY AND DEMAND IN THE PRESS MARKET IN POLAND

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Abstract. Polish press market is dominated by entities with foreign, particularly German, capital. The only major Polish publisher is Infor, which operates magazines focusing on legal and business issues. In the segment of daily newspapers there is a tendency to create oligopolistic structures with four big players dominating the market. The aim of this article is to present the current situation in the press market in Poland from the perspective of supply and demand The paper lists and characterizes the major publishers of newspapers and magazines as well as the readers' reception of their offer, that is, the demand for the offered market goods, in this case – newspapers and magazines. It also focuses on the impact of on -line publications and advertising revenue on the changes in the press market. The empirical part of the paper provides the analysis of data originating from the Central Statistical Office of Poland (GUS), the Institute of Press Circulation Control (ZKDP), Polish Readership Survey (PBC), Expert Monitor and Starlink Media House. The paper uses a descriptive research method and detailed data are presented in tabular form.

Key words: press, market, circulation, sales, readership

INTRODUCTION

The most important changes in the Polish press market followed the amendment of the Press Law Act in June 1989. Newspaper and magazine titles proliferated. Every adult Polish citizen without a criminal record could become a publisher while foreign entities required the approval of the Ministry of Foreign Affairs. Consequently, the market opened to entities with foreign capita l, the representatives of big Western publishing companies and thus many new magazine titles were created [Secler 2011]. An example would be the establishment of the company with German capital publishing "Goniec Poznański", the share of French and Italian capital in the publishing house of "Czas Krakowski" or Norwegian capital in "Dziennik Dolnośląski".

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Polish press market has also been transformed by the decision to dissolve the Workers' Publishing Cooperative – RSW, the former monopolist. Under communism this enterprise published and distributed books, newspapers and postcards. The newspaper titles previously owned by Workers' Publishing Cooperative were then largely taken over by Western publishers.

Polish initiatives to establish larger publishing houses or publishing groups were scarce. One of the few proposals was "Gazeta Wyborcza", currently the flagship newspaper belonging to Agora SA group. In 1994 a minority shareholder of Agora was the US company Cox Enterprise. Currently Agora is a publicly traded company, and its shareholders are both domestic and foreign entities.

The aim of this article is to present the current situation in the press market in Poland in the perspective of supply and demand. The paper lists and characterizes the major publishers of newspapers and magazines, as well as the readers' reception of their offer, that is, the demand for the offered market goods, in this case – newspapers and magazines. It also focuses on the impact of online publications and advertising revenue on the transformation of the press market.

The empirical part of the paper provides the analysis of data originating from the Central Statistical Office of Poland (GUS), the Institute of Press Circulation Control (ZKDP), Polish Readership Survey (PBC), Expert Monitor and Starlink Media House. The paper uses a descriptive research method and detailed data are presented in tabular form.

MAJOR PUBLISHERS OF NEWSPAPERS AND MAGAZINES

The only major Polish publishing house is Infor, which operates magazine titles focusing on legal and business issues. In the boom years about forty titles were published, and currently it is over twenty. The best-known title is "Gazeta Prawna". The publisher also operates the Internet portal infor.pl.

The Polish press market is dominated by the entities with foreign, especially German capital. The main publishing houses include Bauer, Burda International (which officially took over the publishing house Gruner und Jahr in January 2014), Edipresse Polska and Ringier Axel Springer Polska. The group of slightly smaller publishers includes Agora and Marqurard Media Polska.

The biggest player in the Polish market is the publishing house Bauer, which currently operates 39 titles and special editions, and their total annual circulation in 2014 amounted to over 302 million copies [Institute of Press Circulation Control (ZKDP) 2015]. The weekly TV magazines have the largest circulation followed by women's magazines. The Group Bauer has also acquired a well-known radio station RMF FM and is a leader in the category of advertising and sales revenue (Fig. 1).

The current trends in newspaper and magazine publishing market in Poland show a decline in circulation and falling newspaper readership. These processes mostly affect the segment of daily newspapers (Table 1).

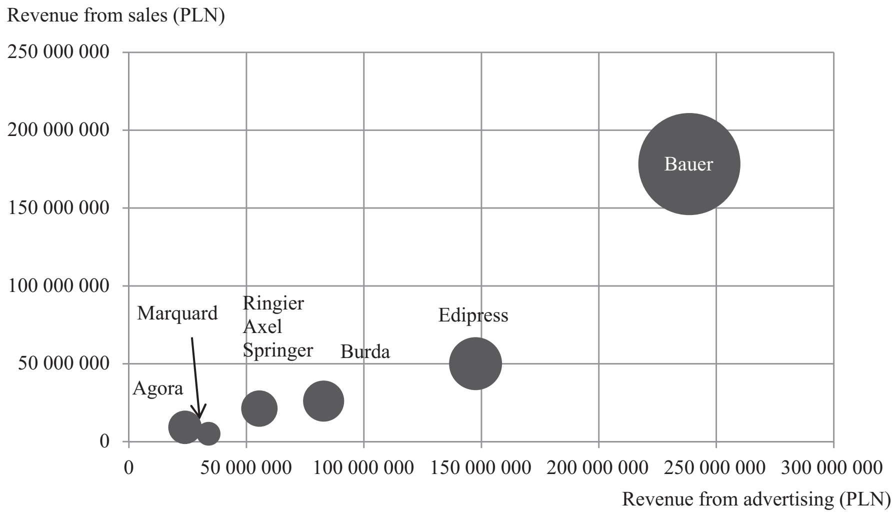

Fig. Ranking of publishers by sales and advertising revenue in January–April 2014

Source: Elaborated by Joanna Mosiejczuk on the basis data from Expert Monitor, PBC, ZKDP.

Table 1. Number and circulation of daily newspapers in years 2003–2013

Year	Number of titles	Day circulation (thousand copies)	Annual circulation (thousand copies)
2003	69	4 604.2	1 035 162.0
2004	77	8 257.3	1 602 611.2
2005	69	5 804.3	1 353 113.5
2008	58	4 605.8	1 219 851.9
2010	51	3 721.7	994 100
2012	52	3 484.0	841 100
2013	50	2 920.5	749 700

Source: Based on data from Central Statistical Office of Poland (GUS).

The growth recorded in 2004 was due to the release of new free titles and “Fakt”, whose sales after a few months reached 500 thousand copies. This was due to the low cover price and the introduction of an appealing added value – competitions with attractive prizes. This marked the beginning of the price wars – new strategy applied by media executives. This process involves lowering the cover price accompanied by a promotional campaign aimed at attracting advertisers. Lower cover price is supposed to increase readership, which in turn attracts advertisers. Increased copy sales and growth in advertising revenue, as a rule, compensate for losses resulting from the reduction in cover price [Żabiński 2012a]. Over these 10 years the number of daily newspapers declined by more than 30%, and their circulation decreased by 1.6 million copies. Data on annual circulation (number of copies distributed in a year) and day circulation (number of copies distributed on an average day) illustrate the level of supply in the Polish press market. Effective demand can only be estimated if paid circulation – the number of copies sold – is known. Such data can be obtained from the Institute of Press Circulation Control (ZKDP). In 2014 supply exceeded demand by about 32% (1.82 million copies). In the segment of daily newspapers there are tendencies to create oligopolistic market structure dominated by four big publishers: Agora, Axel Springer Polska, Orkla Press Poland Presse.

In the magazine segment of the market, the group of publications attracting the biggest number of readers are TV and radio guides. "Tele Tydzień" with a circulation of 1.2 million copies and with a circulation of about 500 thousand copies are at the top of the list of the most popular titles. The second group are women's magazines, which have a long tradition and comprise numerous titles covering diverse themes: real life, fashion, health, beauty, lifestyle and many other issues. The most popular titles are with a circulation of 750 thousand, and "Świat Kobiety" with 450 thousand copies. The leader of the category of socio-political magazines in 2014 was "Newsweek" with a circulation of 190 thousand copies [ZKDP 2014].

A considerable growth has been recorded in the number of titles published over the last dozen of years (Table 2). Thus, Polish print media market has become pluralistic due to the multiplicity and diversity of titles competing to attract the readers. This trend emerged regardless of the decline in readership of print media and the increasing advantage of electronic media. Consequently the market was fragmented which in turn caused the decline in circulation attributable to an average title.

Table 2. Number of magazine titles and their circulation of in Poland in the years 2003–2013

Year	Number of titles	Day circulation (thousand copies)	Annual circulation (thousand copies)
2000	5 468	67 820.0	1 552 000.0
2004	6 425	69 122.0	1 430 000.0
2006	6 693	77 062.8	1 621 793.9
2008	7 229	86 182.2	2 836 119.2
2009	7 423	87 353.2	2 603 477.6
2010	7 655	90 796.2	2 447 626.2
2011	7 764	91 027.8	2 367 600.5
2012	7 775	80 866.8	1 341 900.0
2013	7 355	77 048.1	1 295 600.0

Source: Based on data from Central Statistical Office of Poland (GUS).

The data on circulation compared with sales figures show a surplus of supply over demand. In 2014, according to ZKDP, 26% of the circulation (2.48 million copies) was not sold. The demand for print media may also be estimated on the basis of annual household expenditure on culture per person. In 2013 the average annual expenditure on culture per capita amounted to 359.16 PLN, including 33.36 PLN (9%) spent on newspapers and magazines. The biggest expenditure on newspapers and magazines was recorded in households of pensioners (61.68 PLN) and the lowest in the households of farmers (16.32 PLN) and factory workers (15.24 PLN) [*Household expendidure*... 2014].

PRESS READERSHIP IN POLAND

The analyzes of readership are based on the studies conducted by Polish Readership Survey (PBC), a standard press research in Poland run by the Institute Millward Brown SMG/KRC since 1998 on behalf of a consortium of major Polish publishers, i.e. the company named Polskie Badania Czytelnictwa (Polish Readership Survey – PBC). The PBC study monitors about 160 titles of national, regional and local daily newspapers and magazines. It has a form of computer-assisted survey interviews carried out with randomly selected people in their homes. The study is carried out continuously, every day of the week throughout the year in the age group 15–75 years.

The most read national daily in 2014 was "Fakt" (Ringier Axel Springer Polska). The title was read by 12.72% of respondents and in comparison with 2013 it recorded a 1% decline. The second most popular daily newspaper was "Gazeta Wyborcza" (Agora). The ranking of mostly read daily newspapers in the years 2014–2013 is shown in Table 3.

Table 3. Readership of national daily newspapers in the period March–August 2013 and 2014 (% of respondents)

Title	March–August 2014	March–August 2013
Fakt	12.72	11.79
Gazeta Wyborcza	8.97	10.82
Super Express	4.92	5.12
Metro	3.19	4.19
Przegląd Sportowy	3.13	3.70

Source: Based on PBC study.

The most popular weekly in the studied period was "Tele Tydzień", which was read by 23.47% of respondents, a decrease of 2.5% compared to 2013. The top three weekly titles were published by Bauer. In the analyzed period the decline in readership was recorded for almost every title.

The most popular bi-weekly in this period was "Przyjaciółka", which was read by 11.75% of respondents. It recorded a decline of.96% compared to a corresponding period in the previous year when it was in second position. In turn, "Pani Domu" moved down as its readership dropped by 3.23% (Table 4).

In the second and third quarter of 2014 "Twój Styl" (Bauer) was the most read monthly magazine (10.6% of respondents), despite the decline of readers' interest compared to 2013 "Twój Styl" is followed by "Claudia" (Burda International Polska) – one of many women's real-life magazines (Table 5).

The most popular bimonthly in the period from April to September 2013–2014 was "Komputer Świat Twój Niezbędnik". It should be noted that also in this category of

Table 4. Readership of weeklies and bi-weeklies in the period May–October 2013 and 2014 (% of respondents)

Title	May–October 2014	May–October 2013
Weeklies		
Tele Tydzień	23.47	26.09
Życie na Gorąco	14.39	17.36
Chwila dla Ciebie	11.18	14.08
Angora	9.91	12.35
Newsweek	6.62	8.86
Be-weeklies		
Przyjaciółka	11.75	13.71
Pani Domu	10.51	13.74
Tina	9.22	12.10
Naj	8.49	11.46
Viva	7.66	9.45

Source: Based on PBC study.

Table 5. Readership of monthly and bi-monthly magazines in the period April–September 2013 and 2014 (% of respondents)

Title	April–September 2014	April–September 2013
Monthlies		
Twój Styl	10.60	11.88
Claudia	7.37	9.26
Mój Piękny Ogród	6.66	6.47
Cztery Kąty	6.64	7.96
Skarb	6.48	2.56
Be-monthlies		
Komputer Świat Twój Niezbędnik	1.90	2.23
Auto Świat 4x4	1.88	1.97
Sól i Pieprz	0.80	0.78
Elle Decoration	0.45	0.63

Source: Based on PBC study.

magazines a decline in readership was reported. More than half of the population most frequently read women's magazines (57%) and thematic magazines (52%). Then the Poles reach for daily newspapers (48%) and finally – socio-political weekly magazines (30%) [*Diagnosis of Readers' Behaviour*... 2015].

The falling readership and changes in the advertising market arising from the increasing role of electronic media, especially the Internet, forced the publishers to create on-line editions of their printed magazines in 2009. Media groups operating daily newspapers or dailies and magazines achieved better results than publishers operating only magazines [Żabiński 2012b].

ON-LINE PUBLICATIONS IN THE POLISH PRESS MARKET

The emergence of new media in the 1960s also initiated the transformation of press market, mainly because of such qualities as access to individual users, reciprocal links, interactivity, openness and diversity of possible uses [Szpunar 2008]. According to L. Manovich [2006, p. 119] their basic feature "is free access to data which can be copied without any harm to quality and interactivity enabling the recipient to interact with the media objects".

Therefore the Internet is a strong threat to the publishing industry and forces technological changes in the Polish media market. Publishers are implementing IT technology in the field of pre-production and the production itself and numerous publishers have decided to go on-line.

The fastest developing online editions do not have their paper counterparts. The pursuit of specialization is likely to be met by the development of electronic publications that take into account the expectations of at least part of the public. Factors supporting these trends include a growing number of Internet users and the technological progress in the field of computer monitors, which are characterised by an increasingly better performance.

T. Kowalski [2013] argues that an important determinant of the development of online editions, which can be used by publishers to promote this form of publication, is the environmental protection. Excessive paper consumption causes protests of

Table 6. Number of electronic editions of newspapers and magazines sold in 2014

Month	Number of electronic editions of newspapers	Number of electronic editions of magazines
January	645 219	112 728
February	600 016	93 901
March	642 675	105 354
April	611 189	95 955
May	605 226	93 579
June	608 761	111 963
July	664 119	106 882
August	631 354	94 743
September	704 001	101 630
October	736 302	100 019
November	646 910	91 742
December	733 067	79 098
Total	7 828 839	1 187 594

Source: Based on data from Institute of Press Circulation Control (ZKDP).

environmentalists. Electronic media impose no quantitative restrictions on placed articles while in the case of print media there are limitations due to the size of a given newspaper or a magazine.

As Table 6 shows the number of electronic newspapers sold in the subsequent months of 2014 increased. The most read on-line newspapers included "Dziennik Gazeta Prawna", "Rzeczpospolita", "Gazeta Wyborcza" and "Fakt". However, in the category of magazines, digital editions did not sell so well – only about 1.2 million. A lot of magazines do not even have on-line editions. This segment of the media industry is still underdeveloped. Managers fear the changes related to company operations on a completely new virtual market, as well as the fact that they may fail to attract readers who will turn to another publisher offering a print edition.

THE SHARE OF EACH MEDIA CLASS IN ADVERTISING EXPENDITURE

The readership of the printed press, circulation and sales are declining but positive trends have been recorded in the segment of on-line press. One of the determinants of this trend can be the dynamics of advertising expenditure in the media (Table 7). In the period from January to September 2014 the expenditures on Internet advertising were 6.4% higher than last year, while spending on advertising in print media (newspapers and magazines) fell by 34.8%. In nominal terms, according to Starlink Media House, expenditures on online advertising were 1,602.2 million compared to 744.2 million PLN spent on advertising in print media (newspapers and magazines).

Table 7. Dynamics of advertising expenditure in the media from January to September 2014

Specification	Media						
	Internet	radio	television	outdoor	cinema	magazines	newspapers
Dynamics (%)	+6.40	+6.40	+6.30	–1.70	–9.30	–15.40	–19.40

Source: Based on data from Starlink Media House.

The share of each class of media in advertising expenditure is very diverse, though in recent years the shares of television, radio, outdoor and cinema have changed slightly. However, there was a visible transfer of advertisers from print to electronic media.

The publishers' response to the decline in advertising revenue is digitization and transfer of the content to the Internet. The case of Agora can serve as an example here: at the beginning of February 2014 the publisher limited the access to free online content on their website related to "Gazeta Wyborcza". At the press conference, the company declared that by the end of 2014 they expect to have 40 thousand subscribers to premium content, and reach 75 thousand subscribers by the end of 2016. At the beginning of 2015 years it seemed that the planned goals have been achieved, as the number of digital subscriptions amounted to 55 thousand. This result confirms that readers are willing to pay for content available on the Internet (www.agora.pl).

CONCLUSIONS

The press, similarly to television, contributes to the national culture. Both print and digital media shape and develop readers' interests, and at the same time, are regarded as the providers of most valuable content. Nowadays, almost every newspaper title has its electronic edition or is preparing for launching one. Digital editions are transforming the publishing market. Goods or services in the electronic version are replacing traditional print editions. The continuing decline in readership of print media is mainly the result of broad and free access to online content. However, it should not be assumed that printed newspapers will be withdrawn, as there will still be readers looking for content different from the one published online. Thus, the printed editions should be further improved and developed, but on a scale adequate to the currently existing demand. Especially, as over half of the Poles believe that print media provide the most valuable content, even though they do not regard it as exclusive or main source of information.

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PODAŻ I POPYT NA RYNKU PRASY W POLSCE

Streszczenie. Na polskim rynku prasowym dominującą pozycję zajmują podmioty z udziałem kapitału zagranicznego, w szczególności niemieckiego. Jedynym dużym, polskim podmiotem jest Infor, wydawca pism o tematyce prawnej i gospodarczej. W segmencie prasy codziennej występują tendencje do tworzenia struktur oligopolowych, w tym przypadku dominacja czterech podmiotów. Celem artykułu jest przedstawienie aktualnej sytuacji na rynku prasowym w Polsce w perspektywie podaży i popytu. Wymieniono i scharakteryzowano głównych wydawców prasy codziennej oraz czasopism, a także zainteresowanie czytelników ich ofertą, czyli skalę popytu na oferowane dobra rynkowe, jakimi są dzienniki i czasopisma. Podkreślono również wpływ wydawnictw on-line i wpływów reklamowych na przemiany na rynku prasy. W części empirycznej przeprowadzono analizę danych Głównego Urzędu Statystycznego (GUS), Związku Kontroli Dystrybucji Prasy (ZKDP), Polskiego Badania Czytelnictwa (PBC), a także Expert Monitora i Domu Mediowego Starlink. W artykule zastosowano metodę opisową, a szczegółowe dane przedstawiono w układzie tabelarycznym.

Słowa kluczowe: prasa, rynek, obrót, sprzedaż, czytelnictwo

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