

FOCUS

Washington Post and *New York Times* have international reputations, yet for all that are regional papers serving limited circulation areas. In France, the biggest paper is not in Paris but in Normandy.

Britain's press structure is also unique in

of course, increased circulation is attractive to advertisers.

If the *Mirror* puts on 500,000 circulation, the £1 million prize can probably be paid for in about six weeks. The problem for the popular papers lies in holding such a circula-



Money replaces the news: an extreme form of the offers made in an earlier period of mass unemployment.

another way - in its economic extremes. At one extreme is the popular press which depends on the economies of scale to survive. Fixed overheads before production begins are colossal, but after a circulation is reached of around 2.5 million, a popular paper breaks into a profit that grows rapidly as extra copies are added - assuming labour disputes can be avoided.

At the other extreme is the so-called quality press which depends on advertising for its existence. But it's not just any advertising. It is the fact that these papers are read predominantly by A, B and C1 class readers which brings them in advertising aimed at that elite.

The bingo craze, started by the *Daily Star* in 1981, is simply a development of popular press economics. In three short years since it started publication in 1978, the *Daily Star* had built up a 1 million circulation, which in any other country would have looked like success indeed. But the paper was losing around £6 million a year and was nowhere near that magical 2.5 million figure. Bingo was to be the key. The *Daily Star* added half a million to its circulation before the others retaliated.

The retaliation showed the empty logic of bingo economics. Marginal costings of national newspapers are hard to come by, but certainly the big increases bingo puts on can be paid for in increased circulation. And

tion rise. Bingo is a little like the chain letter phenomenon - some subscribers initially benefit, but by definition, the vast majority must lose their money.

What the bingo wars of the past three years have shown is that there is a floating readership of some 500,000 who will either switch between papers or buy a second paper to gain those prizes. But that readership is very volatile. It moves on quickly, leaving the victim paper with all the high costs of the bingo promotion but no circulation increase left to pay for it. So bingo becomes simply another crippling expense.

Something similar to the bingo war was seen in the 1930s when popular papers offered lavish prizes to their readers. The paper which took the lead in this was ironically the old Labour *Daily Herald*. The newspapers threw everything they could lay their hands on into the battle - cameras, fountain pens, silk stockings, cutlery, kettles, teasetts, fruit services, mincing machines, mangles, overcoats, trousers, mackintoshes, boots,, shoes, watches, ladies' underwear etc. It was a war of attrition eventually ended by Lord Beaverbrook. The damage it did to the finances of the *Daily Herald* may have been one of the reasons for that paper's subsequent decline.

In the bingo wars of the 1980s, all the populars have suffered similarly except for the *Sun*. The *Daily Star* is now down to a

THE BINGO WAR

After three years, the bingo war between Britain's popular national newspapers shows no signs of dying. A new wealthy proprietor enters the scene and the prizes shoot up to the £1 million level.

Surprising it may be, but what we are seeing is yet another round of the peculiar economics which underlie Britain's national press.

Britain is almost unique in the world in having a national press. In only one other country is there anything comparable - Japan. In the United States, papers like the

circulation of 1.37 million and still losing £5 million a year. The *Mirror*, only marginally profitable, has seen all the benefits of its big 1982 campaign spending (over £1 million in prizes and £1 million on printing the cards and advertising on television) disappear. It trails badly still behind the *Sun*.

The *Express* has been trying desperately to keep up to the 2 million mark in circulation, and its millionaires' club idea succeeded in doing that for a short time. Now the *Express* has fallen again to just under 2 million circulation, after spending some £3.5 million. The *Mail*, with its Casino game, sees its circulation stuck on 1.8 million, a level it has hovered around for some years.

Only the *Sun* has won in any sense, for its aggressive response to the *Star* and *Mirror* games pushed its circulation back past the 4 million mark and widened the gap over its popular competitors. Of all the popular daily papers, only the *Sun* can be said to be truly profitable, making some £10 million last year. For the rest, bingo has been yet another financial burden.

Yet the bingo war will not weaken Fleet Street. Only the *Daily Starts* in any way at risk in the next few years. It is the sister paper of the *Daily Express* and its owners, Fleet Holdings, may decide it is simply not worth running two daily titles. It's an old truth that the popular papers are not owned for their profitability but for the power and influence they bring - of the kind that Robert Maxwell is so evidently enjoying.

In that nothing has changed, and bingo is simply another weapon of war between these powerful proprietors.

But a bingo war which rubs news off the front pages of national newspapers is symbolic of one thing. That is that popular papers do not sell on news any more in the way they did before the television age. Nowadays, the nation knows the news in tomorrow's papers the night before from television. So popular newspapers have to sell on their entertainment value. Bingo is part of that entertainment and it may well be a healthier diet than the crime, sex and political bias that Britain's popular dailies normally display on their front pages.

Richard Henry