

## Geographic market

### 1. Introduction

1. The market shares of firms, both in absolute terms and relative to each other, can give an indication of the potential extent of a firm's market power. The calculation of market share presupposes the definition of a market with both geographic and product dimensions and the identification of firms participating in it. In the present case, we consider that these dimensions may be interdependent and our assessment of the relevant geographic market is intended to correspond as closely as possible to market realities, using two main sources of information: our quantitative survey of advertising customers and non-customers in former-INM and Archant titles; and JICREG local newspaper circulation data.
2. Our work on the geographic market does not consider regional or national markets; considers only advertising in local weekly newspapers (not readership of those newspapers); and does not differentiate between local weekly newspapers that are free and those that are paid for.
3. Our conclusions are that:
  - The relevant geographic market for local weekly newspapers appears to be wider than the circulation 'footprint' of any individual former-INM title acquired by Archant but it is local.
  - The majority of Archant customers (and customers of the former-INM titles acquired by Archant) would switch to another local newspaper title in the same area of London were they unable to advertise in their main Archant/INM title.
  - The analysis in this appendix concerns the markets we have examined in London and we make no presumption that our results and conclusions would apply to local newspaper advertising elsewhere.
4. Our conclusions on competition in the geographic market are that the combined post-merger shares of circulation in East London and the Post (Essex) divisions<sup>1</sup> are high enough to raise competition issues that require further investigation.
5. This appendix is organized as follows. Section 2 discusses our survey respondents' views of the boundaries of the relevant geographic market in the context of switching analysis; section 3 discusses our price-concentration analysis of geographic market definition; and section 4 presents our conclusions on competition within the geographic market. (There is a data appendix in section 5 containing some underlying JICREG circulation figures used to construct our measure of concentration.<sup>2</sup>)

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<sup>1</sup>The former-INM divisions are referred to as publishing units, to differentiate them from the former-INM London Regionals Division.

<sup>2</sup>The rest of the underlying data comes from Appendices 4.2 and 5.2 of the CC's *Newsquest/INM* report. The data in section 5 is contained in four tables, one for each of the former-INM divisions considered in this appendix, which are formatted for ease of comparison in the same way as the JICREG data tables in Appendix 5.2 of the CC's *Newsquest/INM* report.

## 2. Survey respondents' views of the boundaries of the geographic market

6. In previous CC local newspaper merger inquiries, the narrowest candidate geographic markets considered have been the local contiguous postcode areas in which the acquired titles circulate as delineated by JICREG (see paragraph 11). These areas are usually known as circulation 'footprints'. We begin our analysis of this candidate geographic market by making use of responses to our quantitative survey.
7. Our quantitative survey asked Archant customers which Archant or former INM title(s) they had advertised in during the last 12 months and which of these (for customers reporting more than one) was the most important. Our survey also asked Archant customers which newspaper they would have turned to for their advertising needs had their main (or only) Archant/INM title not been available in 2003. Respondents were asked about four alternatives instead of their main (or only) title:
  - (a) whether they would have advertised in another title in the same area;
  - (b) whether they would have advertised in another title in a different area;
  - (c) whether they would have used a different advertising medium (ie not local newspapers, for example radio, television, leaflets, outdoor etc); and
  - (d) whether they would not have advertised at all.
8. Two hundred and forty-six Archant/INM customers answered these questions. Of these 246, 188 (76.4 per cent) said that they would have advertised in another title in the same area: 88 (35.8 per cent) gave another Archant/INM title, 54 (22.0 per cent) gave the name of another publisher's title and 46 (18.7 per cent) said that they would advertise in the same area but did not know or could not recall which title they would use. Twelve customers (4.9 per cent) said that they would have advertised in another title in a different area. Of the remaining 46 customers, 40 (16.3 per cent) said that they would have advertised in a different medium or would not have advertised at all and six (2.4 per cent) did not know what they would do. These responses are shown in more detail in Table 1.
9. Table 1 summarizes the answers given by customers of Archant and INM about where they would divert their budget if they could not advertise in their most important title in their most frequently-used area of London. The table should be read as follows. There were 68 customers who most frequently advertised in east London, comprising 54 whose most important newspaper was an Archant title and 14 an ex-INM title. If the 54 Archant users could not use their most important title, 12 would switch to another Archant title and eight would switch to an INM title in the same area. Also, 12 would switch to another publisher's title in the same area and nine said that they would switch within the area but did not know or could not recall the name of the title they would use. Thus, 41 of the 54 would switch to another local newspaper within the area. The 13 who would not consist of five who would use a title in a different area and eight who would divert their budget into a medium other than local newspapers (6) or not advertise at all (2). The left-hand body of the table forms a square, and the figures on its main diagonal show the numbers of advertisers that would remain with the same publisher, while the off-diagonal entries show those that would switch between Archant and INM.

TABLE 1 Number of customers who said they would switch to Archant, INM or alternatives, by area

Area	Publisher of main title	Another title in the same area										Another title in a different area	Other‡	Don't know	Total
		East		Essex		North		North-West		Other*	Don't know†				
		Archant	INM	Archant	INM	Archant	INM	Archant	INM						
East	Archant	12	8	-	-	-	-	-	-	12	9	5	8	-	54
	INM	3	4	-	-	-	-	-	-	3	1	-	1	2	14
Essex	Archant	-	-	14	19	-	-	-	-	14	15	4	16	1	83
	INM	-	-	2	2	-	-	-	-	1	2	-	1	1	9
Kent	INM	-	-	-	-	-	-	-	-	6	-	-	1	-	7
North	Archant	-	-	-	-	1	4	-	-	4	8	2	2	-	21
	INM	-	-	-	-	4	5	-	-	3	4	-	2	-	18
North-West	Archant	-	-	-	-	-	-	-	5	3	1	-	3	1	13
	INM	-	-	-	-	-	-	-	1	3	-	-	2	-	6
	Other	-	-	1	1	1	1	-	-	5	6	1	4	1	21
	Total	15	12	17	22	6	10	0	6	54	46	12	40	6	246

Source: CC calculations based on Synovate survey.

\*Other local titles.

†Advertise in local area but don't know or could not recall in which title.

‡Different advertising medium or not advertise.

10. The patterns of switching behaviour shown in Table 1 appear to show that the majority of Archant (and former-INM) customers would use another local newspaper title in the same area of London were they unable to advertise in their current main (or only) Archant (or former-INM) local newspaper. The inference that we draw from this is that the relevant geographic market could be local. In this respect, we note that Archant suggested there was ample evidence that the relevant geographic market was wider than the circulation footprint of an individual newspaper but said that the evidence did not indicate quite how wide it was. To examine the issue of how local the relevant geographic market might be, we turn in the next section to an analysis of JICREG circulation data.

### 3. Price-concentration analysis of geographic market definition

11. As already said, in previous CC local newspaper merger inquiries, the narrowest candidate geographic markets considered have been groups of contiguous post-codes delineated by JICREG, an industry body. In particular, the CC has examined JICREG areas where there are overlaps in the footprints of the acquirer's titles to a significant extent (ie 50 per cent or more of circulation within a JICREG area, with an increment of 10 per cent or more). There are well-documented peculiarities of JICREG's circulation data, however, which need to be dealt with in any analysis using them. In this section, we use JICREG data in price-concentration analysis to try and deal with these peculiarities and build upon our previous approach.
12. The following three subsections give some background on the JICREG data we use, outline its peculiarities and explain how we believe our analysis deals with them.

#### **JICREG data**

13. In previous inquiries on newspaper mergers, the CC has considered local areas as delineated by JICREG, an industry body.<sup>3</sup> These JICREG areas comprise groups of contiguous postcodes, which taken together form areas that JICREG considers to be useful for advertising purposes. JICREG circulation and readership data are used by some newspaper publishers to demonstrate the strength of their local titles to advertisers, and also by the larger advertising agencies. The CC considers that circulation data compiled on this basis provides at least a practical and useful starting point for assessing local geographic markets.
14. We include in section 5 (the data appendix) the newspaper volume figures for July to December 2003 (the latest data available to us) and related shares of circulation in all the JICREG areas in which the 13 local, weekly INM titles (comprising 24 editions) acquired by Archant circulate, where there are overlaps with Archant titles. Archant announced in its press notice that it had acquired 27 INM titles, four of which were not considered newspapers under the old FTA newspaper regime.<sup>4</sup> Of the remaining 23 former-INM titles (and 42 editions), we do not include the eight former-INM Kent division titles (and 15 editions) because there are no circulation overlaps within JICREG areas between these eight titles and any of Archant's titles, which means

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<sup>3</sup>The Joint Industry Committee for Regional Press Research (JICREG Ltd) was founded in 1990. Membership is voluntary and is limited to members of Newspaper Society Marketing, who are also either VFD (Verified Free Distribution) or ABC (the Audit Bureau of Circulation) members. Among eligible newspaper titles (ie those with audited circulation figures), membership of JICREG is extremely high. JICREG measures circulation for each title but the breakdown by contiguous postcode areas is the responsibility of the newspaper publisher.

<sup>4</sup>Two of these, the *Barking & Dagenham Post Weekender* and the *Stoke Newington, Stamford Hill, Hoxton & Shoreditch Express* (published in association with the *Hackney Gazette*), are included in section 5 because they have JICREG circulation data even though they were not considered newspapers under the FTA newspaper regime.

that—even on the narrowest candidate geographic market definition we are examining—there is unlikely to be a substantial lessening of competition in local newspaper advertising applying the CC’s previous methodology.<sup>5</sup> Circulation data limitations have prevented us including a further four titles in section 5.

15. For comparability with previous CC local newspaper merger inquiries, we begin by considering the extent of any overlaps between the former-INM titles and Archant titles in the JICREG areas in which the former-INM titles circulate (ie the ‘footprint’ of the former-INM title). Archant has suggested to us that the ‘footprint’ of an individual title cannot constitute a relevant geographic market because advertisers have a desired consumer ‘catchment area’, which might only partly be covered by the footprint of a particular local newspaper and because local newspapers have footprints that do not entirely overlap.
16. This may not be a satisfactory basis for deciding whether the footprint of a local newspaper title constitutes a relevant geographic market. To define the relevant geographic market, the CC’s merger guidelines state that the appropriate question to consider is whether a hypothetical monopoly publisher of a local newspaper in a given locality could profitably raise the price of advertising by a small but significant and non-transitory amount, usually 5 per cent.<sup>6</sup> This will depend on the proportion of customers who want to advertise only in this locality. For example, if the *Stratford & Docklands Express* were the only local newspaper circulating in Stratford, Newham and Docklands (its footprint), and if public notice advertisers (the local council, solicitors and the like) were not prepared to switch newspaper, then Archant could profitably increase its rates to them. On the other hand, if recruitment advertisers could switch their advertising to other titles in the area of the former-INM East London division, Archant would be less likely to be able to profitably increase its rates to them. The *net* effect of these within-footprint price increases might still be profitable, however.<sup>7</sup>
17. Further, for the net effect of these within-footprint price increases to be unprofitable, it is not necessary for a sufficiently large number of recruitment advertisers to switch to a rival local newspaper that exactly overlaps with the *Stratford & Docklands Express*. Advertising rate increases in the *Stratford & Docklands Express* could be constrained by advertising rates in a newspaper which is more widely distributed, such as Archant’s *Newham Recorder*, and so the *Newham Recorder* could be in the same relevant geographic market as the *Stratford & Docklands Express*, without the converse necessarily being true. The relevant starting point for the geographic market for our present purpose is the market in which the former-INM titles operate, since these are the titles acquired by Archant.
18. With this in mind, we consider overlaps in the share of circulation for the 13 former-INM titles in section 5 and in the JICREG areas that make up their footprints, to check whether any overlaps at the INM-title level may be driven by a small number of extreme overlaps in individual JICREG areas. Applying the strictest possible interpretation of the CC’s previous methodology to the circulation data, we find that there are 23 unique JICREG areas, covering eight titles, where the combined

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<sup>5</sup>The eight Kent titles are the *Bexley & Eltham Express* (a free weekly), the *Bexley Times* (a paid-for weekly comprising four editions), the *Bromley & Beckenham Express* (a free weekly comprising two editions), the *Bromley Times* (a paid-for weekly comprising three editions), the *Dartford & Swanley Express* (a free weekly), the *Dartford Times* (a paid-for weekly comprising two editions), the *Gravesend & District Express* (a free weekly) and the *Gravesend Reporter* (a paid-for weekly). We have reproduced our analysis reported in Table 4 and Figure 2 including these eight Kent titles and our results and conclusions are qualitatively the same.

<sup>6</sup>See paragraphs 2.4 to 2.27 of *Merger References: Competition Commission Guidelines*, June 2003 (CC2).

<sup>7</sup>Archant suggested that the correct hypothetical price increase was a weighted increase across advertising categories averaging 5 to 10 per cent because the hypothetical monopoly publisher could price discriminate across advertising categories. We examine price discrimination in our work on product market definition in Appendix E.

circulation of INM and Archant is greater than 50 per cent of total circulation with an increment of 10 per cent or more (ie both INM's and Archant's share of circulation is greater than 10 per cent):<sup>8</sup>

- Two of these former-INM titles (ie the *Islington Gazette* and the *North London Herald*) and two JICREG areas are in north London (ie Islington and Tufnell Park). In Islington, both former-INM titles overlap with the Highgate & Islington edition (*High & I*) of Archant's *Hampstead & Highgate Express* (*Ham & High*) and the overlap is 100 per cent of circulation (with an increment of 15.8 per cent). In Tufnell Park, the *Islington Gazette* overlaps with Archant's *Ham & High* and the overlap is 100 per cent (with an increment of 30.0 per cent). However, the circulation footprints of the *Islington Gazette* and the *North London Herald* are much wider than these two JICREG areas and the circulation overlaps between INM and Archant over their two circulation footprints are 35.2 per cent (with an increment of 5.6 per cent) for the *Islington Gazette* and 40.6 per cent (with an increment of 2.2 per cent) for the *North London Herald*. These are lower than the CC's Newsquest/INM thresholds.
- Two of these former-INM titles (ie the *East London Advertiser* and the *Stratford & Docklands Express*) and nine JICREG areas are in east London. However, the *East London Advertiser* has overlaps of 50 per cent or more (with an increment of 10 per cent or more) in only three JICREG areas out of five in which it circulates, and has an overlap over all five JICREG areas of only 41.4 per cent with an increment of 7.6 per cent. The *Stratford & Docklands Express* has overlaps of 50 per cent or more (with an increment of 10 per cent or more) in every one of the six JICREG areas in which it circulates, however (over all six areas, its overlap is 95.1 per cent with an increment of 23.1 per cent).
- The remaining four former-INM titles (the *Barking & Dagenham Post*, the *Barking & Dagenham Post Weekender*, the *Ilford & Redbridge Weekly Post* and the *Romford & Havering Weekly Post*) and 12 JICREG areas are in the Post division. All have overlaps of 50 per cent or more (with an increment of 10 per cent or more) at the title level but none has this level of overlap and increment in every JICREG area in which it circulates.

## **Data issues**

19. There are two well-known data issues in using JICREG circulation data to measure market shares. The first is the exclusion of certain local newspaper publications from the JICREG data. This includes former-INM titles bought by Archant (ie the *Hammersmith Times*, the *Kensington Times*, the *Paddington Times* and the *Westminster Times*), other local newspapers in relevant JICREG areas (for example, the *Islington Tribune*, the *Essex & East London Enquirer*), other local advertising publications that are 'newspaper-like' in as much as they have some editorial content (for example, *Avenues*) and local newspapers published by local authorities (for example, *East End Life*, published by Tower Hamlets Council). The effect of omitting these newspaper titles on our analysis may be to make our candidate geographic markets look more concentrated than they are.
20. The second is the use of circulation as the appropriate quantitative measure from which to calculate market share. The former-INM titles and Archant's existing titles

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<sup>8</sup>We should also note that we have not selected only JICREG areas where the former-INM titles relevant to our analysis have a household penetration rate of 10 per cent or more. In previous CC local newspaper merger inquiries, the penetration rate has been considered relevant to the competitive assessment but here we are concerned with market definition.

both include free weekly and paid-for weekly local newspapers. Free weeklies tend to have much higher volumes than paid-for weeklies. Evaluating market shares on the basis of copy volumes may therefore understate the competitive effect of paid-for weekly local newspaper titles relative to free titles. This is because the publisher of a free title can circulate more copies but the publisher of a paid-for title cannot make readers buy more copies. The effect of using circulation to calculate market share on our analysis also may be to make our candidate geographic markets look more concentrated than they are.<sup>9</sup>

### **Price-concentration analysis**

21. Higher concentration is frequently assumed to be associated with greater market power, which can bring about a substantial lessening of competition. Market power is commonly thought to result in higher prices,<sup>10</sup> so the basis of our price-concentration analysis is to compare prices (advertising yields, in this case<sup>11</sup>) in different markets in order to see whether those markets in which concentration is higher tend also to be those where yields are higher. Price-concentration analysis is thought to work best where the candidate market being tested is the narrowest plausible definition available.
22. If there appears to be no systematic relationship between yields and a range of concentration across narrowly-defined candidate markets, then this is consistent with the view that the relevant geographic market is wider than the markets for which concentration has been calculated and/or the geographic market definition is correct but there are other constraints on the exercise of market power by Archant's former-INM titles (for example, a wider product market or low entry barriers). Archant has suggested to us that both features may be particularly true in London. Another explanation could be problems in the underlying data, which are weighted-average yields and, as such, probably hide the variation in actual prices paid by advertisers. Such high variability in the underlying data may obscure any systematic relationship. Yields for different product categories show considerable variability between titles. Total yields over Archant and former-INM titles vary by a factor of five between about £[redacted] and £[redacted],<sup>12</sup> but in particular categories the variation is much greater. For example, there is wide variation in yields from recruitment advertising, with one title having a yield of just under £[redacted] while another has a yield of more than three times as much at just over £[redacted].<sup>13</sup> However, these figures will underestimate the degree of variability as they pertain to variability between titles and not between customers.
23. Conversely, if there appears to be a positive relationship between yields and concentration, then this is consistent with the view that the candidate geographic markets are properly defined and the merger might be expected to raise prices as a consequence of concentration increasing. We use price-concentration analysis in this

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<sup>9</sup>Archant told us that it was not advisable to use readership figures, which are also available from JICREG, instead of circulation figures because—unlike its circulation data—JICREG's readership data is modelled, rather than measured.

<sup>10</sup>It can also result in non-price effects such as a reduction in quality, restriction in the diversity of choice and a reduction in the rate of innovation.

<sup>11</sup>Advertising yield is the term used to describe the actual price paid, rather than the rate-card price. It is calculated ex post by dividing revenue by the volume of advertising sold in single-column centimetres (scc), which in turn is derived from the number of pages of advertising sold with a page being 300 scc. *East End Life* told us that a page of its advertising is six columns wide, whereas an advertising page in the former-INM *East London Advertiser* is nine columns wide. The former-INM titles in our analysis have nine-column advertising pages, so we do not consider this to be a problem.

<sup>12</sup>The median total yield for 2002 and 2003 is £[redacted] with an inter-quartile range of £[redacted]. Archant has also suggested to us that differences in yield might arise because of the way in which yield data was calculated. Specifically, the calculation of yield (as revenue divided by volume of advertising sold) took no explicit account of the circulation of the title(s) in question. So, for example, price per scc per thousand copies circulated might be a better measure of yield than price per scc alone.

<sup>13</sup>The median recruitment yield in 2003 is £[redacted] with an inter-quartile range of £[redacted].

appendix to define the geographic market and not to assess the degree of competition.

24. In undertaking price-concentration analysis, is it important that the local newspapers should be comparable. In this regard, the parties to previous CC local newspaper mergers have stressed that factors other than concentration are also important in determining yields and sometimes may be predominant. In particular, advertising yields for particular titles may be affected by:
- their quality;
  - whether they are free or paid-for; and
  - their mix of readers.
25. In the London context, therefore, yields might be expected to be lower (other things being equal) in less affluent areas (for example, Tottenham) than in more affluent areas (for example, Hampstead). Moreover, we have been told that the balance of advertising in a given title between recruitment and public notices (both relative high yield), and motors and property (both relatively low yield) could of itself have an impact on measured yields. On the limited data we have seen, it appears that paid-for titles tend to have higher weighted-average yields than free titles, especially those where the advertising mix favours higher-yield categories like recruitment and public notices. This is illustrated in Figure 1, which shows the scatter of yields against concentration for 11 former-INM titles for 2003. Both titles nearest the top of Figure 1 are paid-for titles and also appear to have among the highest proportions of high-yield recruitment in their advertising mixes in 2004, and among the lowest proportions of low-yield motors and property advertising. Moreover, both titles at the bottom left of Figure 1 are free titles and appear to have among the lowest proportions of high-yield recruitment in their advertising mixes in 2004, and among the highest proportions of low-yield motors and property advertising.<sup>14</sup>
26. Failing to account for factors such as these that may be positively related to both concentration and yields can bias the results of price-concentration analysis towards finding a positive relationship between concentration and yields where none exists. To take account of these possible pitfalls we make use of concentration and advertising-yield data for the 11 former-INM titles where this data is available, which were examined in the CC's inquiry into the Newsquest/INM merger in 2003.<sup>15</sup> In doing so, we are assuming that the factors mentioned above (ie quality, free or paid-for, local income and advertising mix), which might affect yields, will remain constant over time, at least in the short period of time between the 2002 data used in our Newsquest/INM inquiry and the 2003 data relevant to the current inquiry.

FIGURE 1

### Average yields and concentration in 2003 for 11 former-INM titles



Source: CC calculations on data provided by Archant and JICREG.

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<sup>14</sup>Some 1,500 copies of the (approximately) 28,000 circulated copies of the *Wembley Chronicle Series* are paid-for, as are some 4,900 copies of the (approximately) 29,000 circulated copies of the *Willesden Chronicle Series*. Source: ABC/VFD data provided by Archant.

<sup>15</sup>See especially Appendices 2.2, 4.2 and 5.2 of the CC's report: [www.competition-commission.org.uk/rep/pub/reports/2003/484newsquest.htm#full](http://www.competition-commission.org.uk/rep/pub/reports/2003/484newsquest.htm#full).

27. The limited data we have (see Table 2) seems to suggest that the advertising mix within each title is relatively stable between 2003 and 2004. This in turn may suggest that the mix was also stable between 2002 and 2003. Table 2 shows the proportion of space in scc taken up by four categories of advertising (including motors, property and recruitment)—ie the advertising mix—for two former-INM titles for 2003 and 2004 (YTD).<sup>16</sup>

TABLE 2 Advertising mix (percentage of space in scc) for two former-INM titles, 2003/04 (YTD)

Title	Year	Advertising space in scc, %			
		Motors	Property	Recruitment	Other
<i>Stratford &amp; Docklands Express</i>	2003	14	23	8	55
<i>Stratford &amp; Docklands Express</i>	2004 (YTD)	16	28	7	49
<i>Romford &amp; Havering Weekly Post</i>	2003	20	6	3	71
<i>Romford &amp; Havering Weekly Post</i>	2004 (YTD)	15	3	5	77

Source: CC calculations on data provided by Archant.

28. Given this, using the changes in concentration and weighted-average advertising yields between 2002 and 2003 for the same candidate geographic markets should take account of these unobserved effects and might reduce the likelihood of our price-concentration analysis being biased towards finding a spurious positive relationship between yields and concentration.<sup>17</sup> Consequently, our analysis uses the differences in concentration and weighted-average yields for 11 former-INM titles for which JICREG and advertising yield data are also available (for 2002) from the CC's Newsquest/INM merger inquiry in 2003. The resulting yield and concentration data used in our analysis is given in Table 3.<sup>18</sup> It appears from Table 3 that both concentration (Herfindahl-Hirschman Index (HHI)) and average yields differ markedly across both candidate geographic markets (ie former-INM title footprints) and from 2002 to 2003. This is usually considered to make the results of even a simple price-concentration analysis quite compelling. These results are discussed under 'Results' below.

TABLE 3 Concentration (HHI) and weighted-average yield data for 11 former-INM titles, 2002/03

Former-INM title*	Division	Pre-merger HHI		Average yield £	
		2002	2003	2002	2003
<i>East London Advertiser</i>	East London	4,901	4,638	2.32	2.27
<i>Stratford &amp; Docklands Express</i>	East London	5,564	5,743	2.01	1.78
<i>Hackney Gazette</i>	East London	9,763	9,991	2.49	2.25
<i>Islington Gazette</i>	North London	2,264	2,340	1.35	1.45
<i>North London Herald</i>	North London	3,087	3,241	1.27	1.28
<i>Hornsey Journal</i>	North London	3,571	3,344	1.34	1.45
<i>Wembley Chronicle</i>	North West London	3,891	3,866	0.74	0.52
<i>Willesden Chronicle</i>	North West London	2,508	2,587	0.78	0.52

<sup>16</sup>Table 2 might be read as suggesting that the advertising mix in *Stratford & Docklands Express* is moving towards lower-yield adverts (ie motors and property) while the advertising mix in the *Romford & Havering Weekly Post* is moving towards higher-yield adverts (ie recruitment). However, for these changes possibly to obscure an underlying positive relationship between concentration and yield, they would have to be much larger than changes in Table 2.

<sup>17</sup>It is possible that yields may have changed differently for free and paid-for titles (as well as the level of yields differing between free and paid-for titles), which could obscure any positive relationship between yields and concentration. Archant told us that some larger customers entered into contracts where prices were set up to a year ahead. Depending on how rigorously such contracts were enforced, this also could obscure any contemporaneous relationship between yields and concentration. Archant said that such 'contracts' were in reality arrangements that were not legally enforceable.

<sup>18</sup>The measure of concentration used is the HHI, which is a way of collapsing the market shares of all the local newspaper titles in a candidate market into a single measure. It is a standard measure of concentration; is calculated as the sum of all the individual market shares (for which we use the publisher's share of circulation in the collection of JICREG areas relevant to each former-INM title); and is bounded from above by 10,000 (in the case of a monopoly) and from below by 0 (in the case of a perfectly-competitive market). See *Merger References: Competition Commission Guidelines*, paragraphs 3.7 to 3.10.

TABLE 3 Concentration (HHI) and weighted-average yield data for 11 former-INM titles, 2002/03

Former-INM title*	Division	Pre-merger HHI		Average yield £	
		2002	2003	2002	2003
<i>Barking &amp; Dagenham Post</i>	Post	4,307	4,213	1.43	1.46
<i>Ilford &amp; Redbridge Weekly Post</i>	Post	3,690	3,637	1.23	1.27
<i>Romford &amp; Havering Weekly Post</i>	Post	3,410	3,367	1.27	1.18

Source: CC calculations on data provided by Archant and JICREG, and in the CC *Newsquest/INM* report.

\*The former-INM titles *Stoke Newington & Hoxton Express* (East London division, two editions), *Hammersmith Times*, *Kensington Times*, *Paddington Times* and *Westminster Times* (all North West London division), and *Barking & Dagenham Post Weekender* (Post division) are omitted because of data limitations.

## Results

29. The results of this price-concentration analysis of the boundaries of the geographic market are presented in Table 4 and summarized in Figure 2, which show how changes in concentration are related to changes in average advertising yields per scc between 2002 and 2003 for 11 INM titles acquired by Archant. Concentration is measured by the HHI and is calculated for the narrowest, practical candidate-definition of the geographic market that has been used in previous CC newspaper merger inquiries: the ‘footprint’ of the acquired title over the JICREG areas in which it circulates.

FIGURE 2

### Price-concentration analysis for 11 INM London (East, North and North West) and Post division titles acquired by Archant, 2002/03

[✂]

Source: CC calculations on data provided by Archant and JICREG, and in the CC *Newsquest/INM* report.

30. If the JICREG-circulation footprints of the former-INM titles in Table 4 and Figure 2 were properly-defined relevant geographic markets, one might expect to see a positive relationship between concentration (ie HHI) and the average yield in these markets. In fact, the high degree of dispersion of the data in Figure 2 points to the absence of any systematic relationship between advertising yields and concentration. This may suggest that the relevant geographic market is wider than the ‘footprint’ of the former-INM titles over the JICREG areas in which each edition circulates.

TABLE 4 Results of price-concentration analysis\*

<i>Former-INM title</i>	<i>Division</i>	<i>Change in HHI 2002/03</i>	<i>Change in yield, £ 2002/03</i>
<i>East London Advertiser</i>	East London	-262	-0.05
<i>Hornsey Journal</i>	North London	-227	0.11
<i>Barking &amp; Dagenham Post</i>	Post	-94	0.03
<i>Ilford &amp; Redbridge Post</i>	Post	-53	0.04
<i>Romford &amp; Havering Weekly Post</i>	Post	-43	-0.09
<i>Wembley Chronicle</i>	North West London	-24	-0.22
<i>Islington Gazette</i>	North London	76	0.10
<i>Willesden Chronicle</i>	North West London	79	-0.26
<i>North London Herald</i>	North London	154	0.01
<i>Stratford &amp; Docklands Express</i>	East London	178	-0.23
<i>Hackney Gazette</i>	East London	228	-0.24

Source: CC calculations.

\*It is important to note that these results imply an assumption of linearity in the relationship between yields and the permanent, unobserved effects that are being removed by taking differences between 2002 and 2003. To allow for the possibility that the relationship may be non-linear, we also present (in Figure 3 in section 5) price-concentration analysis for proportional (ie percentage) differences in yields and HHI for 2002/03, which will be robust to non-linearity. These are qualitatively the same as Figure 2 and Table 4.

31. Our results are robust to omitting the former-INM titles in the Kent division from the analysis. Although including these titles this would add more data to our analysis, we have no reason to suspect that relevant geographic markets in Kent are narrower than they are in the other former-INM divisions, so we would not expect our results to change.<sup>19</sup>

#### 4. Conclusions

32. In this appendix, we have examined geographic market definition in two ways. First, we have analysed the customer switching data from our quantitative survey. Second, we have used price-concentration analysis. The results of our switching analysis suggest that the majority of Archant (and former-INM) customers would use another local newspaper title in the same area of London were they unable to advertise in their current main (or only) Archant (or former-INM) local newspaper. This could suggest that the relevant geographic market is local.
33. The results of our price-concentration analysis suggest that there does not appear to be any discernible positive relationship between changes in concentration and changes in yields for the candidate geographic markets we consider. This may suggest that the relevant geographic market is wider than the collection of JICREG areas within the circulation footprint of each former-INM title.
34. However, a product market wider than weekly, local newspapers may also be an explanation for the lack of positive correlation between price and concentration, which might also be affected by underlying variability in the yield data and the small number of data points in our analysis.
35. The analysis reported in this appendix concerns the markets we have examined in London, and we make no presumption that our results and conclusions would apply to local newspaper advertising elsewhere.

<sup>19</sup>We have reproduced our analysis reported in Table 4 and Figure 2 including these eight Kent titles and our results and conclusions are qualitatively the same.

## 5. Competition in the market

36. Building on our work on geographic market definition, we now examine overlaps at the divisional level.<sup>20</sup> In doing so, we note that Archant has told us that any combination of local authority geographic boundaries below the divisional level (for example, JICREG postcode areas, London boroughs) used to delineate a candidate geographic market in which titles compete is arbitrary and too narrow.
37. Archant also suggested that the relevant geographic market is wider than the area covered by each former-INM division, pointing to evidence from a Future Foundation survey commissioned by the BBC and The Newspaper Society in 2003.<sup>21</sup> The Future Foundation survey suggested that respondents within the M25 travelled, on average, 7.3 miles for 'leisure' activities (ie gym/health club, cinema, restaurant and theatre), 10.4 miles for 'living' activities (ie car repairs, new car purchase, moving house and commuting to work) and 4.3 miles for 'shopping' activities (ie groceries, DIY/garden items, small and major electrical items, clothes, computer equipment, and furniture and carpets).<sup>22</sup> In this respect, we note that the distance respondents within the M25 travel on average may not be particularly informative about the sensitivity to price increases of marginal customers in the former-INM divisions, which is what determines geographic market definition. We also note that there are numerous travel-time surveys other than the Future Foundation survey and it may not be prudent to attach too much weight to one at the expense of the others.
38. At the divisional level, the combined post-merger shares of circulation in north and north-west London as a whole are 32.9 per cent (with an increment of 4.5 per cent) and 28.5 per cent (with an increment of 1.9 per cent), respectively; too low to raise competition issues requiring further investigation.
39. In the East London division, however, Archant's combined post-merger share of circulation over the 16 JICREG areas covered by the four former-INM titles (ie the *East London Advertiser*, the *Hackney Gazette*, the *Stratford & Docklands Express* and the *Stoke Newington & Shoreditch Express*) is 81.1 per cent with an increment of 13.6 per cent. Trinity is the only other major publisher of local weekly newspapers in this division with 18.8 per cent of circulation. This degree of overlap at the divisional level is driven by INM's pre-merger monopoly shares of circulation for the *Hackney Gazette* and the *Stoke Newington & Shoreditch Express*.
40. Archant suggested to us that five non-JICREG titles in east London are relevant to our analysis (ie *Avenues East London*, *Docklands News*, *East End Life*, *Hackney Today* and *Newham Magazine*). Were we to add the circulation of all five non-JICREG titles—some 148,978 copies—Archant's combined post-merger share of circulation in the East London division is 40.3 per cent (with an increment of 6.8 per cent), not high enough to be considered a competition issue requiring further investigation. However, it does not currently seem appropriate for us to consider three of these non-JICREG titles in this regard: *Newham Magazine*, *Hackney Today* and *Docklands News*.<sup>23</sup> If we add in the combined circulation of *Avenues East London* and *East End Life* only, Archant's combined post-merger share of circulation

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<sup>20</sup>The former-INM divisions are referred to as publishing units, to differentiate them from the former-INM London Regionals Division.

<sup>21</sup>The survey was called 'myuk: redefining regions and exploring local identity' and surveyed over 2,500 respondents UK-wide in street interviews during July and August 2003.

<sup>22</sup>Source: CC calculations based on Future Foundation survey data supplied by Archant.

<sup>23</sup>*Docklands News* went into receivership in June 2004 with publication having been suspended since April 2004. Also, until March 2004, it was published monthly, not weekly.

in east London is 65.5 per cent with an increment of 9.5 per cent—probably high enough to be considered a competition issue requiring further investigation.<sup>24</sup>

41. In the Post division, Archant's combined post-merger share of circulation over the 16 JICREG areas covered by the four former-INM titles (ie the *Barking & Dagenham Post*, the *Barking & Dagenham Post Weekender*, the *Iford & Redbridge Weekly Post*, and the *Romford & Havering Weekly Post*) is 63.8 per cent with an increment of 24.8 per cent. Trinity Mirror is the only other major publisher of local weekly newspapers in this division with 34.1 per cent of circulation.
42. If we add in the combined circulation of the *Essex Enquirer* in the Post division (28,000 copies), Archant's combined post-merger share of circulation in the Post division is 59.5 per cent (with an increment of 23.2 per cent)—also high enough to be considered a competition issue requiring further investigation.

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<sup>24</sup>The effects of excluding *Newham Magazine*, *Hackney Today* and *Docklands News* are felt mostly on the circulation overlaps for the *Stratford & Docklands Express*, where significant overlaps are created in each of the six JICREG areas in which it circulates and an overlap of 95.1 per cent (with an increment of 23.1 per cent) is created overall.

TABLE 5 Data appendix: share of circulation by publisher for former-INM titles within JICREG areas, by former-INM division for July–December 2003, and pre-merger HHIs

**East London division**

JICREG area	East London Advertiser		Area circulation	Circulation		Share of circulation (%)					HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	Northcliffe*	Trinity	
Bethnal Green	2,496	74.1	3,369	3,019	350	89.6	10.4	100.0	0.0	0.0	8,138
Bow	3,161	52.3	6,042	3,381	824	56.0	13.6	69.6	0.0	30.4	4,242
Poplar	3,307	13.9	23,795	3,307	1,308	13.9	5.5	19.4	0.0	80.6	6,721
Stepney	2,446	58.5	4,181	2,446	450	58.5	10.8	69.3	0.0	30.7	4,483
Whitechapel	1,732	46.8	3,701	1,732	175	46.8	4.7	51.5	0.0	48.5	4,562
Total	13,142	32.0	41,088	13,885	3,107	33.8	7.6	41.4	0.0	58.6	4,638

  

JICREG area	Stratford & Docklands Express†		Area circulation	Circulation		Share of circulation (%)					HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	Northcliffe	Trinity	
Canning Town	3,101	36.6	8,470	3,261	3,393	38.5	40.1	78.6	1.7	19.7	3,480
East Ham	14,952	76.3	19,607	16,016	3,591	81.7	18.3	100.0	0.0	0.0	7,008
Forest Gate	13,688	85.4	16,024	13,688	2,336	85.4	14.6	100.0	0.0	0.0	7,509
Manor Park	5,300	67.0	7,910	5,300	1,501	67.0	19.0	86.0	0.0	14.0	5,046
Plaistow	6,066	62.8	9,666	6,704	2,962	69.4	30.6	100.0	0.0	0.0	5,749
Stratford West Ham	7,033	62.7	11,210	7,527	3,045	67.1	27.2	94.3	0.0	5.7	5,279
Total	50,140	68.8	72,887	52,496	16,828	72.0	23.1	95.1	0.2	4.7	5,743

  

JICREG area	Hackney Gazette‡		Area circulation	Circulation		Share of circulation (%)					HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	Northcliffe	Trinity	
Clapton	1,858	43.1	4,313	4,313	0	100.0	0.0	100.0	0.0	0.0	10,000
Hackney	4,876	95.4	5,111	5,111	0	100.0	0.0	100.0	0.0	0.0	10,000
Shoreditch	831	25.2	3,299	3,298	1	100.0	0.0	100.0	0.0	0.0	9,994
Stoke Newington	3,092	20.1	15,410	15,398	12	99.9	0.1	100.0	0.0	0.0	9,984
Total	10,657	37.9	28,133	28,120	13	100.0	0.0	100.0	0.0	0.0	9,991

  

JICREG area	Stoke Newington & Shoreditch Express§		Area circulation	Circulation		Share of circulation (%)					HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	Northcliffe	Trinity	
City	3,446	72.8	4,731	4,568	66	96.6	1.4	97.9	0.0	2.1	9,329
Shoreditch	2,167	65.7	3,299	3,298	1	100.0	0.0	100.0	0.0	0.0	9,994
Stoke Newington	11,920	77.4	15,410	15,398	12	99.9	0.1	100.0	0.0	0.0	9,984
Total	17,533	74.8	23,440	23,264	79	99.2	0.3	99.6	0.0	0.4	9,851

Source: JICREG. As in previous CC local newspaper merger inquiries, the circulation of *The Scotsman* and *Scotland on Sunday* have been excluded from these figures. These circulation figures are very small: 207 copies in the East London division, five copies in the North London division, none in the North West London division and 90 in the Post division.

\*Northcliffe is a wholly-owned subsidiary of DMGT.

†Stratford & Newham Express and Docklands Express.

‡Hackney Gazette & North London Advertiser.

§Stoke Newington & Stamford Hill Express and Shoreditch & Hoxton Express.

**North London division**

JICREG area	Islington Gazette*		Area circulation	Circulation		Share of circulation (%)					Newsquest	HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	NJE†	Trinity		
Camden	873	5.8	15,060	873	850	5.8	5.6	11.4	88.6	0.0	0.0	7,908
City	1,075	22.7	4,731	4,568	66	96.6	1.4	97.9	0.0	2.1	0.0	9,329
East Finchley	0	0.0	10,650	0	142	0.0	1.3	1.3	0.0	53.3	45.4	4,900
Hampstead	0	0.0	34,102	5,486	3,539	16.1	10.4	26.5	73.5	0.0	0.0	5,774
Highgate	0	0.0	293	0	293	0.0	100.0	100.0	0.0	0.0	0.0	10,000
Holloway	2,076	17.2	12,036	11,062	974	91.9	8.1	100.0	0.0	0.0	0.0	8,512
Hornsey	0	0.0	16,132	3,523	12	21.8	0.1	21.9	0.0	42.0	36.1	3,543
Islington	4,308	37.7	11,417	9,614	1,803	84.2	15.8	100.0	0.0	0.0	0.0	7,340
Kentish Town	641	4.6	13,850	641	1,941	4.6	14.0	18.6	81.4	0.0	0.0	6,837
Muswell Hill	0	0.0	16,016	9,675	372	60.4	2.3	62.7	0.0	27.7	9.6	4,514
Palmers Green	0	0.0	15,225	0	2	0.0	0.0	0.0	0.0	49.6	50.4	4,999
Tufnell Park	1,592	70.0	2,273	1,592	681	70.0	30.0	100.0	0.0	0.0	0.0	5,803
Wood Green	0	0.0	38,657	9,377	10	24.3	0.0	24.3	0.0	37.3	38.4	3,456
Total	10,565	5.5	190,442	56,411	10,685	29.6	5.6	35.2	26.1	20.5	18.2	2,340

  

JICREG area	North London Herald‡		Area circulation	Circulation		Share of circulation (%)					Newsquest	HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	NJE	Trinity		
Holloway	8,986	74.7	12,036	11,062	974	91.9	8.1	100.0	0.0	0.0	0.0	8,512
Hornsey	2,723	16.9	16,132	3,523	12	21.8	0.1	21.9	0.0	42.0	36.1	3,543
Islington	5,306	46.5	11,417	9,614	1,803	84.2	15.8	100.0	0.0	0.0	0.0	7,340
Muswell Hill	8,875	55.4	16,016	9,675	372	60.4	2.3	62.7	0.0	27.7	9.6	4,514
Tottenham	9,021	19.1	47,170	11,048	6	23.4	0.0	23.4	0.0	34.7	41.8	3,505
Wood Green	7,879	20.4	38,657	9,377	10	24.3	0.0	24.3	0.0	37.3	38.4	3,456
Total	42,790	30.3	141,428	54,299	3,177	38.4	2.2	40.6	0.0	29.7	29.6	3,241

  

JICREG area	Hornsey Journal§		Area circulation	Circulation		Share of circulation (%)					Newsquest	HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	NJE	Trinity		
Hornsey	800	5.0	16,132	3,523	12	21.8	0.1	21.9	0.0	42.0	36.1	3,543
Muswell Hill	800	5.0	16,016	9,675	372	60.4	2.3	62.7	0.0	27.7	9.6	4,514
Tottenham	2,027	4.3	47,170	11,048	6	23.4	0.0	23.4	0.0	34.7	41.8	3,505
Wood Green	1,498	3.9	38,657	9,377	10	24.3	0.0	24.3	0.0	37.3	38.4	3,456
Total	5,125	4.3	117,975	33,623	400	28.5	0.3	28.8	0.0	35.6	35.5	3,344

Source: JICREG. As in previous CC local newspaper merger inquiries, the circulation of *The Scotsman* and *Scotland on Sunday* have been excluded from these figures. These circulation figures are very small: 207 copies in the East London division, five copies in the North London division, none in the North West London division and 90 in the Post division.

\*And *Camden Chronicle*.

†New Journal Enterprises.

‡*Islington Weekly Herald* and *Haringey Herald*.

§Also *Tottenham*, *Wood Green & Edmonton Journal* and *Muswell Hill Journal*.

**North West London division**

JICREG area	Wembley Chronicle*		Area circulation	Circulation		Share of circulation (%)						HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	Newsquest	Trinity	NJE	
Colindale	700	3.6	19,524	700	8	3.6	0.0	3.6	35.3	61.1	0.0	4,990
Harrow	2,703	5.3	50,594	2,703	0	5.3	0.0	5.3	41.4	53.3	0.0	4,580
Wembley	24,363	44.7	54,519	24,363	4	44.7	0.0	44.7	7.6	47.7	0.0	4,334
Total	27,766	22.3	124,637	27,766	12	22.3	0.0	22.3	25.6	52.1	0.0	3,866

  

JICREG area	Willesden Chronicle†		Area circulation	Circulation		Share of circulation (%)						HHI
	Circulation	Share (%)		INM	Archant	INM	Archant	Combined	Newsquest	Trinity	NJE	
Cricklewood	4,672	31.0	15,085	4,672	379	31.0	2.5	33.5	22.1	44.4	0.0	3,425
Golders Green	212	1.6	13,499	212	198	1.6	1.5	3.0	52.1	44.8	0.0	4,732
Hampstead	5,486	16.1	34,102	5,486	3,539	16.1	10.4	26.5	0.0	0.0	73.5	5,774
Kensal Green	50	4.7	1,072	1,062	10	99.1	0.9	100.0	0.0	0.0	0.0	9,815
Kilburn	2,709	46.3	5,849	2,709	8	46.3	0.1	46.5	0.0	0.0	53.5	5,013
Neasden	8,193	65.5	12,502	8,193	12	65.5	0.1	65.6	0.0	34.4	0.0	5,476
Willesden	7,260	79.2	9,171	7,260	12	79.2	0.1	79.3	0.0	20.7	0.0	6,695
Total	28,582	31.3	91,280	29,594	4,158	32.4	4.6	37.0	11.4	20.7	30.9	2,587

Source: JICREG. As in previous CC local newspaper merger inquiries, the circulation of *The Scotsman* and *Scotland on Sunday* have been excluded from these figures. These circulation figures are very small: 207 copies in the East London division, five copies in the North London division, none in the North West London division and 90 in the Post division.

\* *Wembley & Kingsbury Chronicle* and *Harrow & Sudbury Chronicle*.

† *Willesden & Brent Chronicle*, *Kilburn Times* and *Camden Times*.

**Post division**

			Area		Circulation		Share of circulation %						
			circulation	Archant	INM	Archant	INM	Archant	Combined	Newsquest	Trinity	Northcliffe	HHI
<i>Barking &amp; Dagenham Post*</i>													
<i>JICREG area</i>	<i>Circulation</i>	<i>Share (%)</i>											
Barking	2,216	10.6	20,811	5,067	7,478	2,807	35.9	13.5	49.4	0.0	50.6	0.0	4,031
Becontree Heath	2,267	37.9	5,976	5,067	5,067	909	84.8	15.2	100.0	0.0	0.0	0.0	7,421
Dagenham	6,799	25.7	26,491	15,499	15,499	3,725	58.5	14.1	72.6	0.0	27.4	0.0	4,373
Seven Kings Goodmayes	864	4.0	21,381	12,803	12,803	2,105	59.9	9.8	69.7	0.0	30.3	0.0	4,599
Total	12,146	16.3	74,659	40,847	40,847	9,546	54.7	12.8	67.5	0.0	32.5	0.0	4,213
<i>Barking &amp; Dagenham Post Weekender</i>													
<i>JICREG area</i>	<i>Circulation</i>	<i>Share %</i>											
Barking	5,037	24.2	20,811	5,067	7,478	2,807	35.9	13.5	49.4	0.0	50.6	0.0	4,031
Becontree Heath	2,800	46.9	5,976	5,067	5,067	909	84.8	15.2	100.0	0.0	0.0	0.0	7,421
Dagenham	8,700	32.8	26,491	15,499	15,499	3,725	58.5	14.1	72.6	0.0	27.4	0.0	4,373
Seven Kings Goodmayes	2,435	11.4	21,381	12,803	12,803	2,105	59.9	9.8	69.7	0.0	30.3	0.0	4,599
Total	18,972	25.4	74,659	40,847	40,847	9,546	54.7	12.8	67.5	0.0	32.5	0.0	4,213
<i>Ilford &amp; Redbridge Weekly Post†</i>													
<i>JICREG area</i>	<i>Circulation</i>	<i>Share (%)</i>											
Barkingside	12,870	48.7	26,442	12,870	12,870	2,460	48.7	9.3	58.0	2.6	39.4	0.0	4,018
Chadwell Heath	4,683	59.0	7,942	5,749	5,749	2,193	72.4	27.6	100.0	0.0	0.0	0.0	6,002
Gants Hill Newbury Park	6,877	52.9	13,003	6,877	6,877	1,400	52.9	10.8	63.7	0.0	36.3	0.0	4,234
Ilford	18,673	49.8	37,499	19,381	19,381	4,316	51.7	11.5	63.2	0.0	36.8	0.0	4,158
Seven Kings Goodmayes	9,504	44.5	21,381	12,803	12,803	2,105	59.9	9.8	69.7	0.0	30.3	0.0	4,599
Woodford Wanstead	11,596	27.7	41,838	11,596	11,596	4,954	27.7	11.8	39.6	18.6	41.8	0.0	3,005
Total	64,203	43.3	148,105	69,276	69,276	17,428	46.8	11.8	58.5	5.7	35.7	0.0	3,637
<i>Romford &amp; Havering Weekly Post</i>													
<i>JICREG area</i>	<i>Circulation</i>	<i>Share (%)</i>											
Ardleigh Green	3,429	28.8	11,887	3,429	3,429	4,733	28.8	39.8	68.7	0.0	31.3	0.0	3,399
Collier Row	4,838	29.4	16,462	4,985	4,985	3,450	30.3	21.0	51.2	0.0	48.8	0.0	3,734
Gidea Park	3,675	24.3	15,129	4,010	4,010	6,308	26.5	41.7	68.2	0.0	31.8	0.0	3,452
Hornchurch	10,366	30.6	33,908	10,366	10,366	13,719	30.6	40.5	71.0	0.0	29.0	0.0	3,411
Rainham (Essex)	4,429	28.9	15,343	5,001	5,001	1,972	32.6	12.8	45.4	0.0	54.6	0.0	4,204
Romford	19,615	28.0	70,063	21,111	21,111	29,716	30.1	42.4	72.5	0.0	27.4	0.1	3,456
Upminster	7,365	24.3	30,336	7,365	7,365	13,155	24.3	43.4	67.6	0.0	32.1	0.2	3,503
Total	53,717	27.8	193,128	56,267	56,267	73,053	29.1	37.8	67.0	0.0	33.0	0.1	3,367

Source: JICREG. As in previous CC local newspaper merger inquiries, the circulation of *The Scotsman* and *Scotland on Sunday* have been excluded from these figures. These circulation figures are very small: 207 copies in the East London division, five copies in the North London division, none in the North West London division and 90 in the Post division.

\*Also *Ilford & Redbridge Post* and *Thurrock & Lakeside Post*.  
 †Also *Woodford Weekly Post*.

***Results for proportional differences in yields and HHI***

FIGURE 3

**Price-concentration analysis for proportional differences for 11 INM London  
(East, North and North West) and Post division titles acquired by Archant,  
2002/03**



*Source:* CC calculations on data provided by Archant and JICREG, and in the CC *Newsquest/INM* report.