



**EURASIA  
PARTNERSHIP  
FOUNDATION**

# Armenia

## Days of Free Media

### *Breaking the Monopoly on Print Media Distribution*

*In 1997, at a time when there was virtually no competition in Armenia's newspaper printing business, Eurasia Foundation purchased a high-tech printing press for the independent GIND Printing House. The press helped GIND compete with the monopolist, state-owned Tigran Mets Printing House; as a result it now prints 50% of newspapers in Armenia. Following this success, Eurasia Foundation moved on to address the monopoly on print media distribution in the country, starting in 2004.*

Since 1991, newspaper readership and the number of newspapers printed in Armenia has decreased year after year. This decline is due in large part to a lack of available options for distribution. Two large companies, *Haymamul* and *Haypost*, have maintained a monopoly on newspaper distribution since Soviet times. These companies give priority to three national newspapers, depriving the market of other papers.



*Gyumri, Shirak Region, 2006*

When Eurasia Foundation embarked on its Print Media Distribution program in 2004, one of its biggest goals was to create an alternative to the existing monopoly on newspaper distribution. The program, implemented in partnership with the Open Society Institute, offers a viable and competitive model for expanding distribution throughout the country, as well as increasing newspaper subscriptions and sales.

Blitz Media, first established in 1988 under the name "Lars", is one of the leading private media distribution companies in Yerevan and one of Eurasia Foundation's partners. Eurasia Foundation also supported three other distribution companies: the Center of Educational Development of Gyumri, H. Simikian LLC and Oda Express. These companies established representative offices throughout Armenia and created new sales points. Participating distribution companies also helped newspaper staff and distribution agents improve business practices, staff capabilities and management skills.

#### Linking publisher and reader

A skilled newspaper distributor is able to examine the media market and identify the sectors that are of greatest interest to readers. "When the Soviet Union collapsed, the newspaper-reading tradition fell apart with it; the new era's publishers did not know how to tailor distribution to readers' interests," said Armen Davtyan, director of Blitz Media. "They did not know, for example, to what social sector their readers belonged."

"Blitz Media helped us study the interests of our readers. We now publish the magazine *3 Million* for our young readers."  
- Satik Seyranyan, editor-in-chief, *168 Zham* newspaper.

Displaying newspapers in the right place was also very important. "If the newspaper was being published to represent the interests of women or to highlight women's issues, then it makes sense to sell that paper close to salons or shops that also cater to women," says Mr. Davtyan. Edward Naghdalyan, editor-in-chief of

Eurasia Partnership Foundation (EPF) is the locally-registered, legacy institution of Eurasia Foundation (EF) in Armenia. EPF is a privately managed, non-profit organization supported by the United States Government (USG) and other public and private donors.

Since 1992, EF has invested more than \$290 million in USG funds and nearly \$80 million in leveraged and raised non-USG funds through over 8,400 grants and technical assistance projects in the twelve CIS countries. In Armenia, EF has invested more than \$30 million in grants and technical assistance since 1992.

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*Delovoy Express (Business Express)*, a newspaper that covers economic issues, says a similar strategy is now helping him sell more papers. “I want potential readers and advertisers to find *Delovoy Express* everywhere,” he says, noting, “Blitz Media recommended we display our paper in the airport, where foreign business travelers would find it and read up on economic developments in Armenia or potential investments.”

### Reaching Rural Readers

Newspapers faced particular distribution and subscription challenges in rural communities. It was hard to convince rural residents to buy newspapers, and many rural residents were unaware of the types of existing newspapers available. “When we would try to sell subscriptions in rural areas, instead of the amount requested farmers would offer us a sack of potatoes or a piece of cheese,” Armen Davtyan mentions. In order to establish a presence in rural areas, Blitz Media opened sales points in rural communities and displayed a variety of newspapers. To ensure newspapers were delivered on time to subscribers in rural areas, Blitz Media made an agreement with a taxi service, which provided five cars per day to distribute the newspapers from Yerevan to outlying regions. “We are going to send these to the Kotayk region,” states a Blitz Media employee, pointing out a stack of newspapers on the floor.

As a result of the project, all four companies increased their share in what previously had seemed like an impenetrable market dominated by monopolist companies. Blitz Media, which formerly served only Yerevan, now distributes 145 newspapers and magazines in both Yerevan and the regions. Thanks to the company’s work with Eurasia Foundation, subscriptions rose by 3,500 households over three years. The other three companies experienced similar gains in readership and geographic reach.

### Improving Legislation

Increasing the public’s access to information from a variety of sources is at the core of the program’s mission. Thanks to the companies participating in the program, Armenia’s legislation is better geared to ensure increased access in years to come. With the help of the Foundation, these four companies were able to lobby for an amendment to a law that would have required annual licenses for all distribution companies at a price of nearly \$15,000 per year. If passed as originally written, the law would have effectively stopped the private distribution of media in Armenia.

#### *Impact: Snapshot*

A 2006 evaluation of the program shows that:

- The Center of Educational Development of Gyumri has doubled newspaper sales in the Shirak region.
- In the City of Vanadzor, Simikyan LLC increased the number of newspaper subscriptions from 1,250 to 2,500.
- The sales points and agents run by Oda Express now sell their newspapers to more than 15% of readers in two of the largest neighborhoods in Yerevan and in the southeastern part of the city.

### Next Steps

Currently, the four companies that participated in the program plan to create an association of print media distributors, which will collaborate closely with all newspapers for examining the media market and providing consultations on a regular basis.

Eurasia Partnership Foundation now welcomes innovative ideas for projects which build on the success of this initiative, and work to provide access to news and information for all in Armenia.

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