level of competition. This is the logic behind our statistical analysis: we can expect the display advertising rate per circulation across different cities, and with different market sizes. We find that, for full-and half-page display advertisements in free weekly shareholders, the rate per circulation is significantly higher when the paid daily newspaper in that city is owned by the same publisher. In addition, the rate per circulation for a full-page display advertisement is significantly higher in markets where a rival firm publishes a competing free weekly newspaper. In words, the advertising rates reveal that advertisers who pin large display ads do so and different newspapers if available, and publishers are also aware of this. In cities with rival free weeks, rival publishers have to keep their rates competitive so that advertisers. In cities where the same publisher owns both the paid daily and free weeks, the advertising rate is higher than in the competitive level, because the publisher what to be advertisers have little choice when it comes to

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