

BUSINESS

Starbucks' Expanded Newspaper Selection Presents New Competition for Local Merchants

Does it matter if you get your newspaper from a local shop or a corporation?

By [Bree Shirvell](#) | [Email the author](#) | March 30, 2010

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Rye residents have one more place to pick up their newspapers.

Starbucks on Purchase Street in Rye, and on South Ridge Street in Rye Brook, recently started selling USA Today during the weekdays and will begin selling The Wall Street Journal within the next month.

Previously, the only national newspaper Starbucks sold was The New York Times. It is still the only paper available on the weekends as USA Today is only printed on weekdays, but once Rye's Starbucks adds The Wall Street Journal, that may change as well.

Employees at both local Starbucks refused to comment, directing all newspaper policy inquiries to corporate headquarters.

Starbucks issued a statement saying the expanded newspaper offering is a response to consumer demand.

"Trends show people prefer to get their news from more sources. The offering of USA Today in stores not only serves to enhance the customer experience by providing more reading opportunities, but is also a direct response to consumers' trends of news consumption," the company said in a press release.

With newspaper sales down almost everywhere, and the recently released PEW Project for Excellence in Journalism [State of the Media 2010](#) report showing 61 percent of Americans get their news online, the effect of Starbucks wider newspaper selection may have more of an impact on local stores than on consumers.

Tony D'Onofrio of the Rye Smoke Shop, which sells around two dozen varieties of newspapers, has already reduced his newspaper order.

"It's not going to hurt our business a lot, but certainly a little," D'Onofrio said.

On a recent busy Saturday, the shop was close to running out of popular titles such as The New York Times, as customers continued to come in looking for papers. Many of those asked said they were unaware of Starbucks' expanded weekday selection, but would pick up a newspaper if they were also getting a cup of coffee at Starbucks.

According to D'Onofrio, selling newspapers in the Rye Smoke Shop is a convenience for customers, not a moneymaker for the business. While the shop gets a credit for the newspapers it doesn't sell, in recent years newspapers have reduced the commission on selling papers while raising the costs of the newspapers.

"We make less money selling The New York Times for \$2.00 than we did selling it for \$1.00 and that doesn't take in inflation," D'Onofrio said.

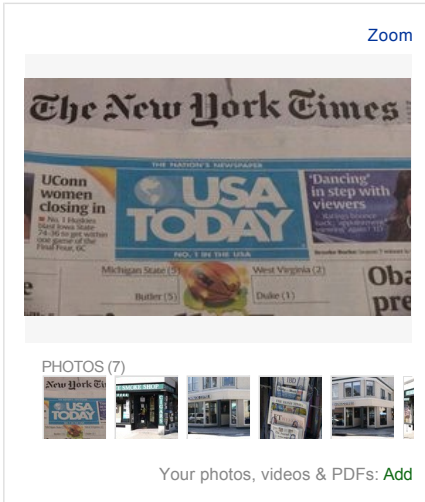
The Smoke Shop may not be making a huge profit selling newspapers, but some local residents feel picking up a paper at the Smoke Shop is about supporting local businesses.

"The Smoke Shop represents a tradition in Rye's commercial district – very few of which remain," Rye resident Bob Zahm said. "Supporting the further homogenization of Rye does us all a disservice."

Before 2000, Starbucks stores were free to sell a variety of newspapers, but in 2000 The New York Times signed an exclusivity deal with Starbucks to be the only paper sold in stores reportedly in exchange for ad space. Licensed Starbucks, or those stores not company-owned, were not affected and were free to sell numerous newspapers.

The Starbucks in Rye opened in 1999, while the Rye Brook location opened in 2004.

Update: Starbucks' Rye Regional Director of Stores, Jen Cho, decided this week to sell the New York Times on Sunday rather than during weekdays. USA Today will stop being sold in the store.



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