

## Digital media come of age



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In 1995, Prisa took its first steps on the Internet with its company *Promotora de Ediciones Electrónicas* (Proel). Since then, the Spanish media giant has launched various initiatives on a trial and error basis.

In May of 1996, *El País Digital* appeared, and in 2000, Proel evolved into *Inicia*, a portal in which the group's forerunners did not enjoy very much limelight. As digital media grew in strength, sales to "paper" readers dropped, and advertising began betting timidly on the Internet instead of paper.

Like many other business groups, Prisa realized that its star media should be present on the Internet. It also assumed that professionals trained in the paper format medium were not the most ideal candidates for launching the .com versions. Many considered electronic editions to be rivals that would cannibalize sales. The result was Prisacom, the company that would be responsible for developing and strengthening the presence of Prisa brands on the Internet from that point on.

In 2000, the bursting of the .com bubble brought an end to *Inicia*, and Prisacom took over the group's entire digital budget, converting it into a transversal unit that ran all digital versions from *El País Digital* to *5días.com* and exploiting them as a source of additional income.

With this move, Prisa assumed that digital content was a disruptive innovation that had all the potential to end up replacing paper some day. However, disruptive innovations run great risks of being asphyxiated in large

organizations at the hands of more profitable activities. It is; therefore, wise to create a space in which new projects can develop, with their own operating budgets and de facto management.

Prisa's stroke of genius was creating a structure that was separate (even physically) from the traditional media. It was a structure that gave priority to the digital medium without it being at all subordinate to paper. Since then, the collaboration between the two media has become increasingly intense, with workers from the digital edition often situated in the same space as paper edition counterparts.

In July of 2006, Prisa.com became profitable. The current economic crisis has only accelerated a natural process that sooner or later would have occurred: the merger of the paper and digital publishing companies. It seems that this disruptive innovation has had time to mature and is now sufficiently powerful to "compete" with its older brother.

The merger of these two publishing companies is partly a product of the deep economic crisis and its most direct consequence: the drastic drop in advertising. Above all, though, it is a clear and direct signal that digital media are starting to occupy the privileged position they deserve.