

## What's up with Spain's digital media?

**A look at recent shifts in consumer habits, business models and news distribution in Spain. When all is said and done, there are four challenges to overcome for lasting digital success.**



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It has not been an easy decade for the press, and Spain is no exception. In 2004, Spain's print media was enjoying record distribution highs, with newspapers circulating more than four million copies daily. Flash forward to 2015 and sales had halved. Digital competitors helped saturate the market, and the economic crisis only exacerbated the situation.

And now another crisis is lurking: a credibility crisis. The boom of digital sources has also triggered made-up or fake news (as well as all the cute cat videos), resulting in a loss of reader trust.

But the forecast is not all doom and gloom. According to a volume published by [IESE's Institute for Media & Entertainment \(IME\)](#) and the [School of Communication at the University of Navarra](#), digital media, at any rate, "has a very promising future."

## Smaller screens and smarter tools

First things first: the news has changed — not just in presentation, but also in how it's accessed. While the desktop computer is still the preferred device for online news consumption in most high-income countries studied, the smartphone is close behind.

In one chapter, IESE professor [Juan Manuel de Toro](#) and researcher Pilar Soldado also note that, for many countries, access to news via mobile devices shot up by more than 20 percent from 2013 to 2015 — especially among young people.

In Spain, readers aged 25 to 34 used their computers and smartphones almost interchangeably for news, while users aged 14 to 19 showed a clear preference for their phones.

This means that a responsive design for mobile is key for any media offering.

Meanwhile, fresh formats for news — such as online videos, blogs or podcasts — have been gaining ground on the traditional article. News aggregators and social networks are increasingly important as distribution tools.

## Four urgent challenges

Amid digital transformation, the media faces major challenges in four key areas:

**1. Business model.** Readership is increasing, but revenues are falling — which clearly indicates that news publishers "are failing to monetize their digital readers." Paywalls offer a solution, and the pay-for-content models used by many top players suggest that public perception is once again swinging toward an appreciation for good journalism.

The emergence of new digital players has reduced ad spending on print newspapers and magazines. Yet 15 percent of all digital-ad spending in Spain goes to online newspapers, and

"a respectable 21 percent of newspaper revenue comes from the Internet."

Further developing advertising for new audiovisual formats should be prioritized, while print and digital formats should be jointly marketed.

**2. Credibility.** Online media is perceived as sensationalist and lacking credibility. The proliferation of fake news, together with media-government hostility in some regions, continues to undermine the public's trust in what they read and watch. In Spain, 20 percent of the population distrusts the news — a number media outlets must strive to reduce if they wish to remain relevant.

**3. New professionals for new media.** Increasing the credibility of the media depends on the quality of the content and the professionalism of the journalists, whose work should be based on individual responsibility and freedom of expression. Since "there is no democracy without journalism," and there is no journalism without journalists, business models need to prioritize creating an environment where quality journalism can thrive.

**4. Interactivity.** Facebook is not the only place for sharing and commenting on news stories. Many online newspapers also offer this option, in order to capture reader interest and facilitate "citizen journalism." Moving forward, all content should be participatory, and news outlets should attempt to establish discussion groups and direct relationships with readers.

## Democracy, now and tomorrow

Journalism is a matter of "democratic health," the authors argue, and its core values must be maintained in its digital forms. Business leaders should continue to research and develop ways to capitalize on digital media, allowing journalists to continue their important work.

Although online-news business models have their weaknesses, the lower entry costs associated with new digital ventures means innovations are actually less risky than they are for the traditional press. With new business models attuned to the environment, all this talk of the death of journalism should soon subside.

## Methodology, very briefly

This monograph draws upon data from Reuters' Digital News Report (2015-6); the Pew Research Center; various editions of a general study of media (EGM) by the AIMC (Spain's association for media communications research); audience-tracker comScore; as well as several other studies and resources. Produced by IESE's IME with support from its sponsor

Carat (a global media services provider), the 182-page volume provides an overview of digital media today and the situation in Spain in particular.

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