



**Reuters Institute Fellowship Paper
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**Rebooting journalism: how media startups
overcame the business model crisis. What can we
learn from Eldiario.es and Mediapart?**

by Javier Borelli

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"No-one should expect tomorrows revolutions to be led by today`s traditional economic actors".
Julia Cagé "Saving the Media. Capitalism, crowdfunding, and democracy"

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Provocation

On April 2018, Eldiario.es received its first judiciary sue in the five years of existence of the Spanish digital news outlet. Cristina Cifuentes, the president of the Community of Madrid and a rising star of the traditional Popular Party (PP), sued them for publishing an article that alleged that she had falsified her master's degree. The economic losses could have made Eldiario to shut down. The promising startup founded by Ignacio Escolar with a few journalists had been growing slowly but consistently in a highly concentrated media environment thanks to the support of 23.000 loyal readers. These readers believed in the importance of financing independent reporting even when paying was not compulsory in order to read the content. The membership model of Eldiario -new to the Spanish media landscape- had been working until that moment. But the experiment could have ended in the worst possible way.

However, the information was accurate, and the proofs were eloquent. Cifuentes first resigned to her position as president of the Community of Madrid. Then she resigned to her seat in the Parliament and later on to the presidency of PP in Madrid. One month later, in May 2018, main national leaders of PP were also found guilty for receiving bribes and distributing them among their politicians¹. The sum of punches turned into a knock-out for the party when the Spanish President Mariano Rajoy lost a confident vote in Parliament and had to turn his government to the Socialist Party (PSOE). Eldiario increased 30% its membership in eight weeks -since they published Cifuentes scoop until Rajoy's resignation- and they ended the year with 34 thousand members (50% increase in just twelve months). On September 2018, on its annual transparency article, Ignacio Escolar said:

"The case of the masters has been noticed in our books. It's good news not only for eldiario.es, but also for the entire journalism profession. It shows that there is an economically sustainable model for quality press and that there are many readers willing to pay when what they receive in exchange is relevant and truthful information, instead of interested propaganda or yellow press".

Is that right? Is there an economically sustainable model for quality journalism in Spain? How does it work? Has anyone else tried something similar? Aren't there any other models that rely on audience revenue and puts an ending to the economic dependence of Media outlets from advertisers and investors? What can journalists from other latitudes learn from them? During the following pages this paper will try to address these questions.

¹ <https://www.bbc.com/news/world-europe-44247770>

Motivation & executive summary

In Buenos Aires, 3.127 journalists lost their jobs between 2016 and 2019 according to SIPREBA, the local journalist's Union². Half of them were sacked or suffered from shut down of the organization in which they worked. The rest were asked to plead for a voluntary leave or for an early retirement. Around 40% of all these new unemployed journalists worked for written media.

Media executives related this purge to the declining numbers of newspaper selling, advertising investment and rating numbers in TV and Radio. "Media companies are business companies" was the expression used by Francisco Marmol (former news editor of several audience leader media outlets) to justify this procedure³. His sentence summarizes how media corporations lost the journalistic track pursuing economic profit.

It's not a surprise then that 61% of Argentinians do not trust in news, according to the 2019 Digital News Report (DNR) of the Reuters Institute for the Study of Journalism. Moreover, almost half of their population (45%) recognize that they "often" or "sometimes" try to avoid news⁴.

But this process did not start in Argentina. Changes in news consumption trends (and therefore advertisement investment) have been deeply affecting legacy media revenues worldwide.

Newspaper sales dropped and digital monetization didn't develop as expected in most western markets. Media owner's main response was also similar: to reduce costs. This meant less resources for reporting and investigations, job cuts and marketing-oriented content (through subliminal advertising or click-bate strategies)⁵. News corporations around the globe preferred to put their journalists to pursue advertising money instead of public interest issues. While doing that they did not realize that they risked betraying their audience expectations and diminishing their own legitimacy.

This scenario was noticeable beforehand in the northern hemisphere, mainly due to Internet penetration and thanks to a broader access to new technology⁶. Therefore, business model alternatives also aroused first in those latitudes. Taking that into consideration this research aims to identify some of the news startups that were launched in this context and overcame the digital

² <http://www.sipreba.org/sindicato/relevamiento-de-situacion-laboral-en-los-medios-de-caba-durante-2018-2019-sipreba/>

³ <https://www.perfil.com/noticias/protagonistas/a-macri-le-diria-que-es-mejor-tener-un-enemigo-declarado-como-c5n-sirve-para-el-relato.phtml>.

⁴ Nic Newman with Richard Fletcher, Antonis Kalogeropoulos, and Rasmus Kleis Nielsen, *Reuters Institute Digital News Report 2019*, p. 120-121

⁵ <https://blog.wan-iffra.org/2018/12/11/new-report-publishers-increasingly-counting-on-native-advertising>

⁶ Other important aspects to consider is the State attitude towards media through direct financing, advertising and regulation.

content bubble⁷. Throughout the study of their strategies and trajectories, this paper will try to respond to some urgent questions such as:

Are there viable business models that supports journalism driven by public interest? How do they guarantee their economic and political independence? What have they done different from the rest in order to succeed? Are those models replicable in other countries?

This research is based on the belief that there is no journalism crisis, but a business model one. So, learning from successful experiences that innovate in the business is the first step towards building a healthier media landscape in other countries⁸.

During this paper I will focus specially in two European news startups launched in the last 11 years which betted for audience support and up to date have succeeded in reaching a very influential position in the media landscape of their countries. Both are economically profitable as well. They are Eldiario.es from Spain and Mediapart from France.

Founded by experienced and already well-known journalists, both news outlets are ranked in the top 10 most frequently visited websites in their countries (competing with legacy media brands from all platforms). They are also in the top three in terms of trust, according to the 2019 DNR. They have constantly increased their newsrooms and multiplied more than five time their budgets since launching. They published scoops that dominated news agenda and lead to resignations to high members of each national government. Finally, they both belong to countries with comparable media systems according to the criteria developed by Daniel C Hallin and Paolo Mancini considering their four dimensions of analysis: the development of media markets; the political parallelism (degree and nature of the links between the media and political parties); the development of journalistic professionalism; and the degree and nature of state intervention in the media system⁹.

⁷ Tom Nicholls, Nabeelah Shabbir and Rasmus Kleis Nielsen defined as a “digital content bubble” the situation in which “most digital news providers continue to operate at a loss, whether sustained by profits from legacy operations or by investors betting on the long-term success of ambitious, expansionist digital-born organisations”. They also predicted the bubble explosion “unless more diverse and sustainable business models are found”. Tom Nichols, Nabeelah Shabbir and Rasmus Kleis Nielsen, *The Global Expansion of Digital-born News Media*, Oxford, Reuters Institute for the Study of Journalism. 2017.

⁸ As Lucy Keung states, by identifying commonalities between successful cases it is possible to highlight precepts, concepts, and approaches which may be of value to other organisations facing similar challenges. “It does not provide a ‘recipe’ for succeeding with digital news but identifies a set of elements common to all these players that contribute to their success”. Lucy Keung, *Innovators in Digital News*, Oxford, Tauris. 2015. p VIII

⁹ Daniel Hallin, Paolo Mancini, *Comparing Media Systems: three media models of Media and Politics*, Cambridge University Press, 2004. (Preface: XIII). More details on the criteria can be found in the Annex.

In the following chapters you will read an in-depth analysis on each one of these cases. To better understand both projects I conducted on-site visits to their newsrooms, I attended editorial meetings and I interviewed founders, journalists and other key members of the news outlets. To have a broader perspective on their work and to identify key issues that contributed to their success I also interviewed founders of other news startups that launched at the same time but didn't achieve a similar success in terms of reach, impact, newsroom size growth nor profit. In all cases I analyzed their ownership structure, the newsroom organization, the editorial agenda, and the metrics they use to shape their product. Finally, I contrasted all this information with available media stats, the Digital News Report (DNR) of the Reuters Institute for the Study of Journalism and many academic publications on related topics.

Among the key findings (fully described in the correspondent section), I would like to highlight that both news outlets appeared in a similar context of institutional crisis that involved legacy media organizations. Founders of each outlet made a similar diagnose about it as well: crisis was less about technological disruption or news consumption trends and more about content and trust. They identified the disenchantment feeling among readers of traditional media and used it to trigger audience support for their news organizations. They offered quality journalism oriented by public interest and asked readers for financial contribution in order to guarantee the required independence to do it. By doing that they simultaneously engaged their audience and linked the editorial line to the business model. Transparency and coherence became core elements of their proposal.

Having said that is important to add that each organization have a different approach in terms of ownership, production and distribution of news. Mediapart is an investigative journal that relies 100% on readers revenue and its content is only available for subscribers. While Eldiario.es is a generalist digital newspaper with no paywall but a membership strategy that diversify its income source up to the point of granting them independence from advertising and political pressure. They also address its audience differently: Eldiario promotes a permanent feedback between the newsroom and the readers, while Mediapart has less interaction and funnels audience participation through a blogging platform.

Even when both models have proven its success so far, this paper will show that future brings different challenges for them. The main question for Eldiario is whether membership will increase fast enough to compensate the expected decrease in advertisement. Attached to that is the question of how would affect them to eventually swap for a subscription model in terms of reach and influence. For Mediapart, whose founding members are arriving to retirement age, the question is transcendence. Is the generation below the founders ready to inherit the control of the company?

Are the founders ready to give them the freedom enough to shape the future of the company? Can the founders build a new ownership structure that would guarantee the editorial independence for good and also provide a model for other news outlets?

In the last pages of this paper I added an annex in order to try to reflect on what Argentinean journalists can learn and eventually adapt from these experiences to improve the quality of the information that feeds the public speech in their country. The challenge is huge: to provide hints that may help journalists to recover the profession values, the control of the newsroom and the trust from the readers at the same time.

Nonetheless, I would like to lower expectations: no magical recipe will be revealed. As I learned as a journalist, there is no universal solution for every problem nor unique answer for every possible question. As Héctor Schmucler (father of Latin America's communicational studies) used to say, the intellectual work should not provide answers but arouse more and better questions.

The academic corpus about media business models is still small. This has many explanations, but among them the media owner's reluctance to inform about their sustainability and the short life that media startups have. It's my wish to contribute in the reflection on journalism and its essential role in society to promote equality and social justice. Hopefully the new questions that will come up after this paper will help to improve journalism in our region and beyond.

Case Studies

Eldiario.es

Eldiario.es was launched in September 2012 as a digital



newspaper mainly focused on Politics. It is published by Diario de Prensa Digital SL, whose 70% ownership belongs to journalists that currently work in the news outlet. The content they publish is completely free, but they have developed a membership model to diversify their income sources and guarantee their editorial independence. Up to date they have 34.000 members who contribute with one third of its yearly budget. These members can read the website without advertising, they have access to the scoops a few hours in advance to the rest of the visitors, they are granted to attend especial meetings with journalists, they have privileges for posting comments in any article and they are eligible for free or reduced price tickets for cultural events. They also receive at their homes a printed thematic magazine every three months. In seven years Eldiario built their brand from scratch and became the fifth more frequently read news website in Spain and the first one between the digital born¹⁰. They are also considered the most trusted brand between digital-born news websites and occupy the ninth position overall including the traditional media on every platform (TV, Radio, printed newspapers and online)¹¹.

In the following chapter you will learn about the context in which Eldiario.es was born and the founders' motivations. You will read what did they have in mind when they started and how did they shape their editorial and business proposal along the years. You will understand the importance of their discourse to unify both sides of the organization and how do they organize the newsroom in order to guarantee internal coherence. You will discover why the membership strategy was developed in the last minute and how it became a core part of the organization (even when advertising is still the biggest revenue source). You will have an inside perspective on how they deal with readers complains through a concrete example and you will be able to see how they transformed a risky situation that could have reduced their membership base into an effective conversion campaign. That will also show you how their direct speech to readers and the pedagogical approach is key for them to engage the audience. Finally, you will know what main challenges they have identified for the future and how they are preparing to introduce the biggest

¹⁰ https://www.eldiario.es/escolar/periodismo-servicio-publico-cuentas-eldiarioes_6_907169284.html

¹¹ Nic Newman with Richard Fletcher, Antonis Kalogeropoulos, David Levy and Rasmus Kleis Nielsen. *Reuters Institute Digital News Report 2018*, Oxford, Reuters Institute for the Study of Journalism, 2018.

change in the business model since their launching: leaving the membership model for a subscription one. At the end you will be able to compare their trajectory with the one developed by three other news outlets that were launched at a similar time aiming to a similar audience. By doing this you will be able to recognize some of the key decisions that contributed to their current situations.

Journalism pedagogy

“How are we today? Have we already replied to every reader that complained about our article? Yesterday we made 38 new members, but we still have to be very careful with Podemos. They are facing a very tough electoral situation and they are willing to blame the media for this. Let’s be sure that whenever we put a title about them, we are very factual, and we don’t use many adjectives”.

It’s Monday morning, March 25th 2019, and Ignacio Escolar starts the first editorial meeting of the week in Eldiario by facing the repercussions on their latest scoop: Podemos, the left leaning party that was created in 2014 to canalize the disenchantment of the Indignados movement towards the traditional institutions, sacked from their jobs 11 members of the organization without paying the correspondent compensation. This occurred just a few weeks before the general elections in Spain and in the middle of an internal debate in Podemos between their main figures. The article specified that nine out of the eleven people sacked were working close to one of them¹².

The piece rapidly became one of the most read and commented articles by frequent readers of Eldiario. Everyone in the newsroom knew that this could happen.

“Even though Eldiario was born before Podemos party, the circumstances in which we both appeared were similar”, Escolar explains¹³. “There were a crisis of representativeness and an economic one which also provoked a sense of widespread fraud that could be summarized like this: ‘the establishment has stolen me’. And that ‘establishment’ included the traditional media. I still remember one 15M¹⁴ demonstration poster that said: ‘behind each corrupt person there are five panellists’. That was the feeling. The press had been responsible for justifying those who have stolen”.


¹² https://www.eldiario.es/politica/Podemos-empleados-trabajan-Inigo-Errejon_0_879812795.html

¹³ Every quote from Ignacio Escolar is extracted from the interviews carried out in the framework of this research unless specifically appointed different. The interviews took place in Eldiario newsroom between March 24th and 28th 2019.

¹⁴ 15M is the date acronym that refers to May 15th, 2011. In that day many Spanish people went out to main squares around the country to protest against the government and the traditional institutions. They camped for several days and became the center of the political scene claiming that they didn’t felt represented by the people who ran the country. The disenchantment of many (especially young generations) was not only related to the political parties, but also the main traditional institutions (banks, media, justice, etc). This movement received the name of Indignados and is usually mentioned in the framework of a global reaction against the status quo that includes the Arab Spring and the Occupy movement.

Gumersindo Lafuente, Deputy Director of Eldiario, adds that the content they produced was also a reflection of the context in which they were born. “Eldiario was born with a premise: we are not going to report on every issue. We are just going to report on a few issues but very well. And those things we are going to report have to do with what the Movement of the moment was posing: corruption control, freedoms deepening, democracy, inequality, and migrants problems”¹⁵.

With a similar background and a similar news agenda, it was no surprise that many of the supporters of Eldiario felt also represented by Podemos. One comment on the above-mentioned article shows that.



#133 Rrepiso | 21/03/2019 - 12:09h

Socio

Ya empieza eldiario.es a parecerse a ElPaís y sobre todo este Aitor Riveiro, para él sólo es noticia si hay algo desagradable para Podemos, o retiran a este comentarista, o al final tendremos que retirarnos nosotros, que periódicos como este los hay en el mercado.

Responder
1
3
Moderar comentario 1

"Eldiario.es is starting to look like El País and above all this Aitor Riveiro (author of the article). For him it is only news if there is something unpleasant for Podemos. Either you'll remove this opinion-writer or at the end we will all have to withdraw. This kind of articles are easily found in other newspapers in the market".


The comment was made by Rrepiso, someone that became a member of Eldiario during its first year (August 2013) and have always supported them ever since. In his profile you can see that he is a heavy user: almost 25 thousand reactions to Eldiario's articles and 427 comments.



f
t
y
Boletines

Inicia sesión
Hazte socio

INFORMACIÓN DE USUARIO/A




Rrepiso

Usuario/a desde 14/8/2013

INTERACCIONES RECIBIDAS


1407
VOTOS POSITIVOS


200
VOTOS NEGATIVOS


2
MODERACIONES

Comentarios (427)

Reacciones (24969)

Moderaciones (8)

Me gusta (1)

¹⁵ Every quote from Gumersindo Lafuente is extracted from the interview carried out in the framework of this research unless specifically appointed different. The interview took place in Eldiario newsroom on March 27th 2019.

His comment was selected by Escolar to make a public response in the regular column named “Eldiario responde”¹⁶ (Eldiario answers) on March 23rd. “If the problem is that we inform about Podemos and that is why some of you want to unsubscribe, I am afraid that I have no other answer than to reaffirm Aitor in his position and to tell you that I am very sorry: you have mistaken the newspaper. This newspaper is not *Marca* talking about Real Madrid or *Sport* telling how good Barça is¹⁷. It is not the first time that this kind of things happens to us. We also had a few casualties from supporters of PSOE party a few months ago, when we published the master's fraud by the Minister Montón¹⁸. I have explained it several times: eldiario.es is not a party newspaper. Neither of Podemos, nor of PSOE, nor of Ciudadanos nor of PP, nor of anyone”¹⁹.

Escolar's column including this response was sent to every person that has ever registered to any newsletter of Eldiario and published as well in the opening section of their homepage in a very visible spot. It soon became the most read article in the month among Eldiario members and even surpassed the original article about the sacked people in Podemos among the “loyal readers” too (See image below). As Escolar mentioned in the editorial meeting previously mentioned, his response was also useful to “convert” 38 readers into new members. On the other hand, the total amount of people that decided to unsubscribe to Eldiario due to the article on Podemos were only two.

As it was mentioned before, Eldiario's content is accessible for everyone. However, they ask frequent readers to support them economically in order to guarantee their editorial independence. That's the main difference between a membership model and a subscription one which content is only available for those who pay (for more detail you may read The beginnings of Eldiario: ownership and business model).

¹⁶ “Eldiario responde” is a column especially created by the news organization to answer to loyal readers and members about their complaints and questions. It was aimed to become a weekly column, but it ended up being a quarterly publication. They choose the most representative demands from comments on the articles and letters addressed to the newsroom.

¹⁷ *Marca* and *Sport* are two sport newspapers from Madrid and Barcelona whose editorial line is deeply guided by the circumstances of the two main football teams of each city (Real Madrid and Barcelona FC).

¹⁸ On September 2018 Eldiario published that the Minister of Health of PSOE national Government, Carmen Montón, have achieved a Master's degree without attending lessons nor seating for exams. The procedure was very similar to the Cifuentes case detailed in the Motivation chapter. Montón resigned to her position the day after the scoop was published.

¹⁹ https://www.eldiario.es/responde/despidos-Podemos-noticia-eldiarioes_6_880921907.html

TOP NOTICIAS SEGÚN TIPO DE LECTOR						1 mar. 2019 - 26 mar. 2019	
TODOS LOS VISITANTES		SOCIOS Y SOCIAS		FANS: >2 PÁG./SESIÓN			
Título de la página	Número de páginas vistas	Título de la página	Número de páginas vistas	Título de la página	Número de páginas vistas		
1. El PP propone en una ley de maternidad retrasar la expulsión de las mujeres sin papeles si dan a sus hijos en adopción	378.673	1. Por qué los despidos en Podemos eran una noticia para eldiario.es	3.706	1. Iñaki Gabilondo: "Vox es el franquismo, exactamente lo que nos quisimos quitar de encima"	44.024		
2. Iñaki Gabilondo: "Vox es el franquismo, exactamente lo que nos quisimos quitar de encima"	228.767	2. Iñaki Gabilondo: "Vox es el franquismo, exactamente lo que nos quisimos quitar de encima"	3.136	2. El PP propone en una ley de maternidad retrasar la expulsión de las mujeres sin papeles si dan a sus hijos en adopción	37.120		
3. Granjas de clicks: estanterías llenas de móviles encendidos donde se falsifican los 'me gusta'	167.843	3. Las mentiras de Casado sobre su plan de adopción para mujeres inmigrantes y su 'intachable' expediente académico	2.312	3. El PSOE ganaría las elecciones sin posibilidad de gobernar frente a la mayoría de las tres derechas	30.183		
4. Bayer se hunde en Bolsa tras sentenciar un juzgado que su herbicida con glifosato Roundup causa cáncer	130.694	4. Pablo Iglesias, en su regreso: "Hemos cometido errores. Hemos dado vergüenza ajena. Pero nunca nos hemos equivocado de lado"	2.059	4. La aparición de Trapero y por qué es peligroso enfurecer a un mando policial que se había enterado de todo	27.365		
5. Franco creó 300 campos de concentración en España, un 50% más de lo calculado hasta ahora	124.007	5. Franco creó 300 campos de concentración en España, un 50% más de lo calculado hasta ahora	1.995	5. Franco creó 300 campos de concentración en España, un 50% más de lo calculado hasta ahora	26.383		
6. Abascal pincha el himno de España en el antiguo Pacha: Vox despliega su estrategia para atraer el voto joven	120.434	6. El PSOE ganaría las elecciones sin posibilidad de gobernar frente a la mayoría de las tres derechas	1.964	6. El coronel Pérez de los Cobos provoca daños en la defensa de los acusados	25.369		
7. La candidata de Casado para Asturias incluyó joyas, marisco, cachopo o quitapesmalte como gastos de la empresa pública que presidía	120.221	7. Las diferencias entre Pablo Casado y Santiago Abascal	1.964	7. Las mentiras de Casado sobre su plan de adopción para mujeres inmigrantes y su 'intachable' expediente académico	24.007		
8. Un rastreo de las ayudas sociales desmonta el discurso de que los inmigrantes "tienen más facilidades de acceso" que los españoles	117.179	8. El PP propone en una ley de maternidad retrasar la expulsión de las mujeres sin papeles si dan a sus hijos en adopción	1.774	8. Por qué los despidos en Podemos eran una noticia para eldiario.es	23.596		
9. Adiós al Toro de la Vega: el Tribunal Supremo no admite el último recurso del Ayuntamiento de	116.047	9. Podemos despide con 20 días de indemnización a los trabajadores del equipo de Iñigo Errejón	1.742	9. Podemos despide con 20 días de indemnización a los trabajadores del equipo de Iñigo Errejón	23.406		
1 - 20 / 48739		1 - 20 / 2673		1 - 20 / 12667			

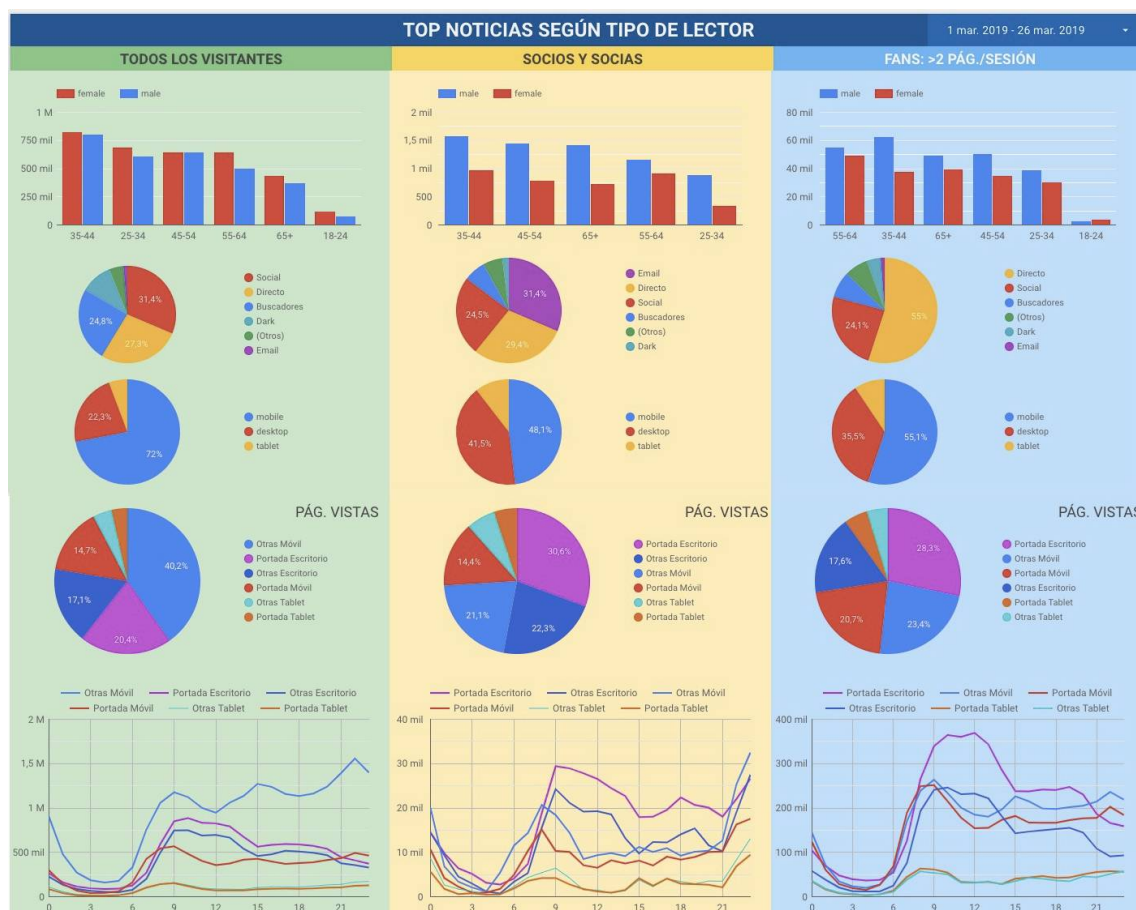
Most read articles between March 1st-26th for overall visitors, members and loyal users (left to right). In purple the article on Podemos. In red Escolar response to critics²⁰.

“We are always explaining this kind of things to the members because we have two types of complaints: the ones that say that we don’t have to be impartial; and the others that say that the market is so leaning right that we have to compensate. But we can’t do either of both. We explain it constantly and nonetheless there are some people who get angry and unsubscribe anyway. This month, for example, we had only about 15 or 20 casualties overall for editorial reasons. But just yesterday we add more new members after we explained our editorial line than the casualties we suffered for that same reason in the whole month. In other words, the majority of our community of members understands it, defends it and values us more for it”, summarizes Escolar.

The Director response was key to retain the possible leak of members and even to convert some loyal readers too, but it wouldn’t have been so effective if they hadn’t already knew well their audience and used the proper methods to communicate with them. As the following graph shows, 31% of Eldiario members visit their website after clicking on the emails they receive, and a 29% just write the URL every time. In the case of loyal readers²¹, 55% of them enter the website directly. That is why its homepage is the URL with more visits of Eldiario: between 45 and 50% of the members and loyal readers lands there if you add the desktop visits and the mobile ones. And that is why they pay so much attention to the homepage and why they promoted “Eldiario responde” in the top space of their homepage and through their mailing list.

²⁰ Stats provided by Eldiario.es

²¹ “Loyal readers” is how Eldiario newsroom call to those who view more than two pages per session.



Main pathways and most visited pages between March 1st-26th for overall visitors, members and loyal users (left to right)²².

Building a community

The Podemos article was a concrete example of how Eldiario works and how important is the membership model in the everyday life of the newsroom. Esther Alonso, Marketing and Development Director, is the person in charge of their strategy for members since January 2016. She is the one that developed the metrics to analyze the behavior of readers and she is the responsible for guaranteeing that every email sent to Eldiario receives an answer.

“We have recently studied the reasons given by the people who unsubscribed to Eldiario. Most of them gave economic reasons. For those cases we have different options to offer them in order to retain them as members. But the second most common reason was dissatisfaction with the editorial line. In those cases, we passed on to Nacho (Escobar). He always writes to them and many times he convinces them to remain members”, explains Alonso²³.

²² Stats provided by Eldiario.es.

²³ Every quote from Esther Alonso is extracted from the interviews carried out in the framework of this research unless specifically appointed different. The interviews took place in Eldiario newsroom between March 24th and 28th 2019.

“In my mailbox I have a special label for ‘Eldiario Responde’”, mentions Escolar. “Last night I answered 10 or 12. I started at 7 AM and I finished at midnight. I even replied to many comments on the article of Podemos. And that is because I think it’s crucial. When a reader who has complained about something (regardless if he or she is right or wrong) gets an answer, you win him or her forever”.

That one-on-one type of relationship is an asset that Escolar learned during his experience as blogger. The question is whether this is sustainable as Eldiario keeps growing their readership.

Nevertheless, Escolar thinks that this kind of relationship is precisely what helped him the most in his career. He even believes that it was a key factor for being offered his first Director position in Público, the printed newspaper launched in September 2007 aiming the younger generation of Spaniards with left leaning views in politics and social issues. “My blog changed my career. I started working in journalism covering Technology and Internet things. With the blog I got into Technology and Politics. And in the end, it became a blog about Politics. That was when the news TV and radio producers stopped calling me to talk about Technology and they started doing it to talk about Politics. Therefore, my hobby (blogging) changed my way of working in journalism”, he reminds.

Escolar became the founding Director of Público and remained in that position for seventeen months. When he was sacked in January 2009 he got together with Jose Sanclemente and Enric Lloveras²⁴ to discuss the possibility of starting a news outlet by their own. “The experience of Público was very frustrating for me at the end because as a Director I put my face for the project, I embarked hundreds of people on it but I was not able to make mistakes on my own. From that I learned that if you have the responsibility you also have to have the power”, Escolar points out.

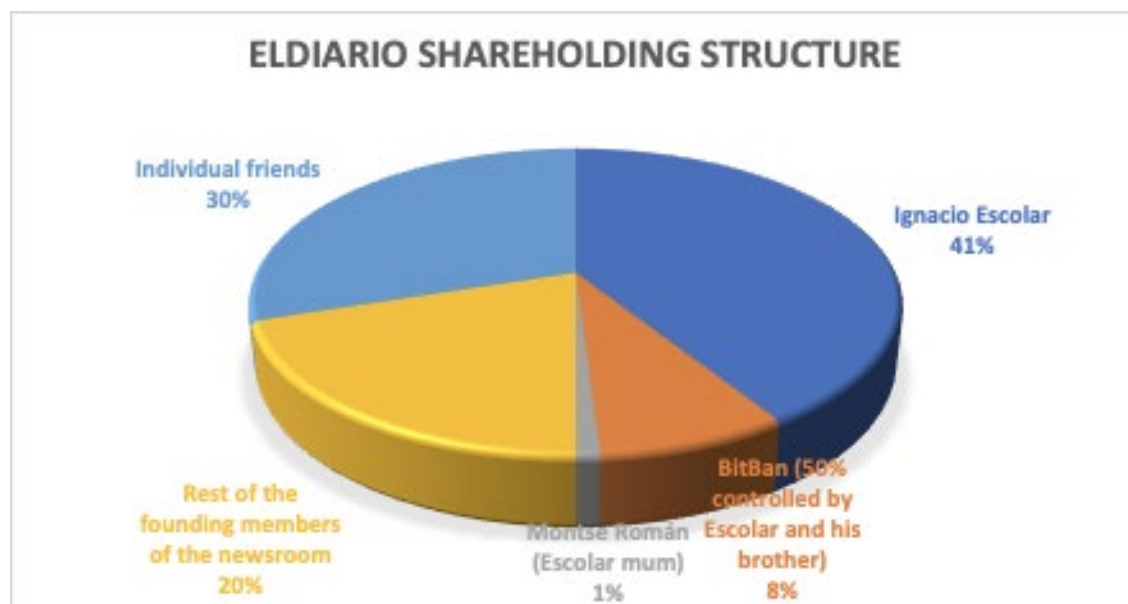
The beginnings of Eldiario: ownership and business model

Escolar had Eldiario.es domain already registered since 2004, but it was not until five years later that he started thinking seriously on the content that could fill that URL. “When we first met with Enric and José the idea of a digital newspaper was already in the table. But we planned an organization with a yearly budget of 3 million euro when the current version of Eldiario.es began with 600 thousand euro. We were thinking in a bigger newsroom and a more ambitious coverage of issues. Something that we finally achieved after three years of launching this project. That’s why we gave up at that time. No-one could imagine how we were supposed to raise three million euros”.

But everything changed in the beginning of 2012 when Público abandoned the printed edition and sacked more than 100 journalists. “That was when I called José and Enric again to tell them that I

²⁴ José Sanclemente is an economist and was at that time board member of Grupo Zeta (a very important newspaper publisher in Spain); and Enric Lloveras is an entrepreneurial journalist.

was going to launch the project we have been talking about. They got on board, but now as minoritarians shareholders”, Escolar says.



Eldiario is published by Diario de Prensa Digital Sociedad Limitada, a kind of organization in which the responsibility of the owners is limited by the invested capital. Escolar controls the company holding up to 50% of the shares along with his family²⁵. And the rest of the shares belong to some personal friends and six founding journalist that still work in Eldiario.es²⁶. “More than 70% of this company is in the hands of people who work daily in our newsroom and contributed with their money and their work to the startup. We founded Eldiario.es because we wanted to be the owners of our own newsroom in order to guarantee that the editorial line is independent and does not respond to hidden interests” is the explanation that can be read still today in their website²⁷.

“Público had just shut down and many other newspapers were in a terrible crisis firing journalists. Spain was in its worst moment (youth unemployment reached 50%). At that time, I made my diagnose. I realized that there was an editorial space that needed a brutal economic independence because it is the only way to have journalistic independence. In order to achieve that we needed to be very austere in costs. We also needed to be clear about which were the income sources and to be pragmatic about them. On those wickers pillars we set up our newspaper. At the beginning it was a

²⁵ 41% of the shares belongs to Escolar himself, 8% to Bitban (a tech company in which him and his brother own 50% of the shares), and 1% belongs to his mom, Montse Román.

²⁶ Juan Luis Sánchez, Iñigo Sáenz de Ugarte, Andrés Gil, Luz Sanchis, Natalia Chientaroli y Olga Rodríguez are the founding journalist of Eldiario.es.

²⁷ https://www.eldiario.es/el_equipo/

toy company. We were 4 people seated in a co-working space. We spent several months like that and then we moved to a flat with 12 people (nine journalists and three administrative personnel). Our goal was to make a last-minute newspaper with a lot of news agency content and six or seven articles a day very well produced by us and focused on Politics and investigations”, Escolar recalls.

Eldiario.es was finally launched in September 2012, a few months after Público published its last printed edition and aiming to a similar audience. “There was an orphanage feeling in those readers of Público who also felt guilty for not having done much to support their newspaper”, Escolar says. Many of them had even contributed to a crowdfunding campaign organized by former journalists of the recently bankrupted newspaper in order to help them to buy the brand in the auction of assets to relaunch it as a cooperative publication.

They were not able to do it, but they raised more than 33 thousand euros with their campaign²⁸. That was the seed that would later flourish as La Marea, which story will be described afterwards. Escolar didn’t take part in that collective initiative but reminds being very surprised by the support of the readers. “It showed that there were a lot of people willing to contribute with money to support a news outlet. And that gave us the intuition that we could try a subscription model despite of keeping our content available for every reader”.

	Gender		Age by Gender				Household Income			Highest Level of Education			Political leaning			
	Male	Female	M U35	M 35+	F U35	F 35+	Low	Medium	High	Low	Medium	High	Don't know	Left	Centre	Right
El Diario's audience	48%	52%	9%	38%	15%	37%	32%	40%	22%	40%	24%	36%	14%	39%	38%	9%
Average spanish audience	49%	51%	11%	38%	12%	40%	32%	41%	18%	46%	23%	31%	19%	27%	43%	11%
Difference	-1	1	-1	0	3	-2	-1	-1	4	-6	0	5	-4	12	-5	-2

The Audience of Eldiario is considerably more left leaning than the average news reader in Spain, has a higher level of education, a higher income, is younger and includes slightly more females in proportion²⁹.

What they developed in fact is not a subscription model, but what later would be known as membership model. “Subscribing is a product relationship: you pay your money and you get the product. If you don’t pay you don’t get it. Membership is different: you join the cause because you believe in the work”, according to the definition of Jay Rosen, former chair of the Journalism Department of New York University and currently Director of the Membership Puzzle Project³⁰. Around this main characterization there are different understanding on memberships.

²⁸ <https://www.verkami.com/projects/1736-maspublicoorg>

²⁹ Data from the 2019 Digital News Report survey conducted by YouGov in Spain between January 17th and 21st to 2005 adults. The higher female proportion in terms of readers is considered a proof of the success in identifying under-reported issues in Spain. Eldiario was the first newsroom to include a Gender Editor in its country and to develop a special newsletter for this topic. Ana Requena, one of the founder journalists, is in charge of that job.

³⁰ <https://medium.com/de-correspondent/what-the-correspondent-adds-to-the-american-press-7a83eaaa7b92>

To clarify the position of this paper we will follow Nic Newman definition and we will talk about membership whenever there is “a regular fee paid by loyal users to keep the site free for all”³¹. That was Eldiario main proposal at that time.

“When we started in 2012 there were not many options for paying news content online. We knew the closed model of Mediapart, the porous paywall of New York Times and nothing else. And I did not see the hard paywall model as a real chance because I thought that we needed people to know us. The porous paywall also seemed very far away since we did not have the technology to do something like that. So we betted on something freemium. We designed something short, free with some extra things for those who pay”. That’s how Escobar reminds the implementation of the membership model.

However, something similar to membership had already been tried in Spain in 2010 to complement the revenue sources of Periodismo Humano (Human Journalism), a website owned by a non for-profit organization focused on human rights issues and directed by the Pulitzer prize winner Javier Bauluz. Juan Luis Sánchez, one of the founding members of Eldiario had also taken part on that project since its beginnings and became a key contributor to shape the new startup strategy.

“The concept of ‘you do not pay to read but to allow the production of news independently’ was developed at Periodismo Humano. From the point of view of the speech it worked out, but from the economic point of view it was not enough. Maybe it was a matter of lack of impact, professionalization or sophistication of the tools. Either way, Periodismo Humano was not a daily media. It didn’t have the impact that Eldiario have either. So Eldiario was clearly the first digital newspaper to try something like that”, Sánchez remembers³².

And the main inspiration for Periodismo Humano strategy came from the NGO world. “In those places where there are no doctors, NGOs like Doctors Without Borders send their team. And we thought of ourselves as those journalists that cover the issues that traditional journalism does not cover. So, the scheme we implemented was similar to them. We needed the complicity of the people. That is why our discourse was also inspired by the usual fundraising discourse of NGOs like Doctors Without Borders, Greenpeace or Amnesty International”.

Eldiario membership model not only became a core part of the project and embodied the transparency speech of the news outlet. It was also very important to expose the difference with

³¹ Nic Newman, Journalism, Media and Technology Trends and Predictions 2018, Oxford, Reuters Institute for the Study of Journalism, 2018.

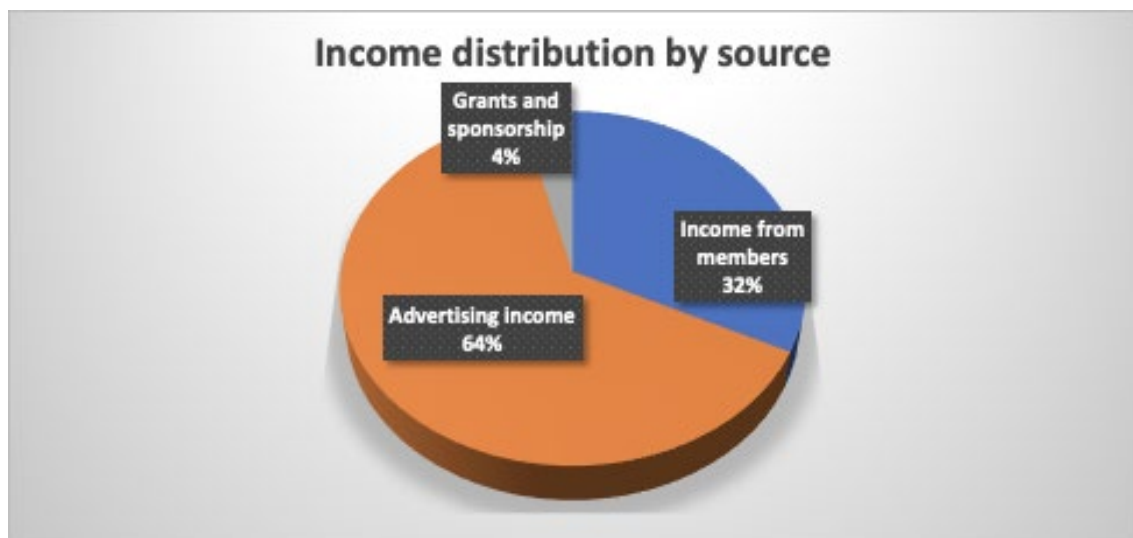
³² Every quote from Juan Luis Sánchez is extracted from the interview carried out in the framework of this research unless specifically appointed different. It was a telephone interview conducted on June 11th 2019.

traditional media in a time in which readers had lost confidence in them. Following that argument: for corporate owned media, news was business; while for Eldiario, it was a public service that needed support from the audience to guarantee their independence and remain free for every reader regardless their capability of paying for it.

“Eldiario is a very young newspaper that has never asked for loans, so it has no economic or political ties. Traditional media, on the other hand, shows its limitations through their ownership structure which is often hidden”, Lafuente emphasizes. Taking into account the impact of their membership model in current times, it sounds incredible that it was not consider as a key part of the project since the beginning.

“We developed the membership model in the last two months after considering the success of the crowdfunding of MásPúblico³³ and also that we could have problems of independence if we relied in advertisement too much. Therefore, it was a way of having an escape source of income in case that advertisers decided to close the door for us altogether. And it turned out to be even more than a diversified source of income. Because having members allowed us to tell the advertisers that we do not depend on them alone. And that granted us the editorial independence that has been the key without a doubt”.

At first, they thought that members contribution will represent between 10 and 15% of the annual budget. But it turned out to be much more than that. According to their last transparency report published on June 6th, 2019, members contribute with one every three euros earned by Eldiario.



³³ MásPúblico is the name of the Coop founded by former workers of Público that tried to buy the brand in the assets auction. That experience also lead to the foundation of La Marea.

*One third of their income is provided by readers*³⁴.

Journalistic proposal: An editorial gap to fill

“Sometimes I have the feeling that we look at the economic model a lot. However, I think that the key issue for our success relies in the journalistic model”, Escolar says. “In the beginning, what inspired me the most was Político.com. I used to say that we were going to be a very political oriented outlet that people would read in order to learn what happens. With a strong opinion section fed by authors that you wouldn’t find elsewhere and some news production of our own. Then things changed and currently I think we don’t seem anything like them at all”.

Escolar highlights that once they launched, they realized that they could compete with the generalist newspapers. “We saw that there were lot of room in the main road of Information, so we went through that path. Why to take the sidewalk and go for niches when there was space in the middle of the road?”, he asks with the confidence of current stats.

The original formula is still working today, according to Ander Oliden, Chief Writer in charge of the Homepage and responsible as well for the social networks. “If there were a magic recipe that would guarantee that our website will be always trending in the news landscape, it should include: a political scoop article opening the homepage, a good reportage on a social issue and a third article related to cultural affairs (maybe an interview). Just with that you can guarantee good traffic for the whole day”³⁵.

But Eldiario produces much more than that. The six or seven articles with “added value” per day that they were aiming to produce for their readers at the beginning became around 40 pieces a day. They even have problems to advertise them on their social networks and just 27 fit the daily newsletter that is sent to every member of Eldiario as “Adelanto” prior to be available for the rest of the readers as part of their business model value proposal.

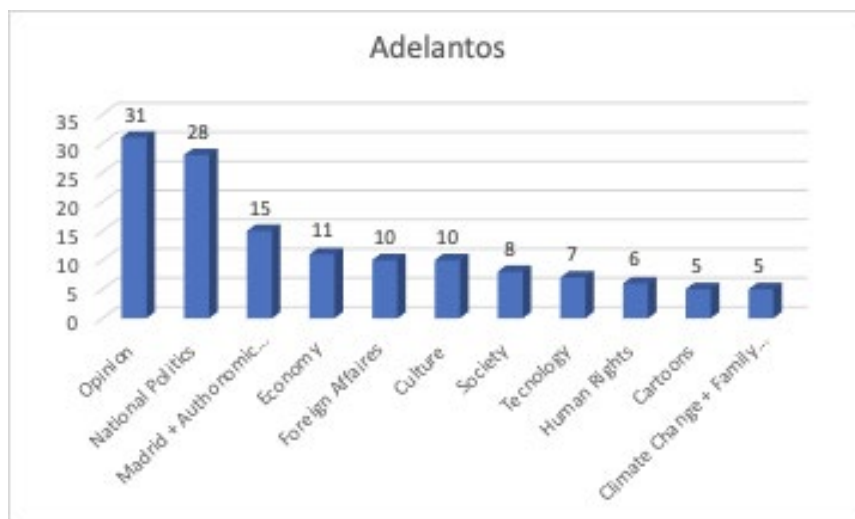
“I think that we should only save for our members the sirloin steak, taking out all the fat and just leaving the very good stuff. And our opinion pieces should be very good. The kind of thing you can just only read in Eldiario. The rest of the newsroom should be focused on preparing some powerful news for 3 PM and 9.30 PM. That’s all we need for every day traffic. By doing that we would also be able to reinforce the investigation articles and to make journalists to think outside the box and to produce stories that do not depend on the everyday agenda. That’s important especially for those days in which nothing important happen”, Olinden summarizes.

³⁴ https://www.eldiario.es/escolar/periodismo-servicio-publico-cuentas-eldiarioes_6_907169284.html

³⁵ Every quote from Ander Oliden is extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Eldiario newsroom on March 26th 2019.

The articles that were sent through Eldiario newsletter the week in which the interviews of this paper took place shed light on the orientation of the newspaper's agenda. The 30% of the added-value articles were tagged as Opinion, while 27% were tagged as Politics and 14% as news from Madrid or the Autonomic Regions. Despite the specific tags, most content of these articles were related to political issues. And four out of five week-days the opening article of the newsletter was tagged as Politics.

Accordingly, Politics is the section with more journalists (11). The following with the bigger number of workers is Advertising (8), which shows how important their job still is for the revenue.



Opinion is still the single section that gathers more articles³⁶.

"Eldiario has managed to be considered among the most influential newspapers in Spain (without distinction whether it is paper or digital) and I think it has to do with some in depth elements that characterize traditional newspapers. Especially the fact that we are in the market of influence producing political information very critical for the status quo. That kind of information was very sacred to very large media until Eldiario appeared", evaluates Lafuente, the older journalist in the newsroom with 61 years and the one with broadest experience having occupied editorial position at El País and El Mundo, the two biggest printed newspapers. The membership strategy was very important to achieve that. Readers support allowed them to cover issues that legacy media didn't due to their owners' interests. And the free access facilitated their articles to spread fast.

The news agenda is decided on everyday basis in their two editorial meetings they held in the newsroom at 10 AM and 6 PM from Monday to Friday. In those meetings they also decide the main articles that will be produced for Saturday and Sunday editions in which they only have an emergency team for unexpected news. Every chief of section takes part on those meetings along

³⁶ Chart developed for this research considering the Adelanto newsletter from March 24th to 28th.

with the editorial Direction of Eldiario. The only one with no journalistic responsibility there is Maria Ramirez, the last staff member recruited who join the organization as Chief Strategy Officer.

Ramirez was cofounder of El Español³⁷ and was recruited by Escolar in the beginning of 2019 after working as a foreign correspondent from the US and achieving a Nieman fellowship at Harvard University. Before starting her job at Eldiario she posted an article on Medium saying that she was heading to one of the most promising newsrooms in Spain trying to help to enrich whatever make Eldiario different³⁸. What was that? “It focuses on less things than the rest and it makes them better. It doesn’t follow the social trends just because they are popular like most of the generalist newspapers. That means that it doesn’t have traffic peaks related to this kind of events, but it doesn’t experiment great loss either when the outstanding event finishes. And, of course, a very important thing is that Eldiario is an outlet that have focused on membership since the beginning and only now the rest of the media is following that path”³⁹.

Future challenge: The possible impact of a business model change

Since its beginning Eldiario offered a single type of membership with two payment possibilities: six months for 30 euros or twelve months for 60. It was the equivalent of paying 5 euros a month for the membership. The system worked out well, but it also implied a huge work for its marketing team in order to renew those memberships on due time. Alonso’s figures show that more than 90% of their members automatically renew their membership. But the loses can still be important for their budget. That is why in 2019 they added a new membership relation based in a monthly payment of 7 euros that can be cancelled at any time. They have the same benefits of the other members, but they receive a PDF version of the trimestral magazine instead of the physical copy.

“We know that the emotional connection is one of the things that moves our members. But it happens the same for subscribers to The New York Times and other more transactional models. So, the debate in which we are now is whether our membership model is enough to keep growing. We are still not sure about it”, explains Ramirez. Escolar seems a little bit more convinced. “We will almost certainly introduce a porous wall into our website, but it will not be too closed. The discussion is about how are we going to do it”, he reflects.

³⁷ El Español is a news outlet launched in 2015 by Pedro J Ramirez, former Director of El Mundo and one of the most famous Spanish journalists. Before its launching El Español carried out a crowdfunding campaign that reached 3,6 million euros from 5.624 contributors. In spite of this initial reader support, its business model always pursued advertising revenue.

³⁸ <https://medium.com/@mariaramirezNY/me-voy-a-eldiario-es-en-diciembre-6865cfe14cc8>.

³⁹ All quotes from María Ramirez are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Eldiario newsroom on March 27th 2019.

For Escolar the main challenge is to increase the membership contribution to the budget in order to compensate the possible advertisement decline while guaranteeing their independence. To achieve that goal the first stage was to remove the price ceiling for membership. In that way, whoever wants to contribute with more money can do it. According to their last Transparency report 3.271 members did, which represent almost 10% of their members.

Now they are thinking on increasing the membership bottom price (settled at 5 euros per month since their launch). But the most radical change they are still analyzing is the swap from their actual membership model to a subscription one with a very soft funnel. “To make any decision we first think whether we can explain it and also whether our readers would understand it. We already know from surveys we conducted that many members are willing to pay more. And any price increase we would incur will surely be gradual and leave exit doors. We would not increase the same amount to everyone. If you are a retired person, a student, or you are unemployed, you can notify us, and we will maintain your previous amount. What concerns me the most is explaining the swap to the porous model. I believe that the fundamental thing in our discourse has never been that the information has to be free. But that we (the journalists) need to be free to report on issues. So as long as we leave a door open for those who have a more complicated situation in order to allow them to continue accessing the website and do not feel discriminate, we can charge more and go to a porous model”.

Escolar also incorporates a market issue to the debate of swapping into a subscription model. There is a rumor among newsrooms that El País and El Mundo, the two legacy media outlets that led in the printed and online information market for years, are about to launch their paywalls. Even though this rumor has been spreading for a year and a half already, whenever that happens it would change completely the media landscape. “That will create a totally different competition in which those who provide the added value will survive. And that added value could be the community feeling, something that we have very internalized and trained in Eldiario. The other newspapers that have been betting for viral traffic will have more difficulties for sure”, says Lafuente.

El Diario’s competitors: similar origin but different trajectories

As it was mentioned before, Eldiario was born in a moment of legitimacy crisis for most Spanish institutions. Legacy media was particularly affected due to the unavoidable business model limitations. Therefore Escolar’s project was not the only news startup that aroused in those months aiming to attract the huge amount of disenchanted readers. Many journalists made a similar diagnosis and aimed to fill the gap left by Público newspaper in the center-left political spectrum. But none achieved a similar success. To understand why we will analyze the situation of three of these outlets: La Marea, Revista CTXT and Infolibre.



La Marea was launched in December 2012 by 12 journalists that had been sacked from Público newspaper when it shut down. In order to avoid political and economic interference they created a coop and invited readers to join them in their attempt to build an independent journalism media outlet. Different from other organizations, the journalists offered supporters to become part of the ownership structure. Currently more than 100 people are owners of MásPúblico. This cooperative currently employs six journalists and many freelancers to carry out a dozen of online articles a week, a bimonthly magazine and a couple of special investigations on big business corporations, climate change and gender violence, among other issues. Their income relies on the support of 2.600 subscribers that contribute with 56% of the annual budget of the organization. Beside that, they make specific crowdfunding campaigns to afford special investigations.

As it was previously mentioned, the founders of La Marea first got together in order to buy Público brand on the bankruptcy auction. To achieve that goal, they launched a crowdfunding that gathered 33 thousand euros from former readers of the newspaper. But they couldn't get the brand. Jaime Roures, the same person that drove Público to bankruptcy, re-bought it using a ghost company⁴⁰. "That situation was very unpleasant", remembers Magda Banderas, one of the founders and currently the Director of La Marea⁴¹. "But afterwards we realized that it was better like that. Besides, the whole crowdfunding experience showed us that with the energy that we had we could try a self-employment project. And that's what we did. We decided to create a newspaper from scratch".

Without intending to do so, that crowdfunding became the best market research for news startups in Spain. It encouraged not only the creation of Más Público Coop and the launch of La Marea⁴², but it also shaped the membership proposal of Eldiario.es, as Escolar mentioned previously.

⁴⁰ <https://www.libertaddigital.com/sociedad/2012-08-07/la-justicia-desestima-los-recursos-contra-la-autocompra-de-publico-1276465608/>

⁴¹ All quotes from Magda Banderas are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Madrid on March 27th 2019.

⁴² On February 24th 2012 Público newspaper published its last printed edition. It's brand was auctioned on May and in September the former workers decided to create a Coop that was legally established on November. On December 21st La Marea published its first magazine.

Even though the similar launching circumstances, the difference between Eldiario and La Marea are quite important. The most evident is the ownership structure, something that affects not only the decision-making process, but also the economic resources they counted on for launching. While Eldiario is a Limited Society majoritarian owned by Escolar that counted with 600 thousand euros to start, La Marea is a Coop which initial capital was gathered adding the unemployment subsidies of the journalists, plus a modest crowdfunding and the contribution of dozens of readers that joined the coop for a small fee⁴³.

These differences also reflected in the business model since La Marea adopted an ethic advertising policy that prevented them from receiving money from any big business corporation. These are precisely the main advertisers in the industry. “Some readers ask us to relax the ethical code so that we can get more money. But I think that the trust that we have generated with our brand makes that code irrevocable. If we had started with full advertising everything would be different”, says Banderas. This shows the scale limitation of conditioning advertising from scratch. While Eldiario relied on that income source as the main one from the beginning (and it still doubles readers revenue), La Marea relied on readers who didn’t know them well at the beginning.

Although they have a very transparent and horizontal organization that would allow them to carry out a membership model, La Marea uses a transactional appeal and invite people to subscribe to their bimonthly magazine or to contribute to their crowdfunding. Alternatively, they allow the possibility of making a donation or to become a sponsor for a year. Different from Eldiario they don’t take advantage of any frictionless strategy for those who just might be willing to support their cause in a more permanent basis.

In this regard it is significant to mention that they carried out several successful crowdfunding campaigns to finance in depth investigations that reached around 90 thousand euros from three thousand individual contributors each⁴⁴. That represent almost 40% of their annual income according to their latest figures. It also involved more contributors than the subscribers they currently have and demanded a huge marketing effort to achieve the pursued goal. However once the crowdfunding ends, they don’t have an ongoing relationship with those contributors that would guarantee a more stable income of money for the Coop.

Taking all that into consideration and even though they were editorially close to Eldiario, La Marea followed a different path. “We all came from a newspaper and we would have loved to do that. But

⁴³ MásPúblico coop has currently around 100 users-members. They have a vote in the General Assemblies and are eligible for the Executive Board and the Editorial Advisory Board of the organization.

⁴⁴ [#Yolbextigo campaign](#) reached 98.825 euros in July 2016 from 3.372 contributors and [#PorTodas](#) reached 88.948 euros in November 2018 from 2818 contributors.

it was inviable for us”, recognize Banderas. Accordingly, they choose to specialize in a limited number of topics that legacy media don’t cover and to remain as a small qualified newsroom with relevant contributors. “In four out of six years, we registered losses in our balance. I have also starved due to this project, but I still think it’s worthy”, says Banderas.

ctxt

REVISTA CONTEXTO

CTXT was launched in January 2015 by a group of journalists with vast experience in legacy media outlets in order to publish a weekly digital magazine that provides a fair context to the main political and economic issues. Its current newsroom has now six journalists (only three full time) who altogether with a vast group of freelancers publish around 40 articles online a week and a bimonthly printed magazine called “Dobladillo”. They have increased capital several times up to the current composition of 137 stakeholders and their main income is provided by 8.312 readers whose membership contribution represent 33% of the yearly budget.

“All the founders of CTXT come from a generation of journalists that were ‘killed’ in Spain by a model that stopped doing journalism. However, what happened to us also left many readers orphans too”, explains Vanessa Jimenez, Deputy Director of CTXT and previously Deputy Director of Elpais.com⁴⁵. So, they took their chances and started a weekly magazine “because we didn’t have enough people for a newspaper and we thought there was a niche in the market for long forms, good interviews and classic genres of Internet”. Jimenez defines themselves as “The New Yorker with chorizo flavour”.

At the beginning each one of the 14 founders invested one thousand euros. They also started a crowdfunding aiming for extra 25 thousand euros in order to pay for the technical team that set up the website. They achieved that goal and launched the project without a clear business model, as Jimenez recognize. In September 2016, around 18 months later, they finally introduced a

⁴⁵ All quotes from Vanesa Jimenez are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in CTXT newsroom on March 25th 2019.

membership option. Currently 35% of their annual budget comes from their members and donors (who are invited to contribute to afford specific reporting)⁴⁶.

They have four different membership prices that goes from 30 to 120 euros a year. “We ask for their contribution as a solidarity gesture. Our website is completely open to everyone because we believe that what we do is public service. Our goal is to encourage people who can pay to do it so that everyone can read”, explains Miguel Mora, the current Director of CTXT who formerly worked for El País for 22 years⁴⁷.

Other important sources of income are advertising (outsourced), sponsorships and events. Altogether they provide around 37% of their annual budget. Oddly for the independence discourse they promote, their main sponsors are three banks that were involved in the mortgage credit crisis of Spain in 2008⁴⁸. Moving aside from that, Jimenez emphasize that their agreement “is the opposite of branded content because we are not said what to do or write about”.

During the first year neither of the founders got paid, but they guaranteed that the contributors did. Currently the six journalist that work in the newsroom have salaries that are “below the market level”. But they are not desperate. “We didn’t start this to earn the same money we earned before”, explains Jimenez. She prefers to emphasize that in four years they already published articles from more than 2000 contributors and paid them the same amount that El País does.<<

Where do they position themselves in the Spanish media landscape? “We are a weekly magazine that focus on important topics with a left leaning perspective. We are also the most intellectual media outlet and we are read by people with a university degree. I would say that 80% of our audience is shared with Eldiario, but I feel that our analysis complements them. They are trying to compete with El País in the last-minute news, while our slogan says that we are ‘proud to be late to the latest news’”, answers Mora.

⁴⁶ At the time that this research was conducted CTXT was asking for donations in order to pay the expenses of the coverage of the trial of the leaders of the catalan independentist movement. They set no limits for contributions nor a specific amount to achieve.

⁴⁷ All quotes from Miguel Mora are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in CTXT newsroom on March 25th 2019

⁴⁸ Bankia contributed with money for the organization of an International feminist journalism congress and has a banner on the homepage. Sabadell is the sponsor of the Science and Technology section of CTXT. Caixa asks them to promote some of the academic production of their social observatory, but gives them freedom to choose the topic and grant them complete independence for the derivate article.



Infolibre was launched in March 2013 inspired by the french digital native investigative outlet Mediapart. In fact, they copied part of its shareholding structure in order to guarantee that more than 50% of the company is under journalists (or readers) control. It was founded by Jesús Maraña, the last Director of Público newspaper, and another 13 journalists sacked from the same outlet. It has a freemium model which grants free access to breaking news but ask for subscription to read the added-value content. The subscribers also receive a monthly printed magazine at home and have the chance to publish articles in the website under the “Librepensadores” (free thinkers) section. Currently Infolibre has 9.302 subscribers that contribute with 55% of their yearly budget.

“We wanted to create an Independent news outlet focused on in depth investigations in Politics and Economy, so the first thing we did was to look outside Spain for references. We were very interested in Mediapart so I decided to write an email to Edwy Plenel (Director and founder of the company). Since he knew Público, he invited us to visit Paris”, tells Maraña⁴⁹. Plenel explained them how its business model worked (see Mediapart) and at the end he even decided to invest in Infolibre as a way to promote “another way of doing journalism”.

“That was the final push we needed. If there is a referent that shows that this kind of project works, can be profitable -even knowing that Spain and France are different markets- and is willing to invest in you, what else could we do?”, he remembers.

Infolibre even imitated the ownership structure of Mediapart. To that purpose they created the Sociedad de Amigos de Infolibre (Society of Friends) as a way to incorporate small individual investors as stakeholders⁵⁰. They also adopted Mediapart discourse and stated that quality journalism costs. So that they decided to put their in-depth articles behind a paywall. However, as Maraña mentions, they left “opinion articles and daily stuff” free for any visitor in order to allow people to know them. That also made possible to get more traffic which allowed them to sell advertisement, even when Mediapart doesn’t.

⁴⁹ All quotes from Jesús Maraña are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Infolibre newsroom on March 27th 2019.

⁵⁰ As it is described in [Infolibre's website](#), “the Society of Friends has a representative in Prensa Libre SL Board of Directors, together with the journalists of infoLibre, Mediapart, Edhasa's editor and other independent investors”. Any citizen can be part of the Society of Friends by making a contribution in between 400 and 12 thousand euros. By February 2018 the Society of Friends was made up by 151 people.

“We do not have an advertising department, but we have an agreement with an external company that sells that for us”, points out Maraña. By outsourcing the advertisement commercialization, they also imply that there is no interference with the editorial line. To promote that decision and to frame it within their business model proposal, Infolibre has permanent banners that highlight that they reject “sponsored content” or “native advertisement”. By clicking on them you can access to an article that stands out which news organizations have that kind of policy⁵¹. It specifically mentions that Eldiario is not one of them.

In fact, the branded content is quite common in Eldiario⁵² and even though they included some graphic elements to differentiate them from the real journalism articles, it can easily be confused by readers. Moreover, in the previously mentioned “Eldiario responde” column in which Escolar explains the editorial position of the news outlet regarding Podemos article, he also replies to a member that complains about a branded content article on tourism in Israel. According to this reader, it was published “without a single mention to the Palestinian population that lives in those territories and on whose historical, cultural and natural patrimony the aforementioned ‘beauties of Israel’ have been built over”.

Escolar replies that he hadn’t seen that article until the moment it was pointed out by the reader and specifies that it was paid by a travel agency and not the government of Israel “which I doubt will announce in Eldiario.es taking into account the type of journalism we do”. Different from the Podemos article complain reaction, Escolar decided to remove the branded content from the website exposing how this kind of things endanger the coherence of Eldiario.

⁵¹ CTXT, La Marea, El Salto and Infolibre [are mentioned](#) as branded content free news sites. However as it is shown in this paper that definition can be disputable.

⁵² Eldiario defines “sponsored content” [in its website](#) as “an advertising format that does not interfere with the journalistic information” and explains that is not produced by Eldiario’s newsroom.

comerciales y geopolíticas

Libertad bajo fianza para los cinco detenidos por la agresión a dos chicas lesbianas en Londres



Cinco edificios de lujo en un radio de 500 metros: las viviendas para ricos proliferan en Malasaña

Mario Escribano



Contradicción en la agricultura ecológica: España es el país europeo con más hectáreas bio, pero está a la cola en consumo

Iván Fernández



La alta velocidad llega a Granada a 6,3 km por año

Álvaro López



Gerald Hayo, violada para dejar de ser lesbiana: "Marcó mi vida, pero no cambió mi orientación sexual"

Edgar Sapiña



Encarcelada por 'travesti': el



El periodismo es un servicio público: las cuentas de eldiario.es

Ignacio Escolar

Podcast

Máster: los entresijos del caso Cifuentes, en el nuevo podcast de eldiario.es



Contenido ED Creativo -



Al volante del Mazda3: qué tiene (además de su diseño) que te dejará con la boca abierta

Paula Ulloa

Branded content in ELDiario.es is not very easy to recognize.

In spite of their crusade against branded content, Infolibre has also advertorials that are provided by Taboola, one of the most famous Internet companies for providing sponsored article recommendations. At least during this research, we could find them at the bottom of their free access articles.

Taboola sponsored content shaped as article recommendations.

ADVERTORIAL

BestHearingAids.co.uk

Home Quotes About us Contact us

By Anna Wilson - Last updated 2nd June 2019

Brilliant New Hearing Aids Sweeping the UK

In this modern age you no longer have to struggle with hearing loss, thanks to recent developments in hearing technology.




An example of the kind of content you can see when you click on Taboola recommendations

Regarding the editorial proposal Marañña explains: “We have 18 journalists and 15 of them are devoted to investigations because each day we need between 5 and 6 articles with our perspective for our homepage and the newsletter. Besides that, we have 5 interns that mainly work with news agency cables and once a week produce their own story in order to gain practice”.

Having interns is very frequent in Spain among legacy media outlets. Infolibre and Eldiario have both incorporated them to their newsrooms through a six-month practice scheme that includes social security and the payment of a 300 euros stipend⁵³. They represent 15% of Eldiario’s newsroom (10 out of 65 journalists) and almost 22% in the case of Infolibre (5 out of 18). This bigger representation in the working force of Infolibre’s interns becomes even more important in the brand’s image if you take into consideration that most of them produce the free access content and therefore the most read articles.

According to the last article on Infolibre’s figures, their website receives between 646.000 and 836.000 unique visitors a month (depending on the company that measures), but it only has 9.302 subscribers that can read the content behind paywall. That is why it sounds odd the decision to rely on the less experienced journalist the need to convince readers to pay for news and become subscribers.

⁵³ Marañña says that they hired “some interns” and in his [last article](#) on the figures of Infolibre he detailed that they have two “journalists on its second year of practice” that earns 85% of the minimum journalist salary. Escolar [specifies](#) that one every three interns have received an offer to stay at Eldiario. “The first year they earn 70% of the salary of a basic editor: 1,305 gross euros per month, and gradually, in 24 months, they reach the full salary category of a basic editor: 1,929 gross euros per month.”

Infolibre is probably the most suitable project of all the above mentioned to compare to Eldiario. They were both launched within six months of difference by former directors of Público newspaper. They both aimed to the same audience with a similar discourse related to independent journalism. Infolibre newsroom was even bigger (19 vs 12) and started with a higher budget (one million vs 600 thousand euros). Seven years later Eldiario's newsroom is four times bigger and its budget is six times higher. There are even 3,6 more members of Eldiario than subscribers of Infolibre. In 2018 Eldiario experienced their biggest increase in members thanks to the Cifuentes' master scoop while Infolibre decreased their subscribers by 4%. But the most important thing for a news outlet is their influence and readership. In that respect Eldiario has entered in the competition with the big legacy media outlets in Spain while Infolibre don't reach the top ten most visited sites even among digital native newspapers. Up to what extent this was related to the business model of each organization is arguable. However, the previous analysis may help to have a broader perspective.

"We would have more audience if all our content were open as Eldiario does. Many of our stories do not have repercussion because we give them behind paywall. But I think that journalism demands certain things and among them the responsibility for doing things that can cost judiciary proceedings. There is an economic cost that if the reader is not willing to pay, another one will: a company or a politician", explains Maraña. "The media outlets that have opted for membership are currently being quite successful, but the fundamental difference will be seen in the long term. Because journalism is not really valued there but the complicity of the reader. This is a permanent laboratory and we have to wait", he finishes.

To sum up, the above-mentioned experiences shows that there are several news outlets in Spain that were born in a similar time, aimed to a similar audience and searched for readers revenue. All of them have succeeded in surviving in a very complicated time for the business of news but reached different positions in the media landscape. This research tried to shed light into the key decisions that shaped their different paths and somehow explains their current situation. By doing that it helped to identify the most important elements to consider for the development of new strategies. The following chart aims to summarize the main structural differences among them.

	ElDiario.es	Infolibre	La Marea	CTXT.es
Slogan	"Journalism despite everything"	"Free and independent information"		"Proud to be late to the latest news"
Launching date	September 18th, 2012	March 2013	December 2012	January 2015
Type of organization	Limited Society (Diario de Prensa Digital SL)	Limited Society (Ediciones Prensa Libre SL)	Cooperative (Más Público)	Limited Society (Revista Contexto S.L.)
Ownership	70% owned by journalists of the news outlet (50% Escolar)	55,5% is owned by the founding journalist + Friends Society + Mediapart (6%)	100 cooperative members	137 stakeholders ("journalists or readers")
Business model	Advertising (including native) + membership + Magazine selling + grants	Advertising (non native) + subscription + magazine sellings	Membership + crowdfounding + ethic advertising + magazine sellings + workshops + donations	Advertising + sponsorship + crowdfounding + membership + events + donations
Launching budget	600.000,00 €	1.000.000,00 €	70.000,00 €	20.000,00 €
Current budget	6.463.565,00 €	1.071.609,00 €	240.406,88 €	528.210,77 €
Current members	34.028	9.302	2.600	8.312
Income from members	2.083.955,00 €	592.397,00 €	135.106,93 €	176.090,31 €
Advertising income	4.124.132,00 €	459.614,00 €	17.307,05 €	64.974,28 €
Grants and sponsorship	245.268,00 €	- €	- €	103.710,70 €
Product sales	10.210,00 €	42.623,00 €	49.247,15 €	16.443,00 €
Workshops or events	- €	- €	10.431,00 €	62.674,00 €
Donations	- €	- €	8.444,45 €	12.537,02 €
Other	- €	31.908,00 €		91.780,00 €
Income from members	32%	55%	56%	33%
Journalists at launch	9	14	12	14
Administratives at launch	3	5	0	0
Prop of Journ at launch	75%	74%	100%	100%
Journalists currently	54	18	7 (5 full time)	6 (3 full + 3 part)
Administratives currently	25	3	0	
Prop of Journ currently	68%	86%	100%	0
Products	More than 40 articles a day + bimestral magazine	6 articles a day + breaking news + monthly magazine	One article a day and 4 on weekends + bimestral magazine + thematic websites	40 articles a week (30 on Wednesday) + dobladillo

Mediapart

Mediapart is a digital
launched in March 2008
produce quality and
investigative journalism



journal
aiming to

focused on

political, financial and social issues. It was founded by four journalists with longstanding careers in legacy media outlets and a business woman. They developed a project that would only rely on readers support to guarantee their independence. By the end of 2018 Mediapart had over 150K subscribers who contributed with 14 million euros a year. That allowed the company to be profitable for an eighth consecutive year. Until October 2019, the founders had 42% of the company shares and along with other journalists and readers they reached 62% of the ownership. That structure had been built to protect the original mission of the organization. Recently they have entered a new chapter of its history when a non-for-profit organization bought all the shares “to irreversibly seal its independence”⁵⁴. Their 47 journalists publish 10 articles a day that are only available to subscribers. And their newsroom produces a quarterly audiovisual programme that is distributed via online streaming called “Mediapart Live”. Subscribers are encouraged to create their own blog in “Le Club”, the only free access section of the website. Beside their paywall and short life, Mediapart ranks in the 10th place among the most frequently visited news sites in France according to the 2019 Digital News report of RISJ. They are also the third most trusted news brand overall (after Le Monde and Le Figaro, both legacy media newspapers) and the one that has the highest confidence among their own readers.

In the following chapter you will learn about the context in which Mediapart was born and the founders’ motivations. You will read about their inspirations and what did they have in mind when they started. You will also follow how did they shape their editorial and business proposal along the years. You will understand why they decided to reject any kind of advertising revenue and how did they do to reach new readers and increase their subscription base without removing their paywall. You will also identify the importance they attribute to their discourse; how do they organize the newsroom and how do they define their news agenda. You will have an inside perspective on how they deal with rumors that may affect their legitimacy through a concrete example. You will find out the main challenges they have identified for the future and how they are preparing the transition for the new generation of journalist to replace them. Finally, you will discover the new ownership

⁵⁴ <https://blogs.mediapart.fr/edwy-plenel/blog/151019/mediapart-no-longer-has-shareholders>

structure that the founders are developing in order to guarantee their independence once they retire. At the end you will be able to compare their trajectory with the one developed by two other news outlets. One of them was launched at a similar time and aiming a same audience, while the other was launched a few years later having them as main reference. By doing this you will be able to recognize some of the key decisions that contributed to their current situations.

A Journalism Model for the XXI century

It was May 2010 and time was running out for the three year plan that Marie-Helene Smiejan had put up for breaking even Mediapart. She had joined the news start-up with the specific mission to help to develop the business sense of the organization. In 27 months they had convinced 15,000 people to invest in high quality investigative journalism. That's a very significant number considering that their content was behind a paywall and online news were completely free in the country by that time (and almost everywhere). But they needed 50,000 members to achieve their goal of being viable without advertisement. An idea which is summarized by their slogan "only our readers can buy us". It had taken 75% of their time to achieve 30% of the subscribers they wanted.

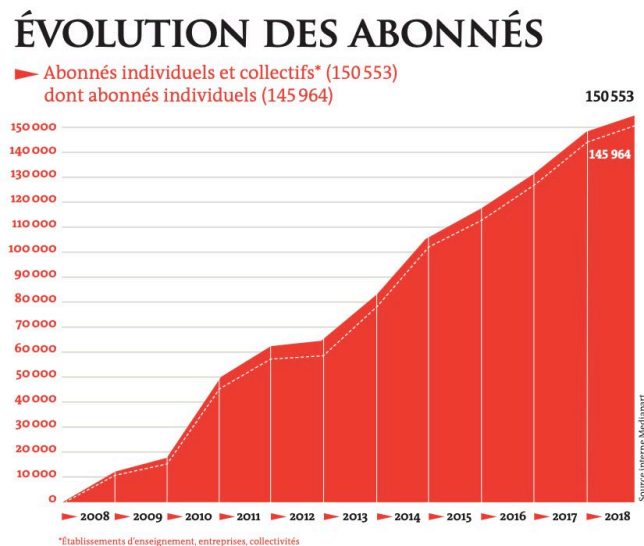
You could feel the pressure in the newsroom. "Things were not working", remembers Ludovic Lamant, who was 26 years old when he joined the project as a foreign affairs journalist⁵⁵. "We thought that having Edwy Plenel as a President (former editor-in-chief of Le Monde) was everything we needed. And we also thought that it was going to be easy. But those first two years were very complicated because there was no payment culture in France and people were already saying that our model did not make sense", he adds. But everything changed after June 16th, 2010.

That day Mediapart broke the story that the richest woman in France and owner of L'Oréal Cosmetics, Liliane Bettencourt, had avoided paying millions on taxes by keeping a substantial amount of cash in undeclared Swiss bank accounts. Moreover, they discovered that she had also benefited from a €30 million tax rebate thanks to her close relationship to the Minister of Budget, Éric Woerth. In a stroke of irony only a few months before, Woerth had been conducting a high-profile campaign to catch wealthy tax evaders. Sooner he was also exposed by Mediapart in a recorded conversation soliciting a job for his wife as Bettencourt's wealth manager. The increasing popularity of Mediapart exploited after Bettencourt's former accountant recognized that her client had made an undeclared contribution of € 150,000 to the campaign of Nicolás Sarkozy, the incumbent president.

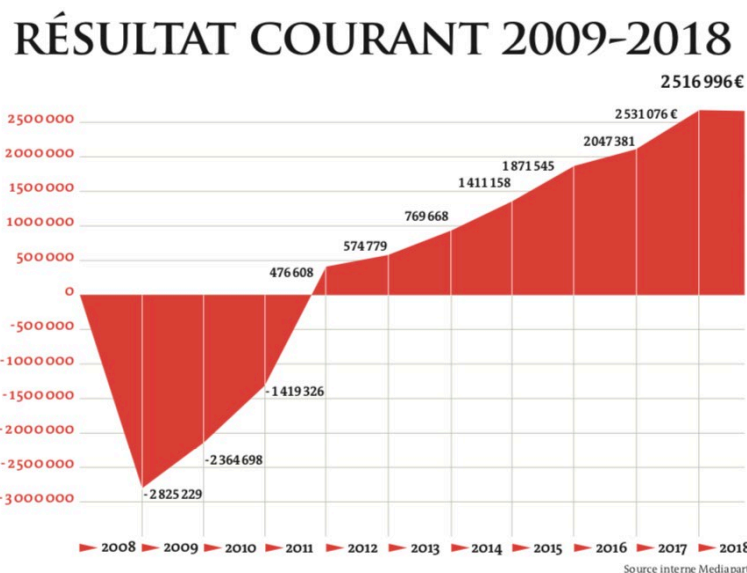
Visits to the website multiplied and in just four months they reached the goal of 50.000 members. That sudden increase could have been an oasis, but membership kept growing and revenue

⁵⁵ All quotes from Ludovic Lamant are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Mediapart newsroom on April 17th 2019.

increased with it. In 2012 they reached 60 thousand members and following a few more scoops in September 2014 they reached 100 thousand subscribers. “We believe that we get subscribers for the scoops and they remain due to our content”, summarizes Smiejan⁵⁶.



Mediapart broke its first important scoop in May 2010 and the second one in December 2012. The graph show the impact of scoops in the number of subscribers⁵⁷.



Mediapart's figures 2008-2018. The graph shows the break-even point in 2011 exercise⁵⁸.

⁵⁶ All quotes from Marie-Helene Smiejan are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Mediapart newsroom on April 15th 2019.

⁵⁷ All graphs data for this chapter has been provided by Mediapart unless specified.

⁵⁸ In December 2012 Mediapart published that the Minister of Budget at the time, Jerome Cahuzac, who had also declared “a legislative war” on tax evaders had an undeclared Swiss Account. After several revelations that

Now it's Monday 15th of April 2019 at 10 AM. Mediapart's journalists are gathered in the biggest free space of the newsroom where every two weeks "Mediapart Live" is shot. Carine Fouteau - the 45 year old journalist that has previously worked for the business newspaper Les Echos - turns on a huge TV screen, picks up her notebook and starts pointing out a list of political issues that are expected to occur during the forthcoming week and would probably deserve an article on their journal. After her opening words other journalists speak up and update their colleagues on the ongoing stories.

Every now and then Stéphane Alliès makes a funny comment that helps to break the ice after the unsurprising laziness of the beginning of the week. He is 40 years old and has previously worked for Le Figaro. Despite their young age, him and Fouteau have been co-directing Mediapart for a little more than a year in replacement of François Bonnet, one of the founders. As Plenel said during an interview for this paper, their promotion was the first step of the "transmission and transition stage" of Mediapart⁵⁹. The co-founder and experienced journalist is actually attending the Monday meeting but remains in a secondary role. He just intervenes once to make a suggestion on how they should cover the speech that Emmanuel Macron, the current President of France, is expected to give later that day.

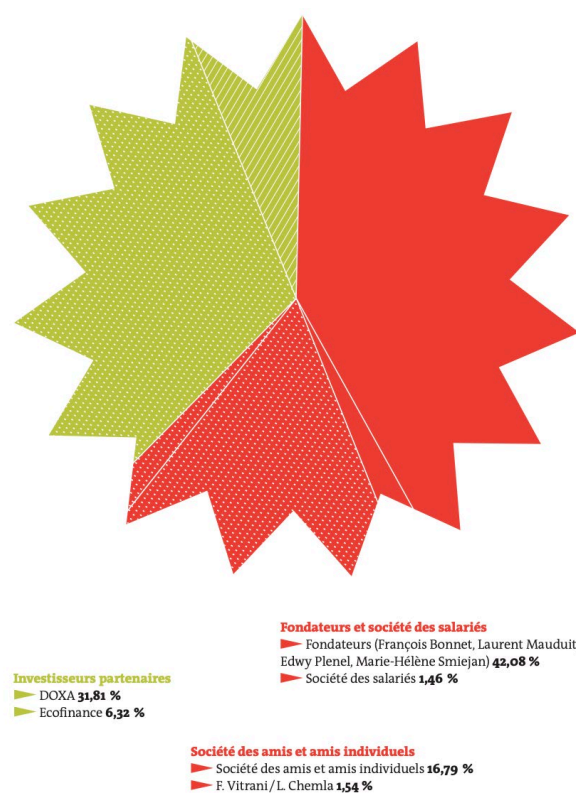
Before calling off the meeting, Fouteau asks everyone if they have anything else to add. Someone steps up and pop up the question of whether Mediapart should say something about "Crépuscule", a recently published and already best-seller book. In that book the author mentions that Xavier Niel (the billionaire telco businessman who owns the newspaper Le Monde) is also an influential investor of Mediapart. After that comment, Plenel takes the centre of the scene and gives the longest speech of the morning. He reminds that is not the first time this is pointed out and asks Smiejan to explain again to the newsroom the relationship of Niel with Mediapart. Then he says that he will write an article in response to that particular issue clarifying the situation and also suggests publishing a review on the book as soon as possible in order to avoid any accusation of censorship that could have been worse for the situation⁶⁰. Some journalists oppose to the idea of answering. Niel's relationship is clear for them and has always been informed in their transparency reports. But the decision was made. The founders don't want a single doubt about the ownership.

included phone tapes admitting the situation, he had to resign to his position and later on was expelled from his Party.

⁵⁹ All quotes from Edwy Plenel are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Mediapart newsroom on April 15th 2019.

⁶⁰ Juan Branco, the author of "Crépuscule" claimed that his book [was censored by mass media](#).

“Niel is not a direct shareholder of Mediapart. He is only one of the 88 contributors to our Société des Amies (Society of Friends) from the time it was founded in 2008. By that time he was still an Internet outsider and not yet become the billionaire of today thanks to its rocking of 2010 in the mobile telephony. (...) Currently NJJ, Xavier Niel's holding company, has 17,58% of the shares of Société des Amies de Mediapart. As a result, Xavier Niel's indirect holding represents only the equivalent of 2.95% of Mediapart's capital”. This quote belongs to the article published on April 17th 2019 in the Mediapart Newsroom’s blog at Le Club⁶¹. Furthermore, in that same article they added: “Xavier Niel don’t have a saying in any instance of our company or its components. He has never intervened in any of the proceedings of the Société des amies de Mediapart either since he has always sent a delegation of power of representation”.



*Ownership structure of Mediapart before the creation of the Fund for a Free Press (October 2019)*⁶²

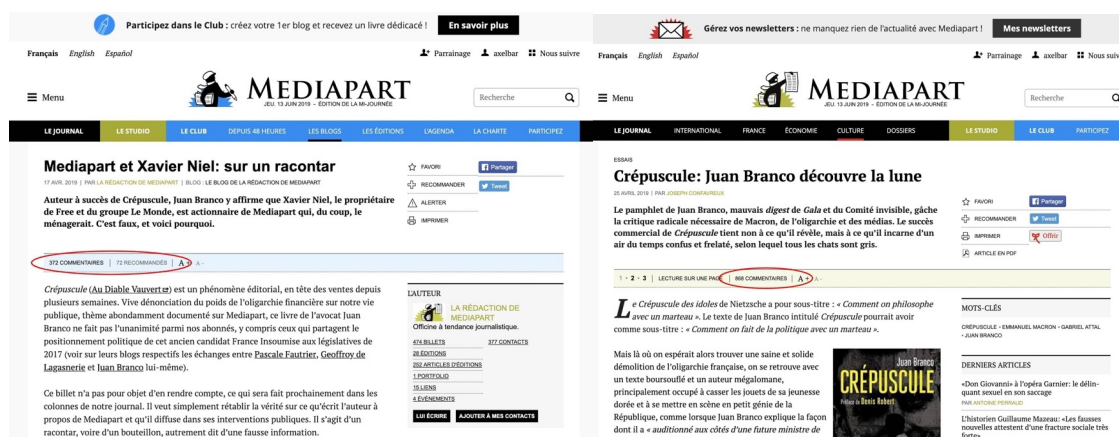
On April 25th Mediapart finally published a very harsh review on the book titled “Crépuscule: Juan Branco découvre la lune” (Twilight: Juan Branco discovers the moon)⁶³. The author, Joseph Confraveux, focused in a number of facts that are described in the book as revealing but in fact had been pointed out before by others. He calls the book a “pamphlet” not worthy of the editorial

⁶¹ <https://blogs.mediapart.fr/la-redaction-de-mediapart/blog/170419/mediapart-et-xavier-niel-sur-un-racontar>

⁶² <https://static.mediapart.fr/files/2019/03/13/carnet-11ans-web.pdf>

⁶³ <https://www.mediapart.fr/journal/culture-idees/250419/crepuscule-juan-branco-decouvre-la-lune>

success. Both the Mediapart blog post explaining the relationship with Xavier Niel and the review of the book soon became the two most viewed and commented articles of the website.



Mediapart article explaining the relationship with Niel got 72 shares and 372 comments, while their review on the book had 868 comments and was the most commented article of the week

As it happened in Eldiario with the article of Podemos, every issue related to the transparency of the organization creates great concern among the journalists and owners. They know that their subscription model heavily relies on their credibility. And as big scoops reflect on membership and revenue increase, bad press on their ownership might have an opposite result. Even though it is unlikely to suffer from a massive run, having 95% of the journal's revenue coming from one source makes that flank the most vulnerable of all⁶⁴.

Plenel acknowledge that, but prefers this kind of pressure rather than any other kind related to advertisement or owner's conflict of interest. "When we created Mediapart we knew that we were fighting for independence. All journalist co-founders⁶⁵ had worked before in Le Monde and Liberation and we had suffered from the traditional business model crisis. That's why in this project we came up with the slogan 'only our readers can buy us'". As he stresses, they prefer to rely on people rather than corporations. Their slogan became also a public statement of their double challenge: to make powerful people accountable while making themselves accountable for its readers.

⁶⁴ While the remaining 5% comes from sales of content, e-books and printed books. Source: "[News starts here](#)", April 2017.

⁶⁵ Francois Bonnet, Laurent Mauduit and Gerard Desportes.

“Edwy had the impression that the traditional press was not investigating as they should. So, the journalism crisis was much more about the offer, rather than the fact that people didn’t read or didn’t want to pay for news”, explains Lamant. But Mediapart is not just investigations.

“A journal of reference”

“We publish about 10 articles a day distributed among three editions: 9AM, 1PM and 7PM. Around three pieces each time as a way to organize ourselves” summarizes Lamant who is currently member of the Editorial Committee. “Four out of ten of those articles are news of the day. Because what we aim is a mix of exclusives with things that you might find in another site but with Mediapart’s angle”, he explains.

“We don’t follow last-minutes stories, but we have to think in advance how to cover the news that happens” confirms Plenel. “If Macron is going to deliver a speech at 8 PM, before he makes his appearance all our work has to be done even if our articles will be published later”.

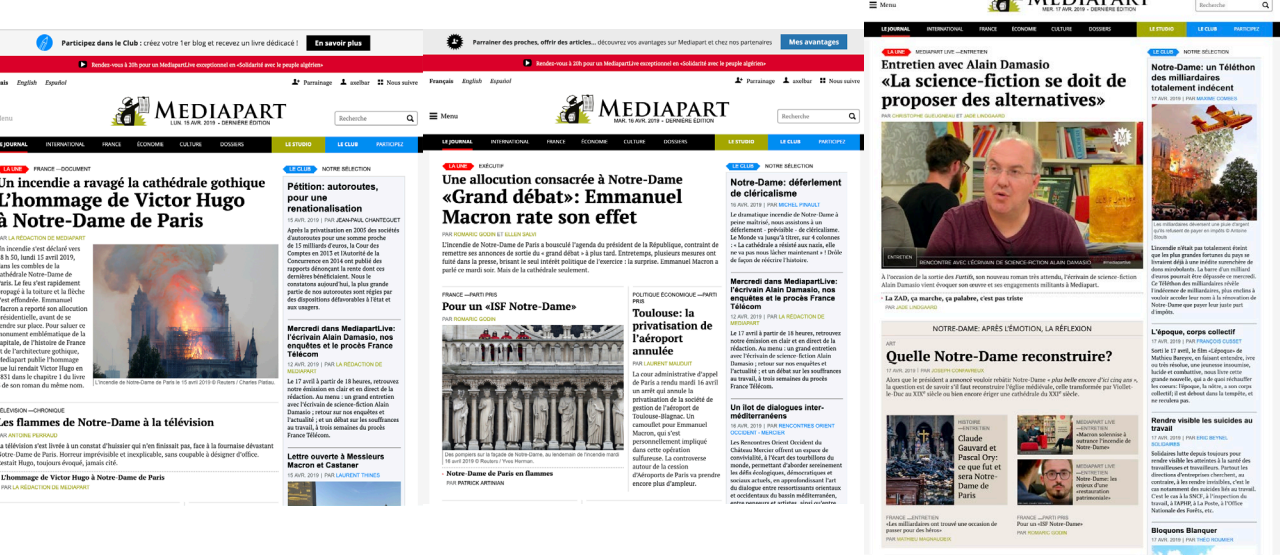
But even though journalists can foresee many things and have inside information that can predict with accuracy what is going to happen, unexpected news can always change the plans. And that’s what happened that day.

While everyone was expecting the presidential speech in which Macron was supposed to announce his first measures in response to the yellow vests protest -the biggest demonstrations against his government- an exceptional event changed everything⁶⁶. Notre Dame, the church that became one of the most iconic symbols of Paris set on fire. The presidential speech was cancelled and the stories that Plenel talked about were sent to trash. It was unavoidable to publish something about that incident. But what?

“We did not have anything, so we gave an excerpt from a book of Victor Hugo⁶⁷ and then we start building Mediapart’s perspective: who were the millionaires that had already announced donations for the reconstruction of Notre Dame? How much money were they going to save in taxes for doing that? After that we got into a more intellectual debate: how to rebuild a church? What it means? What we should keep? And so on”, explains Lamant who was in charge of the editorial decisions that week.

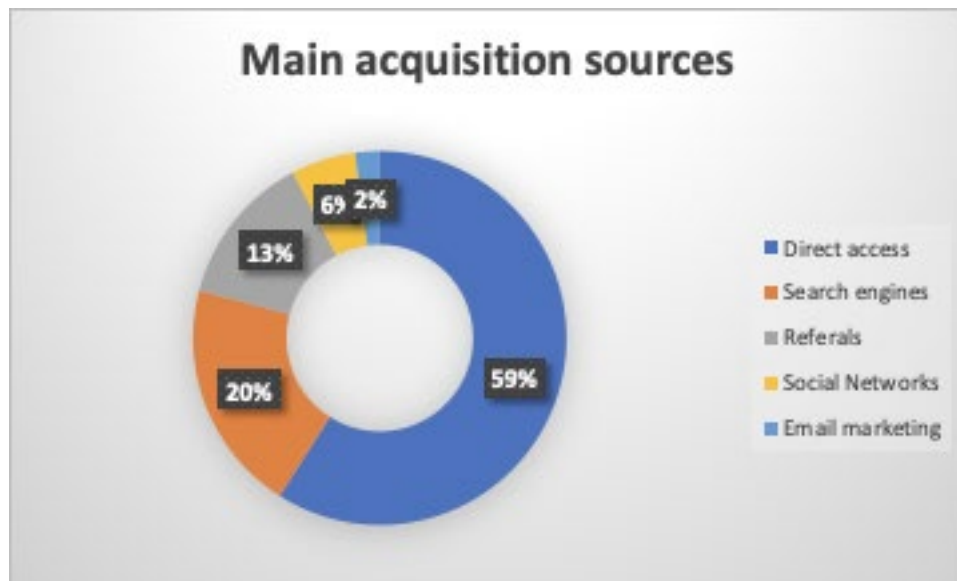
⁶⁶ The Gilets Jaunes Movement (Yellow Vests Movement) is a political movement for economic justice that began in France in October 2018 motivated by rising fuel prices in the framework of an increase on the costs of living. It claims that a disproportionate burden of the government's tax reforms fall on the working and middle classes. The protesters have called for several measures, from lower the fuel taxes and increase the minimum-wage to the resignation of President Emmanuel Macron.

⁶⁷ In the article titled “Victor Hugo’s homage of Notre Dame”, [Mediapart republished](#) the chapter 1 of book 3 of “Notre Dame of Paris”, the 1831 novel of the prestigious french poet.



Mediapart homepage as it was showed in the evening editions of May 15th, 16th and 17th.

Notre Dame burning coverage shows how Mediapart reports an unavoidable breaking news. While most of last-minute newspapers compete against TV and social networks, they take a little more time and shape a unique perspective. Social networks only represented 6% of their visits in 2018. Direct access, on the other hand, meant 60% of their audience. Therefore, people looks for their unique perspective. They are not running into them by chance or in a hurry. So being the first one is not as important as being different.



Six out of ten readers get to Mediapart website directly.

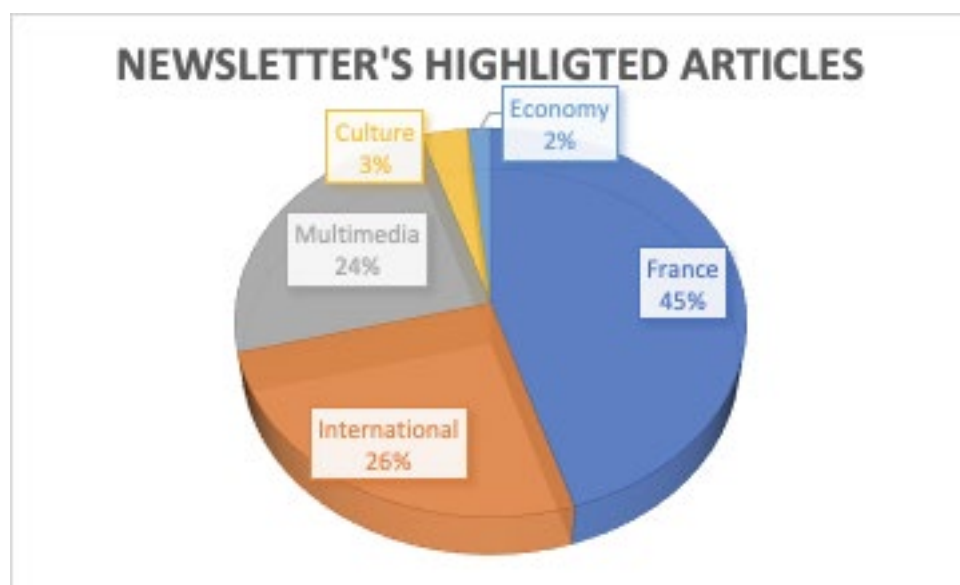
“We do not need more clicks because we do not depend on advertising. That is why we don’t follow the ‘most read’ or the ‘most commented’ metrics at all”, explains Smiejan. “Journalist don’t know the metrics, but the marketing team does. In the newsroom just Carine, Stephane (both co-editors in chief) and the founders. I know that Edwy looks at the site visits every hour, but he very rarely tells you anything”, assures Lamant.

Now, how Mediapart builds its agenda? “We are radically democratic. That is shown in our coverage of migrants or the Gilets Jaunes (which is a movement around the egalitarian question). For us the fundamental rights are more important than the right to vote. The right to meet, to protest, to express oneself and the right to seek for information. Those pillars are much more important for us than the election of representatives. Without these rights we are blind, and we will be prisoners of propaganda. That is our commitment”, Plenel explains.

“We are a journal of reference”, synthesize Smiejan. “And our way of writing is sophisticated, rather than simple. That implies a challenge for us because we aim to compete with Le Monde, Le Observateur, Le Figaró or L'express, all newspapers” (that write in a simpler way), complements Plenel at her side.

However not every journalist in the newsroom understands it equally. For many of them they do not really compete with generalist newspapers. But Plenel is sure about his position: “if you want to know what is happening you need to read Mediapart”.

In order to learn about their agenda selection, we went through the articles included in their daily newsletter to subscribers. Between Monday 15th and Friday 19th, the week in which the on-site research for this paper was carried out, Mediapart sent only 62 articles through their newsletter. That is less than a day production in many news websites and represents an average of 12 articles per day. Many of them were not even new. They were just articles published before in a special dossier or extracts from Mediapart Live. Around 45% of them were tagged as France, 26% International and 24% Multimedia (mainly short selections from Mediapart Live in which they talked about French political issues).



The tags don't provide much information on the issues covered. Inside the newsroom there are no fixed sections. Each journalist can be asked to write about anything.

The tags provide just a vague orientation for the reader. "Since the beginning of Mediapart the idea was to grow without sections in order not to reproduce the bureaucracy of Le Monde. Edwy (Plenel) and Francois (Bonnet) were fed up with that idea and wanted us to be a very light startup. So every journalist has a bilateral relationship with the editor-in-chief", explains Lamant.

Mediapart way of working has already been internalized by the newsroom since many of those young journalists that launched Mediapart in 2008 are now part of the Direction Committee (DC), who assist Fouteau and Alliés. "When Francois (Bonnet) stepped aside, they left the keys of the newspaper to a group of young journalists who have learned journalism here and have also become friends. The idea is that we take turns in order to manage the general edition of the whole outlet (even when each one of us have expertise in a different field). It is very original but tiring as well", adds Lamant who was "lucky" enough to be in duty while Notre Dame.

This rotative edition responsibilities does not imply that the person temporarily in charge works on his own while editing. Beside the Monday morning meetings which every journalist attends and the editors-in-chief lead, the DC meets every Thursday to oversee the news production and discuss future plans. And on every day basis the editors discuss with other members of the DC on the agenda in an informal way, “from one desk to the other”. Lamants remembers, for example, that he discussed the way of covering Notre Dame burning with other five journalists before deciding how to run that edition.

“When we launched Mediapart, the founders had around 60 years old and the editorial staff around 30”, explains Plenel. “They were at the beginning of their careers and I remember them telling us: ‘we do not understand what you want. You tell us to be original, to create value, to be specific, to look for exclusive materials, but at the same time to be aware of not missing anything big about what’s happening in France, in the foreign affaires, in the economic and cultural area as well”, he says before bursting into laugh. “It has always been ‘working and walking’. And that’s how we find our way”, he concludes.

Mediapart is Partipatory Media

To fully understand the editorial proposal of Mediapart is necessary to shed light into the half side of the brand name that we haven’t focused on yet. “Mediapart is precisely ‘Media Participatif’” (Participatory Media), explains Plenel. The only inspiration he recognizes now is Ohmynews, the South Korean website that became a global model in the mid 2000 of the so called “citizen journalism”. But the inspiration was no secret. They even mentioned it in the second post of the Mediapart pre-site, a special website they launched in December 2nd 2007 to spread the voice of what they were up to⁶⁸. As they were searching to build expectation in the audience, the reference to Ohmydear can also be read as a trigger for subscription. “De Ohmynews à MediaPart” (From Ohmynews to Mediapart) was the title of the article written by Benoît Thieulin⁶⁹. Thieulin had been in charge of the disruptive online presidential campaign of the Socialist Party candidate Segolene Royal in 2007 and later on was in charge of the development of Mediapart’s site. Thieulin had also spent several days in Seoul at Ohmynews newsroom and witnessed how their journalists worked thoroughly editing and curating content sent by their contributors prior to upload it.

Mediapart wanted to mix that with the trend of blogging in which many journalist were involved by that time. So, they designed a blogging area within Mediapart website to promote debate without moderation. All articles would be available for free in that area, but only the most interesting each

⁶⁸ There they introduced the journalists that were going to take part of Mediapart and they started building the community that would later become the first subscribers.

⁶⁹ “[De Ohmynews à MediaPart](#)” (From Ohmynews to Mediapart), article published by Benoît Thieulin on December 12th, 2017.

day would be displayed in the homepage where the journalistic content was. They were trying “to invent a subtle interaction” between journalists and readers/bloggers, Theiullin explained. They wanted to make everyone feel “as if they were members of a club”. Therefore, like in a membership model, to be a subscriber was also to belong to something bigger.

The importance that the owners gave to participation can be sensed in this anecdote. “A month and a half before launching Mediapart the agency that was designing the web told us that the newspaper's site was going to be ready on time but Le Club wasn't. We said no. There was no way of doing that”, Plenel remembers. They couldn't fail to a promise in the first day. They already knew that it was all about trust.

Around 6,000 subscribers have opened a blog at Le Club in the eleven years of Mediapart (4% of overall subscribers). A third of them had uploaded a post in the first six months of 2019. Every 30 days there are around 2,300 new articles and 17,300 comments on them.

Two journalists are in charge of Le Club. Their job is to read every one of the posts and to select around 15 a day to show them on the homepage, says Sabrina Kassa one of the co-responsible of the space⁷⁰. Every now and then she also contacts some subscribers to encourage them to write. But feeding the conversation is not only her mission. It's a goal of the company. Mediapart offers an autographed book of Plennel to the new subscriber who starts a blog in the platform.

⁷⁰ All quotes from Sabrina Kassa are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Mediapart newsroom on April 18th 2019.



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How does the audience of Mediapart look like?

Kassa can describe a general profile of the contributors taking into account her everyday work.

“Most of them are men and over 50 years old”, she says. In May 2018 Kassa analyzed the authors of the posts at Le Club and she wrote about it in “L’hebdo du club”, a periodical summary of what is happening in the blogging section. She found out that only 18 out of 100 posts published along a single week were written by women. And most posts were about a man. Those who made focus on a woman figure had less shares and comments as well⁷¹.

The data obtained through the DNR 2019 matches this description. According to the survey conducted by YouGov to 2005 people, only 38% of the recognized readers of Mediapart were women and 47% of all were over 55 years old. DNR data also shows that among Mediapart readers you can find people with a higher education degree and a higher household income compared to the average french reader. You can also find a higher proportion of readers that consider themselves in the left side of politics.

	Gender		Age					Household Income			Highest Level of Education			Political leaning			
	Male	Female	18-24	25-34	35-44	45-54	55+	Low	Medium	High	Low	Medium	High	Don't know	Left	Centre	Right
Mediapart audience	62%	38%	9%	8%	18%	17%	47%	19%	43%	31%	21%	35%	45%	13%	37%	26%	24%
Average french reader	48%	52%	10%	15%	16%	17%	41%	31%	34%	21%	28%	42%	30%	30%	24%	24%	21%
Difference	14	-14	-1	-7	2	0	6	-12	8	10	-7	-7	15	-17	13	2	3

The table disaggregate Mediapart's reader and the average french reader according to their responses to the DNR survey. Numbers don't add 100% in every field because some people chose not to respond to those questions.

Becoming Robin Hood: the beginnings of Mediapart

"We were in the middle of a democratic battle for information. Not only for the media or the journalists. We speak about the right to know rather than the right to inform. Knowledge as power, as emancipation. Therefore, the question was about our identity and so that we had to create our own legend through our work as Robin Hood did. Because we take secrets from powerful people and we give it to (common) people", explains Plenel. The comparison seems quite altruistic. But in the children tale Robin Hood didn't get paid in order to pursue his mission. Mediapart on the other side asks readers to pay them and only delivers if you do.

"We are useful through the information we provide. They help us to exist because if they did not, they would not know many things", explains Plenel. This description also exposes the main difference between a membership model (like El Diario) and a subscription one (like Mediapart). In both cases readers payment can be driven by a cause (such as journalism independence) and the main issue in that relationship is identification. But in the subscription model the main trigger is transactional: you pay to read information you wouldn't have otherwise. While in a membership model, on the other side, you "help" or contribute to achieve a common goal that would be available for everyone anyway.

"We wanted to create the quality journal model for this century, and I understood that if you have quality you can charge for it", says Plenel. But they had two main problems to achieve that goal. On the one side they needed money to start the project. On the other side they needed a strategy that will guarantee their sustainability in time.

For the first thing they counted on the contribution of the founders plus two private funds (Doxa and Ecofinance). And to gather more money and diversify the sources of income they created the Société des Amis de Mediapart, a joint stock company of individual investors who altogether contributed with 16,79% of Mediapart capital⁷². That allowed the company to start with 2,825,229. But if they wanted to be sustainable and independent as well, they needed readers to support them.

"We did not know how much people were willing to pay for information. So, we decided to tie our subscription fee to the business plan. At that time, I did not know anything about journalism either.

⁷² "Contributors to the Société des Amis de Mediapart could take tax deductions of 25-75 percent of the gift amount depending on their tax bracket, but were not shareholders", as it is explained at [Mediapart: a viable model?](#)

The only thing I was told was that we needed 25 people, which was a high cost for the company. So, I asked ‘how many subscribers do you think we can get?’ If we had put 5 euros per month, it would have not been very expensive for readers and we would have been able to find people willing to pay. But we were going to need 100 thousand subscribers to break even. That did not seem possible to us at that moment. If we had put 15 euros, we would have needed 30 thousand subscribers. Something that we found very expensive especially when people didn’t know us yet. So, we decided to leave it in 9 and we set our goal of 50 thousand subscribers in three years. At the same time, we put together an option of 5 euros per month for those who found that 9 was very expensive. We knew that among our probable readers we counted with students, unemployed and retired people as well. Finally, we also opened the chance for anyone to pay up to 15 euros if they wanted to support Mediapart”, remembers Smiejan⁷³.

The results speak for themselves. Mediapart is the investigative reporting news outlet with the biggest number of subscribers in Europe. “At the beginning we decided to create a system for people to try the experience of being a member without paying a euro. But nothing happened. So, we decided to change it for an offer in which they have to pay 1 euro for 15 days and that worked”, remembers Plenel. That has been so far the strategy that worked the best according to their subscribers’ acquisition team.

But they also developed other strategies to get more subscribers. For example, the possibility for any paying subscriber to share articles with as many people they want. “We rely on subscribers to create new subscribers. They know better than anyone what Mediapart is and who can be interested on it”, says Plenel.

The free access audiovisual streaming of “Mediapart Live” also plays a big part in allowing their journalism to expand throughout the paywall. “Now we have 4 million unique visitors per month to our website and only 150 thousand subscribers. So, you can see that we don’t have a hard paywall. That number of visitors also means that there are no reasons why we will not continue to grow”, emphasizes Plenel.

The challenge of transcending

In 2012 Reuters Institute published a report on European news digital startups called “Survival is success” in which they analyzed nine outlets from Germany, Italy and France⁷⁴. Mediapart was already profitable by then and was considered “the most prominent” of all for the authors Rasmus

⁷³ Currently Mediapart increased the subscription fee to 11 euros. However, in order not to lose subscribers they still have the 5 euro subscription for special situations. According to Smiejan, 5 euro subscribers still account for 15% of all.

⁷⁴ Nicola Bruno and Rasmus Kleis Nielsen, *Survival is success. Journalistic Online Start-Ups in Western Europe*. Oxford. Reuters Institute for the Study of Journalism. 2012

Kleis Nielsen and Nicola Bruno. However, they popped the question about it high operating costs (the highest of the nine studied organizations) and the likelihood to replicate their model.

The economic part has proven its success so far. By 2011 operating costs were 4,5M and the net result 0,5M. In 2018 the operating costs increased to 11,5M and the profit to 2,5M. That means that while costs multiplied by 2.5 -following the subscription base that also grew proportionally from 58K to 150K-, their profit increased five times.

	Members	Operating costs	Income	Profit
2011	58.000	4.500.000,00 €	5.000.000,00 €	500.000,00 €
2018	150.000	11.500.000,00 €	14.000.000,00 €	2.500.000,00 €
Increase	2,59	2,56	2,8	5

The economic independence was key for their investigative reporting and scoops were vital to gain subscribers. Plenel and Smiejan know that and have always been around to guarantee that this virtuous circuit works out. However, they are both over 65 years old and their main concern now is how to make sure that Mediapart will transcend them.

“We are in the process of inventing a new structure for the independence of Mediapart. It’s something similar to the trust model that UK has⁷⁵ but unfortunately France don’t. So, we are trying to create a structure that is inviolable and not speculative. Our experience at Le Monde and Liberation tells us that when economic problems arrive people divide. And we want to prevent us from that. Besides, we think that this can be a solution not only for Mediapart, but for the independent press in France”, Plenel explains. “Once the French state allow us to create this formula, we will be able to receive donations from people without having to pay taxes for that. Then the first step of this organization will be to buy out all the capital of Mediapart to defend its independence⁷⁶.

After that, we want the fund also to help other media to promote our way of understanding journalism”, Plenel adds. In that way they will be addressing the second question of Nielsen and Bruno by helping their model to be replicated.

⁷⁵ The most successful experience of a news organization owned by a trust is The Guardian, [property of The Scott trust](#). Any financial gains of the company are reinvested in journalism rather than going to shareholders’ pockets.

⁷⁶ In July 2nd 2019 they [announced](#) the creation of the Fonds pour une presse libre (Fund for a Free Press) and made a public announcement of this project. In October 15th [they finally informed](#) that “Mediapart no longer had shareholders” because the Société pour la protection de l’indépendance de Mediapart (Company for the protection of the independence of Mediapart), which itself is the property of the Fund for a free press, had bought all of the shares.

Indeed, funding other media outlets that share their approach to journalism is a way of extending the legacy of Mediapart. And they have already started to do so. They are currently minor investors in three online news organizations: Marsactu, Mediacités and Infolibre⁷⁷. Taking this into account, the trust structure is the way they are seeking to institutionalize the measures that the founders have already implemented and to promote them as well. Like in Eldiario, many key decisions were first taken in practice and later on theorized or institutionalized somehow.

“Ten years ago, we were thinking in a very short term: How do we get the money we need? How do we do to gain three more subscribers? And so on. Now we have the ability to think in the medium or long term. But we want that whoever replace us will have this capacity too”, says Smiejan. “This has been our common project since the beginning, and we understand the importance of assuring the continuity of it. But to guarantee the required independence we might need to remain in our places for a little more”, adds Plennel speaking about him and Smiejan. “We would like the rest to feel protected by us. Marie-Helene invented the company structure and brought the rigorous management. And I am somehow the spokesperson of Mediapart and also its shield. When there are critics or polemics, I take them. If you asked me before, I might have answered that we were going to stop [working] at certain age, certain year. But now I think it's going to be different. And I also think that is complicated for us. We’ve come so far that now we can’t just say ‘I’m leaving’ and that’s it”.

What happened with the “Nouvelle Vague” of news startups in Fance?

Mediapart was launched in the context of a big economic crisis for most newspapers in France. That ended up with the buyout of Le Monde and Le Figaro, both center-left oriented legacy media, by millionaires who subsequently incorporated changes into their editorial line. Many journalists were sacked from their jobs and news organizations focused on click bate strategies. As the French economist Julia Cagé mentioned in 2016: “Media have not hit on the right economic model because they have failed to comprehend the nature of the crisis and therefore continue to react with outdated reflexes”⁷⁸

“Ten years ago, Le Monde was in the verge of bankruptcy. The publisher had taken very bad decisions in terms of business and we were hit by the Internet as well, who took the advertisement from us. So, we were bought by three businessmen that got together and created a consortium. One was Telecom Tycoon (Xavier Niel), another one was a banker (Matthieu Pigasse) and the last a philanthropist (Pierre Bergé). They injected almost 100 million euros in the paper and that saved us.

⁷⁷ They currently have 11,86% of Marsactu and 4,06% of Mediacités, both french news website without advertisement. And 10,69% of Infolibre, the spanish news outlet.

⁷⁸ Cagé, J. *Saving the media. Capitalism, crowdfunding and democracy*. Cambridge. Massachusetts. Harvard University Press. 2016. (P.40)

But they appointed a CEO who took over and changed our editorial model. Because before that, the publisher was a Journalist chosen by the newsroom. And now it was the director and CEO. In my opinion the CEO now oversteps his domain. He doesn't take editorial decisions, but since he controls all the money, he can decide how much we can pay one or the other. And that is decisive for hiring people. We lost a lot of decision-making power", explains Sylvie Kauffman, who has been working for Le Monde for 31 years and is now the editorial-director of the news outlet⁷⁹.

In that framework, the founders of Mediapart were not the only ones that tried to create a news startup. In fact, Bruno and Nielsen referred to that period as the starting point of a "Nouvelle Vague of startups" in France⁸⁰. One of the most important was Rue 89, founded by a few journalists from Liberation. It was launched a few months before Mediapart and achieved success quicker. But they didn't find the correct business model and ended up selling the outlet to a legacy media corporation. A few years later Les Jours was created having Mediapart as main reference. After three years they still survive but haven't broken even yet. To have a broader understanding on the key decisions that defined their success we will analyze their trajectories.

Rue89

Rue89 was launched in May 2007 as a collaborative news website. Its name mixes the place where ordinary people meet ("rue" means street) and a number that refers to the year of many significant issues for the western society (French revolution in 1789, the fall of Berlin Wall and the invention of the web in 1989). The founders of the startup felt inspired by the blogger community they were part of and left the legacy newspaper Liberation in which they worked. They did it when it was bought by Édouard de Rothschild, a banker and businessman member of one of the wealthiest families in

⁷⁹ All quotes from Sylvie Kauffman are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Perugia, Italy, on April 5th 2019.

⁸⁰ Bruno and Nielsen. Op Cit. 50

France. The new outlet encouraged readers to submit articles to be published in their homepage without differentiation from the pieces written by journalists. Rue89 quickly earned a spot in the French media landscape when they published that Cecilia Sarkozy (the wife of the candidate to presidency that finally earned his place at Élysée Palace) didn't cast her vote. Moreover, that same story has been censored in another legacy media outlet. So, they could profit editorially from that scoop: "we cover what others don't".

They sooner became the first digital born news website to reach one million unique visitors thanks to their innovative proposal and their free access policy. By 2008 they entered the top 10 ranking of news brands online for the number visitors they got. But being born in the pinnacle of the digital bubble shaped their business model and made them rely heavily on advertising revenue.

Consequently, they couldn't cope with the bubble burst and the founders that kept 51% of the company at that time ended up selling it to the legacy media Le Nouvel Observateur by December 2011. Today Rue89 still exist as a small website of L'obs (also bought by Le Monde's owners) in which they publish potentially viral online content.

"We launched in May 2007 and in June the first iPhone appeared. So, one day we thought that we had the most updated platform ready to conquer the world and one month later Apple introduced the technology that was about to change the whole thing", summarizes Pierre Haski, one of the founders of Rue89 and former deputy editor of Liberation⁸¹. "At the peak we had 25 full time employees/journalists, plus a technical team and a few dozens of freelance contributors. We had a budget of about 2 million euros a year and around 2 million single visitors a month. That meant that If every visitor contributed with one euro a year we could have broken even. But the most we got was 80 cents. So, we had a permanent deficit", he adds. "The problem was that we were journalists. We didn't have the experience for managing something like that".

Rue89 started with a 100 thousand euros investment from the four founders and the advice of a business angel specialized in Chinese technology startups. After shaping their project, they searched for additional finance support and raised 270 thousand euros from 27 friends that became "Les amies de Rue89". But a year later they had to look for a second round of investors. "In the first round we thought: ok, we have to find people among our friends and family that can afford to losing 10 thousand euros. The next round we needed to find someone who could afford losing 100 thousand euro. And we thought it was going to be difficult, but it was incredibly easy", says Haski.

⁸¹ All quotes from Pierre Haski are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Paris on April 18th 2019.

However, the kind of investment they were looking for implied a different kind of accountability. “When people put money in things like IBM, they don’t expect to meet the CEO. The only thing they want is the dividend. But if you put your money in a journalistic adventure, you want to be part of that adventure. It means getting invited to meetings for example. So once a year we entertained them and get their views”, Haski reflects. He became the main ambassador of the project and therefore he was the one who assumed the closer relationship with the “investors”.

But even though Rue89 owners found new investors every time they needed, they realized that something was not going well. “A friend of mine who once was the Manager of Le Monde told me: ‘If three times in a row you need to sell capital to raise money and you cannot break even you have problems. And that was a very powerful message. He was right’”, remembers Haski overlooking the end of their independent project.

But Rue89 tried to diversify their revenue source in order to avoid being sold. In August 2009 they created “Le Mur”, a virtual wall that was aimed to protect the independence of the news outlet. The whole idea was to invite readers to buy a “brick” of that wall through a contribution that could go from 15 to 349 euros according the size of the brick (measured by pixels). Then, they were entitled to allocate in that space of the digital wall the image or message they wanted. That was going to be shown in their website.

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BIG BOSS Votre image Rue89, votre photo ou votre logo au format 90x90. 249 € pour un an	STAR Votre image Rue89, votre photo ou votre logo au format 108x108. 349 € pour un an



Le Mur de Rue89 was a reader revenue strategy. Readers bought digital bricks to protect website’s economic independence. The bigger contribution, the bigger brick.

“At some stage we raised a few thousand euros a month. And it went on for two or three years. It was promising. When we had a lawsuit, we even made a special brick to support our legal fees and that solidarity really worked”, explains Haski. “In a way, we had something similar to The Guardian. But we failed to industrialize it, to make a big picture of the community. Maybe because we came from the traditional media. We hesitated about asking too much to our readers. And now I think it was a mistake”, he adds.

Rue89 was launched a year before Mediapart by well-known journalists that came out from legacy media outlets alike Plenel and company. They both aimed to recover journalism independence and to encourage participation from the readers with a slightly different approach to include their voices. However, the main difference between them was in the business model strategies they applied and divided their paths. That may explain their current situation.

Rue89 became popular within a week thanks to a journalistic scoop that was after picked up by most French media. Mediapart needed two and a half years for that. The free access strategy of the first one compared to the paywall of the second one was key to reach a bigger audience sooner and to avoid friction for readers that didn't know them. The size of the audience was important for Rue89's revenue model since they relied on advertisement. And they started great by entering the top 10 ranking very quick. However, it soon showed its limitations. Once in economic problems they searched for readers revenue through "Le Mur", but according to Haski they failed to develop a membership model and to foresee the potentiality of that strategy.

"Mediapart has definitively found a successful niche for itself and I don't think that there can be another Mediapart", says Haski. "They took the place we would all like to have had of being the Independent online media. But there was only one place for that. And legacy media is dominating again", he adds. In his description of the French media landscape, legacy organizations suffered from advertising drops but also from conservative editors that were not reading the web correctly. "But they have already been replaced by a new generation of editors that do understand", he points out.

"When you are online you enter into a conversation. You don't write a story the same way you would have done it in a newspaper. And we were the first to write for the web thanks to our blogging experience", Haski emphasizes. Regretfully for them, they didn't realize that they should rely more on readers financial support. "Today people is ready to pay for news, even though that is not enough to sustain the whole system. You need a very powerful identity if you want people to subscribe. Because they don't do it for you providing news. They do it because you provide more than news: an identity!", he finishes.



Les Jours is a news website launched in January 2016 by former journalists of Liberation aiming to produce quality journalism. They define their reporting style as narrative, depth and investigative. But their main distinctive characteristic is that they publish their articles as a series, following the trends consumption of music and audiovisual platforms like Spotify or Netflix. That is why they proudly mention that half of their audience can be considered millennial (aged below 35 years old). The items they cover are mainly related to social, politics or cultural affairs and are called “obsessions”. They say that “news unfolds as a saga”⁸². Their initial crowdfunding gathered 80,175 euros from 1,456 supporters and up to date they achieved to convince 11 thousand readers to pay 90 euros a year to subscribe to their platform. However, that hasn’t been enough to break even. Every year since its launch Les Jours had to raise money selling capital. Currently 75% of the company is owned by its founders, around 18% by a dozen of private investors and the rest (7%) by Société des amies de Les Jours. This is a group of readers that invested from 200 to up to 10 thousand euros and are invited to participate in some instances of the decision-making process of the organization.

“In France the first wave of pure digital media started between 2006 and 2008 with Rue89, Mediapart and others. The competition was between free advertisement models and subscription models. Many people thought that advertisement models were better but Mediapart (subscription based) was the only one standing a few years later. And that’s what we had in mind when we launched”, explains Augustin Naepels, General Director of Les Jours and the only founder who is not

⁸² <https://www.niemanlab.org/2019/06/news-unfolds-like-a-saga-the-french-news-site-les-jours-wants-to-marry-narrative-depth-and-investigative-reporting/>

a journalist⁸³. He came from the business side and made experience in PriceWaterhouseCoopers, Accenture and a financial startup before joining Les Jours. So, he took care from the beginning “of everything that is not journalistic. That is to say the administrative and financial direction essentially”, as he puts it himself⁸⁴.

“We try to make original investigative journalism. We developed a new gathering and reporting format based on TV series. And we thought that being coherent in the editorial and the business side was a big plus. In order to do that the subscription model was key. That allowed us to investigate on the industries that are related to advertisement. Because no one was investigating cosmetics industry, for example. And that became a competitive advantage”, he explains.

But their editorial proposal is not only about the topics researched, but the format they publish the information. Their “obsessions” can be seen as no other thing than a series of articles on the same topic. But the way they are written is more literary. They divide each story in episodes that can spread over as much as their subject demands. In 43 months, they have published 118 obsessions. Some of them have just a few episodes and the longest has reached 117 by July 2019 and it’s still ongoing. It is named “The Empire” and tells the story of the transformation of the subscription TV Channel Canal+ under the rule of the multimillionaire Vincent Bollonté. This obsession is the perfect example of the value proposal of Les Jours: an unrestricted quality coverage on media ownership, an issue under-reported due to the fact that media corporation protects their interests. In that way they oppose transparency and independence to the traditional opacity of media corporation management.

As in the above-mentioned cases, being open and engaging readers is also important for Les Jours in search for readers revenue. “We were aware that you couldn’t ask for funding without giving them something back and without building a community first. So, we first built the interest in our community and then we launched the crowdfunding campaign”, says Naepels. To do that they created a newsletter in which they shared with the readers their ideas and every step they took towards the official launching of Les Jours. By the end of 2015, they finally started the crowdfunding campaign with a series of creative short audiovisual clips that showed their intentions. They gained lots of publicity and reached a very considerable amount: 80,175 euros.

Then, they needed to keep that support in time, and that’s why they designed the subscription model and shaped Les Jours to become a “Joint Venture Information Company”, a format that

⁸³ All quotes from Augustin Naepels are extracted from the interview carried out in the framework of this research unless specifically appointed different. It was carried out in Les Jours newsroom on April 17th 2019.

⁸⁴ <https://medium.com/letank-media/cestmonparcours-augustin-naepels-les-jours-mon-travail-est-de-g%C3%A9rer-ce-qui-ne-se-voit-pas-536da02f715d>

allowed individual tax-deductible contributions⁸⁵. “Currently we have 11 thousand subscribers, but we need 14 thousand to break even. We are short by 3000. What we do is raising additional funding on regular basis. Every year we have some fundraising from external investors. And we are convincing sizeable minority of subscribers to actually become shareholders”, Naepels mentions. The strategy has worked out so far. But entering the third consecutive year in which they have to sell capital the warning received by Haski raise some concerns.

Among the dozen of individual investors you can find the owners of Le Monde, Mathieu Pigasse (a millionaire investment banker) and Xavier Niel (the above mentioned telco-owner who also invested to become a “friend” of Mediapart). Even though they have 1.6% and 5,1% of the shares respectively, this created some undesirable repercussion.

Despite being a digital startup, whose content has been shaped out of new platforms like Netflix or Spotify, Les Jours also adapted their production into an analogic format in order to increase and diversify their income. They reached an agreement with Seuil publisher and adapted some of their serial investigations into books selling more than 80 thousand copies.

Even though they never intended to become a big newsroom, their economic limitations prevent them from increasing the number of journalists in their organization. “We were 9 founders (eight journalists and me). At the peak of success, we were 15, but now we are 12. I’m alone in Finance. We have one CTO developer (programmer), one Marketing Acquisition guy (that handles the membership strategies, emailing and campaigns in social networks), and the rest are journalists with different roles”, explains Naepels. They also have between four and six freelance journalists that contributes with content each month.

“We publish one big story a day. And depending on the day, we can go up to two or three”, adds Naepels. In regard to their agenda, he explains that they try to be original without being “totally detached from the news cycle” in order to attract new readers. “So, we attract them by the breaking news, and we keep them with more thorough deep reporting”, he summarizes. This way of putting it mirrors the Mediapart’s strategy: attracting through exclusives and retaining by general coverage.

Regardless their differences, Mediapart has always been their reference. “We don’t have no-one as famous as Edwy Plenel, but we have very respected and well-known journalists in their field. We had

⁸⁵ The “entreprise solidaire de presse d’information” is a format for news organizations created after Charlie’s Hebdo attacks on 2015. Tax payers can deduct 50% of their contribution to this organization and, in return, the solidarity company will have to dedicate half of the profits to the retained earnings and the legal reserve. A 20% should also be dedicated to a statutory reserve for the maintenance or the development of the activity. “The spirit of the law is that the newspaper, if it manages to release profits, devotes the majority to investment, and that the shareholders can not be distributed in the form of dividends more than 30% of the profits of the year”, [as explained by Huffpost](#).

good press coverage when we launched because of that. But we miss someone like Edwy because it helps to have more mediatic presence”, he acknowledges.

Their challenge is clear. “We didn’t prove that we can be self-sustainable. At the scale of France is a success. But as long as we don’t break even it’s not over”, he finishes.

As in the Spanish case, the above-mentioned experiences show that there are several news outlets that pursued the same goal and appeared at a similar time. However, none of them have reached the same success as Mediapart in terms of influence nor profit. Comparing their trajectories allow us to identified their differences and shed light into the most important elements to consider for the development of new strategies. Now we can try to summarize some general key findings of both Spanish and French experiences.

Key findings

So far, we have learned about two of the most successful media startups in Europe that have focused on developing business models based in audience revenue. We read about the context in which they were born, the objectives they aimed and the trajectories they have followed in the past years towards achieving their goals. To have a broader perspective we spent a week interviewing the founders of each outlet, but also some journalists that currently work with them or have done it in the past. We attended editorial meetings at their newsrooms, and we witnessed how they build the agenda while they shape the image of their brand at the same time.

To better understand the key success factors of each one of the chosen study cases we also interviewed members of other newsrooms that were born at a similar time and aimed at a similar audience. But all this analysis has been done within the national framework of each outlet. Now we will try to reflect on the similarities and differences of both Mediapart and Eldiario in order to identify some key findings that could provide lessons for new developments in journalism. Picking up our previous remarks and comparing them we arrive to the following summary:

1) Similar context and diagnose

Both news outlets appeared in a similar context and were led by experienced and well-known journalists who made a similar diagnose:

- i) Main institutions in their countries were suffering from a crisis of representativity. That involved not only political parties and governmental institutions, but also banks and any other kind of well-known corporation.

- ii) Therefore, media crisis was less about technological disruption or news consumption trends and more about content and trust.
- iii) Legacy media outlets owned by corporations have failed their readers by doing profit-driven journalism instead of pursuing public interest.
- iv) Clickbait strategies and advertising revenue models have distorted journalism objectives.
- v) Journalism public speech was completely divorced from their actual practices.
- vi) People were looking for a space that provides ethical values to face current problems and they were willing to support (and even pay) for journalism that proves its social contribution.
- vii) Readers revenue can become an important source to guarantee independent reporting.

2) **A Business model linked to the editorial proposal**

Taking that into consideration they both developed business models aimed to prevent political and economic interference. To that effect they asked their readers to contribute in order to guarantee their independence. By doing that they linked their business model to the editorial line. The discourse attached to the brand image was a key factor in this issue.

3) **Engage audience in a cause that transcends them through a precise discourse**

By sharing their diagnose and motivation, they engaged readers in the building of their project. While doing that they were also inscribing their organizations in journalism history. To achieve this goal, they both developed a discourse that shared some characteristics:

- i) It is transparent and it exposes their decision-making process in order to make readers to feel part of the “revolution”.
- ii) It shows permanent feedback with the audience and reflects their main claims.
- iii) It settles a goal that transcends their news organizations. By doing that they also create a feeling of belonging in their members (or subscribers) and attaches them to a bigger cause.
- iv) It assumes a pedagogical role by showing the hidden side of the news industry. In some cases, you can notice a slight “evangelical” tone in order to promote audience active participation in “spreading the word”.

4) **Journalist ownership**

They both developed organizations majoritarian owned by journalists and made transparency a

core element of their proposal. This became a main difference with legacy media outlets and contribute to build trust in readers⁸⁶.

5) First comers and Innovators

Even though most of the journalists that founded this organizations came from legacy media outlets with a similar editorial line, both Mediapart and Eldiario assumed a vanguard position and became innovators in their markets. Thus, they were developing a new business model and adapting it at the same time. Many of their decision were driven by necessity or were attempts to provide practical solutions to urgent needs.

6) Center-left leaning audience

They are both aimed to a center-left leaning audience disenchanted of legacy media. In both cases they reach a highly educated audience with a higher household income compared to the average reader of each country. However, Eldiario addresses a younger and more female readership, while Mediapart is more male and older. Their business model may have contributed to this difference since Eldiario is free-access and Mediapart asks for subscription. Younger audiences have been raised under the Internet paradigm of no payment for information.

7) “Minimum viable newsroom” of selected journalists

They both started with a small but scalable newsroom with a combination of experienced newspaper journalists and young multi-skilled journalists.

8) News agenda: less and better instead of more and worse.

They preferred to specialize in a limited number of public interest topics; to publish scoops; and to produce quality articles instead of trying to compete with legacy media in every area of information.

9) Trust, influence and sustainability

Currently they are both profitable and have experienced growth in their newsrooms. They both appear within the most influential and trusted news organizations of their countries.

10) Different business strategies

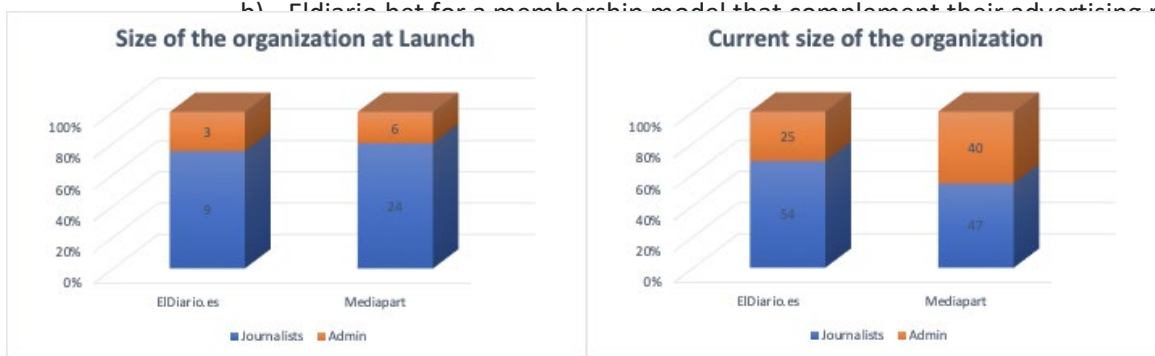
Their strategies were different taking into consideration the media landscape and the consumption trends of each country.

- a) Mediapart bet for a subscription only model with no advertising and a broad variety of promotions in order to allow people to discover them. They trusted in covering a very limited everyday agenda complemented by investigative reporting. Their premise is that

⁸⁶ In the case of Mediapart, since October 2019 all the shares are owned by a non-for-profit structure (Fund for a Free Press). But this organization has been created by the founding journalists and is currently run by them.

scoops will bring readers and content will lead to subscriptions. Readers participation has been channeled through a blogging platform.

b) ElDiario.es has opted for a membership model that complements their advertising revenue source and



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While addressing their audience each news organization use a different approach that could be described as follows:

- i) In El Diario they have an active feedback policy and they even publish a periodical article in which they respond to readers claims. Journalists are encouraged to read comments on their articles and to reply to them. And they often appeal to reader's citizen responsibility to back journalism.
- ii) In Mediapart they seem to assume the leadership role in a common battle for democracy. This position indirectly builds some distance with the audience they are "guiding". Even though all members of the staff can be reachable by the subscribers through an exclusive messaging platform, those communications remain in the private sphere. There is no accountability in that matter. On the opposite side, they do encourage audience engagement in conversation through the blogging platform. But the newsroom is not very related to that area and only a few articles published at Le Club are displayed in Mediapart's homepage.

12) Professional approach and clear ideas from scratch

In comparison to other news outlets that appeared in each country at the same time, they both made a difference by setting a clear project proposal from scratch. Having a professional approach for the business side played a very important role in that. They have even recognized that importance by increasing the number of administrative personnel more than the number of journalists along these years.

The increase of the orange surface shows that administrative personnel grew more than journalists in both organizations.

13) Back to basics in terms of format

Neither of both organizations developed a new format or created a journalistic register that was never used before. In terms of content they just recovered the traditional ethics of journalism and chose the correct available tools for distribution considering news consumption trends.

14) Different challenges for the future

- i) The main question for Eldiario is whether they will face a business model limitation in the forthcoming months. Does the membership model allow them to increase their readers revenue enough to cope with the expected decrease in advertisement revenue? How would it affect them to swap for a subscription model in terms of reach and influence? How would it affect their legitimacy built on a discourse that included free access website as an important added value?
- ii) For Mediapart, whose founding members are arriving to retirement age, the question is transcendence. Is the generation below the founders ready to inherit the control of the company? Are the founders ready to give them the freedom enough to shape the future of the company? Can the new non-for-profit ownership structure succeed in providing a model for other news outlets?

Are Mediapart and Eldiario models replicable?

Eldiario and Mediapart provide very valuable examples of how to guarantee the necessary freedom to carry out in depth investigations and to report on relevant social issues through the avoidance of economic dependence from individuals or corporations (regardless if they are advertisers or investors). Whenever that fails to happen, direct or indirect censorship affects journalism. This misleads profession's main goal to contribute to develop a better-informed society that can act for the collective benefit. By doing that it also expels the audience that still trusted in journalism to an open space of incidental news consumption, a place where fake news has spread massively in recent times.

The process is evident worldwide, but the different attempts to respond to it has not proven the same success. During the previous analysis we tried to shed light into the main differences between

the case studies and other contemporary news startups from the same countries. However, that ex-post comparison is not enough to affirm that any other organization following the path of Mediapart or Eldiario would have succeeded. The main question that most journalists in those countries are eager to know the answer is whether national markets allow more than one news outlet with a similar model.

The answer to that question exceeds the aim of this paper, but a first guess would suggest that there is room for more than one journalist owned news outlet that relies on readers revenue. In fact, if you look back over newspaper history, before the twentieth century reliance on advertising, multiple publications were supported by reader revenue. Of course, implementing the same business model doesn't imply having the same success or influence.

Moreover, the barrier of entry to the news market has never been so affordable thanks to Internet. That allows almost anyone to develop a scalable project. In addition, the capacity of targeting specific audiences and measuring user's behavior online brings more precision to the table giving more information to plan better strategies. Considering all this -and the fact that the studied cases didn't do anything different from traditional reporting in terms of formats- there seem to be no limitation for other news startups to earn their space in the local media landscape.

These quick comments are based on the issue that both Spain and France have at least one successful news outlet that relies in readers support. In addition to them, most of the contemporary examples mentioned in each country are also active and producing quality journalism even when they are still struggling to guarantee its continuity. That shows that even if it is not easy, it is possible.

As it was stated in the beginning of this paper, no answer can be provided in regard to what a news startup aiming to readers revenue should do to guarantee its success. However, this research shed light into many issues that will definitely have to be taken into consideration in order to achieve that goal. The key findings above-mentioned provide as well clear parameters and examples for media entrepreneurs to compare their ideas. Hopefully it will also help them to better-shape their projects. Following Cagé, "the media industry must seek economies of scale and develop strategies based on economies of scope and differentiation". That applies to each country at its own pace and time.

As Mediapart and Eldiario experiences show, lot of their success is related to the practical solutions they found to the unexpected challenges that they had to face. Learning from them at least might help to enrich the background information before attempting a particular approach. To keep

questioning them and specially to question our own projects through a new perspective will surely contribute to create a healthier media landscape and a better-informed society.

Special annex: Is there room for an independent news startup based on audience revenue in Argentina?

In this annex we will try to analyze whether any of these models are somehow customizable to Argentina. In order to answer to that question, we will start by taking into consideration the four dimensions of analysis that Hailin and Mancini use to gather countries in ideal media models: the development of media markets; the political parallelism (degree and nature of the links between the media and political parties); the development of journalistic professionalism; and the degree and nature of state intervention in the media system.

At this point it is important to consider that the authors defined the ideal media models in 2004 “in order to find out whether it is possible to identify systematic connections between political and mass media structures”. Regardless many things have changed since then (mainly due to technology developments in news) and lot of criticism have aroused about the difficulties of using their models worldwide, I will follow authors argument on the matter considering that their dimensions of analysis “travel better” than their ideal types of media models⁸⁷. According to them, Spain and France can be consider part of the Mediterranean or Polarized Pluralist Model, which can be described as follows:

- 1) Newspaper Industry: Low newspaper circulation; elite politically oriented press.
- 2) Political Parallelism: High political parallelism; external pluralism, commentary-oriented journalism; parliamentary or government model of broadcast governance - politics-over-broadcasting systems
- 3) Professionalization: weaker professionalization; instrumentalization
- 4) Role of the State in Media System: Strong state intervention (press subsidies in France and Italy; periods of censorship; “savage deregulation” in every country except France).

Argentina doesn't comply to the same perfect pattern. But as it was stated before, the aim of this paper is to learn from experiences and to think of possible adaptations. To that effect the most important thing is to acknowledge the differences between countries, rather than proving their similarities nor finding a model that suits all well.

For instance, Argentina's circulation of newspapers is lower compared to Spain and France. The table below shows that taking into account the World Press Trends data.

⁸⁷ Op Cit. 9

Total paid for dailies	2013	2014	2015	2016	2017	Population
France	6577	6361	6163	5964	5816	65000
Spain	2550	2350	2145	1965	1795	46000
Argentina	993	926	926	934	870	45000

Source: World Press Trends

In terms of professionalization we will follow Mellado et al (2017)⁸⁸ to state that journalistic culture around the globe is not homogeneous nor follow ideal types. As they say, “journalistic cultures are heterogeneous and hybrid”. And we will agree on the fact that hybrid performance of roles across a variety of countries could not only be attributed to the media system, the political regime, or the geographical region, but also to the nature of news production in itself. As they describe, “factors such as organizational (market orientation, political leaning, platform, public vs. private media), news routines (beats, sourcing, resources, digitalization, convergence processes), as well as other unaccounted variables play in the performance of roles in news”. That would be our point of view. And that is why during this research we made on-site visits to newsrooms to understand how they conceive journalism and think about their news agenda.

In order to add some specific considerations about Argentina we could say that journalism in the country has always been understood as a craft (something that you learn by doing it) rather than something that you study. There is no exam or diploma required to work as a journalist either. The main journalistic institutions are unions, which are becoming more important in these days due to job losses and newsrooms closures.

In regard to political parallelism, Argentina’s media landscape clearly reflects the political divisions of society. News outlets have always been clearly identified with an ideological position and the intervention of the State has always been very noticeable through the implementation of subsidies, specific regulation or direct advertising. In that matter, Mediterranean Countries and Latin Americans have a lot in common. As the Mexican researchers Manuel Alejandro Guerrero and Mireya Márquez-Ramírez highlight, similar liberalization and deregulation processes in both areas favored the strong established corporations⁸⁹.

⁸⁸ Claudia Kjalsa Mellado, Lea Hellmueller, Mireya Márquez-Ramírez, María Luisa Humanes, Colin Sparks, Agnieszka Stepinska, Haiyan Wang. “The Hybridization of Journalistic Cultures: A Comparative Study of Journalistic Role Performance”, *Journal of Communication*, International Communication Association. 2017. 944–967..

⁸⁹ Manuel Alejandro Guerrero, Mireya Márquez-Ramírez, “The ‘Captured-Liberal’ Model: Media Systems, Journalism and Communication Policies in Latin America”, *International Journal of Hispanic Media*. 2014. 57

Later on, we will introduce some more precise comparisons between the three countries that will allow us to suggest possible paths for carrying out an independent reporting news startup that relies on audience revenue. But before that we would like to further describe the Argentinean scenario.

Probably the most outstanding characteristic of the Argentinian media market is the level of concentration. As the [Media Ownership Monitor](#) carried out by Tiempo Argentino and Reporters without Borders show, just adding four private media companies you can reach 74% of the newspapers readers; 56,7% of the TV audience and 53% of the radio audience⁹⁰.

But the concentration does not reduce just to audience reach. Grupo Clarín (which has 7 newspapers, 4 out of 6 most visited news websites, 4 open-air TV channels, 9 cable tv channels and 2 radio stations) also owns the only industry in Argentina that manufacture the paper that all newspapers use. It also became the biggest Telco company by merging to Fintech recently. Altogether accounted for 42% of landline services, 34% of mobile, 56% of broadband internet access, 35% of mobile internet access and 40% of pay TV. So, they produce the content but also own the distribution sources. That makes this company a very influential actor in every field in Argentina and, at the same time, restrict the news coverage they do to the corporation interests. Consequently, this affects their media legitimacy to intervene and their audience trust.

The media landscape described is currently combined with an economic crisis in the country which even deepen the concentration panorama. The inflation rate has increased 55,8% between July 2018 and June 2019⁹¹. Just in 2018 the salary purchase power decreased 17%⁹². In that period poverty grew 7% reaching one every three people in the country⁹³ and the unemployment rate reached the two digits for the first time in 14 years⁹⁴.

Logically this economic crisis also spread over politics and depicts a bigger institutional crisis in Argentinian society. At this point It is worth noting that, as it was mentioned in the key findings, both Mediapart and Eldiario took advantage of the lack of representation and trust in traditional institutions when they launched in Spain and France. However, it is also important to stress that the overall economic situation is quite different: France and Spain are considered developed economies while Argentina is considered a developing economy. This difference can be important in order to think of the amount of people that will pay for news.

⁹⁰ <http://argentina.mom-rsf.org/en/findings/>

⁹¹ <https://www.infobae.com/economia/2019/07/16/la-inflacion-de-junio-fue-de-27-y-acumula-558-en-los-ultimos-12-meses/>

⁹² https://www.clarin.com/economia/salarios-vs-inflacion-termino-carrera-2018_0_5pcxg1b1C.html

⁹³ https://www.clarin.com/economia/economia/uca-estima-pobreza-cerca-35-indigencia_0_m4u-pRe-A.html

⁹⁴ <https://www.infobae.com/economia/2019/06/19/casi-2-millones-de-desocupados-el-desempleo-supero-el-10-en-el-primer-trimestre-y-registro-su-mayor-valor-en-13-anos/>

A last thing to consider about Argentina media landscape is that the first membership model was launched in March 2016 by Tiempo Argentino, a cooperative news organization conformed by journalists that lost their job after the owner of the legacy news outlet in which they worked decided to shut it down without previous notice. The workers -initially organized to claim for compensation- decided to invite readers to join their cause and support a journalist cooperative-owned news outlet. They developed a business model that relied on readers support and they offered a free access digital newspaper with a Sunday printed edition. That printed edition allowed them to sell more advertising and to add printed newspaper selling revenue as well. At the same time, they kept the symbolic value of print media, that is still highly considered for politicians and readers alike.

Their story attracted a lot of national attention and after them a few more outlets followed the same path. One year after Tiempo Argentino's appearance, in May 2017, legacy media corporations started launching altogether metered-paywalls and focused their marketing strategies to get subscribers. These efforts haven't configured yet a payment tradition among Argentine readers. And a key factor for that is that Infobae, the most visited news website and the second more trusted according to 2019 DNR, still offers free access.

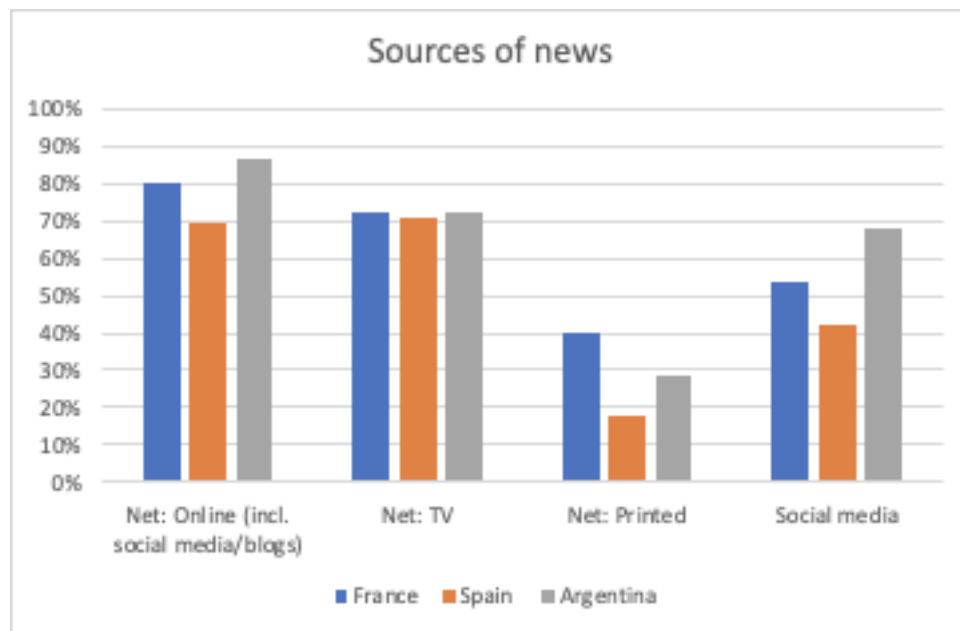
Having made these remarks, we will compare some news consumption trends in each country before suggesting a possible path for independent reporting. We will use for that purpose the results of the 2019 Digital News Report RISJ survey

	France	Spain	Argentina
Population	65 M	46 M	45 M
Internet penetration	93%	93%	93%
PPP per capita	45,877.1	40,854.6	20,567.3
News Consumption			
Interest in news	50%	76%	63%
Main source of news	TV (54%)	TV (45%)	Online (53%)
Trust: overall	24%	43%	39%
News avoidance? Often/sometimes	33%	33%	45%
Paid for online news content	9%	10%	8%

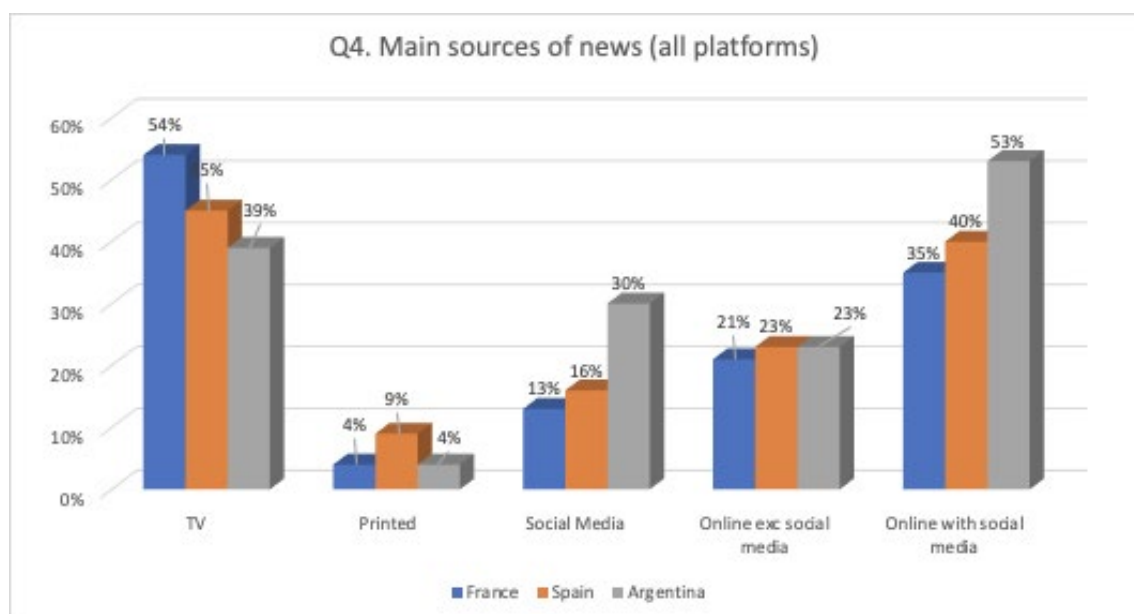
Source: World Bank and DNR 2019

The Argentinian people that replied to RISJ survey for their Digital News Report in 2019 gave answers that stand in between Spanish and French stats in terms of "interest in news", "trust" and "paying for news". Nevertheless, it is noticeable that the main source for news among Argentinians

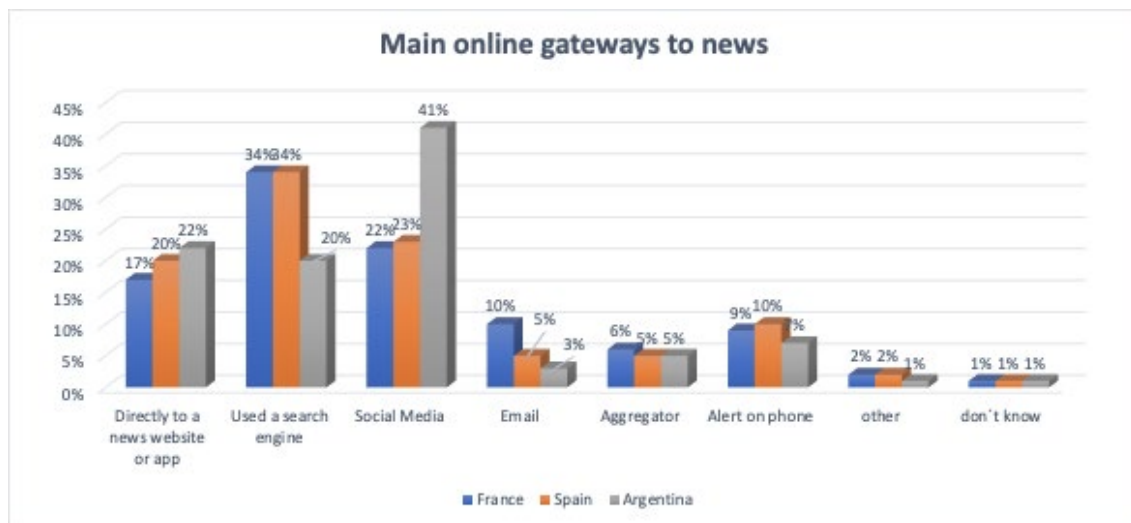
is Online, while in France and Spain the TV is more important. A deeper insight on the issue adds some precision.



As you may notice in the chart above, when you ask people how they get informed the first answer is quite similar. The main difference between Argentina and the Mediterranean countries is related to Social Media. Argentinians have a bigger preference for those platforms in order to receive news. But a closer look to their main source of news will bring even more accuracy.



Argentiniens goes online more to look for information while French people and Spaniards prefer TV. And whenever we talk of online consume only, Argentiniens almost doubled French and Spanish preference for social media as primary source of news.



This means that no media startup can be developed in Argentina without a very well-planned strategy on social networks. At the same time, it sheds light into a big challenge which is Social Media are a space for sharing free content. Moreover, the aim of Social Networks is to retain users within their platforms, so they are constantly developing strategies to embed content instead of promoting users to land in other websites. Finally, Social Media work under secret algorithms which makes more difficult for news outlets to reach new readers and forces them to pay platforms in order to target their messages.

This preference for Social Media may be related to the Argentinian low trust in news (39%). That makes Argentina the 25th country among the 38 that took part on the DNR survey in terms of trust. And can also be related with the higher rates in news avoidance (45% against 33% in France and Spain).

But a closer look into the DNR survey also stands that 47% of the Argentinians “trust in the news they use”. That’s almost the same figure as in Spain (48%) and considerably more than in France (34%). Another encouraging stat is that 60% of the respondents to the survey said that they checked different sources in order to verify the authenticity of an information and 27% expressed that they “started relying more on sources of news that are considered more reputable” (while in France and Spain only 20% of people said to do that). That means that there are readers actively looking for a reputable source in which they can trust. Providing a professional and trustable source was also one of the key findings shared among both studied cases.

Another thing to consider in regard to the “main online gateways to news” chart is that Argentinian audience is first among the three selected countries in direct access to news websites. That is an encouraging trend whenever you search for members or subscribers since it means that they go straight to the source they are looking for without sideway paths. Then it’s a matter of capacity to draw the best frictionless conversion funnel in order to transform a recurrent visitor to a member or subscriber.

In the 2019 Digital News Report the authors showed that there is a trend that may relate direct access to subscription. According to this chart, the higher proportion that prefers a direct access to news, the higher proportion of digital-only subscriptions. Even though Argentina’s case was not consider in the report to show this trend, its ratio lies straight over the median depicted in the following chart.

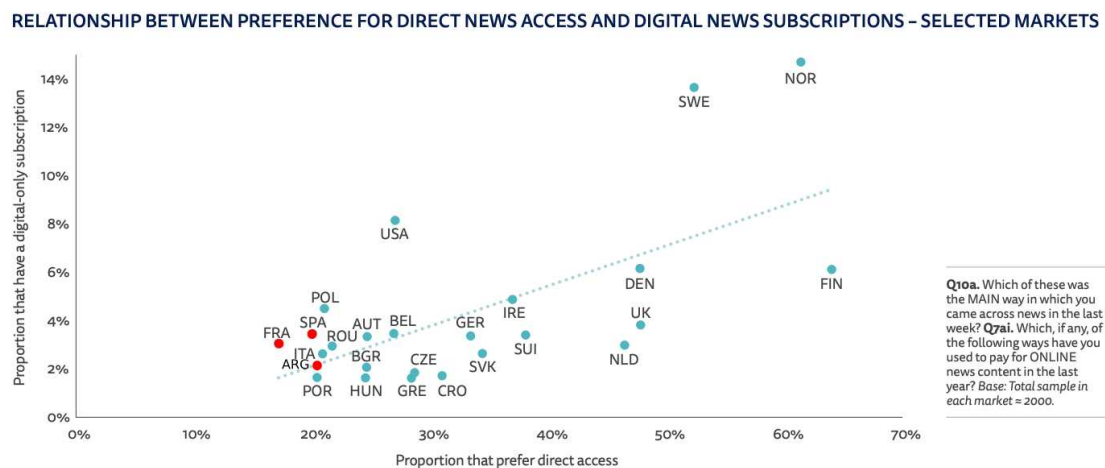
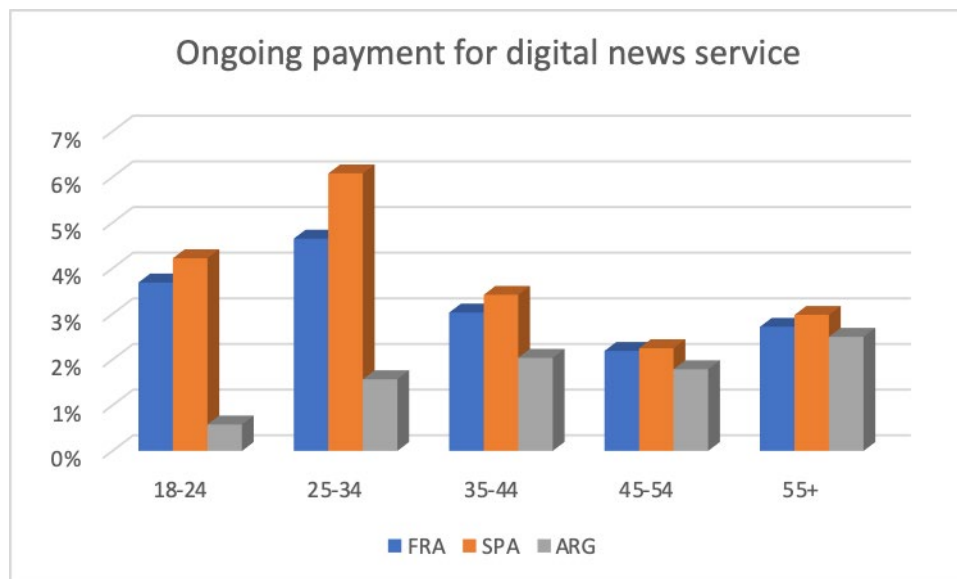


Chart from the DNR 2019. Argentina’s spot in the graph has been added for this paper’s purpose

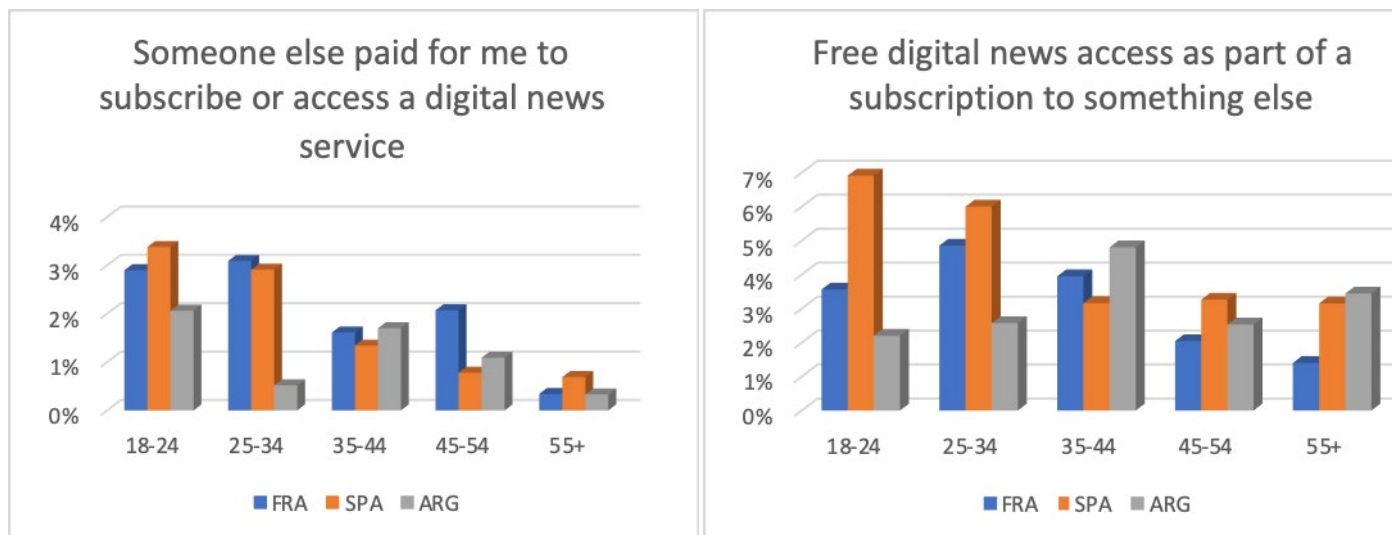
If you further focus in payment preference you could see that Argentina is specially behind France and Spain in the under 35 population.



The millennial population (under 35 years old) are part of a generation that lived its mature life with Internet. Consequently, they are not used to pay for information. That would explain why Mediapart and Eldiario are constantly using a pedagogical appeal. Mediapart, who relies 100% on readers revenue, has even developed different kind of subscriptions adapted to each household income. There are promotions for students, academic institutions, unemployed, retired people, etc. Eldiario has left the gate open for a reduce price of membership also. And if they finally swap to a subscription model, they would introduce more options to prevent losing readers for their economic situation, as they mentioned during the interviews for this paper. Both strategies might provide some ideas to implement in a country like Argentina which is facing an economic crisis and unemployment is growing.

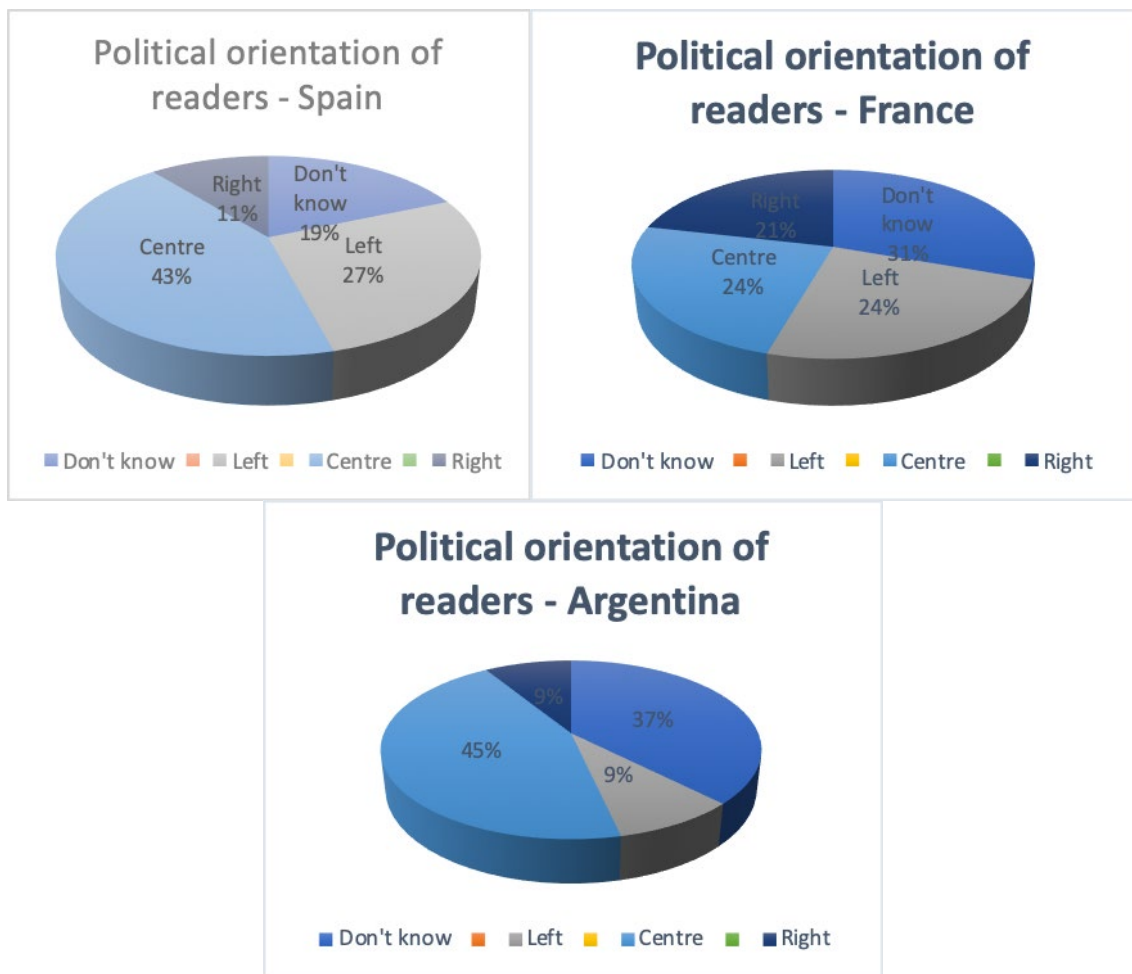
Accordingly, this last chart may show more a reflection of the incapability of Media outlets to appeal in the right way to younger generations, than the reluctance of them to pay for content. In fact, subscription based streaming platforms for music and video such as Spotify or Netflix are hugely popular in Argentina and specially among millennials⁹⁵. The following charts will be useful as examples of the possible paths to develop specific strategies.

⁹⁵ Regretfully there are no official stats from the platforms about it. Nevertheless, the Secretary of Culture [published that](#) 25% of Buenos Aires City population uses Netflix every day while 13% of all argentinians use Spotify, making that platform the second online source for music after Youtube.



As it is clearly shown, Argentina is close to Spain and France in regard to digital news access within people over 35 years old but is clearly behind the Mediterranean levels for younger audiences. That means that there is a lot of room to increase millennial access to subscription-based news outlet without initially asking them to pay for it. Some options that hasn't been tried yet are including accessibility to news in digital bundles or offering multi-users for same subscriptions, for example. At least by doing that you reach a younger audience which is a first step to increase your subscription.

A last thing that can be useful to compare among the three media systems is the ideological orientation of readers. Using the DNR survey as a sample you may notice that the majority of Argentinean readers consider themselves in the center of the political spectrum. The same happens in Spain. The main difference is that both in France and Spain almost one out of four readers acknowledge themselves as left leaning, while in Argentina just one out of ten. As it was also noted in the key findings, Mediapart and Eldiario are targeted to center-left audience. Moreover, they are mainly read by people who considered themselves as belonging to the left spectrum. So any media startup that would like to follow their examples would have to take into consideration this difference in politic orientation to better-shape their discourse.



The above-mentioned stats along with the scenario previously described provide some hints to think whether journalist-owned news organizations based on audience revenue might be possible to succeed in Argentina. Of course, in this annex we mainly focused in the objective variables. But as it was shown during the research, the material conditions are as important as the editorial proposal and the business model. Following our conclusion of the last chapter, this annex can be used to shape Argentinian project proposals and then test them against the key findings before launching it publicly. It can also be used to mirror any existing project and identify elements to try some adjustments.

So far, there are no much examples of something similar to Eldiario or Mediapart in Argentina. Besides Tiempo Argentino, other outlets that relied on audience revenue in the last years are El Destape and Futurock. These might be the closest attempts, but none of them has neither the influence nor the reach of the two studied cases⁹⁶.

⁹⁶ El Destape is a news website specialized in politics and Economy founded by Roberto Navarro, a former news TV anchor with a clear political orientation that opened a crowdfunding when he was

Of all three, Tiempo is the only one that have publicly recognized their attempt to customize Eldiario proposal. However, its different origin set a rapid limitation. While Eldiario was launched with a budget of 600 thousand euros and “minimum viable newsroom” of 12 selected workers, Tiempo started without any money and with a newsroom of 90 journalists (none of them administrative) that were initially part of a printed newspaper that had recently shut down. The cooperative they conformed in order to publish their newspaper have succeeded in surviving for almost four years already increasing both their membership base and their income while making readers revenue to account for 70% of their budget. However, they have severe money restrictions and they are constantly struggling with many difficulties while trying to compete in a very concentrated market. Recovering Cagé quote from the beginning of the paper, Tiempo played a vital role in Argentina landscape to show that audience revenue can be trusted to guarantee independent reporting. But tomorrows revolution will probably need new actors. Hopefully they will find the experiences gathered in this paper useful.

fired from the TV station in September 2017 under ideological persecution. Futurock is an online radio station full of Social Media influencers aimed to younger audiences that developed a membership model at the end of 2016.

List of Interviewees

Positions held at the time of interviews

Name	Organization	Function	Method
Ignacio Escolar	Eldiario.es	Director	Newsroom interview (Madrid)
Esther Alonso	Eldiario.es	Marketing and Development Director	Newsroom interview (Madrid)
María Ramirez	Eldiario.es	Strategy Director	Newsroom interview (Madrid)
Gumersindo Lafuente	Eldiario.es	Deputy Director	Newsroom interview (Madrid)
Juan Luis Sánchez	Eldiario.es	Vice Director	Skype interview
David Ramirez	Eldiario.es	Art Director	Newsroom interview (Madrid)
Ander Olinden	Eldiario.es	Chief Writer	Newsroom interview (Madrid)
Jesus Maraña	Infolibre	Director	Newsroom interview (Madrid)
Vanesa Jimenez	CTXT	Deputy Director	Newsroom interview (Madrid)
Miguel Mora	CTXT	Director	Newsroom interview (Madrid)
Magda Banderas	La Marea	Director	Personal interview (Madrid)
Edwy Plenel	Mediapart	Editorial Director	Newsroom interview (Paris)
Marie-Helene Smiejan	Mediapart	General Director	Newsroom interview (Paris)
Ludovic Lamant	Mediapart	Editorial Committee	Newsroom interview (Paris)
Sabrina Kassa	Mediapart	Co-responsible of Mediapart Club	Personal interview (Madrid)
Irene Casado Sanchez	Mediapart	Responsible for Mediapart in Spanish	Phone & Personal interview (Paris)
Augustin Naepels	Les Jours	Financial Director	Newsroom interview (Paris)
Pierre Haski	Rue 89	Founder and former Director	Personal interview
Mathieu Deslandes	Rue 89	Journalist	Personal interview
Sylvie Kauffman	Le Monde	Editorial Director	Personal interview

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