JULY 2021

THE AWAKENING OF A SLUMBERING GIANT?

The profound changes hovering on the horizon of the local and regional media ecosystem in Mexico

About WAN-IFRA

The World Association of News Publishers (WAN-IFRA) is the global organization of the world's press. Its mission is to protect the rights of journalists and publishers around the world to operate independent media. It provides its members with expertise and services to innovate and prosper in a digital world and perform their crucial role in society.

wan-ifra.org

About Tecnológico de Monterrey

Tecnológico de Monterrey is a private university. It has 26 campuses in Mexico and 18 international headquarters and outreach offices throughout the world. Its educational offer includes a wide range of professional and specialist medical and non-medical degrees, as well as Master's and PhD courses in many different knowledge areas.

tec.mx

About the Facebook Journalism Project

The Facebook Journalism Project works with media from around the world to strengthen the connection between journalists and the communities they serve. It also helps address the news industry's core business challenges. The project runs programmes and training courses and seeks to establish partnerships.

www.facebook.com/journalismproject

EXECUTIVE SUMMARY

The World Association of News Publishers (WAN-IFRA) and the Tecnológico de Monterrey (the Monterrey Institute of Technology and Higher Education) conducted a study with the support of the Facebook Journalism Project, to identify the main challenges facing the local and regional media in Mexico in terms of adapting their business model, news production system and company organization to the digital era.

In March 2021, key executives from 19 local digital media outlets and 32 regional media outlets completed an online survey on their business model, newsroom composition, company organization and knowledge of digital tools.

The results of the survey reveal, that the Mexican media faces a similar scenario as do their peers in other parts of the world. The challenge of finding revenue streams that will enable them to maintain operations is one faced by all news organizations throughout the world. Indeed, 85% of the Mexican media surveyed said they believed their current business model will need to change over the next 3 years. Yet, moving towards this goal is often difficult, particularly since they are forced to struggle on a daily basis with issues such as fast-paced technological changes, revenue reduction and talent drain.

One particular area in which the surveyed media companies differ from their counterparts in other countries is the fact that they are severely lagging behind in terms of implementing reader revenue schemes (paywalls, subscriptions, membership systems). The results of the survey reveal that, at the time of the study, 91% of Mexican digital media and 70% of regional media had no model of this kind. Although in most cases reader revenue schemes have yet to be implemented, respondents stated that they were contemplating doing so in the near future. Indeed, the majority of regional and local digital media outlets (80%) are working on incorporating reader revenue strategies into their business models.

Another revenue stream not yet intensely exploited by the media surveyed in the study is programmatic advertising. For 37% of regional media and 33% of digital media surveyed, programmatic advertising accounts for 10% or less of their overall digital advertising. These low figures correlate with the low level of expertise regarding some of the free tools currently available in this field, which are key for enabling media organizations to monetize their digital content.

The Mexican media organizations surveyed in the study are behind when it comes to the presence of specialized digital teams (metrics/audience analysis teams and multimedia story-telling teams, for example). Two of the reasons provided include lack of training and difficulties retaining talent (coupled with their inability to offer competitive salaries in the first place in order to build and maintain specialized teams).

Newsrooms have young and gender balanced teams, though that balance clearly decreases at management levels.

Below, we explore the main findings of the study in depth.

INTRODUCTION

Over the past two decades, the news publishing industry has undergone a series of deep-rooted changes. The advent of the Internet has changed the way in which people keep abreast of current events. The traditional business model of the print media, which is based on advertising revenue and circulation, is no longer as sound as it once was. The impact of this profound change was first felt in North America and Europe. However, since 2010, it has spread around the globe.

Several media organizations have taken drastic measures to try and curb the drop in revenue from traditional sources, with strategies ranging from staff cutbacks to complete turnarounds in their business model. Some have even sought to diversify their revenue by branching out into other economic activities.

Mexico has also felt the effects of these changes, and there is a lack of information available about its news publishing industry, particularly in relation to local and regional media organizations. Likewise, it is worth noting that, despite its size and geographical proximity to the United States (a country which is a benchmark for media innovation and digital subscriptions), Mexican media companies are lagging behind in the transition towards reader revenue models. This shift has been gaining ground for over a decade now, not only in Europe and North America, but in many South American countries as well.

In March 2021, WAN-IFRA and the Tecnológico de Monterrey, with the support of the Facebook Journalism Project, surveyed key executives from 51 general information regional and local digital media organizations in Mexico.

The sample included 19 local digital media and 32 regional media from 27 of Mexico's 32 states. The aim was to ensure a sample as geographically varied as possible. Regional media organizations were selected with the aim of surveying those with the greatest influence in their respective states. In relation to the local digital media, the selection process sought to include, those specializing in different fields, such tourism, environment and sports (among others); and those with a strong presence on various digital platforms.

RESEARCH BRIEFING

AIM: To identify and understand the main challenges faced by regional and local media organizations in Mexico, in terms of adapting their business model, information production system and company organization to the digital era, in order to help accelerate their transformation as effectively as possible.

32 REGIONAL MEXICAN MEDIA
Media organizations which are leaders or particularly influential in their city and/or state. All have a printed format.

19 LOCAL DIGITAL MEXICAN MEDIA
Local or specialized media organizations.

TOOLS

DIGITAL SURVEY
Key executives from each media outlet answered a 100 question survey in March 2021.

INTERVIEWS
The research was complemented with interviews with executives from several surveyed media outlets.

THE RESEARCH FOCUSED IN FOUR AREAS:

Business models

Newsroom composition

Company organization

Knowledge of digital tools

SURVEYED MEDIA OUTLETS

REGIONAL MEDIA
DIGITAL MEDIA

- El Imparcial
- El Diario
- El Diario de Chihuahua
- El Heraldo de Chihuahua
- El Diario de Juárez
- El Siglo
- Vanguardia
- El Malpensado
- Distopía
- ABC
- Verificado MX
- El Sudcaliforniano
- El Mañana de Nuevo Laredo
- El Sol de Tampico
- Son Playas
- Periodismo Negro
- El Debate
- Noroeste
- Sol de Zacatecas
- Pulso de San Luis Potosí
- Apuntes de Rabona
- Capital CDMX
- PICO Informativo
- Ruido en la Red
- Conexión Migrante
- El Diario de Yucatán
- Por esto!
- El Meridiano de Tepic
- AM
- El Informador
- El Sol de Tlaxcala
- Escenario Tlaxcala
- El Heraldo de Tabasco
- Así es Cancún
- El Diario de Querétaro
- El Diario de Xalapa
- El Mundo
- La Verdad
- Milenio (**Nacional con ediciones regionales**)
- CNX Noticias
- Métrica Digital
- Agencia SIEN
- El Sol de Acapulco
- Diario del Sur
- El Sol de Cuernavaca
- Noticias de Oaxaca
- El Sol de Puebla
- Lado B
- Manatí
- Poblanerias
- Serendipia

The survey provides an overview of the situation of regional and local digital media in Mexico. This report presents the results of the survey in accordance with the main findings:

- The beginning of a deep-rooted change in the business model

- Young editorial teams with limited gender balance and facing an uphill battle to understand their audiences

- Human resources: talent and training, key elements for transformation

THE BEGINNINGS OF A DEEP-ROOTED CHANGE IN THE BUSINESS MODEL

Regional and local digital media organizations in Mexico need to find revenue streams that will enable them to sustain their business operations. The survey analyzed both their current monetization channels and those they are planning to implement in the near future.

Mexican media find themselves at the same crossroads as their peers in the rest of the world: they face the need to find revenue streams capable of sustaining their news publishing operations. The drop in printed sales (in legacy media), coupled with the decrease in traditional advertising, the difficulties deriving revenue from digital advertising and constant competition for audience attention, make it difficult for media organizations to guarantee financial sustainability. Moreover, for the print media, having to cover costly overheads in order to maintain their paper-based formats further complicates the equation.

The study found that regional and local digital media companies in Mexico are actively searching for ways to adapt their business models. Although most have yet to implement reader revenue models and continue to rely mainly on advertising as their main source of income, the organizations surveyed responded they were weighing on (and some were already working on) different solutions, particularly programmatic advertising, reader revenue models and diversification of revenue beyond advertising and readership.

1.1 UNCERTAINTY AROUND THE TRADITIONAL REVENUE MODEL

The study found that the revenue composition of Mexican news publishing companies is very similar to that of their counterparts in other countries. In other words, they are highly dependent on advertising (which accounts for 76% of revenue in digital media and 70% in the case of regional media), with readership covering most of what's left.

BUSINESS MODEL
Current revenue composition

DIGITAL MEDIA: 16% / 8% / 76%

READERS
OTHER
ADVERTISING

REGIONAL MEDIA: 28% / 2% / 70%
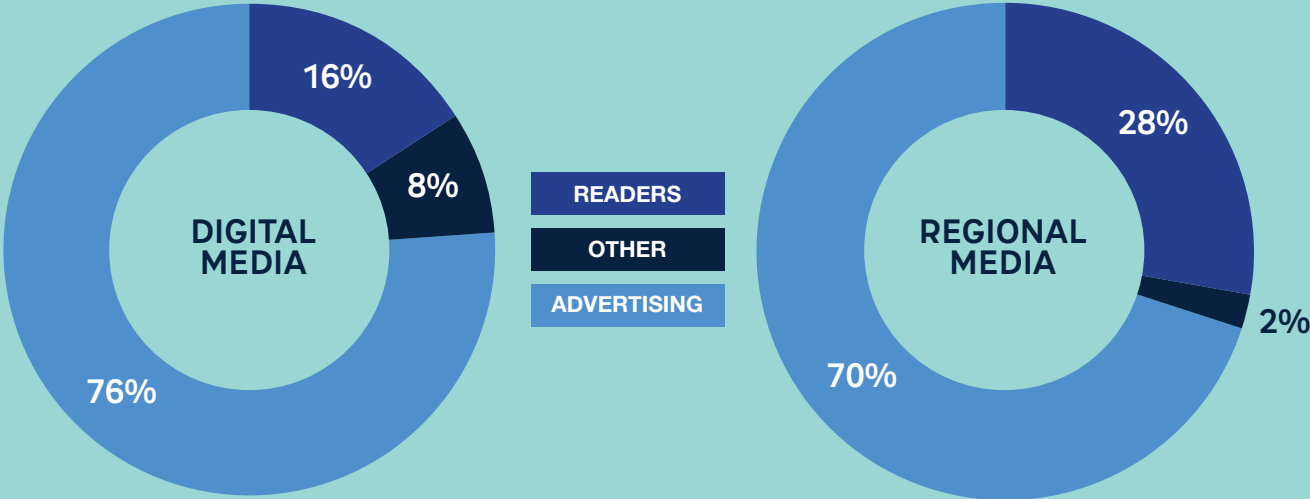
The trends in this field are also similar to those observed in other countries in relation to the print media, with traditional revenue dropping sharply and digital income failing to fully offset this loss.

EVOLUTION OF PRINT AND DIGITAL ADVERTISING

How has print advertising evolved in relation to digital advertising over the past three years?

RISEN	DROPPED	NO PRINT AD	NO CHANGE
3.1%	78.1%	6.3%	12.5%

How has digital advertising evolved in relation to print advertising in the past three years?

RISEN	DROPPED	NO CHANGE
71%	3.2%	25.8%
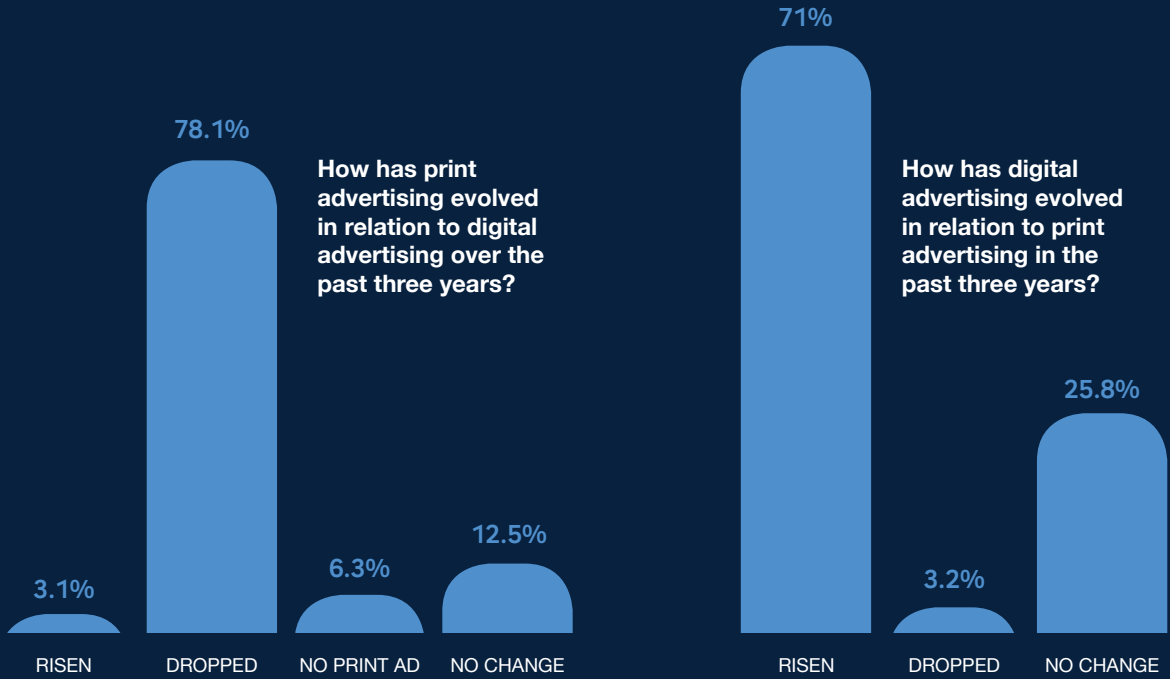
*Only regional media with a print version

EVOLUTION OF ADVERTISING REVENUE, GLOBALLY
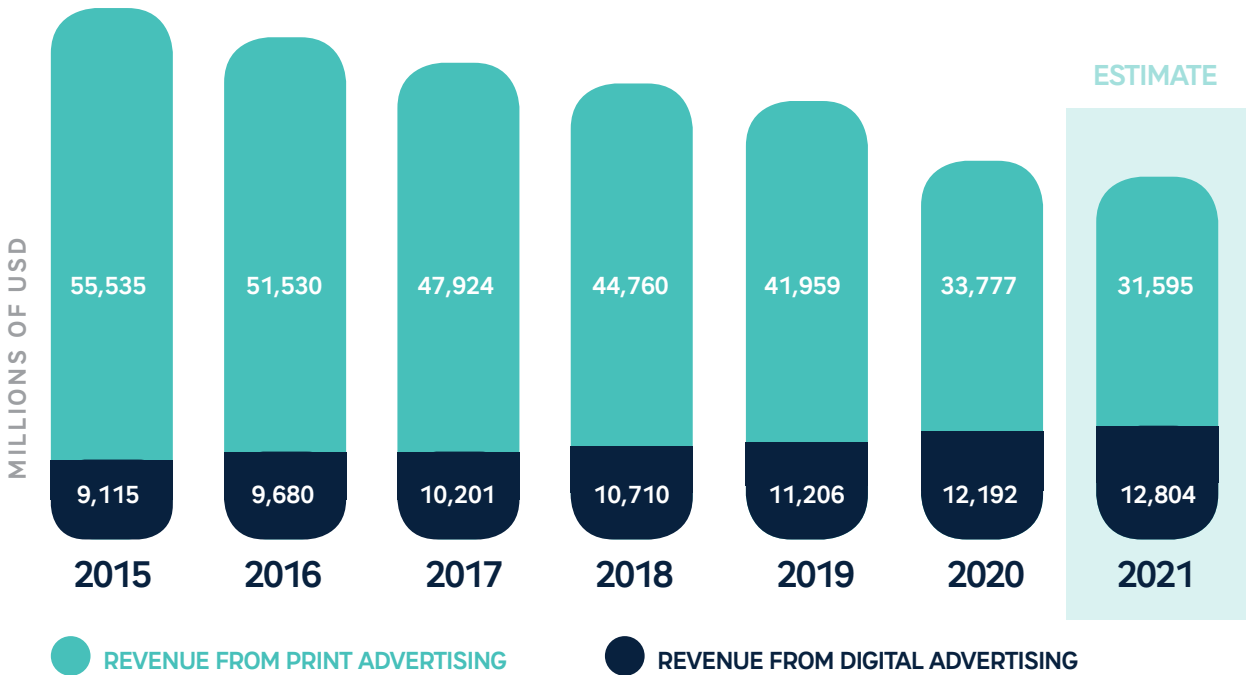
MILLIONS OF USD

	2015	2016	2017	2018	2019	2020	2021 (ESTIMATE)
REVENUE FROM PRINT ADVERTISING	55,535	51,530	47,924	44,760	41,959	33,777	31,595
REVENUE FROM DIGITAL ADVERTISING	9,115	9,680	10,201	10,710	11,206	12,192	12,804

● REVENUE FROM PRINT ADVERTISING   ● REVENUE FROM DIGITAL ADVERTISING

The media organizations surveyed are aware that their current business model needs to change. Although 32% of regional media surveyed said they believed that the current business model was very or completely sustainable, the rest expressed a fair degree of mistrust, with 12% considering their business model not particularly or not at all sustainable, and 56% viewing it as somewhat sustainable. In the case of digital media, 53% said they believed their model was very or completely sustainable, and 21% said they thought it was not particularly or not at all sustainable.

BUSINESS MODEL
How sustainable is your business model for the next three years?

DIGITAL MEDIA
21%
53%
26%

NOT PARTICULARLY/ NOT AT ALL
SOMEWHAT
VERY

REGIONAL MEDIA
12%
56%
32%
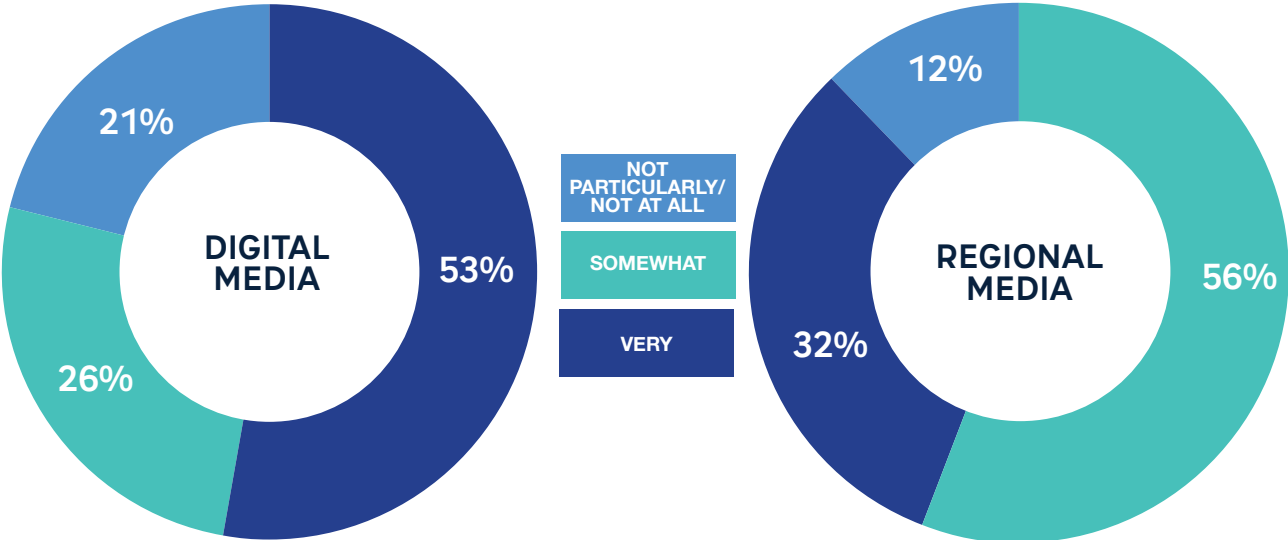
This trend is even more pronounced when questioned about the need to change their business model over the next three years, with 85% saying they thought it was totally or very necessary (this percentage was 93% among regional media and 74% among digital media).

BUSINESS MODEL

Do you think your organization will need to change its business model over the next three years?

NOT PARTICULARLY
SOMEWHAT
VERY
TOTALLY

4%
11%
25%
60%
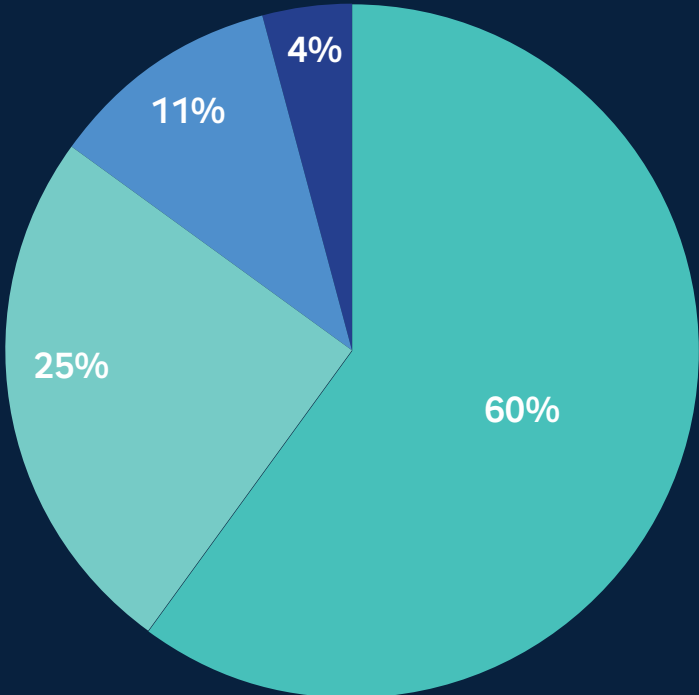
'The vast majority of our revenue comes from print circulation and advertising,' explains Enrique A. Gómez, Chief Operating Officer at *AM de León*, a newspaper published in Guanajuato State. He goes on to warn that: **'As it stands, our operational model is no longer valid. We are losing market share and there is nothing to indicate that we will regain the ground lost in print format.** All our revenue sources are collapsing. Unless something changes,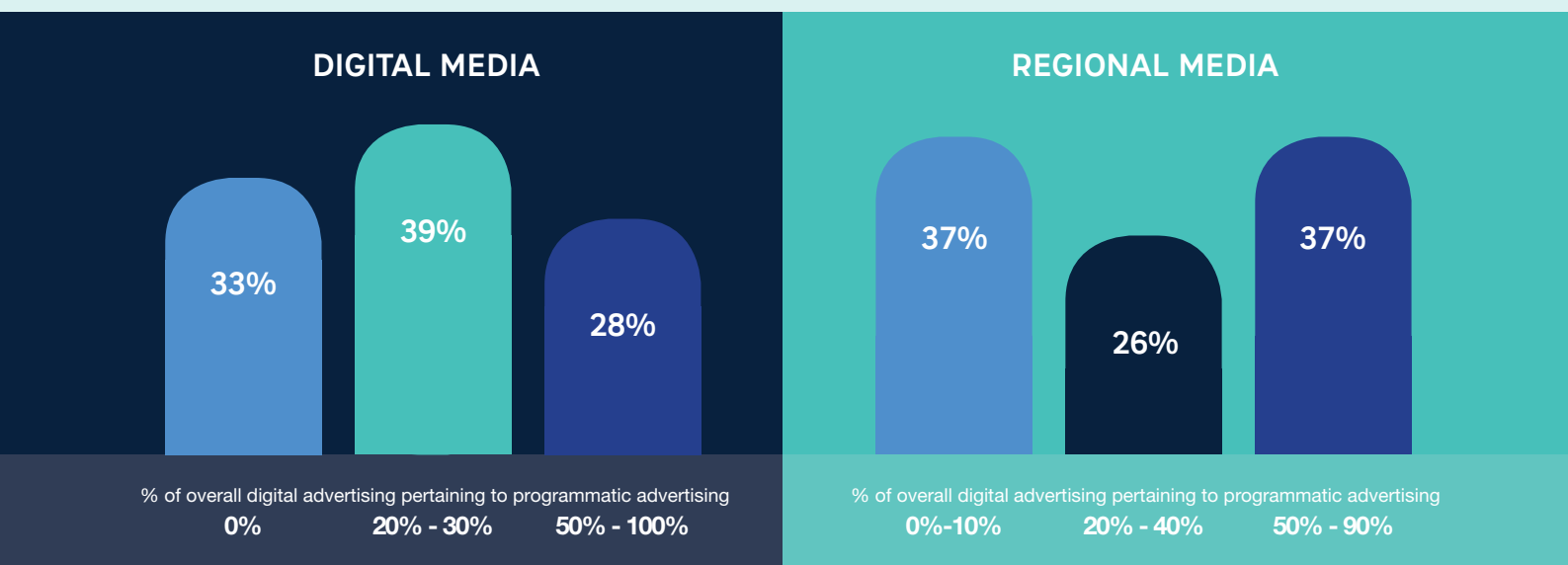 we won't be able to reverse the situation.' The current model and its trends are generating a profound feeling of uncertainty.

1.2 AN UNEVEN DEVELOPMENT OF PROGRAMMATIC ADVERTISING

The situation regarding programmatic advertising is quite uneven in the media organizations that were part of the research.

DEVELOPMENT OF PROGRAMMATIC ADVERTISING

What percentage of your overall digital advertising revenue comes from programmatic advertising?

DIGITAL MEDIA

33%
39%
28%

% of overall digital advertising pertaining to programmatic advertising
0%   20% - 30%   50% - 100%

REGIONAL MEDIA

37%
26%
37%

% of overall digital advertising pertaining to programmatic advertising
0%-10%   20% - 40%   50% - 90%

At one end of the scale is a group of media organizations that have made significant headway in developing programmatic advertising. For 37% of regional media and 28% of local digital media programmatic advertising accounts for 50% or more of their overall digital advertising revenue. At the other end of the scale, for 37% of regional media and 33% of local digital media programmatic advertising continues to account for only a token percentage (10% or less) of their overall digital advertising revenue.

Programmatic advertising is seen as an attractive source of revenue, although it is not without its limitations. In the survey, some media representatives stated that programmatic advertising requires resources and knowledge they simply do not have. As will be shown in Chapter 2, 58% of digital media and 54% of regional media surveyed claimed to know very little or nothing about tools such as Google Ad Manager. **'We managed to gain a significant amount of revenue from programmatic advertising,'** explains Kowanin Silva, Managing Editor at *Vanguardia de Saltillo*, a newspaper published in the State of Coahuila, 'but **then it dropped sharply due to changes in the algorithm and we decided to limit our dependence on this format.'**

Enrique A. Gómez, from **AM de León**, adds: **'Faced with a choice between a traditional model that no longer works and a digital model based on volume that is strongly dependent on the rules of content distribution platforms that are out of our control, we have decided to bet on our relationship with our readers.'**

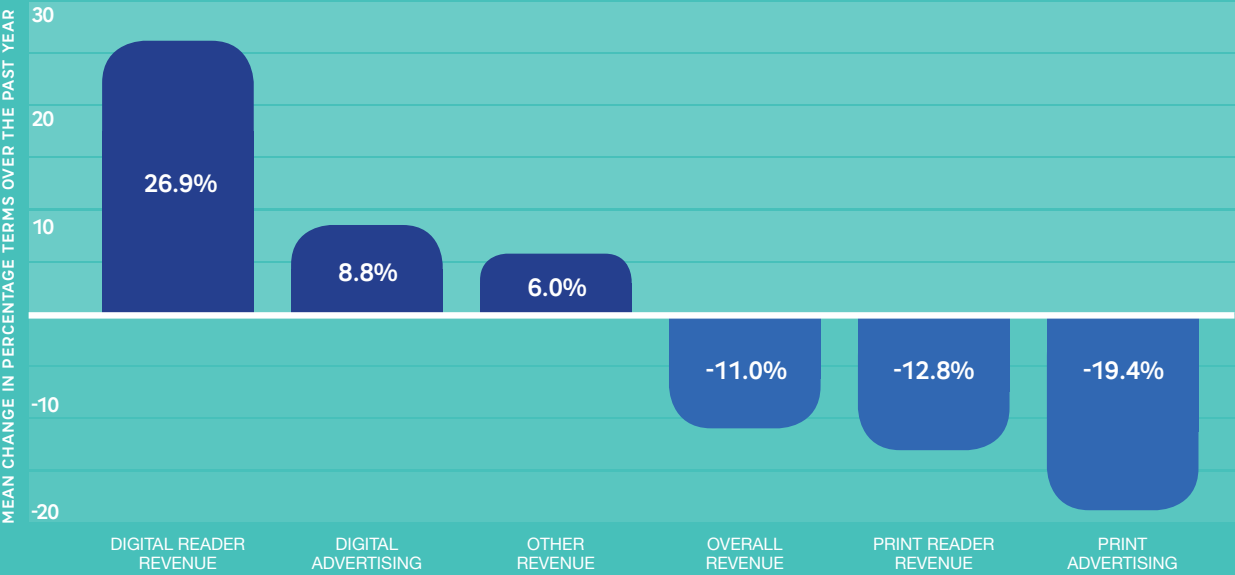## **1.3** DIGITAL SUBSCRIPTIONS: INCIPIENT MODEL, GENERALIZED BET

Digital subscriptions emerge as one of the most important potential digital revenue streams. Although there are iconic examples of international media organizations with digital subscriptions, very few of the regional and digital media companies in Mexico have developed this reader revenue model.

The national newspaper **Reforma** implemented a hard paywall in 2003-2004, mainly as a means of protecting its print readership. However, over recent years, this media organization has modernized its operations and become more flexible, and all signs seem to indicate that it is moving towards a firmer commitment to digital reader revenue. Another example is **El Universal**, which launched its paywall more recently, in December 2020. The initial results of this initiative have yet to be published.

In general, though, media organizations in Mexico do not seem to be following the global trend towards reader revenue models observed in the news industry. Whereas an increasing number of media houses worldwide are adopting some kind of reader revenue scheme (paywall, membership, subscription, etc.), the research showed that 91% of regional media outlets and 79% of digital media outlets have no such models.

EVOLUTION OF REVENUE STREAMS, GLOBALLY
How have your revenue streams evolved over the past 12 months?

MEAN CHANGE IN PERCENTAGE TERMS OVER THE PAST YEAR

DIGITAL READER REVENUE	DIGITAL ADVERTISING	OTHER REVENUE	OVERALL REVENUE	PRINT READER REVENUE	PRINT ADVERTISING
26.9%	8.8%	6.0%	-11.0%	-12.8%	-19.4%

Source: WAN-IFRA World Press Trends 2020-2021 Outlook

READER REVENUE MODEL, GLOBALLY

Total subscriptions paid

● **Latin American news publishers**

Publisher	Subscriptions
THE NEW YORK TIMES	7,500,000 →
THE WASHINGTON POST	3,000,000
THE WALL STREET JOURNAL	2,400,000
FINANCIAL TIMES	1,100,000
THE ATHLETIC	1,000,000
THE GUARDIAN	790,000
NIKKEI	769,000
THE ECONOMIST	769,000
BILD	494,000
CLARÍN	350,000
LA NACIÓN	345,000
CORRIERE DELLA SERA	300,000
LE MONDE	300,000
FOLHA	291,000
O GLOBO	274,000
ESTADÃO	156,000
GLOBE AND MAIL	139,000
EL PAÍS	100,000

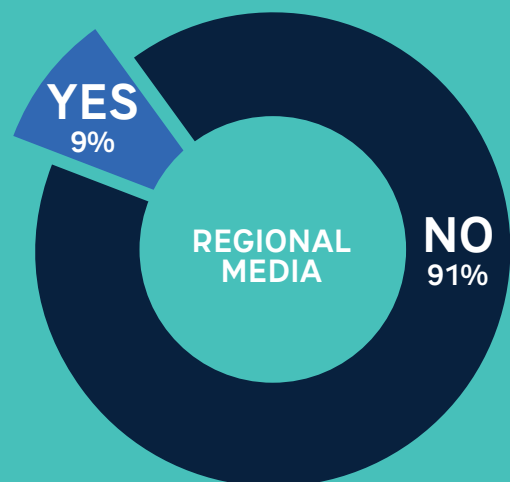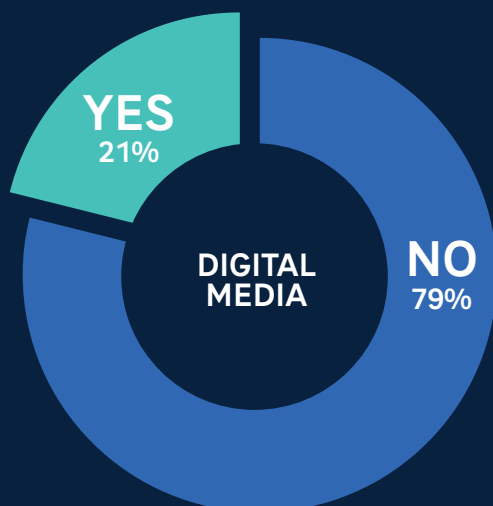**Source:** WAN-IFRA, Visual Capitalist, FIPP, CeleraOne

READER REVENUE MODELS

Does your organization have some kind of paywall on its website or membership/contribution system (not counting replica editions)?

DIGITAL MEDIA
YES 21%
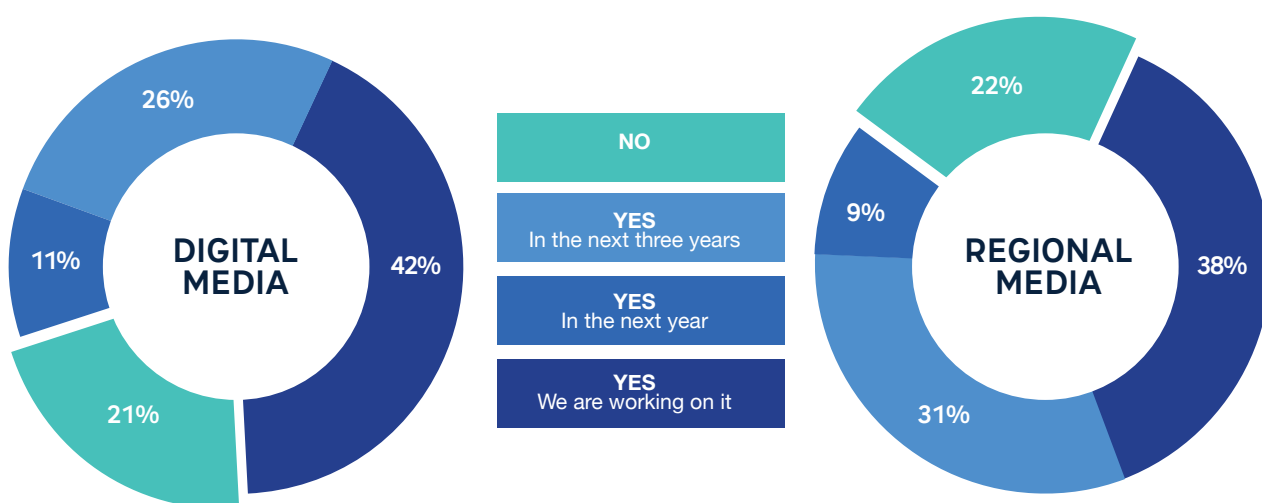NO 79%

REGIONAL MEDIA
YES 9%
NO 91%

However, many of the media surveyed are on the verge of implementing reader revenue schemes. **'When our traffic dropped drastically (dragging our programmatic advertising revenue down with it), we realized that we could not afford to put all our eggs in one basket,'** comments Kowanin Silva, from *Vanguardia.* Silva explains the strategy adopted as follows: 'We believe the best option is a combination of different revenue streams: we need to maintain a certain level of virality and scale, while at the same time monetizing our most loyal readers. To this end, we have focused on local news and local readers, who are the ones most likely to be willing to pay for our content. **The national media don't publish local content like we do.** We believe that our priority should be to move towards a digital subscription model that will enable us to remain independent and limit our exposure to parameters over which we have no control.' *Vanguardia* is already working with a paywall provider and has set up a registration wall.

'As I see it, in order for us to stay in business we have to focus on a pre-existing stakeholder, namely digital subscribers, that will limit as much as possible our dependence on intermediaries,' explains Enrique A. Gómez from *AM de León*. 'Ideally, we would focus on our readers, offering them something they appreciate and value: local news, exclusive access to key local and national figures, events, benefits, etc. **We have decided to opt for a paywall, a system in which it is vital to establish and maintain a good relationship with readers.'**

READER REVENUE MODELS

If you do not currently have a paywall or contribution scheme, do you plan on implementing one in the future?

DIGITAL MEDIA: 26%, 11%, 21%, 42%

NO

YES
In the next three years

YES
In the next year

YES
We are working on it

REGIONAL MEDIA: 22%, 9%, 38%, 31%

Some of the media organizations surveyed highlighted certain obstacles linked to reader revenue, stating that they are wary of the loss of scale and advertising revenue that this option may entail. '**We have seriously considered setting up a paywall** to generate revenue. However, **it's a complex issue because we are very well-positioned among the tourists visiting our region,**' explains Juan Carlos Sánchez, General Manager of the digital site *Poblanerías*. 'Perhaps the first step would be to develop a membership strategy to provide access to exclusive content, given that we also have a local readership which expects coverage of local feast day celebrations, migration to certain areas and English-language contents, etc. Thus we can experiment with this initial model before moving towards the other one,' he adds.

Diego Andrade, Editorial Manager at **Apuntes de Rabona,** a digital site focusing on soccer, talks about the difficulties involved in convincing readers to pay for content: '**We developed a content-based membership strategy, but only a few readers seem to understand that generating content involves certain costs.** Many others continue to think that information on the Internet is free. This is extremely harmful to the news industry.'

'**In order to be able to charge people, you have to generate distinct high-quality content not found elsewhere, and this is no easy task,'** explains Kowanin Silva, from **Vanguardia**. 'We've had staff cutbacks, which makes it even harder. There are still a lot of adjustments to be made. We need more exclusive, high-quality writers, and that is costly,' she adds.

Adrián López, General Manager of **Noroeste de Sinaloa,** points out that, **particularly in Mexico, 'readership is low and there is not a strong tradition of paying for journalism.'**

REGIONAL MEDIA ORGANIZATIONS THAT ARE PIONEERS IN THE FIELD OF PAYWALLS

There are some media organizations that have already set up paywalls, with positive initial outcomes. Both are amongst the leading news brands in their respective states: **El Diario de Yucatán** and **Noroeste de Sinaloa**.
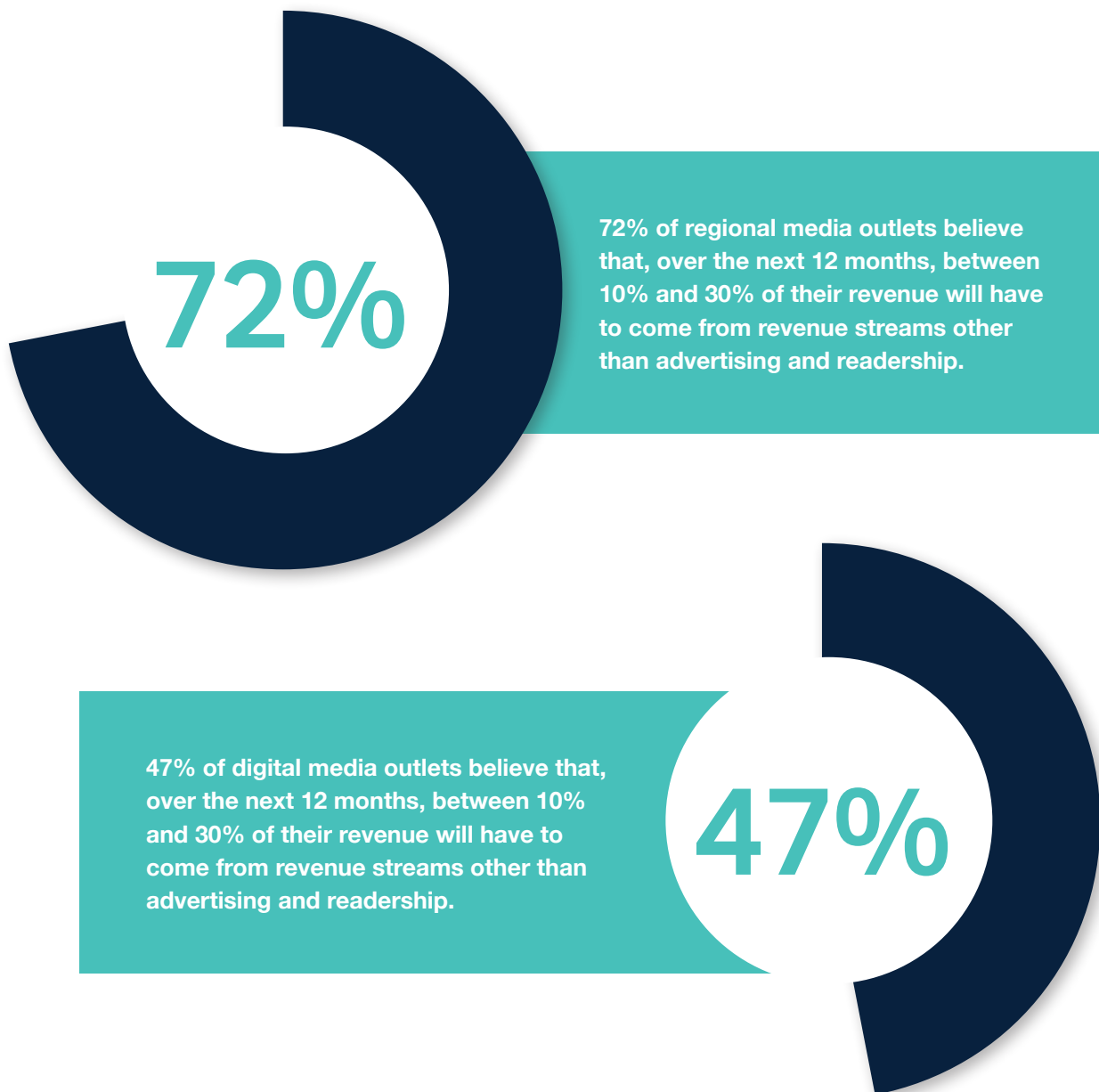
After launching its paywall in January 2021, **El Diario de Yucatán** set itself the goal of closing the year with 2,000 digital-only subscribers. By June, it had reached the 1,000 mark.

Noroeste implemented a paywall three years ago, and in June 2021 had a total of 5,800 digital-only subscribers. It initially launched a registration wall and once it obtained 20,000 registered users it installed a metered paywall which was automatically activated after the seventh article. 'We are currently working in two areas: firstly, attracting more unique users into the sales funnel in order to increase our conversion prospects; and secondly, we are looking into implementing technological improvements in order to automate the funnel,' comments Adrián López.

1.4 REVENUE DIVERSIFICATION: AN URGENT NEED

Changing the business model does not only involve exploring new digital advertising formats or betting on digital subscriptions. The survey revealed that Mexican media outlets are also actively searching for new revenue streams in fields closely related to the news industry. As shown in the graph on revenue composition on page 9, only 2% of regional media revenue comes from sources other than advertising or readership. In the case of digital media outlets, this figure is 8%. However, many believe that these figures will rise sharply over the coming year:

72%

72% of regional media outlets believe that, over the next 12 months, between 10% and 30% of their revenue will have to come from revenue streams other than advertising and readership.

47% of digital media outlets believe that, over the next 12 months, between 10% and 30% of their revenue will have to come from revenue streams other than advertising and readership.
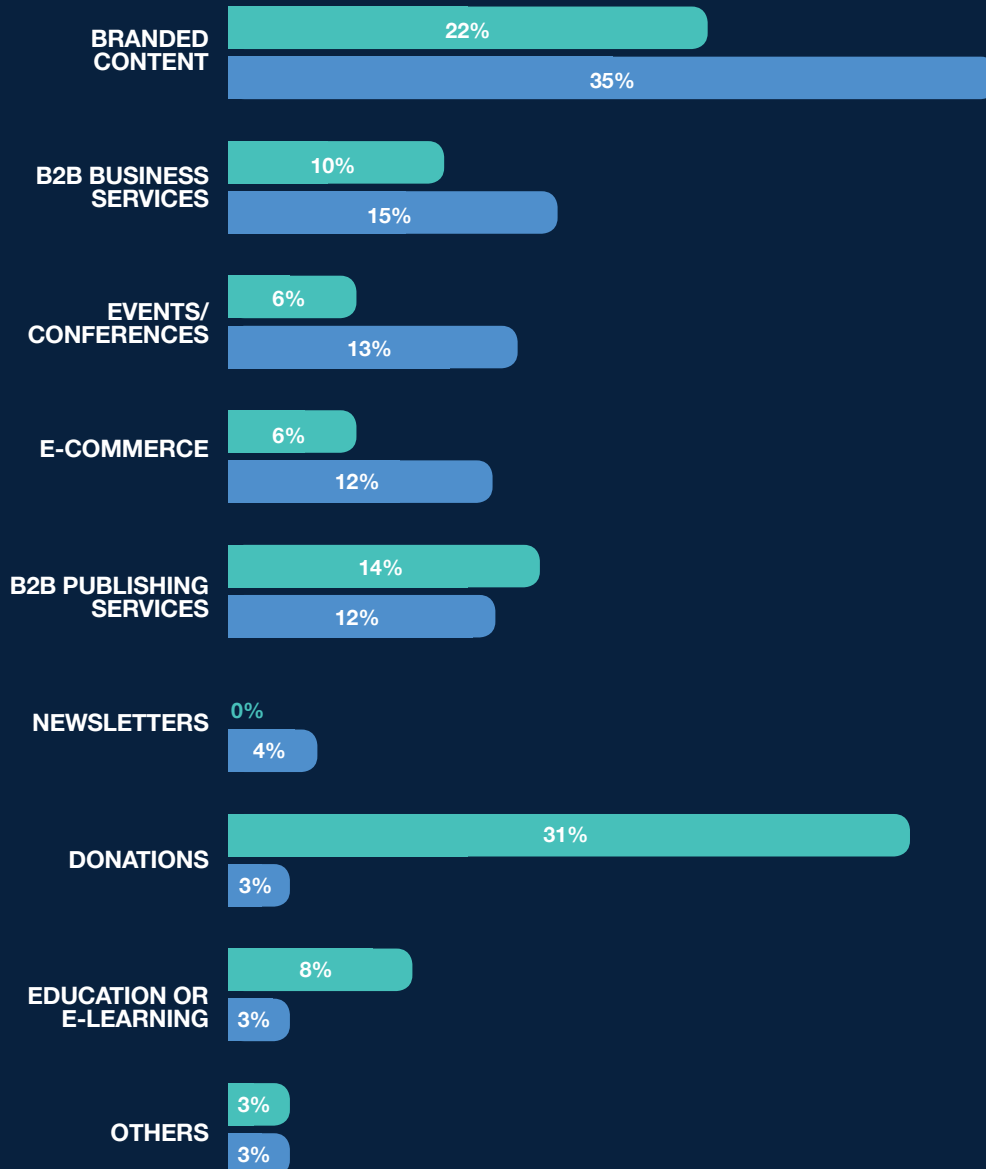
47%

The research shows that media organizations already have businesses that do not depend on readers or traditional digital advertising, particularly branded content, B2B services, donations and events planning.

REVENUE DIVERSIFICATION
Does your organization currently generate revenue through any of the following streams?

DIGITAL MEDIA

REGIONAL MEDIA

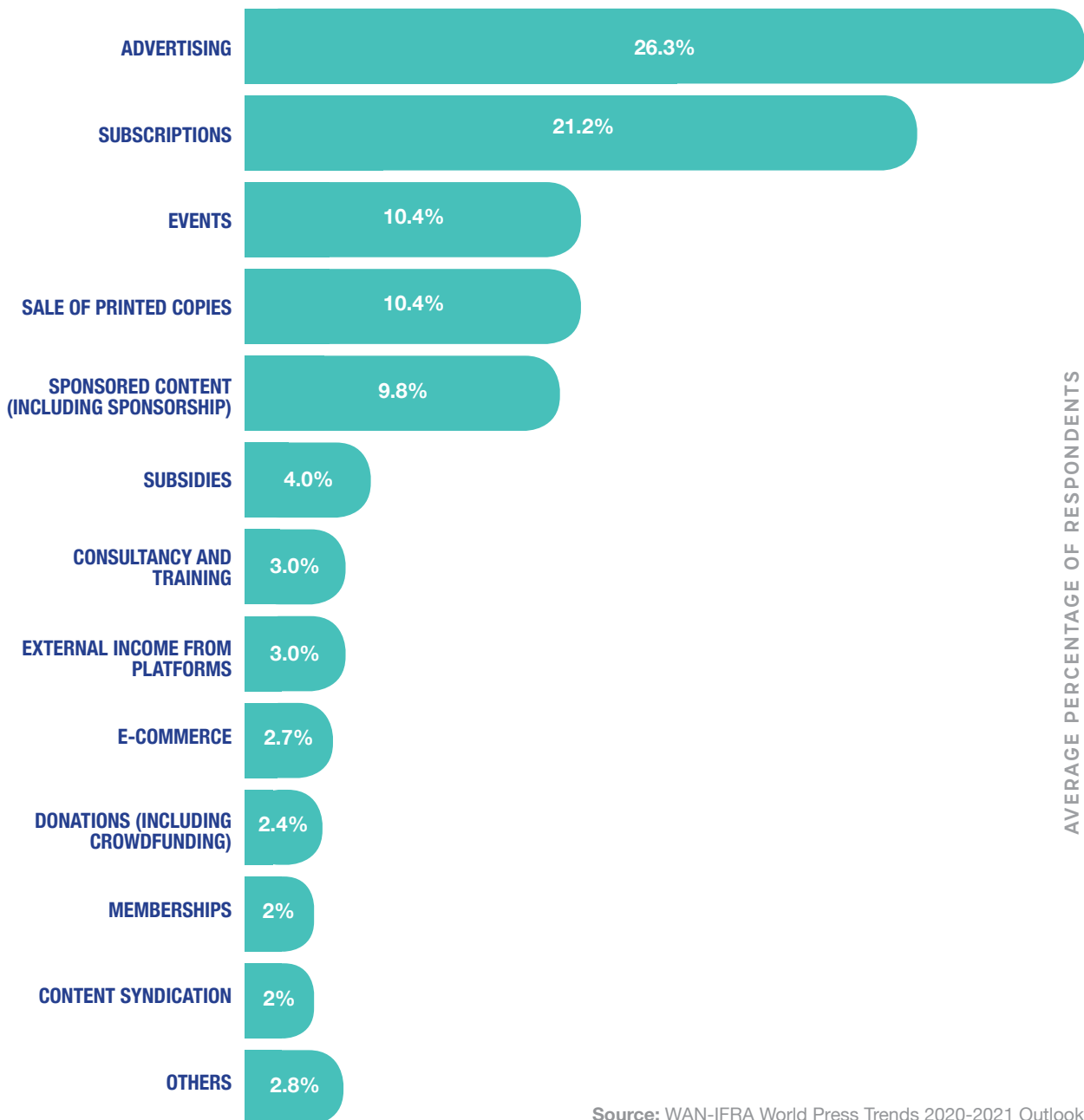| Revenue Stream	Digital Media	Regional Media
BRANDED CONTENT	22%	35%
B2B BUSINESS SERVICES	10%	15%
EVENTS/CONFERENCES	6%	13%
E-COMMERCE	6%	12%
B2B PUBLISHING SERVICES	14%	12%
NEWSLETTERS	0%	4%
DONATIONS	31%	3%
EDUCATION OR E-LEARNING	8%	3%
OTHERS	3%	3%

For regional media companies, branded content is the leading alternative revenue stream (35% of surveyed participants), closely followed by B2B business and publishing services, which together account for 27%. The organization of events and e-commerce were mentioned by 13% and 12% of respondents. As for digital media companies, donations continue to be a significant alternative revenue source for 31% of them, followed by branded content (22%) and B2B publishing services (10%).

If we compare these figures with those observed in global trends, we see that the alternative revenue streams being explored by the Mexican media are similar to those being explored by their counterparts globally.

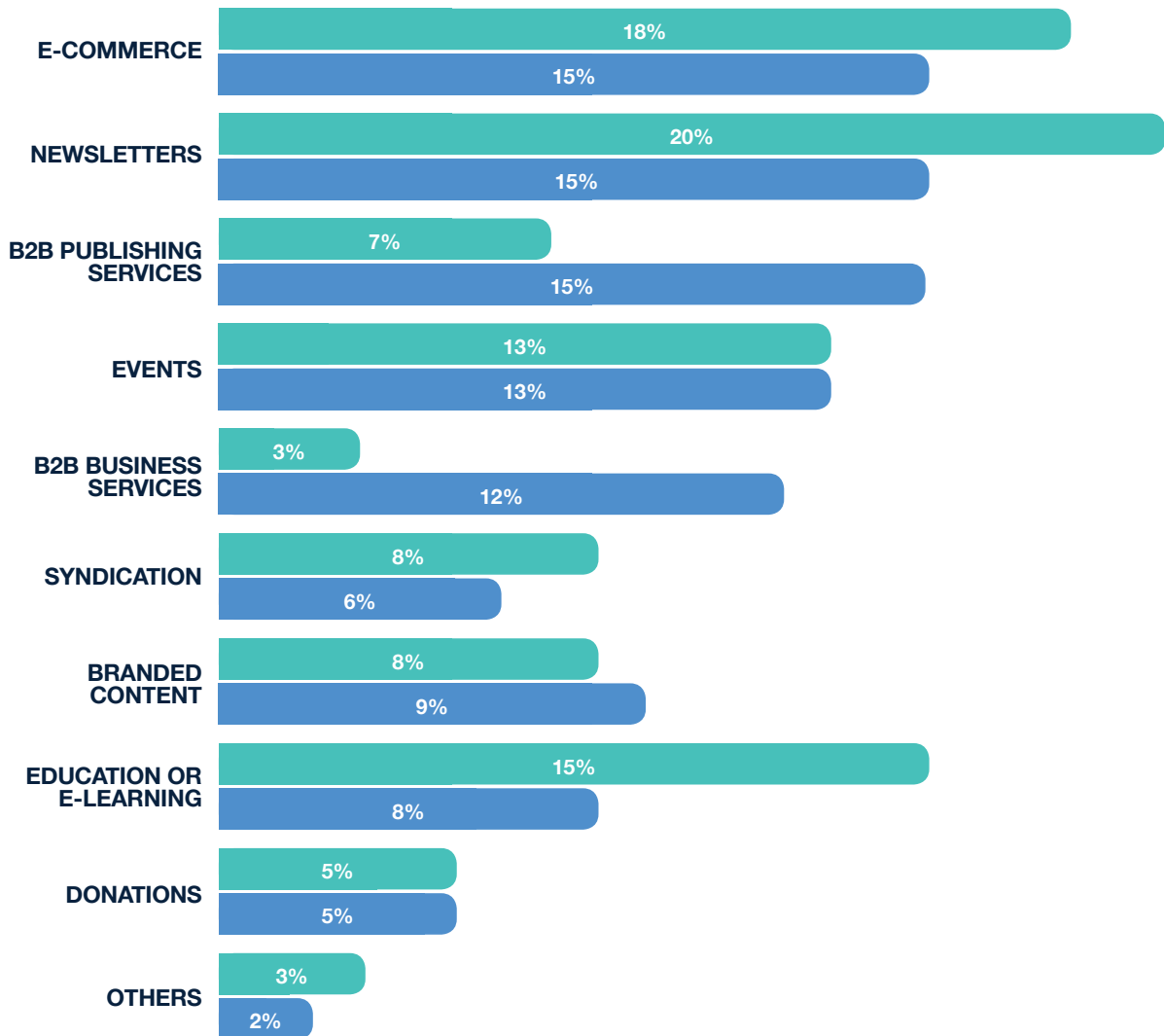# MAIN REVENUE STREAMS FOR MEDIA ORGANIZATIONS, GLOBALLY

What are the main revenue streams for your organization (i.e., those that account for over 10% of your overall revenue)?

Revenue Stream	Percentage
ADVERTISING	26.3%
SUBSCRIPTIONS	21.2%
EVENTS	10.4%
SALE OF PRINTED COPIES	10.4%
SPONSORED CONTENT (INCLUDING SPONSORSHIP)	9.8%
SUBSIDIES	4.0%
CONSULTANCY AND TRAINING	3.0%
EXTERNAL INCOME FROM PLATFORMS	3.0%
E-COMMERCE	2.7%
DONATIONS (INCLUDING CROWDFUNDING)	2.4%
MEMBERSHIPS	2%
CONTENT SYNDICATION	2%
OTHERS	2.8%

AVERAGE PERCENTAGE OF RESPONDENTS

Source: WAN-IFRA World Press Trends 2020-2021 Outlook

The survey also sought to identify which new revenue streams media organizations were interested in pursuing. The main ones were paid newsletter subscriptions, e-commerce and event planning.

REVENUE DIVERSIFICATION

Select three alternative revenue streams that your organization is not yet exploring, but that you would be willing to consider:

● **DIGITAL MEDIA**

● **REGIONAL MEDIA**

Category	Digital Media	Regional Media
E-COMMERCE	18%	15%
NEWSLETTERS	20%	15%
B2B PUBLISHING SERVICES	7%	15%
EVENTS	13%	13%
B2B BUSINESS SERVICES	3%	12%
SYNDICATION	8%	6%
BRANDED CONTENT	8%	9%
EDUCATION OR E-LEARNING	15%	8%
DONATIONS	5%	5%
OTHERS	3%	2%

Some media representatives mentioned initiatives that were already under way and that they were interested in exploring further. For example, the financial crisis triggered by the Covid-19 pandemic prompted *Vanguardia* to search for new ways of retaining its major advertisers. 'We held "smart panels" in which executives and creative talent got together with the brand to help them overcome the crisis by implementing new sales formats,' explains Kowanin Silva from *Vanguardia*. 'It was a business and advertising coaching service. We made proposals and the client chose the most suitable one. We provided this service to premium clients. And what's more, it was free of charge, to make clients feel "well cared for". We also [held] training webinars for brands,' she adds.

In turn, *Diario de Yucatán* is actively exploring the field of e-commerce. **'Last year, we launched the Megashop Marketplace** where clients can offer their products up for sale. Our revenue comes from selling ad space on the site, sales commissions and product delivery,' explains Roberto Curiel, Head of Digital Media at Megamedia (*Diario de Yucatán*). 'Also, through our merchandising company, Liber, we sell electronic goods and toys at WalMart, MercadoLibre and ClaroShop,' he adds.

YOUNG EDITORIAL TEAMS, LIMITED GENDER BALANCE AND AN UPHILL BATTLE TO UNDERSTAND DIGITAL AUDIENCES

The survey reveals that Mexican newsrooms have young journalists and a relatively gender-balanced composition. However, that balance decreases at the management level. Audience understanding is limited because of lack knowledge in digital tools and reduced specialized teams.

One of the basic goals of this research was to understand the make-up of the media companies surveyed, as well as their relationship with their audiences. While many media organizations around the world have yet to make headway in ensuring a high level of diversity in their newsrooms, the Mexican media outlets surveyed in this study claimed to have almost achieved total gender parity in this area. However, the further up the company hierarchy you go, the lower the level of gender parity.

In terms of age, newsroom teams are generally fairly young (members aged between 30 and 39), with management teams not being much older (between 40 and 49 years of age).

The fact that newsroom teams are young and gender balanced may suggest that they are more proficient at using digital tools and platforms, and have a greater understanding of their audiences. However, the study reveals that this conclusion is premature and that newsrooms continue to face enormous challenges in terms of understanding their digital audiences.

21 YOUNG NEWSROOM TEAMS, LIMITED GENDER BALANCE AT THE TOP

The survey revealed an interesting situation in terms of gender and age breakdown. Most members of newsroom teams (both digital and regional) are aged between 30 and 39 years old. In terms of gender, amongst digital media outlets, most newsroom employees are female, while amongst regional media the majority are male, although the figure is almost at the halfway mark (52% / 48%).
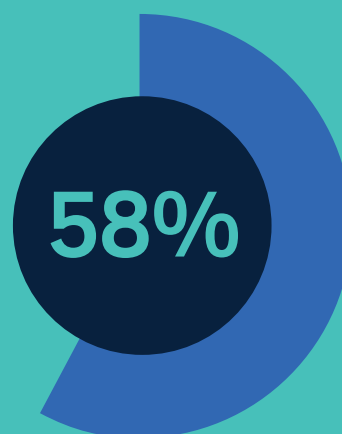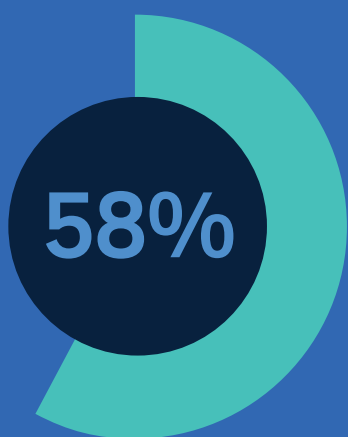
AGE AND GENDER IN MEXICAN NEWSROOMS

The newsrooms of the media organizations surveyed are young, and gender-balanced.
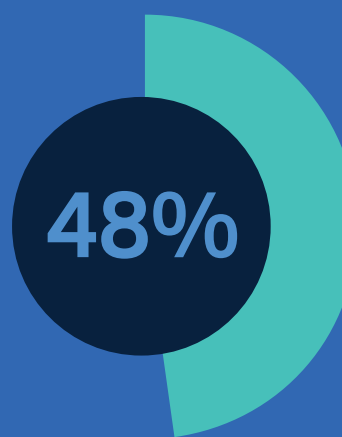
75%
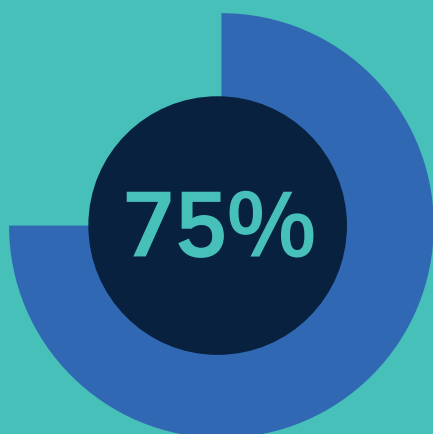
75% of newsroom staff in digital media organizations are under 40 years of age

58%

58% of newsroom staff in regional media organizations are under 40 years of age

58%

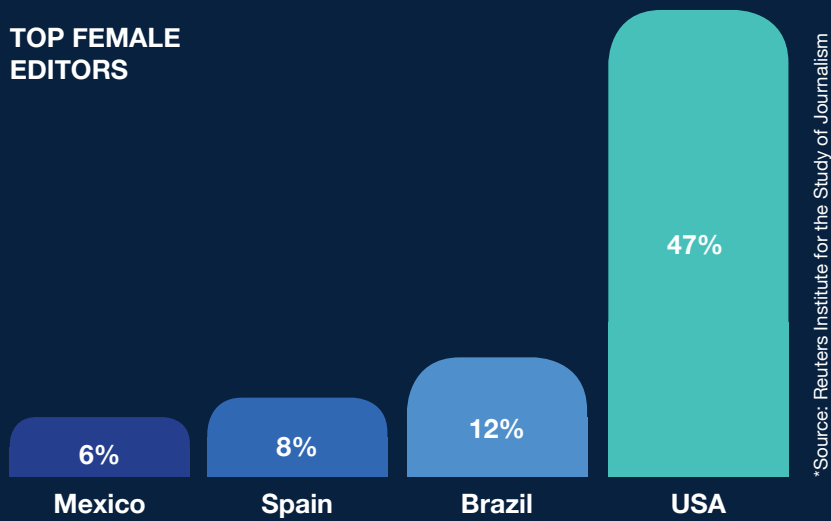58% of digital newsrooms staff are women

48%

48% of regional newsroom staff are women

The glass ceiling that limits women's professional development is also found in the Mexican news publishing industry. For example, whereas there are more women than men in the newsrooms of digital media companies (58%), this figure drops to 49% in the editorial management teams of the same organizations.
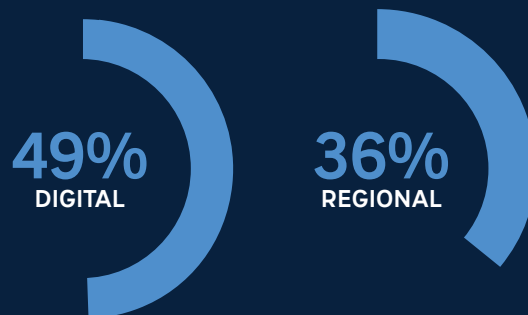
Amongst regional media outlets, this drop is even more drastic. The gender parity rates found in regional media newsrooms (48% female and 52% male) does not extend to the editorial management teams (in which women account for only 36%).

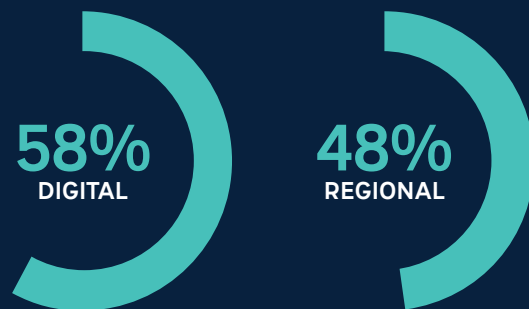# WOMEN IN THE NEWSROOM AND IN THE EDITORIAL MANAGEMENT TEAM

TOP FEMALE EDITORS

*Source: Reuters Institute for the Study of Journalism

6%	8%	12%	47%
Mexico	**Spain**	**Brazil**	**USA**

WOMEN IN THE EDITORIAL MANAGEMENT TEAM

49% DIGITAL   **36%** REGIONAL

WOMEN IN THE NEWSROOM

58% DIGITAL   **48%** REGIONAL

This reality reflects the fact that the news industry still has a long way to go in terms of gender parity at the managerial level. According to the WAN-IFRA report entitled **Amplifying Women's Voices**, which was published in April 2020, 'Women are still much less represented than men. Despite making up more than 50 percent of the world's total population, women are, on average, seen, heard, and read in the media only 25 percent of the time. They are significantly underrepresented in top management positions in newsrooms, and receive fewer bylines than men.'

NEWSROOM PERCEPTIONS OF REPRESENTATIVENESS AND AUDIENCE UNDERSTANDING

The younger and more gender-balanced the newsroom, the more its members believe that gender diversity is represented in the editorial content published.

AGE, GENDER AND AUDIENCE PERCEPTION

How well would you say your organization knows its audience?

REGIONAL
47%
53%

DIGITAL
16%
84%

SOMEWHAT

VERY WELL
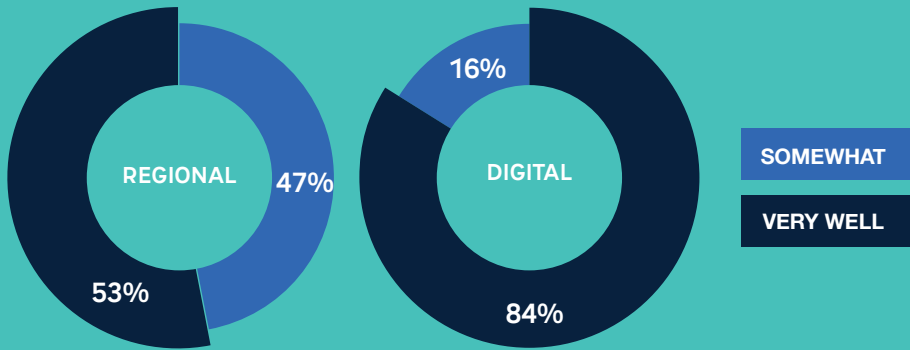
How well would you say your editorial coverage represents the diversity/plurality of your audience's voices in terms of:

AGE?

REGIONAL
16%
41%
44%

DIGITAL
5%
21%
74%

NOT AT ALL

SOMEWHAT

VERY WELL

GENDER?

REGIONAL
16%
56%
28%

DIGITAL
100%

NOT AT ALL

SOMEWHAT

VERY WELL
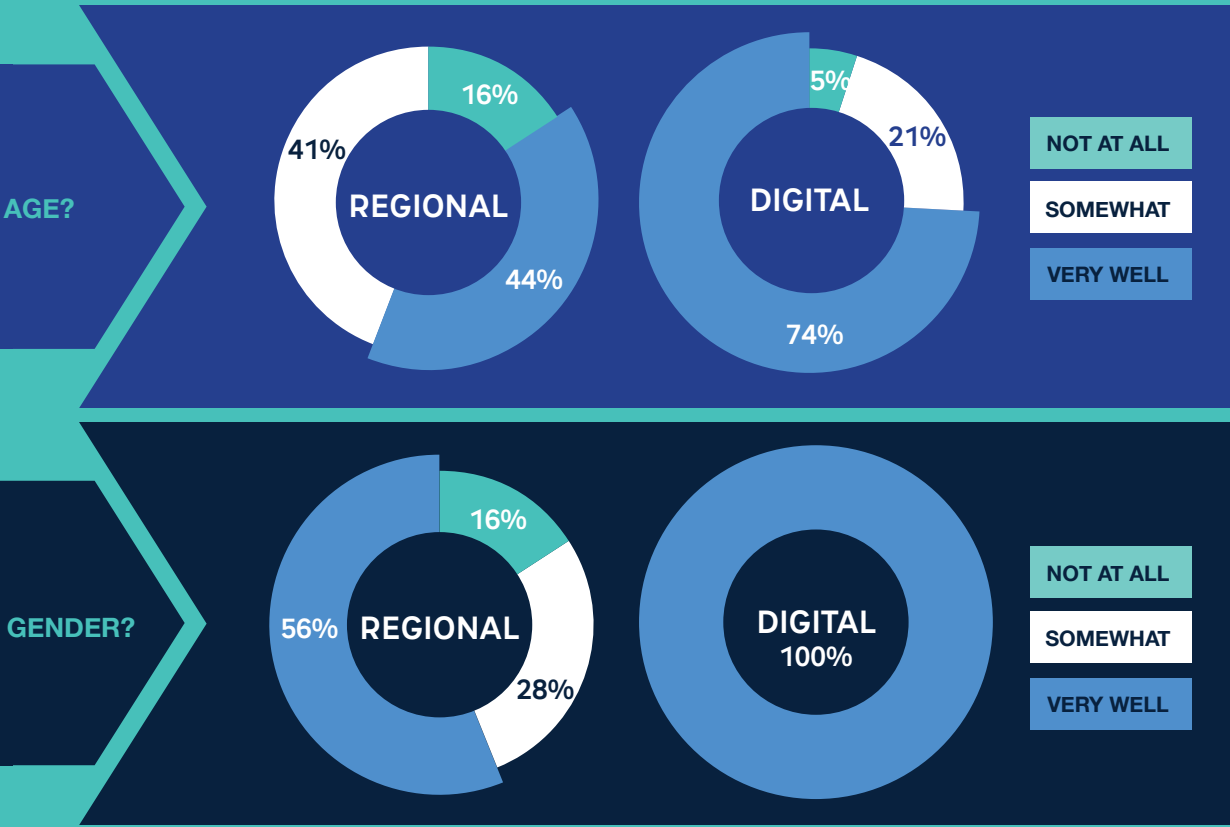
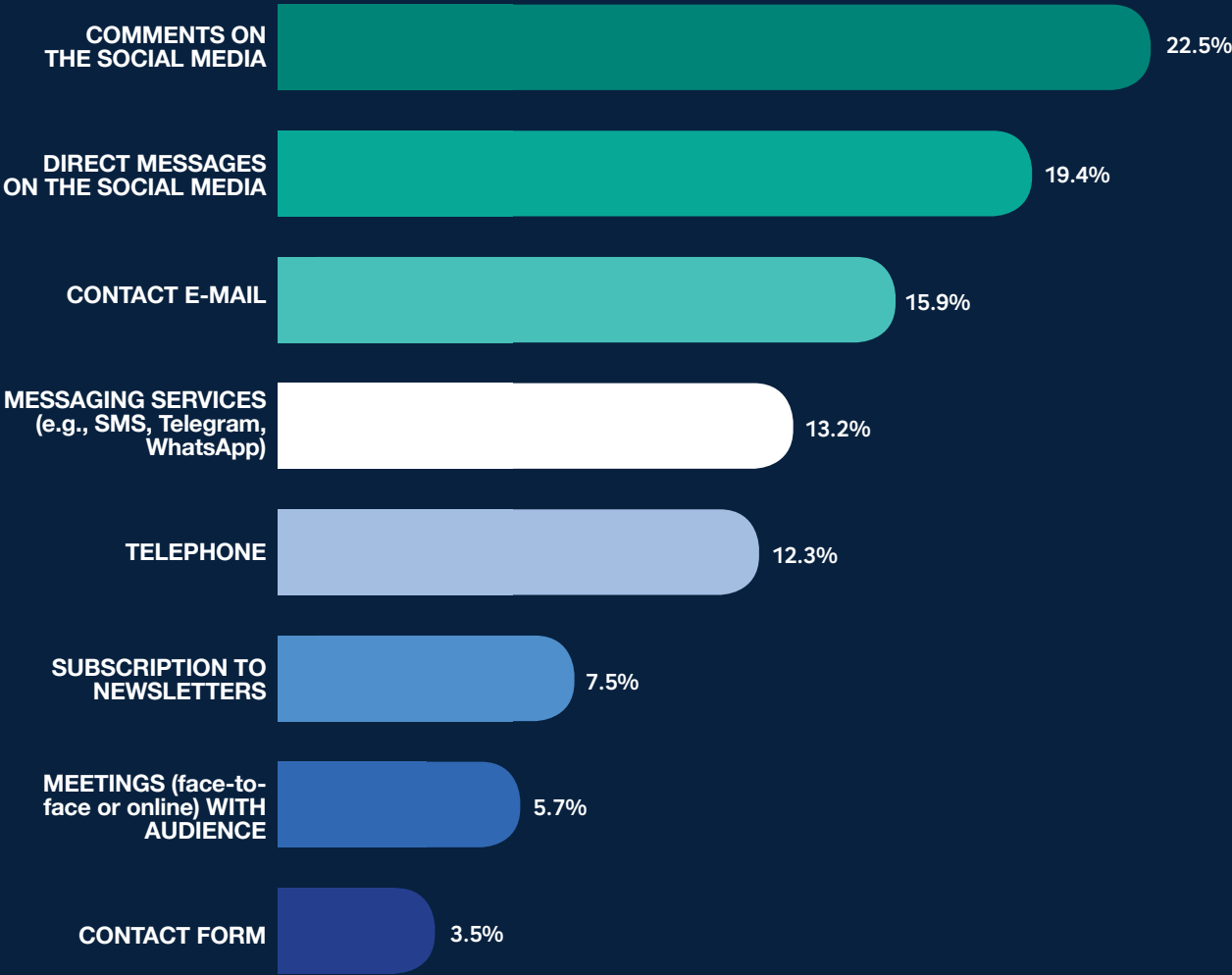When asked about how newsrooms connect with their audiences, 42% of media organizations surveyed said their knowledge of their readership comes from social media, through either posted comments or direct messages. Other sources of information include e-mail (16%) and direct messaging services (13%).

CONNECTION WITH AUDIENCES (ALL MEDIA)
What channels do readers use to communicate with you?

Channel	Percentage
COMMENTS ON THE SOCIAL MEDIA	22.5%
DIRECT MESSAGES ON THE SOCIAL MEDIA	19.4%
CONTACT E-MAIL	15.9%
MESSAGING SERVICES (e.g., SMS, Telegram, WhatsApp)	13.2%
TELEPHONE	12.3%
SUBSCRIPTION TO NEWSLETTERS	7.5%
MEETINGS (face-to-face or online) WITH AUDIENCE	5.7%
CONTACT FORM	3.5%

For digital media outlets, the main channel of communication with readers is direct messages on social media. For regional media companies, it is online comments.

These findings seem to suggest that age and the degree of gender parity in the newsroom, along with the ability to maintain direct contact with audiences, influence perceptions of representativeness, connection and knowledge. However, the results pertaining to the teams and tools dedicated to a more detailed audience analysis turn this perception on its head.

2.3 LIMITED SPECIALIZED TEAMS AND INSUFFICIENT KNOWLEDGE OF DIGITAL AUDIENCE ANALYSIS TOOLS

In general terms, the results of the study indicate that there are very few teams dedicated to monitoring metrics, and those that do exist are very small. The results also reveal a relative lack of knowledge of free, basic digital tools for measuring, understanding and predicting audience behaviour.
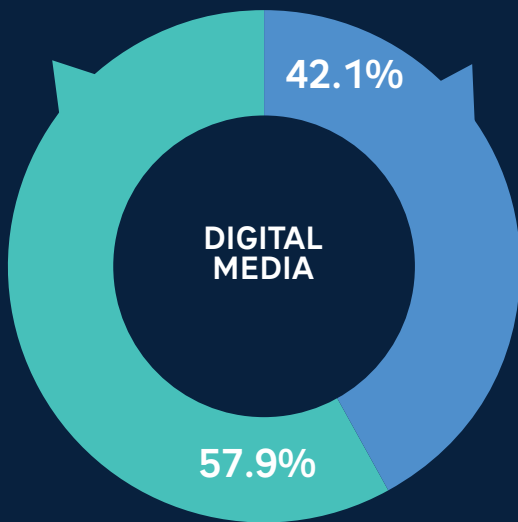
METRICS ANALYSIS TEAMS

Does your organization have a team specially tasked with monitoring and analyzing metrics and/or data intelligence?
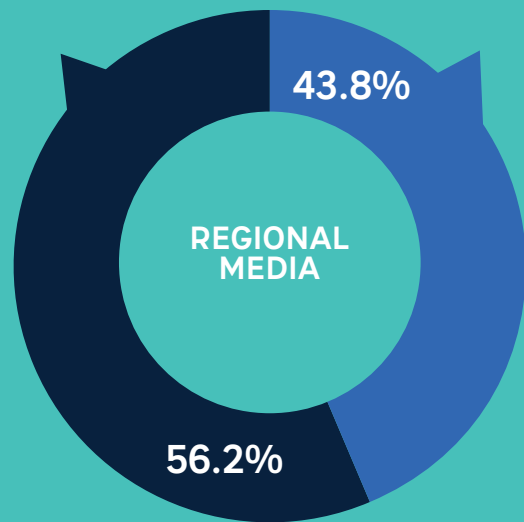
YES
Less than 5 people

NO
No specific team

DIGITAL MEDIA

42.1%

57.9%

YES
Less than 5 people

NO
No specific team

REGIONAL MEDIA

43.8%

56.2%

The audience measuring tools offered by Google, such as Analytics and Trends, are the best known, followed by FB Creator Studio and Live Producer. The least known are CrowdTangle, Google Ad Manager, Google Lighthouse and NCI.

It is concerning that Google Ad Manager, a key tool for monetizing programmatic advertising, is one of the least known options: on average, 56% of surveyed participants responded their newsroom was not familiar or knew little about this tool.

KNOWLEDGE OF AUDIENCE ANALYSIS TOOLS

On a scale from 1 to 10, how familiar is your newsroom team with the following tools:

| Tool	Top (7–10)	Bottom (1–4)
FB CREATOR STUDIO	62%	38%
CROWDTANGLE	29%	71%
GOOGLE SEARCH CONSOLE	57%	43%
GOOGLE NEWS CONSUMER INSIGHTS	40%	60%
GOOGLE LIGHTHOUSE	40%	60%
GOOGLE ANALYTICS	72%	28%
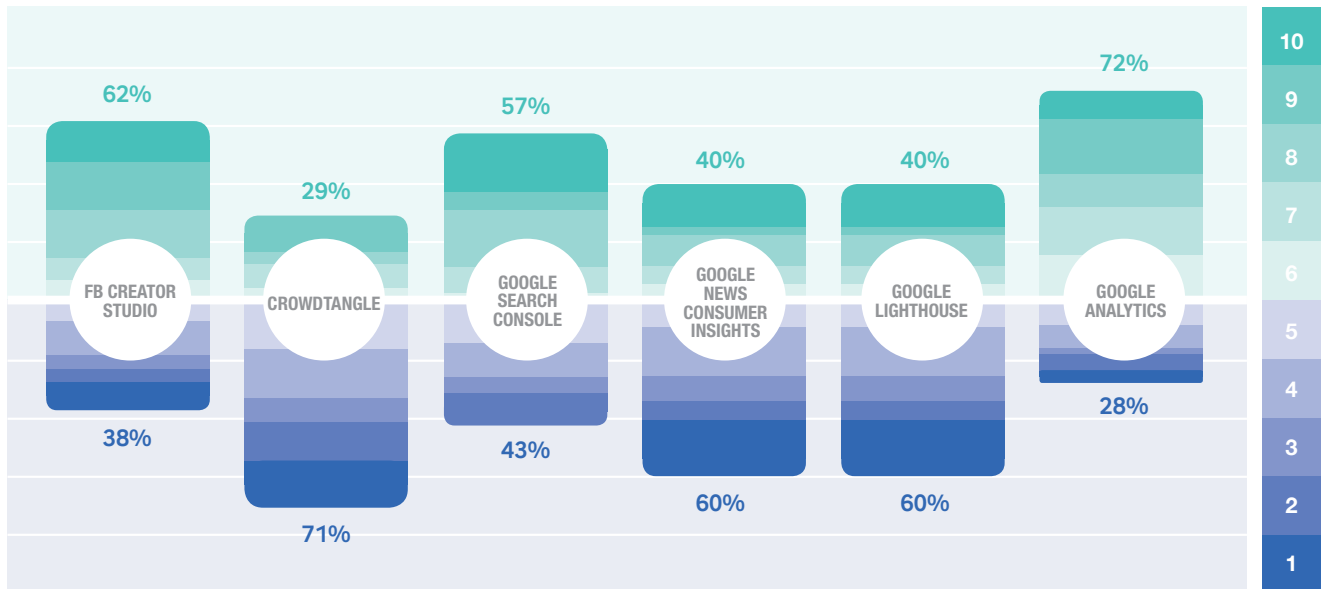
When the surveyed media organizations were asked about their audience analysis teams, some high-lighted the difficulties involved in establishing such groups. **'Finding audience analysis teams is a challenge, due to both lack of resources and lack of talent at a local level.** And it's also hard to provide in-house training in this field; it's not easy to achieve the required level of knowledge,' explains Kowanin Silva, from *Vanguardia*.

Representatives from other media organizations said that metrics analysis is carried out by teams formed by professionals from different specialist areas, working at a certain managerial level. **'We have a multi-disciplinary team that manages subscriptions and reviews the most significant metrics**, more from a subscription sales perspective than that of the newsroom,' comments Adrián López, from *Noroeste.* 'The team is made up of one person from each area involved: newsroom, sales, UX, tech, operations, etc. It works using a weekly growth hacking methodology. Since we are currently migrating our CMS' we are reorganizing the editorial process, and considering assigning some talent to the issue of audiences, because up until now it has all been dependent on the editorial leadership,' adds López.

Similarly, Roberto Curiel from *Diario de Yucatán* explains that '**metrics analysis is done by the group's head of subscriptions and a committee made up of individuals from the newsroom, technical staff and the paywall provider.** Communications are segmented using RDStation and MailChimp.' Likewise, Megamedia group uses Dyred, an in-house digital business unit tasked with covering the entire organi-zation's digital needs, including its digital subscriptions strategy.

HUMAN RESOURCES: TALENT AND TRAINING, KEY ELEMENTS FOR TRANSFORMATION

The media organizations surveyed have training plans for their teams and are committed to creating new positions designed to accelerate their digital transformation. However, they struggle to attract and retain talent.

One trend in the news publishing industry that has clearly emerged during 2021 is the focus on product. When we talk about product, we refer to the concept as defined by Anita Zielina, Director of News Innovation and Leadership at the Craig Newmark J-School/CUNY (USA):

'Product is a function at the intersection of editorial, tech and business, that actively ensures all products and services a media organization creates, addresses user needs, provides an excellent user experience and advances the overarching business strategy.'

TECHNOLOGY

PRODUCT

BUSINESS

EDITORIAL
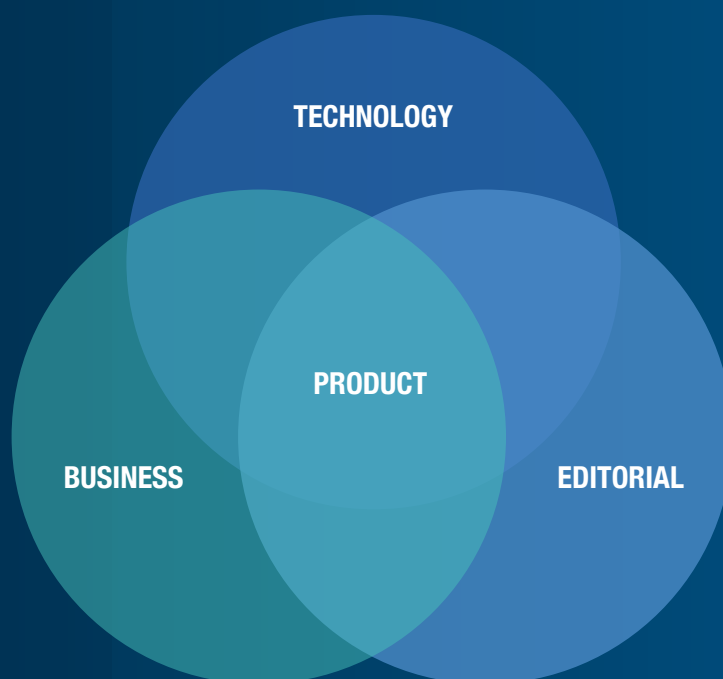
Many newsrooms throughout the world have already set up product teams, although no such teams yet exist in the media organizations surveyed in this study. Another two areas in which teams have yet to be fully developed are metrics analysis (as we saw in Chapter 2) and audiovisual storytelling.

To develop products, it is vital to innovate in terms of storytelling formats (digital storytelling team) and then measure the impact of this innovation (data analysis team).

However, although there are still no consolidated teams dedicated to data analysis and the production of new audiovisual stories (as explained below), these two areas are seen as priority issues in terms of staff training.

The digital transformation of the newsroom is a top-to-bottom effort. Key positions in this undertaking include: general manager (32%), digital coordinator (18.7%) and editor-in-chief (17.9%). There can be no doubt that one of the difficulties involved in creating and expanding teams to support and maintain the digital transformation is talent retention. The media outlets surveyed in the study stated that their main problem is their inability to offer competitive salaries.

ESTADÃO: AN INSPIRING EXAMPLE FOR MEXICAN MEDIA COMPANIES LOOKING TO SET UP PRODUCT TEAMS

Media companies in the United States or Europe often tend to be presented as the success stories to follow for the rest of the industry. However, Latin American media organizations can often provide more relevant and relatable examples for other companies from the same region. This is the case of *Estadão*, a daily newspaper published in the State of San Pablo, which was founded in 1875. In 1995, *Estadão* became one of the first Brazilian media organizations to launch a digital edition, and in 2017, also led the field by setting up a product team.

Luciana Cardoso is head of product teams at *Estadão*. Her official title, which is still fairly unusual among news publishing organizations in Latin America, is CPO (Chief Product Owner). **'The mission of a product owner is to respond to customers' needs, listen to what they have to say and bring them closer to the company.'** she explains. 'Another key responsibility is to **use data to define what is to be done, and when.** At *Estadão*, we frequently consult our customers, prioritising those features that make their everyday lives a bit easier, and striving always to improve our product,' she adds.

'Today, we have multidisciplinary teams (which we call squads) that are responsible for maintaining *Estadão's* website and applications. **These teams include people from the business, content, UX and development departments, and work to achieve targets and goals that are redefined every two-months,'** states Cardoso.

Like its Mexican peers, *Estadão,* also provides in-house training to its staff, and faces difficulties retaining talent due to competition from other industries that offer higher salaries to product development professionals. 'We provide in-house training to upskill new product owners,' explains Cardoso. 'This has become an on-going process and a key part of our effort to increase the number of squads and satisfy the product needs that crop up all the time,' she adds. **'The greatest difficulty we face as a Latin American media organization is talent drain. This is because we are competing for professionals against all the other industries, and in Brazil at least, this market is extremely active.'**
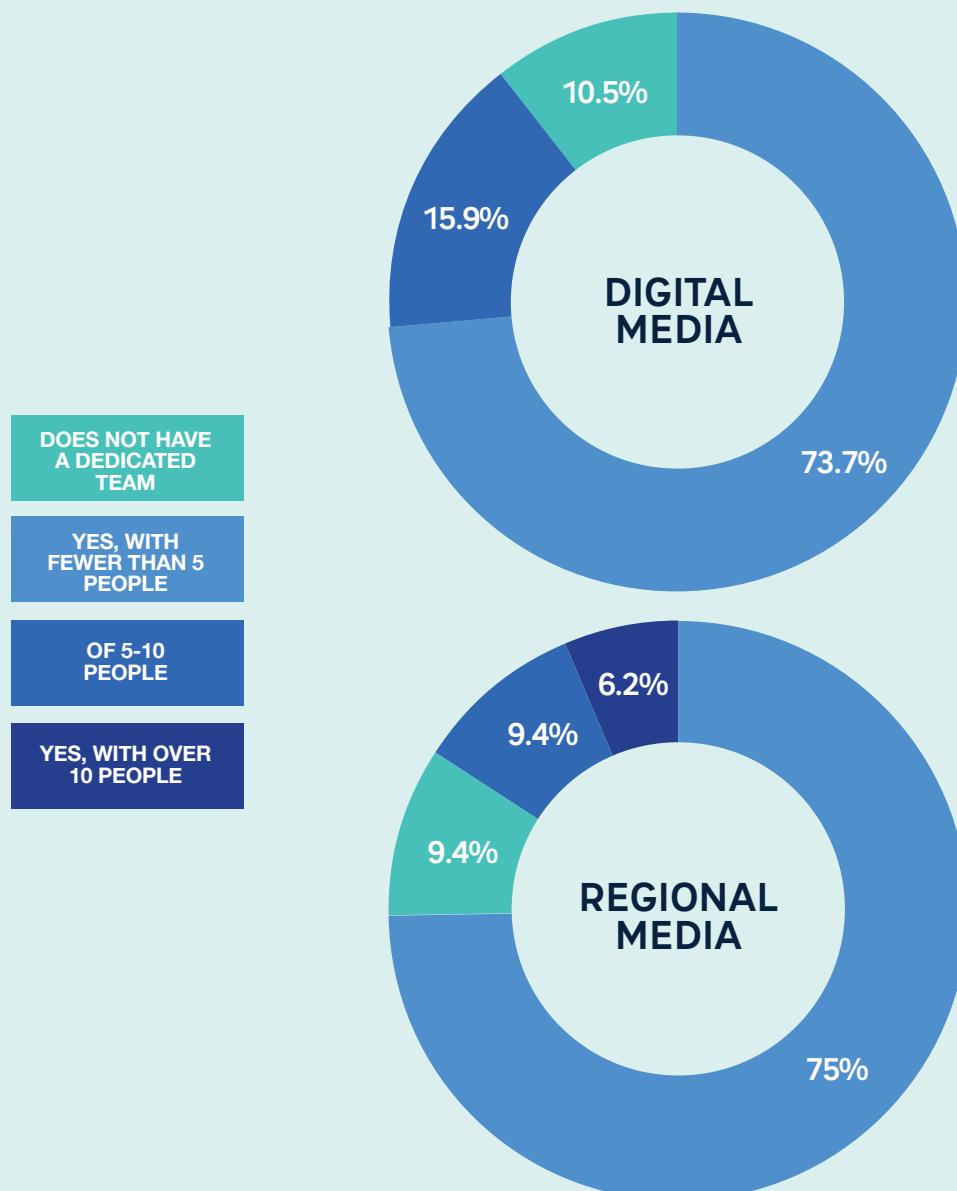
Cardoso mentions one achievement made by the product squads: 'The Estadão App [available only to subscribers] was the first of its kind in Brazil to offer a customised content area. This feature has been widely used and praised by our audience.' *Estadão* views product owners as agents of cultural change: **'Product owners play a key role in the organization, since they are responsible for understanding customer needs, balancing the priorities of the different areas and offering attractive products to the market.'**

SOCIAL MEDIA TEAMS ARE WIDESPREAD, BUT REMAIN SMALL

One way of maintaining open communications with audiences is via social media, but in the majority of the media organizations surveyed in the study, the teams responsible for managing and handing social media relations are made up of five or fewer people (as is the case in 75% of regional and 73.3% of digital media outlets). The study reveals that it is mainly the newsroom staff who are tasked with managing this communications pathway (as is the case in 27% of regional media and in 40% of digital media outlets).

SOCIAL MEDIA TEAMS

Does your organization have a team dedicated to managing the social media?

DOES NOT HAVE A DEDICATED TEAM

YES, WITH FEWER THAN 5 PEOPLE

OF 5-10 PEOPLE

YES, WITH OVER 10 PEOPLE

DIGITAL MEDIA

10.5%
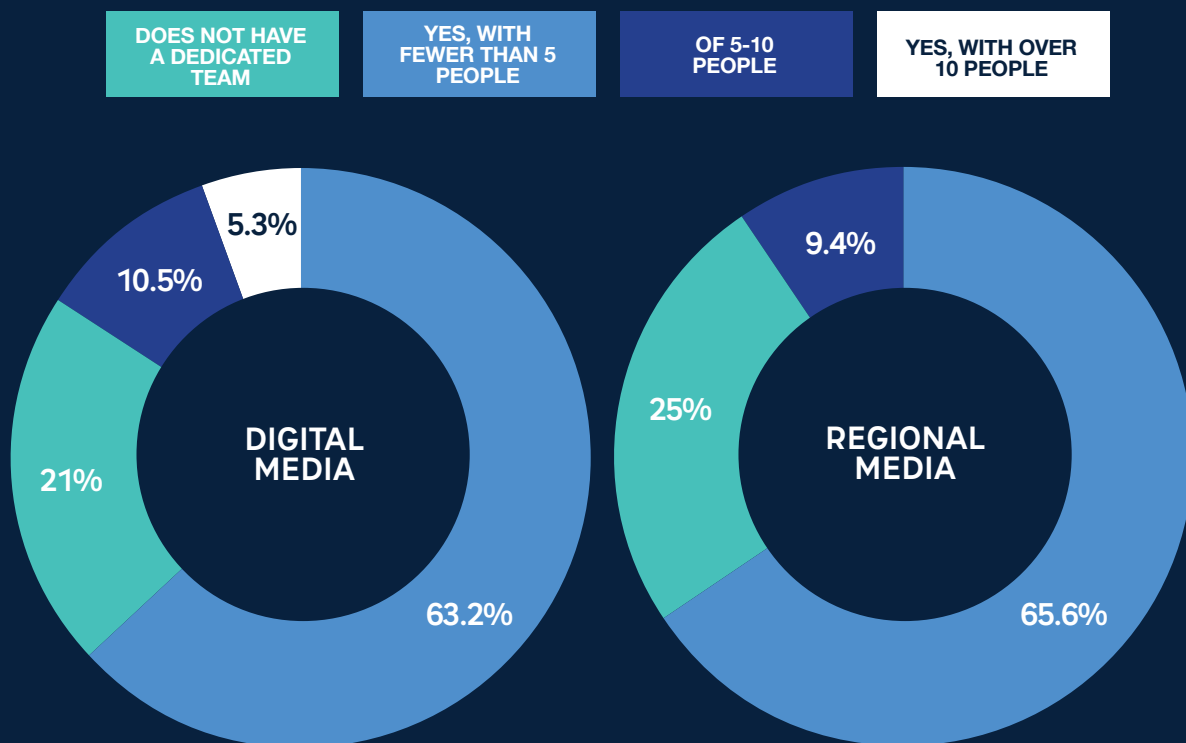
15.9%

73.7%

REGIONAL MEDIA

6.2%

9.4%

9.4%

75%

FEW PEOPLE ARE TASKED WITH GENERATING DIGITAL MULTIMEDIA STORYTELLING

Audiences throughout the world have diversified both the format in which they consume information and their consumption habits, moving gradually towards video (Reuters Institute, 2021[1]). However, the Mexican media surveyed mostly claimed to have only small teams tasked with developing new storytelling formats. Indeed, in most regional (65.6%) and digital (63.2%) media outlets, the teams tasked with producing digital audiovisual stories (videos, infographics and animations) comprise only between one and five people.

DIGITAL AUDIOVISUAL STORYTELLING TEAMS
Does your organization have a multimedia team focused on generating digital audiovisual stories?

| DOES NOT HAVE A DEDICATED TEAM | YES, WITH FEWER THAN 5 PEOPLE | OF 5-10 PEOPLE | YES, WITH OVER 10 PEOPLE |

DIGITAL MEDIA
5.3%
10.5%
21%
63.2%

REGIONAL MEDIA
9.4%
25%
65.6%

New content formats require more human resources and more training, as not only have consumption and platforms become more diversified, they also continue to grow.

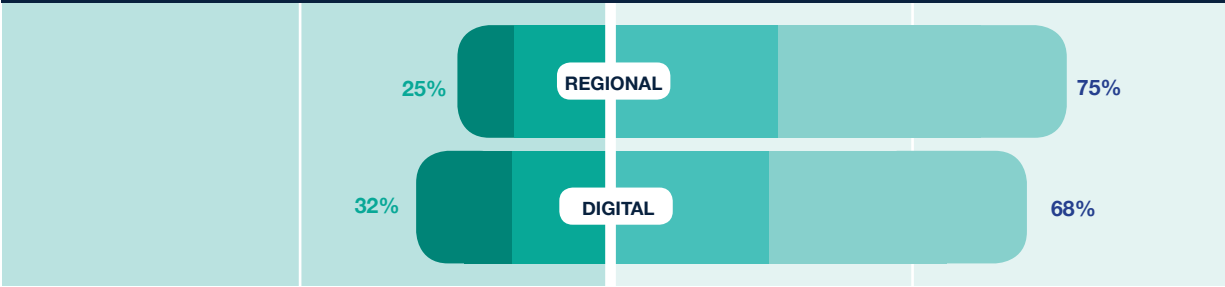1. Reuters Institute (2021). *Digital News Report 2020*. [Consulted at: https://www.digitalnewsreport.org/survey/2020/overview-key-findings-2020/

AUDIOVISUAL FORMATS

How often do you use these formats?

OFTEN	SOMETIMES	OCCASIONALLY	NEVER

INFOGRAPHICS

REGIONAL 50% | 50%

DIGITAL 63% | 37%

PODCAST

REGIONAL 25% | 75%

DIGITAL 32% | 68%

VIDEO ON DEMAND

REGIONAL 55% | 45%

DIGITAL 42% | 58%

LIVE VIDEO

REGIONAL 84% | 16%

DIGITAL 42% | 58%
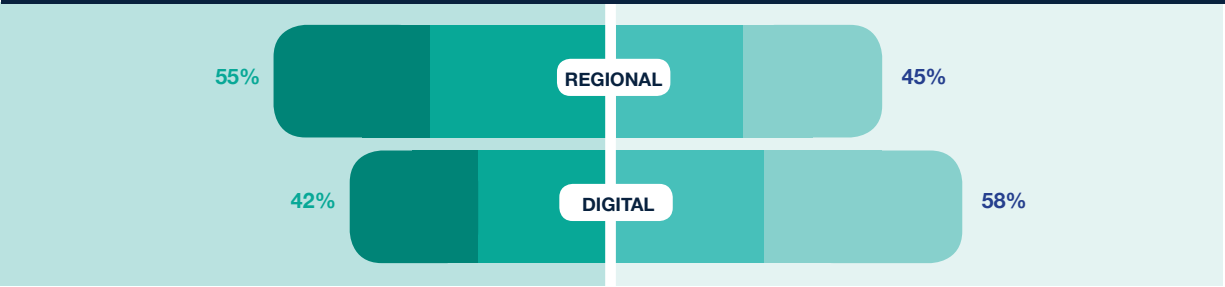
TRAINING EFFORTS ARE MOSTLY FOCUSED ON EDITORIAL TEAM

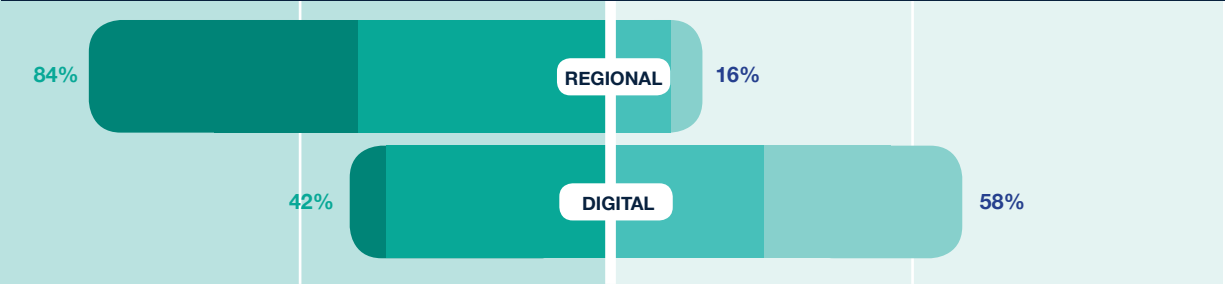Newsrooms with greater resources and training play a key role in the industry's digital transformation. In this sense, 68.4% of the digital media and 46.8% of the regional media organizations claimed to provide training to their newsroom staff more than twice a year.

TRAINING THE EDITORIAL TEAM

How often do you provide training to your newsroom staff?

| 2-3 TIMES A YEAR |
| MORE THAN 3 TIMES A YEAR |
| ONCE A YEAR |
| ONCE EVERY 2 OR 3 YEARS |

DIGITAL MEDIA

- 10.5%
- 26.3%
- 42.1%
- 21.1%

REGIONAL MEDIA

- 15.7%
- 21.8%
- 25%
- 37.5%
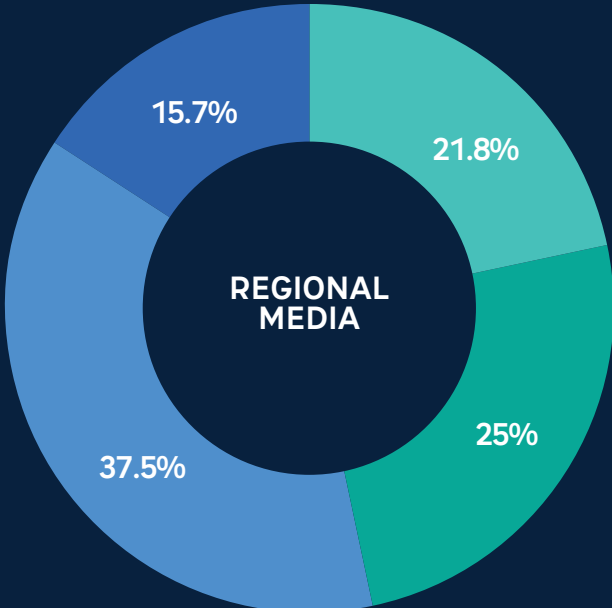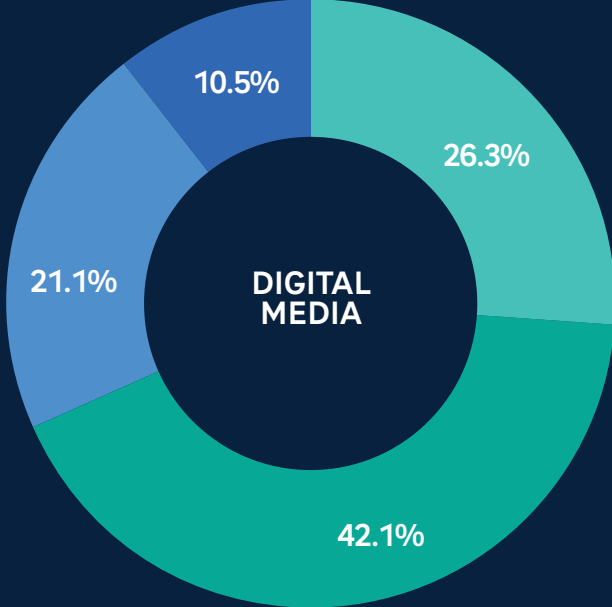
Training is also provided to the sales, administrative, management and tech teams, although less frequently than the newsroom staff.

TRAINING IN EACH AREA (NOT INCLUDING THE NEWSROOM STAFF)

How often you do provide training for your sales / administrative / management / tech teams?

SALES TEAM

DIGITAL MEDIA
- 47.4%
- 5.3%
- 26.3%
- 10.5%
- 10.5%

REGIONAL MEDIA
- 37.5%
- 9.4%
- 9.4%
- 6.2%
- 37.5%

ADMINISTRATIVE TEAM

DIGITAL MEDIA
- 31.7%
- 21%
- 26.3%
- 10.5%
- 10.5%

REGIONAL MEDIA
- 15.6%
- 6.3%
- 6.2%
- 21.9%
- 50%

Legend:
- MORE THAN 3 TIMES A YEAR
- 2 OR 3 TIMES A YEAR
- ONCE A YEAR
- ONCE EVERY 2 OR 3 YEARS
- NEVER

TECH TEAM

DIGITAL MEDIA
- 26.3%
- 21%
- 5.3%
- 31.6%
- 15.8%

REGIONAL MEDIA
- 15.6%
- 9.4%
- 40.6%
- 15.6%
- 18.8%

MANAGEMENT TEAM

DIGITAL MEDIA
- 10.5%
- 15.8%
- 31.6%
- 26.3%
- 15.8%

REGIONAL MEDIA
- 31.2%
- 9.4%
- 3.1%
- 21.9%
- 34.4%

Legend:
- MORE THAN 3 TIMES A YEAR
- 2 OR 3 TIMES A YEAR
- ONCE A YEAR
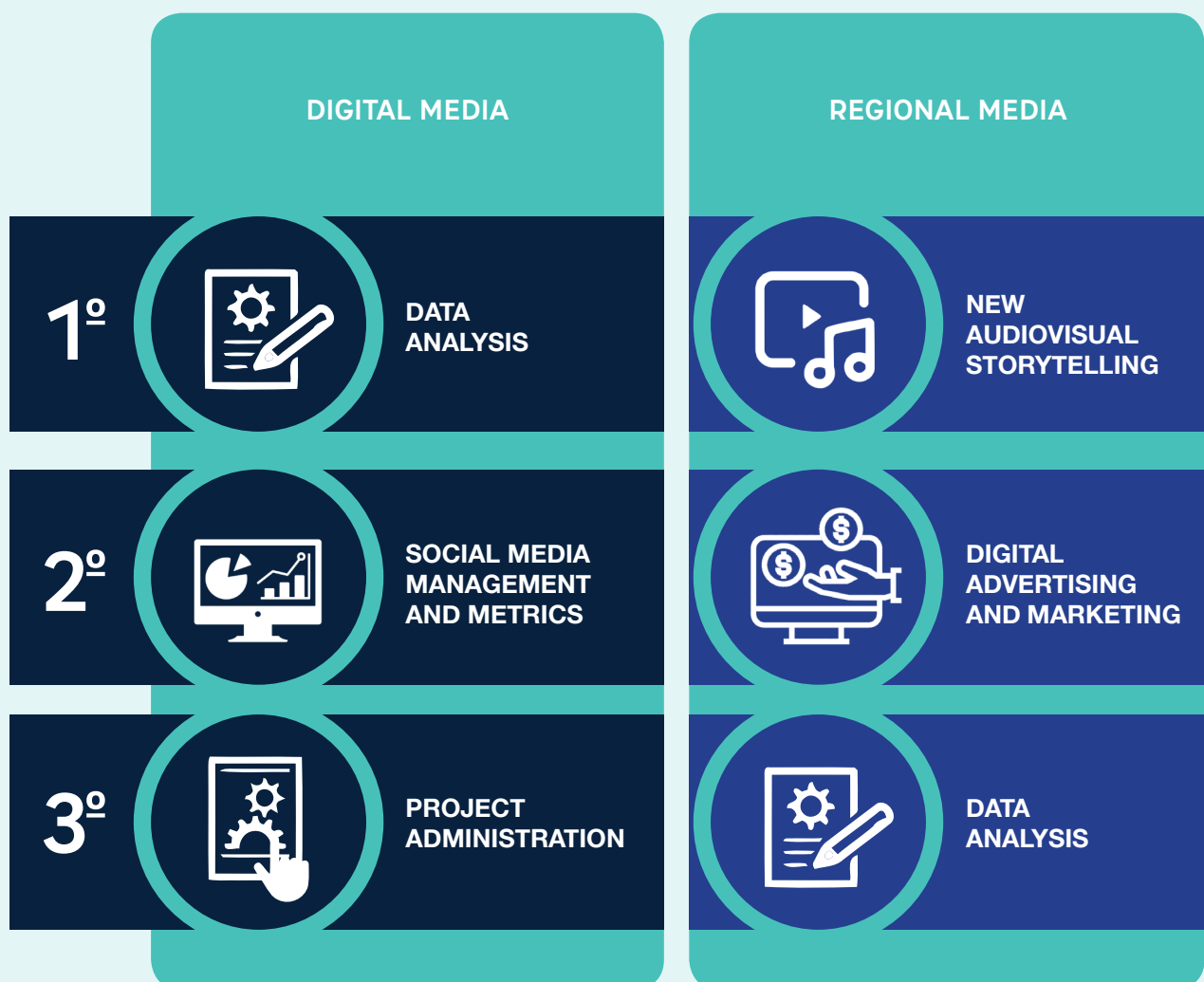- ONCE EVERY 2 OR 3 YEARS
- NEVER

3.4 AN URGENT NEED FOR DATA ANALYSIS TRAINING

As mentioned above, the results reveal that 42.1% of the digital media companies and 43.8% of the regional media companies surveyed had no team specifically tasked with monitoring and analyzing metrics and/or data intelligence. However, the media surveyed did include data analysis among their three priority staff training areas.

Both the regional (65.6%) and digital (63.2%) media organizations included in the study had small teams (5 people) tasked with generating digital audiovisual content. Only the regional media, however, identified new audiovisual storytelling as their top training priority.

PRIORITY TRAINING AREAS, BY TYPE OF MEDIA ORGANIZATION

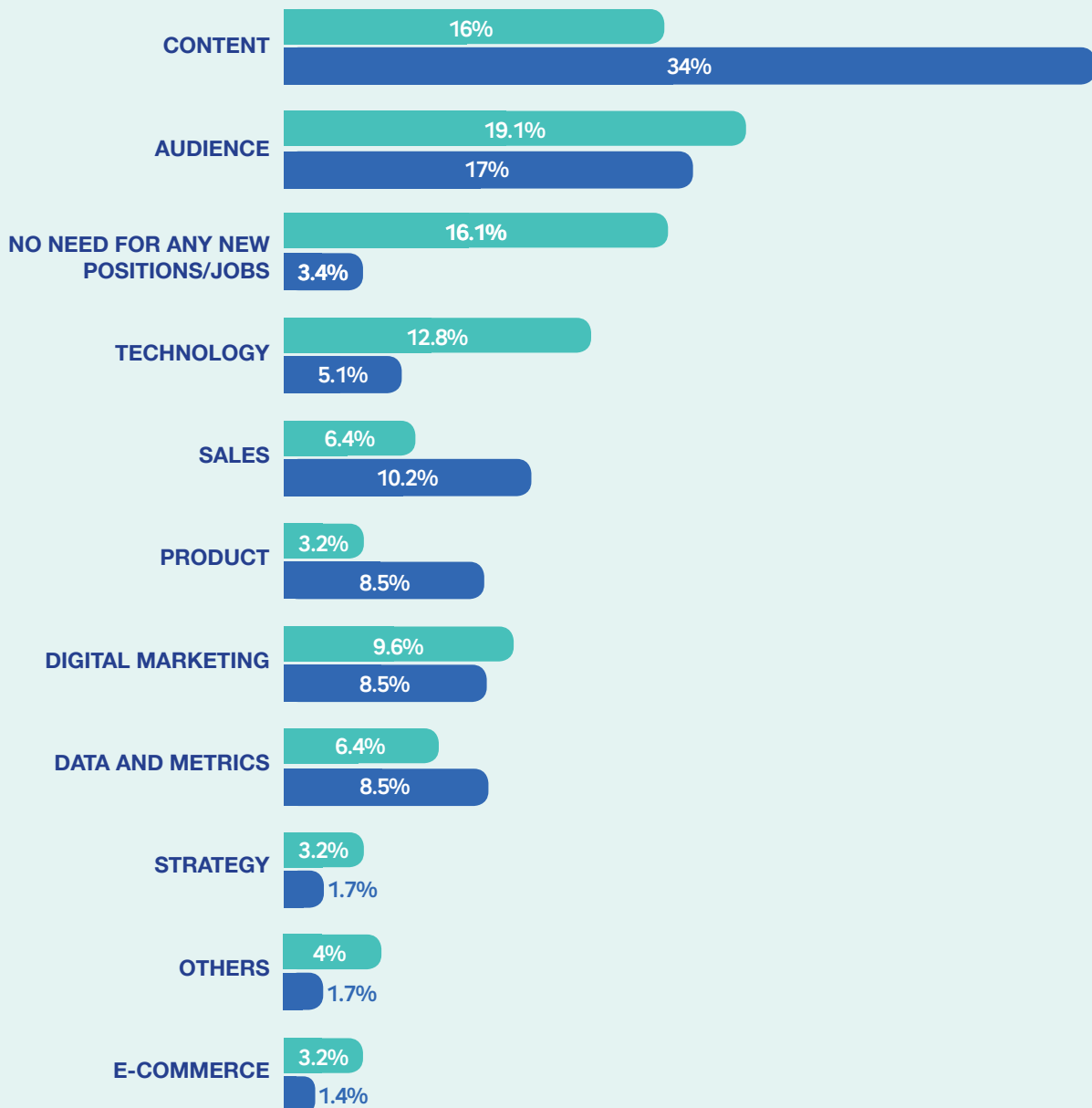| DIGITAL MEDIA	REGIONAL MEDIA
1º DATA ANALYSIS	NEW AUDIOVISUAL STORYTELLING
2º SOCIAL MEDIA MANAGEMENT AND METRICS	DIGITAL ADVERTISING AND MARKETING
3º PROJECT ADMINISTRATION	DATA ANALYSIS

NEW POSITIONS NEEDED TO DRIVE DIGITAL TRANSFORMATION

The media organizations surveyed listed the new positions required to strengthen their digital operations. These included jobs linked to **data and metrics**, audience editors and the **development of multimedia and multiplatform content**.

DEMAND FOR NEW ROLES

What positions/jobs do you believe are required today to strengthen your digital operations?

● DIGITAL MEDIA

● REGIONAL MEDIA

| Role	Digital Media	Regional Media
CONTENT	16%	34%
AUDIENCE	19.1%	17%
NO NEED FOR ANY NEW POSITIONS/JOBS	16.1%	3.4%
TECHNOLOGY	12.8%	5.1%
SALES	6.4%	10.2%
PRODUCT	3.2%	8.5%
DIGITAL MARKETING	9.6%	8.5%
DATA AND METRICS	6.4%	8.5%
STRATEGY	3.2%	1.7%
OTHERS	4%	1.7%
E-COMMERCE	3.2%	1.4%

3.6 EFFORTS TO IMPROVE WORKING ENVIRONMENTS, AND DIFFICULTIES RETAINING TALENT

The responses from the survey showed some efforts have been made in the implementation of protocols, policies and practices aiming at improving workplace environments.
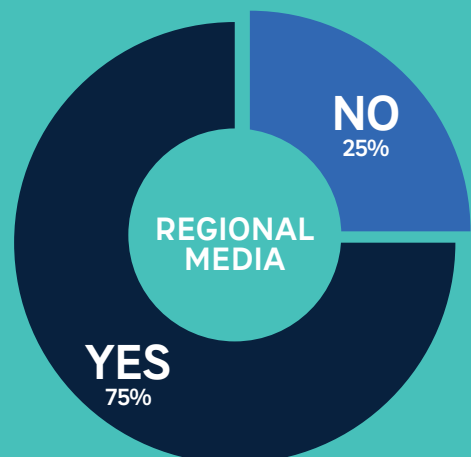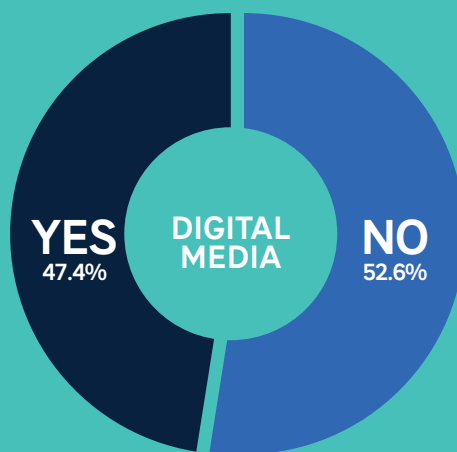
While the percentages of most of these measures are very similar for both digital and regional media, the difference is significant in relation to protocols against workplace and sexual harassment, with 75% of regional media organizations claiming to have established these protocols, as opposed to only 47% of digital.

PROTOCOLS AGAINST WORKPLACE AND SEXUAL HARASSMENT

Does your organization have protocols against workplace harassment?

DIGITAL MEDIA
YES 47.4%
NO 52.6%

REGIONAL MEDIA
NO 25%
YES 75%
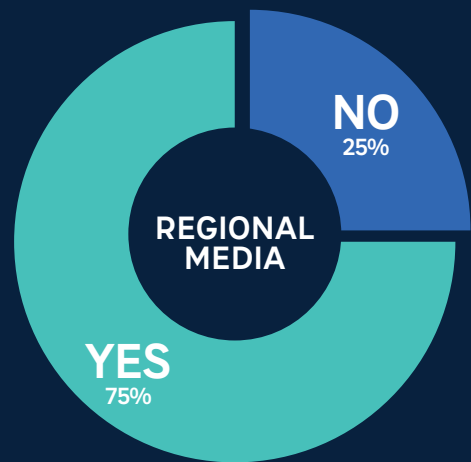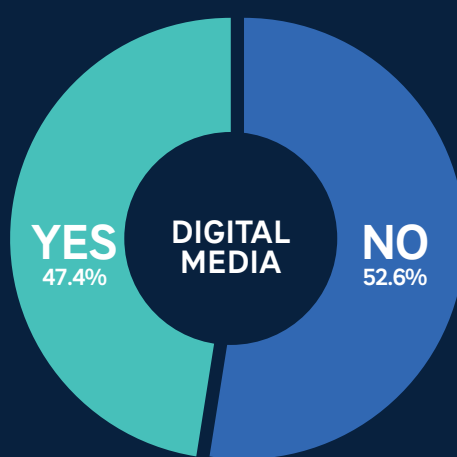
Does your organization have protocols against sexual harassment?

DIGITAL MEDIA
YES 47.4%
NO 52.6%
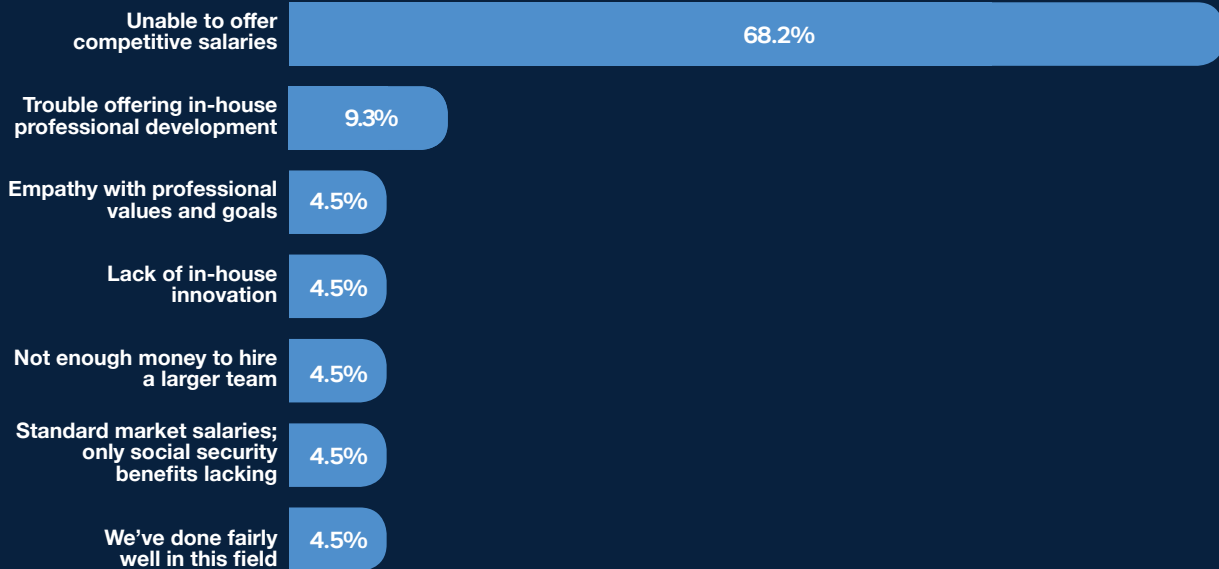
REGIONAL MEDIA
NO 25%
YES 75%

Efforts to improve the working environment clash with difficulties retaining talent. The principal challenge facing media organizations is their inability to offer their employees competitive salaries. The impact of salary-related issues is greater among the digital (68%) than among the regional (38%) media organizations surveyed.
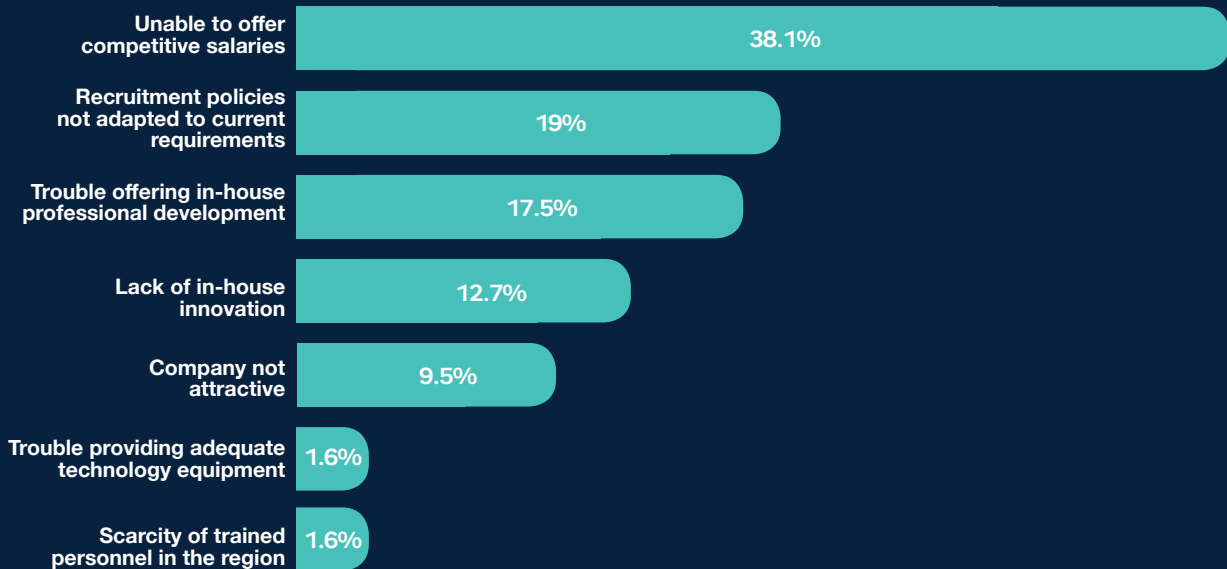
RETAINING TALENT

What are the main challenges you face in terms of attracting and retaining talent?

DIGITAL MEDIA

Challenge	%
Unable to offer competitive salaries	68.2%
Trouble offering in-house professional development	9.3%
Empathy with professional values and goals	4.5%
Lack of in-house innovation	4.5%
Not enough money to hire a larger team	4.5%
Standard market salaries; only social security benefits lacking	4.5%
We've done fairly well in this field	4.5%

REGIONAL MEDIA

Challenge	%
Unable to offer competitive salaries	38.1%
Recruitment policies not adapted to current requirements	19%
Trouble offering in-house professional development	17.5%
Lack of in-house innovation	12.7%
Company not attractive	9.5%
Trouble providing adequate technology equipment	1.6%
Scarcity of trained personnel in the region	1.6%

Kowanin Silva, from *Vanguardia*, explains the difficulties her organization encounters in terms of staff management: 'Last year we went through a period in which many people were assigned new roles and tasks. As employees, we are expected to change ever so much more quickly. Many employees found it difficult, many wanted to leave. And we also had trouble determining who was trained to do what.' Roberto Curiel outlines the strategies being implemented in his organization, *Diario de Yucatán*, in response to this situation: 'we are reviewing salaries vis-a-vis market standards and developping staff members exhibiting potential, providing both in-house and external training to help cover both internal and market needs.'

CONCLUSIONS

The aim of this study was to determine how prepared regional and local digital media organizations in Mexico are in order to embark on the digital transformation required by today's global and dynamic news production, distribution and consumption ecosystem.

The results reveal that the media surveyed in this study face many complex challenges. On the one hand, they clearly need to completely rethink their business models, moving increasingly towards paid content and alternative revenue streams. On the other hand, they urgently need to attract and retain human resources, and to develop and invest in strategies that will enable them to better understand their audiences.

Despite these obstacles, however, the findings reported here indicate that Mexican media organizations are fully aware of the seriousness and urgency of the situation. Moreover, they already have several plans in the pipeline to respond to their predicament.

In **Burn the ships!**, a WAN-IFRA and Facebook Journalism Project's guide to igniting cultural change among publishers, the following assessment is made:

> 'Cultural change is a painstaking process for the entire organization. Basically, because the organization is a team composed of people. And people, even in adverse scenarios, prefer the status quo. "**By nature, we humans are the ideal machines to avoid change,**" says Joao Adao, Facebook Regional Director for Latin America.
>
> "**I realized that the technical challenge was relatively easy to solve, and that the cultural challenge was the big issue,**" Adao explains.'

The findings reported here suggest that the first step has already been taken: the media representatives surveyed are convinced that the digital transformation of their organizations is unavoidable. What is required now is a deep-rooted process of internal cultural change, along with a concerted effort to technically and culturally adapt to the demands of the digital environment. What is at stake is the very survival of news publishing organizations, along with their role counterbalancing the powers that be in Mexico's democratic society. This report aims to help support and foster this vital process of transformation.

METHODOLOGY

An electronic survey was designed ad hoc for the study. The vast majority (90%) of the questions included were closed-ended.

The survey was sent via e-mail to key representatives in various media organizations during March 2021.

Prior to sending out the survey, we calculated that respondents would need an average of 25 minutes to complete the questionnaire.

The research also included in-depth interviews with several survey respondents.

All personal information collected is deemed to be confidential and will be processed in accordance with ethical standards of respect and data protection.

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