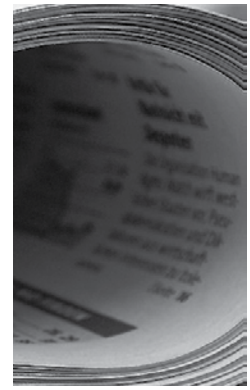

The press crisis in Spain

Credibility & professionality as main solutions

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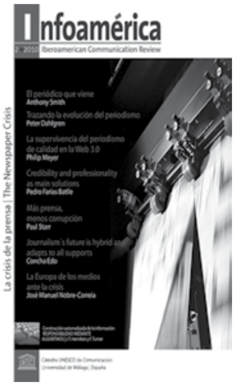
The crisis situation is forcing an inevitable change in the way business is done in newspaper companies in the profit making aspect of their contents. Yet, beyond corporate problems, we are facing in this period of change a transformation in the ways access and consumption of information is done by the citizens. Readers are finding alternatives that are more agile, personalized and free of cost to receive information. Free information, backed by the media itself when uploading their contents in the Web, has meant a banalization of information in such a way that what is most affected in the new emerging model is quality and trustworthyness.

Keywords: press crisis, information consumption changes in citizens, information creditibility, information professionality.

La situación de crisis está forzando un inevitable cambio en el modelo de negocio de los periódicos para rentabilizar sus contenidos. Pero, por encima de los problemas empresariales, asistimos en este periodo de cambio a una transformación en los modelos de acceso y consumo de la información por parte de los ciudadanos. Éstos están encontrando alternativas más ágiles, personalizadas y gratuitas de informarse. La gratuidad, fomentada desde los propios medios al volcar sus contenidos en la red, ha supuesto una banalización de la información, de manera que lo que más se está resintiendo en el nuevo modelo emergente es la calidad y la confianza.

Palabras clave: crisis de la prensa, cambio ciudadano del consumo informativo, credibilidad de la información, profesionalidad de la información.

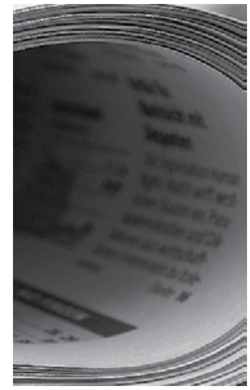
Shutdown of media companies, mass layoffs of employees in publishing companies, reduction of audiences, decrease in incomes, search for new formulas to generate profits in contents, transition from paid media to free media, search for new supports, concentrations to reduce expenses..., the conjunction of all these elements has become the best indicator that can



help us trace the crisis situation media is going through in Spain. Economic adversity in recent years is punishing the media sector especially, but it is a situation that has been expected for a long time now: excessive dependence on publicity demanded a search for alternative business models and this was not done..

Free information was spreading throughout the world thanks, in the first place to free media and internet (with a devastating force) afterwards. While abundant publicity has been able to shore up traditional media, the change process has been very soft almost lethargic. Yet it was there. Forecasts from some large groups was of migrations towards new business models with a rythmn of ten years. And, without real planning, because of the quickness and uncertainty of the new situation, the media quickly and desperately launched themselves to search for new alternatives (free contents and payment back to free contents) and costly adventures with doubtful outcomes that have damaged their economies even more so. The economic crisis has been the acceleration element of what was inevitable. The inevitable element has been the end of the current information model geared to be paid for by large audiences in conventional supports. For this reason, those suffering most are the medias with more information content: newspapers. Yet this forced reconversion situation of the sector should not be exclusively analysed from an entrepreneurial perspective or that of technological re-adaptation, which is something all sectors suffer and which the press has suffered in the past. The variables this new crisis affects are many and with higher social importance than mere profitability of journals.

In them, and within the media system in Spain, a paradox is produced that affects the double property-function feature of the media, that is, private ownership of broadcasting companies and the basic social function played by the media and which are found in the public dimension of these. The current process affects the quality and credibility of the information from the very moment that a change is taking place in the way media generates contents, with reduced and overwhelmed staffing due to policies aimed at reduction in expenses in which the possibility for searching and elaborating the information as well as the time needed to contrast information sources has seen itself seriously reduced and in which the crisis is producing a new accordion effect of the media concentration. We are before a process that not only affects the banalization of the information, an effect produced by the trend in superficiality and the raquitic contents but also the credibility of the set of information and thus the possibility of reception of professional quality information by the citizens who need awareness of minimal guarantees of what is taking place in their surroundings. The increase in individual or collective sources of information, propitiated by the ease in which new technologies enable this, is not producing an increase in quality. There is more information available but it is less rigorous, professional and contrasted. Journalism, its professionals, supply (as opposed to other sources) these elements. In the digital world we find enormous quantities of information, yet the citizen tends to trust the information coming from a media source or professional that is trustworthy and highly responsible and who in principle is found in traditional media sources. Just glancing at the one hundred most visited sites in the net throughout the world is enough to realize that among the leading ones are (after searchers that receive close to 10% of visits to locate information from the media), are the main communication companies of the world (see chart no. 1) such as Fox, CNN, BBC or *The New York Times*. As media loses credibility or does



not contrast its information or censures information people are interested in, in sum, if they lose creditibility, they lose everything as the only real initial advantage they have as opposed to other formulas in internet.

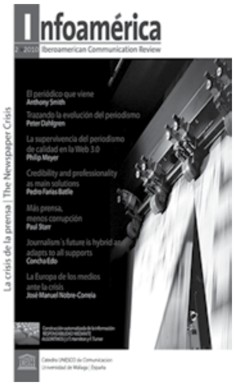
However, the outcome of this situation has to be viewed with optimism, in spite of the current difficulties the media is going through and the professionals that work in them. As opposed to apocaliptic views that foresee the end of paper press, in our hypothesis it is necessary to distinguish between the press as a means of communications and the platform. The trend is for the platform to be digital and for this reason the important element is not the continuity and survival of press on paper but press in general as a means of information and professional journalism as guarantee element of rigorous information treatment.

The change in business in press

For decades publicity and not the sale of the product, the contents, has been the motor that generated financial incomes. This is with exceptions, one of the peculiarities of the media: they hardly sell what they produce (contents), they market the audiences of their contents with publicity producers and those really selling the contents (journals, magazines, pay television, etc.) hardly obtain with this sufficient income to pay distribution costs of the product which is even more reduced in the new supports.

Yet there is more still: the publicity sellers seek with publicity to reach the citizens and persuade them to buy a product or a service. Maximum effectiveness is achieved when we are capable of segmenting these receivers of the messages and thus reach maximum efficiency in publicity (advertising that only reach real potential consumers). And this, which is difficult in conventional media (press, radio and television) is easy in the Web. This leads us to the fact that communications media, newspapers, are no longer the main support for publicity and besides this, they are forced to compete with other formulas with higher audiences and personalization possibilities (social networks, searchers, portals, etc.) at a lower cost.

Along with this excessive dependency of publicity financing, journals have taken a long time in changing their business model with the new requirements and uses, maintaining their classic pre internet model with a rentier management that has enabled others to occupy certain market quotas in the terrain of innovation of information supplying. In view of this setting, the initial position has been that of believing that everything would become stable and the new situation would be just transitory, squeezing the old publicity model to the maximum and not really take up the new formulas appearing on the horizon. They have approached the online window dressing without a scaled planned model, thus increasing their production costs without obtaining profits. And keeping up this situation for a long time, has made the reaction be that of attempting to fence freeness of information in internet. But "internet is a free communications space. This is how it was conceived. It cannot be delimited and sold in chunks" (Castells, 2009). If limitations are set in it, the structure itself enables searching for alternatives totally for free, for the demands of information. It is true that one should not think about how to do business with the entire internet, as is being attempted from certain political sectors, but just with some sectors -culture, entertainment, information- which are the ones that need to pay for the expenses of their contents to continue existing.



Meanwhile, the model is changing and access to information and its spread is no longer a monopoly of just a few mediatic groups, but is at the disposal and reach of the entire society. This is the great starting point and central axis around which the alternatives of the future pivot. Citizens have become used to free information and other contents (music, videos, etc.) whose industries have also had to change their business models. And the later adaptations newspapers have had to adopt by uploading part of their contents into the web has been more than a solution, it has been a catalyst in the variation of the uses and consumer information of the citizens and an increase in the expenses for the media that supported both scenarios simultaneously (dependent and independent).

Table 1. Communication media of the 100 most visited webs in the world (2010)

Ranking top 100	Media	Unique audience	Total visits
15	Fox Interactive Media	92.899.123	623.816.316
23	Glam Media	46.723.050	144.259.535
24	CNN	44.437.129	315.237.473
27	CBS	38.520.325	102.607.440
31	BBC	35.013.985	313.317.910
48	ESPN	26.609.162	228.211.456
51	Comcast	25.051.539	340.120.690
59	Globo	23.255.841	281.075.741
60	Scripps Networks Digital	23.138.504	97.937.419
61	NYTimes	23.004.157	86.938.080
71	Turner Sports & Entertainment Digital Network	21.098.211	70.720.772
75	NBC Universal	20.658.373	61.299.754
81	RTL Network	19.290.418	158.214.651
88	Fox News	18.061.048	110.993.269
92	Reed Business Information Network	17.588.470	31.740.628
97	Tribune Newspapers	17.036.257	59.439.576

Source: Nielsen Top 100. January 2010. Own elaboration

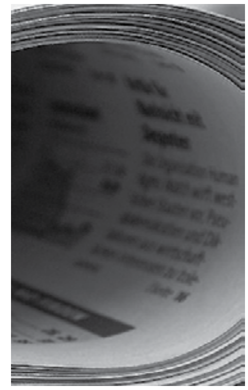
Table 2. Evolution of the percentage of citizens that receive daily information through the media (2009 -2008)

	2009	2008	Variation
Internet	25,2	18,5	6,7
TV	85,8	83,1	2,7
Radio	40,3	41,7	–1,4
Newspaper	43,6	46,5	–2,9

Source: Poll done with national citizens of the APM 2009. Own elaboration

Citizens and the change in information consumption habits

The best way to check the variation in information variation consumer habits by citizens is to analyse the figures of exposition to the media. For this reason we attempt to just know the consumer time of media as an indicator



that enables us to verify this change. This also supplies data on what media other than the press, whose majority contents are not information, have more resources to attract audiences and thus profit from their contents. Since 2005, the report from the Madrid Press Association (APM) carries out an annual poll on a representative sample of Spanish society (1.200 homes throughout the territory) in which we poll exclusively the habits and information consumption time spans of the media.

According to data from the poll, in the last two years we have been faced with an increase in the consumption of information by citizens in internet (6,7% more than in 2008) and in television (2,7 more than in 2009) as opposed to the information from the radio (1,4% decrease) and above all, paper newspapers (2,9% less) (see table 2). Although the total percentage data indicates a notable difference in the daily consumption of internet as opposed to other formulas (25,2% as opposed to 85,8% of television or 43,6% of journals), what is really significant is the progressive increase in recent years of daily checks of information in internet as opposed to the reduction of the paper support, especially in payment formulas. The trend is that this option will increase with improved access and the use of other platforms (mobile elements, pads, etc) more agile than the traditional paper format. If we contrast data for the press with data made available from the Media General Study (EGM) (see table 3), we see that the decrease in the audience is very similar (-2,6%).

As far as consumption of contents is concerned in free fashion, data also indicates a clear increase in the amount of time dedicated by citizens to free information in 2009 in comparison to 2008, which expressed in minutes increases 5,7% in comparison to the previous year, with a reduction in time spent in information requiring payment of just over 14 percentage points (see table 4). We confirmed this trend to free information if we contrast the data from the payment newspapers offered by the Spanish media circulation control (OJD) that shows a 5,49% of decrease in 2009 (see table5)

This change in habits implies a clear reduction in reading newspapers which weakens them in the battle of obtaining reduced publicity which as we have seen, is searching for other alternatives to newspapers that are more efficient. And the immediate system used by press companies to lower costs has been to reduce the most important element of their economies, their staff.

Table 3. Penetration of the audience in the media (2008-2009)

	2009	2008	Variation
Audience of total population	39,5	42,1	–2,6

Source: EGM, yearly accumulation 2008-2009. Own elaboration

Table 4. Average of daily minutes dedicated to all types of free information and pay information in all media (2008-2009)

	2009	2008	Variation %
Free I.	60,05	56,6	5,7
Pay I.	11,72	13,39	–14,2
Total	71,77	69,99	2,5

Source: Poll of national population of the APM 2009. Own elaboration

Table 5. Declared number of issues of Spanish pay journals* (2008-2009)

	2009	2008	Variation
Total broadcasting	3.519.737	3.724.261	–5,49

*Broadcasting that matches only pay newspapers by means of formulas of selling copies, in blocks and suscriptions, extracted from free media.

Source: OJD 2008-2009. Own elaboration

Table 6. The 3 main aspects journalists feel affected by the economic crisis (2009)

	%
Economic/salary aspect	29,4
Layoffs/Unemployment/ERE	16,7
More work/Less time to carry out my duties	18,1

Source: Poll done to journalists APM 2009. Own elaboration

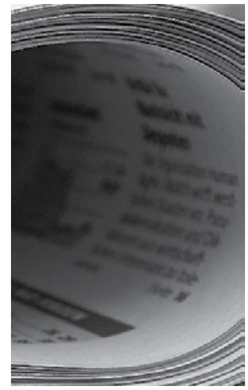
Consequences in staff reductions

Since the beginning of 2008, almost 4.000 journalists have been affected by the crisis, both in modalities of layoffs as well as premature retirement. The polity in laying off people has reduced the staff numbers in the press offices and sent the already saturated market of professionals in information thousands of more qualified workers. In Spain, pressroom work in 2009 was of around 23.000 journalists and clearly decreasing throughout the year 2009 and 2010, while the offering for professionals globally situated at around 70.000 jouna-lists with a degree. This exorbitant figure is increased annually with almost 3.000 new graduates from the university of the 36 faculties of Information Sciences that exist in Spain. It is therefore, a clearly saturated market.

Thus, we find ourselves with pressrooms with less people due to layoffs and salary cuts (the ERE have reduced employment time and salaries of some workers as in the case of the Spanish News Agency *EFE* by 25%) whose professionals need to generate the same amount of contents that was produced before by larger staff numbers as the need to keep up competitivity by the media requires this. But the effect is clearly noticeable; their time to contrast or personalise information has been seriously reduced (see table 6) and they are including in the media agenda more and more contents from agencies or those sent above all in written press, the most affected by layoffs. This has reduced the quality of the information of the media, which has made it more superficial and lightweight, an informational banalization that brings with it a clear decrease in its quality.

This vision of the effects of the crisis is also shared by the directors of national media in Spain. In a poll carried out at the end of 2009 among them on the effect of the crisis in professional practice, directors valued as most important the lack of independence as opposed to sources of financing, audience loss due to other formulas, loss of credibility and the crisis that mediation is suffering in the media (see Table 7).

As an added consequence, the sum of these effects propitiates a system of media too oriented towards entertainment and show aspects of information (above all in audiovisual media), which leaves the journalist conditioned frequently to be conditioned in seeking information that generates large audiences and harms the more informative formulas as well as those of genuine relevance and social impact. This process, backed by the companies and which are what professionals have to face and which has been



qualified as "ratingness" of the journalist (Diaz Nosty, 2005), keeps the citizen from perceiving the realities of his or her surroundings enabling the citizen to make decisions in a knowing way of the most relevant facts.

The set of these facts generates a loss of trust by the audience in the media, which weakens the media as opposed to other formulas in internet.

Table 7. Judgement of the effects of the crisis has had on their professional work (2009) (scale from 1 to 5)

Independence of the media fromm the sources of financing	3,6
Loss of audience to other formulas	3,4
Prioritization of contents	3,1
Loss of credibility	3,1
Authority crisis and hierarchy structure in informmation	0
Source contrast	2,7
Mediation crisis (main function of the media)	2,7
Plurality of the information	2,6
Other effects	1,6

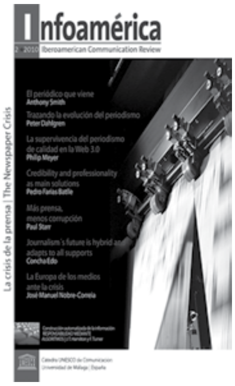
Source: APM Poll done to directors of national media 2009. Own elaboration

Loss of trust in citizens

We have mentioned credibility and trust in the media as the more valuable elements for newspapers when facing a change in the model that enables rentability of their contents. These should be understood as "not only respect to for the truth of the information but as a commitment of the media with the interest and public service. This is the value that journals could have as an exclusive, as today, the citizen can access information and opinion quicker than ever before (and for free as well), through a multitude of channels which as opposed to the media do not have any reason to deal with anything beyond their own interests" (Farias, 2009). If we perceive the source of trust in information for the citizen, we find that most of the citizens find this trust in the media that issues the information, more than the journalist or the information source (see Table 8), a fact that confirms this initial strength mentioned earlier about the media.

The importance of trust in the journalistic product is upheld by the fact that we live in a complex and hyper specialized world, which also features an over abundance of information. The citizen needs more than ever before, a product that he or she can trust because control and checking cannot be done of each one of the areas that affect the citizen. In sum, the public demands contents that are elaborated according to his or her interests.

When questioned on the credibility of information in general, it is possible to expect that public valuation be positive (see Table 9) as the mediatic system in Spain offers certain guarantees (plurality, freedom of expression, rights to information). But, questioned in different polls carried out by APM on matters alluding as how the media offers its information, citizens appreciate certain lackings (see Table 10) and demand more precision in information, that information offer all the relevant data, that the media and journalists have more indepth knowledge of the information they deal with, that all points of view be included or that information defends the interests of the citizens more as a clear reflection of the lackings of the media in information supply.



As a result of this need of creditibility are citizen and academic initiatives to measure quality of the information such as that done by observatories of credibility in Canada, the United States or Spain or more recently, initiatives for the press such as *Newspapermatters* (http://www.newspapermatters.org/esp/main.php).

Table 8. Trust from citizens in the truthfulness of information is due to....

	2009 %
Media issuing the information	6,4
Journalist signing or propagating the information	33,1
Source the information comes from	27,0
Doesn´t know/answer	3,5

Source: Poll to national population of the APM 2009. Own elaboration

Table 9. Evaluation of the credibility of the information that appear in media (score from 1 to 10 with 10 meaning highest credibility)

	2009	2008	2007	2006
Average scoring 10	6,1	6,1	6,1	6,0

Source: Poll done to citizens of the APM 2009. Own elaboration

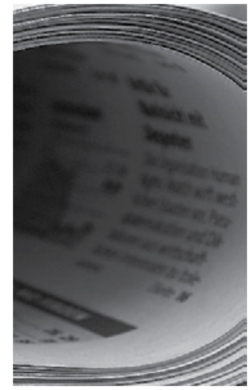
Table 10. Citizen´s demands on matters as referred to how media offers its news 2009

1. For the news offered by the media be exact
2. For the media to offer all the relevant data in its information
3. For the media to have indepth knowledge of the subject it is reporting on
4. For the media to offer information that is factual with the events that take place
5. For the media to include all the points of view of the information they are supplying
6. For the information of the media to be impartial, in other words to not take sides on anything or anyone
7. For the information of the media to defend the interests of the citizens

Source: National popularion poll of the APM 2009. Own elaboration

Ideas for a setting yet to be defined

One of the reference models for journals, in marketing their contents, should be synergy and multiplatform policies that are being applied in televisions that are producers-broadcasters. Fragmentation of television by the effect of multiplication of pay channels, TDT and internet, have their parallel in the new settings that newspapers are up against: renouncing to large audiences and focusing on smaller very segmented and quality audiences that are willing to pay for obtaining contents in a preferential way (content exclusivity) or by accessing more elaborated products and of better quality than those offered by other televisions. Newspapers are, above all, great generators of contents. They also need to get used to a reduction in their readership, leaving behind exorbitant numbers of readers used so far to access a public that is smaller and willing to pay for this exclusive information that is more elaborated and at the same time continue offering lightweight content that is not as up to date for formulas and free supports which can achieve greater audiences. Television chains, with their contents, manage



exclusive exhibition of series and programs (in pay per view systems or sale to other television chains) and thus obtain certain profits that are later matched by publicity and open exhibition in their own channels (Fox is a clear example of diversified sales) or by means of other formulas under demand in internet (*online* o *podcast).* Newspapers also need to use these synergies and complementarities in the marketing of their contents to, in sum, be profitable.

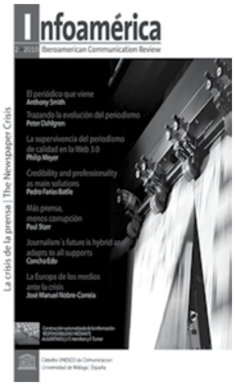
Television has helped in the change in consumer habits by citizens, profiling a setting for the future with multiple platforms and "a la carte" settings. Those who have known best how to adapt to this new reality with endless facets are those that have the force to generate the basic raw ingredients that are consumed aside from the platform of access to the product. In this they are a decade ahead of newspapers. It is true that there is a big difference in the type of the contents elaborated, as a series has several windows or expositions and longer durations than the ephemerality of current news information or exclusives. More elaborated information has more experience (reports, dossiers, etc.) whose due date is lower although inferior to that of other contents.

In this style of generating information for a reduced audience willing to pay for the contents (while the media upholds in paralell fashion other traditional payment formulas both for multiple platforms as well as free ones) is among the initiatives carried out by newspapers such as *The New York Times* with its agreements with the Kindle reading system by Amazon or agreements with British papers with Google or the Ipad or Iphone. In Spain, the *Orbit* model of *El Mundo* (http://www.elmundo.orbyt.es) augurs a new experience in rentability of the newspaper. The search for hyper local contents to attract very small publicity sources is also used to add funds to the results accounts (http://www.everyblock.com) and numerous newspapers around the world are joining it.

We are also encountering innumerable initiatives by newspapers to seek out synergies between platforms. From the possibility of expanding information in paper format by means of connexion to digital webs to the formats such as *click2c* (http://www.clic2c.com), in which by means of a mobile phone that sends us directly to the information in the web, ready to be viewed in the mobile phone.

No matter what happens, the citizen continues needing quality information that is trustworthy. If press companies are not capable of satisfying these needs and obtaining rentability by them, other imaginative initiatives will take over (they are already doing so) their place. There are innumerable blogs by professionals which directly and rigorously supply information, enjoying a high level of credibility among their audiences. Also, initiatives such as Spot.us (http://www.spot.us) enable the citizens themselves to request the information they would like to be generated and have it done by professionals once they have obtained financing.

Citizen´s needs are still there. Journals have the contents. Now what is needed is to make them profitable. If newspapers are capable of managing their initial force of credibility and professionality they will be able to adapt to the change when they really decide to bet on the new platforms and languages, abandoning their current forms of rentier that have been a feature of them for the past decade.



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