**Debate: Journalism going digital – challenges and opportunities**

**Luis Palacio, editor of Informe anual de la Profesión Periodística**

**Vienna (Austria), March, 20th, 2014**

**An introduction to APM´s report on new media launched by journalists**

Good morning ladies and gentlemen,

Over the last six years, Spanish journalists have launched, as a minimum, 380 new media, the majority of them, were electronic, digital media.

No doubt it´s a striking phenomenon.

Are we looking at a new segment of the media industry?

Are they a significant part of Spain´s Media system?

First, let me to show you some data to understand the context.

Between 2008 and 2012 the revenue of Spain media industry (TV, dailies, magazines and radio) fell by 31%. The advertising revenues in those media fell by 47% to 2013

In 2008, 4.500 journalists were looking for a job in Spain. In 2013, 10.600 journalists were in the same situation. An increase of 132%.

It must be clear that not every journalist asks for a job at a State Employment Office as previously mentioned 10.600 journalists did.

And a 63% of that amount were women.

Two more figures.

Between 2008 and 2013 284 media closed down. The biggest part was magazines, but there were also dailies, TV stations, radio networks and a few young online media.

Surprisingly between those years 13.800 students graduated in journalism at our universities.

Spain´s ‘media industry is in a deep hole. Staff reductions in media continue and the future is very uncertain.

As the figures showed, there is an enormous group of journalists -more or less qualified, more or less experienced- who don´t have a job. More worryingly, they think they will not have the opportunity to work in the established media. And they have started to invent their jobs.

That is one of the reasons behind the launch of many of those 380 new media.

Another is a question of credibility. Spanish media system is not a reliable source of information. Confidence of Spaniards in media information gets a mere 5 on a 1 to 10 scale, according to an official poll. Reasons for this disappointing rate are very complex. Links between media and politics, weak treatment of economic issues, influence of past building bubble in media companies economies. The usual suspects. All of them at the same time that traditional low levels of readership and circulation of print media. In other words paid media.

A few journalists have decided to build -or try to build- a new kind of media. More independent, more linked to their users, to their communities.

The Annual Report about Journalism in Spain has been published by Asociación de la Prensa de Madrid (APM) for 13 years. I was the editor of the last two editions and I hope to be in the current year.

Last year the report included a chapter devoted to the new media launched by journalists, with a dedicated poll to 100 of the 300 known at that moment.

We centered our analysis in the period 2008-2013 marked by the economic crisis. In fact there are a few examples of journalist initiatives in the previous years. Some of them still continue, like El Confidencial or Diario Critico.

One of the characteristics is the diversity. On the 300 media list basis, 29% were general interest local media and 9% were national media. 12% were specialized in art and culture; 10% in sports and 5% in economy. 6% were online TV and radios.

The constitution of a company in Spain is neither easy nor cheap. Half of these new projects are backed by a company. And I think this illustrates that promoters want to be permanent in the market.

At the same time we asked those journalists which would be the main source of revenue for their ventures and 60% mentioned advertising revenues as the primary source, with others like sponsorship in a few of them.

You must remember that advertising revenues in Spain fell by 47% over the last six years.

Perhaps the expectative of advertising as a solid base that assures the sustainability of these projects is not very realistic. But the good news is that some of these new media are considering a mix of revenues, with advertising, crowfunding, ebooks, apps and different forms of friendly subscriptions, that is to say some readers pay a small quote just to maintain an independent source of information or to receive information before the rest of readers.

And I said this is good news because some research shows that a revenue mix is key to surviving and for success in new media.

Linked to expectative in advertising as revenues main source is another weak factor for the analyzed ventures. That is the scarcity of professional teams dedicated to get resources for financing projects. Advertising or another type of resources. A common answer in our conversations with the promoters of these media was that first come the media and later the selling. We don´t have people dedicated to these tasks; All of us we do that; First is the project, etcetera.

But there are other characteristics that show the weakness of too many of these projects. It is the small teams of staff. Half of them have only 1 to 3 people and a mere 13% have more than 10 journalists on their staff.

Despite this there are a few success stories. I have mentioned a few media that were launched in the years before the crisis. One of them is currently among the 100 first media companies in Spain by turnover. (In the 99th position, but among them).

Among the more recent new media is Eldiario.es, that in its first year has reached economic break even. But there are other local media -like Granadaimedia- or cultural magazines, like Jot Down.

A rapid summary of this phenomenon.

First is the strength shown by journalists as a group, launching such an amount of new media.

Second. Too many of these projects are looking for new alternatives to operate: different sources of revenues or alliances between different media to sell their advertising. In this area it is interesting to see the attempts to get resources directly from readers but not via subscription basis. Just to finance independent media.

Third. Too many of these new media need a more professional approach. Journalism is not management, but to build strong journalist ventures you need well managed companies, commercially oriented and technologically updated. And forgetting this angle on a project is not good practice.

Are they a significant part of Spain´s Media system? No yet

Are we seeing a new segment of the media industry? I think so.

I think that among all these new media are some of the main competitors of the future.

Thank you.