

In Spain, publishers warily pivot to subscriptions

MARCH 10, 2020 by [Lucinda Southern](#)

Spanish publishers seeking out reader-centric revenues in a challenging print and digital ad market face a series of hurdles, like growing awareness of paywall-skirting features, more competition and a lower propensity to pay for news.

Last week, Spain's most popular news publisher [El País announced](#) it's rolled out a metered paywall where readers can access 10 articles a month for free or pay €10 (\$11.46) per month for unlimited access. Later this year, Spain's other leading news publisher El Mundo launched a paid tier in October 2019.

Both dabbled in [paid content](#), in 2002 and 2010, respectively with moderate-to-little success.

“Like we’re seeing in other markets, [reader revenue] is a business model that only works for some newspapers,” said Enrique Dans, professor of innovation at IE Business School in Madrid. “Many publishers will try and a lot will go back to their original ad-funded models.”

Subscribing to news in Spain is still low, 7% of the population made an ongoing payment to news in the last year, according to [Reuters Digital News Report](#). While that’s the same in the U.K. (the U.S. is 13%) the growth over the last two years in Spain is slow, according to the report. There’s scope for one or two quality subscription news providers in each market. Online-only subscription titles El Diario and El Confidencial are already vying for that position, with smaller newsrooms, overheads and readership. Typically, audiences only want to pay for one monthly subscription.

“Netflix is growing like crazy in Spain, but the content is differentiated,” said Dans. “The question, is how differentiated will the content be for El País?”

In its announcement, El País said that 2019 was the first year it generated more money through digital ads than print. The publisher has 21 million monthly readers in January, according to Comscore, out of a total of 34.5 million internet users in Spain. Building a metered paywall means it can balance ad revenue while subscription revenue builds. Over time the paywall will tighten as it has for more mature subscription publishers like The Economist and The Wall Street Journal, said Nic Newman, editor of the Reuters Institute Digital News Report.

“El País is not late by Spanish standard but it will take longer,” he said.



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El País particularly had its fingers burnt by putting up a hard paywall in 2002 only to pull it down in 2005. By then it had lost the top spot to El Mundo largely because search-engine traffic was [throttled by the hard paywall](#). Another benefit of a meter is search engines will surface stories but the potential for readers getting frustrated for not being able to access content will likely grow, said Dans. “Instances of [incognito mode](#) and deleting cookies will grow immensely.”

Ultimately, riding dual revenue streams will only last so long and El País will have to decide whether it’s an advertising-first business or a subscriptions-first business.

“The real challenge is the huge change behind the scenes in process and thinking,” said Newman. “It had a bit of a reputation for clickbait, now it has to completely turn that around.”

The content type, amount and rate has to adapt: Journalists hellbent on driving clicks to generate ad impressions have to shift to producing differentiated content worth paying for. Success metrics move from volume-based to customer-based, like lifetime customer value over subscription numbers, said Newman. Customer service and retention skillsets are needed as well as ad sales.

Despite the seemingly bifurcated subscription landscape, others believe the solution that’s most likely to win for the vast majority of news brands sits between two extreme positions of ad-funded and paid content.

“I don’t doubt El País will have to iterate its solution in the coming weeks, months and years but that is precisely the point,” said Douglas McCabe, CEO of Enders Analysis. “A hard paywall would be a pretty odd place to start the process of developing a new service and product philosophy.”



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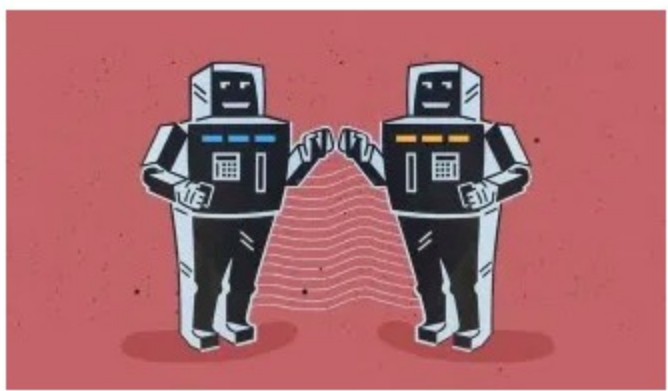


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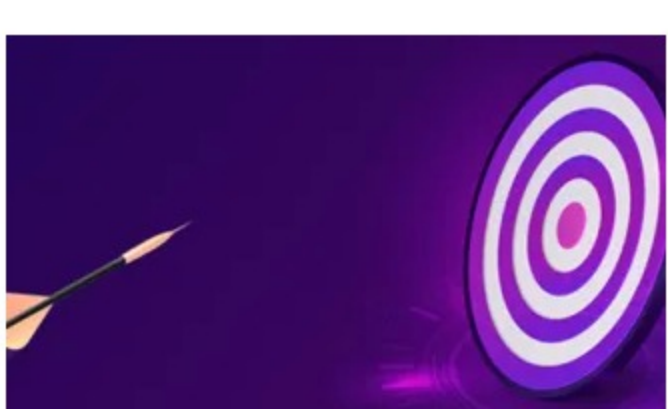
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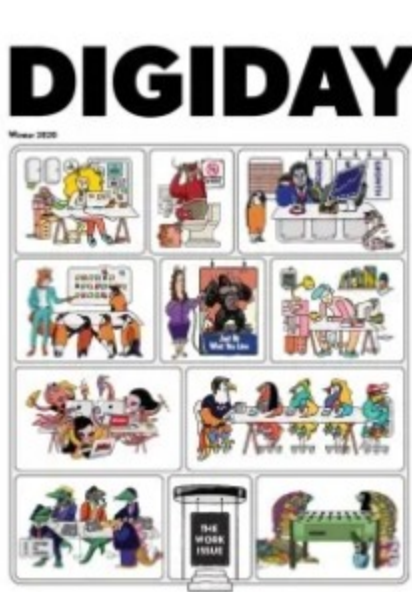


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