ISCTE Business School
Instituto Universitário de Lisboa

PRINT MEDIA AND SOCIAL MEDIA, THE COEXISTENCE AND NEW STRATEGIES

António Henrique Pombeiro Belair

Dissertation submitted as partial requirement for the conferral of

Master in Business Administration

Supervisor:
Professor Leandro Pereira, Visiting Assistant Professor, ISCTE Business School, Department of Marketing, Operations and Management

October 2017

ACKNOWLEDGEMENTS AND DEDICATION

To produce this dissertation different people from different origins helped me, some even without knowing it.

First and foremost, the eternal dedication to my mother and father to the continuous support through all my life, without a second thought in helping despite the difficulties or everyday life. My family is the main responsible for the success that I achieve.

Secondly, to my Professor, Leandro Pereira, a true renaissance man, that does everything incredibly well and with the joy of a man that truly loves what he does. An example to follow and an objective to reach.

To the company Marktest, for the precious data that allowed me to have a better inside on our society. To Mr. Ricardo Costa, Mr. Luís Pedro Nunes and Mr. José Manuel Fernandes for their time and invaluable experience in the news media business.

To my brothers in life, for every second of help, support and comprehension.

To my high school friends, for the long lasting friendship every human should be allowed to enjoy.

Finally, to the people I now call friends that transformed a Master's Degree in one of the richest and most fulfilling experiences in my life, especially to our departed but never forgotten friend, Vicente Castro Feijó.

ABSTRACT

Today's media companies, particularly Print Media organizations seem to struggle in recent years, not only in a financial way, but also regarding a certain escape from the public in general. The tremendous importance of Media companies for western democracies, as gatekeepers, explain why we chose this particular topic. Without their work our societies would not be so vigilant and their evolution would not be so good in the last decades. In this work we tried to look for the cause of this situation and search for answers with a specific co-topic in mind, Social Media. This is easily explained by the close relation between these two in recent years and the consequences from that relation. We analysed data from both phenomena and talked with professional journalists and managers of Media companies to get a closer look of that reality. With that information, we went on to our final objective, to provide possible alternatives and suggestions to the organizations in this line of business, which make them able to improve their general results and their relation with Social Media.

KEYWORDS: Social Media; Print Media; Strategy Development

JEL CLASSIFICATION: M11, O31, O33

Resumo

As empresas de Media actuais, particularmente as de imprensa escrita parecem estar com dificuldades nos anos recentes, não só financeiramente, mas também em relação a uma fuga de público em geral. A tremenda importância que as empresas de Media têm nas democracias ocidentais, como guardiãs, explicam porque escolhemos este tema. Sem o seu trabalho, as nossas sociedades não seriam tao vigilantes e a sua evolução não seria tão boa como foi nas últimas décadas. Neste trabalho, tentámos investigar a causa desta situação e procurar por respostas com um tópico relacionado em mente, as Redes Socias. Facilmente se pode explicar esta situação pela próxima relação entre os dois, em anos recentes, e as consequências dessa relação. Analisámos dados dos dois fenómenos e falámos com jornalistas e gestores profissionais de empresas de Media para que pudéssemos ter uma melhor visão dessa realidade. Com essa informação, dirigimo-nos para o nosso objectivo final, providenciar possíveis alternativas e sugestões a organizações neste tipo de negócio, que as façam capares de melhorar os seu resultados gerais e a sua relação com as Redes Sociais.

INDEX

Index of Figures

Index of Graphics

Index of Tables

1 INTRODUCTION

21st century. The age of the internet, of 4g mobile speed, of autonomous cars, of cameras in every pocket and of Social Media or social networking.

All throughout history, various advances in technology and in the way of living created difficulties to established businesses and companies. It happened with Kodak (KOTTER, 2012) with the arrival of digital photography and with Nokia (VUORI & HUI, 2016) with smartphones just to name two examples.

As Darwin thought us, those who do no adapt, eventually will perish. That is true for animal evolution and is also true for any business that aims at being successful in the long haul.

However, in today's times that has become increasingly hard and demanding to certain organizations. That is understandable given the current pace of technology evolution (see original paper that gave origin to Moore's Law (MOORE, 2006 and BERMAN & DORRIER, 2016). However, this extraordinary evolution does not affect only the organizations that deal or produce technology, given we live in a world where a laptop is a normal professional tool, and a smartphone is part of our routines. We reached a level where technology is present everywhere and in almost everything. This, just to say that the impact in our lives and, more important for the purposes of this dissertation, in the lives of every organization is tremendous.

The amount of organizations affected by technological advances is almost unnumbered, so, for the purposes of studying an adaptation for certain organizations, a type of business must be chosen. That choice fell on the News Media, a type of organization that remain solid until a few years back, when the democratization of access to the internet and the rise in popularity of Social Media began to cause serious problems in organizations that render an essential service to most societies, keeping people informed (LEVI, 2011).

Nevertheless, News Media is a wide concept where one might include various distribution platforms including Radio, TV, Cable, Internet including Social Media, Newspapers and Magazines.

After much thought given to this subject, we came do the conclusion that our focus should be concentrated on Print Media, Social Media and Native Digital News Platforms. The reasons behind this are fairly easy to explain and will be better developed along our work, but, for now, let us just give a simple summary.

The Radio business dealt with a crisis before the age of the internet. In the 80's and 90's of the 20th century, radio was left behind TV and had to reinvent themselves. The boom of the internet in the first years of the 21st century actually gave some new tools to this type of business making it possible to broadcast worldwide via web, and the emergence of podcasts[1] in recent years also helped. So, for the sake or strategic thinking, Radio was not the platform in most need of help.

When it comes to TV and Cable TV, although also affected by the World Wide Web, it adapted and made use of the tools throughout Play software available to the audiences and a steady revenue from advertisers that still rely on TV to pass the message to a big chunk of their target.

That left us with the Print Media, probably the biggest victim of the global village we call planet earth, where news travels at the speed available from your internet service provider. Regarding online news, besides que TV Channel's websites and digitally native news organizations, other important platforms play a major role in the news business, Social Media (MESSING & WESTWOOD, 2014; FULLERTON, 2017).

These platforms (as they like to labelled themselves), allow any user to communicate and share text, photography and video, whether we are talking about the account of a private citizen or of a news organization (TV, Radio, Newspaper and others forms) are tremendous. We should remind that, although, any person or organization (SMITH *et al,* 2015) could have his own website, Social Media differs from this because these sites have millions of accounts from private citizens as well as organizations, meaning being present where everybody is, whereas, with a website, your presence in the internet is reduced to the people that look for your website.

Therefore, we aim at doing a study of these various phenomena, and at the end, offer an alternative to the struggling media organizations affected by Social Media.

[1] https://www.merriam-webster.com/dictionary/podcast

2 Literature Review

2.1 Social Media- Basic definitions and origins

Being a relatively young phenomenon, Social Media only entered our lives in the first years of the 21st century, meaning, there is not more than a decade of information and evolution regarding the subjects we are talking about.

During our research the simple task of defining Social Media (VAN DIJCK & POELL, 2013) became harder than we thought at the beginning. However there are some points that are transversal to all Social Media platforms, as demonstrated by Obar and Wildman (2015).

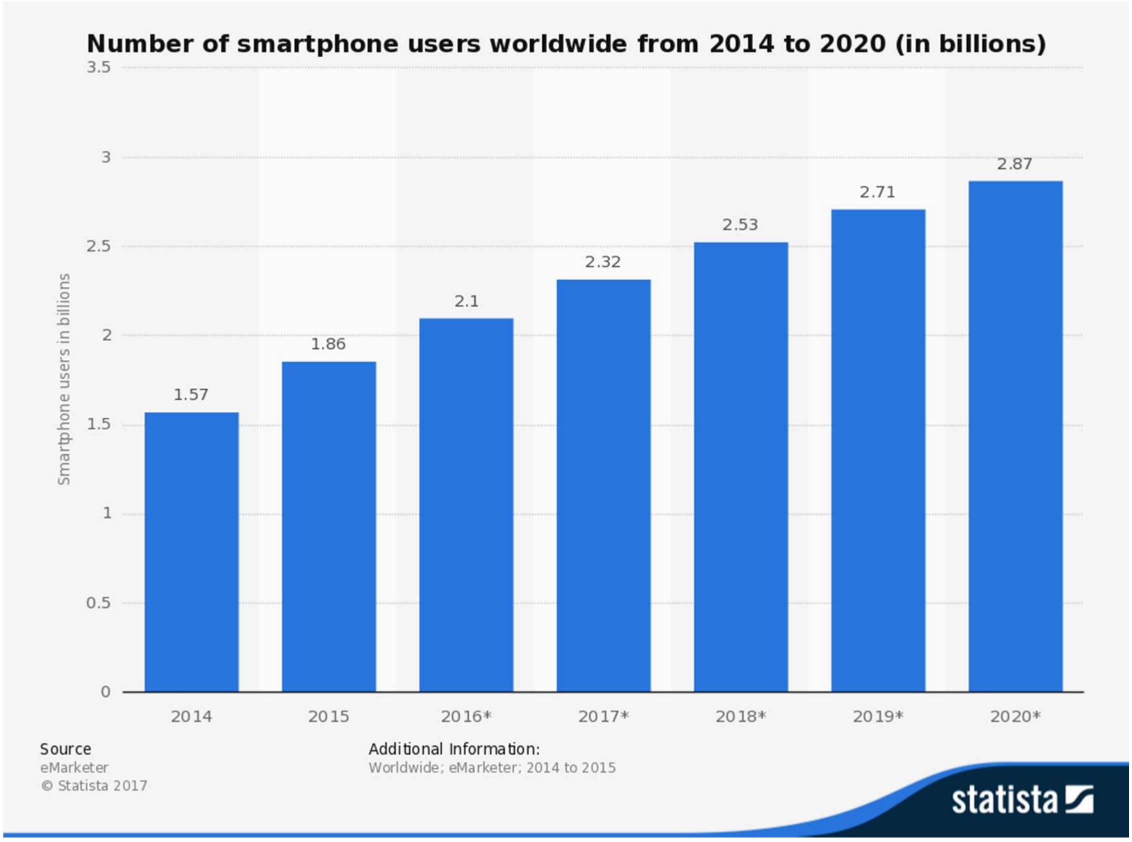
The commonalities in current Social Media are:

- Social Media are interactive Web 2.0 Internet-based applications.
- User-generated content, such as text posts or comments (HILLE & BAKKER, 2014), digital photos or videos, and data generated through all online interactions, are the lifeblood of Social Media.
- Users create service-specific profiles for the website or app that are designed and maintained by the Social Media organization.
- Social Media facilitate the development of online social networks by connecting a user's profile with those of other individuals or groups.

To better explain these concepts let us delve on them. The Web 2.0 (O´REILLY, 2009) refers to the second stage of development of the internet, when it surpasses the static stage and becomes more user dynamic and user generated, mainly from the success of Social Media. This new form of interaction between users (whether from personal or institutional profiles), made the contact between people and organisations much closer and faster (SCIFLEET *et al,* 2013).

The closer and faster these relations became, the more they grew worldwide, as the recent numbers show. The opening of the Soviet Bloc in Eastern Europe, the Democratization of South America and the development of Southern Asia countries transformed the world we live in, as a more connected, compact place.

Another very important factor we need to acknowledge is, as we mentioned before, the acceleration of the technology nowadays. However, we did not mentioned a very important point, its accessibility. Smartphones in current days allow its user to do almost all the same things as a laptop or computer, but with a very different feature, the price. When we mentioned the democratization of technology, we were referring mainly to its affordability, whether through a piece of technology (laptops/computers or smartphones), or access to the internet[2].



Graphic 2-1 – Number of smarphone users worldwide from 2014 - 2020

(Source: eMarketer)

The statistics relating to this subject all point in the same direction, an exponentially growth in all numbers (numbers from the ITU in Excel page by the ITU).

These directly relates to Social Media, as more people have access to technology and to the internet, more Social Media users there will be, and more of a tool it will become to the organizations (KUMAR *et al,* 2016).

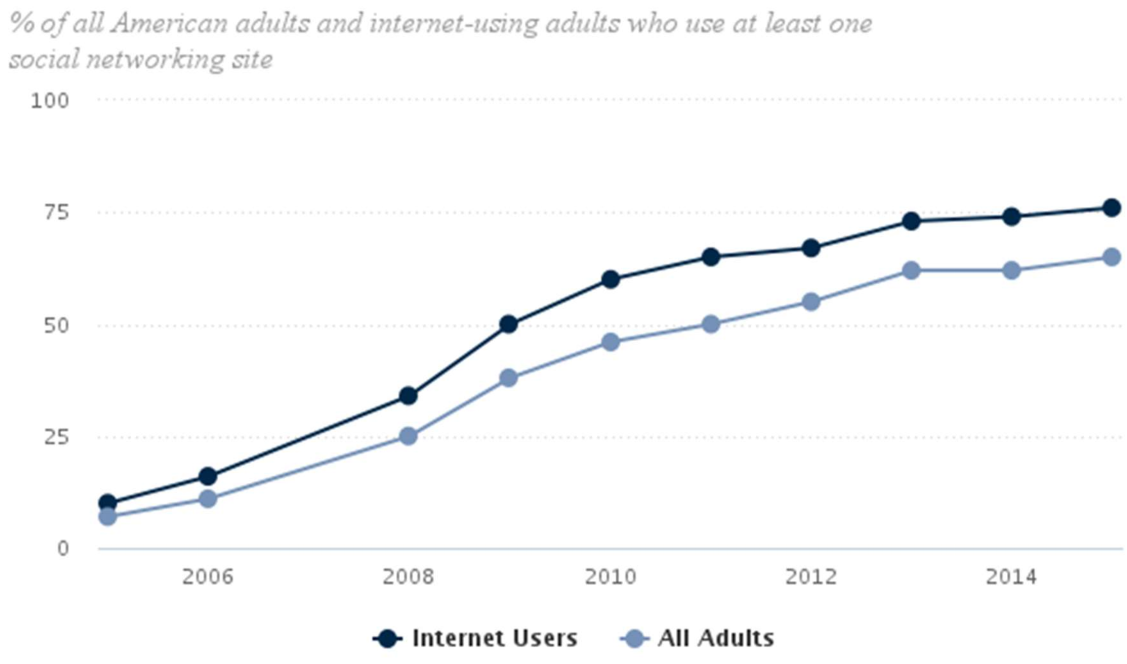
2.2 STATUS QUO

Almost reaching the end of the 2nd decade of the 21st century, and including all the factors aforementioned, we should be able to reach a certain photography of the worldwide status, and later on, of Portugal, when it comes to the usage and influence of this particular technology

[2] http://www.internetlivestats.com/internet-users/

and why it is important to the subject at hand, its relation to News Media, in particular, Print Media.

As we said before, the exponential growth of technology and access to the internet, has a reflection on the usage of Social Media. Recent numbers appoint that almost half the world has access to the internet. Has said in this ITU[3] report there is a difference, which should be taken into account, between the developed and the developing regions of the world. Nevertheless the number of worldwide households with access to the internet, as of 2016, was 52.3%, worldwide. In 2005, twelve years ago, that number was 18.4%, again worldwide, an increase of 33% in the developing countries and of 39% in the develop world. This is a significant change for just 12 years. Now that we have consolidate the connected and internet-based world we live in, we have to look to the data regarding Social Media, one of the main focus of this work. The most recent numbers direct us to the same point we previously expressed, exponential growth.

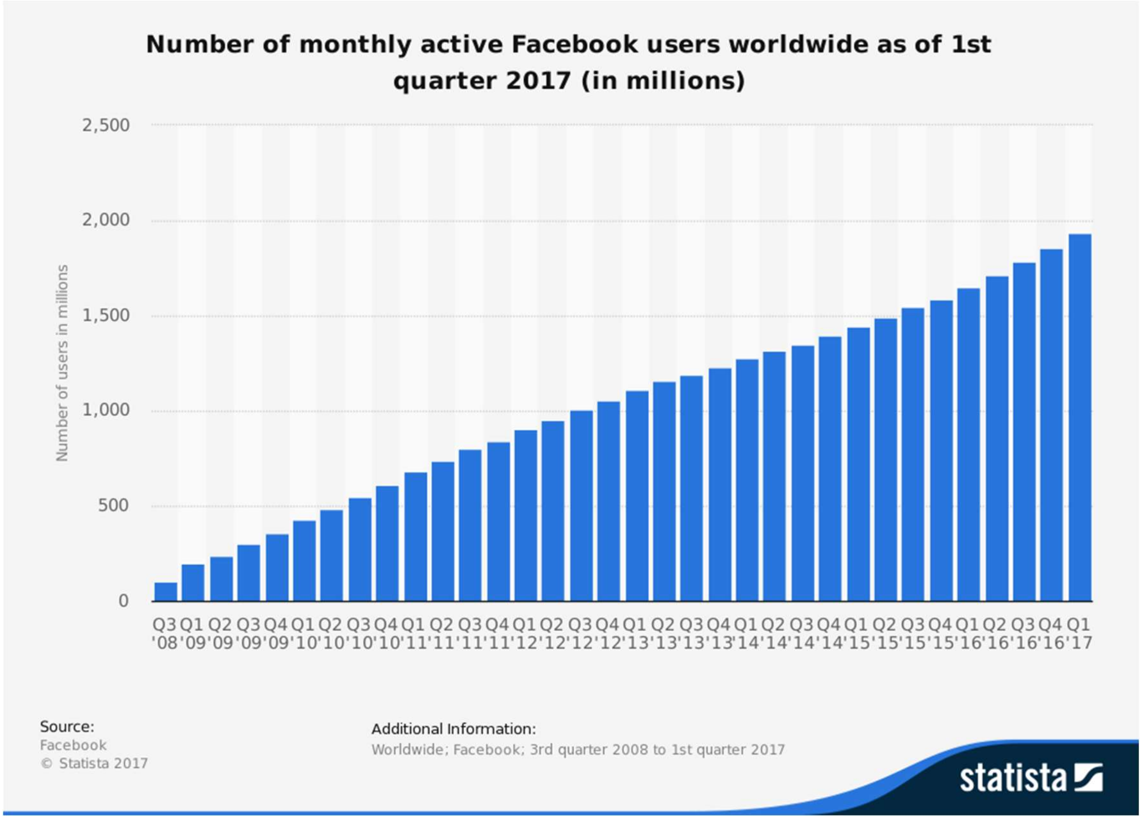


Graphic 2-2 – American internet-users who use at least one social networking site.

(Source: Pew Research Center surveys, 2005-2006, 2008-2015. No data are available for 2007.)

[3] See Annex AI – ITU Key Data

This image came to us by the research done by the Pew Research Institute, from 2005 to 2015, (PERRIN, 2015) regarding Social Media alone, but, as we can see there is a clear correlation between being an internet user and a Social Media user.

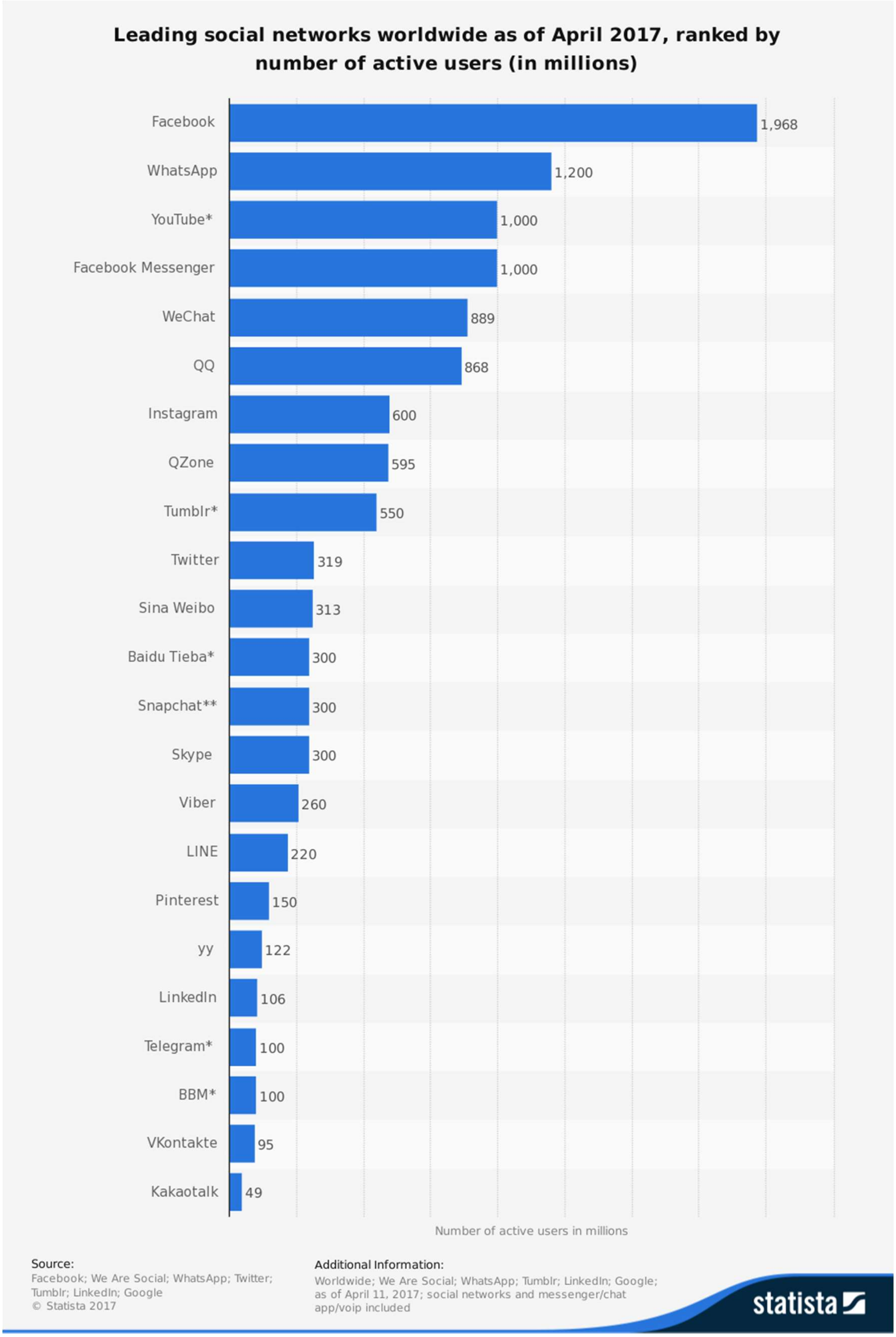


Graphic 2-3 – Number of monthly active Facebook users worldwide as of 1st quarter 2017.

(Source: Facebook Statista.)

This specific graphic only refers to the Social Networking site Facebook, the most used around the world. The current number according to the own Facebook is around 1.968 billion active users. This is not a light number when in context with the total world population, which is around 7 billion. Meaning more than 20% of the world is present in one single Social Media site. Although, there are certain countries where Facebook is not allowed, in those countries, like China for instance, where other Social Media sites were created like QQ, WeChat, Sina Weibo, Baidu Tieba, amongst others. This to say that Facebook might be the one with more users for the last years and currently, but, Social Media sites are made for people and organizations to interact and communicate, and so there are various, accordingly to different types of people and organizations and which they find more suited for them.

In the next image, we exemplified through numbers, the power of reach that Social Media has nowadays. That influence and power of reaching millions within seconds has something that organizations working in the news media were not prepared for in such a short period of time (GIL DE ZÚÑIGA *et al,* 2012 and HOWARD & PARKS, 2012). That does not mean that Social Media is necessarily a threat (GEHL, 2014), but we will discuss that better in a latter part of our work (REEVES, 2017).



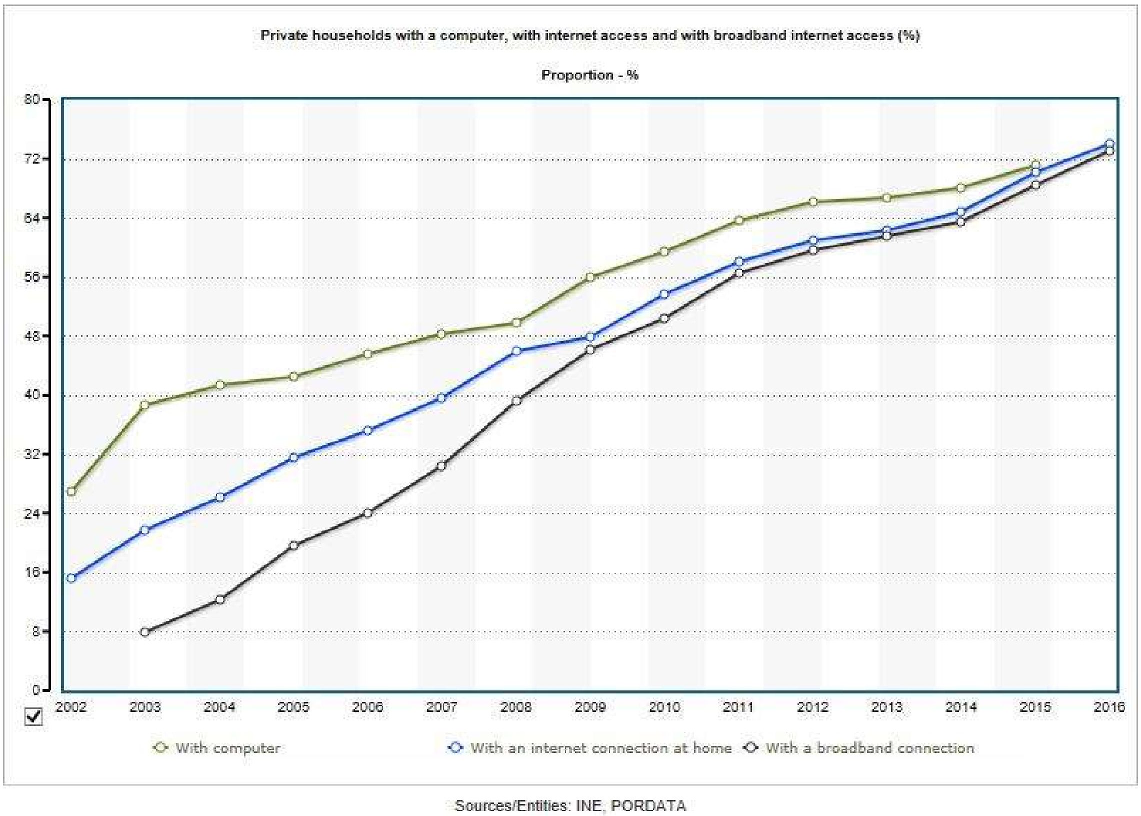
Graphic 2-4 – Leading social network in April 2017, by number of users.

(Source: Facebook Statista.)

Now that we demonstrated the reach (PFEFFER *et al,* 2014) and growth of Social Media on a worldwide level, we advance to the next stage, taking a closer look at our internal data, Portugal.

2.3 THE PORTUGUESE CASE

After an analysis on a worldwide level, we now have to focus our attention on national scale, more specifically, Portugal.



Graphic 2-5 – Households with computer/internet access and broadband access 2002 - 2016.

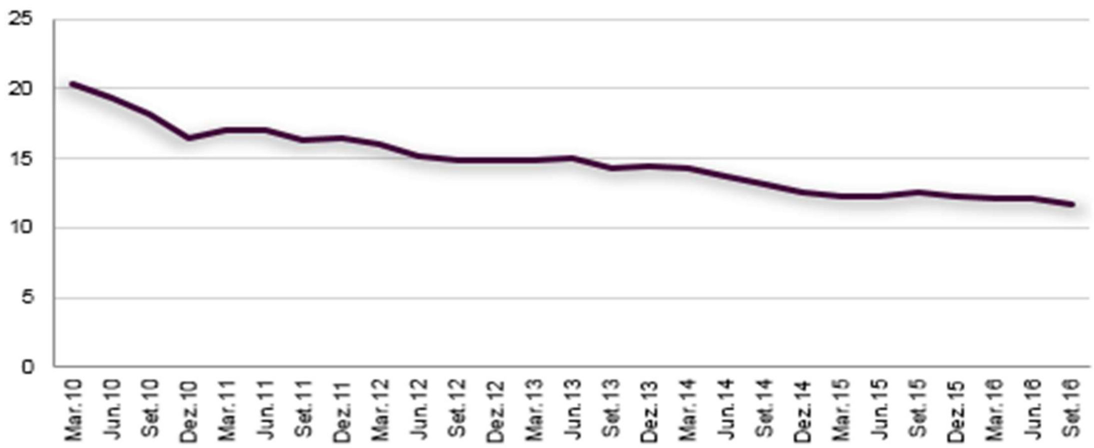
(Sources: INE; Pordata.)

As we stated before, the Social Media phenomenon is not possible without access to the internet. In this specific case, Portugal has some factors that definitely helped in the spreading of this access throughout a majority of the population. As seen on the graphic above, the numbers of households with computers at home, internet access and internet access with a broadband connection[4], over the last 10/12 years has become more and more convergent. So much that all three variables are today above 70% of the households. That means that, of the

[4] https://www.merriam-webster.com/dictionary/broadband

around 10 million people currently living in Portugal, very probably, more than 7 million people have access to all three variables cited.

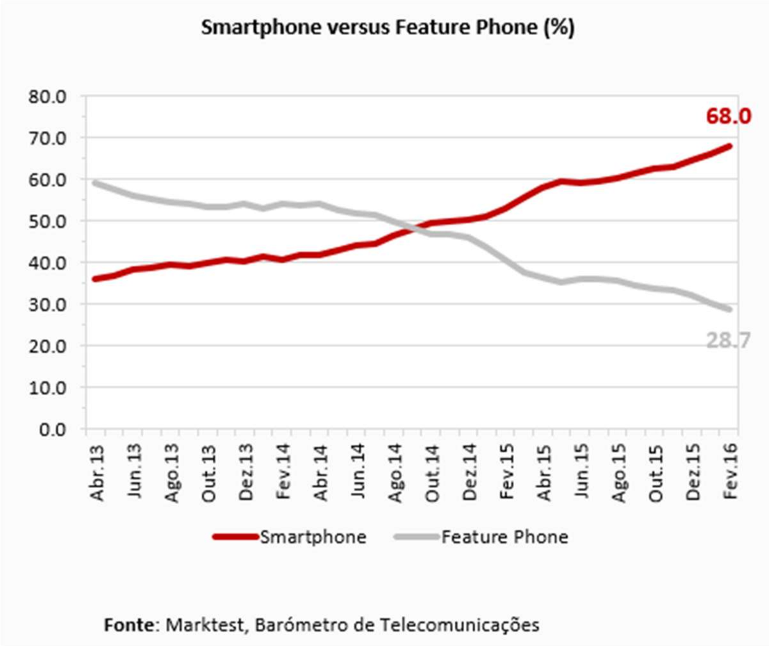
To add to these factors, others contribute to today's status in the access to the internet. Since the beginning of the century, there was a big investment in the infrastructures that allow today a good internet access all throughout the entire country. At first, public investment with the old PORTUGAL TELECOM, and more recently private investment with NOS and VODAFONE. These three companies, together with the recently refurbished NOWO[5], allows the small Portuguese market to have a good rivalry, which is reflected in the prices that the consumers pay. This is especially relevant since these companies introduced in the market the Three Play and later the Four Play. These services where a single company provides the TV subscription, the internet access and landline service (although through the Voip system), and later the mobile service for cell phones/smartphones, while at first was not available everywhere and the prices were not affordable for everyone, the truth is the technological advances together with a small market with three major players, allowed for the majority of the consumers to afford these services. Proof of that resides in the numbers of the graphic above. But not only. As we said technological advances also played an important role in this equation. And that materializes not only in the prices of internet service providers but also in the products available do most people. In this specific case, we are referring to smartphones, mainly because the price of laptops hasn't drop so drastically. That caused an increase in the smartphone market, and a drop in prices of services associated with it, as showed next.



Graphic 2-6 – Average price (in Euros) of mobile service in Portugal 2010 – 2016.

(Source: ANACOM.)

[5] http://www.jornaldenegocios.pt/empresas/telecomunicacoes/detalhe/caboVisão_vai_passar_a_ser_nowo



Graphic 2-7 – Percentage of people using smartphone versus feature phone 2013 – 2016.

(Source: Marktest, Barómetro de Telecomunicações.)

So, as proven by these previous graphics, the access to the internet has become cheaper, and the amount of smartphones in the markets as practically doubled in 3 years. These numbers serve a purpose we have been referring, meaning, access to internet covers a vast percentage of the population, and the means to access it as well, whether is by computer or smartphone. We emphasize the popularity and accessibility of smartphones, because, as we will talk later, it has become an important factor in the way we use Social Media and the way we maintain ourselves informed.

Table 2-1 – Adults using the internet in 2016, by type of equipment, in Portugal.

(Source: INE/Survey on ICT Usage in Households and by Individuals, 2016.)

Persons aged between 16 and 74 years old using the internet in the 3 months prior to the interview, by equipment used to access the internet, Portugal	
Year 2016	Unit: %
Equipments	
Desktop computer	46,0
Tablet computer	43,5
Portable computer	73,0
Mobile phone or smartphone	78,3
Other portable devices	6,6
Smart TV	9,4

Note:

Universe: Persons aged between 16 and 74 years old, living in the national territory that have used the internet in the 3 months prior to the interview.

Font:

INE/Survey on ICT Usage in Households and by Individuals, 2016

To better understand today's relationship of the people with the internet and how they use it, we recurred to a study done by the national bureau of statistics (in Portuguese, the Instituto Nacional de Estatística) integrated in a European study, by the Eurostat (the European bureau), that gives us a better view of this relation.

As hinted before, and as we can see in the graphic above, Smartphones have gained a huge importance in recent years. So much that they are already the equipment most used in accessing the internet. Followed closely by portable computers, that are a majority in today's market for computers.

Table 2-2 – Adults using the internet in 2016, by type of portable devices, in Portugal.

(Source: INE/Survey on ICT Usage in Households and by Individuals, 2016.)

Persons aged between 16 and 74 years old using the internet on portable equipment away from and work in the 3 months prior to the interview, by type of equipment, Portugal

Year: 2016	Unit: %
Portable equipment	72,0
Portable computer	42,3
Pocket equipment	67,7
Mobile or smartphone	67,7
Other pocket equipment (e.g.: pocket computer, portable games console, digital audio player or e-book reader)	1,6

Notes:

Universe: Persons aged between 16 and 74 years old, living in the national territory that used the internet in the 3 months prior to the interview.
Portable equipment includes: portable computer, mobile phone or other handheld equipment such as handheld computer, portable game console, digital audio player or e-book reader.
Handheld equipment includes: mobile phone or other handheld equipment such as handheld computer, portable game console, digital audio player or e-book reader.

Font:

INE/Survey on ICT Usage in Households and by Individuals, 2016

Not only that, and this is a different point from the ones we mentioned before, a question was asked in the survey relating to the use of the internet away from a work environment. This is of special importance because it refers to people's private life, tastes, hobbies, etc. The relevance of this question is easily understandable, mainly because a lot of jobs demand working online. If the majority of people keep online after work hours, and at the same percentages as mentioned before, this only underlines the will from a majority of the populace to stay connected, wherever they are. Hence, again, the highlights on smartphones and other portable devices.

Table 2-3 – Internet users that engage in Social Media in Portugal and EU-28, 2011-2016.

(Source EUROSTAT/INE)

Persons aged between 16 and 74 years old using the internet to participate in social networks in the 3 months prior to the interview, Portugal and EU-28, 2011-2016

Unit: %

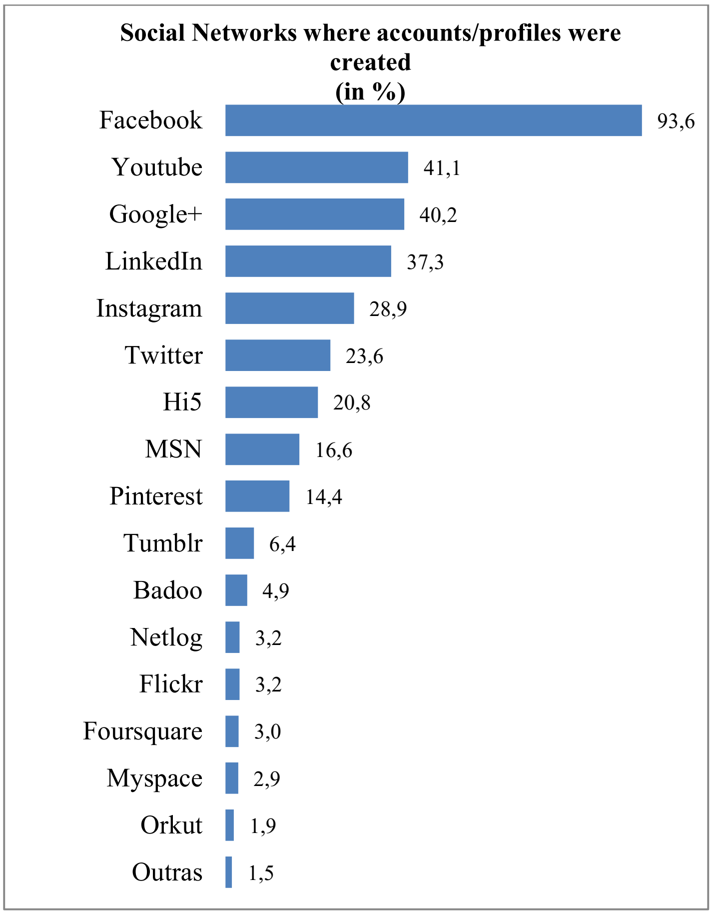
	2011	2013	2014	2015	2016
Portugal	57	70	72	70	74
EU-28	53	57	58	63	x

Notes:
Universe: Persons aged between 16 and 74 years old, living in the national territory that have used the internet in the 3 months prior to the interview.
x - data not available
Fonts:
EUROSTAT - Survey on ICT Usage in Households and by Individuals (accessed at 09/11/2016).
INE/Survey on ICT Usage in Households and by Individuals, 2016

But now, for a more relevant surprise, and just to start analysing this phenomenon, we have the table above. This is of relevance, not only for what it shows regarding Portuguese data, but also for the comparison with the European Union medium. Now this might not come as a surprise but, on all the other questions in the study, the Portuguese numbers were always below the Union's medium numbers. This regards households with broadband connections, citizens aged between 16 and 74 who have ever use the internet, people who use internet connections away from home and work, amid other relevant data.

However, there was one point where Portuguese numbers were higher than the Europeans medium, and that one is shown above, using the internet to access social networks.

From that we can conclude, in this blessed by the sea country, the relevance and attractiveness of Social Media is higher than the European Medium, which demonstrates its importance to an audience that, for all accounts, is below the continental medium in all other factors.



Graphic 2-8 – Social networks where accounts/profiles were created (%) 2016.

(Source: MARKTEST – Portuguese people and Social Media.)

However this is only a statistical study, not a more profound survey to the success of Social Media in Portugal. We considered doing it, when we were granted access to a survey done by the competent and recognized company, MARKTEST, with the name "Portuguese people and Social Media 2016"[6].

The data, that we so humbly appreciate, helped us to better understand the details of this relation, and, of course, analyse its entanglements with traditional media outlets.

This professionally done survey gave us the inside knowledge we needed to connect the two poles that construct this dissertation.

In this graphic representation we have the confirmation of the global numbers we mentioned above, with Facebook clearly in the lead and the remaining Social Networks with small distances within each other.

[6] See Annex A.II – Markest - "Portuguese People and Social Media 2015"

This was an expected reality, given the worldwide reality described previously, Portugal, as a western nation and a European country, would be hard for it to have numbers so antagonistic to the worldwide and European realities.

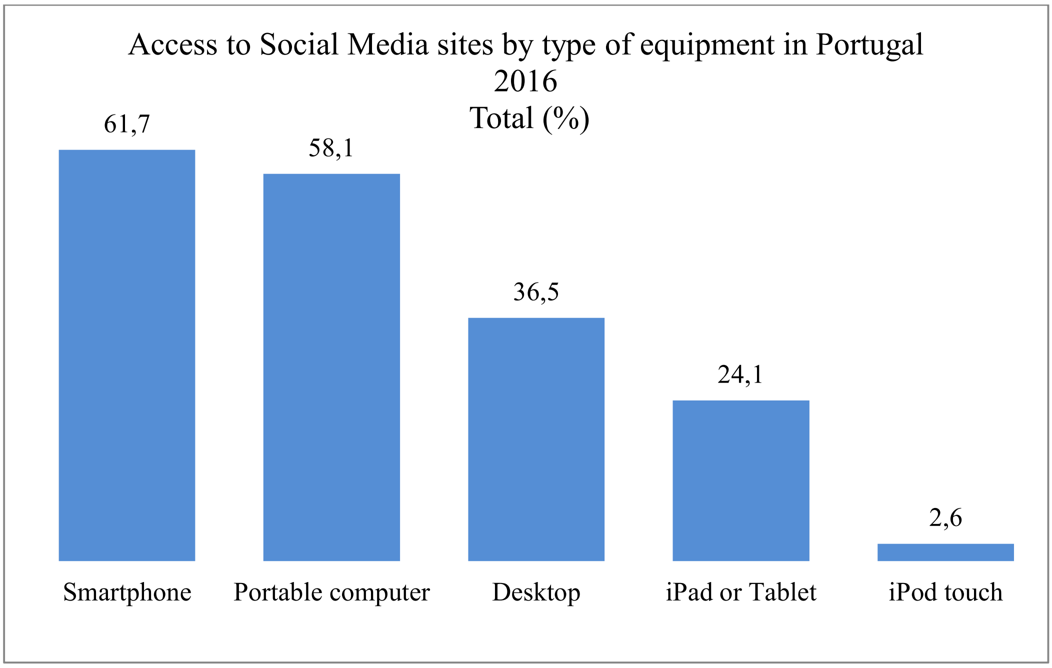
That being said we should, now, focus on other more relevant insides.

When asked about the functionalities more used in Social Media in fourth place appears the answer we were hoping for, reading news in information websites. We should mention that this fourth place come after, sending/receiving messages, watching videos, commenting on friends' publications and using the chat service. In this specific point, reading news in information/media websites, the amount of people that answered affirmatively was 61.5%. More than that, as important difference between men (53.7%) and women (69.4%), a relatively small difference between ages, with more young people (BOLTON *et al,* 2013) using it and less old people using it, but that was as expected. The differences regarding location and social economic status were minor and not very relevant.

Other very specific and important point to our research, was the total of people who use it to share links to newspaper and magazine articles or surveys. That number was almost half (46.8%) of the interviewed, reaching 51% when it comes to women.

This is of major significance, because we now have an independently done scientific survey that gives us positive answers relating to the two interconnecting themes we are writing about. Given the percentages we just talked about, we can say that practically 2/3 of the Social Media users use it to read news, and about half of them use it also to share them with their friends or followers online.

Another relevant issue, that we have been highlighting, is the equipment used to access Social Media sites, and, as mentioned before, Portugal does not distinguish itself from the majority of developed countries. So, as is shown below, the great majority of people (61% and 58%) use portable devices whether computers or smartphones, but, as is expected, the smartphones take the lead. This only reinforces the idea that our current world is on-the-go and the increasingly great power that our pocket devices have allow us to do almost all major online activities, personal or professional. Reading news and interacting via Social Media is just one of those activities.



Graphic 2-9 – Access to Social Media sites by type of equipment in Portugal 2016

- Total (%)

(Source: MARKTEST – Portuguese people and Social Media.)

Continuing on our trip to better comprehend the relation between the Portuguese people and Social Media, other data is relevant to us. Although only a third (27.2%), mentioned "To keep myself informed" as one of the reasons why they chose do go to a Social Media site, more than two thirds of the (68.5%) are "fans" or "like" companies or brands (KIETZMANN *et al,* 2011). But, more pertinent than that is that within that universe, practically half (48.6%) are "fans" or "like" or "follow" news media outlets. In that way, we can retain that although being informed is not one of the main reasons why people start using Social Media, half of them eventually use it as a way to connect with news media outlets.

In a sentence, people still want to be informed and, more than that, they don't mind at all, to be the ones that spread the content/information. The news business is not a dead business, but the world changed, and with it the way in which the distribution of some goods and services to the public, and, in my view, the news business in one of them.

2.4 PRINT MEDIA - BASIC DEFINITIONS AND CONCEPTS

Print Media. The backbone of society's information and culture over the last centuries. The invention and consequent technological evolution that allowed a vast majority of the populations in western countries to keep themselves informed and gave a strong contribution to the process of strengthening these countries democracies.

The more direct definition is the one that tell us that we are talking about the "means of mass communication in the form of printed publications, such as newspapers and magazines"[7]. However, we should also mention what media is in a more global view, and that can be defined as the "system and organizations of communication through which the information is spread to a large number of people"[8].

It is not possible to talk about Print Media without mentioning all the process that brought us to the level of Print Media that we have today. And the decisive moment is easy to point out in history. Though the earliest printing forms are from the Orient, namely China in approximately 200 AD, regarding woodblock printing and later in 1040 AD a movable type printing, the greatest development in the printing process is the well-known mechanical movable type of printing, by Johannes Gutenberg, around 1439. His developments also included oil-based ink for printing books, adjustable molds, and others[9] (EISENSTEIN, 1980). This was the moment when the printing process started to became more practical and accessible, thus paving the way for more printing, as in books and newspapers and magazines. Obviously, there has been a lot more moments in technological development throughout history that contributed immensely to the Print Media evolution, but this was the "creation of fire" moment for this industry.

Of course other technological developments played crucial roles in this industry, such as printing metal presses, the computer and new ways of printing with ink and laser. We should also mention the appearance of photography in the late 1800's, and consequent evolutions, an emergence that also change the print news industry. We just wanted do to an historical introduction.

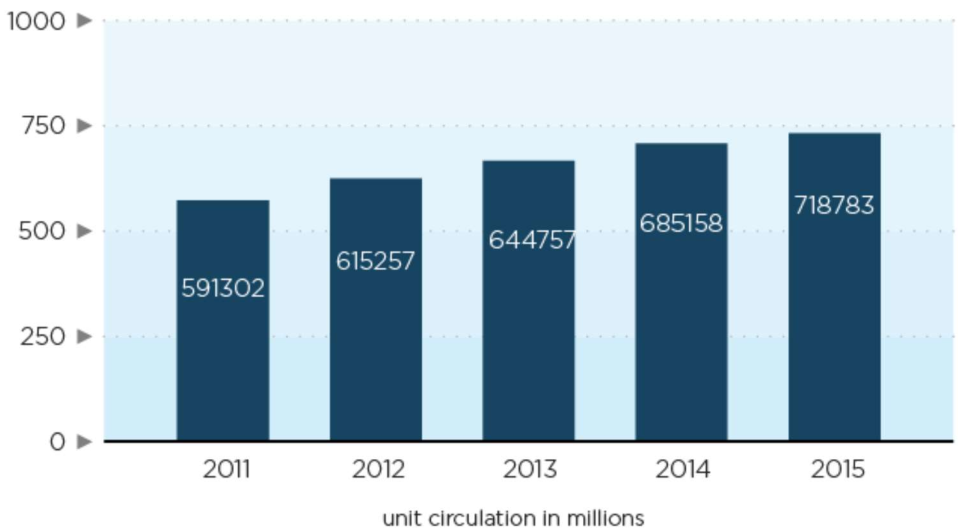
[7] https://en.oxforddictionaries.com/definition/print_media
[8] https://www.merriam-webster.com/dictionary/media
[9] https://en.wikipedia.org/wiki/Johannes_Gutenberg

2.5 STATUS QUO

The Print Media in the beginning of this 21st century is full of challenges, hence, why we chose it as part of our theme for this dissertation (KARIMI & WALTER, 2016; PICARD, 2014; MITHELL & HOLCOMB, 2016). Challenges that put in jeopardy some of the players in this industry, but that do not diminished the relevance or crave that people have for news in minute by minute changing world (JU *et al,* 2014 and FRANKLIN, 2014).

Most of these challenges have to do with technological developments (EVANS & WURSTER, 1997) and the internet connected world we live in, and because of this fast pacing world the answers to those challenges need to be as fast as possible (GAVRILIU, 2012; HARPER, 2010). The print news media has been affected by all that we just said and the references we made in the previous part of our work for the last 20 years or so. Newsrooms and News companies are constantly changing, as is the world around us (GARCÍA-AVILÉS *et al,* 2014; SOUTHERN, 2017, MARCH 8; MOSES, 2017). Curiously enough, newspapers and magazines have been on the tip of the arrow when it comes to trying to maintain their business by all means. Part of that process has been made by a trial error approach. And there is nothing wrong with that. To be able to do that an organization needs to be as agile and lean as possible.

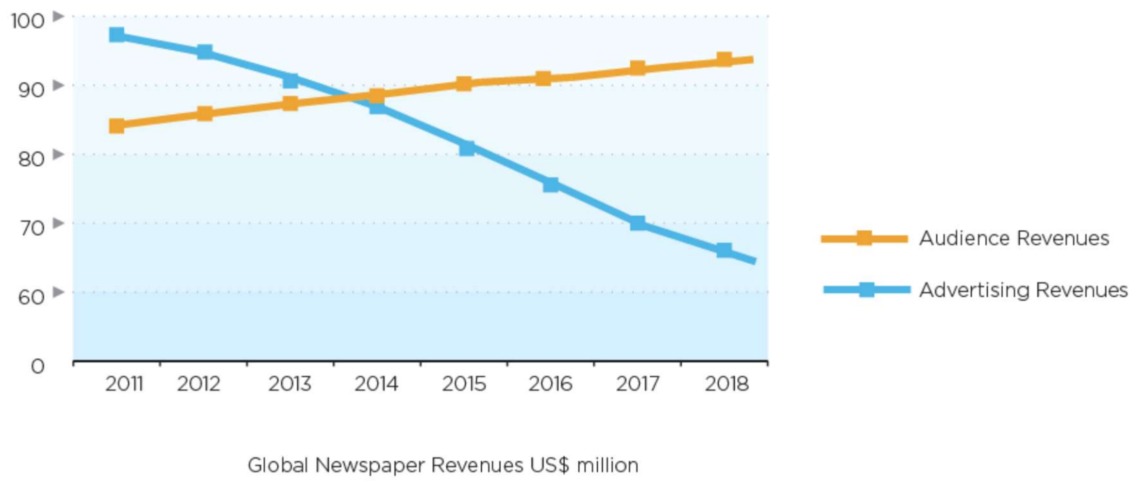
However, an underlying strategy is needed and a more fast response to the challenges coming our way. But not all are bad news. Circulation worldwide has actually increased in recent years. But as print circulation has increased, digital has increased even more. For now let us analyse the global circulation market between 2011 and 2015.



Graphic 2-10 – Global circulation market between 2011 and 2015.

(Source: WPT – World Press Trends – www.wan-ifra.org.)

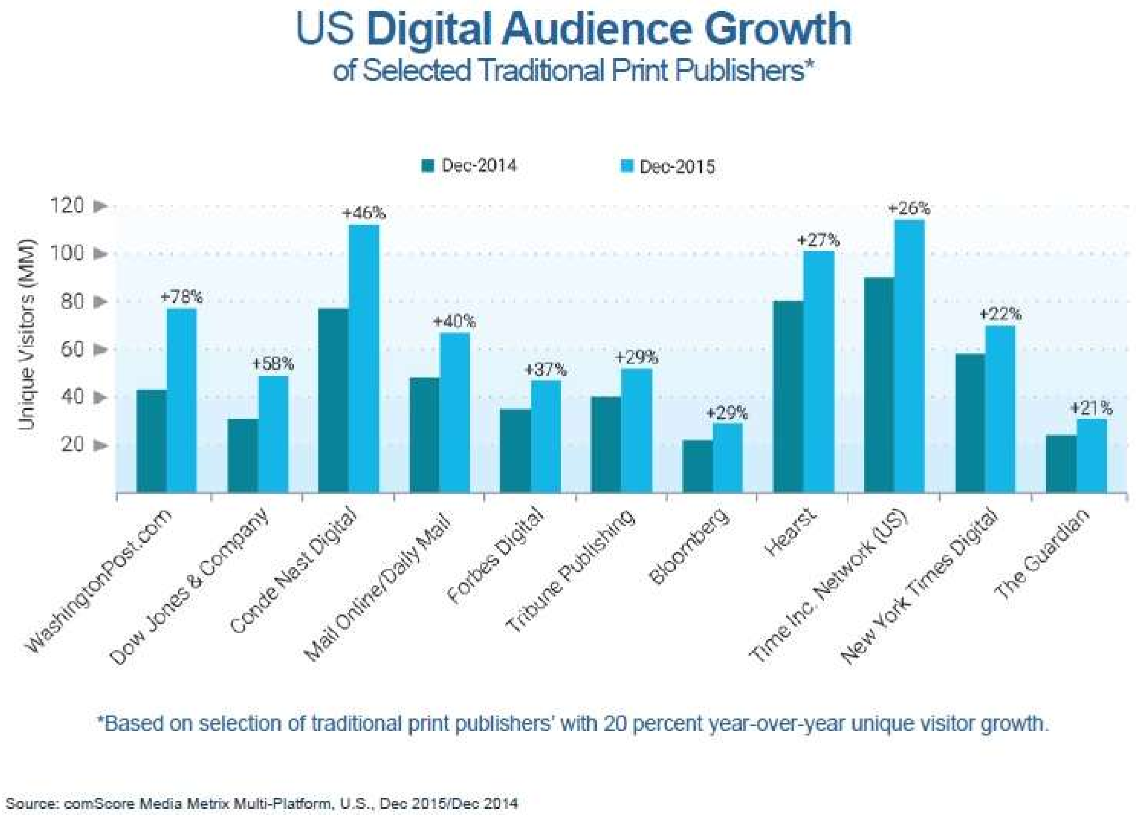
As we said, contrary to popular sayings that Print Media is dying, as can be seen by this graphic, the numbers show other view. So, what is the challenge?



Graphic 2-11 – Global newspaper revenues.

(Source: WPT Analysis, E&Y, Zenith Optimedia, PwC Global Entertainment and Media Outlook: 2016-2020.)

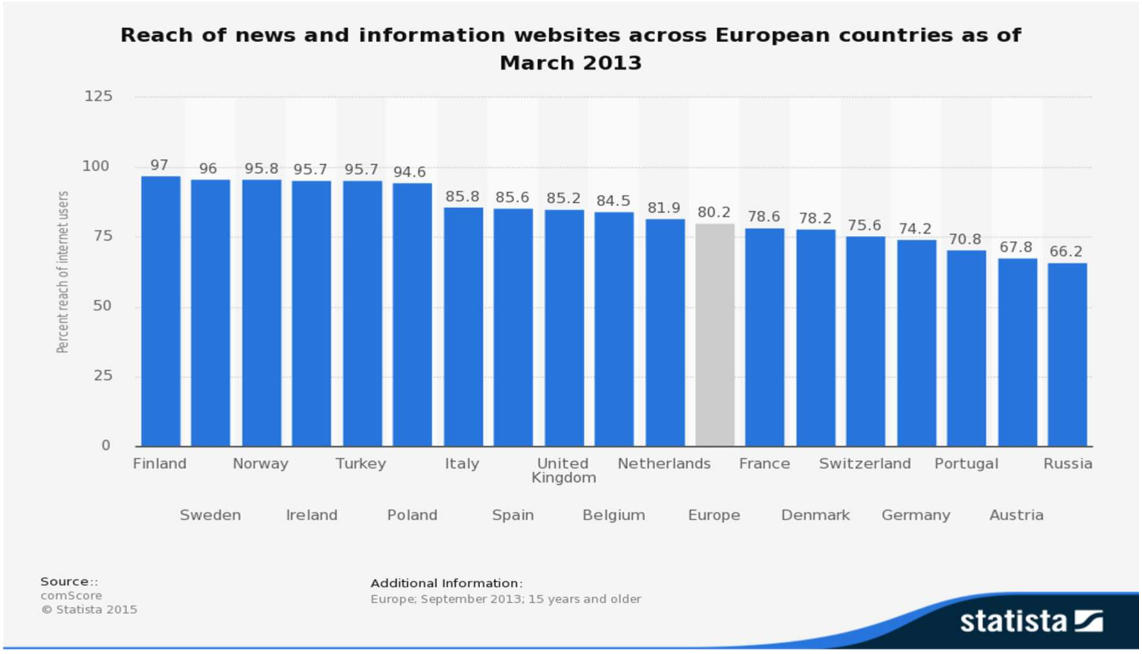
Advertising. Advertising composes the biggest chunk in Print Media revenues. This is not brand new information. However, what we should mention is that advertising is still very important, so why is it shrinking its position in Print Media? Because it is relocating. Brands know that through digital advertising can reach more people and the cost is significant lower than print advertising. Regarding digital, is very difficult to obtain worldwide numbers. However, here is an example:



Graphic 2-12 – US digital audience growth of selected traditional print publishers.

(Source: comScore Media Metrix Multi-Platform, U.S., Dec 2015/Dec 2014.)

This is an example from the US market alone, so one might say that it does not apply to the rest of the world. Nevertheless, and again without proper raw numbers, the reality in Europe is similar if we consider the reach of news and information websites.



Graphic 2-13 – Reach of news/information websites in European countries March 2013.

(Source: comScore Statista 2015.)

In this graphic, we have that reach. So, with that information we can infer the growth of digital audiences is global.

So, if we know that newspaper companies are making less money (SJØVAAG & KRUMSVIK, 2017), from advertising at least, but worldwide numbers show an increase in circulation how these two realities fit together?

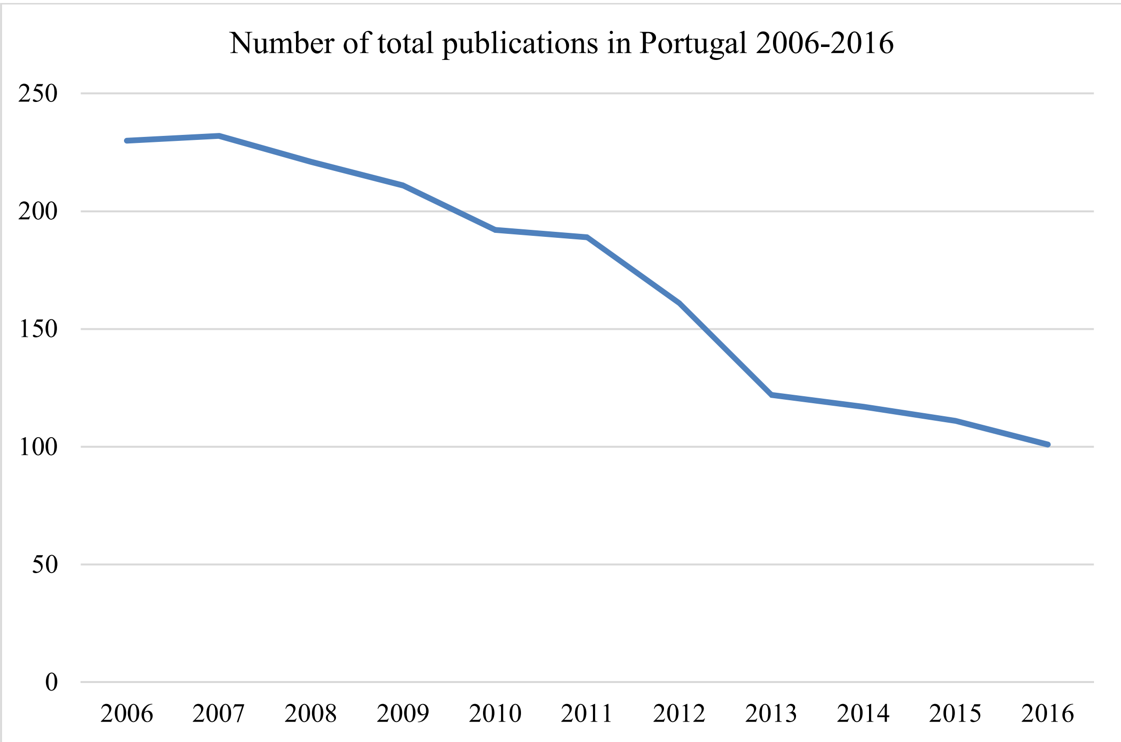
They fit with less organizations working in the news business, various ones that made the jump to digital only, some that started charging audiences of their digital content through paywalls or subscriptions, amongst other decisions and tools used (GOODFELLOW, 2017).

2.6 The Portuguese Case

The last sentence in the previous point, is also true for the Portuguese reality. However, being our reality, we watched the business changing and the adjustments these organizations made, or not, and if they were successful.

Firstly, we now have much less publications than we had before. That is easily observable from the data we gathered from the Portuguese Printing and Circulation Association (APCT)[10]. Although not all the publications are associated, the big majority is (there is one or two exceptions, like the daily sports journal "A Bola") and that being the case it provides us with a clear image of the number of publications and correspondent circulation.

The data we studied focused on the last 10 years, between 2006 and 2016. There are various types of publications between the typical newspaper with the news of the day or the week, the sports newspaper, the weekly magazine with general information and special reports, and other more specialized publications, such as finance/economy newspapers and magazines, technology magazines, motor related publications, health and lifestyle, kid's comics, local newspapers amongst other specific publications. The more specific publication growth in this decade was, without a doubt, technology related publications with lifestyle and health not far behind.



Graphic 2-14 – Number of total publications in Portugal since 2006 until 2016.

(Source: APCT.)

[10] http://www.apct.pt/Analise_simples.php

When it comes to the number of publications, the data gathered sends a clear message which is decline.

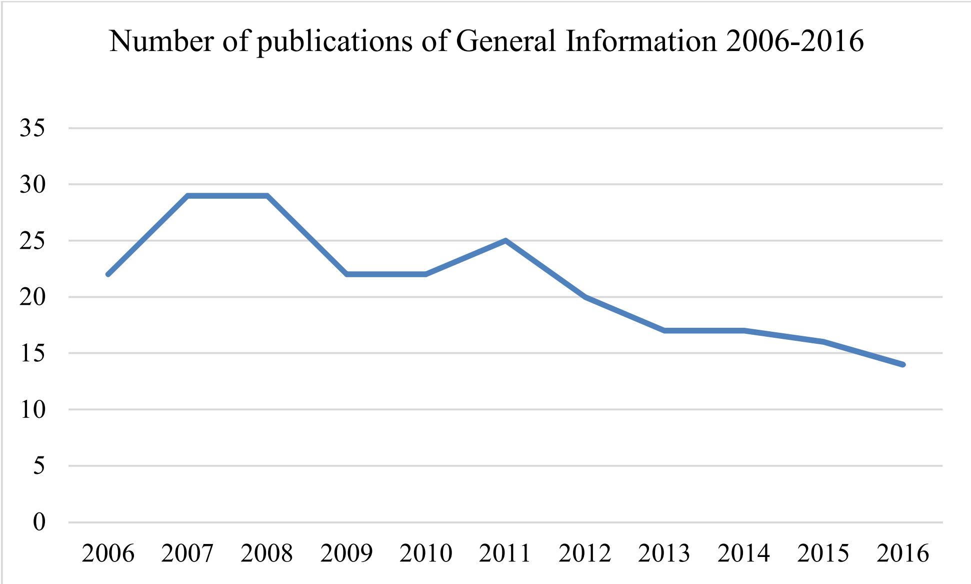
Without discriminating amid types of publications, there is serious decline over the last decade. In 2006, there were 230 publications in the Portuguese market while a decade after that number is much smaller, 101. The data does not lie, we are in front of a drop to less than half the publications in just 10 years.

We remind that this data includes all publications, and the majority of them are part of a larger media group, and although the decision to stop publishing might come for other reasons, there is no escape in affirming that simply the success of Print Media is in a decline. We should mention that some of the publications have decided to translate to a digital only type of media. Maintaining a website is obviously much cheaper than a paper edition and allows more freedom in the way they work. The most recent example is the “Diário Económico”, an Economy specialized newspaper published since 1989, which also had a cable TV channel, that closed doors in 2016[11] and is now reduced to a website[12] and a weekly printed edition.

There is also another fact that cannot be forgotten, the crisis. After asking for a bail out to the international institutions in 2011, what followed was a deep cut in the purchase power of the majority of the country and its industrial complex, including media companies. That is why such a deep decline can be seen in the graphic after that year. A struggling industry hit with a crisis had its consequences.

On a more focused look, regarding the most general type of publication, the daily or weekly newspaper, that diffuses various subjects, the perspective is not that different.

[11] https://ecpmf.eu/news/threats/archive/portuguese-dirio-econmico-ceases-print-edition
[12] http://www.jornaleconomico.sapo.pt/



Graphic 2-15 – Number of publications of general information between 2006 and 2016.

(Source: APCT.)

While the drop in the last decade is not as profound as with the company of the other types of publications, if we see the maximum (29) and the minimum (14), we cannot escape the conclusion that we are also in front of a decline to half the numbers, from only a few years ago.

Also of mention, the drop after the year 2011, that as explained before, started a difficult time for the country, its people and its companies.

On a more specific note, Portugal being a relatively small country and consequently a small market, by any view you apply, the number of publications and consequently the organizations that own them tend do decrease. In Graphic 2-15 we have the general information periodicals in Portugal. Correio da Manhã, Sábado and Destak all belong to Cofina, one the media players in Portugal. Diário de Notícias, Jornal de Notícias belongs to Global Media Group. Expresso, Visão and Courrier Internacional to Impresa. Sol and I Informação (not in the table from APCT, for reasons unknown) belong to NewsHold, with capital from Angola and other countries that was recently in some scandals and put the publications in some trouble. It recently was acquired by Newsplex, a company that emerged from the directors of the newspapers. Leaving us with a few outsiders. Selecções do Reader´s Digest is an international publication and Público belongs do SONAE SGPS a company dedicated to other types of business but with interests in every form of business. In reality it acts more as a sponsorship or as a patronage. The same thing is visible in the digital native Observador. This is not a sustainable business model.

Regarding the other major players, Correio da Manhã, the biggest and most successful newspaper in Portugal, maybe with the slight exception of Expresso, belongs to COFINA group, a media group more focused on the tabloid type[13]. This group is also the owner of weekly magazine Sábado and the free distributed Destak. More recently they also invest in a cable channel called CMTV, short for Correio da Manhã TV.

From player to player we reach Global Media Group that has two general information newspapers, Jornal de Notícias and Diário de Notícias, one of the oldest newspapers in Portugal. As other assets of the group, there's a sport newspaper, O Jogo, the radio TSF, and dedicated magazines as Volta ao Mundo and Evasoes.

The Impresa group, probably the largest group has the weekly newspaper Expresso, the weekly magazine Visão and the Courrier Internacional, as well as other dedicated publications as Exame and Blitz.

2.7 Photograph of the Reality

It is not easy to grasp the reality of these organizations for various reasons. Firstly, and in connection to our study, we are talking about organizations that rarely dedicate themselves solely to Print Media. In the description we made above of the main players in this industry the only one that fits that category would be that company that owns Sol and I Informacao.

To understand this reality, we decided to conduct interviews to better know how these organizations work, how they keep afloat financially, amongst other themes. We interviewed the Director of Information of the Impresa Group, Mr. Ricardo Costa, the publisher of the digital native Observador, and former Director of Expresso and Público, Mr. José Manuel Fernandes and former Público journalist and current columnist and commentator Mr. Luís Pedro Nunes. Between them we are talking about roughly 70 years in experience in this area. Those contributions were immensely valuable in the work we have done.

The main points regarding the industry's current status were transversal while talking to these three gentleman.

The main points were,

[13] https://www.merriam-webster.com/dictionary/tabloid

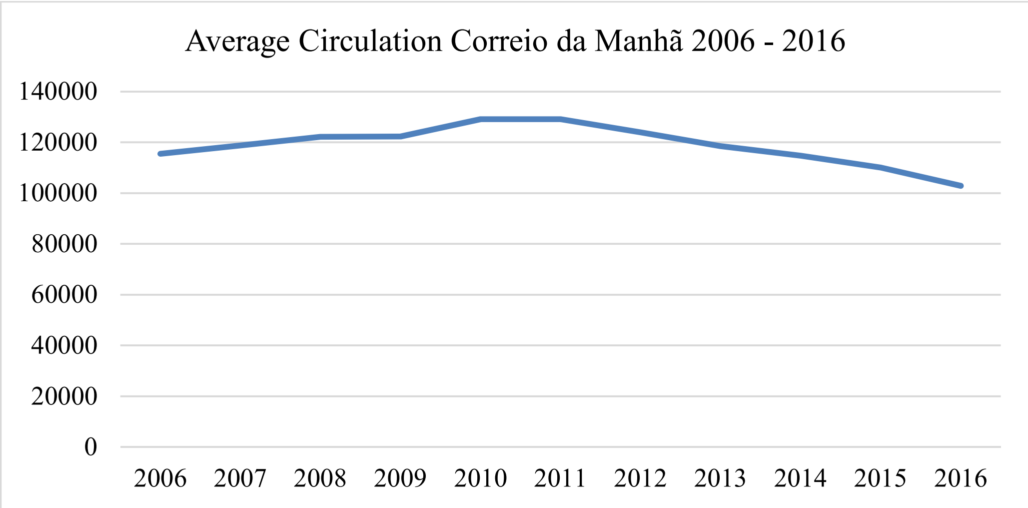
- The duopoly composed by Facebook and Google creates a difficult environment for media companies in general and specifically for Print Media in their digital fronts. Something that a lot of companies worldwide are already trying to combat, including in Portugal, (SOUTHERN, 2017, March 2)
- The complete disappearance or, at least, a great downsize in advertising from two major players in the national market, Banco Espírito Santo and Portugal Telecom. These were two of the biggest companies in Portugal that were hit hard by the Financial Crisis and other corruption scandals that severely damaged their power and reach.
- The introduction from Facebook of its Instant Articles and from Google, the AMP threaten the publishing world, although it can be seen as an opportunity as well.

Concluding, the media outlets need to diversify as vastly as possible, given the huge dependence from Social Media and Google. As an example, Mr. Costa told us that 70% of the readers of SIC NOTÍCIAS online come from Facebook. If another 20%, conservative thinking, come from Google, we are talking about 90% or more that come from two digital platforms alone.

Beside relevant “inside information”, we decided to take a look at a more cold information, numbers. We already talked how the number of players has decrease over the years, but we should take a closer look to the circulation and on a broader view, financial numbers of these companies. Although the two biggest companies, Cofina and Impresa, have other ventures in their organization some of the numbers are relevant to us. They are open commercial companies, meaning that they are present in the stock market, and therefore, the financial results speak of the company as a whole and not the publications specifically. In conclusion, these numbers give us only a glimpse and, in the other cases, where we did not have access to the numbers, not even a glimpse.

Regarding circulation numbers what we did was analyse the numbers provided by the APCT. Those numbers are published on a bimonthly rate and reveal the printing and circulation numbers of almost all publications. We decided to focus on the circulation numbers, thus to get a better grip on the recent and current status of the publications. To do that, we separated the data from the last ten years of the main general information publications and we did an average circulation calculation year by year to reach some conclusion of the last 10 years.

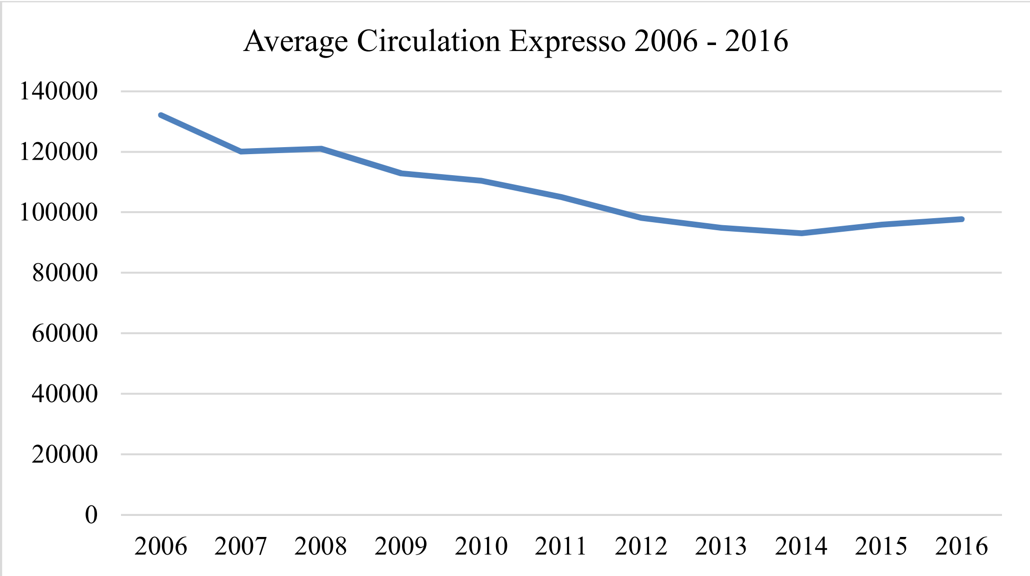
We chose the main newspapers and magazines in the country that already existed ten years ago and still exist. Some publications disappeared in between our timeline of analysis. Therefore we did not considered them for this investigation.



Graphic 2-16 – Average circulation: Correio da Manhã 2006 - 2016.

(Source: Calculated based on APCT data.)

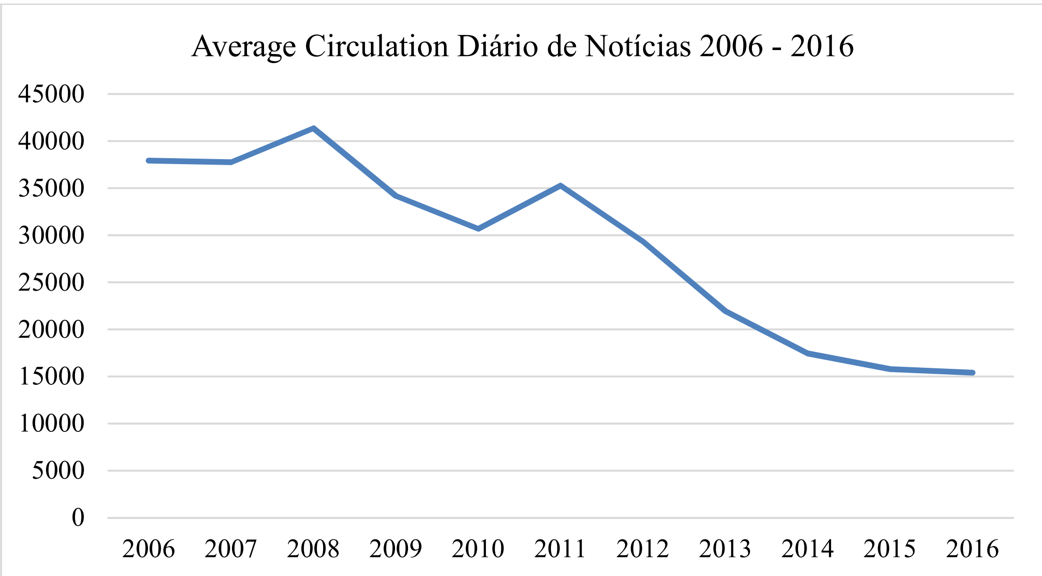
The tabloid Correio da Manhã decreased a little comparing with the start of our evaluation, in 2006. In 20010/2011 it reached an average of 130 000 in circulation, but dropped to the recent numbers around 100 000 in circulation. As said by one of our interviewees, CM is a newspaper that depends heavily on revenues made by the sales of the newspaper itself. It's presence on the web is very small and basic.



Graphic 2-17 – Average circulation: Expresso 2006 - 2016.

(Source: Calculated based on APCT data.)

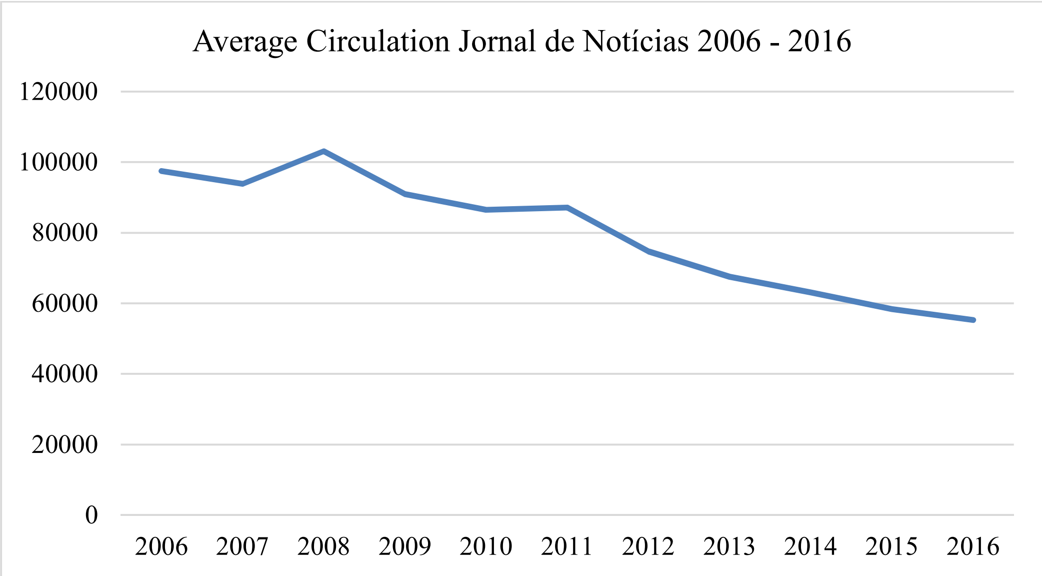
Concerning Expresso the weekly big newspaper that comes with the general issue, the economy issue and the magazine is a different type of newspaper, comparable to the Sunday editions of the famous New York Times or the Guardian. With one special difference, those newspapers are daily ones. Expresso was always a weekly edition one. However, it made a big investment in recent years in digital content, providing a daily edition online, subscription based or a code based access. In circulation, Expresso was on a decline from 2006 to 2014, coming from 130 000 do 93 000, and making a recuperation in the last 2 years to values close to 100 000.



Graphic 2-18 – Average circulation: Diário de Notícias 2006 - 2016.

(Source: Calculated based on APCT data.)

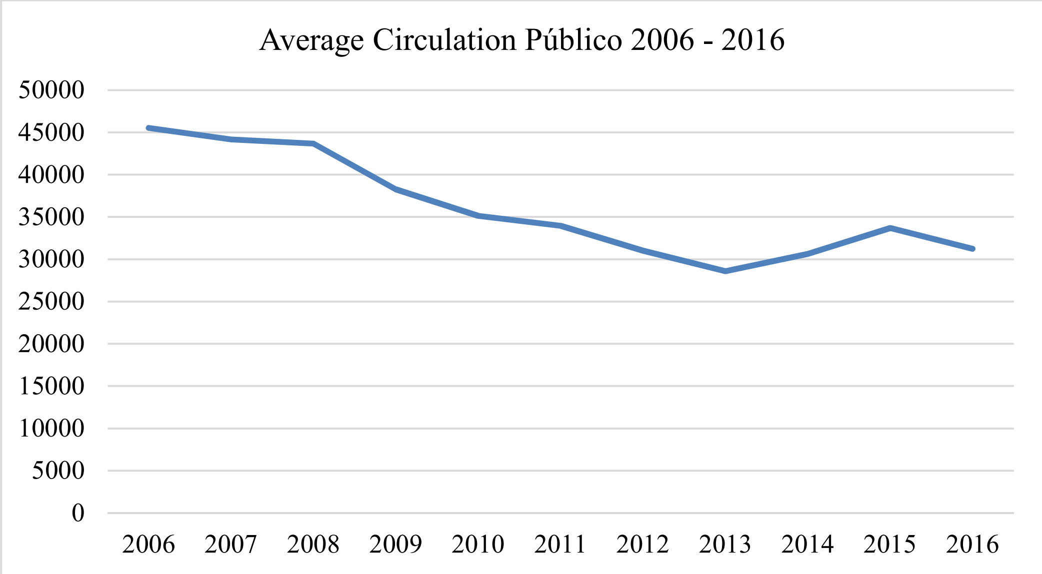
The bad news comes after these two players. The oldest publication still in circulation, Diário de Notícias, suffered in the last ten years. The evolution has not been great in the last decade, in which DN reached less than half the circulation numbers it once had. It started the decade with more than 35 000, even reaching more than 40 000 in 2008. But the crisis in the last years, and possibly other factors, led to a downward spiral that translates to circulation numbers around 15 000. The digital part of the newspaper has been renewed and some might say that has a certain influence on the tabloid side.



Graphic 2-19 – Average circulation: Jornal de Notícias 2006 - 2016.

(Source: Calculated based on APCT data.)

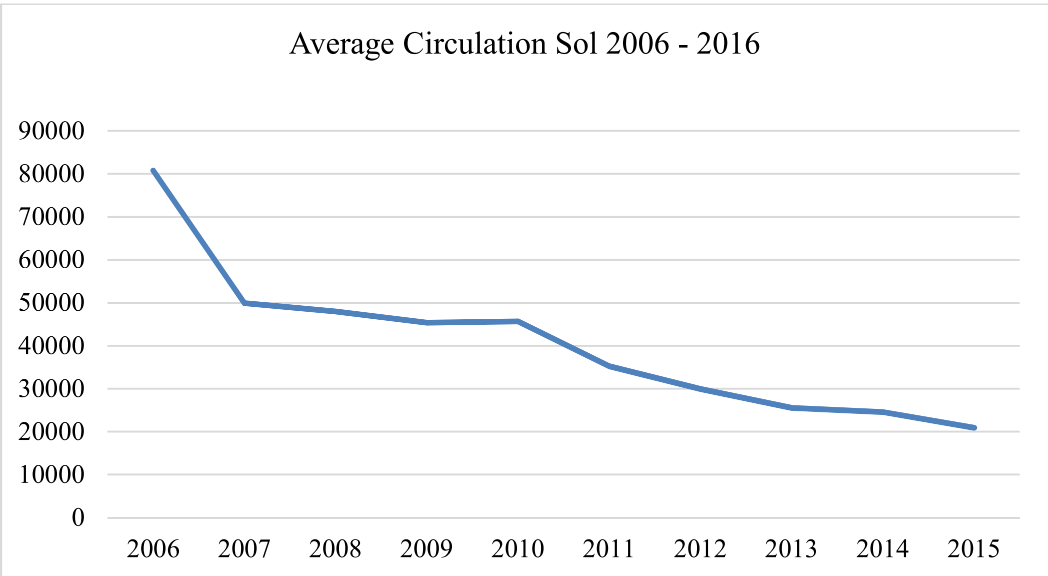
Staying in the same media group, Jornal de Notícias, a big player in the north of the country, also has been affected in the last decade. It started with values around 100 000 and after 2008 it started decreasing achieving in the last two years values above 55 000. Being part of the same group as DN, it also remodelled the digital content of the newspaper.



Graphic 2-20 – Average circulation: Público 2006 - 2016.

(Source: Calculated based on APCT data.)

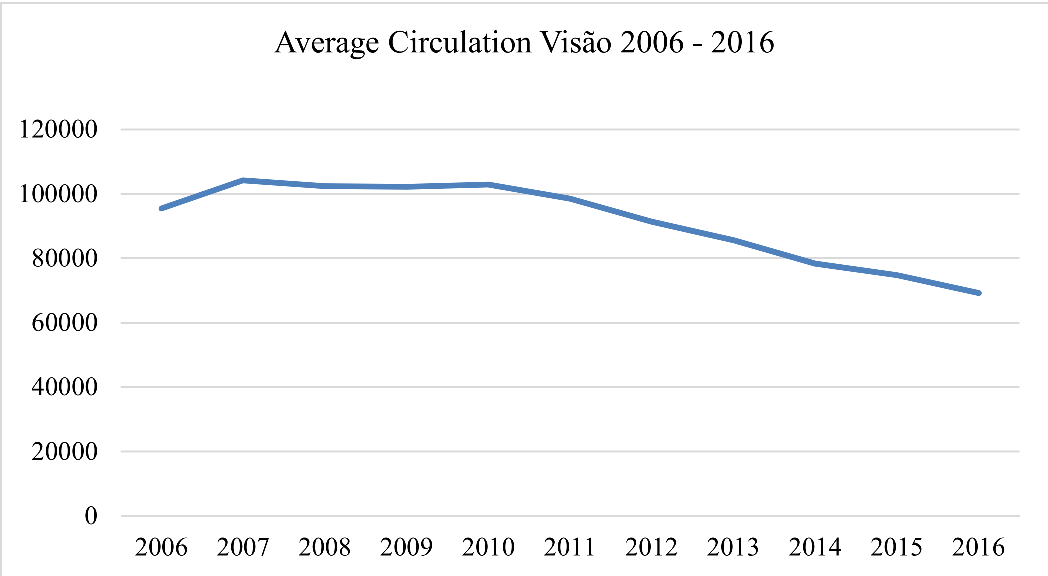
When it comes to Público, a respected newspaper founded in 1989 by former Expresso Journalists and directors, the decline was not so deep. The decade started with numbers around 45 000, followed by a continuous decline until 2013 with 28 000 and then started a recuperation to the present around 30 000. Público, like other publications in other countries around Europe that we will mention later in our work, started publishing all its content online for free, only later recurring to the already mentioned "paywall". Strategies aside, for a serious Newspaper, these are damaging number nonetheless.



Graphic 2-21 – Average circulation: Sol 2006 - 2016.

(Source: Calculated based on APCT data.)

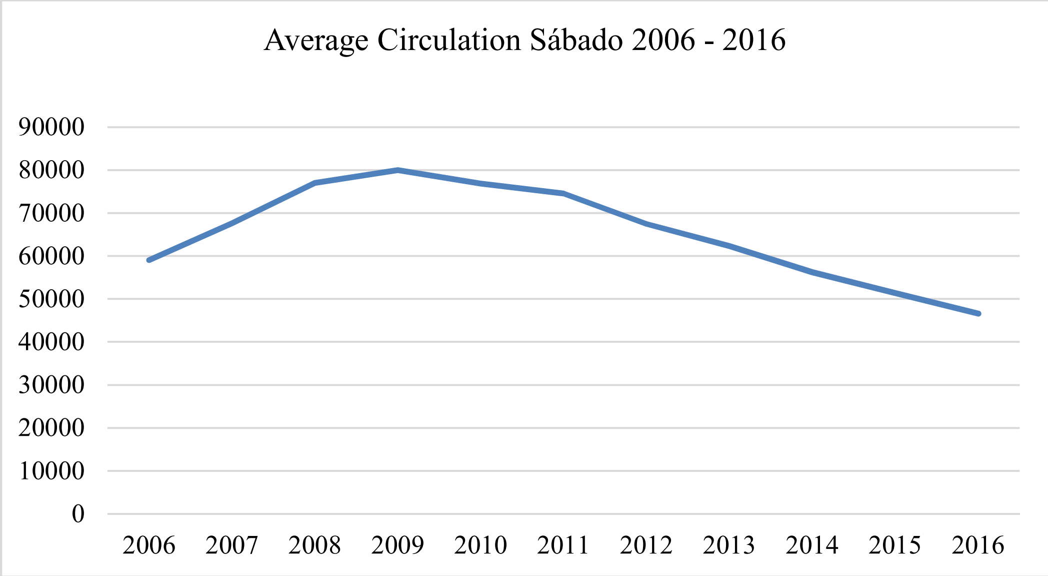
On the other weekly newspaper, Sol, created to compete with Expresso, a great beginning quickly turned down. The first edition was sold out with almost 100 000 in circulation. In the following year dropped to half of that around 50 000 and in 2014 to half of that with 24 000 copies, and a reported loss of 4,4 million euros that year. The numbers of circulation in the year 2016 were not available at the APCT website and therefore for our analysis. Their online platform was, more recently, transferred to the more popular and one of the oldest in Portugal "sapo.pt". As we mentioned before Sol and I Informação are part of the same company and therefore share resources, now more than ever. The numbers on I Informação were scarce in the APCT and consequently we did not included in our work.



Graphic 2-22 – Average circulation: Visão 2006 - 2016.

(Source Calculated based on APCT data.)

Passing on to the magazines, we have the oldest, Visão, part of the Impresa Group, and Sábado, part of the Cofina Group. Concerning Visão it had a constant circulation above 100 000 copies until 2010, when it started do decline to the current around 70 000. We should mention that these are publications that often produce big journalistic pieces and other times dedicate themselves more to the lifestyle and current events topics.



Graphic 2-23 – Average circulation: Sábado 2006 - 2016.

(Source: Calculated based on APCT data.)

On the other hand, Sábado, started a growing phase from 2006 to 2009 and from that moment forward a decline also manifest itself. The peak in 2009 was an 80 000 copies circulation and the current is around 45 000 copies, without the data of 2017 that might accentuate the fall, in this and in all other publications above, with the same tendency.

As we said before, we do not have access to most of the financial numbers of the organizations behind a majority of these publications. Nevertheless this examination of the past ten years, I believe, gives us a clear picture of the evolution of the success of these publications. The assessment we take from this small gathering of data shows a trend, a descending one in all major publications present in the country regarding general information. That is undeniable.

2.8 Financial Numbers and Graphs

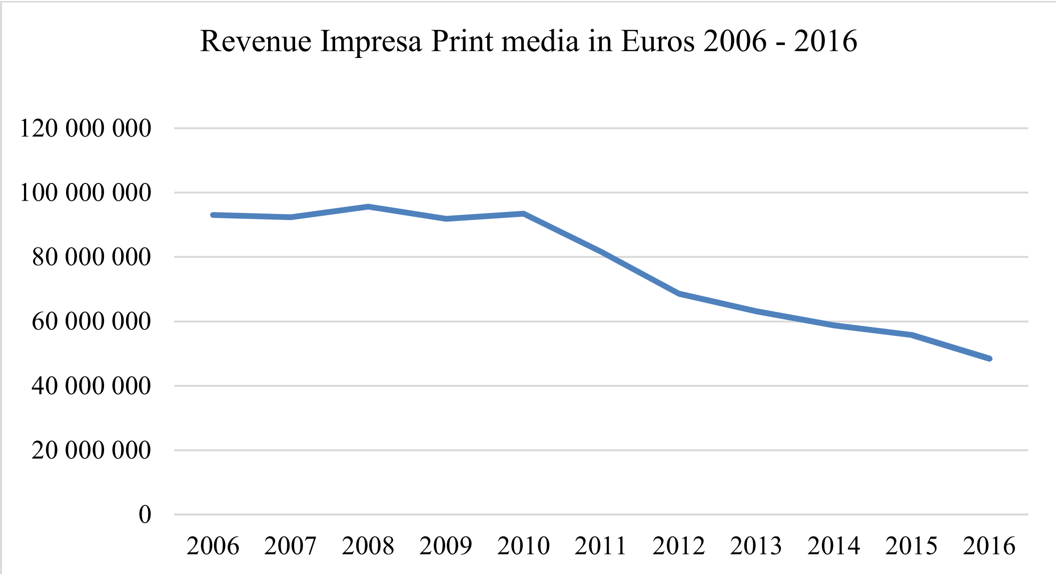
As we mentioned before, very few companies are publicly traded, which means the access to their financial reports is limited to those ones.

In our focused view, only two are relevant, Impresa and Cofina. Media capital is also publicly traded, however, their focus is on TV and Radio, not Print Media.

Following the same process, we decided to gather all the Financial Reports from these companies and focused on one special item, revenue. We should mention that both companies have multiple revenue streams, especially Imprensa with their TV area, but that serves a purpose, to prove the transition of advertising (the main source of revenue) from traditional media to digital.

This is a brute gathering of data, mainly because around 2008/2009 the IFRS (International Financial Reporting Standards) were adopted in the EU, and therefore changed, although slightly, the way these companies reported their financial information. This to say that the way the information is reported was not the same throughout the 10 years period we focused and was not the same between companies. The IFRS are general Standards, not mandatory rules regarding the format of the Reports.

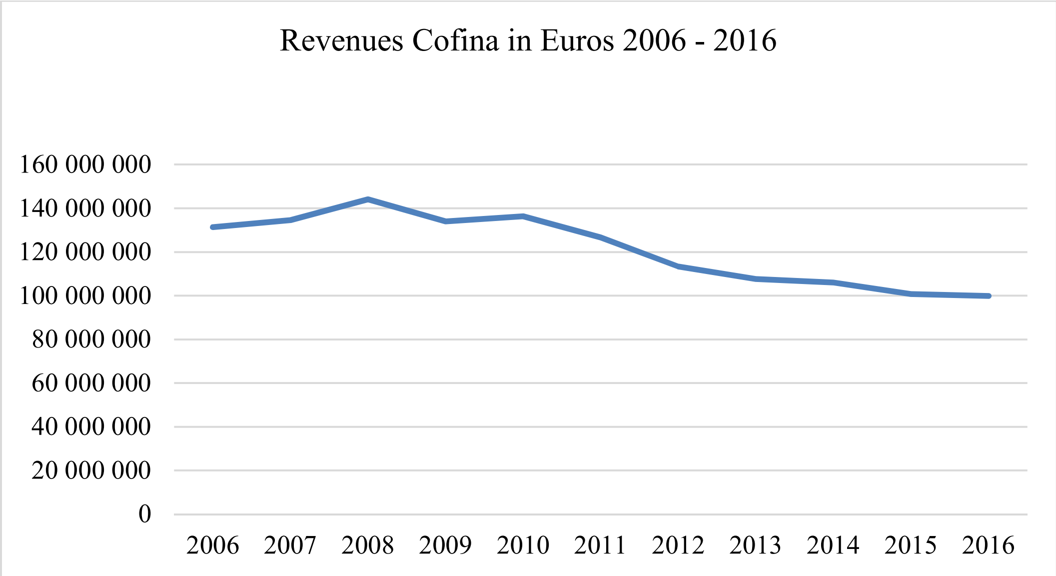
Nevertheless, we thought it was another good indication of the recent years' status of these organizations and what we can conclude to improve.



Graphic 2-24 – Impresa's revenues from Print Media 2006 - 2016.

(Source: Annual Financial Reports of Impresa.)

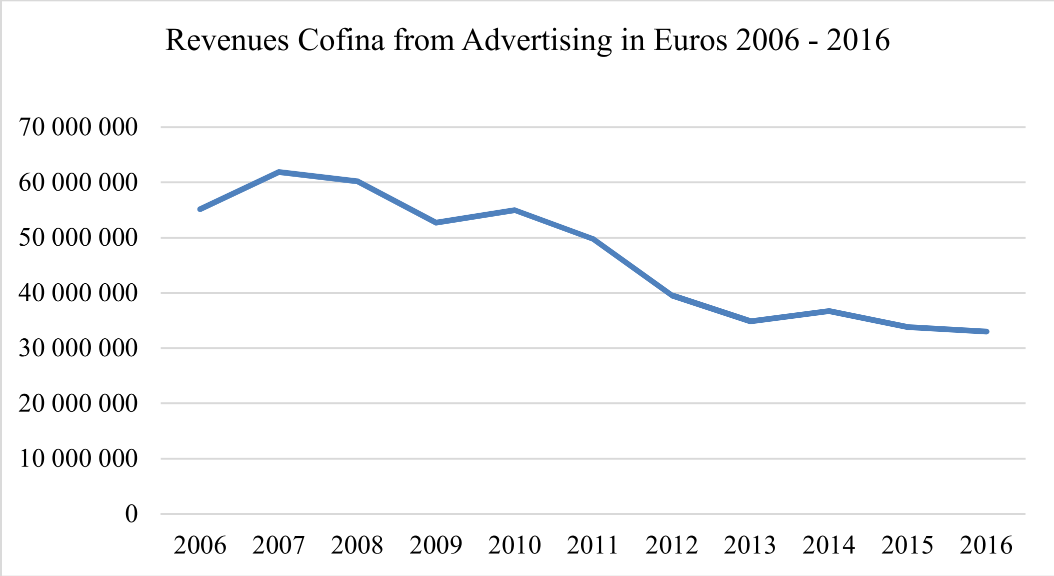
Fortunately for us, the Impresa reports have well separated the forms of Revenue, and therefore making our work easier, and one more time, demonstrating what we have been mentioning regarding the transition from print to digital in the advertising business. Naturally this is total revenue including the price of the sales from the Print Media, but that would not be enough to cover the costs. Advertising is what keeps the balance straight on the spreadsheets, and in this specific case we are in front of decline of almost 50% after the crisis hit the country. That fact together with the digitalization of news explain these number and make us worry about the future.



Graphic 2-25 – Cofina's revenues from Print Media 2006 - 2016.

(Source: Annual Financial Reports of Cofina.)

Regarding Cofina, the analysis of the financial reports was slightly different because it was organized in a different way. Therefore we present two different graphs based on the information available. First the global revenues of the Cofina Group which of course include various items and different sources. Secondly, and more specific, the revenues from advertising. This was worth analyse because Print Media relies greatly on advertising as a revenue source.



Graphic 2-26 – Cofina's revenues from advertising 2006 - 2016.

(Source: Annual Financial Reports of Cofina.)

As is easily understandable both items under analysis are currently lower comparing to ten years ago. This is merely one of the factors adding to the ones we have been talking about, that have been damaging this sector. But a crucial one, given that without financial equilibrium, there isn´t an organization that can survive, at least at long term.

3 METHODOLOGY

When it comes to an academic work like this one, a dissertation, certain methodologies must be applied.

First and foremost, what were the objectives when we started this research? Well, there were three main objectives/questions that defined the way we separated our work.

They were,

-What is today's influence and reach of Social Media and its causes?

-How is the Print Media business today? How has it been in recent years?

-What conclusions do we gather from relation between the previous two and what strategies can we offer to this industry?

To be able to answer these questions, we delved ourselves into different sources of information. First and foremost, academic papers and researchers' results related to these topics as well as credible data from public and private statistical institutions, regulators and independent organizations that cover these areas.

Relating to Social Media, most of our information came from statistical bureaus, given that is accurate and reliable data that can paint a comprehensive picture of our current world and, more specifically, our country and industry.

When it comes to Print Media, although there is also a great deal of information in these bureaus, there was a need from more inside information. If the objective is to help this industry, we needed a deeper understanding of it. In that line of thought we decided to interview professionals of that area with decades of experience. The main reason to that is because there is where we could find a more accurate and experienced vision of how the industry evolved and what are the crucial determinants for its transformations, or lack thereof.

Table 3-1 – Summary of features of the interviews realized during research

Interviewee	Date of the Interview	Duration	Current Position
Mr. José Manuel Fernandes	29th of November of 2016	42 minutes and 41 seconds	Publisher at Observador
Mr. Luís Pedro Nunes	29th of November of 2016	51 minutes and 16 seconds	Columnist at Expresso and LuxWoman; Editor at Inimigo Público; Associate at Produções Fictícias, SA
Mr. Ricardo Costa	24th of January of 2016	1 hour and 3 minutes	Director of Information at SIC

Aiming at possible new strategies, within the constraints of the data and information we gathered from all these sources, there relies the true research method, trying to answer these challenges.

4 STRATEGY PLAN PROPOSAL

After carefully and thoroughly analysing the two realities that bind us in the way to some conclusions as to what should be done in the Portuguese Print Media industry, we have to have, now, to reach those conclusions, with a look to the future. With the well based company of the two previous parts of this work, as well as, other important academic and industry related innovations and contributions.

4.1 PREVIOUS PARTS AND PATH TO STRATEGY

The main conclusions we gathered from our research in the previous parts of our work can by synthetized in simple and clear ways. Going straight to the point, technology has conquered a huge importance in our daily lives in the last years, with the speed of that conquest becoming faster and faster. Mobile devices in developed countries are now the number one point of access to the internet and consequently, Social Media (LELLA, 2016). This is important because of the part Social Media plays in consuming news via digital ways.

On another part, the Print Media business is not exactly thriving in Portugal, with publications closing year after year in recent times. The technological upgrade is only true for very few players, some still remaining without applications for mobile devices, or not even friendly to use on a traditional laptop. Some organizations saw the changes in the industry and tried to keep up, but always as a necessity and never of their own volition.

This industry, to be capable to survive in the modern world, has to be in constant connection with the technological updates. And the reason for that is simple, because that is the way the news is and will be consumed from now on.

Throughout the interviews conducted in the preparation for the writing of this thesis, some very experienced opinions were heard, as mentioned before. A very serious affirmation was locked in my mind, when Mr. Costa, Director of Information at the Imprensa Group, said to me that newspaper owners and other outlets would be remembered in the history of the management of corporations as the ones that decided to give for free the fruits of their labour expecting that the scale would be enough to continuing being successful. “I don’t believe in the free model” was the punchline, so to say. He was obviously mentioning the newspaper Público, and also gave the examples of the well-known spanish El Pais, as well as the world renowned english newspaper, The Guardian (JU *et al,* 2014; DE LISLE, 2016). We should make reference that

The Guardian is one of the most read newspapers in the world, and the El Pais, made significant changes to grow its reach and therefore its scale with specific editions in Latin America and Brazil.

These are three very close examples of organizations that decided to publish online the majority or totality of their contents for free. Not only the scale was not enough, all of them had to roll back on their decisions, having now a paywall, some kind of premium content or are asking for monetary contributions. Obviously, a costumer used to have it for free would have to be a very loyal one to starting to pay from one day to another.

Is not that the content does not deserve an economical value that should be pay. Is the change of strategy, specifically at a time that other outlets became available with the same quality for little or no cost.

On the other hand, there is other strategic approach that has been growing in recent years, the digitally native media outlet. The most common example is the Huffington Post, which started in the United States and is now present in more than 15 countries and regions around the globe with their own local departments. We are talking about a news outlet born in the World Wide Web, just twelve years ago, that now reaches half the world. And more important to our work, the fact that it was born without a print edition, does not implicate a lack of quality, already winning a Pulitzer, a prestigious award in the United States newspaper world, although recognized worldwide.

In the national atmosphere, the obvious example is the Observador. Also a digitally native media outlet, supported by private investors, but fairly more recent, with only 3 years in the market. This is a specifically interesting example because, although all the newspapers had a digital presence in many forms, the market was and is changing faster that they can keep up. And why is that? According to Mr. José Manuel Fernandes, current publisher of Observador and a professional with roughly 40 years of experience in various newspapers, the reason is that the typical professionals of newspapers saw the online edition as something they had to do, but not specifically something that should really be a focus for the newsroom.

In that sense, the project he leads, went the other way around and focused precisely in the digital environment, and more specifically in the mobile area, that 3 years ago was not as important as it is today. But that vision was the correct one, as the data shows, the mobile access is now number one in most of the developed countries when we are talking about reading news. As he told us, that proved successful, as the objectives Observador had for the first four years, were concluded in the first two years. So there was a market for a digitally native media outlet in Portugal, and so much that the amount of different topics that are now available in the website and mobile application are so diverse that any given person could find something that would talk to them and inform them.

Regarding the business model and the revenues, Mr. Fernandes confirm us that the only source of revenue is the advertising and other related items as sponsored content, and when asked if it had conditions to work that way for years to come or if he was studying other ways of revenue, such as premium content or a paywall[14], his response was a definitive “I don’t know. There are various models, but none of them succeeded so far, so for now we do not have a definitive business model. In the digital world that can change fast, and we will change if we have to.” Regarding the evolution of the Observador, it became one of the main mobile applications downloaded in the media environment, with numbers between fifty thousand and one hundred thousand installations from Google Play, the Android official store, and the most used mobile operating system in the world.

On another level, but also a good example for various reasons is the well-known New York Times, who just this year released a report on the “newsroom’s strategy and aspirations” (JOURNALISM THAT STANDS APART, 2017).

Not only we have found it extremely interesting as a strategic reading but it gave us a clear vision on how the NYT operates in this digital era. Immediately in the fourth paragraph there is a direct affirmation:

“We are, in the simplest terms, a subscription-first business. Our focus on subscribers sets us apart in crucial ways from many other media organizations. We are not trying to maximize clicks and sell low/margin advertising against them. We are not trying to win pageviews arms race. We believe that the more sound business strategy for The Times is to provide journalism so strong that several million people around the world are willing to pay for it. Of course, this strategy is also deeply in tune with our long time values. Our incentives point us toward journalistic excellence.”

Just this paragraph tell us how much this organization has its business model well-oiled and working. Not because of a single phrase but because the numbers actually demonstrate that. But more than that, the continuous effort no keep doing what they do best, good and solid

[14] https://www.merriam-webster.com/dictionary/paywall

journalism, the product, at a cost, the price charged to the costumer, whether in print or in digital. For that they had journalists filling pieces from more than 150 countries, and a growing number of subscribers, mainly digital ones, according to the same report. The NYT pay model, launched in 2011, grew intensively in 2016 reaching a 1.5 million subscribers, passing the print edition subscribers that is roughly around 1 million.

More interesting than that, the digital advertising revenue also grew, despite as the report mentions, the "shift of ad dollars to platforms like Google and Facebook." This is as interesting point because when you are one of the best in your line of work, you naturally attract the best in every other line. Because maybe some brands do not want to be in the cacophony that theses platforms offer. In 2016, the NYT achieved 500 million dollars in purely digital advertising.

However, this reports also acknowledges that more things must change in order to maintain The Times working at the same level of quality, and more, to prove that there is a "digital model for original, time-consuming, boots-on-the-ground, expert reporting that the world needs. To secure our future, we need to expand substantially our number of subscribers by 2020."

The report mentions that is the force of their product, good and engaging journalism, that makes them aim at a digital revenue by 2020 of 800 million dollars. But in order to achieve that the focus must be on the subscriber, at a scale large enough to sustain operations and taking advantage of every tool available. Amongst other problems identified by the report are pieces that are not worth money, hence can be found elsewhere for free. Digital content without certain graphics and other tolls, lacking some visual context, which nowadays is unforgivable for the amount of software and other tools available. A better digital mix of content. A print-centred operation and more inclusion and engagement with the readers.

These objectives and priorities are just a few of the entire report. A report that came from work done closely by owners and editors, and that demonstrates a good strategic internal analysis.

We felt the need to mention this example, not only to demonstrate that there are organizations who constantly analyse and look out for the future without damaging a good product, but also to say that this model works for the NYT, specifically, because we are talking about one of the biggest newspapers, if not the biggest, that attracts clients worldwide. This to say through all the difficulties that this industry faces in this day and age of political and economic uncertainty the product produced is still valuable to various markets.

Throughout all the great knowledge that was transmitted to the students during the Master's degree currently in the end, when it comes to Strategic Management one single fact comes to mind, to be able to survive in any industry there is a need to understand the new challenges of global and multi-business company and with that in mind being able to adapt the organization to those challenges.

During the previous parts of this work we immerse ourselves in the atmosphere surrounding our field of study, not only for academic reasons, but also because that is a necessary tool in the path of developing any strategy, scanning the internal and external environment.

4.2 External Analysis

To examine any industry you should take a series of steps (GRANT, 2016) to get a better understanding of the details that your organization will be a super achiever (MOLLO & PARENT, 2013) in a certain industry.

The first step should be a general industry analysis or external analysis, which is composed by different items. Examining the general environment, meaning, all the external influences that might affect decisions and performance, the best should be the PESTEL analysis, a more complete exam of the PEST analysis, adding the legal and environmental factor. PEST includes the political, economic, social and technological factors.

4.2.1 PESTEL

Political – The political factor is of major implications in the Print Media, as well as any media outlet. For various reasons. The Print Media has been, for the last decades, one of the main outlets of investigation, discussion and disclosure of politics, from every perspective you think about. From investigative journalism to opinion making chronicles, the Print Media has been in the front lines of politics. All this, if we are talking about countries or regions where the press freedom is a right lawfully protected. Since there are media outlets, there have been political attempts to control those outlets, for the obvious repercussions that has on the public opinion. So, in this specific point, although the freedom of press is the cornerstone on how politics affects the industry, other corporate interests might also jeopardize the independence and therefore the product at hand. In our specific approach and regarding Portugal this is a positive point given the freedom existing in the country and the liberal, for lack of a better word, regulation portrait by the regulatory entity, the ERCS[15].

Economic – In recent times, the economic outlooks for the future were always uncertain. After the financial crisis of 2008, and the consequences felt in Europe around 2011 and on, made the economic environment very hazardous. Particularly in Portugal, with the country under international assistance financial wise, all the economic/financial indicators were in the red. As we approach a new decade, and with the help of certain sectors of the economy, the future is now looking a little bit brighter. However we are still talking of a country with 130% of debt to GDP ratio and an annual growth around 2.8%, which is not anaemic growth, but it has to remain stable for the economy to return to pre-crisis levels, and, if possible better than those levels. This if some mistakes in the economy/political area are not repeated. At the current time we can see this as a positive point as the more recent data is, de facto, positive.

Social – When it comes to Portuguese society, its culture and behaviour, the news plays a good part in it. Portuguese people tend to update daily on the latest news via print and tv media. And when the majority of the population already pays for cable TV and the attached internet connection, plus the mobile connection, the Print Media, ultimately, is left out of the options by exclusion. Attention, it is not a purchase power question, is an option. With a lot of other resources at hand that allows an individual to maintain his "informed" status, there is no need to purchase newspapers or magazines. That only occurs regarding habit or niche market situations.

Technology – At a first glance this would not be a positive point at all, with the normalization of broadband internet connection that reaches a high level of population at a reasonable price for the families. And more recently, with the mobile connection reaching, also, a good level of coverage. As the data showed us, mobile connections are growing at a fast pace and as the population grows older, more generations are users of this technology, thus raising the numbers of possible market. This all should be considered negative, taking into account all the analysis we have done of Social Media and Print Media. Nevertheless, technology, as the example of the "Observador" showed us above, is also a very powerful tool, that, if used in all its capabilities can help the Print Media expanding its market in different and innovative ways

[15] http://www.erc.pt/

that, with the current technology has very few limitations. With live video feeds, chatting and other tools, the contact with the clients is nonstop and brings the two together and closer than ever. So, in general, this specific item as both positive and negative tendencies, but the negative ones make more of an impact.

Environment – Regarding the general environment, unions, security and sustainability, these are all positive traits. The journalistic class always enjoyed freedom and the appreciation of the public. They were never barriers when accessing the profession. The only negative point in this section is the more recent precarious situation of the younger generation of professionals that are suffering from the current defaulting situation of the organizations. Temporary and low paying jobs are the "new normal" in a profession that always had a high standard as defender of freedom and truth in societies all over the world. To continue with that standard, better working conditions have to be offered to the professionals.

Legal – Legalwise, as said before, journalists are object of a lot of protections. The main legal instrument is the Law number 2/99 from 13 of January[16], but more than that, the own Constitution of the Portuguese Republic recognizes the freedom of the press as a fundamental Right, in its article 38th and 39th. Interestingly enough when they break the deontology code, the system does not always act accordingly. The regulator, ERCS, rarely acts, even in the more evident cases. Regarding the justice system, it is slow and some names or brands might be massacred in the public eye, only getting justice years later. Some laws could be adjusted to offer better conditions of investment in companies, but that is a point that is transversal to all industries. Concluding, in a broad way, this is again a positive point.

Generally, the PESTEL analysis is positive. However, one might say that the negatives are way more negative that the positives are positive, which, irreparably unbalances the scale or our analysis.

4.2.2 Five Forces of Porter

Porter's Five Forces model (PORTER, 2008) identifies and analyses competitive forces that can identify strengths and weaknesses and can shape any industry.

But, before we engage into specifics we have to define the industry itself by looking to its characteristics. We have to start with the basics, defining the products the industry produces. In our case we are talking about news coverage, explaining complex subjects, opinion making,

[16] https://dre.pt/application/dir/pdf1sdip/1999/01/010A00/02010208.PDF

expert analysis and interesting chronicles. Besides that we have to observe which products belong to other industries and in this case there are a few. Paper industry and printing and distribution all play an important role. Web design and software development play a more incremental role than ever before, as well as video and other content producing areas. In this first part another important part piece of information is the competitions geographical area that for us applies to the entire country.

Next in our approach is identifying the players and cluster them. As we mentioned the five forces of Porter include,

- Suppliers of information and material, meaning journalists and editors that are in the organizations, and as a newspaper that does not own a paper company, the paper itself. Additionally the printing company is also a supplier, again, if it is not done in-house.

- Existing Rivals/competitors who are all the others providers of newspapers and digital outlets in the national market, Público, Diário de Notícias, Jornal de Notícias, Correio da Manhã, I, Sol, Expresso, Observador, Jornal Economico, Eco, Visão e Sábado.

- Substitutes – TV channels play a big part in some countries, Social Media Channels that provide information, as well as blogs and new digital outlets.

- Buyers – All individual that want to maintain a certain level of information, for personal or professional reasons, ages 16 to 80.

- Potential entrants – New players from foreign investment, or concentration of media groups making the brands stronger.

- Complements – no complements.

Now, answering other important question, what is necessary to operate in this industry? A good deal of initial investment, a work force capable of solid journalism and compelling pieces, good contracts with suppliers.

Regarding the main cost drivers in this industry they have to do with printing and distributing as well as a skilled work force which demands a better compensation. When it comes to main profit factors, they are centralized in advertising revenue and subscription revenues. The capacity to be able to constantly innovate and be closer to the clients is very important to make them happy with the product they purchase.

About the business model and its dynamism, in the Portuguese case, the newspaper and media business was always very dynamic, constantly trying to innovate, having to do, in part, with the big concentration/competitiveness of the market.

When it comes to the aspects, by any player, that might influence the industry, the answer lays on the constant innovation and the capacity to investigate further so the next scoop can be found. Other situation that deserves our attention is the recent phenomenon of the "clickbait", sensationalistic titles that urge the client to click, later finding out that the titles has nothing to do with the content. In the newspaper area tabloids are not a new thing. However, the struggles newspaper organizations face, namely on the financial sector, makes them abandon their normal behaviour of good and solid products, and resort to this type of journalism more sensationalistic and without proper content.

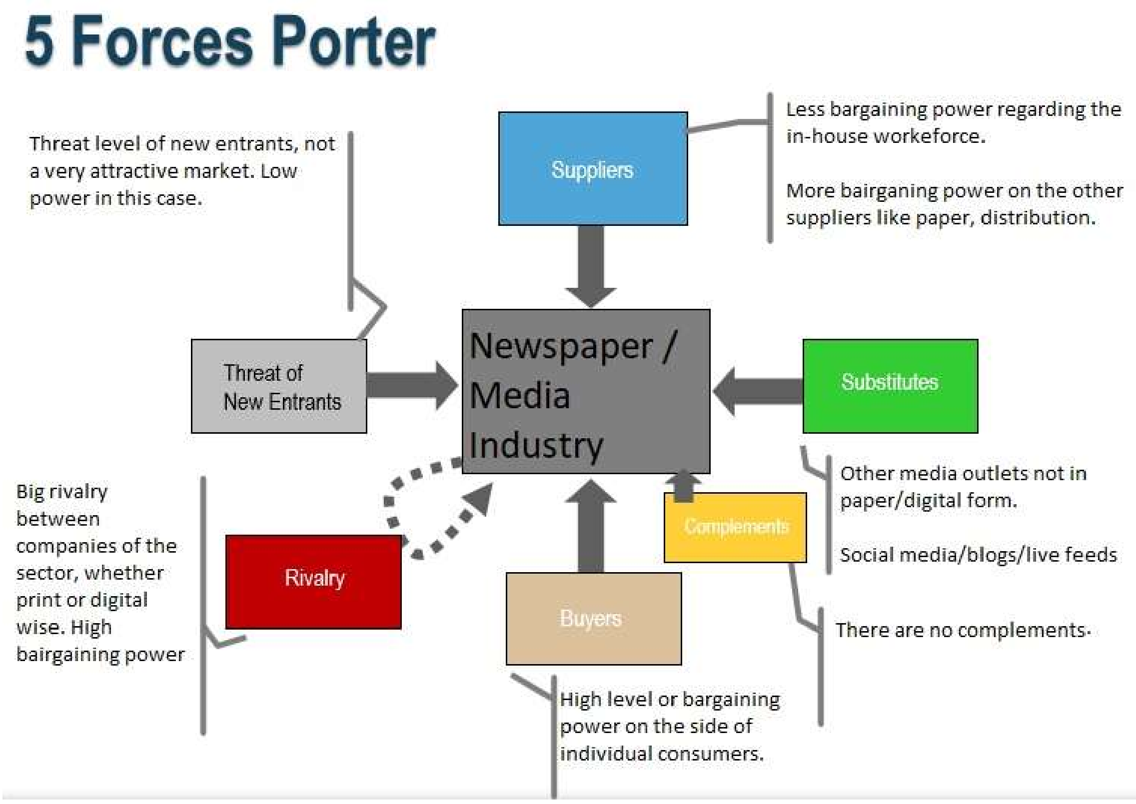


Figure 4-1 – Porters's 5 forces model.

(Source: Adapted from Strategic Management and Control class materials.)

4.2.3 Competitive Analysis

Continuing on our path, the next natural step would be the competitive analysis and to do it we have to analyse the products we are talking about. The next coming list will refer general attributions of the newspaper and digital media outlets we have been talking about.

Correio da Manhã – This daily newspaper is the most successful in Portugal, until 2017. It is a tabloid with all that entails, a big newspaper with lots of advertising and shocking covers related to crime, sex or politics. It has a digital presence via website, a mobile application. Nevertheless, is a small presence in terms of free content having a price menu of 4.5 euros a week, 10 euros a month, 27 euros for 3 months, 53 euros for 6 months and 100 euros for a whole year. This is, of course, much cheaper that the print edition of 1 euros that is available every day of the week.

Expresso – This is the oldest weekly newspaper in Portugal with more than 40 years of existence. It combined the new digital ways, with a digital approach that keeps you informed for free if you buy the newspaper on Saturday (it works with a code that gives you a 7 day access). The print edition (and digital access for the week) costs 3.5 euros, and a 6 month digital subscription 45.50 euros. Being a weekly it combines a main newspaper, economy issue and a magazine, besides other collections of books that sometimes are included.

Sol – The more recent weekly newspaper also gives you more than the main newspaper (meaning an economy issue and a magazine) and it costs 3 euros. Digital wise you can have a subscription for 3, 6 or 12 months for 20, 36, 65 euros respectively. No mobile application is available.

I Informação – From the same company as Sol, the daily version is called "I", a newspaper that brought a new graphic touch that sometimes enters the tabloid area regarding politics. The paper version costs 1,20 euros and a digital subscription is available from 8 euros a month, 32 euros for 6 months and 47 euros a year. A mobile app is available. As mentioned before the company that owns these two publications has been going through some problems and we do not know how much it will last.

Público – One of the most respected newspapers in the country was founded less than 30 years ago. Well respected across society and all aisles of politics, it was one of the first ones to have a digital presence. At the time, for free, any person had access to all the content. Nowadays a paywall is in place being the price 10 euros a month or 100 euros a year for the subscription. The paper version is out every day for 1,20.

Diário de Notícias and Jornal de Notícias – These two newspapers are analysed together for various reasons. First, they belong to the same company and have similar histories. Both were founded in the 1800's and both were nationalised after de revolution in Portugal. In the 1990's both were sold to the same company and remain that way until today. DN is available on paper for 1,20 and JN for 1 euro. In the digital world they both have apps and websites and the subscriptions prices are 5 euros a week, 10 a month and 100 a year for both papers.

Visão – Regarding magazines, Visão is the oldest general information magazine in the market. It belong to the Impresa Group and is focus is on lengthy and deep investigative issues. It is available every week for 3,20 euros on paper and a digital and app presence as well. The digital subscription costs 19,20 euros for 3 months.

Sábado – The other, more recent, magazine of general information and investigative issues belongs to the Cofina group, the same owner of Correio da Manhã. The paper price is the same as its competition, but digital wise it has a differente offer, 1.34 euros for one edition, a month for 7 euros, 6 months for 45 euros and a whole year for 70 euros. Of course it also has its own website and app with connections to the other publications of the company.

Observador – One of the more recent projects, Observador, is a digital only media outlet. It only has been online for three years, but it changed the market. No subscription is available and there is nothing on paper to buy. All the content is obtainable through the website or the app for mobile devices, and it is all free. The constant news flow gives this digital only way of work a leaner atmosphere.

Jornal Económico – This weekly newspaper dedicated to economical themes,

Eco online – Following the footsteps of Observador, an online media outlet was created, this time, dedicated to economic issues. There are no subscriptions whatsoever and all the content is free.

Graphic 4-1 – Quality vs Price analysis – portuguese publications.

(Source: Adapted from Strategic Management and Control class materials.)

A resume with the information we have been talking about regarding all the major general information newspapers, magazines and online media outlets.

4.3 Internal Analysis

In the path to the formation of a new strategy, following the external analysis, an internal analysis is necessary. In our particular case, the designing of a general strategy for the industry, we do not have the necessary data from a particular organization to be able to really focus on all the details that constitute that internal view.

Nevertheless, there are common points in all these organizations that we must point out, to better get a strategy definition.

4.3.1 Value Chain

The value chain is a concept introduced by, then again, Michael Porter (PORTER, 2008) to get a better grasp of the activities done by an organization in order to add value, hence the name. Is very important to better define the governance model and possible reengineering process, something we will mention later in the strategy.

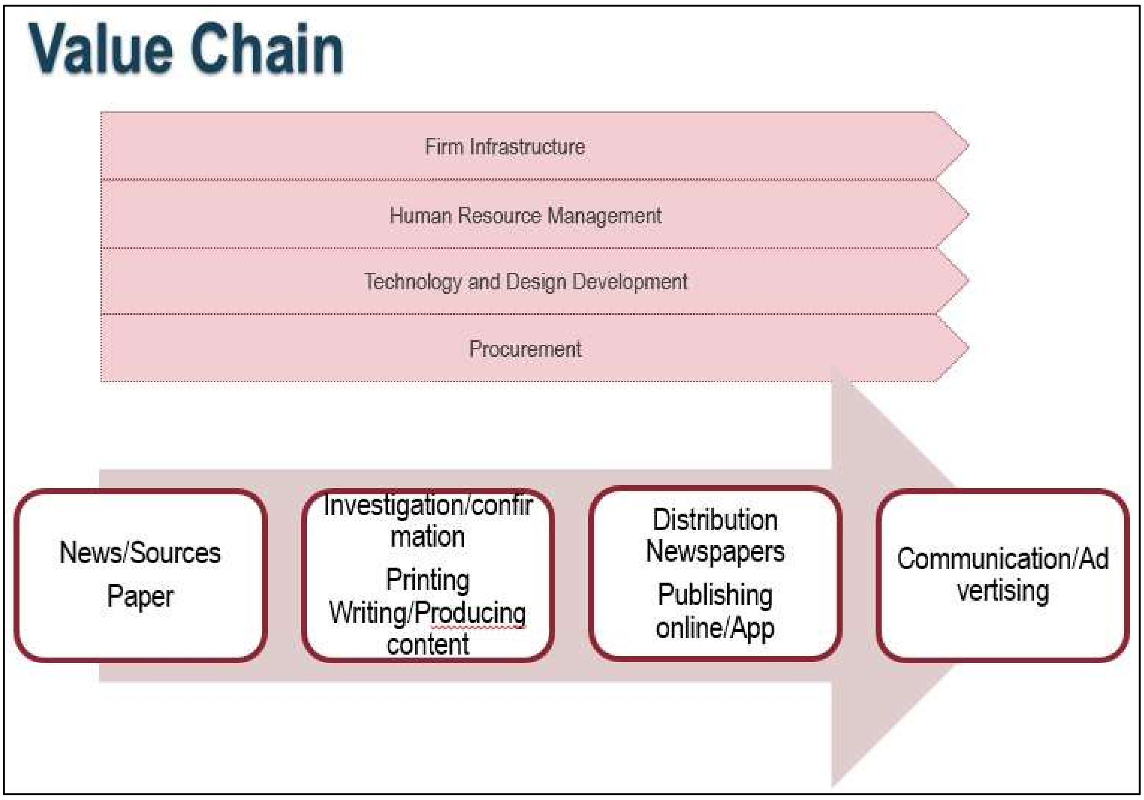


Figure 4-2 – Schematic representation of the value chain for a media organization.

(Source: Adapted from PORTER, 2008.)

As we can see by the graphic representation of the Value Chain, on top we have the four direct arrows, or support activities. As the name so firmly says these are the activities that support the primary activities of the company. These activities are easily understandable, the firm infrastructure deals with the management and administration of the organization, such as finance, accounting, quality management etc. The human resources section, will obviously deal with all that is necessary to manage the people that work at the organizations, as training, recruiting, paying wages, etc. The technology department will deal with all that is necessary to improve processes and the product itself. The procurement department will be dedicated to acquiring all the necessary inputs to produce the product at hand.

Now, to the primary activities. These are the core functioning machine of any organization, where one can actually see the product being made. These are separated in five sequential blocks. First we have Inbound Logistics, or in a more raw term, what is supplied so the product can be made. In our specific case, for newspapers paper is a sure need, as are the news and sources that provide them. In the second block we have Operations or, where there is the necessary transformation into the final product, that regarding media outlets, is the final pieces of text in paper or digital format, informing the public on a variety of issues. The next step is

Outbound Logistics, or the distribution of the finalized product. In our specific case that is materialized in the distribution of the newspapers throughout the market region or the publication online of the content via website or mobile application. The penultimate block is the Communication/Advertising of the product, through various marketing campaigns. That is done, nowadays, through a variety of ways. From the traditional billboard and street ads to the specific promotion of the brand or a simple article on Social Media. Since the digital pieces of media outlets are shared in their own Social Media channels, that communication is more directed to the interested customer.

Although there is not a fifth block in our graphic representation, conceptually there would be. That was done on purpose. The last block of the Value Chain is Service, meaning, any services done after the sale is conducted as a warranty in case the product is defected, amongst other. In out particular case, we found out that media outlets in Portugal do not provide as much the opportunity of a feedback. In the print business the most there is available is a contact that is irrelevant and in the digital part of the business, is reduced to commentary sections on the website or on Social Media that, obviously, are not used for that purpose and even if they are, gets lost in all the confusion.

4.3.2 Governance Model – OBS and Competencies

Other one of the main subjects that there is under evaluation is the governance model, or how the company is structured in all of its processes. Printed newspapers are characterized for having heavy "machines" and older and slower processes. That hasn't changed much even with all of these organizations having now a digital presence. The digital part of these organizations was always left behind, being the printed edition the focus of the newsrooms. The structure can be considered as a Matrix model as can be seen in the example below.

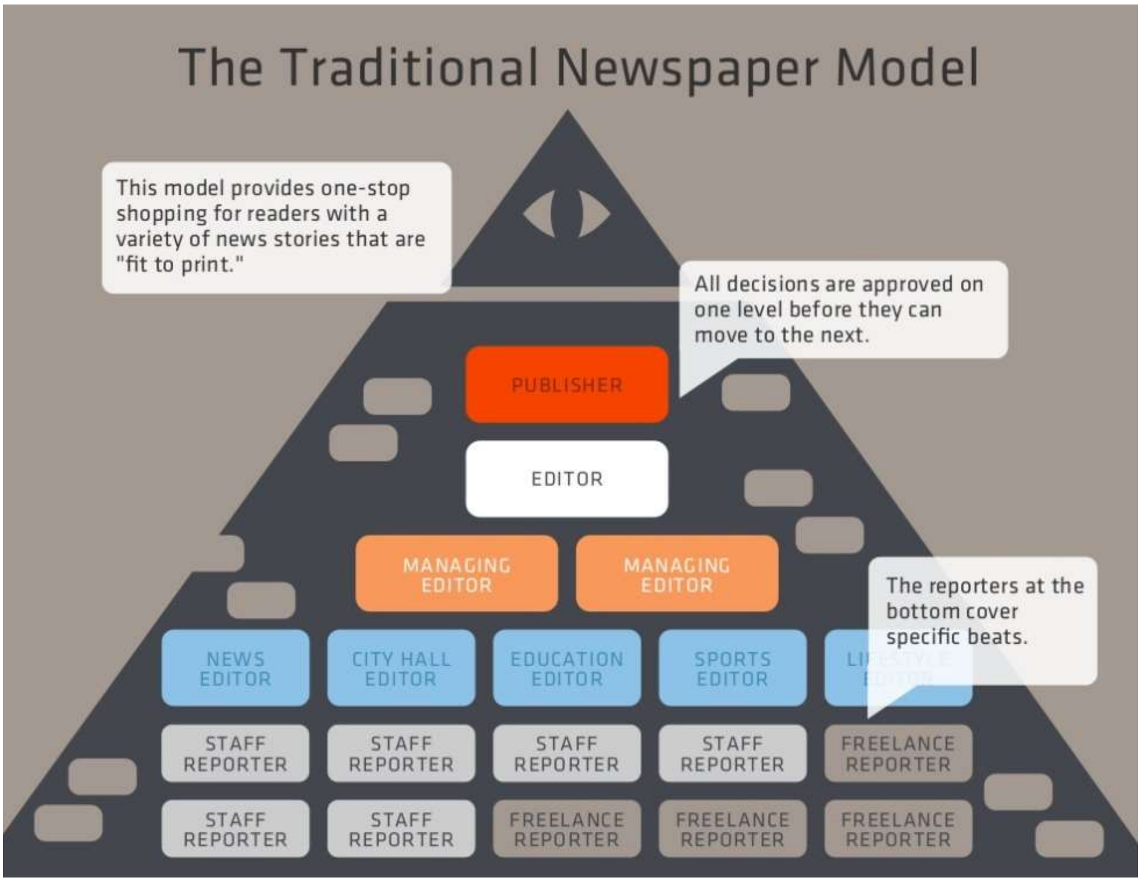


Figure 4-3 – Traditional newspaper model.

(Source: www.hubspot.com)

The digital integration of these organizations was never done on a core level. Considering the graphic representation above, the digital part would be just another column that is connected with all the other columns.

Passing on to the competencies, again, not in a specific way to any organization, we must have a general idea of the players in this industry.

Beginning with the Inbound Logistics, paper and news/sources, our core competency is on logistics given the sometimes complex and fast way the news are spread, leaving one organization behind if it is not prepared to rapidly answer the customers doubt. Finance also plays a key role in the acquisition of the paper as well as the digital improvements there is needed in an increasingly faster way in the current days.

Passing on to the Production itself, we have a different situation in our hands. Beyond the Operations, the core/distinctive in this segment, we need the capacity to investigate in a deep way an important story for the society, and that takes more time than breaking news, for example. This is where experienced journalists and editors make a contribution into the making of the final product. In a modern newsroom, visual editors, Social Media managers and other new and relevant contributors play an important part. This part of the work is what makes the distinction between one brand and another. This should be the central focus of any organization in this line of business. That makes the HR and the Finance departments also very important in this case. More the Finance department, in the case of the printing needs of a newspaper.

Reaching the Distribution phase, the core competencies are obviously centred on Logistics and Finance, given the need to make the paper reaches the geographical target.

Jumping to the Communications/Marketing part of our Value Chain, the Marketing is obviously the core part of this segment. Nevertheless the Finance is also a competency and, more than that, a need to maintain the brand awareness.

Now, when it comes to the Final Service Block, unfortunately, in our industry there are not any competencies identifiable, as we mentioned above. Nevertheless, all the other competencies should be present in this segment, because that is vital for any organization in any industry better serve its customers.

4.4 Strategy Definition

The next step is naturally the definition of a strategy, combining all the data of the external and internal analysis. In our specific case we will combine the external analysis' data with our own research and general internal analysis, thus trying to provide a pathway to organizations in this line of business.

Not aiming at a complete and thorough SWOT analysis, we can, nevertheless, provide opportunities and threats as well as strengths and weaknesses to our environment.

4.4.1 Opportunities and Threats

Concerning our opportunities, the possibility of new entrants in the market is low, therefore providing not only a certain stability but also the necessary leeway to better take advantage of that market.

The constant digitalization of the world provides a great opportunity to better understand the costumers and to increase the quality of your product and even personalize it.

Other important opportunity, which derives from the digital reference made above, but it is his own opportunity, is the possibility of internationalization. Portuguese is the sixth most spoken language in the entire world, being a big chunk of that Brazil, Angola and Mozambique, countries far larger and with more population than Portugal. A good example of that was the investment made by El Pais in Brazil opening a digital only media outlet. Scale is becoming a very important cog in the media outlets, and nothing gives better scale than a country with more than 200 million possible costumers and an increasing middle class.

Finally, Social Media. As we said before, Social Media disrupted the way we communicate and operate online and, in many ways, offline. Still, that disruption, is also important for organizations in the way they operate and in the case of Media Outlets even more. It is an opportunity to be closer and with immediate contact with costumers.

When it comes to threats and forming the bridge with the opportunities, Social Media is also a threat. The amount of time spent in these platforms take away costumers from media outlets. More than that, as we mentioned, a vast majority of costumers of media outlets come from Social Media posts/shares.

Other important threat is in digital, "lato sensu". The most important revenue for media companies is advertising. Advertising changed from a nice, clean and expensive ad on a newspaper to a bundled cheap square directed to a potential costumer that did a search online recently. The price and possibilities of digital created an ad market that is, in the words of the professionals, a mess. Any brand can appear online for the low price it presents, but maybe is not the place for every brand that might prefer a more exclusive location. Big advertisers pay the same as small advertisers.

This led us to the other threat, the duopoly. Google and Facebook took away the power of advertising and control a massive part of the advertising market, not only in Portugal but everywhere around the world.

4.4.2 Strengths and Weaknesses

On an internal level, the strengths of most of the brands in this kind of industry rely on the market itself. This means that these are brands that already have a good level of brand awareness due to their long time presence in the same market. Other strength that is declining, but it is still a strength is the base clientele. What I mean by this is simple, as we seen the number of buyers is declining for some time now, but the devoted base always makes the purchase based on routine and that rarely changes. There is some strength in a devoted clientele. Other one of the strengths is the professionals inserted in the companies. Most of them have years, and sometimes decades, of experience that is reflected on a good, solid and interesting product. More than that, the younger generations get to learn with experienced individuals.

Regarding the weaknesses, one is clear, there is a lack of managerial skills that is leading most of the companies to go bankrupt or to drastically reduce operations almost to the point or irrelevancy. These managerial skills we are mentioning do not relate only to financing problems. As any organization, there is a need of various skills, mainly the capacity to keep the company in good financial health but also to be able to innovate and to grow in a sustainable way.

Another major weakness in most of these companies is the complete disregard for one of its mains stakeholders, the clients. In the current days, feedback plays a huge role in the continuous evolution of any organization. Ignoring such an important information is a mistake that is costly. Any service provider must interact with its clients to improve its product for the clients. Commentary spaces on websites and Social Media do not provide good enough feedback. Aligned with this subject, the distance from the public (ANANNY, 2014), there is another issue that weakens the content. Not being close and interact with the public makes the product not as real as it could be. This issue is even highlighted by the NYT in its 2020 report.

Figure 4-4 – Schematic representation of the SWOT analysis.

During our readings, (MOLLO & PARENT, 2013; KEELEY *et al,* 2013; TEECE, 2010; KEENAN et al, 2013) that thoroughly analysed various companies in different industries and defines three rules (RAYNOR & AHMED, 2013) to define better organize an organization so she can last for long and profitable years.

- Priority to the creation of value over reducing prices;
- Priority to increasing revenue over reducing costs;
- Priority to experimentation new formulas and ideas very rapidly over extensive business plans.

The third rule is not really a rule per se, but more a pathway to follow.

So, when it comes to our "problem", Print Media companies, the price should not be affected. First because of our rules, and second because it cannot drop more. The financial problems of most of the companies are a clear sign of that. So more value is the answer, more value on print and more value on digital. As all of the interviewers told us the Print Media "machines" are too heavy and focused on the print edition, not really focusing on the digital. Our friends at the

Consultant Company INNOVATION[17] are very firm on that, there is no more space to a distinction between digital and print. One editor for print and one for digital. They are all editors of all content (THE POST ANNOUNCES THREE NEW ROLES TO STANDARDIZE DIGITAL RESPONSABILITIES IN THE NEWSROOM, 2017) Because there is what gives value to a media company, the content it creates to the reader, what the text, video, graphic can do for him, reader and costumer.

Concerning the improvement of revenue over reducing costs, which aligns with a better product (DAVIES, 2017), a more “valued” product. The better the product the more you can charge for it. That obviously means a higher price of the newspaper, a digital subscription charged to the costumer and advertising, an important brick while building revenues. The diversification of origins of revenue is very important for any investor, so to be a successful company, this should also apply (DERIENZO, 2017).

Third, and also very important, experimentation. The speed of how things are done nowadays has increased exponentially. That being said, as a provider of a product or content, is also much easier to experiment new ways to create a good product to the costumers, whether in written words, in explanatory videos or in sound commentaries (podcasts or others). This is especially relevant for a media company in the current days. Access to technology made cheaper producing content. From anywhere art anytime. So, innovation is the key (KARIMI & WALTER, 2016) and the Business model is no longer a static one, but a more dynamic one, as confirmer by another recommendations by Lindgardt, Reeves, Stalk and Deimler at BCG[18]. (2009).

But how do we translate this into palpable orientations of this industry?

Also according to Mollo and Parent (2013), for sustainable growth there is a need to “fortify its existing business and enter or create news businesses“.To achieve this, one must focus on three main topics, market, value proposition and operating model. These three cornerstones will allow an organization to better evolve and prosper.

Whether concerning costumers or geographies, markets are the targets. To whom is the value created from the type of costumer to the country or region it provides or intends to provide.

[17] URL: innovation.media
[18] https://www.bcg.com/

Value proposition regards the product or service itself, what does the company offers, from a general picture, news, to more specific features, an app, website or newspaper. In this specific case we can identify products, services, experiences and brand strategies depending of the industry we are talking about or how complete the product/service is.

The operating model relates to how the product/service is produced, what adds value and how it can be developed, resulting in a growth. In this segment one must pay attention to the profit model, meaning the revenue generator and how it can grow. The network, meaning, all the relations the company has from suppliers and customers to competitors. Finally the operations their selves including the corporate culture and the entirety of the processes, if they are efficient enough.

To every one of these topics we chose one or various strategies, based on our research, its data, and the reality at hand.

4.5 MARKETS

Regarding the markets, there is a clear opportunity that was never taken. Internationalization. This idea of crossing borders is valid for any production company, but has become increasingly relevant for news media. With the disappearance of paper, the only way digital outlets survive is through a strategy of scale. Factually, Portugal is a rather small country that, although has evolved significantly when it comes to technology, is just plain not enough. So, new markets should be a firm bet from these types of organizations, starting with same language markets such as Brazil, Angola and Mozambique, and then crossing the line to other markets as well. As an example the HuffPost[19] is present in different countries with different editions.

Still in the markets, if a company delivers a good product that should be enough. Not always. And to balance, organizations need to do an effort do cross and upsell. Most of these companies offer more than one service, so to say. Whether is by having dedicated editions to certain topics or by having a general one divided in specific editions. Inside one's offer that are a lot of other offers that can be more interested (not interested in sports? ok take the economy and management issue). That paves to way to upselling, conquering the client with a good small product and then offering the premium, total package with all the content provided.

[19] http://www.huffingtonpost.com/

4.6 Value Proposition

When it comes to value proposition, there are a lot of small details that, when summed, show the missing value that could be added.

Firstly, all media outlets now have digital arms. However, there is only one of two that really invested in a good, appellative and well-constructed digital arm. Most of the websites are not well designed and practical enough for an interested consumer, and the, mobile applications follow the same path, lacking, more than the content, a technically well build product. Digitalization cannot be only having a website and an App. That website and that App are now part of the product these companies offer, and more than that, they are the entrance door to the content. Might as well make it a good, functional door (SCOTT, 2017).

Another important issue is Social Media, evidently. As one of my interviewers said "The honeymoon between Press and Social Media is finally over". A cheaper and faster way to distribute content was a marvellous romance at the beginning. But now these organizations with newspapers at record lows followed by the shift of advertising to digital, and the bankruptcy coming fast, fell out of love when discovered that these were not paying customers and revenues were declining. This relationship needs to change. Newspapers and magazines need Social Media, undoubtedly. But not on the current terms where the revenues are ate by the aforementioned duopoly, while the public still is interested and still consumes the content produced. There is an obvious necessity to call the clients directly to the source and not via Social Media (BELL *et al,* 2016).

Global world without global view? We live in world connected at Gigabytes per second where information flows at an unprecedented speed. So why is the international issues so disregarded by these companies? There should not be a need to acquire a specialized product, when a general information title is there to offer that, the news of the world, and not only of my backyard. That makes a major chunk of probable clients shifting to titles of other countries, and reading the news in other languages, just to get a well-informed and balanced view of the current affairs around the increasingly smaller world we live in. There is value to be added here that represents a good opportunity for all the organizations in this area.

Another small issue in this matter that connects to the previous one is simple but can make a significant difference in the product that is offered. The best and most experienced professionals in this area should be appointed to the breaking news sections. This is a part of the offered product that has increased in recent times, which is only natural given the technological possibilities now available. Understandably, senior professionals are allocated to more lengthy investigations and pieces. However, there is a need to make this section evolve to a more perfected one that does more than simple phrases with old photographs attached to them.

As we stated in our SWOT analysis, there is a complete lack of a relationship between companies and clients. That relationship needs to be built as soon as possible for various reasons. One, the provided feedback is hugely important for the company to be able to evolve and to provide a product closer to the client's demands. Second, with a constant relation with the client, that client can be "used" to provide a better product, close to the reality. When doing a report about any subject, the possibility of contacting the people involved or affected by it, provides a good source of material. Third, this distancing from the clients, on all aspects, leads to the inevitable view of lack of humility from the companies and the people that work in there. If these companies think their clients do not have the right to criticize them, then, they cannot better themselves and will eventually fail.

Finally, covering all possibilities, another proposal that would increase the value proposed to the customers, this one a little more radical. Taking into account all the difficulties these companies face, a complete shift of the product might be a viable option. In this specific case we are referring to changing from a general information title to a title with a specialized focus on a theme, which might be healthcare, lifestyle, economy, management or technology. But, in this particular option, the horizons would necessarily need to be broaden to a worldwide view. This means, shifting from a national title of general information to a focused publication that aims at an international clientele and scale, augmenting the difficulties in terms of language, attention to client and all the other topics we are mentioning.

4.7 Operations

Relating to the operations part or our proposals, there are various interesting suggestions that will help these organizations.

One of the operational issues we encountered is the organizations model. As we referred the organizational model is, most of the times, in these companies still very old in a sense that makes a perfect division between digital and print section. Currently this is not appropriate anymore, and more than, that causes inefficiencies that makes the product creation a lot harder. With today's technology accessible at a cheaper price than ever before, a Virtual connected model and way to work is much more efficient and can produce better and faster content. We are talking about a certain reengineering of processes in which we include combining several jobs into one, allowing the workers to make decisions and very important in our case the conciliation between centralization and decentralization, that can be easily done today with the help of cloud computing, fast information sharing via a database all can access (GRANT, 2016).

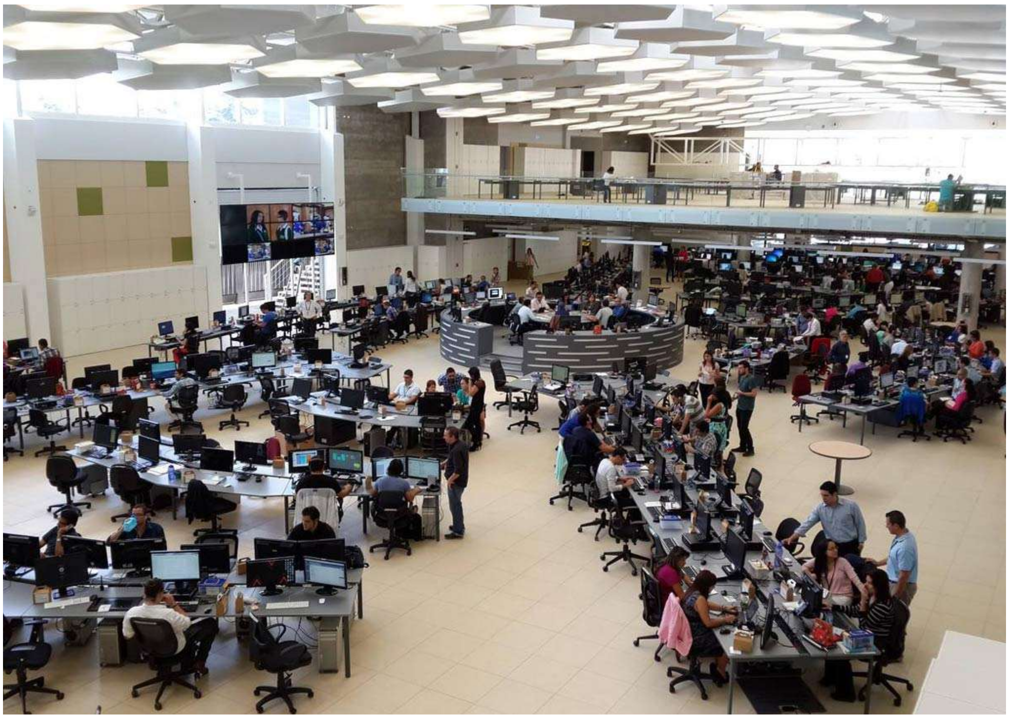


Figure 4-5 – Newsroom of the Costa Rica's publication "La Nácion".

(Source: Innovation Consulting.)

This image is the newsroom of La Nácion, recently redone. Just the physicality of this newsroom can represent the reengineering we are talking about. A table centre for decision making with access and view of all the news "landscape". This perfectly represents the conciliation we are talking about.

The next step in our suggestions is the combination of subscriptions and advertising. Subscriptions are very significant for any media outlet these day that wants to stay in business (FINLAND´S LARGEST DAILY, HELSINGIN SANOMAT, HAS MORETHAN 200 000 DIGITAL SUBSCRIPTIONS, 2017). Therefore, there is the necessity to make an investment in this area to allow it to give back in revenues. If a better investment is made in the subscriptions department of any organization in this field, meaning, a better product with more attention to the details that matter to the client, it will yield in economic revenues, because that will allow that brand to diminish the dependency of the duopoly and attract premium clients. The best brands want to be next to the better ones in their field. A subscription is a more than entering a website or an APP. Therefore, that subscription is worth all the money for the client, and that deserves a special attention, that only the best brands in any industry want to be included in/

Associated with this change, there is an industry scale change there is needed, regarding digital outlets. All the digital media members are "evaluated" by their page views, views or likes. This is a tendency that is killing even digital media members, when they succumb to the phenomenon of the "Clickbait"[20].

This should be substituted by time spent, which is a more valuable metric and a more valuable tool to the members of this industry. Knowing the time spent on any given website or app gives a feedback of uncalculated value when compared to a simple page view that can last for an hour or for 2 seconds.

When it comes to the newspaper issues, there is also a suggestion. As was mentioned, the newspaper business is a heavy one, specifically on the operations part of it. Every day or every week beside the normal newsroom work, dealing with paper issues, distribution issues and design issues gives this industry a heavy work. Nevertheless, there are always inefficiencies that can be cut. In the case of Portugal, a paper exporter, this is not such a big issue, which only provides the newspapers with an opportunity to renegotiate with suppliers. Another simple process is redesign the entire newspaper and all of its complements to the same size, a cost cutter that even gives the chance of a redesign of the entire newspaper and boosting sales. Another cutter of costs, is considering the possibility of outsourcing some of the activities, namely the printing and the distributions. There are companies with more advanced technology that can reduce the cost if they were contacted to that effect.

[20] https://www.merriam-webster.com/dictionary/clickbait

5 CONCLUSION

Throughout our research, we believed we made sure that, whatever the view or personal prejudgment regarding all matters, our solutions came from an impartial and scientific analysis of the realities in front of us. The data we gathered, with minor differences could only lead to certain conclusions that we referred. The Print Media is a tough line of business to be in the current days, mainly because of technological advances in the information is propelled between the public, hence Social Media. Within that cruel reality, these organizations have a need to rapidly transform themselves and adapt to this new reality that will only get harder to live in, or they will inevitably perish. With that in mind, and following all that we learned in our Master's degree and our own research, we came to realistic solutions to this critical piece of our societies and democracies. We hope to have provided a glimpse of what that change might be and how it can be done.

6 BIBLIOGRAPHY

6.1 BOOKS

Eisenstein, E. L. (1980). *The printing press as an agent of change* (Vol. 1). Cambridge University Press.

Grant, R. M. (2016). *Contemporary Strategy Analysis Text Only*. John Wiley & Sons.

Keeley, L., Walters, H., Pikkel, R., & Quinn, B. (2013). *Ten types of innovation: The discipline of building breakthroughs*. John Wiley & Sons.

O'Reilly, T. (2009). *What is web 2.0*. " O'Reilly Media, Inc.".

Porter, M. E. (2008). *Competitive advantage: Creating and sustaining superior performance*. Simon and Schuster.

6.2 JOURNALS

Ananny, M. (2014). Networked Press Freedom and Social Media: Tracing Historical and Contemporary Forces in Press-Public Relations. *Journal of Computer-Mediated Communication*, *19*(4), 938-956.

Bell, E., Wardle, C., Brown, P., & Rashidian, N. (2016). Who owns the news consumer: Social Mediaplatforms or publishers? *Columbia Journalism Review*.

Bolton, R. N., Parasuraman, A., Hoefnagels, A., Migchels, N., Kabadayi, S., Gruber, T., ... & Solnet, D. (2013). Understanding Generation Y and their use of Social Media: a review and research agenda. *Journal of Service Management*, *24*(3), 245-267.

Evans, P. B., & Wurster, T. S. (1997). *Strategy and the new economics of information* (pp. 65-82). New York, NY: Harvard Business Review.

Franklin, B. (2014). The Future of Journalism: In an age of digital media and economic uncertainty. *Journalism studies*, 15(5), 481-499.

García-Avilés, J. A., Kaltenbrunner, A., & Meier, K. (2014). Media convergence revisited: lessons learned on newsroom integration in Austria, Germany and Spain. *Journalism Practice*, *8*(5), 573-584.

Gavriliu, D. (2012). From the Print Press to Online Press: Constraints and Liberties of the Journalistic Discourse. *Procedia-Social and Behavioral Sciences*, *63*, 263-270.

Gehl, R. W. (2014). *Reverse engineering Social Media: Software, culture, and political economy in new media capitalism*. Temple University Press.

Gil de Zúñiga, H., Jung, N., & Valenzuela, S. (2012). Social Media use for news and individuals' social capital, civic engagement and political participation. *Journal of Computer-Mediated Communication*, *17*(3), 319-336.

Harper, R. A. (2010). The Social Media revolution: Exploring the impact on journalism and news media organizations. *Inquiries Journal*, *2*(03).

Hille, S., & Bakker, P. (2014). Engaging the social news user: comments on news sites and Facebook. *Journalism Practice*, *8*(5), 563-572.

Howard, P. N., & Parks, M. R. (2012). Social Media and political change: Capacity, constraint, and consequence. *Journal of communication*, *62*(2), 359-362.

Ju, A., Jeong, S. H., & Chyi, H. I. (2014). Will Social Media save newspapers? Examining the effectiveness of Facebook and Twitter as news platforms. *Journalism Practice*, *8*(1), 1-17.

Karimi, J., & Walter, Z. (2016). Corporate entrepreneurship, disruptive business model innovation adoption, and its performance: The case of the newspaper industry. *Long Range Planning*, *49*(3), 342-360.

Keenan, P., Bickford, J., Doust, A., Tankersley, J., Johnson, C., McCaffrey, J., Dolfi, J., & Shah. Gaurav (2013) Strategic Initiative Management. *The PMO Imperative. The Boston Consulting Group, Boston, MA. Project Management Institute, Philadelphia, PA*

Kumar, A., Bezawada, R., Rishika, R., Janakiraman, R., & Kannan, P. K. (2016). From social to sale: The effects of firm-generated content in Social Media on customer behaviour. American Marketing Association.

Levi, L. (2011). Social Media and the press. *NCL Rev.*, *90*, 1531.

Lindgardt, Z., Reeves, M., Stalk, G., & Deimler, M. S. (2009). Business model innovation. *When the Game Gets Tough, Change the Game, The Boston Consulting Group, Boston, MA*.

Messing, S., & Westwood, S. J. (2014). Selective exposure in the age of Social Media: Endorsements trump partisan source affiliation when selecting news online. *Communication Research*, *41*(8), 1042-1063.

Mitchell, A., & Holcomb, J. (2016). State of the news media 2016. Pew Research Center.

Mollo, J. & Parent, N. (2013). *Reinvent your business. Decoding the formula for superior performance* Deloitte.

Moore, G. E. (2006). Cramming more components onto integrated circuits, Reprinted from Electronics, volume 38, number 8, April 19, 1965, pp. 114 ff. *IEEE Solid-State Circuits Society Newsletter*, *20*(3), 33-35.

Obar, J. A., & Wildman, S. S. (2015). Social Media definition and the governance challenge: An introduction to the special issue. Telecommunications Policy, 39(9), 745-750

Pfeffer, J., Zorbach, T., & Carley, K. M. (2014). Understanding online firestorms: Negative word-of-mouth dynamics in Social Media networks. *Journal of Marketing Communications*, *20*(1-2), 117-128.

Picard, R. G. (2014). Twilight or new dawn of journalism? Evidence from the changing news ecosystem. *Journalism studies*, 15(5), 500-510.

Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard business review*, *86*(1), 25-40.

Raynor, M. E., & Ahmed, M. (2013). Three rules for making a company truly great. *Harvard Business Review*, *91*(4), 108-17.

Scifleet, P., Henninger, M., & Albright, K. H. (2013). When Social Media are your source. In *International Conference on Conceptions of Library and Information Science*. University of Sheffield.

Sjøvaag, H., & Krumsvik, A. H. (2017). In Search of Journalism Funding: Scenarios for future media policy in Norway. *Journalism Practice*, 1-19

Smith, K. T., Blazovich, J. L., & Smith, L. M. (2015). Social Media Adoption by Corporations: An Examination by Platform, Industry, Size, and Financial Performance. *Academy of Marketing Studies Journal*, *19*(2), 127.

Teece, D. J. (2010). Business models, business strategy and innovation. *Long range planning*, *43*(2), 172-194.

Van Dijck, J., & Poell, T. (2013). Understanding Social Media logic. *Media and Communication*, 1(1), 2-14.

Vuori, T. O., & Huy, Q. N. (2016). Distributed attention and shared emotions in the innovation process: How Nokia lost the smartphone battle. Administrative Science Quarterly, 61(1), 9-51.

6.3 Electronic documents and articles

Berman, A.E. & Dorrier, J. (2016, March 22). Technology Feels Like Its Accelerating – Because It Actually Is. Retrieved from https://singularityhub.com/2016/03/22/technology-feels-like-its-accelerating-because-it-actually-is/

Davies, J. (2017, September 20). Avoiding the sugar rush: inside the BBC's "slow news" operation. Retrieved from https://digiday.com/media/avoiding-sugar-rush-inside-bbcs-slow-news-operation/

De Lisle, T. (2016, October 11). The Guardian: triumph or disaster? Retrieved from http://innovation.media/newswheel/the-guardian-triumph-or-disaster

DeRienzo, M. (2017, August 21). Industry Insight: Newsrooms Might Have to Get Bigger, Go Deeper to Unlock Reader Revenue. Retrieved from http://www.editorandpublisher.com/columns/industry-insight-newsrooms-might-have-to-get-bigger-go-deeper-to-unlock-reader-revenue/

Finland's largest daily has, Helsingin Sanomat, has more than 200 000 digital subscribers. (2017, August 19). Retrieved from http://www.sanoma.com/en/news/finlands-largest-daily-helsingin-sanomat-has-more-200000-digital-subscribers

Fullerton, L. (2017, March 7). Publishers push for scale on platforms like Facebook, bur dislike the loss of ownership. Retrieved from http://www.thedrum.com/news/2017/03/07/publishers-push-scale-platforms-facebook-dislike-the-loss-ownership

Goodfellow, J. (2017, March 6). You get what you pay for: The Times on the economics of online news. Retrieved from http://www.thedrum.com/news/2017/03/06/you-get-what-you-pay-the-times-the-economics-online-news

Journalism That Stands Apart – The Report Of The 2020 Group. (2017, January). Retrieved from https://www.nytimes.com/projects/2020-report/?mcubz=1

Kotter, J. (2012). Barriers to change: The real reason behind the Kodak downfall. Forbes, May, 2. Retrieved from https://www.forbes.com/sites/johnkotter/2012/05/02/barriers-to-change-the-real-reason-behind-the-kodak-downfall/#5e90372369ef

Lella, A. (2016, July 8). The State of Mobile News Audiences in 3 Charts. Retrieved from https://www.comscore.com/Insights/Blog/The-State-of-Mobile-News-Audiences-in-3-Charts

Moses, L. (2017, March 8). The Guardian is getting 60 percent of its Google mobile traffic from AMP. Retrieved from https://digiday.com/media/guardian-getting-60-percent-google-mobile-traffic-amp/

Perrin, A. (2015, October 15) Social Media Usage 2005-2015. Retrieved from http://www.pewinternet.org/2015/10/08/social-networking-usage-2005-2015/

Reeves, T. (2017, May 2). The new Old Media. Retrieved from https://portland-communications.com/2017/05/02/the-new-old-media/

Scott, C. (2017, August 21). Why mobile will dominate news media by 2020. Retrieved from https://www.journalism.co.uk/news/why-mobile-will-dominate-news-media-by-2020/s2/a708993/

Southern, L. (2017, March 2). Portugal's media companies plan to pool user data to compete with the duopoly. Retrieved from https://digiday.com/media/portugals-media-companies-alliance/

Southern, L. (2017, March 8). How The Economist is using Facebook for live audio. Retrieved from https://digiday.com/media/facebook-audio-economist/

The Post announces three new roles to standardize digital responsibilities in the newsroom. (2017, August 18). Retrieved from https://www.washingtonpost.com/pr/wp/2017/08/18/the-post-announces-three-new-roles-to-standardize-digital-responsibilities-in-the-newsroom/?utm_term=.82c58dc4b7eb

7 ANNEXES

AI - ITU KEY INDICATORS

Key ICT indicators for developed and developing countries and the world (totals and penetration rates)

	(millions)												Per 100 inhabitants											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Fixed-telephone subscriptions																								
Developed	570	565	546	544	562	553	540	526	510	498	484	471	47,2	46,6	44,8	44,3	45,5	44,6	43,4	42,2	40,8	39,7	38,5	37,3
Developing	673	696	708	705	692	676	661	652	628	593	565	542	12,7	13,0	13,0	12,8	12,4	11,9	11,5	11,2	10,6	9,9	9,3	8,8
World	1 243	1 261	1 254	1 249	1 254	1 229	1 201	1 178	1 138	1 090	1 049	1 013	19,1	19,2	18,8	18,5	18,4	17,8	17,2	16,7	15,9	15,1	14,3	13,7
Mobile-cellular telephone subscriptions																								
Developed	992	1 127	1 243	1 325	1 383	1 404	1 411	1 447	1 481	1 536	1 577	1 600	82,1	92,9	102,0	107,8	112,1	113,3	113,5	116,0	118,4	122,7	125,7	126,7
Developing	1 213	1 618	2 125	2 705	3 257	3 887	4 453	4 785	5 185	5 470	5 638	5 777	22,9	30,1	39,1	49,0	58,2	68,5	77,4	82,1	87,8	91,4	93,0	94,1
World	2 205	2 745	3 368	4 030	4 640	5 290	5 863	6 232	6 666	7 006	7 216	7 377	33,9	41,7	50,6	59,7	68,0	76,6	83,8	88,1	93,1	96,8	98,6	99,7
Active mobile-broadband subscriptions																								
Developed	N/A	N/A	225	336	450	554	707	828	926	1 013	1 093	1 140	N/A	N/A	18,5	27,5	36,6	44,7	56,8	66,4	74,0	80,9	87,1	90,3
Developing	N/A	N/A	43	86	165	253	475	726	1 027	1 645	2 140	2 513	N/A	N/A	0,8	1,6	3,0	4,5	8,3	12,4	17,4	27,5	35,3	40,9
World	N/A	N/A	268	422	615	807	1 182	1 554	1 953	2 658	3 232	3 654	N/A	N/A	4,0	6,3	9,0	11,5	16,7	21,7	27,3	36,7	44,2	49,4
Fixed broadband subscriptions																								
Developed	148	188	219	250	271	291	306	321	344	354	369	380	12,3	15,5	18,0	20,4	22,0	23,5	24,6	25,7	27,5	28,3	29,4	30,1
Developing	71	96	127	161	197	236	282	315	365	377	452	504	1,3	1,8	2,3	2,9	3,5	4,2	4,9	5,4	6,2	6,3	7,4	8,2
World	220	284	346	411	468	526	588	635	710	730	820	884	3,4	4,3	5,2	6,1	6,9	7,6	8,4	9,0	9,9	10,1	11,2	11,9

	(millions)												(%)											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Households with a computer																								
Developed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55,5	58,6	62,3	66,1	69,1	71,4	72,9	75,4	78,5	79,6	81,0	82,4
Developing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14,6	15,8	17,6	19,6	21,4	22,8	25,1	27,2	29,4	31,2	33,1	35,2
World	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	26,2	28,0	30,2	32,6	34,6	35,9	37,9	40,1	42,4	44,0	45,6	47,5
Households with Internet access at home																								
Developed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	44,7	48,2	53,4	57,7	62,6	66,2	69,2	73,1	77,4	79,5	81,3	83,8
Developing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,1	9,6	11,2	12,3	13,6	16,6	20,2	25,0	28,9	32,9	37,6	41,1
World	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18,4	20,5	23,0	24,8	27,0	30,0	33,4	37,9	41,8	45,1	49,0	52,3
Individuals using the Internet																								
Developed	616	649	719	753	776	824	841	898	923	952	980	1 023	50,9	53,5	59,0	61,3	62,9	66,5	67,7	72,0	73,8	76,1	78,1	81,0
Developing	408	502	645	808	974	1 190	1 374	1 561	1 738	1 979	2 227	2 465	7,8	9,4	11,9	14,6	17,4	21,0	23,9	26,8	29,4	33,1	36,7	40,1
World	1 024	1 151	1 365	1 561	1 751	2 014	2 216	2 459	2 660	2 931	3 207	3 488	15,8	17,6	20,6	23,1	25,6	29,2	31,7	34,8	37,2	40,5	43,8	47,1

Rounded values. N/A: Not available.

The developed/developing country classifications are based on the UN M49, see: http://www.itu.int/en/ITU-D/Statistics/Pages/definitions/regions.aspx

Key ICT indicators for the ITU/BDT regions (totals and penetration rates)

	(millions)												Per 100 inhabitants											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Fixed-telephone subscriptions																								
Africa	10	11	11	12	13	12	12	12	10	10	11	11	1,5	1,5	1,5	1,5	1,6	1,5	1,4	1,3	1,1	1,1	1,1	1,2
Arab States	30	31	33	35	34	35	35	34	33	30	30	30	9,4	9,6	10,1	10,3	9,9	9,8	9,8	9,6	8,9	7,9	7,8	7,8
Asia & Pacific	559	577	579	567	571	553	537	528	501	476	449	425	15,1	15,5	15,3	14,9	14,9	14,2	13,7	13,3	12,5	11,8	11,0	10,3
CIS	64	69	72	73	73	74	73	72	69	66	63	60	23,0	24,7	25,8	26,0	26,1	26,2	26,1	25,7	24,6	23,7	22,4	21,1
Europe	273	273	265	261	267	263	258	250	245	240	235	231	45,5	45,3	43,7	42,7	43,6	42,8	41,6	40,3	39,4	38,3	37,5	36,6
The Americas	291	284	278	287	277	274	268	264	261	253	247	241	33,0	31,9	30,9	31,2	29,9	29,2	28,3	27,6	27,0	25,9	25,0	24,2
Mobile-cellular telephone subscriptions																								
Africa	87	129	174	246	298	366	438	507	580	644	710	772	12,4	17,8	23,5	32,2	38,0	45,4	52,3	58,9	65,6	71,0	76,2	80,8
Arab States	84	125	173	213	263	310	349	379	405	413	421	426	26,8	38,8	52,6	63,2	76,5	87,9	99,1	105,4	110,4	110,8	110,5	109,9
Asia & Pacific	833	1 074	1 398	1 773	2 164	2 614	3 000	3 205	3 469	3 681	3 795	3 872	22,6	28,8	37,1	46,6	56,3	67,3	76,5	80,9	86,7	91,1	93,0	94,1
CIS	166	227	267	312	355	377	358	368	386	390	400	405	59,7	81,8	96,1	111,6	126,8	134,2	127,2	130,5	137,0	139,3	142,8	143,3
Europe	550	610	677	714	717	709	730	743	749	748	752	754	91,7	101,2	111,7	117,0	116,8	115,0	117,9	119,6	120,1	119,6	119,8	119,5
The Americas	459	552	649	741	809	881	952	994	1 041	1 092	1 102	1 110	52,1	62,0	72,1	80,8	87,3	94,0	100,6	103,9	107,7	111,9	111,8	111,5
Active mobile-broadband subscriptions																								
Africa	N/A	N/A	N/A	N/A	N/A	14	38	74	91	120	177	280	N/A	N/A	N/A	N/A	N/A	1,8	4,6	8,5	10,3	13,3	19,0	29,3
Arab States	N/A	N/A	N/A	N/A	N/A	18	46	58	100	132	163	185	N/A	N/A	N/A	N/A	N/A	5,1	13,1	16,1	27,3	35,5	42,8	47,6
Asia & Pacific	N/A	N/A	N/A	N/A	N/A	286	432	605	741	1 189	1 536	1 755	N/A	N/A	N/A	N/A	N/A	7,4	11,0	15,3	18,5	29,4	37,7	42,6
CIS	N/A	N/A	N/A	N/A	N/A	62	88	99	119	132	143	150	N/A	N/A	N/A	N/A	N/A	22,0	31,3	35,3	42,3	47,3	51,2	53,0
Europe	N/A	N/A	N/A	N/A	N/A	188	244	305	350	410	457	483	N/A	N/A	N/A	N/A	N/A	30,5	39,4	49,1	56,1	65,6	72,8	76,6
The Americas	N/A	N/A	N/A	N/A	N/A	230	323	401	539	657	736	778	N/A	N/A	N/A	N/A	N/A	24,6	34,1	41,9	55,7	67,3	74,6	78,2
Fixed broadband subscriptions																								
Africa	0	0	1	1	1	1	2	2	3	4	5	6	0,0	0,1	0,1	0,1	0,1	0,2	0,2	0,2	0,3	0,4	0,5	0,7
Arab States	1	2	3	4	6	7	8	9	12	14	16	19	0,3	0,5	0,9	1,3	1,6	1,9	2,2	2,6	3,2	3,6	4,2	4,8
Asia & Pacific	80	103	122	151	183	214	251	276	314	319	365	432	2,2	2,8	3,2	4,0	4,7	5,5	6,4	7,0	7,8	7,9	8,9	10,5
CIS	2	4	6	12	17	22	26	31	36	38	41	43	0,6	1,3	2,3	4,3	6,1	8,0	9,2	11,0	12,7	13,6	14,8	15,4
Europe	66	89	111	125	136	145	154	159	172	177	183	190	10,9	14,8	18,4	20,4	22,1	23,6	24,8	25,7	27,7	28,3	29,2	30,0
The Americas	66	81	98	112	120	131	142	151	164	171	181	188	7,5	9,0	10,9	12,3	13,0	14,0	15,0	15,8	17,0	17,5	18,4	18,9

	(millions)												(%)											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Households with a computer																								
Africa	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,9	3,3	3,9	4,4	4,9	5,4	6,1	7,0	7,9	8,7	9,7	10,8
Arab States	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14,7	17,0	19,4	22,8	26,3	28,3	32,0	34,0	37,6	40,7	41,9	44,6
Asia & Pacific	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,8	20,9	22,6	24,4	26,2	26,7	28,4	30,3	32,5	34,2	36,0	38,1
CIS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,6	20,8	24,5	31,6	37,1	42,4	48,9	54,6	58,4	62,1	64,4	67,0
Europe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	52,4	56,3	61,2	65,1	68,5	71,9	74,2	76,0	77,6	79,0	79,8	80,7
The Americas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	40,9	42,8	45,5	48,1	49,4	51,6	54,1	57,5	61,2	62,7	65,4	67,6
Households with Internet access at home																								
Africa	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,0	1,3	1,5	1,8	2,5	3,8	5,6	7,5	9,0	11,1	13,6	15,4
Arab States	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,5	11,2	13,4	15,2	19,0	22,7	27,8	31,0	34,3	38,5	43,1	45,7
Asia & Pacific	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,8	13,5	15,8	16,6	17,8	20,2	23,9	29,1	33,8	37,6	42,7	46,4
CIS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,1	14,0	16,8	20,7	26,1	33,8	39,1	49,2	56,2	60,9	63,5	67,8
Europe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42,0	46,4	51,7	57,8	62,4	67,7	70,6	73,6	76,0	79,0	81,3	84,0
The Americas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	32,7	34,5	36,8	38,9	42,2	45,1	48,3	51,9	55,5	58,3	61,4	64,4
Individuals using the Internet																								
Africa	17	24	29	45	58	77	100	120	147	178	210	240	2,4	3,3	3,9	5,9	7,3	9,6	11,9	14,0	16,7	19,6	22,5	25,1
Arab States	26	36	44	55	66	84	93	105	118	134	148	161	8,3	11,1	13,4	16,2	19,1	23,7	26,4	29,3	32,2	35,8	39,0	41,6
Asia & Pacific	344	394	503	615	726	873	989	1 111	1 230	1 398	1 557	1 724	9,4	10,6	13,4	16,2	18,9	22,5	25,2	28,0	30,7	34,6	38,2	41,9
CIS	29	35	47	55	67	94	111	139	153	163	173	188	10,3	12,6	16,8	19,5	23,8	33,5	39,5	49,4	54,4	58,2	61,7	66,6
Europe	277	300	340	368	388	410	419	435	447	467	479	499	46,3	49,7	56,0	60,2	63,2	66,6	67,8	70,0	71,7	74,6	76,3	79,1
The Americas	316	346	385	405	428	456	483	526	541	567	613	647	35,9	38,8	42,7	44,1	46,1	48,6	51,0	55,0	55,9	58,1	62,2	65,0

Note:
* Estimate.
Rounded values. N/A: Not available.
Regions in this table are based on the ITU regions, see: http://www.itu.int/en/ITU-D/Statistics/Pages/definitions/regions.aspx
Source:
ITU World Telecommunication/ICT Indicators database.

A.II – MARKETEST STUDY PORTUGUESE PEOPLE AND SOCIAL MEDIA

Universo e Amostra do estudo

	Universo (em 000)	Amostra
Masculino	2 269	401
Feminino	2 230	401
15/24 anos	1 035	203
25/34 anos	1 209	216
35/44 anos	1 182	192
45/64 anos	1 073	191
Grande Lisboa	1 089	189
Grande Porto	522	102
Litoral Norte	826	147
Litoral Centro	760	128
Interior Norte	791	142
Sul	511	94
Total	**4 499**	**802**

Redes sociais onde tem perfil criado ou possui conta

Percentagens verticais

BASE: Totalidade do universo

		Sexo		Idade				Região						Classe Social		
	TOTAL	Masc	Fem	15/24	25/34	35/44	45/64	Lisboa	Gr. Porto	Lit. Norte	Lit. Centro	Int. Norte	Sul	A/B	C1	C2/D
Facebook	93,6	90,5	96,8	98,5	93,4	92,4	90,4	91,7	94,4	95,3	93,3	93,4	94,8	93,1	92,1	97,9
Youtube	41,1	50,6	31,4	59,6	45,9	34,5	24,9	46,4	44,5	40,9	37,6	35,6	40,1	38,6	44,6	41,7
Google+	40,2	44,8	35,5	39,1	40,6	45,3	35,1	46,1	44,2	47,8	26,1	36,5	38,0	42,6	37,6	37,9
LinkedIn	37,3	41,3	33,3	30,0	42,6	40,7	34,7	45,0	38,0	38,8	32,6	34,6	29,4	46,8	30,2	22,8
Instagram	28,9	25,5	32,4	48,3	32,0	22,3	14,1	31,1	35,8	26,4	26,7	27,5	26,8	26,6	28,7	36,2
Twitter	23,6	29,8	17,3	31,5	23,3	21,5	18,5	26,5	24,7	25,9	20,1	25,1	15,1	23,3	23,9	23,9
Hi5	20,8	21,1	20,4	20,6	29,0	18,9	13,7	22,3	17,8	16,9	19,3	22,8	25,9	21,3	19,5	21,5
MSN	16,6	13,9	19,4	21,3	15,8	17,5	12,1	15,1	19,4	14,8	20,9	17,0	13,2	13,6	17,6	23,8
Pinterest	14,4	7,8	21,1	19,9	12,5	15,8	9,8	23,6	11,5	16,2	12,4	8,3	7,6	17,0	11,0	13,2
Tumblr	6,4	5,7	7,1	16,2	5,0	3,1	2,2	7,5	7,6	8,3	5,5	3,5	5,5	5,7	6,8	7,7
Badoo	4,9	8,2	1,6	3,3	6,5	5,5	3,9	4,3	2,1	2,0	8,4	4,7	9,1	3,8	7,2	3,9
Netlog	3,2	2,8	3,7	1,4	5,1	2,1	4,2	3,0	2,1	4,2	4,0	2,4	3,6	4,1	2,5	2,1
Flickr	3,2	3,8	2,6	1,8	5,2	4,2	1,2	3,8	2,1	2,6	6,2	1,4	2,1	3,8	2,0	3,5
Foursquare	3,0	4,2	1,7	4,6	5,5	1,6	0,0	3,1	4,1	3,2	1,6	4,1	1,2	4,2	1,2	2,7
Myspace	2,9	3,0	2,8	1,8	5,0	1,6	2,9	3,6	4,1	3,4	1,7	3,4	0,0	2,7	3,2	2,7
Orkut	1,9	2,7	1,1	0,0	3,6	3,2	0,5	1,9	3,1	2,0	0,8	2,8	1,2	2,0	1,9	1,6
Outras	1,5	1,3	1,8	2,7	1,9	1,2	0,3	3,2	1,9	0,6	0,0	0,6	2,8	1,3	2,1	1,2
Base (000)	4499	2269	2230	1035	1209	1182	1073	1089	522	826	760	791	511	2279	1452	768
Amostra	802	401	401	203	216	192	191	189	102	147	128	142	94	397	261	144

Funcionalidades das redes sociais que costuma utilizar

Percentagens verticais

BASE: Totalidade do universo

	TOTAL	Sexo		Idade				Região						Classe Social		
		Masc	Fem	15/24	25/34	35/44	45/64	Gr. Lisboa	Gr. Porto	Lit. Norte	Lit. Centro	Int. Norte	Sul	A/B	C1	C2/D
Enviar/receber mensagens	78,1	70,5	85,8	84,0	77,5	78,7	72,5	77,7	81,3	81,7	76,3	75,1	77,0	75,7	79,7	82,1
Ver vídeos	67,7	67,6	67,9	74,4	70,3	60,9	65,9	72,5	66,5	65,4	65,3	71,7	60,1	65,1	71,7	68,0
Comentar publicações de amigos	67,6	57,3	78,0	70,9	67,9	67,6	64,1	68,1	72,5	66,6	71,2	66,2	59,6	66,9	67,6	69,6
Utilizar o serviço de chat	64,4	58,2	70,7	82,5	66,3	64,4	44,7	70,1	63,8	60,7	62,2	66,3	59,0	60,7	64,9	74,2
Ler notícias em sites de informação	61,5	53,7	69,4	68,3	60,6	61,8	55,4	67,8	56,4	64,2	61,1	55,9	57,8	62,3	61,2	59,4
Procurar ou sugerir amigos	49,1	43,2	55,2	48,4	50,7	54,1	42,5	50,9	50,3	48,6	50,1	51,3	40,0	49,0	48,4	50,6
Partilhar/publicar músicas e/ou vídeos	48,2	41,9	54,6	52,9	52,9	49,2	37,2	44,3	46,5	49,6	51,7	51,9	45,2	47,5	47,8	51,2
Partilhar links de artigos de jornais, revistas, estudos	46,8	41,1	52,7	43,0	52,8	51,1	39,1	47,0	45,4	48,5	44,8	49,8	43,8	54,8	39,7	36,8
Criar álbuns fotográficos	39,2	31,8	46,7	44,6	45,0	37,4	29,4	37,9	37,8	37,4	43,3	45,5	30,5	40,0	34,8	45,1
Escrever pensamentos/opiniões no seu mural	37,8	29,5	46,2	39,6	39,2	40,5	31,4	35,8	38,2	40,1	36,0	39,6	37,7	40,0	32,4	41,6
Ler comentários de consumidores sobre produtos/serviços antes de comprar	35,7	29,6	41,8	42,0	37,6	38,8	24,0	36,9	48,2	37,7	28,8	34,5	28,7	35,5	34,3	38,7
Pesquisar informação sobre produtos	35,3	26,9	43,8	37,1	39,4	33,6	30,9	39,1	35,2	36,2	36,5	31,0	30,7	36,5	31,8	38,4
Consultar e responder a calendário de eventos	33,7	32,2	35,1	39,2	34,2	36,3	25,0	36,8	36,7	34,5	30,8	31,8	29,8	37,3	31,8	26,6
Jogar	33,2	27,6	38,9	38,9	36,6	30,7	26,5	31,1	39,8	29,0	31,7	37,3	33,4	26,9	36,8	45,1
Apoiar ou aderir a causas	31,5	23,1	40,0	28,6	28,9	35,2	32,9	37,1	36,4	35,8	22,1	25,1	31,2	32,6	31,7	27,5
Escrever pensamentos/opiniões no mural dos seus amigos	30,5	21,9	39,2	30,9	30,5	32,0	28,3	33,7	34,0	28,6	28,9	29,1	27,4	30,7	29,0	32,6
Clicar em links de sites de empresas ou marcas	30,4	24,9	36,1	33,6	35,4	29,7	22,6	35,5	31,0	33,4	25,2	31,0	21,4	33,7	26,0	29,2
Responder a inquéritos/perguntas	20,2	15,7	24,8	23,7	16,9	20,3	20,5	24,6	14,4	21,6	16,1	22,9	16,6	18,5	23,5	19,2
Dar opinião ou classificar produtos/serviços	18,4	16,1	20,8	24,0	16,6	17,7	15,8	20,3	16,5	24,5	19,1	15,3	10,4	19,6	16,5	18,4
Responder a quizzes ou testes	15,4	9,3	21,7	21,8	14,2	14,1	12,2	21,7	16,7	14,2	12,6	12,6	11,5	12,8	19,7	15,1
Utilizar o serviço de geolocalização/"visitar" locais	12,4	12,1	12,7	15,4	12,5	10,6	11,3	15,9	11,5	13,6	11,5	9,5	9,9	11,7	14,4	10,6
Falar de produtos que comprou ou que gostaria de comprar	11,7	9,3	14,2	12,6	12,9	14,9	6,1	10,0	11,1	15,5	13,4	9,3	11,1	12,0	11,3	11,7
Enviar presentes virtuais	2,5	1,6	3,5	1,9	3,7	1,7	2,8	2,6	2,5	1,8	1,4	4,7	1,9	2,2	3,3	2,1
Outras	1,9	2,0	1,7	0,4	2,1	4,2	0,5	4,5	1,0	2,3	0,8	0,0	0,9	2,7	0,8	1,3
Base (000)	4499	2269	2230	1035	1209	1182	1073	1089	522	826	760	791	511	2279	1452	768
Amostra	802	401	401	203	216	192	191	189	102	147	128	142	94	397	261	144

Equipamentos utilizados para aceder a sites de redes sociais

Percentagens verticais

BASE: Totalidade do universo

	TOTAL	Entre as 7 e as 9 horas	Entre as 9 e as 13 horas	Entre as 13 e as 15 horas	Entre as 15 e as 18 horas	Entre as 18 e as 20 horas	Entre as 20 e as 22 horas	Entre as 22 e as 24 horas	Entre as 0 e as 7 horas
Smartphone	61,7	18,1	24,1	30,2	24,8	28,8	36,8	33,5	11,0
Portable computer	58,1	4,9	18,9	15,8	20,7	25,8	30,4	29,7	9,6
Desktop	36,5	4,0	18,1	13,1	16,6	10,9	14,5	13,1	3,6
iPad or Tablet	24,1	3,8	5,5	5,3	6,2	9,9	13,5	11,7	3,5
iPod touch	2,6	0,5	0,3	0,4	0,5	0,5	0,7	0,7	0,6
Não acede neste período	-	73,1	45,9	45,9	43,6	40,6	25,3	30,5	78,5
Base (000)	4499	4499	4499	4499	4499	4499	4499	4499	4499
Amostra	802	802	802	802	802	802	802	802	802

Razões por que aderiu à rede

Percentagens verticais

BASE: Totalidade do universo

	TOTAL
Para poder manter o contacto com pessoas que estão longe	63,7
Porque a maioria das pessoas que conheço estão neste tipo de sites	36,7
Para fortalecer os laços de amizade com os meus amigos/conhecidos	35,6
Para poder consultar pensamentos, comentários, opiniões, vídeos, fotos de outras pessoas	34,1
Para poder partilhar pensamentos, comentários, opiniões, vídeos, fotos	30,8
Para estar melhor informado	27,2
Porque me convidaram	19,8
Para ter acesso a informação útil ao meu percurso profissional	18,0
Por motivos profissionais	17,4
Para conhecer novas pessoas	12,9
Para não me sentir excluído	8,4
Para estabelecer novos relacionamentos amorosos	1,3
Outras	4,4
Base (000)	4499
Amostra	802

É fã de empresas/marcas nas redes sociais

Percentagens verticais

BASE: Totalidade do universo

	TOTAL
Sim	68,5
Não	31,5
Base (000)	4499
Amostra	802

Sector das marcas de que é fã

BASE: Fãs/seguidores de empresas/marcas nas redes sociais

	TOTAL
Moda (inclui vestuário, calçado e joalharia)	56,0
Restauração e culinária	54,2
Educação e cultura	50,5
Desporto	49,5
Meios de comunicação social	48,6
Alimentação e bebidas	48,2
Tecnologia	47,2
Telecomunicações	38,3
Transportes e turismo	34,3
Higiene pessoal e beleza	34,1
Automóvel	30,3
Associações cívicas	29,5
Serviços públicos	24,3
Comércio de distribuição	17,4
Higiene do lar	16,2
Bancos e seguros	16,2
Jogos e apostas	15,8
Base (000)	3029
Amostra	544