

The Press in the Context of the Andean Community of Nations (CAN): Without Sustainable Monetization in the Digital Economy

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Abstract. In the current context of the Andean Community of Nations (CAN), little has been studied on the monetization of digital newspapers. To analyse this hypothesis, three member countries of this trade bloc, Colombia, Ecuador and Peru, were taken as samples, through three digital newspapers. Following a method of mixed analysis, the observation technique was used to record web data, interview experts, and develop an observation sheet with inference parameters. This was based on the technique of content analysis of the sales strategies of newspaper companies from the digital newspapers “El Comercio” (Peru and Ecuador), and “El Tiempo de Bogotá” (Colombia). Finally, the conceptual levels of analysis of interview texts as well as digital literature and a review of the homepages of the aforementioned newspapers have been included in the theoretical framework.

Keywords: Digital · Monetize · Andean Community of Nations
Economy · Culture

1 Introduction

The regional press may take on a sustainable economy towards the technological revolution if they change cultural contexts at the level of editorial integration. For some experts, using techniques that provoke changes in reading habits is a viable indicator of information quality; for others, it is a blind effort for a culture that continues to depend on paper. An uncertain future arises from the challenge of monetizing the use of new technologies in Latin American newspapers. The Technical Association of Latin American Diaries (ATDL) looks for ways to guarantee different scenarios from those experienced so far in printed editions. Open and free digital journals are still alive because of paper sales [1]. Its future is to generate “niches” or products that culturally yield the value that is sought after in a hyperconnected world. Six ATDL managers

urgently plot a new route to monetize the economy from relationships in the new cultural industry: the meta-media [2].

The emerging start-up companies challenge the old status quo in the quest to reinvent themselves. While it is true that 2.0 technologies are transforming the spaces made for interaction and participation in cybermedia [3], it is also true that some avant-garde media still leaves a certain gap in the knowledge society.

The pillars of the companies, which measure the information economy in the new technological paradigms, respond to three essential elements: knowledge and its source of value as a primary resource; the Internet and information technologies; and the technological transfer [2]. However, it has been insufficient to precede stable models in the environment of payments and financing that guarantees the substitution of the old for the new [2]. The creation of methodologies intended for the transformation of the economy of the media in order to make it more profitable is included, among other things, to a canvas of seven that helps to understand the strategic nature of a business model [4]. Amazingly, the kiosk has not disappeared from the reader's affinity and mind.

But, who reads, buys, sells, and innovates? Are the digital journals of southern Latin American countries capable of generating opportunities and evolving business models beyond the knowledge society? Or will they simply be based on customer-reader knowledge [5], without monetizing their own economy? "Only places which understand how to generate knowledge and protect it, how to find young people who have the capacity to do it, and make sure they stay in the country, will be successful" [6].

2 Political Economy of the CAN

Forty-eight years ago, an intergovernmental, supranational organization was created that consisted of a community of countries (Bolivia, Colombia, Ecuador and Peru), voluntarily united with the goal of achieving an integral geo-territorial development. This integration institution of Andean countries, considered as the foundation of the Cartagena Agreement [7], delimits two cultural aspects in the so-called political economy of communication. The first aspect, maybe inadvertent, is the autarchic unexpectedness of the old basic premise, "the medium is the message." Today, we continue to nod under the shadow of the dominant communication paradigm, that is to say, under contradictions of looking at societies with media conditioning. Critical studies on the analysis of media in Andean countries have been frozen in a time capsule as a basis for admitting that journalistic enterprises, and the entire sphere of the cultural industry that produces money and impacts society with cultural changes, continue to ignore the macroeconomic theories of politics and communication. Paradoxically, the information economy in social means of communication is closely tied to the so-called political economy of communication [8]. The second cultural aspect in the autarchic vision to be explained is that the centre of the media macroeconomics [9] ignores the existing potential of the Gross National Product of Latin American societies [10].

The principal defect has been the reproduction of erroneous policies in communicative materials and in the lack of confidence to give credibility to the new public agendas, in both the thematic establishment and the laws thereof [2]. An unequivocal

decision is that the business models of the digital newspapers referenced, located in CAN member countries, are not part of the environment in the framework of Decision 792 on the implementation of the Reengineering of the Andean Integration System and does not form a part of the Decision 797, which approved the list of Committees and ad hoc Groups of the CAN on October 14th, 2014¹. “Economists such as Robert Theobald, Rostow and John Kenneth Galbraith, have explained for years why the ‘classic economy’ was incapable of explaining changes or growth” in different countries of the world [11].

2.1 From the Digital Economy to the Real Economy

The digital or web economy is knowledge based clearly on technology [12]. Its influence and acceptance have been so incredible that it has transformed the way in which we communicate, consume information, offer products and services and transcend from the world of play on Earth to virtual reality. It has revolutionized, along with other aspects, the current financial services. Reasons exist to believe that digitalization is a phenomenon of economic information that has permitted business models to be understood by attributes coming from the knowledge of client-reader [5]: the treatment and use of informative content; ease; storage and speed of volumes of information; multimedia expansion; the large reach of multiple products and services; and, lastly, the immediacy of information with a socio-global impact.

2.2 The Monetization of the Press in CAN Countries

The paradigm of web monetization in CAN countries is far from materialization due to the fact that there are no studies or research that question the processes used until now and that fit the traditional economy to new models [13]. In the digital literary review, hardly any pilot projects were found, and almost all of them were isolated and in early development stages [14]. Monetization is far from the issues of integrationist economic policies in Andean countries through CAN, nor is the theoretical application of *intertemporal inconsistency and monetary policy* [9] intended for interaction and participation in cybermedia. The challenge is in finding how to monetize this digital circulation. The solution to this question is in the minds of managers and editors in Latin America, not exclusively in CAN countries. The hassle is looking at the market with the creation of paywalls, and charging for information quality. To arrive at this point in an integral manner, the idea of a guild of regional press exists, to unite digital newspapers and adapt them to technological disruptions. Each newspaper company would consider how to reinvent itself in the daily labor process through credible information to minimize fake news circulating on the Internet [1, 2]. After achieving these strategic standardization processes in the region, competition between large world newspapers on the Internet would greatly increase. Although it is clear there is still much to do to arrive to the monetization and positioning of digital press, Latin

¹ Text that has been analyzed from the response to the interview question given via Skype to the General Secretary of CAN in an email dated July 21st, 2017.

American media is convinced that the printed newspaper is going to remain important. Its only goal is to gradually change business models with digital alternatives [2].

3 Methodology

The methodological study is organized by the method of mixed analysis. The research design composes the current context [15] of the digital newspapers, “El Comercio” (Ecuador and Peru) and “El Tiempo” (Colombia), which represent the sample of three web-based newspapers in CAN countries [16].

The work is organized by interviews, direct observation [17], and conceptual categories of analysis that register qualitative data with eighteen indicators [18] of the research through the elaboration and application of a descriptive model sheet for the collection of data that determines the underlying logic of the applied media economy for the aforementioned newspapers.

Data is classified in agreement with the technique of content analysis [19] in four subcategories of the main theoretical framework that deals with observation as a strategy or business model. To avoid the error of direct observation by the interference of the observer, data has been filtered by a rigorous scale of validity, trustworthiness and measurement.

3.1 Data Collection: The Interview

To determine the coding rules and analysis categories [20] of the descriptive files, a textual analysis was developed after the interviews. The in-depth interview was carried out directly with the General Editor of the newspaper “El Comercio”, Marco Arauz, in May 2017. The interviews conducted with the Director of the ATDL by the “Expreso” are newsworthy starting from the press declaration. The verification of the communicative messages in the interview text has been classified with keywords, referring to the objectives of monetizing newspapers. This analysis has been developed by the number of times that the interlocutors repeat the word ‘monetize’ in the conversation. After quantifying the act of speech at the conceptual level, it is contextualized with the intention of operating it through pragmatic inference [21]. Part of the analysis has already been incorporated into the monetization section of the theoretical framework. The result of this process is intersected with the analysis of the categories and indicators of fact sheets to arrive at an interpretation of the results on the inference of underlying economic logic.

3.2 Direct Observation

For the systematization of information designed to “formulate, from certain data, reproducible and valid inferences that may be applied to the context” [18] of the CAN, a model sheet was designed which categorizes four business strategies, based on eighteen conceptual indicators aimed at obtaining indicators of systematic procedures and objectives of the content description of classified messages in the payment of products, digital services, advertising and multimedia (aggregators) to the digital

newspapers of “El Comercio” (Ecuador and Peru) and “El Tiempo” (Colombia), permitting the deduction of knowledge relative to the conditions of production/reception of social context [18]. The model sheet represented in Table 1 was reproduced for each CAN country, containing data from the three newspapers analyzed in this research. The information is classified in the following manner (Table 2):

Table 1. Descriptive sheet of data collection. Created by the authors.

Context: CAN						
Category: Client-Reader						
Inference: Underlying Economic Logic						
El Comercio Newspaper – Ecuador						
Business	Product payment	DIGITAL service payment	Advertising	Multimedia payment (Aggregators)		
Indicators	Unit or package	1. Audio-visual: triple or multiple pay	1. Sponsorship	Customer loyalty platform (offers free content to capture customers for paid services)		
		2. Download	2. Open access			
		3. Packages	3. Bartering			
		4. Subscription	4. Merchandizing			
		5. Streaming	5. Localization of native product			
		6. Paywall press				
		7. Micropayments				
		8. Sale of loose items				
		9. Mediated payment				
		10. Membership				
		11. Club				
Date	Hour	Time				
13-09-2017	12:00–13:00	1 h	Monthly and annual packages offer	1. Multiplay permits users to review a news item without reading it, reducing their consult time, and making it easier for the newspaper to get more customers	1. The “El Comercio” group sponsors cultural and sports activities. Through these events, the newspaper consolidates its image	The service allows downloading aggregators through Really technology

- **Product payment.** The indicator is the package that temporarily promotes digital media.
- **Digital service payment.** Collects eleven indicators focused on the service offered and promoted by the three newspapers, and responds to Internet business strategies that, at

Table 2. Systematization of data collection. Created by the authors.

Dates	Observation hours	Consumption time	Newspaper	Country
13-09-2017 to 17-09-2017	09:00–10:00	30 h	El Comercio	Ecuador
	13:00–14:00			
	15:00–16:00			
	09:00–10:00	30 h	El Tiempo	Colombia
	10:00–11:00			
	14:00–15:00			
	16:00–17:00			
	10:00–11:00	30 h	El Comercio	Peru
	11:00–12:00			
	15:00–16:00			
	17:00–18:00			

the same time, are oriented in the tactics of experimentation and rationalization of digital business. These indicators are described as multiple play, file downloads, product packages, digital newspaper subscriptions, streaming, paywall press, micro-payments, sale of loose items, mediated payment, membership and club affiliation.

- **Advertising.** There are five indicators of digital marketing through sponsorship, open access for the catchment of customers-readers, bartering, merchandizing, and the localization of native product.
- **Multimedia payment (aggregators).** Its focus through the platform identifies strategic alliances at the editorial level as a free service.

3.3 Technique of Content Analysis

The indicators were extracted from the interviews and from a literary review. The indicators were recorded from an arrangement of linguistic acts at the conceptual level (Table 3).

Table 3. Selection of indicators within the analysis categories. Created by the authors.

Analysis categories: indicators				
Newspaper	Product payment	Digital service payment	Advertising	Multimedia payment
El Comercio (Ecuador)	Offers monthly packages	Indicators developed: 2, 4, 5, 10, and 11	Indicators developed: 1 and 2	The service permits to download aggregators through Really Simple Syndication (RSS) technology to computers. Thus, readers are informed in real time and the newspaper reaches a certain degree of loyalty
El Tiempo (Colombia)	Monthly, annual and bi-annual	Indicators developed: 1, 4, 5, 10, and 11	Indicators developed: 1, 2, 4, and 5	
El Comercio (Peru)	Monthly and annual	Indicators developed: 1, 4, 5, 10, and 11	Indicators developed: 1 and 5	

3.3.1 Analysis: “El Comercio” Newspaper (Ecuador)

“El Comercio” uses the *multiplay* mode, which permits users to review a news item without reading it, reducing their consult time, and making it easier for the newspaper to get more customers. The Internet allows consumers to access news in an unlimited and free manner. Additionally, it allows users to evaluate each article in regard to their mood and the effect that its content has on them.

When subscribing, the reader obtains a virtual card that gives him or her access to diverse benefits in exchange for a fee. The webpage has a streaming service, with the goal of offering information immediately and interacting with digital readers. Membership comes with benefits and discounts in health services, gyms and various others; 15% for newspaper collections and 20% per word in classified advertisements. The section of the subscribers’ club allows members to obtain information immediately and access diverse products of the “El Comercio” group. In this way, the newspaper may segment its products and offer them according to one’s preferences.

The “El Comercio” group sponsors cultural and sports activities. Through these events, the newspaper consolidates its image in the various target and age groups through sponsors with a pronounced social emphasis in an effective way. The Internet allows one to access unlimited news freely. Also, with just a click, the user evaluates each article. Therefore, in an internal way, the newspaper measures the reader’s mood and the effect that its content produces.

3.3.2 Analysis: “El Tiempo” (Colombia)

The option to reproduce texts, audio and videos allows an interaction with the reader and, in turn, obtains a return of immediate information. By subscribing, the reader accesses benefits such as discounts on books, restaurants, travel, cultural and artistic events, and health.

The “El Tiempo” Group has a deal with various companies that allows it to capitalize on their agreements by way of offers for subscribers. The streaming service offers an affordable product through infographics, videos and live broadcasts. The user can also access a radio platform and audible news. When paying for the membership service, a reader can access the benefits of the newspaper. By subscribing to the Vivamos Club one automatically becomes a partner, along with his or her family members. This club promotes the Loyalty Program of Casa Editorial El Tiempo, composed of the newspaper subscribers, Portfolio and the Magazines: Don Juan, Aló, ABC of the Baby, Habitar, Hola, and Bocas, and the Journals: Boyacá Seven Days and Diario Llano.

To access these benefits, each partner is identified by a personalized card, which opens the door to discounts, invitations to movie premieres, theater productions, gifts and certain experiences the newspaper promotes. Each subscriber also receives special, unique benefits.

The “El Tiempo” Group sponsors cultural and sports activities to guarantee loyalty with its diverse targets. To access news articles, the webpage asks for registration. This permits the newspaper to capture and learn about the habits of its new readers and increase its number of potential subscribers. Products are offered via banners on simple visuals and are easily accessed. The webpage allows advertisements to be visualized through static banners and the user can access discounts for a product he or she buys.

3.3.3 Analysis: The Newspaper “El Comercio” (Peru)

The option to reproduce text, images and sound allows an interaction with the reader via chat. At the same time, it allows for a return of immediate information.

The subscription allows one to access benefits in a user-friendly manner, including discounts for restaurants, cultural events, and others. Also, once a reader is registered, he or she may participate in promotions and raffles. When subscribing, the reader should select the district where he or she lives and may geotag his or her location, which will allow a categorization of a sociocultural status, delivering products in a direct way. The streaming service increases new users and facilitates an interaction with digital subscribers.

With membership, one obtains benefits of the newspaper “El Tiempo” in Colombia, as well as access to consumption invoices in the “El Comercio” Group. Likewise, one may access a catalogue where diverse technological products are offered. This permits the generation of advertisement revenue and strengthens the image of the newspaper for readers in the area. To have unlimited access to news articles, the webpage asks the user to register, allowing it to capture and identify the habits of its new readers.

4 Results and Conclusions

The “El Comercio” Group (Ecuador) uses its webpage with the idea of offering information immediately, using various techniques and digital tools (such as a streaming service and RSS). The subscription modality ‘advanced payment’ - with its wide range of benefits -, allows the newspaper to maintain loyalty with its users and follow user preferences, based on the most quoted products. In terms of accessing news articles (in an unlimited way), the model differs from other media sources, such as “El Comercio” in Peru and “El Tiempo” in Colombia. This modality allows the newspaper to substantially increase its number of potential subscribers.

Additionally, in the specific case of “El Comercio” in Ecuador, the webpage does not allow comments on its news articles, but offers an evaluation marker by way of icons, representing diverse moods. In terms of its advertisements, it was observed that on September 16th, 2017, the webpage displayed an advertisement that covered almost all information, making it necessary to either close the banner or read the advertisement. “El Comercio” also has a tab where various websites of institutions that form part of the Media Network of Latin America are listed, and through these links one may access the principal channels. “El Tiempo” in Colombia and “El Comercio” in Peru occupy more web space on their home pages and hyperlinks to promote subscriptions.

With all the aforementioned aspects based on the three newspapers, the actions carried out in the past year in the CAN countries have defined new strategic guidelines and prioritized the areas of action left out of the framework of the Decision 792, a deliberation on business inclusion of the media. The three digital media sources studied promote subscriptions through literary product strategies, such as magazines, to gain reader loyalty. They mostly incorporate Internet-based business strategies, through

micropayments, membership and club affiliations, scarcely using inserted advertising. Payments for consumption or streaming are from a free multimedia press. The experimentation and rationalization they have are gamified and direct sales are small.

With all this considered, one could say that they do not have business models. The strategies and value creation of the press in the CAN countries indicate that they are not prepared for economic monetization. The Latin American region aims only to continue gaining reader loyalty, something that does not differ from the large digital media sources of the world.

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