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Article

## Native Media and Business Models: Comparative Study of 14 Successful Experiences in Latin America

Santiago Tejedor <sup>1</sup>, Augusto Ventín <sup>2,\*</sup>, Laura Cervi <sup>1</sup>, Cristina Pulido <sup>1</sup> and Fernanda Tusa <sup>3</sup>

<sup>1</sup> Journalism Department, Autonomous University of Barcelona, 08193 Bellaterra, Spain; E-Mails: santiago.tejedor@uab.cat (S.T.), laura.cervi@uab.cat (L.C.), cristina.pulido@uab.cat (C.P.)

<sup>2</sup> School of Communication, University of La Sabana, 53753 Bogotá, Colombia; E-Mail: jose.ventin@unisabana.edu.co

<sup>3</sup> Social Sciences Faculty, Technical University of Machala, 170524 Machala, Ecuador; E-Mail: ftusa@utmachala.edu.ec

\* Corresponding author

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### Abstract

From its onset on the 1990s, both digital native (with sister headings on the analog platform) as digital native news media have experienced a constant transformation process. The accelerated technological evolution linked to the changing information consumption habits of the users demanded a constant reinvention capability. Furthermore, the need for profit and the drop in advertisement sales have pushed the media to redefine their structure, content and social media presence. The Ibero-American scene has experienced a sprout of a mixture of digital native news media. They are journalistic projects, conceived from and on the Internet, which have reached considerable renown and becoming reference media on the information level. Internet prompted a reduction of the costs related to the creation of media outlets. However, the establishment of a sustainable business model is one of the main challenges. The research presented looks at the business models of Ibero-American digital native news media based on a comparative analysis of 14 case studies, alongside interviews with their founders. The findings include, among other things, a tendency for business models based on diverse and hyper-specialized content targeted at micro-audiences. This research found an interest in horizontality, participation and user engagement, and noticed the need for these media to diversify their income sources.

### Keywords

business model; digital native; journalism; native digital media; news media

### Issue

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### 1. Introduction

The development and establishment of a sustainable business model has become one of the main challenges in the journalism industry lately. Free content and a dependency on an advertisement model have influenced the consumption habits of the audience and they have made it difficult to find effective economic return proposals. Among digital editions derived from analog media (especially the case of newspapers) there has been a surge of a variety of digital native news media. Internet

has introduced a reduction in the costs related to the design, creation and functioning of media outlets. Bearing in mind that a great amount of research on journalism is carried out from an Anglo-Saxon perspective—or in an Anglo-Saxon sphere—we chose to focus on the conceptual region known as Ibero-America, understood, according to different authors (see Birlle, 2016; Galindo, 2010; Martín Serrano, 2004), as a “space” beyond a mere geo-linguistic area, tracing cultural, socio-political and socio-economic relationships, that shape the journalistic traditions of the countries within it. The arrival of

native digital media, particularly in the Ibero-American scene, is a consequence of the new communication juncture, clearly marked by a new user profile and new gadgets that had an impact of the production and distribution of information content. In this context, digital native news media face a process of constant transformation (Neuberger, Nuernbergk, & Langenohl, 2019) that affects their production and distribution systems, the audience profiles, the journalistic roles and, specially, the business models (Adira et al., 2018; García & González, 2012).

Deuze (2003), Pavlik (2005), Flores and Aguado (2005), Salaverría (2005, 2008), Domínguez and Pérez (2012), Jarvis (2015), Chan-Olmsted and Shay (2016) or Schroeder (2018), among others, have highlighted in the last decade the importance to reformulate business models for media on the Internet and, among other aspects, to invest in better quality content (Palacio, 2018; Rodríguez & Soloaga, 2017). Thus, we can point out that innovation (Bleyen, Lindmark, Ranaivoson, & Ballon, 2014), which includes all the steps in the process and in the media structures, has become one of the challenges for the media (Carlson & Usher, 2016).

From that starting point, this research analyzes the characteristics and specificities of the business model of 14 Ibero-American digital native news media, through a case study of each of them, a comparative analysis between them and a series of interviews with their founders or directors. Stemming from that main objective, the specific goals are to 1) analyze and compare the value offer for each of the selected digital native news media; 2) classify the typology of distribution and sales channels, as well as content and topics offered in each on them; 3) study the typology of the income sources and other types of resources that each Project addresses in their business model; 4) point out the common threads and divergences between the various proposals studied here; and 5) identify the main trends in the sector in the definition and execution of a business model.

To achieve those goals, the study expected to answer three main research questions, namely:

RQ1: How is the business model of digital native news media designed in terms of horizontality, participation and audience engagement?

RQ2: How does the content offer by digital native news media responds to increasing diversity and hyper-specialization?

RQ3: What is the trend on digital native news media regarding income stream diversification beyond advertisement sales?

## 2. Theoretical Framework

Internet has changed the way current media organize themselves and the way we consume information (Martín Serrano, 2004), at the same time as it has

fostered the creation of new digital native journalistic projects and proposals. In this environment, the need to make a profit and the transformations in advertisement investment have pushed digital media to redefine their structures, the typology of their contents and the routines of journalism production, at a juncture of interrelations between different economic, political, labor, technological, and cultural subsystems that make up the entire social system (Parra Luna, 2003). Media industry has experienced in the last three decades a series of transformations or reconfigurations (Cervi, Paredes, & Pérez Tornero, 2010) that have altered the way of structuring, operating and define information companies. Multimedia convergence (Castells, 2010; Dailey, 2005; Jenkins, 2006; Salaverría, 2003; Scolari, 2004), as the main element in the shake-up, has led to profound changes that reach technological, entrepreneurial, production, distribution, professional, narrative and consumption practices, in a cross-sectional and multimodal form, that have permeated all dimensions of media in an environment reacting to the impact of big data (Schlesinger & Doyle, 2015).

It is under these circumstance that the target audience as a final product (Ventín, 2004), through which added value is generated, is being questioned as the main commercialization model in the information industry, prompting an economic crisis in the sector (Cabezuelo-Lorenzo, 2013) and underlying a restructuring of the media ecosystem in Ibero-America through the concentration of media companies (Becerra & Mastrini, 2017; Gutiérrez Rentería & López Hernández, 2014). This concentration has defined the role of the communication professionals (Cottle, 2007; Salaverría & Negrodo, 2008; Scolari, Navarro, Pardo Kuklinski, Micó, & Coll, 2006; Tejedor, 2011), defining new tasks based on the dynamics brought about by the digitization of production and content distribution paradigms that have modified narrative structures (Gosciola, 2012) and have allowed for new consumption forms in audiences that have transformed into “users...or production, overseeing and distribution agents” (Ventín, 2018, p. 70) of the contents often viralized through digital social media networks (Chaykowski, 2018).

These changes have altered the requirements and professional competences demanded of future graduates and offered in schools and universities teaching communication or journalism (Tejedor & Cervi, 2017). However, between 30% and 40% of all new media companies created in Latin-American are unable to survive after the fourth year of having been created (Sembramedia, 2018) or, when they survive, they do so with considerable adjustments (Rubio Hancock, 2019). The culture of free contents is another aspect that has made it difficult to find a successful business model. According to the Newman, Fletcher, Kalogeropoulos, and Nielsen (2019, p. 13), there is a growing “subscription fatigue” and users, especially the youngest ones, opt to pay for Netflix and Spotify for content, rather than for news media and plat-

**Table 1.** Elements of the Osterwalder’s Business Model Canvas.

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Clients (3 blocks): Market segments, channels and relations

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Offer (1 block): Value offer

Infrastructure (3 blocks): Key activities, key resources and key partnerships

Economic viability (2 blocks): Cost structures and revenue flows

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Source: Osterwalder (2010).

forms. The development and application of a successful business model becomes, thus, one of the main challenges of the media industry, particularly in the case of journalism. Harlow and Salaverría (2016) developed a mapping of the emergent overview of digital media news websites in Latin America. They conclude that there is a tendency for renovation in the traditional modes of journalism, among other aspects, and they highlighted the importance of reconsidering or renovating the relationship between journalism, alternate media and activism.

The business model can be defined as the way in which an organization dynamically articulates three main components to generate revenue and benefits (Demil & Lecocq, 2009) in a sustainable manner. It is, in the end, a matter of strategic planning undertaken to serve the project’s dynamic by fostering comprehension, creativity and reflexivity (Osterwalder & Pigneur, 2016). The Osterwalder’s Business Model Canvas structures a basic scheme of the idea of the business in four areas (clients, offer, infrastructure and finance) and nine inter-related elements that follow a logical sequence divided in the following elements: value offer, key partnerships, key activities, client relations, market segment, key resources, channels, cost structure and revenue sources (see Table 1).

The model establishes a series of interrelations between its elements (see Table 2). On the one hand, headings 1–5 deal with the elements that generate income

that supports the business model; whereas headings 6–9 indicate the way in which the offer or value proposal will be made. The numbers help in establishing the execution sequence, with value offer or market segment selection the starting points, depending on the relevance one or the other has for the entrepreneur.

The need to be profitable and the transformations of advertisement investment have pushed digital media to redefine their structures, content typology and journalistic routines. The content on offer performs a major role in digital native news media business models. In this sense, in Spain, for instance, only 44% of the citizens trust the media, while 34% provides value to news available through search engines on cyberspace. In the case of digital social media networks, only 23% of Internet users grants credibility to the news they read on these platforms (Newman, Fletcher, Kalogeropoulos, Levy, & Nielsen, 2018; Newman et al., 2019).

These dynamics and trends, that shape up the Spanish media landscape, are replicated in the global industry of digital media and invite a holistic reflection on digital native news media and their ability to become profitable. A study by García-Avilés, Carvajal-Prieto, De Lara-González, and Arias-Robles (2018), that analyzes 25 out of the most innovative cases on the field in Spain (between 2013 and 2014), highlighted that journalistic innovation is produced on the sidelines of the traditional news industries and, for the most part, innovation is ex-

**Table 2.** Osterwalder’s Business Model Canvas: Elements and sequence.

Partners 8	Activities 7	Value Proposal 1–2	Clients relations 4	Market Segment 1–2
Help support the business model	Required to generate income; those with good performance	Unique per segment (price, novelty, quality, convenience, status, performance, personalization)	Channels 3	Clients and organizations for whom value is created
	Resources 6			
	Assets requires for the business; infrastructure to create, deliver and provide value		Contact routes with the client to deliver value offer	
	Cost structure: Based on the business model infrastructure 9		Revenue sources 5	
	Balance with the revenue sources (not initially)	Ways that generate value for the business model		

Source: Osterwalder (2010).

panding through native digital media, niche initiatives and new companies. The works of Bouwman, Nikou, Molina-Castillo, and de Reuver (2018) see the importance of digital social media networks and big data of the innovation and re-definition processes of the business models. On the other hand, Vukanovic (2018) presents that the detection of sustainable and hyper-competitive business models constitutes critical milestones. To reach them, Vukanovic underscores the relevance of multi-platform aggregated distribution, personalization and an improvement in user interface—viewed as navigation experience—in the development of new and more adequate business models.

### 3. Methodology and Instruments

The methodological proposal, of documentary and exploratory nature (Vilches, 2011), uses two work techniques: case studies and in-depth interviews. For once, the case study is a qualitative research method characterized by a first phase of information gathering in the topic and a second phase of analysis (Yin, 1989). Thus, facts and circumstances based on one or more hypotheses (presented in the introduction to this article) are described and there is a comparison or testing of these phenomena. It is, in essence, a structured inquiry around an example or best practice (Stake, 2005). The theoretical framework is based on the Osterwalder's Business Model Canvas (Osterwalder, 2010) which determines the reach and methodology applied in the study. For this work, the case studies allowed for an examination of existent native digital platforms, make a selection (as a simple) and, finally, analyze them from two perspectives (on the one hand, their contents, and, on the other, their business model proposal).

The sample was defined as the set of elements from the population that were selected to be part of the research (Del Rincón, Arnal, Latorre, & Sans, 1995). In total, 14 media outlets of the Ibero-American digital native news media ecosystem were analyzed (see Table 3). The sample has been selected based on expert recommendations: 12 experts from Spain and Latin America (academics and journalists) were interviewed through a digital survey asking them to name the most relevant Ibero-American digital native news media, in terms of innovation and recognition.

Moreover, five aspects have been considered as requirements: 1) they had to be native digital media; 2) their operational sustainability; 3) all digital native news media selected had to be created within the last decade (between 2009 and 2019); and 4) the number of visits and followers in social media.

Cuba, despite its different political and economic system structure to the rest of the sample, has been included for many reasons. First, as mentioned, following Martin Serrano (2004), Galindo (2010) and Birle (2016), the country belongs to Ibero-America. Secondly, even if the country does not display a functioning capital-

ist system, its media system has been rapidly growing and many media companies have been created recently. These media companies must be sustainable in order to survive. In this specific case, *Periodismo de Barrio* is not only renowned and sustainable outlet, it has been recognized and has earned awards on journalism quality by Fundación Gabriel García Márquez para el Nuevo Periodismo Iberoamericano. Identifying reference media in terms of innovation and sustainability.

Native digital media experience a breaking point at the 5th year of existence, because almost 40% of them do not survive beyond that (Consejo de Redacción, 2018). Thus, the first criterion defined is for all digital native news media to have existed for at least five years. A second criterion that could be linked to a successful business model would be web traffic and network followers. *Sembramedia*, a not-for-profit NGO focused on advising and monitoring media entrepreneurship in Ibero-America, has a listing of native digital media categorized, among other criteria, by web traffic (measured as web-pages views per month) per media outlet. It displays different categories (4,999 visits or less; between 24,999 to 49,999 visits; between 100,000 and 499,999; and between 500,000 and 999,999, among others). This research has taken into account those digital native news media with more than 24,999 visits. In each case, the analysis was done in a first phase, through a form (see Table 4) which included digital native news media typology, their thematic characteristics and, specially, the specifics of their business model.

In the second stage of the study, founders or directors of the main selected digital native news media were interviewed. Out of the 14 selected media outlets, ten directors responded (see Table 5). In-depth interviews, defined as an encounter with a structured technique, held between researcher and informant, and aimed at the understanding of the perspective held by the latter on diverse topics, experiences or situations (Del Rincón et al., 1995; Taylor & Bodgan, 2000), has allowed for access to the testimony of founders of eight of the selected digital native news media (Rodríguez, Gil Flores, & García Jiménez, 1996).

The interview, of a semi-structured nature, has been designed following an open-ended questionnaire, to elicit reflection of a qualitative kind. The questionnaire was validated by a panel of 10 experts in journalism. The participants were informed about the study and their consent was requested to take place in the study. The development and processing of the interview was undertaken between January and December 2019. The main thematic variables in the interview questionnaires have been structured upon the formulated hypotheses: 1) main traits in the applied business model; 2) justification in the election; 3) main revenue streams; 4) main challenges and difficulties; 5) future perspective and an analysis of possible trends in the sector; and 6) digital native news media of world reference.

**Table 3.** Table of selected digital native news media.

Digital native news media	Kien y Ke	Minuto 30	5W
Year of establishment	2010	2013	2015
Country	Colombia	Colombia	Spain
Type of organization	For profit	For profit	For profit
Traffic (number of visits)	—	1,000,000	—
Social Media			
Facebook	198,503	1,432,059	15,242
Twitter	225,200	598,500	42,600
Instagram	19,900	254,000	13,100
YouTube	66,000	—	—
Digital native news media	Info Libre	Uno Cero	Animal Político
Year of establishment	2013	2012	2010
Country	Spain	Mexico	México
Type of organization	For Profit	For Profit	For Profit
Traffic (number of visits)	—	—	—
Social Media			
Facebook	352,105	422,632	1,355,908
Twitter	270,400	224,400	2,100,000
Instagram	25,800	67,400	61,900
YouTube	—	—	—
Digital native news media	GK	Plan V	Chequeado
Year of establishment	2011	2013	2010
Country	Ecuador	Ecuador	Argentina
Type of organization	For profit	For profit	Not for profit
Traffic (number of visits)	499,999	99,999	999,999
Social Media			
Facebook	55,954	40,914	79,759
Twitter	23,100	52,200	257,000
Instagram	17,700	—	14,300
YouTube	—	—	—
Digital native news media	El Definido	Armando	Radio Ambulante
Year of establishment	2013	2010	2012
Country	Chile	Venezuela	Covers Latin America from the US
Type of organization	For profit	For profit	Not for profit
Traffic (number of visits)	—	49.999	99.999
Social Media			
Facebook	199,328	42,083	40,217
Twitter	24,000	90,200	307,600
Instagram	13,900	8,008	17,400
YouTube	161	1,420	3,702
Digital native news media	Nómada	Periodismo de barrio	
Year of establishment	2014	2015	
Country	Guatemala	Cuba	
Type of organization	For profit	Not for profit	
Traffic (number of visits)	999,999	24,999	
Social Media			
Facebook	172,137	8,503	
Twitter	115,500	3,461	
Instagram	26,400	1,917	
YouTube	4,810	—	

Source: Own data (2019).

**Table 4.** Digital native news media analysis.

Digital native news media profile

Year of establishment  
 Founders  
 Director  
 Themes  
 Sections  
 Type of content  
 Format  
 Value offer  
 Target public  
 Production and distribution system

Business model

Type of association  
 Type of business model  
 Revenue source

Source: Own development.

**Table 5.** List of interviewed directors.

Interviewee name	Position	Name of the media outlet
Elaine Díaz	Director	Periodismo de Barrio
Tania Montalvo	Main editor	Animal Político
Marta Arias	Director of Communication and Marketing	5 W
Jorge Pareja	Director General	Minuto30.com
Martín Rodríguez Pellecer	Director and CEO	Nómada
Elizabeth Correa Londoño	Content Director	Kienyke
Carolina Guerrero, Jorge Caraballo	Director and CEO Growth Editor	Radio Ambulante
Laura Zommer	Executive and Journalistic director	Chequeado
José Vicente González	Business development officer	Infolibre

Source: Own development.

#### 4. Results and Discussion

The findings that we present here start from a documental analysis carried out about each of the media, as well as the responses given by the directors of the interviewed media.

##### 4.1. Business Models Are Centered in Horizontality, Participation and Compromise

One of the four areas that make up Osterwalder's Business Model Canvas is the client's section, made up of the market, channel and relations segment. In this area, we found two types of media: 1) those that keep a classic conception of the client, as a company or institution who offer a given audience type for advertisement purposes, and 2) those who think of the content consumer as a media user. Although this is not a quantitative study, to answer our RQ1, only two out of 14 cases studied (KienyKe.com and Minuto30.com), have advertising com-

panies as clients. The remaining 12 cases, think about audience in terms of the content consumer.

These 12 media outlets maintain a stable and open relation through dialogue between the audience and the editorial teams, to whom the audience is able to submit proposals about topic selection, as well as about the financial situation of the outlet. This relationship is developed through events, social media, Internet forums and fan clubs (see Figure 1).

The second area of the Osterwalder's Business Model Canvas is the offer. The offer refers to the value proposal. For these 12 media outlets there are also horizontal, participation and user engagement mechanisms, since media reinforce a sense of belonging and community representation through the triangulation of three actions: users propose topics, offer support in kind or money for their development and, afterwards, the media outlet provides a public budget review on the resources expended as an accountability measure (see Figure 2).

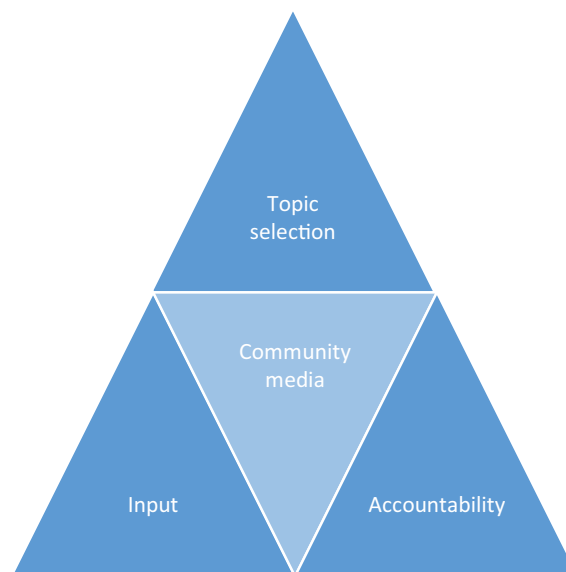


**Figure 1.** User contact channels. Source: Own elaboration.

The set of these actions allows for the creation of a participative community, engaged with the value offer of the medium and their financial sustainability. For instance, Marta Arias, Director of Communication and Marketing of 5W, states that “what makes the project possible is not a banking institution but more than 3,000 [members] that pay an annual [subscription] fee to sponsor the creation of a different journalism” (Marta Arias, personal communication, November 12th, 2019). In the case of Chequeado, in contrast, participants not only contribute through fees, they also participate actively in the process of fact-checking themselves, assessing doubtful statements or providing extra information about news items.

*4.2. Contents Offered Are Diverse and Hyperspecialized in Digital Native News Media*

As for the content offer to address RQ2, the studied cases present specialization as recurrent. Besides examples

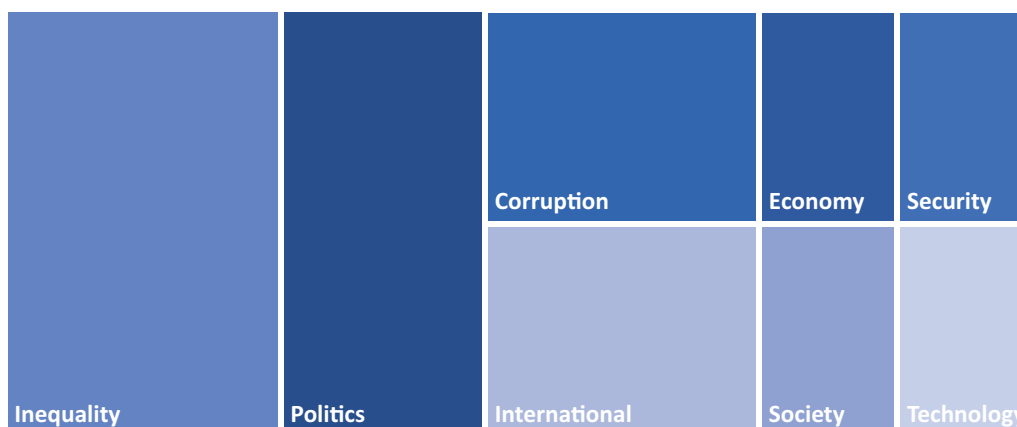


**Figure 2.** Community value matrix. Source: Own elaboration.

of investigative journalism, we find fact-checking in the case of Chequeado, narrative podcasts related to Latin America (Radio Ambulante), minute-by-minute updates (Minuto30.com), technological dissemination (Unocero) and local journalism. Corruption and climate change seem to be the main focus of investigative journalism that brings proximity to its users.

The thematic agenda shows a prominence of topics related to inequality (mainly with minorities such as indigenous, women, children, etc.), politics (especially at the national level), corruption and international affairs (such as climate change or migration). Regarding the journalistic approach, we can observe a clear commitment to the use of narrative journalism and investigative journalism, with an effort to contextualize information (see Figure 3).

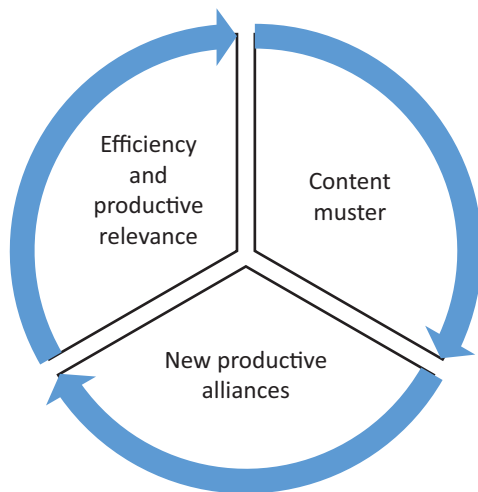
In the third area, Infrastructure, made of the resources, activities and key partners, we found a recurrent action thought in sequential organization from the production and distribution of content, through which the



**Figure 3.** Main themes. Source: Own elaboration.



medium seeks to be positioned as a journalistic reference. To do so they define a productive structure from narrative multimedia logics, in that the journalistic team, with audiovisual producers and designers, create content that is exhibited in national and international contests and award ceremonies. In those spaces they create alliances with other media and organizations that diversify their spread of content. Nómada, for instance, includes among its key interest, that their content production satisfies quality requirements for awards and prizes (i.e., Premio Nacional de Periodismo de Guatemala-ISPS, UN Human Rights Award); as a communication strategy to achieve international recognition; Kienyke.com, meanwhile, organizes since 2013 a Festival called Festival de los Sentidos (Festival of the Senses), in partnership with academic institutions, to assess the journalistic environment and innovation. Similarly, Chequeado organizes an annual event called La Noche Del Chequeado (The Chequeado Night) (see Figure 4).



**Figure 4.** Sequence of activities with key partners. Source: Own elaboration.

#### 4.3. Digital Native News Media Tend to Diversify Their Financing Sources

As answer to RQ3, there is a trend toward diversification of financial resources beyond advertisement. In fact, only two out of the 14 cases depend solely or mainly on advertisement revenue (Minuto30.com and Kienyke). Most of the interviewees’ reflections, in fact, agree with Carolina Guerrero, CEO of Radio Ambulante, who argues that “in a moment of uncertainty and precariousness in journalism, looking for different sources of financing is fundamental” (Carolina Guerrero, personal communication, November 26th, 2019).

The other 12 media openly discourage advertisement income (e.g., Armando.info, Periodismo de Barrio, El Definido, Nomada). One of the ways they hope to do this is by combining revenue streams, for instance, advertisement and crowdfunding, or even merchandising. However, the models found as the most sustain-

able are those that combine diverse financing ways (i.e., three or more revenue streams): Animal Político, Radio Ambulante, Nómada and GK. Nonetheless, scalable media are those which support their income in programmed advertisement, as in the case of Minuto30.com or Kienyke. Subscription, donations and professional services are growing sources of income, whereas crowdfunding and advertisement are in decline (see Figure 5).

The main advertising formats are banner type, high impact format, rich media, video, fixed presence and sponsorship, content marketing and social media content. For programmatic advertising on display and mobile, they use external agencies such as Google, Rubicon, Adsmovil, Headway, Adsamp, Smartad. For video they use Teads, Adman, Sunmedia, Latinon and Google and for social networks FBIA stands out. While for personalized content they make direct sales through their own commercial departments.

As for donations, we find two broad categories: financial donations and donations in kind. The financial ones come from international institutions that specialize in the development of emerging economies and media industries, such as the Ford Foundation, Hivos, Open Society Foundations, Free Press Unlimited and Planned Parenthood, or through micro-donations of the readers. Such is the case of Chequeado, which, according to Laura Zommer, receives different kinds of donation “that can vary from \$2 to a \$10,000 per year” (Laura Zommer, personal communication, November 5th, 2019). In kind donations are contributions in content made by independent experts and journalists, promoting a productive structure based on networks and communities.

The main results in this study are:

- Professional services include training and workshops, consultancy, design and content production for specific companies, or other short-term specific engagements.
- Memberships and subscriptions have an equal weight among the entire universe of sources of income. The subscription model is based on payment for content access, which is otherwise unavailable, while in the membership model, members pay fees even though content is always openly available (Rose, 2019). Being a member provides extra benefits such as a participation in the newsroom decisions, content proposal, etc.
- Quoting Martín Rodríguez Pallecer, Director and CEO Guatemalteca outlet Nómada, “Membership has a complete different philosophy compared to subscription: with membership you look for a permanent relationship with the reader” (Martín Rodríguez Pallecer, personal communication, November 21st, 2019).
- The membership model, in fact, prevails in media with a distinct civic aim, while subscription is present in media that have very specialized content, such as economics or politics. Laura Zommer,

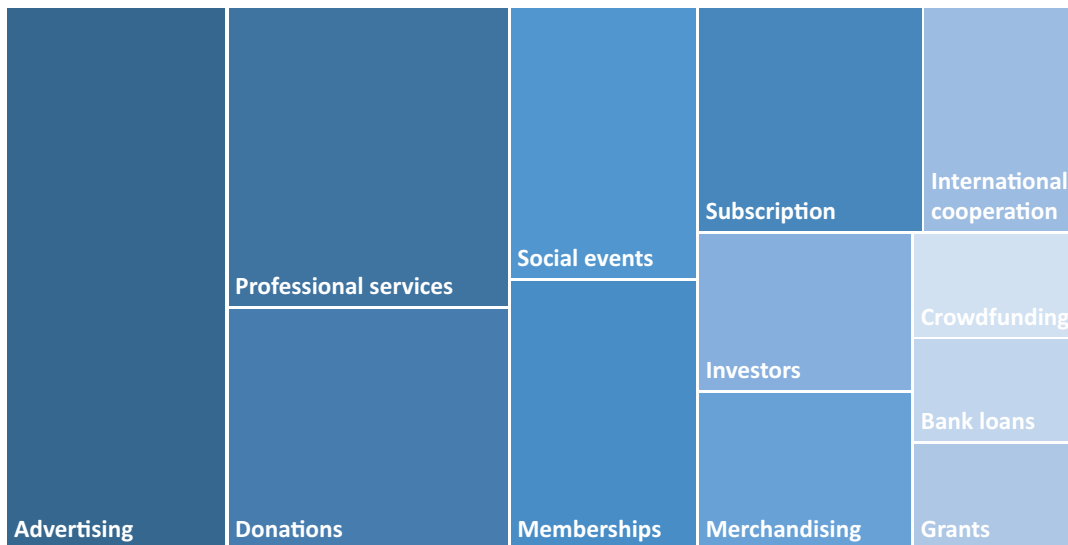


Figure 5. Financial resources most employed. Source: Own elaboration.

for example, states that Chequado “does not have clients, since it is a civic and community project” (Laura Zommer, personal communication, November 5th, 2019).

- International cooperation, although not a regular source of income, does contribute to financing journalistic projects towards which content is generated and through which the temporary coverage of the production costs of the medium is guaranteed. These journalistic projects financed with international cooperation focus on the themes defined by the Millennium Development Goals.
- Fund-raising events, as well as professional services, are also wide and diverse: from social and cultural meetings, to the hosting of conferences in public and academic institutions, alliances through which they analyze short-term problems of the country and the region.
- Merchandising, still in development, is presented as a booming financing mechanism. The sense of relevance and the brand as a differential value is exploited to generate economic resources and to build a community of users committed to the environment.
- Investors are other resources used by digital native media. These are usually the founders themselves, or the readers who participate as minority shareholder’s associations. The case of InfoLibre is specifically interesting: the majority of its stockholders is made of journalists themselves, together with the “Sociedad de Amigos de InfoLibre” (Society of Friends of InfoLibre) who participate buying stock options for €400 to €12,000.
- Crowdfunding, while still being used as a financing mechanism, is detrimental to the membership boom. The media consider that conducting a Crowdfunding campaign is a high effort for the resources that are collected. Animal Politico, for

example, launched a crowdfunding campaign that raised 3%–5% of the income, whereas membership fees raise 10% to 15%.

- Bank loans are used at two key moments: to establish start-up capital and to invest, once the medium is recognized among its community, in technological development.
- Subsidies are an economic aid that is also usually given in the first years of life of the environment. These come from national public institutions or international journalistic organizations.
- Media with a diversity of revenue sources try to make sure none of them represent more than 30% of the total income generated. While those that base their revenue in advertisement, even though they are a minority, hope to diversify their flow of traffic: direct 50%, SEO 30% and social media 20%, although, the last two work from programmed advertisement.
- Regarding the cost structure, the media analyzed put around 55% of revenue into supporting their productive structure. In this aspect, we find four categories based on personnel numbers. 33% has less than 10 full-time employees, 27% have between 11 and 20 professionals, 27% between 21 and 30 and the remainder 13% have more than 30 employees.

## 5. Conclusions

To answer our research questions, the results allow to point out that digital native news media in Ibero-America seem to share a horizontal, participatory organization geared towards engaging the public to build a cohesive community. For many of them, in fact, the creation of a community represents the core of their business model. According to Laura Zommer, for example, “having subscribers would be against Chequado’s DNA, since

members form a community that provides, above all, advice and sources, not only money” (Laura Zommer, personal communication, November 5th, 2019). Jorge Pareja, Director of Minuto30.com goes further by defining the medium as “community with a communication medium” (Jorge Pareja, personal communication, November 22nd, 2019).

In addition, the study concludes that there is a clear trend towards hyper thematization or the development of very specific content (such as, for example, fact-checking), or content for very specific niche audiences (hyper-local journalism). In terms of thematic areas, an abundance of content related to inequality, corruption, politics and social issues has been found. Finally, the trend towards the diversification of financial revenue beyond advertising sales is characterized.

To conclude, on the one hand the importance given to horizontality and user-engagement is core to these media, creating a more collaborative form of journalism, able to benefit from User-Generated Content and the active participation of the audience. In addition, the trend of creating a community of people sharing the same interests, implies that media working on specific thematic area are particularly welcomed. Accordingly, it seems that, in order to offer an alternative to legacy media, digital media should focus more and more on quality and investigative journalism. On the other hand, this content diversification, together with financial diversification, demands media flexibility, since the share of economic return for each type of revenue respond to cycles or stages of constant variation. Thus, regarding the creation and redefinition of the business model of digital native media, there is a need for a structure and personnel able to adapt to a constantly changing environment.

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### Conflict of Interests

The authors declare no conflict of interests.

### Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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#### About the Authors



**Santiago Tejedor** is Director and Associate Professor at the Department of Journalism and Communication Sciences of the Autonomous University of Barcelona. He holds a PhD in Journalism and Communication Sciences from the Autonomous University of Barcelona and PhD in Project Engineering from the Polytechnic University of Catalonia (UPC). He is a member of the Communication and Education Office research group, and researches in the areas of digital journalism, media convergence and new transmedia narratives. He is also a member of the Chair UNESCO UAB on MIL for Quality Journalism.



**Augusto Ventín** is Professor at the Journalism School at La Sabana University, Colombia. He holds a PhD in Communication from Complutense University of Madrid (with honors, 2014) and a Masters in Journalism from the same University. His professional and academic activity focuses on understanding digital native media entrepreneurship, as well as production design and management of crossmedia and transmedia contents.



**Laura Cervi** is a Researcher at the Department of Journalism and Communication Sciences of the Autonomous University of Barcelona. She holds a PhD in Political Science from the University of Pavia (Italy, 2006). Her main research interest are journalism and technology.



**Cristina Pulido** is Serra Húnter Professor at the Department of Journalism and Communication Sciences of the Autònoma University of Barcelona. She is a Researcher in the Scientific Research Group-Communication and Education Gabinet and member of the Chair UNESCO UAB on MIL for Quality Journalism. She is currently participating in the R&D INFO/EDU: Collaborative Ecosystem of news audiovisual resources for education, and the network of excellence INNONEWS, innovation in audiovisual news.



**Fernanda Tusa** holds a PhD in Social Communication. She is Professor at the Technical University of Machala in Ecuador and Research Assistant at the Center of Investigation in the same institution. Her line research is in content analysis and new languages mediated by technology.