

**BUSINESS AND EDITORIAL PRACTICES
IN DIGITAL NATIVE MEDIA IN MEXICO:
AN INVESTIGATION INTO MEDIA ROUTINES**

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And hereby certify that, in their opinion, it is worthy of acceptance.

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ABSTRACT

The current Mexican news market for online news is composed of legacy media companies that migrated to the internet, as well as media outlets that were born on the internet, known as digital native media. This new generation of news sites currently rank among the top read media in the country, exemplifying the evolution of the journalism environment and raising questions about the strategies they applied to become profitable news companies in a highly competitive industry. This research interviewed 10 decision makers from 10 of the 15 most read digital native media in Mexico to document their organizations' business practices and how these ultimately impact the news they produce, under the perspective of the Hierarchy of Influences Model from Shoemaker and Reese. The study focused on the Organizations and Routines levels of influence, contributing to mass media research from the perspectives of media funding, and Mexican digital journalism.

Keywords: digital native media, Mexican media, Hierarchy of influences, media routines

CHAPTER 1: INTRODUCTION

Mexico's current digital news environment results from of a profound industry transformation involving politics, digital transformation, and the clash of legacy media adapting to the internet with new internet-based companies taking audiences' attention and advertising's money.

For decades, the journalistic industry in Mexico had a similar structure to that of other countries in Latin America: an existing newspaper industry with weak circulation, radio systems distributed throughout the country, and a television network that, in the case of Mexico, had a market share of 90% of the market (Hallin, 2000).

The financing models of the Mexican media were based on the sale of advertising to companies of all kinds, as well as government advertising. There is a documented relationship of patronage that mixed politics with media, allowing Televisa, the dominant television company, to become an empire, while using its influence to bolster the power of the Institutional Revolutionary Party, which held the presidency of Mexico for 70 years (Hallin, 2000).

But since 2000, while a change of party was taking place for the presidency of Mexico (The Wall Street Journal, 2000), the world was also witnessing a growing internet penetration that little by little began to have an impact on the country's media. The first traditional newspaper in this country to open a web version was *La Jornada*, in 1995, a leftist newspaper that had been founded in 1984; and a year later, *Reforma* and *El Universal* would join the internet marketplace (Crovi Druetta, 2016), at a moment where

sites such as Terra, and Prodigy MSN (Zamudio, 2010) claimed to be the top websites in the Mexican online environment.

By 2009, Mexico had an internet penetration of 22.2 percent of the population (National Institute of Statistics, Geography and Informatics, 2011), and a complete media offer that included traditional media that had migrated to the internet in parallel with their main businesses (newspapers, television and radio channels) to inform their audiences on this format; but also, media that were born on the internet and found business, audiences and recognition there. These are called digital native media, a name that, like Millennials, also came into the world when the internet already existed and became native speakers of the digital language of computers and the internet (Prensky, 2001). But digital natives are also the internet companies that would come to change the way of communicating, consuming information, creating content and doing business: Google, Facebook, Twitter, Wikipedia, YouTube, Amazon, among others.

In the last 20 years, Mexico has had presidents from three different parties, and each of them has had different approaches in their relationship with the media. Peña Nieto's administration devoted around \$2 billion in government advertising in 5 years (Ahmed, 2017), while López Obrador's first and second years only allocated a fifth of what the previous president had spent in press advertising (Fundar, 2021). These contracts, which for many media companies represented most of their income, lead traditional media to rethink their business strategies every six years (Torres, 2019). Likewise, traditional advertising, which used to spend most of its budget on the press, discovered cheaper, more accessible, and more effective methods to spread its messages on the internet. This combination resulted in a financial crisis for the media that only

deepened when the COVID-19 pandemic hit the world markets (Newman, Fletcher, Schulz, Andi, & Kleis Nielsen, Reuters Institute Digital News Report 2020, 2020) and forced the reconfiguration of the media environment in Mexico.

In the current internet market in Mexico, as in the rest of the world, news sites coexist with social networks, entertainment, commerce, and education platforms, among others. As of February 2022, the three most visited sites in this country are Google, YouTube, and Facebook (Similarweb, 2022). UNOTV and El Universal appear in places 21 and 28, respectively; the first as a digital native media, and the second as the web version of a newspaper founded in 1916.

This thesis studies companies from the top 15 most read digital native media in Mexico, in an attempt to document their business models, and editorial practices, to build profitable news companies in an environment where the traditional funding methods are no longer what they used to be.

Purpose of the Study

This study aims to document the business models on which media from the top 15 news sites in Mexico rely to fund their operations and build sustainable companies. Using the Hierarchy of Influences framework, this study has also explored how the documented business models mold the media routines performed by editors and journalists in their daily job, ultimately impacting the content they produce.

Significance of the Study

By exploring Mexican digital native media and their business models, this thesis offers an updated vision of media funding for academia and the journalism industry. The Hierarchy

of Influences model allows analyzing how these organizations seek and establish income sources in different business models and other funding strategies. This creates a whole system or routines for their editors and journalists on how to perform their daily jobs and create content for their audiences based on the organizational profitability goals. This thesis offers a rather unexplored analysis angle of Mexican's current online news environment, and the information it collected can be used in follow-up studies. It can also guide the most common funding methods for digital native media in this country. Also, documenting the routines and rulesets for content creation uncovers interesting insights on news sites' vision of web traffic, user experience, and the relation with tech companies like Google, Facebook, and Twitter. Lastly, hearing from editors, managers, and owners of some of the most-read digital media in Mexico opens a broader conversation about the journalism industry in this country, its challenges, its evolution, and its future in a complex and particular society.

CHAPTER 2: LITERATURE REVIEW

This thesis' review is organized to provide, first, context about the current Mexican news market and define the central concepts present in the rest of the study. Secondly, it reviews former research on digital media in other countries. It then narrows down the focus to digital native media in Mexico, outlining two research questions that will be enclosed under Shoemaker and Reese's Hierarchy of Influences framework (2014). This review then analyzes studies documenting funding systems for media in Mexico and other countries and the impact they have on their structural organizations and the daily routines their employees perform. The review ties together concepts of media funding, levels of influence on media content, news consumption, market competition, and web traffic to provide an adequate background of the research performed.

Legacy and digital native media in Mexico

The current Mexican market for news on the internet comprises both legacy media companies that have migrated to the internet and digital native media that compete month after month to be among the most read media in Mexico. Two legacy-media companies, Milenio and El Universal, had 22.8 million and 22.2 million unique visitors in May, respectively (Milenio, 2021). But two digital native media, Infobae and UNOTV, combined for 31.7 million visitors the same month, illustrating the stiff competition. In addition to local news outlets, international news sites also target and reach Mexican audiences: Infobae (Argentina) and El País (Spain), are found among the most read in Mexico (Milenio, 2021).

Two key definitions arise to understand this research, and those are the concepts of legacy media, and digital native media. Legacy media is defined as companies that rely on legacy technology as their primary distribution channel for reaching audiences (Peterson, 2003), such as newspapers, magazines, radio stations, and TV channels. Most of these companies have migrated to the internet in more or less successful ways (Lischka, 2019), but even when their news websites might rank among the most visited ones in their industry, they are still considered legacy media because the foundation of their business comes from a legacy technology (Peterson, 2003). In Mexico, examples of legacy media are the newspapers Reforma, El Universal, Milenio, and La Jornada; the TV networks TV Azteca and Televisa; and the radio companies W Radio and Grupo Formula, to mention a few.

By contrast, the term digital native media describes media companies that were born and grown entirely online. Based on this definition, Wu (2016) ran a study on how BuzzFeed, the quintessential example of a digital native media outlet, has increased its coverage of hard news, as an attempt to become more serious and committed. The company was valued at \$1.5 billion in 2015, and it's an example of a new generation of media fostered by a constant influx of venture capital (Kosterich & Weber, 2018), resembling Silicon Valley's style with tech startups. Other popular digital native media examples in the U.S. are HuffPost, Gizmodo, Vox, Mashable, and Business Insider (Walden University, 2021). In Mexico, the most popular digital native media are UnoTV, MedioTiempo, SDP Noticias, and Aristegui Noticias. These four websites captured over 30 million visitors in July 2021 (Comscore, 2021).

Worldwide, companies look at The New York Times as the ideal example of a newspaper successfully transitioning to the internet, staying profitable while rooted in an effective business model. Just in 2020, the paper added 1.9 million digital-only subscriptions, a 48 percent increase over 2019, and exceeded 7.5 million total subscribers (The New York Times, 2021). In contrast, the Reuters Institute for the Study of Journalism found that consumption of newspapers fell as lockdowns due to the COVID-19 pandemic undermined physical distribution in the United Kingdom, United States, Germany, Spain, South Korea, and Argentina, accelerating the shift to an all-digital future for the industry (Newman, Fletcher, Schulz, Andi, & Kleis Nielsen, Reuters Institute Digital News Report 2020, 2020) The study also noted that the smartphone overtook computers and laptops in 2020 as the primary device for accessing news in the U.S. It went from a humble 25% in 2013 to 58% of the market penetration as the favorite device for accessing news. Similarly, the internet and social media are the first and third sources of information in the U.S., overtaking the legacy-media sources of T.V. and print media, which now hold the second and fourth positions.

The challenges of journalism worldwide raise questions about the strategies used by the media companies that successfully transitioned to the internet and are at the top of the most read media online. On the other side, questions exist about how the underdog, digital native media companies, positioned themselves to be among the most read media outlets in their countries, even when lacking a printed edition with a proven, traditional business model and a long history with readers.

Study focus: digital native media in Mexico

This research aims to document the business and editorial practices that the most read digital-native media in Mexico employ to compete in Mexico's news market, in opposition to their legacy media competitors. Several companies in the internet industry provide web ranking services. Semsrush and Similarweb are two of the most popular, offering public rankings that anyone can consult. Amazon owns a similar service, Alexa, which shares the name with its popular voice assistant service, but it's set to disappear in May 2022. Although these services help review a general list of all popular websites in the world or a region, some industries rely on more specific tracking services to compare their performance among similar websites. The media industry in Mexico, specifically, uses the analytics services of Comscore, an American company founded in 1999, which provides marketing data and analytics to publishers, media, and advertising agencies. Comscore is a company used by websites worldwide that measures web traffic and ranks them per category and country, serving as a partner for planning, transacting, and evaluating media across platforms (Comscore, 2021).

Comscore measures audiences' behavior online in desktop, smartphones and tablets, and clients pay to access this data to make better business decisions. However, one of their databases focuses only on digital native media in Mexico, updating every month since April 2015 a public version of it, as an alliance between Comscore and El Economista, a Mexican news publisher.

As explored earlier, the online media market in Mexico is divided between digital native media, legacy media with online presence and international media companies with strong relevance in the Mexican market. This research will only focus on Mexican digital

native media. Giving the data availability from this public ranking, and because media research on funding methods in Mexico has devoted attention mostly on legacy media, this thesis will focus on companies from the Comscore ranking of most read media in Mexico (2020) to explore the relationship between their editorial and business practices.

The research aims to answer two main questions:

- **R.Q. 1: What are the main business models and funding systems of the digital native media in Mexico?**
- **R.Q. 2: What are the main editorial routines set as a result of the organization's business models?**

The research relied on ten open-ended, semi-structured interviews with cofounders, editors in chief, digital editors, social media editors, and SEO editors from ten different digital native media in Mexico to answer these questions. This research excluded reporters and content creators to focus instead on decision-makers inside these companies because they were the most likely ones to define the organization's financial and strategical goals, as noted before by Shoemaker and Reese (2014).

The following section will review the literature on the business and editorial routines shaping the news and media companies, with relevant examples to connect with my proposed research.

Digital native media in Mexico: The Hierarchy of Influences' relevance

The fact that media born and created on the internet now compete to be the most read sites in Mexico without having a traditional business structure behind them is the main interest of this research: first, to document their business strategies, their understanding of what a

workplace is, and the skills that their founders and employees have, and second, to obtain clues as to whether their strategies can be applied to other companies in the industry. This research will rely mainly on the Hierarchy of Influences Model (Reese & Shoemaker, 2016) a highly influential theory framework that has helped researchers worldwide make sense of the influences that shape media content.

To understand the multiple forces that simultaneously impinge on media and suggest how influence at one level may interact with another, in 1996, Shoemaker and Reese proposed the first version of the Hierarchical Influences Model, considering five levels of media influence: Ideological, Extra-media, Organizational, Media Routines, and Individual influences (1996). Almost two decades later, Shoemaker and Reese revisited their model to include new elements that keep it updated and applicable to the internet media environment. The authors still consider five levels of interrelated influences, with some changes: social systems, social institutions, media organizations, routine practices, and individuals (Shoemaker & Reese, Routines, 2014). The extra-media level was updated to reflect social institutions, “and the shifting boundaries among them” (p. xvi), but other levels received further explanations on how people interact in organizations and media on the internet, such as Facebook and Twitter or how the practices on traditional media “have meshed with those of similar media on the internet” (p. xvi).

The framework these authors propose can be used to uncover the interrelation between business models (the organizational level) and editorial practices – routine practices – at digital native companies in Mexico.

According to the authors, routines come from three sources: audiences, organizations and suppliers of content. Researching routines means asking questions like

how the routines of the older media interact with the routines of online media because as "newspaper circulation gradually declined, editorial and marketing personnel worked together to help keep the organization afloat" (Shoemaker & Reese, *Routines*, 2014, p. 164). Routine practices are defined by the authors as the rules, mostly unwritten, that give guidance to media workers. The routines level is mainly concerned with patterns of behavior that form the immediate structures of media work. In the digital era, media routines have evolved, including tools for monitoring audiences in real-time, placing value on what is trending, shared, and endorsed (Reese & Shoemaker, 2016).

Like any business, media companies seek a market for their products (Shoemaker & Reese, 1996). When newspapers transitioned into commercial enterprises in the late 19th century, they did so partly because they saw a lucrative promise with advertising (Baldasty, 1992). However, the drop in advertising revenue and newspaper circulation has threatened the survival of legacy media worldwide. In the U.S., advertising revenue fell from \$37.8 billion in 2008 to \$8.8 billion in 2020, and weekday newspaper circulation reached its lowest level since 1940, an estimated 4.3 million in 2020 (Pew Research Center, 2021). But this trend started more than a decade before, and to cope, some newspapers migrated to an online environment, pulling the switch on their printed editions (Robinson, 2011). In the meantime, advertising money shifted towards social media and internet platforms, mainly because of their proven engagement with users (Voorveld, van Noort, Muntinga, & Bronner, 2018). Now, over 60% of total advertising money in the US goes to Google and Facebook alone, leaving 40% to media companies (Fletcher & Nielsen, 2020).

The impact of internet-based media organizations, including social media platforms, is covered at the Organizational level of influence. The authors explore how roles and perspectives change depending on the individual's position in the hierarchy, including the relation publisher-editor-reporter, which is key to identifying the distinct influences attributable to media organization and how these relations impact the Routines level (Shoemaker & Reese, 2014). Other scholars have built on this definition, arguing that organizational context and concrete practices subside media companies and their employees by creating routinized practices that help news production (Westlund & Ekstrom, 2019).

Organizational level of influence: setting a business model for media

Scholars have documented two types of changes in media routines and organizations: changes in the types of newsrooms and changes in news production, as this thesis will expose further. But changes in news production have led to changes in the skills and abilities expected of journalists because the economic pressure that media companies face is demanding new business models to fund media. Funding refers to the methods that news companies use to obtain money for their operation, including venture capital, government subsidies, or funding from other external sources, such as private donors. Business models are the business strategies that journalistic companies follow to be self-sufficient and profitable, such as advertising sales, branded content, event organization, and sales and subscriptions. Some studies focus on funding searching in general (Bonini & Pais, 2017; Sjøvaag & Krumsvik, 2018), which could be the goal of nonprofit media organizations, while others do focus more on business models for journalistic companies seeking profit (Olsen & Solvoll, 2018).

For decades, the literature has documented four main financing models for the media: traditional advertising (An & Bergen, 2007), subscriptions or sales (Usher, 2010), capital investments (Bertocchi, 2017), and government subsidies (Dragomir, 2018). Researchers have documented other types of funding models for the digital age outlets that do not have a print, radio, or television component: paywalls or online subscriptions, crowdfunding, advertising (public and commercial), and even funding from external organizations such as NGOs.

A paywall is a technological fence that restricts people who have not paid a subscription from using a website (Cambridge Dictionary, 2020), a strategy that media around the world have established as a form of financing that compensates for the losses in printed advertising and newspaper sales. In the United States, The Wall Street Journal was the first legacy media to put a paywall on its website in 1996; The New York Times was the second in 2011 (Pattabhiramaiah & Sriram, 2019). These authors found that paywalls had a "spillover effect," increasing the value of print subscriptions because of their ability to provide free access to online content. However, paywalls also risk driving away readers who are unwilling to pay for online news. Still, around 69% of newspapers across the United States and Europe have adopted some form of paywall (Fletcher & Nielsen, 2020).

Olsen and Solvoll (2018) found that paywalls for local media in Norway added a value proposition to exclusive and local media content, making readers willing to pay to continue accessing news. Nonetheless, revenue from online subscriptions was not enough to dispose of advertising revenue. Fletcher and Nielsen (2020) used data from the 2017 Reuters Institute Digital News Report to discover that people in the UK and the United

States who pay for streaming services like Netflix or Spotify are more likely to be willing to pay for online news, suggesting that media outlets should target those audiences in their efforts of gaining subscribers.

The only news outlet with a complete paywall in Mexico is Grupo Reforma, a newspaper chain established in 1922 in Monterrey City that manages the newspapers Reforma, El Norte, and Mural (Grupo Reforma, 2020). Its yearly subscription costs the equivalent of \$45 USD and allows access to the website's and mobile app's content (Grupo Reforma, 2020). The Spanish newspaper El País has a digital edition focused on Mexico and established a paywall for some of its contents in 2020, allowing users with a free account to read their stories (El País, 2020). El Universal, a legacy media whose website edition currently ranks number 2 in web traffic in Mexico (Milenio, 2021), incorporated its paywall in late 2020, with a yearly digital subscription for the equivalent of \$47 USD (El Universal, 2021), and it promises access to over 700 exclusive pieces of content per month.

Another revenue source for online media is crowdfunding, which is a way to fund a project or activity by raising many small amounts of money from a large number of people, usually over the internet (Oxford Advanced Learner's Dictionary, 2020). Crowdfunding in journalism is a practice that bets on fundraising campaigns from the audience in exchange for rewards, such as access to journalistic investigations or even being part of decision-making (Dos Santos & Ahmad, 2019). Animal Político, a Mexican digital native outlet created in 2010, credits 15% of its total revenues to its crowdfunding program, “Amigos de Animal” (Animal Político, 2020). This system consists of a monthly subscription to access exclusive content and support the production of

journalistic texts; a similarity shared with La Silla Vacía (The Empty Chair) in Colombia, and Agenda Pública (Public Agenda) in Brazil (Gomez, 2017). Crowdfunding has allowed them to create communities, maintain journalistic independence and be relevant agenda setters, although their contents are designed for more specialized audiences.

Another funding model in Mexico is creating collaboration networks to share resources and expertise. Martínez and Rojas (2020) explored the funding sources of 11 local websites in Mexico that formed the Alianza de Medios Tejiendo Redes (Weaving Nets Media Alliance) in 2018. This coalition shares information resources daily to work on reports together. Financially, though, these media rely on funding from NGOs in the United States, Canada, and Europe. They also incorporate commercial and governmental advertising, as well as donations. The authors concluded that this was an economically fragile model for its future viability.

For its part, advertising sales, one of the leading business models of the legacy media, has been widely documented by its migration to the internet, mainly to social media platforms and web search engines. The digital nature of social media platforms offers better insights on their results than traditional ads in printed media, and allows tracking engagement with several variables, including entertainment, stimulation, practical use, social interaction, and identification (Voorveld, van Noort, Muntinga, & Bronner, 2018). In response, some newspapers had compromised their impartiality to appease their advertisers with favorable editorial content to keep them as clients (An & Bergen, 2007).

Another revenue source for digital media is venture capital. Kosterich & Weber (2018) recalled how BuzzFeed, a classic example of a digital-native media, got almost

\$500 million in venture capital funding, boosting its revenue to 65% and growing its audience to more than 500 million readers. A similar investment (\$70 million) in Vice helped this former magazine relaunch and increase from 10 million visitors in September 2014 to 23 million in September 2015. Whereas venture capital has to be linked to a business model, Kosterich & Weber note that the influx of resources from outside the ecosystem has helped to renew spirit of innovation in media.

Exploring the business models currently deployed by digital native media in Mexico represents one of the research questions of this proposed research. Further chapters will explore this topic.

Routine practices for digital native media

As in other countries globally, the media market in Mexico combines legacy media and native digital media companies. Of the 30 most read news sites on the internet in Mexico, eight are linked to legacy media, and the rest are digital natives (Comscore, 2020).

Shoemaker and Reese (1996) argued that journalistic routines were not created casually, but rather as a practical response to the needs of media organizations and their workers to streamline their resources and create products. In addition to the business practices that journalistic companies have adopted for their profitability on the internet, new journalistic routines and skills are now part of newsrooms.

SEO, or Search Engine Optimization, plays a significant role in these new routines. The term refers to the series of techniques that help website content stand out in search engines such as Google, increasing visitor traffic (Google, 2021). In Spain, SEO strategies proved indispensable for newsrooms, but colleges only offered basic training

on the topic (Lopezosa, Díaz-Noci, & Ontalba-Ruipérez, 2020). Similar findings were found by Guo & Volz (2019) when analyzing 669 media industry job announcements on the U.S. website Indeed.com from July to December 2017, where the second most popular category of job offers demanded skills of "innovative expertise" (p. 1305) such as big data analysis, web development, content strategy, audience analytics, and social media publishing. The first category, though, still required writing, editing, reporting, and interviewing skills.

As they transitioned to a digital environment, legacy newsrooms had to adapt their business models, staff, and even the physical space of the newsrooms. In the United States, Robinson (2011) documented the resistance of most employees to the changes that a local newspaper began to introduce to integrate a more modern culture into the newsroom. Organizational changes triggered print and web staff discrepancies in their tasks, technological tools such as laptops and virtual boards, and hierarchical perceptions in the editors-reporters relationships.

For their part, digital native media can suffer in their definition as a company. While some are considered small businesses, others define themselves as startups, a term used to define technology-based companies. However, startups must meet specific requirements that journalistic ventures do not consistently achieve, such as scalability potential, rapid adaptations of their business model, and profitable growth (Bertocchi, 2017). Also, digital native media's nature tends to change towards more mainstream over time. For instance, in the U.S., BuzzFeed published twice the number of hard news than soft news after 2012, as the media company evolved into a more "mature" one. Crime, war, disasters, and education received more coverage over time (Wu, 2016). The author

noted how, under the framework of the Hierarchy of Influences, changes in organizational forms and news routines influenced BuzzFeed's content.

Using the Hierarchy of Influences, Dean (2019) explored how smartphones disrupted U.S. newsrooms as a media tool that helps journalists collect multimedia information, work anywhere, have a more significant individual influence on their stories, and interact with audiences on Twitter and Facebook. Ferrucci (2018), for his part, noted that U.S. journalists with a solid social media presence were more likely to get a job in a newsroom. Ferrucci argued that social media are not mere tools for connecting journalists with audiences but a network of actors affecting news production on all levels of influence.

Research questions

The purpose of this research is to understand **the practices that digital-native media in Mexico use to compete as an organization in Mexican's news market**. Based on the literature review, the research focuses on two levels of influence: routine practices, and the organizational level.

- **R.Q. 1: What are the main business models and funding systems of the digital native media in Mexico?**
- **R.Q. 2: What are the editorial routines set as a result of the organization's business models?**

Research question 1

This research question concerns understanding the funding and business models used by digital native companies in Mexico. The main funding methods for legacy-media

outlets are subscriptions, direct sales, advertising, and government subsidies. In contrast, digital-native companies' most documented funding methods are advertising, paywalls, and venture capital. Determining whether the funding methods confirmed by previous research in other countries apply to the Mexican digital news market is the main objective of this question. In turn, it will update the information regarding the business models these media companies are using to support their financial structure. Using the Comscore ranking as a starting point, this research question also inquires whether there is a correlation between being one of the most read media in the country and being a profitable news company.

Research question 2

Research Question 2 is concerned with identifying the main editorial routines set by the news organizations in digital-native outlets in Mexico as a direct influence of their respective business models. This question is particularly interested in documenting how decision-makers perform their daily work, including newsworthiness criteria and beat organization for their journalists. Since the research heavily relies on web traffic rankings and how the selected media reached the top 10 most visited news sites in Mexico, it will inquire about any strategies for reaching to such position, including organic traffic from Google, social media strategies for engaging with audiences from Facebook, Twitter, Instagram, and other social networks, as well as any other policies for their online presence. It will be interesting to know, as well, the role of any technical tool in the outlets' success.

The next chapter will dig into the methods for investigating these questions.

CHAPTER 3: RESEARCH METHODS

The proposed method for developing this research uses **open-ended, semi-structured interviews** with media directors from digital native media in Mexico. The research questions fit a qualitative approach instead of a quantitative because of their interest in getting in-depth insights about media editors in the field while documenting their experiences and thoughts.

Interviews are focused, purposeful conversations between two or more people (Brennen, 2013). Structured interviews use a specific and standardized procedure, often helpful for questionnaires requiring narrow interpretation, like survey research. But semi-structured interviews allow greater flexibility and focus on complex voices, even when they also use a pre-established set of questions, topic areas, and themes (Brennen, 2013). Given that this research aims to document how editorial and business practices affect different companies, semi-structured questions can be adapted for different contexts and interviewees, even when seeking answers for the same themes. Interviewing sources is the primary task of a reporter, obtaining information that helps journalists reconstruct events, and build the news. Similarly, qualitative interviews are guided conversations that explore respondents' feelings, emotions, experiences and values, seeing them as important meaning-makers (Brennen, 2013).

Recruitment process and criteria

This research used the Comscore ranking of most-read media sites in Mexico to reach out to the top ten most visited sites from December 2020 to October 2021. (2020). *El Economista*, a Mexican financial newspaper founded in 1988, has published since

April 2015 the Ranking de Medios Nativos Digitales (Digital Native Media Ranking), analyzing web traffic in Mexican digital media for smartphones, tablets and desktops (El Economista, Comscore, 2021). All data comes from Comscore, a company used by websites worldwide that measures web traffic and ranks them per category and country. This ranking only considers websites where the leading distribution channel is the internet, even when some of these companies later developed other forms of business linked to legacy media (El Economista, Comscore, 2021).

The media sites that appear on the list don't remain the same over time, which exemplifies the stiff competition in the market. To get a balanced pool of companies, the researcher compiled a database using the ranking's information from December 2020 to October 2021 and organized the media sites in order of their repeated presence in the ranking. In total, 15 different companies have appeared in the ranking for the selected timeslot (El Economista, Comscore, 2021).

The following table represents the companies in the study that were contacted to request interviews with volunteer subjects, resulting in a total of ten interviewees from ten different companies. The study subjects met the criteria of being decision-makers in their respective companies, knowledgeable about the business and editorial practices that would pertain to this research.

Table 1. Top 15 digital native news sites in Mexico from December 2020 to October 2021

News site	Months in the ranking
unotv.com	11
mediotiempo.com	11
sdpnoticias.com	11
aristeguinoticias.com	11
soyfutbol.com	11
kiwilimon.com	11
salud180.com	10
animalpolitico.com	7
heraldodeportes.com	6
show.news	5
cocinadelirante.com	4
gastrolabweb.com	4
soycarmin.com	3
culturacolectiva.com	2
lasillarota.com	1

Study Subjects

This research was based on 10 interviews, in Spanish, with chief executive officers, operation managers, social media managers, SEO managers, and editors in chief from 10 of the 15 most read digital native media in Mexico. The recruiting process included reaching out via email to all of the 15 companies on the list, resulting in ten subjects who agreed to participate in the research project. While recruiting subjects, the

study looked for public contact emails of editors, general newsroom, sales, and general contact emails of the selected companies, explaining the research’s objectives, and formally requesting an interview with interested participants that would meet the criteria. After gaining access to the first subjects, the researcher used snowball sampling, asking each individual in the sample to name other individuals, helping in the recruitment process (Goodman, 1961). A second and third recruitment strategy was using digital platforms Twitter and LinkedIn, identifying candidates and sending them direct messages.

Since the proposed research aimed to understand both editorial and commercial routines for digital media outlets, the minimum interviewed sample was expected to consist of two interviewees per company (one from the business, one from editorial departments) for an expected total of 20 subjects, each interview lasting around 30 minutes. However, due to the subjects’ availability, their position in their companies, and their willingness to take longer interviews, the final sample consisted of ten participants who were able to provide information from both departments to different degrees.

Table 2. Pool of participants

Position in the company	Prevalence of participants
Chief executive officer	1
Editorial Manager	2
Social Media Manager	2
Digital Manager	1
Editor in Chief	3
SEO Manager	1

All of the interviews were conducted in Spanish. Each discussion was held in the videoconference service Zoom, had a duration of 55 to 90 minutes, and was audio-recorded and transcribed. Per IRB protocols, all participants were promised anonymity, which means that names, or specific details that would lead to their identification, will not be part of this thesis. The recruitment script and informed consent documents are available as an appendix in this document, and they were reviewed and signed by each participant.

Following the interviews, each transcription in Spanish was coded in English using the constant comparative method, an approach for working with texts that allows coding as many categories as possible for integrating and analyzing their properties (Glaser & Strauss, 1967). The constant comparative method converts qualitative data, like interviews, into quantifiable form, inspecting data for properties that match theoretical categories. Since the proposed research relied mainly on open-ended interviews, the constant comparative method enabled uncovering patterns and trends among the interviewees' responses, as this thesis will show in the following chapters.

The Research Questions of this study are heavily tied to the Levels of Media Influence proposed by Shoemaker and Reese. The main Research Questions were broken into smaller and specific questions that explored either the business or the editorial practices in digital media and, in turn, either the Organizational or the Routines Levels of Influence. A complete questionnaire is attached as an appendix.

Table 3. Questionary preview

Levels of Influence	Example questions to address each concept
R.Q. 1: What are the main business models and funding systems of the digital native media in Mexico?	
Organizational	Describe your organization main business model. Do you use any other funding methods, such as government aid or subsidies? Has the company had this business model since the beginning? Are the company's reporters' full-time workers, part-time, outsourced or freelancers? What kind of job benefits do your journalists have? (Salary, health insurance, etc.)
R.Q. 2: How, if at all, do the business models affect the organization's routines?	
Media Routines	Describe a typical day in your job. What kind of metrics do you use to track success in your company? How do you implement SEO practices? What are the skills do you expect your reporters to have?

Participant companies

Table 4. Participants and media affiliation

Participant	Website	Name	Origin	Industry	Parent company
Participant 1 (P1)	https://www.unotv.com/	UNO TV	2008	General news	America Movil
Participant 2 (P2)	https://www.mediotiempo.com/	Mediotiempo	2000	Sports	Multimedios
Participant 3 (P3)	https://www.sdpnoticias.com/	SDP Noticias	2011	General news	Grupo Televisa
Participant 4 (P4)	https://www.salud180.com/	Salud180		Health and lifestyle	Grupo Imagen
Participant 5 (P5)	https://www.animalpolitico.com/	Animal Político	2010	Hard news	Editorial Animal
Participant 6 (P6)	https://www.heraldodeportes.com.mx/	Heraldo Deportes	2017	Sports	Grupo Andrade
Participant 4 (P4)	https://www.cocinadelirante.com/	Cocina Delirante		Food and lifestyle	Grupo Imagen
Participant 7 (P7)	https://www.gastrolabweb.com/	Gastrolab	2020	Food and lifestyle	Grupo Andrade
Participant 8 (P8)	https://culturacolectiva.com/	Cultura Colectiva	2013	Entertainment	Cultura Colectiva
Participant 9 (P9)	https://lasillarota.com/	La Silla Rota		General news	Grupo La Silla Rota
Participant 10 (P10)					

This proposed research was interested in exploring internal routines and media practices in Mexican digital media that eventually lead to media content that is read and consumed by millions of readers every month. Relying on subjects that perform as decision-makers in the top-ranked digital media sites in Mexico shed light on these practices, both in business and editorial matters, which led these companies to become the most read in the country. The final sample of subjects participating in this research comes from the companies disclosed in the table above.

Uno TV. Uno TV is a news site property of America Móvil, owned by Carlos Slim, the wealthiest businessman in Mexico and the richest man in the world in 2014 (Esteves, 2014). It was founded in 2008 as a free service that would send news over an SMS message to all the clients of Telcel, the most predominant telecommunication company in the country.

The service kept the SMS messages, but eventually turned into a news website that produces and publishes national and international news and entertainment content. The vast majority of traffic to its website comes from the SMS service: Uno TV impacts a massive audience of 70 million people every day, and has an average audience of 22 million visitors per month (Bermúdez, 2018). The website has occupied the first place of the Comscore ranking of digital native media since 2015.

Mediotiempo. Mediotiempo.com is a news site focusing on sports journalism. It was founded in 2000 as a digital native media, and acquired in 2017 by Grupo Milenio/Multimedios (Editorial Medio Tiempo, 2017), a media conglomerate that operates TV, radio and print outlets. Grupo Multimedios started in 1933, and it's a

private company headquartered in Mexico City and Monterrey (Media Ownership Monitor Mexico, 2019).

SDP Noticias. SDP Noticias (SPD News) started as a left-wing blog in 2007, to expand the news coverage of the then presidential candidate Andrés Manuel López Obrador (Media Ownership Monitor Mexico, 2019). Then, in 2017, Grupo Televisa bought 50 percent of SDP Noticias. Grupo Televisa has more than 50% of the open television signals in Mexico, and is the owner or has participated in three of the most visited websites in the country (Media Ownership Monitor Mexico, 2019).

Salud180. Salud180 covers health, fitness, and nutrition (Imagen Digital, 2020). Along with Cocina Delirante, it was bought by Grupo Imagen in 2012, as a strategy to increase the company's digital presence (Grupo Imagen, 2016). Grupo Imagen is headquartered in Mexico City, and its current media conglomerate includes TV channels, radio stations, printed media, and web news sites (Imagen, 2022).

Animal Político. Animal Político is an independent digital native media founded in 2010 that focuses on politics and data journalism (Animal Político, 2022). Founded by Mexican journalist Daniel Moreno Chavez, it has two sibling websites on lifestyle, and food: AnimalMx, and Animal Gourtmex (Editorial Animal, 2022).

Heraldo Deportes. Heraldodeportes.com.mx is a digital native media that covers sports. According to Participant 6, it was created in 2020 as a separate website from the main informative platform, heraldodemexico.com.mx, to build an independent audience. Heraldodeportes is part of Herald Media Group, a media brand relaunched in 2017 after being acquired by Andrade Group, a Mexican company with investments in the

automobile industry. El Heraldo de Mexico was a Mexican newspaper published initially between 1965 and 2013 (EFE, 2017).

Cocina Delirante. Cocina Delirante is a website about nutrition, food recipes, and gastronomy that focuses on “practical moms and independent single people who like to try new stuff and enjoy their time in the kitchen” (Imagen Digital, 2020). It’s part of Grupo Imagen’s digital native media.

Gastrolab. Gastrolabweb.com is a digital native media covering gastronomy and food. It’s part of Heraldo Media Group’s strategy to create independent news sites, according to Participant 7, and it opened its website in 2020. However, the outlet had its roots in the printed newspaper of Heraldo de México, in 2017.

Cultura Colectiva. Culturacolectiva.com started out as a Facebook fan page that turned into one of the most-read digital media in Mexico after opening its website, in 2013. It covers entertainment and lifestyle, and it has an English-based version. In 2017, the venture fund Dalus Capital invested \$4 million in Cultura Colectiva (Mullin, 2017).

La Silla Rota. Lasillarota.com as a digital native news site was born in 2010, according to Participant 9, although it had other ventures in media since 1998. It was founded by Mexican journalist Roberto Rock, La Silla Rota covers politics, general news, and financial news (La Silla Rota, 2022), but other five news sites have emerged as separated niche publications from the main site, forming a media group.

CHAPTER 4: BUSINESS MODELS AND FUNDING METHODS

The literature review chapter of this thesis noted two primary revenue sources for digital media in the United States: advertising, and paywalls or subscriptions. The interviews performed with the study participants revealed that the main revenue source for digital native media in Mexico is advertising, but in the form of programmatic ads ruled by automated, third-party platforms. A second income source is sponsored content, which can be understood as an evolution of traditional advertising. Sponsored content appears as paid stories for websites or social media posts. Other income sources reported by the interviewees are traditional advertising, venture capital, grants, government advertising, marketing consulting, and subscriptions.

This chapter will review the business models reported by the participants and their thoughts on how they allow their companies to profit and succeed in the Mexican news market.

Table 5. Identified business models for digital native media

Business model	Category
Programmatic advertising	Advertising
Direct advertising	
Sponsored social media content	
Native content	
Public advertising	
Fact-checking services	External services

Venture capital	Investments
Grants and donations	External funding
Suscriptions	Sales

Advertising

All the participants in this research confirmed that advertising is the main business model of their media sites. However, advertising as a whole concept has evolved from the classic banners in printed newspapers sold by the commercial departments, to a data-driven model that is no longer in control of the media. In an attempt to regain the media’s ownership of the financial deals with brands, paid content has been established as an alternative to traditional or programmatic advertising, present either as a piece of content on the news site which is not always labeled as sponsored, or as sponsored social media posts in the media’s accounts. However, the participants distinguished at least five different forms of advertising on their news sites.

Direct advertising. All participants reported that their outlets have a sales team in charge of selling advertisements to clients. This is a classic form of revenue linked to media organizations of all kinds, and for the most part, commercial mass media make money by delivering audiences to advertisers (Shoemaker & Reese, 2014). In the interviews, participants identified these deals as ads sold as direct transactions between the client and the media company. Advertisements are then displayed on the website as an image or a video, and clicking on them redirects to the client’s desired web page. However, the sales team usually offers this kind of advertising as part of a larger handful of products to the clients, attempting to close a deal in one way or another.

Participants agreed that direct advertising revenue was greatly affected as a result of the COVID-19 pandemic. For instance, P8 saw this as a collateral effect of the pandemic's effect on the economy and the supply chain. As a result, media became more dependent on programmatic advertising.

“Digital media are still facing pandemic effects, which reduced direct advertisement sales of many companies because the whole economy was paralyzed. A computer brand would hardly invest in ads if there is a shortage of chips, and it doesn't have as many devices to sell. It's a quite delicate matter caused by the pandemic.”

Programmatic advertising. Automated advertisement systems where a third company manages the ads that are being displayed on the news site are the most common revenue sources for the participant news sites. Alien to the media site, these companies manage clients and place ads using an automated system to all the websites affiliated with them in exchange for a payment that changes based on seasons and websites' audiences. The usual compensation is set at a cost-per-click (CPC), or cost per mile (CPM), paying a fee for every thousand impressions of a specific ad. The leading service in programmatic advertising with the digital media present in this study is Google Ads, with other platforms such as Taboola and Outbrain. The programmatic audience segmentation system has had an impact in digital media that is so profound that it altered how news companies build their websites and create content, as explained by P4.

“If you advertise your brand on a health website, the CPM may be higher depending on the season, and it can vary up to 10% to 150% higher than the cost you would get on a news site. That is because a matter of supply and demand: although the

news site has much more traffic, the reality is that not all advertisers want to be there. Why? Because of brand safety. What I mean by that is this: if you have a company wanting to advertise on the internet, and you put your ads into a newspaper's website, it is highly possible that your brand might be advertised next to the headline of a murder, or corpses, because it's hard news. On the other hand, if you focus on sites that promise brand safety, such as Cocina Delirante, or Salud 180, the price is higher, but you can rest assured your brand will never be next to a topic that you don't want to associate it with."

Participants confirmed that hard news sites make lower profits from programmatic advertising than soft news sites. Sports, lifestyle, health, food, entertainment, and technology, among other specialized beats, will profit better on digital news if they operate as a separate website, building in the process their own brand and audiences. That explains the cases of Cocina Delirante and Salud 180 being independent websites in a much bigger parent company, which also owns the complex news sites Excelsior and Imagen TV. It also explains why Animal Político, which focuses on politics and hard news, opened in 2019 a new soft news site, Animal.mx, working along with a food website, Animal Gourmet. "If we talk about Animal Político, for instance, since it covers topics of violence and security, as well as corruption, frequently it's not as easy to sell it in commercial deals," confirmed P5. Programmatic advertising also explains why La Silla Rota is opening the niche websites Su Médico – Health news, and Yo Soi Tú – Entertainment, hoping they become profitable beats on their own (P9). It explains Herald Media's Gastrolab as a separated gastronomy site, and Herald Deportes as a sports website, as P6 tells:

“A niche site pays CPM better than actual hard news, because advertisers seek to advertise in sites where there’s no beheading, no blood, no corruption. Therefore, the cost per click is higher in a niche such as travel, automobiles, and entertainment than in a news site where you might have a higher volume of unique users, but the brands are more reserved. To a certain degree, that becomes a limitation, depending on your business model.”

Unlike traditional advertising, where a whole team is needed to reach out to clients, negotiate deals and make sales, programmatic advertising requires far fewer personnel, although more specialized, to manage the platforms. This advantage has also been proven from the human resources perspective, as explained by P6.

“I no longer need traditional sales people: if I train a staff member to manage these accounts and somehow manage advertising sales more digitally, it can reach broader audiences, and it can be very profitable as a project overall.”

On the other hand, participants recognized how the need for programmatic advertising increased after the COVID-19 pandemic hit, which brought both financial and ethical concerns for digital media. “Right now, with COVID, it was very evident how many media outlets did not care so much about informing audiences, but keeping their page views and clicks to survive, to not lose their income,” analyzed P5. More about programmatic ads’ impact on user experience, editorial criteria, ethical concerns, and web design will be discussed on the following chapter of this thesis.

Sponsored content. Influencer marketing has turned into a billionaire industry that just in the U.S. grew to a market size of 13.8 billion dollars (Statista, 2021).

Leveraging their popularity online, news sites have learned to profit from their social media influence with sponsored posts for clients, using the news site's presence and audience in their official accounts. The range of content varies from a sponsored tweet or Facebook post, to editorialized content that might or might not disclose whether it's paid content. Examples of this might be Instagram Reels, YouTube, or TikTok videos made for a brand but directed to the media's audience. A growing trend, as well, is the production of paid infographics to be posted across social platforms (P7 and P3). However, sometimes, online newsrooms still need to do some selling to persuade clients to accept this form of marketing and advertising.

“So many clients are still skeptical to digital, and they would say ‘No. How will I see a post on Instagram transformed into sales?’ And then, our task is to explain to them: ‘A lot of people will see you, come to your profile, and generate another type of interaction,’” said P7.

Native content. Paid content in the news site, in the form of a text story, featured coverage, or multimedia content, is sold as what participants call “native content” or “organic content.” This kind of advertising might be disguised as a natural piece of information in the news site's agenda, placed in a separated section in the website to distinguish it from the general content, or explicitly disclosed as content created for a brand. Regarding organizational rulesets, native content's deals were the definitive factor in dividing or not between editorial and sales teams. In the experience of P5, an independent commercial department manages content creation for brands and posts them on a separated section in the website to avoid confusion between branded and editorial

content and keep reporters unaware of financial deals with brands. That would be the opposite case of P7, from Gastrolab.

“We do a lot of ads that feel more organic, very hidden within a content, which is the most effective because that is when you really manage to make someone fall in love with a brand. There are many subtle ways of selling stuff to people, and the key way to do it is to handle language very carefully.”

This experience aligns with a trending revenue source for digital media, borrowing elements from influencer marketing. In exploring how branded content and native advertising have transformed editors' and reporters' work routines, the following chapter will dig into more participants' reflections.

Public advertising: Government advertising, or public advertising, is defined as public funds allocated to media to promote the government's programs or its image. Public advertising can come from a federal or local level. It was mentioned as a funding system, in more or less scale, for all the media companies interviewed for this study. The introduction chapter of this thesis explored how public advertising in Mexico turned a few media companies into empires, with Peña Nieto's administration alone devoting around \$2 billion in government advertising in 5 years (Ahmed, 2017), and Martinez and Ramos's research points out that government advertising was allocated discretionally to media that aligns their agenda to the local, state, or federal governments' interests (2020).

López Obrador's first and second years in the presidency allocated a fifth of what the previous president had spent in press advertising. Among the top institutions exerting public advertising budget in 2020 were the Mexican Institute of Social Security (IMSS),

the national lottery, and the departments of Defense, Energy, and Finance (Fundar, 2021). Some participants admitted public advertising's relevance as a revenue source, although they acknowledged a budget decrease in recent years and its impact in their business models. For instance, P3, brought up that, aside from damaging media's profitability, public advertising created an imbalance where other forms of advertising have taken over media's agenda. "It broke the balance without considering the consequences it could have brought to the country's public life," P3 said. "The president complains every morning about the media, but he broke the balance." P4 concluded that media's inefficient processes to develop a sustainable model reacting to the market's technological changes led to higher chances of becoming dependent on public advertising and losing, in exchange, their editorial freedom. P5 agreed on accepting public advertising if the ads are from certain institutions, such as public universities, or the Supreme Court, because of its presumed lack of political interests, as long as the total profit coming from government advertising remains low in comparison to the other media's revenue sources.

Other funding methods

Fact-checking services. In 2018, on the verge of Mexico's presidential election, Animal Político announced Verificado 2018 (Verified 2018), a fact-checking effort in alliance with 60 media, NGOs, and colleges. This initiative was based on other international fact checking efforts, such as Electionland, in United States, or CrossCheck, in France, according to their press announcement (Montalvo & Moreno, 2018). Four months later, after the elections, Verificado 2018 ceased operations. The website verificado.mx reported more than 5 million visitors, and 400 news stories were published, following a

methodology that distinguished between plain fake news, and fact-checking, the later related with discourse verification (2018).

The experience Animal Politico gathered during this fact-checking campaign led to creating a new revenue source for the media company, said P5: “We realized how important it was to monetize our skills, in this case, fact-checking.” The company now provides fact-checking consultancy to third-party clients, crediting 20% of their revenues to this division (Animal Político, 2020). Since 2020, along with AFP and Reuters Fact Check, Animal Político has been the only Mexican news site participating in Meta’s Third-Party Fact-Checking Program (Meta Journalism Project, n.d.). In 2020, the program gave 1 million dollars to support its independent fact-checkers on COVID-19 disinformation (Goldshlager & Watson, 2020).

Venture capital. Capital investments from venture companies or private investors are documented in previous literature to launch, support, and boost media companies, such as BuzzFeed, or Vice (Kosterich & Weber, 2018). At least five of the ten companies in this study have publicly disclosed investment agreements for selling partially or entirely their brands to a capital fund or a bigger company. Cultura Colectiva, one of the participants in this study, received an investment of \$4 million in 2017 from the international firm Dalus Capital, which saw a profit opportunity with their Hispanic audiences (Mullin, 2017).

Mediotiempo, Salud180, and Cocina Delirante were once independent media startups acquired by a parent company, providing them with resources they didn’t have before to reach new audiences and hiring new personnel. Mediotiempo’s parent company is Multimédios, whereas the other two sites belong to Grupo Imagen. For the parent

companies, investing in, or buying entire news sites is, in turn, a way to expand their business models, to reach specific audiences, and to diversify their news offer. Said P4: “Everything responded to the discovery of new segments of audiences that were about to explode.”

In 2017, Televisa Group bought 50 percent of SDP Noticias, for an undisclosed amount. At the moment, Televisa said the agreement would allow it to expand its presence in the internet sector (Forbes, 2017). According to P3, SDP Noticias maintains its operations as if it were an independent company, but the alliance with Televisa made it more professional in its financial control and internal procedures.

Grants and donations. According to the literature and open data, international organizations and tech companies support Mexican media sites through grants and donations. In their research on collaborative journalism startups in Mexico, Martinez and Mendoza pointed out how grants, donations, and scholarships from the International Center for Journalists, Open Society Foundations, and Heinrich Böll Foundation, among others, have supported small newsrooms. Some of these organizations had given funding to the news sites present in this thesis, such as the Open Society Foundation, which awarded \$40,000 to Editorial Animal -- parent company of Animal Político-- in 2020 “to provide independent, quality information for younger audiences so they are better equipped to defend human and civil rights in Mexico” (Open Society Foundations, 2022). OSF also granted Editorial Animal with \$78,700 in 2018, and \$40,000 in 2017. In total, Animal Político claims that 20% of their revenue comes from donations and grants (Animal Político, 2020). In its interview, P5 acknowledged the importance of grants but warned about media organizations in Latin America becoming too dependent of them.

“We can’t afford to have all our journalistic work dependent of having five grants, because they won’t last forever.”

Meta, Facebook’s parent company, and Google, have also allocated funding for Mexican media, aside from what they give for advertising deals. Facebook allocates funds through their Third-Party Fact-Checking Program, where Animal Político was selected. Google, in turn, has the Google News Initiative, which provides training tools, partnerships, and financial support, with over 7,000 news partners and \$300 million in funding globally. In 2020, due to the COVID-19 impact on the news industry, the company announced the Journalism Emergency Relief Fund, which provided funding ranging from \$5,000 to \$30,000 to more than 5,300 small and medium newsrooms worldwide (Blecher, 2020). According to the recipient list, 183 Mexican news organizations received the relief fund, including Cultura Colectiva, Grupo Andrade (Heraldo Deportes and Gastrolab’s parent company), and La Silla Rota, present in this study (Google News Initiative, 2020). According to P9, this money influx allowed their news site to invest in technology to increase their web traffic.

Through a different program named News on Youtube, Imagen Digital (parent company of Salud 180 and Cocina Delirante, from this thesis) also received funding and training to support their YouTube channel, focusing on audiences and formats (Google News Initiative, 2020). This fund also benefited Mexican legacy media companies Grupo Milenio, El Universal, and Grupo Reforma.

Marketing consulting. Some of the interviewed news sites developed a revenue source by offering marketing advice or professional consulting to clients. P3 recalled how their company saw this as a funding alternative to traditional advertising, especially at the

early stages of the venture, when advertisers were not that plentiful to make the news site profitable on their own. “We opened a consulting agency to help companies with brand communication. We would review their website, make usability tests, etcetera, and that’s how we began to support the business model.” To P3, the fact that they were a digital native news site differentiated them from legacy media competitors, since they had a better understanding of the digital world, social media, and how to create impactful content for web audiences. Community management, design of graphic materials, content creation, and even ad production, are among some services the company would offer, using skills from the commercial teams. In its turn, P5 agreed that digital native media can use their expertise to create new funding methods, such as workshops, advisory, or fact-checking services for third-party companies, not necessarily from the media industry:

“We offer consulting services for companies, digital platforms, and whoever demands it, about what kind of disinformation is circulating in social media about them or their products, what impact is making, how to measure it, and how to counteract it.”

Subscriptions. In Mexico, it is estimated that 18% of internet users pay for online news (Newman, et al., Mexico, 2021). However, none of the sites included in this study currently implements a paywall system as part of their revenue sources, and some of the interviewees were doubtful of the effectiveness of this particular business model for digital media in the country:

“The truth is that only a few segments of the population can afford to pay a paywall, and those who can afford it, already have it. It is a population with high

income, normally, and they prefer to pay The New York Times' paywall rather than paying a Mexican one", said P4.

To support its claim, pointing out context situations such as the purchasing power, and the currency value, the participant put an example comparing the Mexican media industry with the American one: a news site with 200,000 clients, charging each of them \$15, would produce a total of \$3 million monthly. "However, if you try to do that in Mexico, and you have 200,000 users, there's no way you could charge \$15. At much, you could charge \$100 pesos, which is \$5 monthly, so the profit would be much lower."

Despite offering its content for free, Animal Político has a subscription model, which could be seen as a freemium system, where subscribers who pay \$200 pesos monthly (around \$10) get perks such as accessing the featured stories first, getting a private newsletter, and a subscriber account to Convoy Network, a Spanish podcast platform that costs \$39 pesos monthly (around \$4). According to P5, subscribers contribute 10% to 15% of the total revenue to the company.

Discussion on business models in Mexican digital media

With a few exceptions, advertising is the predominant business model for the studied digital news sites in Mexico. However, the types of advertising and their relevance for each of the news sites are different. Whereas some admitted that programmatic advertising is the most important in their business model, others valued social media posts and paid content as a relevant source of profit. The business models these companies adopted to make themselves profitable news media can be explained from the

perspective of their market, the company size, and their competitiveness in terms of news coverage.

Specialized news sites, focusing on topics such as health (Salud 180), food (Gastrolab and Cocina Delirante), sports (Heraldo Deportes and Mediotiempo), and lifestyle and entertainment (Cultura Colectiva) place a special interest in programmatic advertising, given that their niche audiences are more valued for the bid-like systems in the automated programmatic platforms. According to the interviews, this seemed to be a widespread funding strategy: even the sites in the present study that cover politics or general news as their main agenda have created new news sites focusing on a specialized niche because of its easier approach to commercializing. Animal Político owns Animal Gourmet, a food website; and La Silla Rota recently created Su Médico and Yo Soi Tú, to tackle the health and entertainment information niches.

Because of their segmented audiences, too, soft news and lifestyle news sites engage more in sponsored content as a part of their business models. “Native” content, in particular, stands up because it inherently uses the media’s reputation to publish commercial content to audiences, making it look like an authentic journalistic piece. To preserve some distance from news, native content would not be attributed to a specific reporter, using the newsroom brand instead of a particular byline.

Journalism education in Mexico, as in the United States, instills ethical boundaries in students, specially when it comes to make it clear whether a content is news or a piece of advertising. Classic Mexican journalism textbooks clearly explain newsworthiness and editorial criteria for stories (Leñero & Marín, 1986), and printed media would have rulesets to distinguish paid content from news, even if it only was with a different text

font, color, or by incorporating other design elements that were different from the editorialized content. Business models in digital media that put editorial content for sale blurs the line that once immovable, and news would be mixed with advertising without the reader's knowledge. According to P7, the decision to disclose commercial content would be determined in the negotiation process with clients, and according to the type of content created. However, this apparent ethical concern would not represent a issue for editors, attributing it to a industry change that can bring back advertisers money back to the newsrooms, since brands are no longer interested in the traditional forms of advertising they had with the press once.

In turn, politics and general news sites (Animal Político, SDP Noticias, La Silla Rota and Uno TV) were inclined to support traditional advertising, with direct clients found by their commercial departments, with little or no intervention from the editorial areas. And if they create branded content, they would post it in a separated section of the website, emulating the traditional ways of dividing news from ads. Mechanisms to watch over editorial freedom and profitability varied from not allowing any client "to have more than 10% of the site's advertising" (P9), to not allowing "any income source to provide more than 30% of the total revenue" (P5). Regarding government advertising, only P3 admitted this to be a significant income source in their news site, with around 50% of their total revenue. P1 couldn't determine whether programmatic or traditional advertising was the main driver of income for their news site. Still, given that Uno TV is not an independent website but rather a news service supported by a telecommunications company, their case can be excluded from this part of the analysis.

The literature review portion of this thesis reviewed paywalls as an important source of revenue for digital media. However, all the participants didn't see this model as a viable business method for the Mexican news market. If anything, that would be the stark difference between the business models documented for media in the United States, and Europe, from the ones this researcher could identify in Mexico. Only one of the news sites (La Silla Rota) expressed some interest in incorporating this model in the future, but all the participants saw paywalls as a counterproductive model for their current efforts to increase web traffic. Instead of taking inspiration from Grupo Reforma, the main referent in the country of a paywall-based model, they saw this organization as the example of how paywalls would diminish their relevance in the market, at least in terms of readership, relegating their websites to the few readers willing to pay for their content. Hence, organizations have created business and editorial routines to turn mass readership into revenue through programmatic advertising and branded content, offering their contents in free, open websites. If anything, Animal Político's strategy of having an optional subscription model seems to be a viable income source other media in the country could incorporate, creating an extra revenue source without hiding their entire contents behind a paywall.

Documenting the business models of the most read digital native media in Mexico was the first objective of this thesis. By collecting a participant pool from the top 15 news sites, this research also confirmed another question: being in the top of the Comscore ranking also means that the news site is profitable as a media business. However, getting to know these business models during the interview process led to interesting answers on how each of these business models shape and mold the routines and ultimately impact the

media content, as predicted by Shoemaker and Reese (2016). The way these news organizations have adapted their resources (human and monetary) to attract a constant influx of readers, and to link web traffic with profit, will be the main exploration of the following chapter.

CHAPTER 5: BUSINESS MODELS' IMPACT ON ORGANIZATIONAL ROUTINES

The previous chapter documented the main business models for the ten Mexican digital native media companies included in this study, which could serve as example of digital media's general funding situation in this country. This chapter, however, will go deep into the participants' thoughts and experiences on how the previously mentioned business models and funding methods have altered their organization's routines, paving the way for rulesets and norms for their entire newsrooms.

Media organizations have unique characteristics that allow their operation. Among them, we can find ownership, roles, structure, profitability, platform, target audience, influence from advertisers, and market competition (Shoemaker & Reese, 2014). The interviews completed with this study's participants revealed how these characteristics came with specific routines for editors, SEO managers, community managers, and reporters to follow when performing their daily activities. Special interest is placed on the digital DNA of these organizations, and how business models are linked to media traffic, unlocking special needs and skills for their content to grow on a digital environment highly influenced by web searches, social media, and third-party algorithms.

Organizational routines for web traffic

Digital media perceptions on the Comscore ranking. Television measures ratings using electronic devices that capture what shows and channels TV devices are watching to determine the most watched networks (Nielsen, 2022). Printed media, such as magazines and newspapers, accounts for print runs and issue sales. In digital media, web

traffic is the most usual indicator of a website's popularity. Tracking companies have developed a complex and accurate way to measure and dissect web traffic. The broader description would include in web traffic every visit, from any device. But social media platforms, for instance, prefer to use in their reports monthly active users, which count unique users who visited a site within the last month (Tardi & Perez, 2022). In their rankings, Comscore measures audiences' consumption across smartphone, desktop and tablet devices, providing unduplicated measurements to evaluate web traffic more accurately (Comscore, 2022). When considering which media sites would be the most interesting to research for this thesis, the Comscore ranking of digital native stood up because it was public and trackable, showing a historical evolution of the most visited digital native media in Mexico ever since April 2015. (El Economista, Comscore, 2021).

During the timeframe observed for this research (December 2020 – October 2021), the ranking data indicates how hard news and soft news sites constantly compete in the digital media market in Mexico. Moreover, the interviews with the ten participants provided valuable insights on how each news site's business model impacts in the web traffic fight more after month and how important –or not is to have a constant presence in the Comscore ranking. According to P4, media's interest to pay the services of Comscore as an analytics service responded to a commercial interest: marketing agencies and brands would look at the most popular websites per category, and allocate their advertising budget based on its web traffic segmentation data, at a time when advertisers would target media based on audience volume. However, the ranking has decreased its relevancy as an advertising tool, because now agencies value other elements such as affinity, engagement, or audience segmentation. This change was propitiated by adopting

web cookies, and the consolidation of programmatic advertising as the predominant in websites. “The Comscore ranking is still very helpful to me to make insights, but it doesn’t have the same relevance it had before in the digital industry. Advertisers come for affinity, and not for volume,” said P4.

The current ranking of digital native media in Mexico results from how these news sites adopted the changes in the advertising system and how brands’ money is allocated in the web environment. “We can’t, and we don’t want to compete with most sites in the ranking. First, we don’t have the capacity. Second, I would say 85 percent of the news covered by Uno TV or SDP Noticias, we at Animal Político don’t, per editorial decision,” said P5. According to the interviews, media with less diversified business models put more effort into being in the top read news sites because they rely on a higher volume of web visitors to profit from programmatic ads, with Google Ads as their primary partner. However, there’s an exception to this rule: participants recognized Uno TV as a unique case in Mexico’s media. This website ranges between 12 and 20 million visitors monthly, easily doubling any other news site’s traffic in the ranking. That is possible because most of its traffic comes from its SMS distribution system. As a proprietary news service of Telcel, Uno Noticias every day impacts a massive base of 70 million Telcel clients. Seven of every ten mobile broadbands in Mexico belong to Telcel (Bermúdez, 2018).

Web traffic sources. According to the participants, web traffic competition is a real phenomenon experienced in most digital newsrooms in Mexico. News sites try to get visitors from direct traffic, social media, organic search results, and indexation services through their content every day. “There is a race for the click, a race to be the most

visited, and to be the at the top on Comscore. It's madness, and it greatly diminishes the quality of journalism," said P5. Examples of this would be the use of dramatic headlines to bait readers' attention, the creation of several stories squizzing every angle out of a single news event, and the over reliance of trending and viral stories from the internet, instead of reported, crafted stories from an original coverage.

The main traffic source for the examined sites is provided by organic search results online; specifically, Google. According to the interviews, Google's relevance ranged between 30 to 80 percent of total traffic. Google's traffic is worth dividing into categories: traffic from search results, named by the interviewees as SEO traffic; traffic from Google News, its news indexation service; and traffic from Google Discover, a service introduced in 2018 which creates a personalized news feed with content that aligns to the user's interests (Google Developers, 2022). The second and third traffic sources mentioned are direct traffic, and social media. In this, Facebook is the most crucial web traffic redirector, with way less participation from Twitter, Instagram, and Pinterest. Similarly to Google, which serves a traffic provider and as a commercial partner, digital media can profit from Facebook with Instant Articles. These are HTML documents optimized to load over 4.9x faster than mobile web, running natively in the Facebook app to provide deeper engagement and paying news partners for showing ads in their articles (Meta, 2022). "It works both for growing audiences and monetization," said P2.

The predominance of Google as the main source of web traffic molds and affects digital media routines constantly, impacting the ways news is constructed:

“A digital newsroom focuses on three things: service news, such as to answer what the price of the dollar is; breaking news, based on the daily temporality; and evergreen SEO content, which serves a lifestyle or entertainment purpose, with content that will leave you a bigger wave of traffic than what daily news could,” said P6.

From the interviews, it’s fair to say that digital media in Mexico use social media as a traffic-driven strategy, but are warier of their algorithm changes, and avoid their traffic becoming too dependent on them. Among the reasons mentioned for this are that spending in social media ads limits posts’ organic reach (P1), and that their algorithms’ changes seem less transparent (P5). Besides that, Google’s webmaster tools for analytics offer more data about the elements affecting news content’s presence in web searches than what social media platforms could (P7). Web searches and SEO traffic are almost exclusively from Google, and people do not search for news or evergreen content in social media in the same way they do on Google. However, the presence of Instant Articles, offering an extra income source for media, has caught media’s attention, devoting time and resources to curate their Facebook presence and to publish news stories using its technology. If it hadn’t been for Instant Articles’ payback to media, news sites wouldn’t be as open to put their content “for free” on this social network (P2). On the other side, participants recognized that Facebook privileges Instant Articles’ distribution over traditional links, limiting how much traffic they can obtain from that source (P8).

Relevance of mobile traffic. According to the Digital News Report (Newman, et al., 2021), 79 percent of Mexicans access news via smartphones, and online news

consultation via computers has fallen to 18 percent. In order to reach their audiences and remain competitive as a top-read news site, participants agreed on putting mobile traffic first in their web development. “Our web design is always mobile-first, because we get 70 percent of our visits via smartphones,” said P5. “It’s hard for a developing country to find that most people own a computer, and also, many of the Mexicans using computers do it from work, where they might have blocked access to entertainment websites,” contributed P8, accounting for smartphone penetration in the country as a driving factor of mobile news consumption.

International audiences. As noted in the literature review, the current Mexican online news market includes media from Mexico and other countries. In May 2021, for instance, a news site from Argentina, Infobae, ranked six in the top 10 online media (legacy and digital). El País, from Spain, appeared in the eighth position (Milenio, 2021). This international competition was noted by some participants, who attributed their SEO experience to creating content on-demand as the main reason for international news sites to target and succeed in the Mexican news market. “Spanish media have learned to reach the Mexican market by tropicalizing content,” said P2. In turn, Mexican news sites have detected important audiences in other countries, adopting editorial routines to generate specific SEO content for them, in an effort to keep those visitors. For example, Cultura Colectiva’s interests in covering English royalty, or specific international events such as Spain's Canary Islands volcano eruption. “It’s a matter of identifying where is people reading you from, and to begin following the agendas of those countries, testing which topics are of interest for them,” said P8. Reaching other countries’ audiences is a revenue opportunity because programmatic ads from Google, or other sources, rely on geospatial

data to consistently provide relevant ads to users, no matter their location. When writing for other countries' readers, Mexican digital media would adopt a neutral Spanish tone (P8), extend their coverage on international topics (P2), or curate their SEO keywords to reach a general, broader audience (P7). On a more direct strategy, Cultura Colectiva is also accessible in English; and Heraldo Group has Heraldo USA, trying to reach English-speaking audiences in the US and UK and Hispanic communities in these countries (P2).

User experience's impact on traffic. The widespread competition to reach web traffic and profit from it with programmatic advertising has compromised more than quality journalism. User experience has also been diminished, with an abuse in banners, videos, and audio ads that hinder readers' navigation in news sites. But keeping a balance between profitability and user experience is a constant dilemma for digital native media, recognize participants. "We are in a review process, although we have limits so as not to be overly dependent on ads, we have too many right now. We've got to put limits on it, because the reader should be more important," said P5.

Paradoxically, Google has turned into the strictest regulator for user experience, penalizing slow news sites on loading speed or evaluating if navigation is complicated because of having too many ads (P5). Google's penalties severely affect SEO web searches, leading to fewer web visitors and less income from programmatic advertising. Digital media are constantly negotiating the limits of these restrictions to maximize their revenue while ensuring that Google's penalties do not affect their web traffic too much. Sometimes, they might sacrifice user experience and some number of page views if they get a business deal profitable enough to make up for the losses (P8).

Programmatic advertising overdependence after COVID-19. The global COVID-19 pandemic put media's financial stability in peril, with several brands canceling deals suddenly, lowering their advertising budget over the last two years. When that happened, programmatic advertising linked to web traffic turned, for some media, into their only revenue source, according to participants. The balance between profitability, user experience, and web traffic was put into a more significant dilemma. "Media is suffering a lot from money issues right now, and they have to be very smart to close the best deals possible. There is a recovery, but it is not enough. The pandemic came to jeopardize media existence," said P8. A few news sites, though, saw their business increasing due to having people locked down in home, changing their news consumption habits, and demanding specific content. The food and lifestyle approach of Gastrolab and Cocina Delirante, focused on kitchen recipes and other tutorials, ended up with these websites at the top of the Comscore charts during the COVID-19's hardest months. "Our website came out just after the pandemic hit, and we were fortunate enough to grow because we saw an opportunity and we took it. That moment where everybody was locked down, trying to cook at home with stuff they had within their grasp," said P7. For specialized soft news sites, producing planned, evergreen, SEO content represented not only a survival mechanism, but a great business opportunity during COVID-19. Gastrolab, for instance, produces up to 40 news pieces every day (P7), and walked into February 2022 in the third position of the Digital Native Media Ranking, with 4.8 million unique visitors that month (Marchant, 2022).

Metrics measurement for digital media. In order to keep track of which business strategies are working and which are not, digital news sites rely on several key

performance indicators (KPIs). The most obvious is web traffic, measured in terms of unique visitors multiplatform. But web traffic alone doesn't say much. The main KPIs mentioned by participants are average time on page (AVP), bounce rate (BR), and recirculation on site, providing web editors with valuable insights about the content that keeps users more engaged and keeps the digital media business model alive. "KPIs are set in a way that respond to advertising: page views and engagement," said P4. "I get reports, sales reports and prospect sales, every week, as well as web traffic numbers," added P3. Measuring KPIs is an indicator to evaluate success and impact on investigative journalism stories, as well. "We would consider a failure to have published a great, award-winning story, if it only manages to bring us less than 100,000 views," said P5.

When it comes to social media, every digital outlet values different KPIs.

Facebook was reported as an essential traffic provider (P3), the same as Twitter, to a less extent (P5). Twitter is used, also, to identify trends and then create content based on them (P3, P7). In video-based platforms, such as Instagram, Pinterest, TikTok, or YouTube, interviewees ponder KPIs like getting new followers and subscribers, having more comments, or meeting a certain number of shares, and reposts. "Instagram has a different digital presence, you know, more visual. Twitter works for us as a debate setter," said P5. YouTube provides another income source, by displaying ads on top of the videos that meet the platform's guidelines, which would penalize ads if the content is violent or intended to a more mature audience:

"YouTube has an analytics tool showing you the most successful videos in function of the desired parameter: monetization, views, searches. Some videos can be more successful in terms of monetization, and others not so much, even if

they're not violent, but maybe because the video is too short and it could only host a single ad, or because the bid-based ad system didn't sell well," said P1.

Social media's relentless evolution has media companies constantly negotiating how and where to allocate resources to try out new trending social platforms and formats, because every platform has its own rules, language, audience, and needs (P8). "You got to be always evaluating: do I get into this? If I try it, does it suit me? Am I making it because of audiences or for business? Do advertisers value my media to be present in, let's say, TikTok?" said P3. Despite these interrogations, participants agreed that the digital native nature of their media puts them in advantage towards legacy news companies when it comes to trying new social platforms or content formats. "We can immediately post a video, a photo, and make a real time difference," said P10. "Decision making is much easier and faster. As a digital media you're fresh, you're quick, you communicate better with the people, you're closer to them in some sense," said P3.

Organizational routines for media agenda

Shoemaker and Reese placed the organizational level in the middle of their Hierarchical Models because that allows them to investigate all the influences on content "that cannot be attributed to individual workers or the routine practices of their work, and to recognize that media organizations are entities whose actions are not completely dependent on the way they work, or their relations with other social institutions" (Organizations, 2014, p. 135). In the interview process for this research, it became evident the ways organizational influences on digital media organizations ultimately impact the content they produce. The study took notice, as well, on the organization's structure and how it's set to better serve the media's business model.

The study wanted to document if the top read digital native media sites in Mexico are able to separate their advertising and editorial departments. This a structure common in newspapers where communication between the two sides of the structure was intentionally limited. Still, it changed when the profitability of news organizations decreased, overlapping the processes of producing news and selling advertising (Shoemaker & Reese, 2014). P7 reported the highest overlapping within their sales and editorial operations, whereas P1, P2, P5, P9, and P10 agreed on having little to null interaction in commercial activities. Hearing each participant's vision on this matter provided interesting insights. "These times call for a connection. If you're not having a conversation everyday with your commercial department, you're missing out," said P7, recalling a company's policy where all reporters and editors can close deals with brands and get a commission for sales. "For you to have the chance to write romantically about the stuff you like, you have to help keeping the company afloat." What this participant said makes sense given the type of media involved: food and lifestyle news sites usually generate content about brands, places, products, and services, which can be tied to a commercial deal. Because of that, editors strictly reject content proposals, interviews, or event coverages from big brands and corporations. If they feel like that would be considered free advertising, they invite them instead to work under a commercial agreement. Editors, as well, can negotiate this rule and make exceptions if they feel like the source "earned" its place on the news site. For instance, when these sources are struggling entrepreneurs who can't afford paid content, like small brands, restaurants, or chefs (P7). This phenomenon falls on a new type of gatekeeping, deciding which

information is selected to become news (Shoemaker & Reese, 2014) but this time applying not only editorial, but commercial criteria.

The interviews revealed that the higher a certain role is in the organization's structure, the more connected their job will be with the sales and advertising department. "It is important, from an executive position, to be informed about the advertisers, the company's expenses, how much the salaries cost us, when can we afford to hire new employees, namely, administrative issues," said P9. When higher rank editors or executive positions do that, reporters and editorial workers can perform their jobs more freely and aim for editorial independence (P5). Separation or not between editorial and sales departments reflects on how content is presented to the audiences, the interviews showed. Hard news sites, for instance, tend to keep all their branded content in a separate section of their websites, while soft news sites have it blended with their pure editorial content, as discussed in Chapter 4.

Business models impact on training and skills routines

Digital natives' media nature demands a specific skillset that was acknowledged by the interviewees, echoing previous literature from other countries. In an analysis of 669 journalism job postings from the US, Guo and Volz (2019) identified specific requirements such as Google Analytics' experience, SEO skills, frontend development, and content management skills with WordPress and other CMSs. Participants confirmed these and other skills to be required from editors and reporters to perform their daily tasks, but they bet on developing skills in-house, rather than hoping new hires would have them out of college or from a former job, especially if they're migrating from a legacy media.

“Far from expecting a journalist in Mexico to come in with those skills, you got to train them. We give them workshops about SEO, algorithms distribution on social media, data, analytics, and we turn all of that into work tools for our editors,” said P8.

If digital newsrooms are interested in providing training for technical skills such as SEO writing, web analytics, and community management, they are stricter with their reporters to come in with hard journalism skills of reporting (P5), writing (P10), being informed of the national or local agenda (P10), and journalistic rigor (P5).

Digital native media in the bigger journalism industry

Most participants agreed about digital media’s advantages of being agile, and open to experimentation. But if there is something that they would take from legacy media, that’s their prestige and brand reputation. “We don’t have a 100 years old brand, and therefore, we don’t have that seal of approval, it’s harder for us to get people’s trust,” said P3. “El Universal does not need to advertise itself; it’s been around for a long time and it’s made a name of its own,” complemented P1. In order to increase their brand awareness as a “serious” publication, Mexican digital native media find themselves adopting the routines of a hard news publication, even if they were known in the past as a viral-news entertainment sites, such as the cases of SDP Noticias or Cultura Colectiva. “The only way to change users’ perceptions due to mistakes done in past years is to maintain a quality content status for a long time until people say ‘ok, I can trust in this site,’” said P8.

The change in these routines goes in line with what Wu found when studying how BuzzFeed leaned toward covering more hard news as it grew older as a company in order to build up its brand status (2016). The concern of chasing a “legacy media kind of a reputation” (P1) in Mexico is tackled by training reporters, and by recruiting journalists and editors who used to work on legacy media. Other news sites would benefit from having award-winning journalistic pieces (P10 and P5), or from making partnerships with TV and radio networks to spread their content and increase their brand awareness (P9 and P4). And when looking for advertisers, digital native sites owned by a larger corporation would go out and sell the audiences of the whole group, not from just one site, leveraging their brand muscle (P4).

Conclusion

This chapter reviewed how business models have impacted digital news organizations’ routines related with web traffic and editorial content. Shoemaker and Reese’s Organizational and Routines levels of influence appeared intrinsically related to the media content they produce. The daily routines of editors to select and assign stories to reporters pass through a filtering process that leaves out stories based on editorial criteria and commercial interests based on each organization’s business models. The marketing tools of Google Analytics, Google Trends, and social media monitoring become a vital part of the editorial process, defining media’s agenda and pulling data from web searches in real-time. The news sites that excel in this practice are benefited with higher page views, resulting in bigger revenue income from the use of programmatic advertising platforms. Participants reflected on this business model as a determinant force for user experience, web design, frequency of content publishing, editorial criteria, and

the skills expected from journalists in these workplaces. At the same time, the study examined the advantages and disadvantages of merging editorial and sales teams, according to the outlet's audience market, and provided examples from participants. Lastly, the chapter explores ethical and self-reflected experiences on Mexican digital media outlets in the bigger sphere of Mexican journalism.

CHAPTER 6: CONCLUSIONS

The media content we consume every day is influenced by interrelated forces that include political, geographic, educational, and institutional factors, making it sometimes too overwhelming to research. Shoemaker and Reese proposed considering five levels of analysis of these influencers in media content: social systems, social institutions, media organizations, routine practices, and individuals (Shoemaker & Reese, *Routines*, 2014). Each of these levels is interrelated but allows for focused media research, as this study emphasized routine practices set by digital media organizations in Mexico. Hearing about the experiences of 10 editors and other decision-makers from the top read digital native news sites in Mexico shed light on media funding in a context of a profound financial crisis in the journalism industry. At the same time, it outlined the routine practices on which these media organizations operate to build successful and profitable news websites. “Content emerges directly from the nature of how media work is organized. The organizational routines within which an individual operates to form a structure, constraining action while also enabling it” (Shoemaker & Reese, 2014, p. 7).

Internal and external elements have altered the media industry in Mexico in the last few years, such as the COVID-19 pandemic, political changes, and technological innovations, as discussed in previous chapters of this thesis. These influences could fit the social institution and social systems levels of analysis by Shoemaker and Reese. However, this research focused instead on how the media organizations have reacted to these realities, creating and adapting routine practices to develop functioning journalism companies. By placing the attention on digital native media, the study could isolate the specific routines of these organizations from the routines of newspapers, television

networks, and radio stations, media organizations with extensive attention from academics in the past.

Two main research questions motivated this research. If the first inquired about the main funding methods for digital native media in Mexico, the answer is advertising. More specifically, programmatic advertising and branded content in social media and the news sites themselves. These types of advertising take advantage of the digital nature of the interviewed outlets to impact audiences with ad content that can be measured in more profound ways than traditional ads in printed media, delivering richer feedback to clients. Other relevant sources of income for native media are grants and partnerships with technology companies, with Google and Facebook as the top mentioned and grants and fellowships from international organizations supporting investigative journalism.

When exploring the business models of advertising, it became clear that programmatic advertising is a dominant funding method for digital media. Programmatic ads platforms pushed media sites into organizing their whole performance indicators around metrics related with ad revenue, such as web visits and engagement time, and it also affected the way media designs their web sites. Moreover, media organizations were willing to either buy existing websites with segmented audiences, or to create new websites, in order to pursue the more profitable audiences of thematic sites focusing on sports, food, or entertainment. The concepts of brand safety and user experience were defining of how Google penalizes either ad payments or web traffic, leading to new organizational routines for monitoring these metrics with the help of trained, specific personnel.

The research can also conclude that being at the top of the Comscore ranking is related with media profitability, at least from the ten participant news sites. From this conclusion, it also relates that digital media's interest to pursue high web traffic amounts responds to commercial interests. The higher the web traffic, the higher the chances of being attractive to brands and clients, as well as an increased programmatic ads revenue.

In pursuing web traffic, Google represented the main visits provider, not only with its web searcher, but with Google Discover, unleashing a machinery of search engine optimization for getting what it's known as organic traffic. However, SMS traffic can beat organic traffic, but only one digital media can use it: Uno TV. Competing against the 70 million Telcel users impacted everyday with Uno TV text messages is not a possibility for the other media interviewed, but perhaps, the incorporation of SMS marketing strategies could be an innovative service for digital newsrooms. When it comes to social media, Facebook is the main social media for native digital newsrooms, providing them with visitors, but also money, via Instant Articles. Media relationship with Facebook remains cautious, specially because of the platform's tendency to change its news feed rules, leading to an important decreased web traffic. However, video-based social media such as TikTok or Instagram are on the rise, if not because of being high traffic providers, for its monetization capabilities with clients, using influencer marketing strategies. Social media relevance and preference among platforms varies across newsrooms, but the main chased metrics are web traffic, followers, and engagement with content. In curating the newsrooms' social media presence, all participants confirmed having a social media manager, a relevant position for engagement journalism, and a position that would interact with other roles such as web editors, SEO editors, or sales directors.

The second research question inquired whether digital media companies' funding methods impacted their job routines. The interviews showed that business models and organizational routines are intertwined and set as a result of the other. News sites with more variety in their funding models did not see as a priority engaging in a click race, because their income doesn't come entirely from online ads. As a result, their reporters are less pressured to constantly create content, allowing them to dig into investigative, longer-breath stories. However, digital writers from all participant outlets were demanded to employ technical writing skills to take out the most of their stories with keywords and SEO elements to ease their discovery on web searches. SEO writing is the top demanded skill for reporters and editors in digital native media, along with the basic journalistic skills of reporting, interviewing, and writing. However, media organizations are committed with training to provide their reporters with these skills rather than expecting them to have out of college.

Lastly, digital media where branded content represents a more significant portion of their revenue, tend to have overlapping sales and editorial teams, having editors intervening in selling, creative and creation processes for sponsored editorial content. It was a trend more aligned to soft news sites, where the common beats already include covering brands and companies. Despite the ethical assumptions associated with always labeling advertising content, media organizations that sell branded content saw this model as the way to go not only for generating revenue, but also to work with sources, because most of them are corporations. These newsrooms see as a practice of honesty being transparent to sources about whether they can cover their stories as news 'for free' or not, exercising a new type of gatekeeping where only sources that pay are granted with

coverage of especially created content. Hard news sites, on the other side, valued editorial independence by having their reporters unaware of commercial deals between the media organization and clients, and only directors with a high rank in the organization hierarchy expressed a need for being aware of commercial deals, in order to manage the organization's resources more properly.

Digital media in Mexico combine elements of legacy media, such as beat-base coverage, or a journalistic vein, with digital native values of being innovative, taking decisions based on data, and pursuing a digital audience for which the smartphone is the main device for content consumption. If this study focused on the business strategies they employed to become profitable companies, the questions of whether all of these newsrooms also succeed in becoming respected and trusted journalism producers remain open to further research.

Significance of Findings

This study provided an updated vision on Mexico's current digital media environment, including funding systems to become profitable companies, and routine practices to enable machinery propelled by web traffic in a digital environment. Former studies had documented press' funding methods in other countries, but Mexico's research covered legacy media companies, with little data from the current top digital media sites.

The literature review chapter showed a scholarly interest in studying the individual level of analysis, mainly working with content creators and reporters, documenting their activities, and learning about their thoughts and experiences as part of the media industry. This thesis, instead, reached out to subjects placed in a higher level in

their organizations' hierarchy. This study gained knowledge from other administrative areas in media companies by talking to editors, directors, and chief executive officers, among other participants. At the same time, it enabled exploring the organizational routines of these outlets, situated in the middle of the Hierarchy of Influences Model, a study angle with outstanding research opportunities, many still unexplored.

The industry and the academia are still understanding the global COVID-19 pandemic effects on media from different angles: readership, media trust, finances, and audiences' interests, among others. Some efforts are commendable, such as the Reuters Institute Digital News Report, surveying media consumption trends for 46 countries and revealing hints of a post-COVID-19 media environment (Newman, et al., Mexico, 2021). This research was able to gain deeper insights into the financial impact of COVID-19 on digital native media in Mexico and the organizations' reactive strategies to keep their businesses afloat, which in turn, reflect on the content they publish. The main conclusions were that digital media was financially impacted by losing advertisers' budgets and decreasing direct sales. As a result, several digital publications shifted gears towards an increased dependence on programmatic advertising, prioritizing page views in some cases, compromising user experience and quality content. 2022 seems to show a financial recovery for digital native media, either because they developed other sources of income, because they regained commercial contracts with clients, or because they managed to increase their page views rate to a position where programmatic advertising and other forms of online advertising are sufficient to build a sustainable business model. The research also found some surprising opportunities for gastronomy news sites in Mexico

after the pandemic, leveraging on people's habits during the lockdown, and bringing some sites to the top of the most-read digital media.

Further Research

This study focused on digital native media from Mexico, taking advantage of the researcher's place of origin and native language, as well as academic relevance. Further research could deep into digital native media from other countries, exploring the organizational routines, or even other levels of the Hierarchy of Influences framework. A possibility could be focusing on the Individual level, focusing on the reporters and other content creators, taking in and digesting the rulesets set at the Organizational level.

As a reflection of the society is immersed in, mass media is in constant evolution. Digital media, furthermore, is linked to the technological transformations that allow its operation, and coming trends would most certainly impact the media industry as well. Participants already expressed concerns about future media, wondering whether developments such as the Metaverse could impact news companies and how (P4). It will be interesting to see how scholars follow these trends, either in Mexico or in other countries. Transnational media, globalization, comparative media systems, and media management, are interesting research areas that could build upon this thesis with focus on digital media, and digital native media.

Equally, this researcher would suggest exploring digital native media in Mexico from the perspective of media trust, quality content, and audiences' perspectives on the content they receive from the top read media.

Limitations. This study was limited in time and pool of participants, gaining access to ten strategic companies to research. Future research can follow up on this topic by interviewing subjects from a larger pool of participants, increasing recruitment, and potentially uncovering unseen trends not identified by this research. When identifying organizations for this study using Comscore's rankings, the sites Aristegui Noticias (politics), Soy Fútbol (sports), and Kiwilimon (food) stood up, but either they rejected to participate in this research, or their representatives were too busy to attend the interviews. These media organizations' experiences would have been valuable to this research, and hopefully, future scholars can fill the gap. The study provided a diverse sample of participants, gaining insights from hard news and soft news outlets despite the challenges.

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APPENDIX

Appendix A. Interview protocol

QUESTIONARY 1: RELATED TO COMMERCIAL PRACTICES

- What's your company's main business model?
- Has the company had this business model since the beginning?
- Do you use any other funding methods, such as government aid or subsidies?
- Is the company profitable? If not, how long will it take to be profitable?
- What are the company's main expenses? What percentage goes to journalists' salaries, website hosting, and office space?
- Do you believe the company has a solid business model? Why or why not?
- What are your main financial concerns?
- What are the main perks and disadvantages of being a native digital media?
- What kind of job benefits do your journalists have? (Salary, health insurance, etc.)
- Are the company's reporters and employees' full-time workers, part-time, outsourced or freelancers?

QUESTIONARY 2: REGARDING EDITORIAL PRACTICES

- How did your website become one of the most read in Mexico?
- How do you implement SEO practices?
- How do you work with social media?
- (If applicable) Does the paywall (or lack of paywall) affect readership?
- What are your main Key Performance Indicators and other metrics to track website performance?

- How do you train your editors and journalists?

B. Informed Consent Form

BUSINESS AND EDITORIAL PRACTICES IN DIGITAL NATIVE MEDIA IN MEXICO: AN INVESTIGATION INTO MEDIA ROUTINES

Informed Consent form

JOSÉ LUIS ADRIANO

MISSOURI SCHOOL OF JOURNALISM

I am asking you to participate in a research study titled “Business and Journalistic practices in digital native media in Mexico”. I will describe this study to you and answer any of your questions. This study is being led by Jose Luis Adriano, MA student at the School of Journalism of University of Missouri.

What the study is about

The purpose of this research is to understand the media practices that digital-native media in Mexico use to compete in Mexican's news market. I want to explore two elements which I consider to be interrelated and indissoluble: editorial practices and business models.

What we will ask you to do

I will ask you to explain your daily job activities and the decision-making process that you engage every day in selecting topics and sources for your stories as a journalist, in assigning tasks to your reporters, or in dealing with clients and brands as your job as a marketer in performing business strategies for your company.

I will perform an interview that would take between 1 and 2 hours that would be audio recorded, and transcribed, but your identity and company's name will remain anonymous.

Risks and discomforts

I do not anticipate any risks from participating in this research.

Benefits

There are not direct benefits of participating in this research. However, the goal of this research is learning more about journalism industry in Mexico, its challenges, and possibly gaining a deeper understanding on how to navigate media crisis, unemployment,

and journalism evolution in Mexico. I expect that this research benefits the field and other people now and in the future.

Compensation for participation

The participation in this research is voluntary and does not come with compensation or monetary payment.

Audio/Video Recording

For the sake of this research, I will need to audio record the interviews for further transcription and analysis.

Please sign below if you are willing to have this interview recorded audio. You may still participate in this study if you are not willing to have the interview recorded.

- I do not want to have this interview recorded.**
- I am willing to have this interview recorded:**

Signed: _____

Date: _____

Privacy/Confidentiality/Data Security

Interviews would be transcribed and your identity will be kept for confidentiality and privacy.

Digital recording of the interviews will be stored in a cloud network service, protected by two-steps authentication and where only the researcher will have access. Your confidentiality will be kept to the degree permitted by the technology being used. I cannot guarantee against interception of data sent via the internet by third parties.

Additionally, please note that email communication is neither private nor secure. Though I am taking precautions to protect your privacy, you should be aware that information sent through e-mail could be read by a third party.

Sharing De-identified Data Collected in this Research

De-identified data from this study may be shared with the research community at large to advance science. I will remove or code any personal information that could identify you before files are shared with other researchers to ensure that, by current scientific standards and known methods, no one will be able to identify you from the information we share. Despite these measures, we cannot guarantee anonymity of your personal data.

Taking part is voluntary

Your involvement in this research is voluntary, and you can refuse to participate before the study begins, discontinue at any time, or skip any questions/procedures that may make you feel uncomfortable.

Follow up studies

We may contact you again to request your participation in follow up questions for this research. As always, your participation will be voluntary and we will ask for your explicit consent to participate in any of the follow up studies.

May we contact you again to request your participation in a follow up study? Yes/No

If you have questions

The main researcher conducting this study is Jose Luis Adriano Sanchez, a graduate student at the University of Missouri-Columbia. Please ask any questions you have now. If you have questions later, you may contact me at jax5c@missouri.edu or at +52 341 1295159.

C. Recruitment script

Dear _____

Editorial Director of _____

My name is Jose Luis Adriano and I am a MA Journalism student at the University of Missouri, in The United States. I was referred to you through _____, who gave me your contact. I am writing you this time because in a few months I'll be starting my thesis research, which is related to digital media in Mexico.

I would like to include your company as part of my research, because I consider your outlet to be one of the leading publications in Mexico, and including it would be a key element for understanding its relevance for journalism in this country.

Essentially, my research consists of interviews with journalists, editors, and media founders to ask them about their daily activities, the way they make their editorial and business decisions, and how they work and interact every day with other reporters, employees, and audiences.

The interviews I'm performing are under strict anonymity and will not be used by any other purpose than the specified for this academic research. I am reaching to you given your position in your company, but, if accepted, it will be my interest to interview you, and also other members of your organization, including editorial and business directors.

The project is designed to interfere as less as possible with your daily routines at work. I'm expecting these interviews to be a duration of 1-2 hours per person, and I can adjust entirely to your times and availability. Even when an in-person meeting is preferred, I am aware of the restrictions your organization may still have due to the effects of the COVID-19 pandemic, so I could adapt accordingly to have a Zoom or phone interview if that works better for you.

I would like to provide you more details about this project and explain any doubts you may have by phone or video call, anytime you have available. I can also provide you with the questions I would like to ask in my interviews if that helps the process.


Please, don't hesitate to reach me on my phone or email anytime. I appreciate enormously your openness and attention to my email and petition, and I'm looking forward to hearing back from you.

Best,

Jose Luis Adriano

Jose Luis Adriano

Graduate Student | MU Journalism
He/Him

 341 129 5159

 jax5c@missouri.edu



D. Ranking of top 10 digital native media in Mexico, from December 2020 to October 2021.

company	date	traffic
unotv.com	10/1/2021	13852000
mediotiempo.com	10/1/2021	6147000
aristeguinoticias.com	10/1/2021	4459000
salud180.com	10/1/2021	4239000
soycarmin.com	10/1/2021	3771000
sdpnoticias.com	10/1/2021	3659000
heraldodeportes.com	10/1/2021	3255000
kiwilimon.com	10/1/2021	3210000
soyfutbol.com	10/1/2021	3151000
show.news	10/1/2021	2752000
unotv.com	9/1/2021	13756000
mediotiempo.com	9/1/2021	5317000
aristeguinoticias.com	9/1/2021	4089000
sdpnoticias.com	9/1/2021	4057000
kiwilimon.com	9/1/2021	3469000
salud180.com	9/1/2021	3168000
soyfutbol.com	9/1/2021	3107000
gastrolabweb.com	9/1/2021	2731000
heraldodeportes.com	9/1/2021	2519000
lasillarota.com	9/1/2021	2312000
unotv.com	8/1/2021	15100000
mediotiempo.com	8/1/2021	6455000
sdpnoticias.com	8/1/2021	5055000
salud180.com	8/1/2021	4662000
aristeguinoticias.com	8/1/2021	4463000
gastrolabweb.com	8/1/2021	3784000
heraldodeportes.com	8/1/2021	3738000
soyfutbol.com	8/1/2021	3466000
kiwilimon.com	8/1/2021	3221000
show.news	8/1/2021	2480000
unotv.com	7/1/2021	15282000
mediotiempo.com	7/1/2021	6663000
sdpnoticias.com	7/1/2021	4962000
aristeguinoticias.com	7/1/2021	4229000
salud180.com	7/1/2021	3954000

soyfutbol.com	7/1/2021	3948000
kiwilimon.com	7/1/2021	3111000
gastrolabweb.com	7/1/2021	2987000
animalpolitico.com	7/1/2021	2736000
heraldodeportes.com	7/1/2021	2545000
unotv.com	6/1/2021	16636000
mediotiempo.com	6/1/2021	6337000
sdpnoticias.com	6/1/2021	5555000
soyfutbol.com	6/1/2021	5079000
aristeguinoticias.com	6/1/2021	4815000
kiwilimon.com	6/1/2021	3392000
animalpolitico.com	6/1/2021	3347000
culturacolectiva.com	6/1/2021	2884000
heraldodeportes.com	6/1/2021	2309000
salud180.com	6/1/2021	2140000
unotv.com	5/1/2021	18555000
mediotiempo.com	5/1/2021	7225000
aristeguinoticias.com	5/1/2021	5487000
sdpnoticias.com	5/1/2021	4709000
culturacolectiva.com	5/1/2021	3804000
animalpolitico.com	5/1/2021	3686000
kiwilimon.com	5/1/2021	3284000
gastrolabweb.com	5/1/2021	2854000
soyfutbol.com	5/1/2021	2832000
heraldodeportes.com	5/1/2021	2446000
unotv.com	4/1/2021	17459000
mediotiempo.com	4/1/2021	5333000
sdpnoticias.com	4/1/2021	5245000
aristeguinoticias.com	4/1/2021	5178000
animalpolitico.com	4/1/2021	3912000
kiwilimon.com	4/1/2021	3300000
show.news	4/1/2021	2747000
soyfutbol.com	4/1/2021	2439000
cocinadelirante.com	4/1/2021	2210000
salud180.com	4/1/2021	2061000
unotv.com	3/1/2021	19143000
sdpnoticias.com	3/1/2021	7342000
mediotiempo.com	3/1/2021	6705000
aristeguinoticias.com	3/1/2021	5441000
animalpolitico.com	3/1/2021	4042000
kiwilimon.com	3/1/2021	3646000
soyfutbol.com	3/1/2021	3143000
cocinadelirante.com	3/1/2021	2882000

salud180.com	3/1/2021	2782000
show.news	3/1/2021	2451000
unotv.com	2/1/2021	20454000
sdpnoticias.com	2/1/2021	6696000
mediotiempo.com	2/1/2021	6603000
aristeguinoticias.com	2/1/2021	4168000
kiwilimon.com	2/1/2021	3557000
show.news	2/1/2021	3445000
animalpolitico.com	2/1/2021	3339000
cocinadelirante.com	2/1/2021	3260000
salud180.com	2/1/2021	2752000
soyfutbol.com	2/1/2021	2712000
unotv.com	1/1/2021	20383000
sdpnoticias.com	1/1/2021	7634000
mediotiempo.com	1/1/2021	7455000
animalpolitico.com	1/1/2021	4802000
soycarmin.com	1/1/2021	4181000
aristeguinoticias.com	1/1/2021	3846000
kiwilimon.com	1/1/2021	3819000
salud180.com	1/1/2021	3645000
cocinadelirante.com	1/1/2021	3230000
soyfutbol.com	1/1/2021	2661000
unotv.com	12/1/2020	17912000
mediotiempo.com	12/1/2020	8069000
sdpnoticias.com	12/1/2020	7448000
kiwilimon.com	12/1/2020	4568000
animalpolitico.com	12/1/2020	4341000
soycarmin.com	12/1/2020	3687000
aristeguinoticias.com	12/1/2020	3659000
salud180.com	12/1/2020	3098000
cocinadelirante.com	12/1/2020	2971000
soyfutbol.com	12/1/2020	2878000