



MEDIA STRATUPS IN A CREATIVE DESTRUCTIVE SCENARIO¹

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Abstract

Despite still playing a pivotal role in societal terms, media are facing a structural changes and decline that threatens its survival and with implications in terms of democracy. Against that background, this article proposes a diagnosis of the current situation and future prospects of the Portuguese press within an evolving media ecology. Drawing on the daily and weekly national press for the democratic period, it analyzes different criteria and factors that account for the press startups in the Southern European country. It argues that despite a global crisis impacting on the media sector, a closer insight into the local reality of distinct countries is revealing that it is still possible for new ventures to succeed in a scenario of creative destruction.

Introduction

Almost 40 years after the abolishment of the censorship in Portugal, the Portuguese media went through important changes. The press was one of the main vectors of these changes and probably the most affected sector. Against this backdrop, the main purpose of this article is to present a systematic description of the Portuguese newspaper system and of its development, since the beginning of the democratic period. It aims to provide a diagnosis of the process and factors which may lead to success or failure in the press business in Portugal which is likely to have significant implications for both the field literature and the provision of information in the democratic societies. Above all, it will not only offer significant clues on the sustainability and viability of newspapers and magazines companies in Portugal and changes portend for the future of established ones, but also offer an analytical model which can be used in other contexts

This will be achieved by establishing a database of the new entries of both newspapers and magazines with a national range in the country during the democratic era, comprising three distinct macro periods:

- I. The post-dictatorship, which includes the establishment of basic freedoms, the abolition of censorship, the nationalization of the media owned by economic groups and entities with close ties to the old regime;
- II. The privatization and commercialization of the press that occurs after joining the European Economic Community, characterized by the re-privatization of the titles held by the State, the liberalization of the media system and the consolidation of the Portuguese media groups;
- III. The impact of digitization and convergence of the media from the beginning of the 21st century until 2009 when the latest title in the Portuguese press hits the market, the newspaper *i*.

The database was build upon several previous existing incomplete ones from the official regulating body - Entidade Reguladora para a Comunicação Social (ERC) – and the association that controls the printing and circulation of newspapers and magazines – Associação Portuguesa Para o Controlo de Tiragens e Circulação (APCT). Furthermore, it was complemented with official documents from two state entities (Conselho de Imprensa, 1979; Direção Geral de Comunicação Social, 1983), literature about the print media in Portugal (Fidalgo, 2000; Sousa, 2001; Faustino, 2004; Neto & Cardoso, 2005; Moutinho, 2008 and Figueira, 2010), news reports regarding the appearance of publications and a documental research in the archives of Biblioteca Nacional de Portugal and Hemeroteca Municipal de Lisboa.

Evolution and dynamics of the Portuguese press business

Generically speaking, the Portuguese contemporary press market evolution can be divided into three macro distinct periods, as stated before: the post-dictatorship, the privatization and the impact of the digitization. Taking into account the previous data and these three key moments, we can move to a deeper characterization of the entire time frame of analysis (1974-2009), highlighting some of the titles with greater longevity, examples of typical publications of each period, new formats that have been introduced in the market, but also some striking demises.

In the first period, shortly after the April 25th, 1974, the press was freed from censorship, and a number of political newspapers, with a weekly periodicity, emerged: *Revolução*, *Voz do Povo*, *Esquerda Socialista*, *Liberdade*, *Portugal Socialista*, *Povo Livre*.

The organization, the economic structure and the distribution system of these publications was very different from all the previously existing ones. The main goal was not to obtain economic profit, but to spread ideological options and political positions. There were no commercial advertisements whatsoever, which meant that the costs were borne by the political parties and the distribution was made through the party cells.

With the first press law published after the revolution (February 26th, 1975), most of those periodicals were classified as doctrinal and some of them were even suspended, abandoning the weekly periodicity or slowly disappearing. Only *Avante!*, the newspaper of the Portuguese Communist Party, that was an illegal publication before the revolution, managed to survive until present days on a weekly basis.

This kind of publications have but existed during this first period, marred by a heated ideological dispute and a political and social instability. Another kind of periodicals typical of this period were the satirical weekly newspapers *Chaimite* and *A Pantera*. Yet, both had an ephemeral existence.

According to Mário Mesquita (cited by Faustino, 2004: 2) the end of censorship led to a confrontation between various ideological factions and political protagonists for the control of major national media. By then, most of the daily newspapers that came from the old regime were dependent upon banking and insurance institutions, and ended up by being state-owned following their nationalisation on March 14th, 1975. The monolithic tone of the press, caused by this nationalisation, precipitated the emergence of the first private newspapers of the post-revolution period, which emerged with the aim of introducing some independence. These were the dailies *Jornal Novo* and *A Luta* and the weeklies *O Jornal e o Tempo*.

With the arrival of lots of refugee families from the ex-colonies of Africa, weekly newspaper intended for them emerged, *O Retornado*. However, the investment in newspapers and magazines was not an attractive business investment, in view of the high rate of illiteracy of the population, low levels of circulation and the scarce advertising revenue (Faustino, 2004: 2).

November 25th, 1975, marked the end of the revolutionary process, and the emergence of newspapers with assumed political connections such as *O Dia*, *O Diabo* – still published in 2009 –and *O País*, connected with the right wing, and *Página Um*, connected with the revolutionary left.

¹ This is part of a larger projet 'Startups, survivals and failures in the Portuguese contemporary press' (PTDC/CCI COM/122387/2010), co-ordinated by the leading author and financed by the Portuguese Science Foundation (FCT).



Contrary to the political newspapers that arose immediately after the Revolution, these ones had a more common structure and were distributed by the traditional circuits. Their strong ideological content can be considered to be understandable given the context of the time.

In this same period, it must be pointed out the emergence of some weekly magazines that were still published in 2009 and which have proven to be successful cases in point of longevity. The most successful were the «female/fashion/society» weekly magazine *Nova Gente*, created back in 1976, the «sports/vehicles» magazine *Autosport*, and the «culinary» magazine *Teleculinária* both launched in 1977, the weekly female magazine *Maria*, founded in 1978, and the television magazine *TV Guia*, created in 1979. These startups conquered their space gaining competitive advantages that provided significant market power and created strong barriers to the entry of new titles, proving that the assumption of Robert Picard (1997: 95) that the new titles that try to enter a daily local market already served by a title have to fight against these barriers – besides the capital requirements and the high fixed costs –, is also valid to market segments.

In relation to the newspapers, the most successful case that emerged in this period, was the daily popular newspaper *Correio da Manhã*, created in 1979, the best-selling daily newspaper in 2009. Another case of relative success that emerged in this period (1980) was the weekly newspaper *Tal & Qual*, which ceased publication in 2007.

After the revolutionary period, with the political situation stabilised and the democratic practices fully established, the press diversifies even further, allowing the emergence of a new daily newspaper, *Notícias da Tarde*, created in 1981 (disappeared in 1984); two sport newspapers *Gazeta dos Desportos* (1981-1985) and *O Jogo* (still published in 2009) – with its newsroom seeded in the north of the country –; a criminal weekly newspaper, *O Crime*, created in 1982 (still published in 2009); an important weekly newspaper, *Semanário*, created in 1983 (pawnd in 2009); a weekly economic newspaper, *Vida Económica*, created in 1983 (still published in 2009); another sports/vehicles magazine, *Motojournal*, created in 1983 (still published in 2009) and a weekly musical newspaper, *Blitz*, created in 1984, and transformed in a monthly magazine in 2006. This new titles accompanied the new rhythms and habits of a changing society on the way of the integration into the European Economic Community and confirmed the idea that the “newspapers become larger and more general to specific, stimulating more competition in the market” (Kranenburg, 2002: 113).

Despite the increasing diversity of the press, the deregulation of the sector promoted the formation of large media oligopolies (Sousa, 2001) that hindered the entry of new titles on the market (Picard, 1997; Kranenburg, 2002; Hollifield, 2006). Concrete examples of the latter are the short live weekly newspapers *Primeira Página* (1988-1989) and *O Liberal* (1989) and the daily *Europeu* (1988).

Some new and notable newspapers like the weekly *O Independente* created in 1988 (pawnd in 2006), and the daily *Público* created in 1990 (still published in 2009), who helped the Portuguese press to get out of the slump it was in and accompany the international changes that were taking place (Sousa, 2001).

The daily and weekly market was well served, but lacked a newsmagazine. To fill this void, *Sábado* – the first project with this format – emerged in 1988 but lasted only five years without achieving the desired success.

Another trend in this period was the emergence of the economic, professional and niche consumer newspapers and magazines. Tendentially these businesses do not look like the massive consumer media conglomerates and are runned by companies that operate in a single business or professional segment (Knee *et al.*, 2009: 23). As an example of this kind of businesses we must point the arrival of the first two weekly magazines dedicated to computers and new technologies *Computerworld* (1987) and *Semana Informática* (1989), both still published in 2009; and two important economic newspapers, the daily *Diário Económico* and the weekly *Semanário Económico*, both created in 1987 and still published in 2009.

At this time, one of the most profitable media products was the magazine *Telejogos* of the TV Guia group (part of Cofina in 2009), linked to a television game show, with runs of more than one million copies a week (Meios & Publicidade, 2000). But the liberalization of the television market and the emergence of two private channels would change the whole media scene.

The second big period started after the re-privatization of the press, facing the competition of two new television channels and the general decline in advertising revenue some of the daily and weekly newspapers suffered great transformations, paving the way to the consolidation of a format that at that time had not yet achieved the success: the newsmagazines. *Visão* emerged in 1993 as a result of the transformation of the newspaper *O Jornal*. Without a direct competitor (*Sábado* disappeared in the same year) this newsmagazine had to compete not with other newsmagazines, but with the weekly newspapers. Later, some other newsmagazines emerged.

The arrival of two new television channels narrowed the advertising revenue of the newspapers but also opened space for more television magazines adapted to new market demands *TV Mais* (1993), *Telesemana* (1997) and *Telenovelas* (1997).

The youth readers finally had a magazine intended for them: *Super Jovem* (1993-2005), but the great novelties of this period were the appearance of the online versions of the daily newspapers, led by the *Público* in 1995, that were still far from imagining the changes that the Internet would bring, and the emergence of the society weekly magazines like *Caras* (1995) and *VIP* (1997), contributing to the «female/fashion/society» segment to become one of the favourites for the creation of new titles, surpassing the «television/games» segment. The market of the economic daily newspapers also increases with the creation of *Jornal de Negócios*, in 1997.

Paulo Faustino (2004: 7) points out that “in the 90’s also intensifies the tendency to hyper-specialization of titles in finding niche markets devoid of publications, but very receptive to them”. Some examples of this “hyper-specialization” are the magazines *Proteste Investe* (1997), *Semana Médica* (1997) and *Meios & Publicidade* (1998).

Leaving aside the specific segments, there were other trends that deserve to be mentioned. The first was “the strengthening of the tabloid and popular style of some titles” (Faustino, 2004: 6) leading to the first failed attempt to create a daily tabloid newspaper: *Manhã Popular* in 1997. The materialization of this format occurred one year later with the appearance of a new daily newspaper, *24 Horas*, a tabloid with a format that tries to copy some of the vices of the television, highlighting soft news with less text and more images. “Subject to the impositions of the television, the line of sight, and the reading public becomes captive or influences the spectacle, the ephemeral speech, the lack of depth, the lack of commitment and the lack of story sense, phenomena of post-modernity” (Rey, 2007: 2).

In the weekly «general information» segment there are two main tendencies. On the one hand, new titles emerged: the weekly newspaper *Euronotícias* (1999) and the weekly newsmagazine *Focus* (1999). On the other hand, some other weekly newspapers, like *Semanário*, *Tal & Qual* and *O Independente* demised during the first decade of the 21st century. Most of the newcomers that tried to enter the market were unsuccessful and the newspapers companies searched for new strategies and new niche audiences.

Several weekly publications dedicated to the interests of migrant communities living and working in Portugal were created: *Slovo* (2001), *Maiak Portugalii* (2002), *Nasha Gazeta* (2002), *Correio do Brasil* (2004) and *Diacnopa* (2008). Beyond this new segment, the culinary magazines segment multiplied by a set of titles dedicated to a more and more specific audiences: *Cozinha Semanal* (2005) *Cozinha Semanal Tradicional* (2005), *Cozinha Semanal Vegetariana* (2005), converting it into one of the segments with more entries in the last period.

Other publications devoted to very specific niches like the taumachy newspaper *Olé!* (2006), the religious *Folha de Portugal* (2006), the television magazine *TV Guia Novelas* (2006) and the vehicles magazine *Semanauto* (2007) easily found a place in the market. Confirming an idea advocated by Jeff Kaye and Stephen Quinn:

“hard-to-find niche material has high value to specific groups and they are willing to pay for it. At the same time niches can be built around communities engaged intensely in an activity or special interest. This is known as «passion publishing»” (2010: 101).

The weekly newsmagazine *Sábado* (2004), the weekly newspaper *Sol* (2006) and the daily economic *OJE* (2006) were also successful newcomers in this period, even belonging to segments where there were already strong competitors and replicating existing models on the



market, contradicting the idea of Robert Picard (1997: 95) that it is very difficult for a new entry to succeed in a market where there is at least one competitor. So this is a case that deserves special attention for being an exception to the rule.

The beginning of the 21st century brought with it a new type of publication to the market: the free daily newspaper with the appearance of *Destak*, in 2001. This market segment increased after the appearance of *Metro*, in 2004, *Meia Hora* and *Global Notícias* (2007), and diversified with the creation of the free sports weekly newspapers *Ripa Desporto* (2006) and *Sexta* (2007). Even posing a cannibalisation threat to the paid newspaper, these free newspapers did not however achieve the success verified in other countries.

This was clearly a decline period for the press. The trend was that the press continued to lose readers to the Internet and the new media technologies and that more and more newspapers and magazines vanished, which contributed to the discouragement of companies in relation to the creation of new titles.

Still, some companies were willing to sail against the tide and created new newspapers despite all the setbacks. Along these lines, some transformations were introduced giving rise to what may be characterized tentatively as the phase of the "post-web newspapers" in which investments are made to design the renovation of the product due to competition and the fear of the end of print (Orlando and Sá, 2012: 6). It is in this context that in 2009 arrived to the Portuguese daily market a publication prepared to face the competition of the other newspapers, the television, but also the Internet, with an innovative design that has earned many international awards: the daily newspaper *i*.

In the first decade of the 21st century, the environment in the media posed challenges to newspapers more than the introduction of the television and the radio. The internet not only affected the circulation of newspapers, but also their own business models and the concept of what journalism was (McClure, 2010: 149).

Although the newcomers seek for strategies to present new innovative products, the market was dominated by a narrow set of big companies that hindered the entrance of new firms (Silva: 2004: 31).

Conclusion

The Portuguese press system has undergone major changes over the past 35 years. Many newspapers and magazines have asserted themselves as success stories, especially in some new segments that have hit the market during that time period. The sector of soft news and entertainment has continued to occupy a considerable market share, but the growth of the economic and business newspapers alongside the newsmagazines give some hope for the future of journalism in Portugal, despite the general crisis of the sector. Several factors can be associated with the crisis of the press, namely the drop of the number of readers, the concentration of publications in some big media groups, the competition of the online platforms and the excessive sameness of the print media products in a relatively small market.

Analysing the data we found 173 new entries and different motivations for creating titles and investing in the Portuguese written press market:

- The dissemination of political ideas and the fight against the monolithic tone of the state controlled press. More visible in the years after the Revolution and before the re-privatization of the periodicals that were nationalized;
- The answer to the needs of a society in transformation eager for specialized information and new products which proved to be successful businesses;
- The expansion of the firms acquiring newspapers and magazines of individual companies or creating new titles in different segments. A widely used strategy by large companies after the market liberalization.
- The business strategies have changed over time, with the newcomers proposing distinctive products trying to occupy open niches, but also copying successful models with great sales values, benefiting from the competition. This led to the coexistence of many similar products mainly in the sector of the weekly «women's/society/fashion» magazines.

Although, newspapers and magazines could still be a good investment for the media firms that want to reach specific audiences and niche markets, but just to imitate existing models and create newcomers to compete in a small and saturated market does not seem to be a viable strategy. Especially in a small market like Portugal that occupies the second from the last position in terms of circulation in the European Union (Pinto & Sousa, 2004: 182).

It's hard to predict which business model or models will succeed, but looking at the available data, it seems that the products that stick to the past models are more likely to fail. The old business model is not a solution, and only a few newspapers with extreme loyal audiences and very specific contents seems to be crossing a growth period, like for example the economic newspapers, which reflects a growing interest of the audiences in economic affairs accompanying the "economization" of society.

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