

## Teaching Case

DIARIO EL PAÍS DIGITAL (Original Case Title)

Translates as: Digital El País Newspaper

- Universidad ORT Uruguay and the Carolan Research Institute invited faculty members from undergraduate and postgraduate programs affiliated with Universidad ORT Uruguay to participate in a case writing initiative. The objective of this initiative was to develop cases in Marketing and related areas that would directly or indirectly contribute to incorporating and/or disseminating the thinking of Dr. Geraldine Fennell.
- For more information on the thinking of Dr. Fennell visit <http://FennellStory.com>

March 2023

Brunstein, Sofía

Kramer, Enrique

Rubinsztejn, Gustavo

Universidad ORT Uruguay

Note: This case was written in Spanish. This English-language version was created by Fennell Story Insights (<http://fennellstory.com>)

---

# Digital El País Newspaper

## Introduction

It was 3:00 PM on April 4, 2022. The President of Uruguay at the time, Luis Lacalle Pou, announced on his Twitter account the end of the health emergency caused by COVID-19, which had lasted a little more than two years and had impacted society in one way or another. The announcement eliminated a key driver for generating new digital subscribers to media outlets.

The press was one of the industries affected by the pandemic, adding to long-term challenges that had emerged with the rise of the Internet and, later, social media. Over the two years of the health emergency, many people found that having in-depth information had provided a sense of security amid so much uncertainty.

Clara, Audience Manager of the newspaper El País in Montevideo, thought to herself: “The moment we feared has arrived. Now we really have to start thinking about what we’re going to do to achieve the newspaper’s goal of increasing from 0.5% to 4% subscriptions over unique IPs within three years.”

After completing her MBA, Clara had discovered a passion for data analysis and customer insights. To be more effective, she had formed a team made up of Sandra, Julio, and Sebastián, experts in marketing and communications. Their goal was to identify the right target audience and the right incentives to generate the desired number of subscribers.

## History

El País was the oldest active newspaper in Uruguay and had maintained a leadership position for many decades in an industry where many traditional competitors had disappeared. With over 100 years of history—it was founded in 1918—it had enjoyed its golden age during the era of print publishing.

Although it was a family-owned business, it was widely associated with the National Party—or “blancos”—one of the two oldest political parties in Uruguay and in the world. President Lacalle Pou belonged to that party, which was then governing in coalition with other center-right parties. The opposition was led by the Broad Front, a coalition of various left-wing parties. Both blocs represented roughly half of the electorate.

El País was a member of the GDA (Grupo de Diarios América), a consortium made up of eleven independent newspapers with significant influence in Latin America. Some of these included La Nación (Argentina), O Globo (Brazil), El Mercurio (Chile), and El Universal (Mexico). The network promoted knowledge exchange, best practices, and journalistic collaboration. El País considered its readers to be highly educated individuals with financial resources and strong decision-making power. (See: for more information.)

For centuries, print media had been the primary source of information. Due to its wide reach, advertising had been one of its main sources of revenue—this was also true for El País. But by 2013, as print newspapers were losing popularity worldwide due to technological changes and the growing penetration of alternative information platforms like Facebook, Twitter, and Instagram, El País began transitioning to a digital format—though it continued publishing in print, even as that format showed a downward trend.

The cornerstone of that digital transformation was the web-based digital edition of the paper, which brought major changes to the company's business model. With the shift to digital, the timing of content publication, the moment users engaged with the paper, and

the profile of the average reader all changed. The typical digital reader was now hyper-connected and sought to stay well-informed.

Despite the shift in format, El País remained true to its journalistic style and commitment to high-quality reporting and maintained its leadership in the Uruguayan market. In addition to its website, El País was active on Instagram, Facebook, Twitter, and LinkedIn; it had a YouTube channel, produced podcasts, and offered a mobile app.

## **Digital El País**

### **The Beginning**

At its outset, the digital version of El País was entirely free to access. Its high traffic allowed the company to begin and grow online advertising sales. Subscription models were gradually added through various strategies: initial discounted prices, better pricing on collectible series (e.g., cooking or sports booklets), and the creation of the Club El País card.

That card was a benefits program offering discounts at more than 200 businesses across Uruguay. (For more details, see: .) According to the paper's management, the card was a strong product with a solid reputation in the market.

Over time, new sections were added in response to reader interest. These verticals included:

- Mundo (International news)
- Opinión (Editorials)
- Negocios (Business)
- Ovación (Sports, mainly soccer)
- TV Show (Entertainment)
- Eme de Mujer (Aimed at women)
- Rurales (Agribusiness and rural news)
- El País+ (Premium section)
- El Gallito (Classified ads, primarily for jobs and real estate)
- Eventos (Information about events organized or sponsored by El País)

A more recent development was the launch of free newsletters, which readers could opt into via email. These newsletters highlighted interesting articles and provided links to those pieces on the website. Some highlighted articles were exclusive to subscribers.

### Revenue Sources for the Digital El País

In 2022, El País Digital generated revenue through:

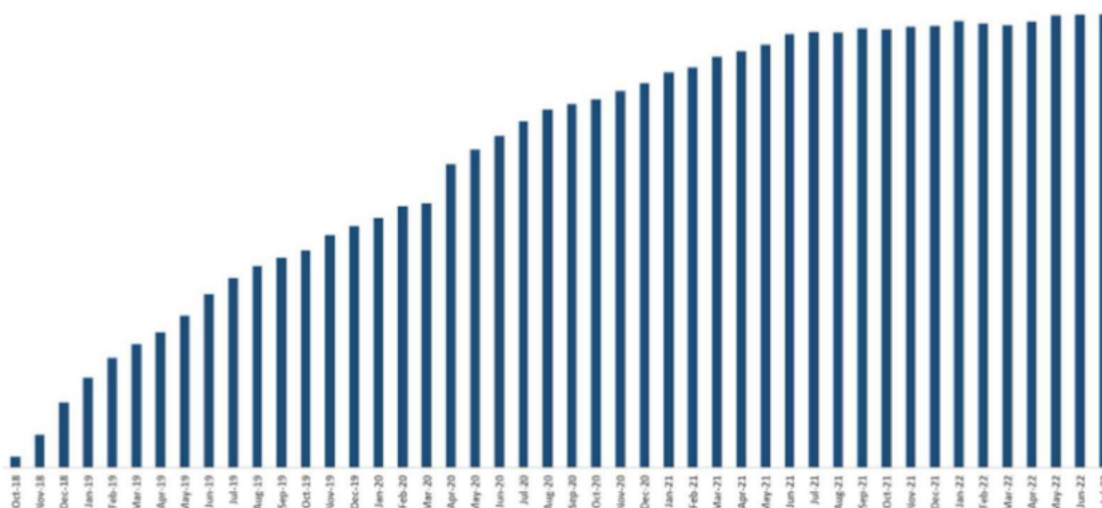
- Display advertising
- Sponsored content by companies
- Monthly subscriptions

By August 2022, it had a total of 32,000 paying subscribers:

- 21,000 paid exclusively for web access (available since 2018)
- 11,000 were members of Club El País (which included the printed newspaper delivered to their homes)

Here was the evolution of subscriptions up to June 2022:

Evolución mensual de las Suscripciones Digitales



Web traffic had grown steadily and was among the market leaders. More than 5.7 million unique IPs accessed the site monthly on average, which the management estimated to represent about 900,000 unique users. Only about 0.5% of those IPs paid for a subscription.

### Subscription Plans

Various plans with differing levels of access and benefits were available:

- Antel Digital Access
  - Unlimited access to El País Digital
  - Billed through Antel (the state-owned telecom company)
  - Included pop-up advertising
  - Price: \$85 UY pesos per week
  - (Approximate exchange rate mid-2022: UY\$42 = USD 1)
- Digital Access
  - Unlimited access to El País Digital
  - Included pop-up advertising
  - Price: Starting at \$187/month, increasing to \$359 after the third month
- Club El País
  - Unlimited digital access
  - Web access to the digital replica of the print edition
  - Club El País membership card
  - No pop-up ads
  - Minimum 3-month commitment
  - Price: \$394/month initially, increasing to \$789/month after the third month

### **The Press Landscape in Uruguay**

Historically, Uruguay's major press outlets were associated with political parties. For instance, El Día was founded in 1886 and led for many years by José Batlle y Ordóñez, one of the most important figures in Uruguay's Partido Colorado (Colorado Party). This newspaper ceased publication in 1993.

Other historic newspapers included:

- La Mañana and El Diario – both founded in 1917 by a faction opposed to Batlle within the Partido Colorado
- Acción – founded in 1948 by Luis Batlle Berres, Batlle y Ordóñez's nephew
- Marcha – a leftist weekly founded in 1939
- El Popular – launched in 1957, associated with Uruguay's Communist Party

More recently founded and still active publications included:

- Búsqueda – a weekly founded in 1972 by politically independent citizens with a neoliberal orientation
- Brecha – established in 1985 as the successor to Marcha
- El Observador – founded in 1991, with similar ideological leanings to Búsqueda but under different leadership
- La Diaria – launched in 2006, explicitly describing itself as having a left-leaning perspective

A more recent and notable development was Montevideo Portal, Uruguay’s first fully digital media outlet. Created in 1995 by Montevideo.COMM (a company specializing in Internet technologies), it began as a basic site that became increasingly sophisticated over time. All of its content was offered for free.

According to the 2022 Radar Group report (“El Perfil del Internauta Uruguayo”), Montevideo Portal was the most visited digital media outlet in the country. The outlet itself reported a peak of 5.5 million unique users in September 2020 via Google Analytics. That same report indicated there were around 2.3 million digital media readers in Uruguay. The industry’s market penetration reached 86% in 2017 and remained steady at that level through 2022. (See Annex 1.)

#### Digital El País Competitors (as of mid-2022)

##### 1. Diario El Observador

Estimated audience: ~1,000,000 readers

Offered three subscription tiers:

- Basic
  - Unlimited access to articles, exclusive newsletters, WhatsApp alerts
  - Includes pop-up advertising
  - Price: USD 3.45/month (initial); USD 6.90/month (after 3 months)
- Member Pro
  - Includes all Basic features + “Member Experiences” (talks, shows, events), Financial Times weekly newsletter
  - No pop-up ads
  - Price: USD 5.95/month (initial); USD 11.90/month (after 3 months)

- Member Full
  - Same as Pro but includes access for three shared accounts
  - Price: USD 9.45/month (initial); USD 18.90/month (after 3 months)

## 2. Semanario Búsqueda

Estimated audience: ~250,000 users

Offered two subscription plans:

- Digital
  - Unlimited digital access
  - Included Galería magazine (covering lifestyle, fashion, food, culture, etc.)
  - Price: UY\$450/month
- Premium
  - Digital access + home delivery of the print edition
  - Price: UY\$1,230/month

## 3. La Diaria

Estimated audience: ~640,000 readers

Single subscription option:

- Unlimited access, exclusive content, audio-read articles, digital replica of print edition
- No pop-up ads
- Price: UY\$195/month initially; UY\$390/month after 3 months

## 4. Montevideo Portal & Subrayado Digital

Though not traditional newspapers, both offered all content free of charge and attracted significant readership:

- Montevideo Portal: ~1,240,000 readers
- Subrayado Digital (news site of Uruguay's second most-watched TV news channel): ~1,100,000 readers

## User and Non-User Profiles, and Ideas to Attract Them

The Audience team collected information on the different user profiles they could target to meet the subscription growth objectives. They mapped the typical conversion funnel through which a reader might become a subscriber:

1. Non-user – someone who does not engage with digital media
2. Occasional visitor – someone who occasionally visits a media site
3. Frequent reader – someone who reads regularly
4. Subscriber – someone who decides to pay

They started with a broad classification:

- People who had never visited El País digital, and
- People who had visited at least once

Regarding the first group, Sebastián argued that due to Uruguay's relatively high political polarization—especially among the more educated—many people would never visit El País's website, let alone pay for it. He believed a political segmentation of non-users was essential.

Sandra countered that political preferences shouldn't be the primary filter when identifying prospects. Instead, they should focus efforts on getting the largest possible number of people to enter the funnel, regardless of political leanings.

More traffic would help sell more digital advertising—and potentially at higher rates.

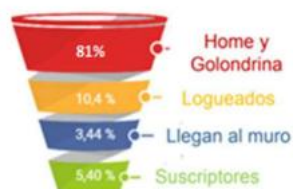
For the second group (those who had visited the site), they broke them into two main categories:

- Light users (also referred to as “home” and “swallow” readers)
  - (golondrina directly translates into the bird, swallow, but can also signify temporary or short-term)
- Heavy users, divided further into:
  - Logged-in users
  - Users who hit the paywall but didn't subscribe
  - Subscribers

Traffic Funnel and Categories (see Table 1)

Figure One – User Categories





(see text below for translations)

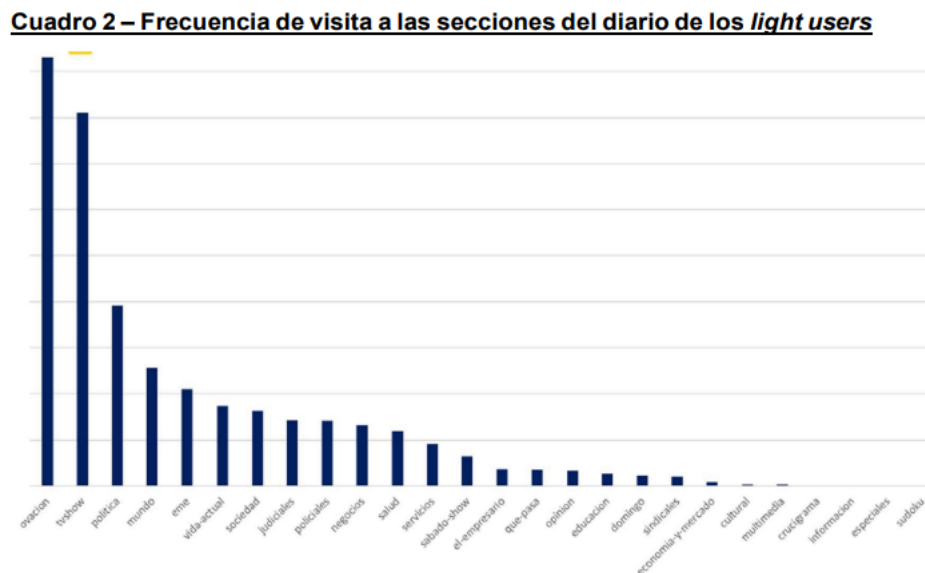
- **Light Users – “Home” and “Swallow” Readers**  
These readers entered the site sporadically to read a specific article or just the homepage. They did not navigate to other sections. No contact information was available for them.
- **Logged-In Users**  
These users provided an email address, usually to unlock a particular article.
- **Paywall Users**  
Readers who hit the paywall after reading a limited number of articles over a given period. This group also included those who inquired about subscriptions but didn’t commit.
- **Subscribers**  
Those who paid a monthly subscription.

#### Light Users – “Home” and “Swallow”

These were visitors who only accessed the homepage and read between 1–3 news articles per week. This group made up 80.76% of visits on average. Demographics were 59% male, 41% female, typically aged 55–64.

Their favorite sections were Ovación (sports) and TV Show, followed by political and international news. They represented about 40% of Ovación's total visits.

Figure 2 Frequency of Visits by Section for Light Users



To better understand this group, the team collected direct quotes (verbatim):

- “I like to skim through articles to stay updated. I always check El País or Montevideo Portal; they post the fastest. I also browse the paper’s Instagram stories.” – Carolina, 51
- “When I have nothing else to do, I use my phone and read short articles; I don’t spend more than 5 minutes. I’ve got the phone in my hand, I have to do something...” – Julieta, 22
- “I always find a way to read articles. I browse incognito or open them from Instagram. Sometimes I can read them, sometimes not. Paying? Never even considered it. I don’t even know how much it costs. I don’t like paying for anything. I just wait—eventually the news shows up somewhere else. Everyone copies everyone!” – Lucas, 28

Sandra believed the sheer volume of light users made them worth targeting. Their numbers were growing at 9% annually.

Julio disagreed. Because the group lacked identifiable information, they couldn’t be targeted directly. He also noted that free media and social platforms like Twitter and Instagram were tough competitors—especially for younger readers.

#### Ideas to Attract Light Users

- Offer more short, shallow articles

- Implement micro-payments (a small charge per article)

This last idea was not yet common in Uruguay. Sandra felt it could be a stepping stone toward subscription, as these users were unlikely to commit to a monthly fee right away. Sebastián, however, was skeptical, citing a report from Argentina showing only 10% preferred per-article payments.

### Heavy Users

If users had logged in with a valid email address, they were categorized as heavy users. This allowed direct marketing actions to be taken. The paper also had access to browsing behavior within the website, enabling personalized strategies to push for subscription.

For example, they could track:

- When users visited the site
- What device they used (74% on mobile, 23% on desktop)

Sebastián suggested that device choice could hint at reading concentration level and the user's motivation. Julio found user behavior throughout the day particularly interesting—it hinted at the existence of diverse user types within the heavy user category, each with different needs.

Figure 3 Page visits by time of day



Attempts to segment by geographic location showed no major behavioral differences between users from Montevideo and those from the interior.

---

## A Possible Segmentation of Non-Subscriber Heavy Users

By analyzing logged-in users and those who hit the paywall, the team built segments based on their content preferences:

### 1. Entertainment/Leisure Seekers

These users read to pass the time. They focused on sections like TV Show and Eme. They often also read Argentine portals and social media content. Most visited daily, often during downtime.

This segment was growing at 8% annually. Fashion-related articles triggered spikes in traffic. They made up 2.83% of the 13.84% of heavy users who weren't subscribers.

Verbatims:

- “I usually go to El País when I’m waiting and don’t know what else to do with my phone. It feels more cultural than TikTok.” – Karina, 31
- “At work, if I don’t have much to do, I check El País. It’s a good way to kill time. But I wouldn’t pay for it—the content is everywhere. If I open it from Instagram, it’s often unlocked.” – Carla, 34
- “I check the site multiple times a day. I like the dynamic content. The Club El País 2-for-1 deals are great. Though someone usually lends me the card.” – Tatiana, 30

Sebastián thought they could attract this group by enhancing Club El País, adding benefits like:

- Discounts on cinemas, theaters, concerts, meet & greets
- Beauty treatments

He believed it wouldn’t be difficult to secure new entertainment partnerships, provided the newspaper positioned itself as trendy on social media.

Julio was concerned: this might distort the paper’s serious, high-quality reputation.

Sandra liked the idea and proposed adding streaming service partnerships (e.g., Netflix, Spotify) with exclusive subscriber discounts. A bundle might be appealing.

She also suggested using clickbait-style headlines on social media that redirect users to El País’s website.

Julio reiterated: they needed to leverage their email database for this audience.

## 2. Sports Fans

Given that Ovación was the most-read section of the newspaper, the team believed a specific segment could be created focused on sports-related information.

These users frequently visited the site to stay up to date on sports news, primarily football. They showed high engagement levels during match days and breaking news, and often read related content like analysis, commentary, or interviews.

This segment was predominantly male, and spanned a wide age range—from young adults to retirees. Many of them used social media or sports forums to follow news but still relied on El País's credibility for verification and depth.

## 3. In-Depth News Readers

Another identified group consisted of users who sought thorough, high-quality journalism. These readers valued:

- Investigative journalism
- Contextual analysis
- Credible sources

They often consulted multiple media sources—national and international—to form their own informed opinions. They avoided sensationalist headlines and expected well-researched, thoughtful reporting.

This group tended to be older and more educated, and they invested time in reading.

The main reasons they had subscribed included:

- Access to a subscriber-only article that interested them (34%)
- Promotions or discounts (23%)
- Interest sparked by newsletter emails (11%)
- Habitual newspaper readership (6%)
- General interest in the news content (6%)

For them, unrestricted access was a strong incentive to subscribe.

The team concluded that the two major groups of subscribers were:

1. Those motivated by unlimited access to in-depth journalism, often out of habit
2. Those drawn by the benefits of Club El País

Verbatims:

- “It’s very cheap. I like being able to read in peace without articles being cut off. I think it’s important to be informed. It gives you general culture. I like analyzing and understanding what I read.” – Ricardo, 65
- “I need to stay on top of market news for work. I invest quite a bit of time staying informed.” – Martin, 50
- “There’s always some Club El País promotion. I used to borrow a friend’s card. Then I saw the subscription price and said, what the heck... now I have my own. It feels good to say, ‘I have Club El País.’” – Natalie, 51
- “Honestly, I might cancel it soon. I don’t think I use it, and the articles don’t have the same depth they used to.” – Graciela, 63

The World: Proposals and Trends

Internationally, other models for generating income beyond subscriptions were being explored. These included:

- Donations or memberships: where readers joined a community rather than simply paying for access.
- Paid newsletters: where curated content was sent to paying subscribers.
- Micropayments per article, or
- Subscriptions to specific content verticals, such as sports or entertainment.

These were emerging trends in several markets. However, Clara’s team viewed them as challenging in a small market like Uruguay, where the number of readers interested in only a portion of the content would be limited.

As for publishing platforms, El País of Spain (unrelated to the Uruguayan newspaper) began using TikTok in 2021 as part of its communication strategy and had around 120,000 followers by mid-2022.

## Digital News Consumption in the Region

The team gathered information about the digital news industry in Latin America. Key insights included:

### 1. Argentina:

- 92% of the population read digital newspapers
- 14% were subscribed to at least one digital outlet
- The main reason for subscribing was access to benefit cards
- Among non-subscribers:
  - 88% thought it was too expensive
  - 82% believed they could get the same information for free

### 2. Paywalls:

Some newspapers in the region closed their homepages and required payment to access any content. In response, when asked how they would react if their preferred newspaper adopted this model:

- 65% said they would stop reading it
- 7% would subscribe
- 28% were undecided

### 3. Valued characteristics among subscribers included:

- Political independence
- Unlimited access
- Broad content
- Ad-free reading experience

Preferences varied by age:

- Younger readers valued discounts and event tickets
- Older readers appreciated prestigious journalists

The typical subscriber was:

- Male

- Over 50
- Above-average income
- Concentrated in major cities

4. Frequency of Reading:

- 50% read the news daily, multiple times a day

(See Appendix 2 for more details.)

## Conclusion

Clara and her team believed they now had enough information to start developing a plan to reach the subscription goal. However, uncertainties remained about how to proceed, and resources were limited.

They needed to present a convincing case to the El País Board of Directors outlining their proposal.

## Authorship Note

This case was prepared by professors Sofía Brunstein, Enrique Kramer, and Gustavo Rubinsztein from Universidad ORT Uruguay.

It was written to serve as a basis for classroom discussion, rather than to illustrate either effective or ineffective management. The characters are fictional and are presented solely to support learning.

## Appendix 1

### Data on digital media consumption in Uruguay





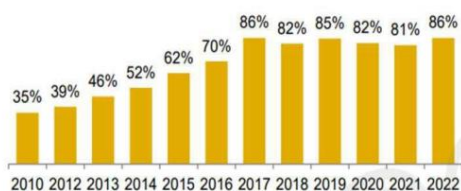
El número de lectores de medios digitales ronda los 2,3 millones. Montevideo Portal lidera en cobertura, seguido por Subrayado

¿En la última semana, has leído o escuchado noticias en algún medio de prensa por Internet, ya sea entrando en su portal o por un post compartido en las redes sociales? ¿En cuáles?

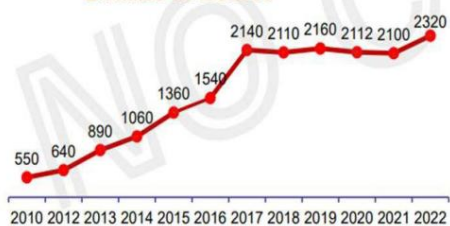
GRUPO  
**RADAR**  
INTELIGENCIA DE MERCADO

fuente:  
Grupo  
Radar.  
(2022). El  
perfil del  
internauta  
uruguayo.

En % de usuarios de internet



En miles de lectores



Cobertura de medios online

(base: 1456 que leyeron o escucharon noticias online en la última semana)



## Appendix 2

### Consumption and payment for digital news in Latin America

#### SUBSCRIPTION METHOD

##### La suscripción mensual resulta la más conveniente

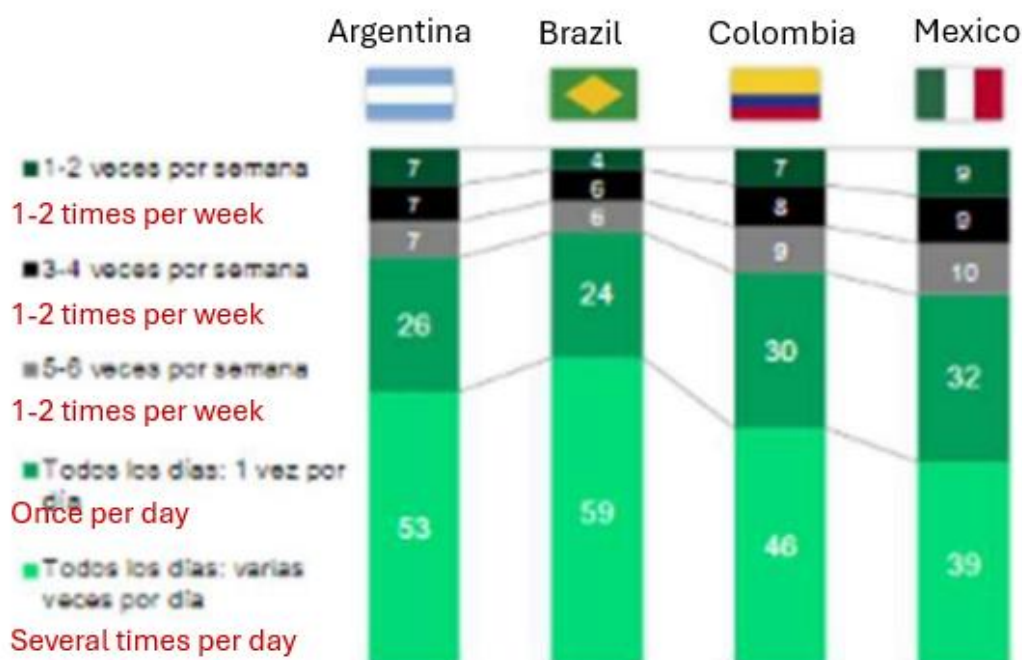
The monthly subscription is the most convenient



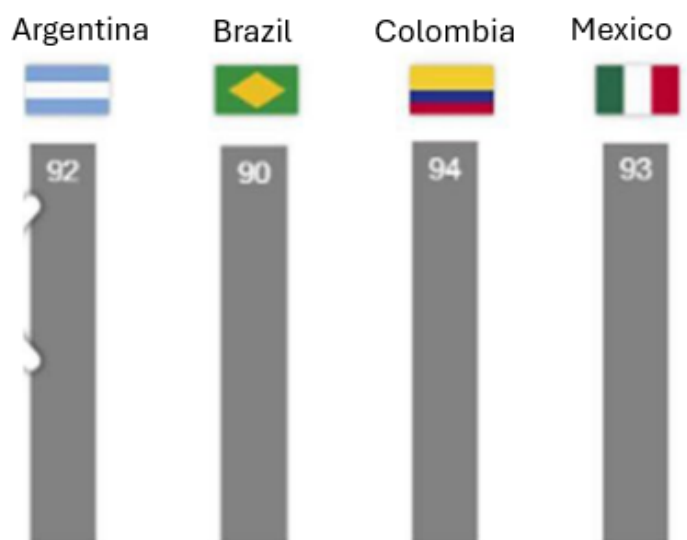
Base: Quienes se dieron de baja (319)

P31. ¿Cuáles planes de suscripción le parecen más convenientes? Por favor seleccione el más conveniente RU

#### FREQUENCY OF NEWS CONSUMPTION IN DIGITAL MEDIA







### 9 out of 10 subscribers saw no reason to pay for content



### PREFERENCE ATTRIBUTE RANKING WHEN CHOOSING A DIGITAL MEDIA.

The scale is out of 10, with 10 being the most preferred.

	Argentina	Brazil	Colombia	Mexico
				
Unlimited access to all news content	6,5	7,00	6,4	6,1
Content that is general and broad	5,8	6,1	5,1	5,5
A media outlet independent from those in power	7,4	4,7	6,4	5,1
More in-depth news and analysis	5,1	4,9	6,4	5,9
Access to content without ads	5,3	4,4	4,1	4,6
That it satisfies my concerns and needs	5,1	3,9	5,4	5,2
Specialized in the topics that interest me (not general topics)	3,9	3,5	4,4	4,3
A media outlet I support for its values and quality	3,9	4,1	4,2	3,6
A site that loads faster, is lighter	3,5	4,1	2,8	3,2
Access to other publications: newsletters, digital magazines, podcasts, etc.	2,8	3,9	4	4
News that adapts to my profile based on my interests	3	4,1	3,1	3,5
Additional benefits: tickets to cultural events, book launches, TED talks, etc.	3,7	3,5	3,4	3,3
Additional benefits: discounts at restaurants, shops, supermarkets, etc.	3,9	3,6	3	2,7
Available as a smartphone app to access news and content	2,6	3,8	3,1	3,8
Loyalty programs: rewards, discounts, or gifts for continued subscription	3,7	3,6	3	2,7
Access to exclusive content for subscribers	2,9	3,1	3,9	3,7
Exclusive access to breaking news: early notifications	2,9	3,5	3,6	3,2
Additional benefits: courses and/or training, whether online or in person	3,3	3	3,4	3,3

### Donations were also perceived as acceptable in some countries

