

Growing Audience



Innovation in Action

**El Tiempo's Bold Branding
Strategies Key
Market Domination**





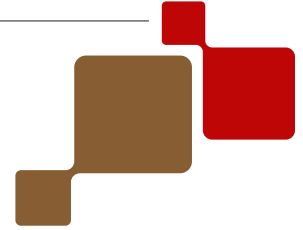
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El Tiempo's Bold Branding Strategies Key Market Domination

By David LaFontaine

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Key Market Domination



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What is it?

El Tiempo, the largest daily newspaper in Colombia, has embraced a strategy of “digital diversification.” It has spun off at least 13 (and counting) separate dot-com products that dominate the Colombian market and have made significant inroads in surrounding countries.

Why should I care?

El Tiempo's strategy is one of the purest examples of the “newspaper as part of an information Web” concept, long touted by Web-savvy consultants. The sites are divided roughly into content portals and transactional portals, and both are providing a strong revenue stream. *El Tiempo* reports earning 70 cents of every dollar spent online in Colombia. Managers decided to innovate before declining circulation and revenues forced them to do so, and they may have insulated themselves from the painful Internet market disruption faced by U.S. papers.

Can I adopt this?

The Colombian media market is still developing; conditions are roughly analogous to those in the United States in the late 1990s. Print circulation has not yet dropped, and Internet penetration has just reached 23 percent. Colombian newspapers have learned from newspapers in more mature Internet markets in North America and Europe, and the way they have adapted could offer many lessons, especially for midsize and smaller papers. While it is unlikely that a U.S. newspaper can dominate all online ad spending for the entire country, a move to online that allows a paper to dominate its market could pay off on a smaller scale.

El Tiempo, the leading newspaper in Colombia, has found great success in implementing the “flotilla” strategy—creating a Web of 13 separate, Web-based businesses revolving around its central brand, *Eltiempo.com.co*.

El Tiempo is taking branding strategies that other industries have used to great effect and, at long last, applying them boldly to a newspaper's core business. Despite its significant investment in digital products, the digital side of the business shows a profit, and *El Tiempo*'s footprint has grown. Several of its expanding sites don't just own the market in Bogota nor just dominate the entire country—earning 70 percent of all Web ad dollars spent in Colombia—but they dominate their market space in four surrounding countries.

The print version of *El Tiempo* averages a circulation of about 340,000 on weekdays and 450,000 on Sundays. *Eltiempo.com* traffic is about 60 million monthly page views and four million unique monthly users. When the 13 spinoff sites are included, the numbers grow to 130 million and approximately six million, respectively. This is all the more remarkable given that Colombia's Internet market doubled in the last year and is still just hitting 23 percent Internet penetration, or about 10 million total users.

The majority connect through broadband, although connection speeds lag since much of the phone line and server infrastructure is stuck at ISDN-level speeds (128 Kbps). These statistics are gathered through the Web analytics service Omniture, which allows *El Tiempo* to assure advertisers that they are receiving fair and impartial traffic statistics—a necessity in a country where most advertisers remain very wary of Web-based marketing—as well as detailed breakdowns of traffic trends.

Eltiempo.com's businesses can be divided roughly into two categories: content portals and transaction portals. The

main difference is that content portals use advertising as their main revenue stream, while transaction portals sell subscriptions and take percentages of sales.

El Tiempo's migration to the Web started in 1996, and a major reason it has pursued high-tech solutions so determinedly since then is because Juan Manuel Santos, its president, is something of a tech aficionado. His belief in the power and possibilities of digital media continued even through the dark days of the dot-com crash, and he insisted on continuing to build the size and sophistication of his digital team to its current level of more than 130 employees.

Eltiempo.com launched in February 1996, initially as a fairly static page. Within two years, however, the diversification strategy was underway. In 1998, it tried forming an outside entity called "Eureka." Planned as a local guide with news and entertainment, it lasted about a year and was eventually bought by Terra.com.

'A converged newsroom is the only way forward'

Development of Eltiempo.com is closely intertwined with the saga of Terra, the would-be Internet giant. Spun off from Spain's massive Telefonica media empire, Terra set out in 2000 to buy up and dominate the entire Spanish-speaking Internet market. It signed incredibly lucrative content deals with many media companies and bought outright such big early Internet players as *Olé* in Spain, *Zaz* in Brazil, *Infosel* in Mexico and *Gauchonet* and *Donde* in Argentina.

In 2000, *El Tiempo* had developed *La Ciudad*, a site aimed at leveraging local content, and Terra signed a five-year deal to take over all content licensing and presale of ads for that and Eltiempo.com. At about the same time, Terra took over Lycos in a \$12.5 billion stock swap and seemed destined to become a Google-size Internet player. But Terra's acquisition of Lycos ended in its sale in 2004 for



\$105 million, and in July 2005, Telefonica swallowed Terra's remnants.

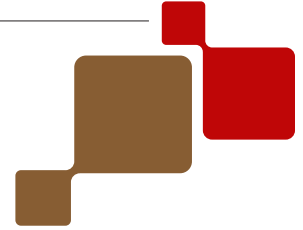
Throughout the time *El Tiempo* was locked in its sweet-heart deal with Terra, employees were developing ideas and strategy for all its sites. *El Tiempo* launched Eempleo.com, a job classified site, funded largely by cash infusions from Terra. The minute the deal with Terra expired, *El Tiempo* started rolling out all the new sites that had been in development, such as Portafolio.com, and continues to do so.

"In 2000, the *El Tiempo* site was basically shovelware," says Guillermo Franco Morales, editor of new media content at Eltiempo.com. "When we embarked on this expansion of our digital products, the first thing we ran into was how do we generate all this new content?"

"We started out by rewriting the text from print to digital so it was not just a replication of the content already available in the print product, and we've gradually been learning how to best take advantage of the Web's strengths. The Web side of our operation has had such success that we've embarked on a redesign of the entire newsroom to help us continue to grow the digital product.

"A converged newsroom is the only way forward, we think. We are going to be expanding the Web operation from its current level of 130 employees to 200 people on two whole separate floors, all generating content for all the various products.

"We are also going to be reorganizing the newsroom



from its traditional news-sports-business type content areas into more thematic teams.”

Click here to see video of El Tiempo's converged newsroom.

Integration of streaming video, other multimedia emphasized

According to *El Tiempo's* strategy, having thematic teams handle information flow in the newsroom will allow better integration of multimedia and user-generated content into stories, while ensuring that those stories also appear in all of *El Tiempo's* varied media properties. The teams would gather information through old-fashioned reporting and photography, from reader submissions or social networks and then organize and polish it before putting it back out into the audience. Reactions of the audience to that content in forums, chat rooms, blogs, comments or from audio/video submissions would be incorporated in subsequent versions of that story's subject.

Seeing the flow of information in terms of a big loop, *El Tiempo* hopes that its media structure can take advantage of that flow, and that positive feedback loop will keep its audience coming back despite the burgeoning array of other media choices.

However, coordinating and managing the efforts of such a varied group of increasingly lucrative properties is starting to take on heavy implications.

“I would say that they all operate under the umbrella of *El Tiempo*, but the truth is that the ‘new media’ side of the operation is in a bit of flux – they were allowed to go off and play for years,” says Juan Felipe Castaño, director of new media. “The print side saw the Web as something of a pretty, shiny toy and didn't really take them all that seriously.

“In the last year or so, since the numbers coming back from the digital side have started to get serious, that attitude has changed, and the print side is starting to try to re-establish control over digital. Their attitude these days is ‘come back to papa.’”

Increasing integration of streaming video and other multimedia into all its media properties is a major part of *El Tiempo's* planned reorganization. It has joined with Caracol Radio, the largest radio network in Colombia, so the newspaper and its sites receive audio sound bites to accompany

their stories, as well as a live feed of whatever is on *Caracol*, streaming on *Eltiempo.com*.

Caracol and *El Tiempo* have a revenue-sharing arrangement for ads on that content, and both express pleasure with the way this additional revenue stream is taking off. Advertisers appreciate the “one-stop shopping” power of buying an ad that not only blankets radio listeners but also the hip, connected audience that listens to streaming audio on *Eltiempo.com*.

‘2008 is going to be the year of video’

To help drive home the point that the future of newspapers lies beyond just an ink-on-paper product, *El Tiempo* has built a television set in its building lobby, complete with high-end studio lighting, cameras and a custom-designed backdrop. Parked immediately outside the entrance is a mobile video van tricked out with the latest in video gathering and transmission gear and bearing the name “CityTV.com.co.” That is *El Tiempo's* foray into having its own niche video channel. Arriving for work and leaving, every employee must walk past these physical reminders of the future newspaper.

“2008 is going to be the year of video for us on all our sites,” Castaño says. “We are moving to integrate video into our all operations very fast this year. We're doing this

The screenshot shows the El Tiempo Multimedia website. At the top, there's a search bar and navigation tabs for Noticias, Deportes, Tecnología, Entretenimiento, Editorial, Clasificados, El Tiempo Impreso, Multimedia, Servicios, Contacto, Ayuda, and RSS. The main content area features a video player with a play button and a video player interface. Below the video, there are sections for 'Más en video', 'Más en audio', 'Galería de fotos', and 'Especiales y gráficos'. The video player shows a video titled 'Coordinador en Bogotá de 'Un millón de voces contra las farc' explica en qué consiste la marcha Citytv'. The video player includes a progress bar, volume control, and a 'Comentarios: 4' section. Below the video player, there are four columns of content: 'Más en video' with a video thumbnail, 'Más en audio' with an audio player, 'Galería de fotos' with a photo gallery, and 'Especiales y gráficos' with a graphic thumbnail. Each column has a 'Categorías disponibles' dropdown menu.

because we can quite clearly see the danger. If we don't do it, someone else will.

"There is a lot of danger for newspapers right now with video. They are going to have to move very fast and pick up some new skills and abilities, or they are going to wind up getting buried by the competition in the marketplace."

El Tiempo has decided on a multifaceted approach to video, not only ramping up production of in-house video but also actively forging partnerships with existing video players and reaching out to users to post and share videos on the site. One of the first major efforts will be directed at producing daily business and financial-related video for Portafolio.com. **Click here to see an example of El Tiempo's video.**

"In early 2008, we are going to launch a separate video-sharing site called "YoPublico.com" [I publish], which is basically a local-focused YouTube," Castaño says. "As far as broadband traffic demand for video goes, well, we had heard a lot of nervousness from the print side, who believed that most of the demand and logins were from dial-up users. So we started publishing text-only versions of our sites to appeal to people who were still accessing Eltiempo.com through dial-up connections.

"What we found was that the traffic numbers didn't budge. The additional traffic of people who were coming in to use the barebones text-only version was so low that we really didn't even notice it."

Moderating user commentary difficult in testy Colombia

One big challenge for Eltiempo.com is also one of the most popular and heavily trafficked areas of the site: audience participation. The site has been working very hard to moderate user contributions on blogs, forums and comment sections. This is a serious problem in Colombia.

Even the most casual student of current events knows that Colombia was nearly torn asunder by the toxic combination of multibillionaire narco-traffickers, Marxist guerrillas, paramilitary death squads and private armies waging street wars since what is known as "La Violencia" started in 1948. This strife has manifested itself in the media. Even innocent discussions about pets, cooking or flower arrangement can quickly spin out of control as political partisans

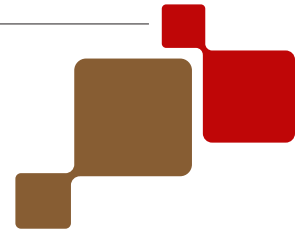


hijack the conversations and turn them into hysterical vendettas about character assassination and dire threats.

In its Comentario section, Eltiempo.com has about 5,000 blogs that generate about 250,000 monthly comments and responses. At least 30 percent of traffic to the sections is international. Many Colombians have fled their country in the last 20 years, have strong sentiments about events in their homeland and feel emboldened to make themselves heard. This has complicated efforts to moderate the discussions since local registration tools are ineffective when users logging in from outside the country.

Overwhelmed, moderators resorted to the following measures against a torrent of insults and abuse in the forums:

- **Dictionaries.** This didn't last long because users quickly learned how to evade controls by misspelling obscenities. When moderators tried to include the misspelled dirty words in the site's "Banned Dictionary," users stayed one jump ahead by employing odd letter and number combinations or using punctuation to "sp311" out obscenities.
- **User self-policing.** What quickly developed was that malicious users ganged up and pooled votes to "vote their enemies off the island." This quickly spiraled out of control as those voted out changed login identities, gathered friends and counterattacked, flooding the vote



counter with so many automated “no” votes and complaints that it crashed.

- **Cell phone registration.** Since anyone can establish a new identity in a Hotmail, Gmail or Yahoo! account in seconds, registering to an e-mail address had limited utility. Using a strategy that has worked in Scandinavia, Eltiempo.com tried linking commenters’ identities to cell phone numbers, requiring that users punch in a code text-mesaged to their phone. But easy and cheap availability of disposable cell phones in Colombia has meant that malignant users who were banned simply bought new phones and logged in under different aliases.
- **Two-tiered commenting.** In despair, Eltiempo.com plans to divide Comentario into two parts. One would be the secure site for users who have revealed all their data—such as name, address, phone number and more—and who will be held strictly responsible for comments. The second site, open to anyone, would require only basic registration. The hope is that the secure site will attract well-behaved users and that conversations there will become popular enough to attract those initially reluctant to surrender all their data online.

The time and effort necessary to oversee Comentario may seem excessive, but the site’s staff believes that so many users are accustomed to having an area where they can observe discussion among other readers, even if they themselves do not participate, that if Eltiempo.com were to dump the section and all the headaches, traffic would quickly deteriorate.

Eltiempo.com is also paying considerable attention to improving navigation and usability of the site and seeks to expand efforts with Search Engine Optimization to make

www.growingaudience.com

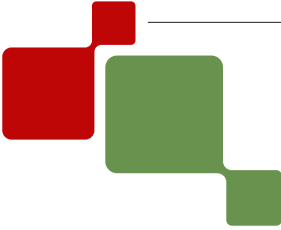
The screenshot shows the Eltiempo.com Blogs page. At the top, there's a search bar and a navigation menu with links: Inicio, Blogs, Foros, Reportajes Gráficos, Blog de Miss P, Código de ética, Licencias, Ayuda. Below the navigation, there's a sub-menu with links: Bogotá, Colombianos en el exterior, Deportes, Política, Tv y Farándula, Viajar, Vida de hoy, Arte y Cultura, Cine, Historias de la ciudad, Tecnología. The main content area is titled 'Blogs - Entradas más recientes en los blogs' and lists several blog entries with titles, author names, and publication dates. On the right side, there are several advertisements, including one for 'HAGAMOS' and another for 'Blog de Miss P'.

sure that its information appears high in search engine results.

“To stay on top, we have to make it easy for people to find us,” Castaño says. “If users can easily find information and navigate to it on our site, then they will keep coming back. If they can’t, they will quickly find other places to go.

“We’re proud of the fact that more than 75 percent of the initial traffic to the *El Tiempo* site comes from bookmarks. This means that the users have found what we have useful enough so that they have bookmarked the page and come to it repeated times to find what they want.”

For more on El Tiempo’s “flotilla” sites, please see www.growingaudience.org/bestpractices/eltiempo



Author Biography

David LaFontaine is a freelance writer/videographer who lives in Los Angeles, Calif. He began his journalism career as a copy editor at the Arizona Republic, then went on to become managing editor of the Caracas Daily Journal in Venezuela. He moved into the digital media area as managing editor of Singe Parent Magazine and then the streaming video site, Filmson.com. He has produced segments for ABC's Prime Time, and his multimedia work appears in the Online Journalism Review.



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