Key Drivers of EL PAÍS Digital Transformation
The 2012 –2017 period has been marked by growth
But it has also been a period with significant changes in the business model.
Where digital steals the limelight
This growth is due to a clear and determined commitment to the digital transformation of the company.
Since 2012, significant increase in digital audiences ...

3x UNIQUE NAVIGATORS
2x PAGES VIEWS
42x VIDEO STARTS

+87% ADVOCATE READERS
...and in digital revenues

Digital revenue
€000

2012 2013 2014 2015 2016 2017

+145%

Digital advertising versus total advertising

2012 2013 2014 2015 2016 2017

+90%

39% 46%
18% 23% 29% 34% 39% 46%
Drivers of the digital transformation
Drivers of the digital transformation
Drivers of the digital transformation
Fukushima, vidas contaminadas (Documental VR)

‣ Prototipo PAW (Progressive Adaptative Web)
‣ What’s on TV

‣ Alertas e-mail
27 BOT Facebook

Facebook Live

‣ BOT Twitter
‣ Piloto Player Youtube

NUEVA REDACCIÓN
A space that is...

- open
- structured
- technological
- global
- dynamic
A space that is open

We have reduced the number of individual offices to a minimum and increased to 16 the number of conference rooms and team work cabins. The newsroom now has many more open spaces as well as natural light.
A space that is structured

The core of the newsroom is the Control and Distribution Desk, which is set up as a command centre and from which the production and distribution of content to the various platforms is organized. Both the physical and the virtual work environments have been specifically designed.
A space that is technological

The changes in the workflow are visually reinforced with a spectacular area of screens in the heart of the newsroom that allows monitoring the performance of the EL PAÍS products, with a special focus on mobile consumption, search trends, and social conversation. The video set is also located in this area.
A space that is global
This new technological space provides a 24-hour image of the work produced by the American and Brazilian editions, while the Central Control Desk includes a permanent representative from those editions across the Atlantic.
A space that is dynamic
Depending on circumstances, the layout of the working space can be modified. There is a meeting zone, a library and drawing-boards to boost creativity and team-work.
Product Development

- Verticals
- Mobility
- Video
Product Development

- Verticals
- Mobility
- Video
Verticales

Cinco Días
41% nuevos lectores

El Comidista
23% nuevos lectores

Materia
28% nuevos

Smoda
24% nuevos

BuenaVida
23% nuevos

ICON
21% nuevos

Tentaciones
23% nuevos

Verne
30% nuevos

Fuente: Omniture. 2017
Product Development

- Verticals
- Mobility
- Video
Evolución de usuarios móviles

Source: Omniture. 2017
Product Development

- Verticals
- Mobility
- Video
Impact across the organization
YouTube Player for Publishers

Incremental views and time watch

New revenue source

Cost savings on hosting and streaming

Fuente: Omniture. 2017
Drivers of the digital transformation
Brand versus Distribution

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2016</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Brand</td>
<td>51%</td>
<td>44%</td>
<td>33%</td>
</tr>
<tr>
<td>Social</td>
<td>13%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>SEO</td>
<td>26%</td>
<td>32%</td>
<td>41%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Omniture. 2017
New formats: Accelerated Mobile Pages

- 30% PC
- 46% Mobile AMP
- 24% Mobile Non AMP

65% * of AMP readers are new to EL PAÍS

* 2017 Average. Omniture
New formats: Facebook Instant Articles

58%* of Instant Articles readers are new to EL PAÍS

* 2017 Average. Omniture
Drivers of the digital transformation
We have scaled our audiences

Fuente: News Comscore Magazines (Jan 2018) y Omniture. 2017
EL PAÍS, a global brand

EL PAÍS AMÉRICA
Mexico
USA
Colombia
Argentina

EL PAÍS BRASIL

2014 2017
27 52
22 25
Drivers of the digital transformation
Readers have split into **multiple form users** who consume information and entertainment at different levels of involvement and who require a customised approach.
Trust and data at the core of the strategy

AUDIENCES
From Reach to Loyalty

PRODUCT
User-centric approach

TRUST & DATA

MONETIZATION
User-based revenue streams
The new model

From an ANONYMOUS and FREE model

From generating IMPRESSIONS

From a GENERAL-ONLY news product

From a PRODUCT CENTRIC ORGANIZATION

to

to

to

Explore one of KNOWN USERS that extend our revenue models

generating PROFILED USERS/ INTENTIONS

a SPECIALIZED CONTENT PLATFORM

a CLIENT CENTRIC ORGANIZATION
AUDIENCES: From Reach to Loyalty
Audiences: From Reach to Loyalty

Data as the key distinguishing factor to support the Content, Commercial and Transactional Strategies

- **Value proposition**: Capabilities supporting interaction with the product in a frictionless way
- **Continuous data processing**: Insights both on/off platform through integrations with big tech. players. Propensity models
- **Registration and login navigation**: Driver to harvest socio-demographic and behavioral data.
- **Data Outcomes**: Personalization of content and commercial offer, Optimizing production processes

From anonymous audiences to known (and hopefully loyal) users
Audiences: From Reach to Loyalty

Does this mean that we abandon the discovery of new audiences? Not quite

<table>
<thead>
<tr>
<th>AMP</th>
<th>Facebook Instant Articles</th>
<th>Other Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMP brings value both in bringing new visitors and additional revenue</td>
<td>Instant Articles brings value in discovering new visitors; revenues, however, are not performing so well.</td>
<td>Remain in control of the Analytics and Monetization capabilities</td>
</tr>
</tbody>
</table>

Platforms become fishing ponds to discover new audiences with whom to build an engagement strategy

Direct traffic is the most valuable to us since it is the best one for building stronger relationships with readers; social and search, however, have proven to be the main sources of acquisition of new readers.
AUDIENCES: From Reach to Loyalty

PRODUCT - CENTRIC APPROACH
Product: User-centric approach

- **Privacy and Security**: High commitment to guarantee the safety and privacy of readers.

- **Data**: Strengthen capabilities in data analytics to get insights that help driving a more personalized product and user experience.

- **Performance**: New key business objective to meet users' expectations regarding page loading rates.

- **Flexible technology**: To optimize content production and distribution workflows to effectively deploy new products in an agile development environment.

Enhance user experience by use of data and by leveraging technology capabilities.
Platform - Verticals

Specific approach to niche communities based on social and demographic analytics.

Mobile
Increasing engagement with the audience by enhancing the mobile product.

Globalization
Global perspective for local audiences

Video
YouTube has proven to be a cornerstone of the video strategy with outstanding time spent KPIs

Innovation
Response to machine learning technologies and voice-activated products across multiple devices

Product: User-centric approach
AUDIENCES: From Reach to Loyalty

MONETIZATION / User-based revenue streams
Monetization: User-based revenue model

Once scale has been reached, the moment has come to diversify our revenue streams by exploring user-based transactional opportunities.

1. Digital Advertising Push
   - Premium programmatic advertising
   - Video and audio advertising
   - Audience Extension
   - Product Development and Commercial Innovation

2. Branded Content Development

3. Transactional Model
   - Expand affiliate partnership
   - Prescription model
   - Exploring different user-based revenue models
Thank you