

Sunday Supplements:

The case of El Mundo, Spain

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This report is drawn from a one-day executive visit to El Mundo, organized by the Newspaper Management and Marketing Bureau, in October 1996.

Introduction: Success and the Sunday supplement

El Mundo, Spain's young, investigative daily newspaper, has seen its circulation more than triple since it began operations in 1989. In 1995, its staff of 600, including 250 journalists, generated consolidated income (before tax) of 1.5 billion pesetas (\$12 m) on revenues of 25.9 billion pesetas. Indeed, the paper has been profitable for four years now, and its total launch costs have been recouped.

Some of this success can be attributed to Sunday sales. Indeed, all the major Spanish papers sell substantially more on Sundays than they do on any other day of the week. El Pais, the country's largest-selling newspaper, sells up to 1.2 million copies on Sunday, and ABC, close to one million. El Mundo, the fourth largest in Sunday circulation, sells 440,330 copies versus 323,998 during the week.

What distinguishes Sundays from other days of the week? Simple: Sunday supplements. These beautifully designed publications both complement and reinforce the offerings of not only the four main Madrid-based national papers but the regional papers as well. Indeed, regional papers have banded together to produce the largest-selling Sunday supplement in Spain.

Sunday newspaper supplements have had so much success in Spain that, according to Victor de la Serna, El Mundo's associate director for international relations, they have all but killed off an entire genre of publication: the newsweekly. Only two are left in Spain, both with circulations that hover around 100,000.

Why are Sunday supplements so successful in Spain? What impact have they had on the paper's operations, circulation, readership and appeal to advertisers? These were the topics discussed at a one-day executive seminar organized by the World Association of Newspapers. A summary of these discussions follow.

In the beginning....

El Mundo was created in 1989 by the former editor of Diaro 16, Pedro J. Ramirez. Its mission was to provide a forum for something many believed to be lacking in Spain at the time: investigative journalism.

"Our success is the result of a very aggressive editorial stand--and widely-recognized investigative reporting," says Victor de la Serna, associate director for international relations.

The paper was only three months old when it reported on a scandal which led to charges from the Prime Minister's office. "Such persecution put us in the spotlight and helped our sales; after all, we were not the only ones launching newspapers at the time," continues de la Serna.

Certainly El Mundo has been able to put its capacities to good use. The paper benefited from a highly-charged 1993-1996 period, during which Spain found itself in a constant pitch of elections and scandals. And, says de la Serna, "We broke most of the financial and political scandals in Spain."

The initial plan for El Mundo did not include supplements

Given this focus, El Mundo did not initially plan on adding general interest supplements to its pages, especially in the context of limited resources. "We thought we couldn't do it and could afford not to," recalls de la Serna.

But...the Sunday market was growing fast. The contrast between Sunday and weekday sales for other newspapers was already significant. Moreover, ad revenues were becoming increasingly dependent on Sunday supplements.

"In two weeks, we saw we had to do it and then we organized ourselves to do it. We made big sacrifices, we worked six and seven days a week," says de la Serna. Within a few months, El Mundo had launched its first supplement, a full-sized four-colour cultural and intellectual magazine.

Why are Sunday supplements so appealing, both to readers and publishers?

Newspaper readership in Spain is relatively low

The Spanish are not avid readers of newspapers. There are 4.5 million newspapers bought in Spain every day, and it may be difficult to go much higher, says de la Serna.

Moreover, Spain does not have a popular press: the kind of people reading the Sun in Britain are simply not reading newspapers in Spain.

The media of choice is television. 80% of the Spanish population gets its political news from TV. With license renewal coming from a single Ministry, television reporting tends to be on the conservative side.

And yet, there is clearly a pool of readers who seek a regular--though not daily--contact with credible news sources such as El Mundo. Indeed, says de la Serna, El Mundo's Sunday circulation "shows us we have lots of once-a-week readers".

Competition for those readers is intense

When El Mundo was one and a half years old, there were 14 dailies in Madrid: four business papers, two sports titles and eight generalist papers. Advertising was at its highest level ever. Then, in June 1990, the boom ended; advertising volumes are not expected to reach their former heyday levels, even if there is a recovery. Today, five years later, there are four generalist, two sports and three business titles--a consolidation that is the direct result of lower advertising volumes. These fewer publications must keep finding ways of attracting--indeed, maintaining--their readers.

Supplements allow newspapers to diversify their readership

Supplements allow El Mundo to offer these readers material that is more attuned to their weekend needs and expectations. "Our readers approach the Sunday El Mundo from a private interest rather than a professional one," says de la Serna, and "the readers we have added with the supplements have different interests rather than a different reader profile."

True enough, El Mundo's readers have the same profile both on weekdays and weekends. "Our Sunday increase in circulation does not change our reader profile dramatically. They are

younger than the average Spanish newspaper reader--35 on average--and 40% are university graduates," says Alejandro de Vincente, director of advertising sales

The one area of identifiable difference is amongst women readers. "Our weekday readership is 64% male, while it is 56% on Sundays," explains Carmen Nieto, advertising sales representative.

Increasing the level of female readers is a goal of El Mundo, and editors believe the Sunday offering is more amenable to that.

What does El Mundo's Sunday offering consist of?

A newspaper and three supplements

Readers who buy El Mundo on Sunday for 175 pesetas (instead of the usual 125 p) get three supplements: La Revista, a general interest four-colour magazine; Cronica, a week in review; and Su Dinero, a practical supplement on personal and family investments. These, of course, are in addition to the regular paper, which is not any thinner by consequence.

The Sunday El Mundo does show some differences with the weekday paper. "Two op-ed pieces appear only on Sundays: one, a letter from the editor on page 3, which is a comment on political life, and the other by a well-known columnist who discusses issues as they are reported by media," explains Pedro J. Ramirez, El Mundo's Director. "There are also more TV pages, crosswords, games." Last but not least, the Sunday edition runs as many features as possible.

Cronica, a week-in-review

This more leisurely, features-oriented approach poses a challenge to one of El Mundo's more reader-oriented Sunday supplements, Cronica, a week-in-review which focuses on social and political issues.

"Weekend supplements have a problem because dailies tend to run more features even during weekdays. We must keep trying to find angles and outlooks that remain different. Indeed, we compete against our own paper," says Miguel Angel Mellado, editor of Cronica. "Our main challenge is to tell about the week but without rehashing. We try to turn out a supplement that's highly informative but at the same time, leisurely reading for Sunday audience. It's not an easy task."

Cronica is structured in two parts: the first part features in-depth stories about current events. "We always try to put the present into context--it's our historic trademark," says Mellado. The second part is devoted to lighter articles. "That way, readers have at least one section they're interested in. We've also added a few science and life pages to attract an even wider audience."

Of course, Cronica has a different look than El Mundo: a more extensive and varied use of photography; editorial colour on the front and back pages; more reliance on illustrations and computer graphics; as well as a slightly heavier newsprint.

Su Dinero , on personal and family finance

Inserted inside Cronica is Su Dinero (your money), a very down-to-earth, practical supplement about personal and family investment.

Launched just a little over a year ago, Su Dinero is El Mundo's . business supplement with a twist. "Given our younger readership, we wanted to explain the economy in a more practical fashion," says editor Casimiro G. Abadillo. "We look at how current events affect your pocketbook. Everything has a pocketbook impact and can be exploited."

Written in plain language which eschews business jargon, Su Dinero has three sections: consumer and family economics; the stock and fund markets as personal investment fields; and employment and training.

It is relatively low on company news, which is the staple of many business supplements. Despite initial hesitations, the business community came to find the coverage different, but useful, says Abadillo. Banks, for instance, found that consumers brought them stories from Su Dinero comparing bank rates and the like--positive proof that their customers were reading the supplement. Now, consumers will find out first about a new type of loan from the editorial pages of Su Dinero, long before advertising campaigns on such products are launched.

Su Dinero's last page is always devoted to an idea for a small business. It outlines the steps an entrepreneur has to take, regulations, competitors and so on. The supplement will soon have bigger pagination, with articles on computers and the internet, as well as on apartments, houses and living facilities.

Su Dinero also distinguishes itself graphically from other business supplements. The cover, for instance, is strictly four-colour illustration and computer graphics.

La Revista, a stylish general-interest magazine

La Revista, a four-colour general-interest magazine on consumption, culture and the arts, is at the heart of El Mundo's Sunday offering. Yet, it is not an extension of El Mundo, says Victor de la Serna. "Each has its own personality. La Revista offers a big change of pace, style and content, and could be sold on its own."

La Revista represents a whole change in philosophy for El Mundo, one that is based on increasing service to readers. That's why La Revista, which was launched in 1995, is not only a 'relooking' of El Mundo's former Sunday magazine, but an entirely new product.

"Before, our Sunday magazine was a very upscale, sophisticated intellectual, elitist and artistic," says Alberto Anaut, director of La Revista. Now, "we are trying to make a product with popular, mid-class appeal, but with high-quality contents. We had experience (note: Anaut had created the Sunday magazine at El Pais, and brought over several members of his team) and so did the team of people from El Mundo who'd worked on the former product."

Editors of La Revista also took a dummy issue of the publication to readers in three cities, as well as to advertisers, for comments and reactions.

La Revista played up the design aspect. "We were the last magazine to arrive on the Sunday supplements market, and we were up against well-established competitors. We needed real signs of identity to be differentiated." Indeed, the magazine has a traffic-light type of masthead--very big and very red--in addition to monthly-like square binding and design features.

All supplements seek to be as interactive as possible.

All of El Mundo's Sunday supplements seek to establish direct relationships with their readers through contests, questions, reader polls, letters to the editor and so on. La Revista, for example, has two sections of letters to the editor, one traditional, the other induced by the publication. "We give gifts with cultural or leisure content--like books. It's not sheer merchandise," says Anaut. Moreover, because personal and family investment is in the hands of women in Spain, reader feedback from women is high on weekends.

Such reader feedback enticements generated 70,000 reader messages last year, many of them induced by El Mundo. The publication is now creating a database.

There is a final type of reader interactivity: quality surveys. "We give readers the opportunity to rate our supplements," says Ramirez. "We do quality surveys, giving points to certain columns and so on. But people who answer these surveys are the hard-core readers, so their opinions may not be those of average readers. We did get 5,000 responses, though".

What impact do the Sunday supplements have on El Mundo?

Some dedicated staff, but much sharing of resources

Having three separate supplements plus a regular paper naturally requires that resources be allocated as efficiently as possible.

Every supplement has full-time reporters but they also have access to El Mundo reporters and freelancers. Su Dinero, for instance, has three staffers with business backgrounds, two computer graphists, and ten contributors. "We will go to the motor people at El Mundo for a specific story related to that industry," explains Abadillo. Indeed, all editors agree there is a constant relationship with the El Mundo team. "There may be some conflict in how we approach the story. But, if it's a pocketbook story, it's for us--no matter what the field," says Abadillo.

Although Pedro Ramirez is legally responsible for all supplements, he is not involved in day-to-day operations. "I don't even have a weekly meeting with them," he admits.

With respect to the advertising sales force, a single manager is assigned to each supplement, but sales people work for all of them. "We may eventually move to having a few specialists for some supplements, but most accounts require general sales people," says sales director Alejandro de Vicente. El Mundo currently has some 40 staffers in advertising sales throughout the country (this includes 25 non-sales people who look after advertising production and internal matters).

Printed at one site, inserted mechanically at others

All three El Mundo Sunday supplements are pre-printed in the paper's Madrid printing sites. Cronica and Su Dinero, which average 24 pages, close on Fridays, and are printed together once the printing of the Saturday paper is completed. La Revista, for its part, is printed on Tuesday/Wednesday. Once the supplements are ready, they are sent by car to El Mundo's six other printing sites, including one in Belgium which prints 20,000 copies for international distribution. They are then inserted mechanically.

In terms of production design, El Mundo and Cronica, which are both primarily editorial concepts, use the Edicom 4000 system and a locally designed software. Su Dinero and La

Revista, which depend on more sophisticated design, use a cluster of MACs and ADOBE software. Of course, file interchange is always possible.

Increasing circulation and readership

Sunday circulation for El Mundo and its supplements now stands at 440,330, up from 390,000 in the first nine months of 1995--just before the launch of the supplements. Circulation figures have now been consolidated and projections for the whole of 1996 are expected to be around 450,000. El Mundo has the fourth largest Sunday circulation amongst Spanish newspapers.

In Spain, average circulation is calculated overall (both Sundays and weekdays, over a 7-week period), and audited by ABC. Overall circulation is expected to drop slightly in 1996, the result of a quieter political atmosphere.

For readership, Spanish papers use the same study group (EGM), which analyzes El Mundo and La Revista as two separate products. Although the paper does not have circulation figures for each day--only averages are available--it does have specific readership figures.

"The only weekday that differs markedly from others is Friday because of the listings offer (El Mundo runs a free glossy magazine on Fridays with listings of what is going on in Madrid). Sunday, of course, it goes up," explains Carmen Nieto from the sales department. Moreover, La Revista is inserted in some of the regional issues on Saturday, which also makes it a higher readership day--but only in the provinces, not in Madrid, where Saturday drags behind.

Indeed, total readership for the El Mundo magazine is 1.62 million readers, while it stands at 1.30 million during weekdays.

Getting both prestige brand advertising and direct promotional ads

El Mundo gets between 35 and 40% of its revenues from advertising; the paper's advertising 'hole' is smaller--between 25 to 30%. Eighteen percent of its advertising revenues are generated on Sundays.

The market for Sunday advertising is down this year in Spain, say de Vicente and Nieto, due to a decrease in colour prestige brand name ads. Nonetheless, La Revista, which is the fourth largest magazine in terms of circulation, but the number 2 in terms of advertising volumes, has maintained its 1995 level of advertising.

Indeed, there has been a slight increase in ad revenues this year, in part attributed to specific advertising brought in by Su Dinero. Moreover, there has been an increase in reader-oriented, value-added types of advertising. "What works now is very direct - sales, promotions, very short-term. So the interest in daily pages, which offer immediacy, is high."

But it can also be attributed to a lingering positive feeling on the part of advertisers for the large-sized former version of the Sunday magazine. "The forerunner to Revista was the same size as El Mundo, which was an advantage for advertisers. We were afraid of losing somewhat by being like other supplements," says Nieto. But so far, advertisers have followed in the belief that increased circulation will compensate for the smaller size.

Developing advertiser loyalty

La Revista has generated some new advertisers, but that was not the purpose of its launching. "We are looking to stabilize advertisers, get greater fidelity from them," says de Vincente. And advertisers like Sundays because they know readers spend more time with their publications.

Although supplements have allowed El Mundo to increase its female readership, advertisers who target women have not followed. "Even the El Pais magazine, which has high female readership, has been unable to attract female advertisers to the publication. They want affinity with content," says Nieto.

Establishing appropriate rates

Having a four-colour Sunday magazine leads to some paradoxes with regards to rates. "When we establish rates for La Revista, we look at the rates of competitors in the colour magazine field. For supplements, we look at our newspaper competitors." This leads to unexpected results, with a full page color ad in El Mundo more expensive than the same in La Revista.

According to de Vicente, there is no current transfer of ads between the supplements and El Mundo. Indeed, since El Mundo has had a four-colour advertising capability, advertisers have not shown a net preference for advertising in El Mundo or in the supplements. (El Mundo's colour rates are 30% more than for B&W.) This does not apply to La Revista, however: given its size and format, rates are quite different than for El Mundo. Su Dinero also has specific rates, as does the Friday supplement *Metropolitani*. Other supplements have regular rates.

Supplements also run on other days

El Mundo has applied its Sunday approach to the other days of the week and developed supplements for each of those days as well--at no extra cost to the reader.

Monday has a sports supplement, Tuesday's is entitled Campus, Wednesday is reserved for culture and literature and Thursday features a health supplement. Moreover, Friday has a four-colour listings supplement. Saturday will feature Motor & Vajes (Motor and Travel), which is slated to appear in March 1997.

By and large, "these supplements are reader-oriented," says de la Serna. "We do them to generate reader fidelity, to attract niches of readers. They are still part of the newspaper." Moreover, they allow El Mundo to increase its pagination; the paper itself cannot go beyond 96 pages for technical reasons.

Many of the arguments for these weekday supplements are the same as those applied to Sundays: enabling El Mundo to diversify readership and improving its attractiveness as a whole to advertisers, for instance.

Each supplement has its specific *raison d'être*. For example, El Mundo's well-respected health section enabled the paper to get some specific advertising and some new readers. As for sports, it is simply impossible not to have a sports section in a Mediterranean country, says de la Serna.

And though the supplements are not run as profit centers--even on Sundays--every supplement is asked to break even. "We'll decide whether other factors justify the supplement's existence, ie. better readership and so on," he explains.

A new motor and travel supplement just launched

The new supplement currently in the planning stages is the Saturday Motor and Travel supplement. A number of reasons converged to make this new supplement a logical choice: 30% of El Mundo's advertising revenues come from the motoring industry; it gave El Mundo the opportunity to add travel coverage, which readers had found lacking in the paper; and Saturday, which is a great day for car buyers, needed a bit of a boost, both in terms of circulation and ad sales.

The Motor and Travel is expected to be a more ad-producing supplement than others. "There is a thriving tourism industry here in Spain," says de la Serna. "We'll see what role this plays."

Finally, El Mundo runs some advertising supplements. "This is a very different concept, but we are planning a weekly real estate supplement that will be 90% ad-driven," says de Vicente.

What's in store for the future?

El Mundo's editors fully expect to have to keep fine-tuning their weekend offer to meet changing reader needs--witness last year's complete overhaul of the Sunday magazine supplement.

Moreover, like many publications throughout the world, El Mundo is exploring the world of on-line publishing, and will adapt both the daily and La Revista for the internet.