

The transition of a traditional newspaper to the internet age: an historical account of *Le Monde's* case

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Abstract

This essay analyzes how traditional media has dealt with the arrival of the internet age, examining its reactions and efforts to adapt to this new environment. For such, we will explore the case of the French daily *Le Monde*, which carries a long and renowned tradition in print and, therefore, faced numerous challenges to adjust itself to the digital domain, having to overcome barriers in its organization culture, newsroom workflow and business models until a suitable strategy was found to ensure its competitiveness. The investigation is supported by historical bibliographic review and original interviews with personnel from the media group.

Keywords: Media transition, Business model, Online journalism, Print media, Le Monde.

Introduction

This study investigates how *Le Monde* has entered into the internet age and analyzes its performance on this new field up to the early years of the new millennium. In order to do so, we shall firstly review some theoretical aspects of technological and organizational change applied to media companies. Then, we will carry out a brief historical overview of how the prestigious French newspaper first started its digital venture, highlighting its major developments since the start of its electronic operation in the 1980s, and tracing the pathway of managerial decisions made by the organization to adapt itself. After, we will analyze the website's situation in the online news segment until 2010. The data for this assessment comes from market reports and news articles from the time period of *Le Monde's* digital transition, as well as the published works of the press historian Patrick Eveno. The analysis will also be enriched by statements collected from two professionals in managerial positions within the organization: the general secretary of the *Société des Rédacteurs du Monde* and the editor in chief of *lemonde.fr*. Both sources were interviewed by the author in 2010.

As this study will try to show, *Le Monde's* transition to the digital era brought forth numerous challenges which underscore what are the difficulties and limitations that a newspaper with a well-established tradition in print has to face when embracing a medium governed by a different logic. Transitioning from one medium to the other proved to be far more than a technical issue: it involved the editorial and commercial departments of the company, as well as its corporate culture. Their strategy, as we shall see, went from one extreme to another before settling down on the current approach, which still deals with some sensitive points concerning the harmonious operation of both fields, notably the dilemma between free and paid content.

This scenario is rendered more intriguing by the crisis that has afflicted media groups all along the last decade, since it calls into question the efficiency of the group's business model for online and print, pushing each segment into developing a suitable strategy for the coming years. Years in which traditional media, of which Beuve-Méry's 73-years old daily would be a paramount example in the general public's imagination, have to face an unsettling shift in the mass communication paradigm.

Technology and transition in media organizations

Change is an ever-present reality for all organizations. For media companies, technology is one of the driving forces of industry-wide change. According to Mierzewska and Hollifield (2008), this is because this segment is more sensitive to the emergence of what Day and Schoemaker (2000) called "disruptive" technologies, that is, innovations that can create new industries or transform existing ones. Over the 20th century, newspapers saw the arrival of successive new mediums that altered the way readers related to print news, being the internet one of the most significant game-changers of all. As the world wide web became more and more omnipresent in the late 1990s, so did media's concern on how to respond to it: approximately 60% of the articles on media technology and innovation that were published by specialized journals appeared after the turn of the century (Mierzewska & Hollifield, 2008).

Unlike previous disruptive mediums, the internet undermined traditional newspapers by offering a news space for the publication of news texts and of advertisement – the two core sources of revenue for prints (Saksena & Hollifield, 2002, p.77). Thus, some traditional companies reacted defensively, trying to shield their core-business against online alternatives, while others behaved offensively, trying to take their brand and products to previously unreached audiences through this new channel (Kolo & Vogt, 2004).

Saksena and Hollifield (2002) argue that management's perception is one of the key variables in explaining how traditional newspapers carried out their online transition. Those who saw internet as potentially very disruptive to the business tended to adopt "a more systematic and comprehensive process for developing an online edition" than those who did not regard the new medium as very disruptive to the organization (p.83).

This study will observe whether managerial perception did play an important role in *Le Monde's* attitude towards online, whether its reactions were offensive or defensive, and what were some of the observable organizational outcomes of their reactions to the digital challenge.

The start-up

Le Monde's entry in the digital age was rather discreet at first, given the newspaper's strong tradition in print and documentation. It was, therefore, reticent about opening wide the gates to its contents through a medium other than its cherished paper. Some efforts were made in the electronic direction in the 1980s aimed at costumers and at the company's journalists: the digitalization of the newspaper's documentation database in 1987 and the usage of electronic messaging in the newsroom in 1989 ("Coyote" system). Even so, print was still *Le Monde's* priority. Such predominance of the paper culture and a lack of business savvy, which the historian Patrick Eveno describes as *Le Monde's* "favorite demons", had likewise led initiatives into other audiovisual fields into atrophy during the 1980s and 1990s. "In all of those aborted adventures, we find *Le Monde's* favorite demons, that for twenty years tried to earn money without investing and without accepting a commercial approach"¹ (Eveno, 2001, p. 182).

The same team in charge of the Minitel and CD-Rom operations – both oriented towards documentation and article storage – was the one that gave the first online steps in 1995. At first, all that visitors could see online was a reproduction of the day's first page. At the end of the same year, besides "*la une*", the site offered paid thematic dossiers and access to the archives. This marked a shift from an "archivist" approach to the digital world

¹ In the original: "Dans toutes ces aventures avortées, on retrouve les démons favoris du Monde, qui pendant vingt ans tenta de gagner de l'argent sans investir et sans accepter une démarche commerciale". All translations from French to English are the authors'.

to one in which customer experience began to be considered with greater care. During its first years of existence, *lemonde.fr* was not much more than an electronic extension of the newspaper, but without as many human and financial resources as its print counterpart. Its underdeveloped condition meant that it was completely dependent on the print department, which, in turn, was still unsure about how to handle this medium that could potentially steal readers. Afraid that such readership migration would take place, *Le Monde* decided that visitors wanting to consult their online content would have to pay for it, despite the fact that online monetary transactions at that time were rather complex for the majority of users. In the same year, 1997, the web site of *Libération* – a competing French daily – surpassed *lemonde.fr* in daily visits.

Le Monde Interactif: an aggressive shift

Faced with their uneasiness towards the online enterprise, which by now started to produce disadvantages on competitiveness, the directory board decides to go search the expertise they lacked on the other side of the Atlantic. In 1998, Sylvie Kauffmann, who became *Le Monde's* first female editor in chief in 2010-2011, leads a visit to the US, aimed at studying how the North-American newspapers were adapting to the online environment. After this field research, the creation of an independent branch devoted exclusively to the online operation was proposed by Alain Giraudo to the directory board and by Jean-François Fogel to the shareholders. The reason for having an autonomous branch would be the creation and strengthening of an organizational culture of its own for the web division. The department would then be able to move on to create its own and better-suited contents for the online medium instead of merely replicating the print version.

In April 1998, the group's new online strategy was revealed through a report entitled "*Multimédia*", which defined the main goals to be sought as it follows: successfully transporting the brand onto the new medium, becoming one of the most visited news sites, and, lastly, becoming profitable. The new venture would require major investments that – given *Le Monde's* austere economic reserves – called for external parties.

When *Le Monde Interactif* was created, in June 1998 with Alain Giraudo as its president, *Grolier Interactive Europe*, a branch of *Matra-Hachette* – ran by Fabrice Sergent and the media tycoon Arnaud Lagardère –, signed in as a partner holding 34% of the capital. Content exchange was also foreseen between *Le Monde's* site, *Canal+* and *Business Week*. The predicted cost for the whole operation was of 30 million francs (approximately 4.8 million euros today).

In March 1999, the team of 25 people, of which 12 were journalists, moved to a separate building in the quai de la Loire. The results for the first year were thrilling: traffic quadruplicated, with an average of two million visitors a month, making *lemonde.fr* the most visited web page for general news (it was only surpassed by *Les Échos* when it came to finance and stock market news). Advertising revenues reached 4.7 million francs, plus 1 million for paid links. The goal of becoming profitable, nonetheless, was far from being reached: deficits were of approximately 10 million francs a year.

In spite of that, the expansionist jolt continued as the group opted for transforming the website, from then on *tout.monde.fr*, into a generalist portal in May 2000. It created eight thematic channels and multiplied its projects for Palm, mobile phone (WAP) and interactive television. Consequently, additional investment had to be made (800,000 euros for the creation of the portal, of which 560,000 were only for the publicity campaign), pushing the estimated budget higher up (Eveno, 2001).

However, this new approach was considered harmful, as revealed by an audit carried out by the *Concrete Media* research bureau at request of the directory board. By highlighting multiplicity and plurality, the portal actually

diluted the value of the brand amidst a constellation of other partners and links. That was a sign that the online branch, independent and caught up in its own venture, had lost touch with the group's strategy, something that had to be immediately fixed lest the site should become a competitor instead of a complement of the print newspaper.

Those divergences led Jean-Marie Colombani, *Le Monde's* director from 1994 to 2007, to appoint Bruno Patino as the new general director of *Le Monde Interactif* in July 2000. He refocused the site on the group's core strength: information, setting up the current mixed economic model ("Premium model") in April 2002. It is characterized by a balanced offer of free and subscribers-only contents; which, in turn, are rendered more accessible thanks to the low-cost of subscriptions (5 euros at first, 6 euros as of 2010). That strategy allowed the site to finally move into profitability two years later, with nearly 60,000 paying subscribers and an average of 15 million visits per month in 2004 (Eveno, 2004).

Entering the new decade

Since September 2009, *lemonde.fr* left its offices in the quai de la Loire to move to the 3rd floor in *Le Monde's* current headquarters, in the 80 Boulevard Auguste Blanqui. Other magazine publications belonging to the group, such as *La Vie*, did likewise. The reason for this compression was budgetary, according to Jean-Pierre Giovenco, general secretary of the *Société des Rédacteurs du Monde*. "Because of our financial difficulties, we said to ourselves we could not afford to pay two rents anymore" (Giovenco. Personal communication. April 15, 2010). *Le Monde* has occupied the current building, which had belonged previously to *Air France*, since 2004. The fact that it is already the third time the newspaper changes headquarters in the past 15 years is, for Jean-Pierre Giovenco, an "illustration of the acceleration of the difficulties of the group", which had stood nearly for 40 years in its original building, when times were higher for the printing press.

However, times are not so grim for the online operation; on the contrary, the strategies developed heretofore have led *lemonde.fr* to a good position in the news market. It began the current decade as France's number one website for general news, with approximately 47 million monthly visits, of which 74.65% originate from within the country, according to a report published by the *Office de Justification de la Diffusion* (OJD) in March 2010. At the same period, the only websites that outperformed *lemonde.fr* in monthly visits (*leboncoin.fr*, *skyrock.fr*, *pagesjeunes.fr* and *lequipe.fr*) are not at all part of the news business, except for *L'Équipe*, which, nonetheless, thrives on a very specific sort of news content (OJD, 2010).

In March 2010, the site had approximately 100,000 paying subscribers, over 50,000 Facebook fans and 62,000 followers on Twitter. Another important asset was the creation of *Le Monde* applications for the iPhone in November 2008 – which registered nearly 1.5 million downloads early in 2010 –, for Nokia N97 in June 2009 and Android operating systems in November 2009 (Le Monde Publicité, 2010).

Concerning its human resources, *lemonde.fr* had a team of 55 people in 2010. Among them 35 are journalists, who are divided in three desks: one in charge of feeding the website with news fluxes, prioritizing quickness and briefness as the web requires; another produces in-depth multimedia contents and intercepts the contributions sent by the *desk numérique* from *Le Monde's* print department; and lastly a projects desk dedicates itself to specific dossiers and special coverage. Additionally, the subscribers edition is overviewed by a team of eight people, and each thematic channel has its own chief editor. It is worth mentioning that personnel mobility between print and web is not high, as most journalists in *lemonde.fr* did not go through the print division previously or vice-versa. According to Alexis Delcambre (Phone interview. April 19, 2010), current editor in chief

of *lemonde.fr*, such separation reveals that the group has come to realize that the editorial goals and, thus, skills needed for each media are distinct.

The site's good performance, however, is not sufficient to tend for all the financial malaise of *Le Monde*, nor to spare it from going through changes, as the whole group underwent a thorough *plan de redressement* in mid-2010. One of the most significant changes, announced in late March the same year, was the progressive suppression of free articles from *Le Monde's* print edition on the website (Champeau, 2010). Those transpositions, which accounted for 12% of the site's news content, posed the fundamental problem of giving away for free what was being sold at the newsstand. To remedy that, the free contributions from the newspaper were to be reduced to 20 per day, while the remainder would be charged for (Haski, 2010). These contributions were going to be made especially for the website, while the previously mentioned *desk numérique*, manned by 10 people, would interface both poles, selecting and adapting stories from print to online (Le Monde, 2010).

Likewise, the free iPhone application also saw the arrival of a paying counterpart, which was quickly enabled for iPad as well, for reading the hardcopy articles on the digital format. According to Alexis Delcambre, such moves towards charging for articles "allow the newspaper to have a coherent economic model, because its content will cost the same price whichever the support: paper or web" (Delcambre. Phone interview. April 19, 2010).

Conclusion

Le Monde's transition to internet, as this essay has tried to show, has gone from a tepid start-off in 1995, characterized by unease and reluctance, to a full-fledged embrace of it in 2000, when its eagerness to ride the internet wave nearly posed a threat to the company's brand value. For the past eight years *lemonde.fr* has found a balance in the middle of this spectrum, under a sober model which, as the current performance ratings suggest, has been working rather well.

The early stages of this process bear some resemblance to the experience of other newspapers. Saksena and Hollifield (2002) survey of 23 US newspapers revealed that their transition process "was relatively haphazard, involving low-levels of research, resource commitment, involvement by the editorial department, or use of crossfunctional teams", with little attempt to tap into internet's unique capabilities (p.78).

Le Monde's saga has shown that embracing a new media is a process that involves several aspects of the company: the corporate culture, which is central in defining the organization's response to the arrival of game-changing technical novelties; newsroom workflow, which can be seen as an indicator of how important a given segment is, since the core value in the newspaper business comes from skilled personnel and their allocation; and business models, as the entry in a new media requires a balanced monetary approach to be found.

Key lessons can be highlighted from their trajectory, showing some of the hurdles traditional media companies have had to overcome. Considering *Le Monde's* first attitude towards the online world, in the 1980s, it is possible to see that their response was clearly defensive and unenergetic. As a consequence of this indisposition, they fostered little innovation and risk taking. This conduct ultimately led to poor decision making, as exemplified by the setting up of a paywall, in a time when online financial transactions were uncommon and unpractical for customers, thus harming the newspaper's competitiveness.

The shift to *Le Monde Interactif* also provides some insights. First, research, benchmarking and learning from the experience of others can be an important tactic to provide creative lift off, which is particularly useful in a company with internal barriers to innovation. Their managerial perception clearly underwent a shift in the end of the 1990s, as demonstrated by the large increase in resource commitment to the online venture. Secondly, the

new division's pursuit for autonomy proved to be too aggressive, leading to a loss of touch with the group's overall strategy. At this point, refocusing on the brand's core strength, information, was a sound remedy to ensure that that which was cherished by the consumer in print was not lost online.

Lastly, it is worth stressing that *lemonde.fr's* current newsroom workflow shows that the company has grown aware of the specificity of the new medium, namely, that the skills needed to produce news for the web are distinct from those required in print.

Nonetheless, as it is with all learning processes, there are always challenging externalities. The group's financial problems, further worsened by the current media crisis, elicited some yet unresolved points between the internet and the newspaper activities, such as the dilemma between free and paid content. The decision to charge for the print articles might arouse hostility and prove itself unpopular in our times of over-abundant information offer and unwillingness to pay for any of it.

However, such a move is understandable when one considers that, faced to the widespread reduction in advertising revenues (in *Le Monde's* case, it has dropped by half since 2001), the newspaper needs to capitalize on its editorial product. Most importantly, one must bear in mind that, in these days of undifferentiated information, when the majority of news outlets publishes virtually the same news – often based on the same sources –, *Le Monde's* website owns its success first and foremost to the weight of its brand name. Therefore, it would be in the website's best interest to harmonize its approach to the needs of the print counterpart who has built the newspapers' reputation in France and abroad, even if safeguarding it means giving a step back from the free information outcry.

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