



Agora Magazine speaks Spanish



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ABSTRACT

Agora Magazine is an online newspaper founded in 2007 in Italy. It followed the concept of citizen media with the direct participation of a network of collaborators from all Italian regions. The unique positioning of the medium was focused on its original contents, as it became one of the 20 most read online media in Italy. In 2010, Umberto Calabrese, Agora Magazine's editor moved to Latin America and started the Spanish edition targeting both the Latin American audience and the Italian audience living in the region. By 2012, a changing online media environment, along with technological and financial challenges called for a major revision of the venture business models to envisioning Agora Magazine as a growing and sustainable business.

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1. Introduction

The setting should have been one of celebration. Five years had gone by since Agora Magazine (www.agoramagazine.it), an Italian online newspaper, had seen the light in cyberspace in July 2007.

Umberto Calabrese, editor of the newspaper and one of its founders, felt satisfied to have reached this goal. Given the times, Agora Magazine (AM) had positioned itself as a cultural reference in the cramped universe of Italian online media. Even though it remained as a niche medium, while enduring its independence from large editorial groups of Italy, its readership had become a solid one, with an average of 1 million unique visitors per month. Agora was ranked by Google News, the search engine's news aggregator among the twenty most read Italian independent news web sites. In the last two years, AM was further venturing in an international expansion, aimed at the Latin American and international audiences, through the introduction in 2010 of a daily edition in Spanish, followed in 2011 by an English one.

Calabrese was about to meet with his three partners and the senior members of the editorial team. Distances and occupations of each participant allowed them to meet in person, in Rome, only once a year, and as it had become a custom, they chose the anniversary date to feast, and evaluate the results of the year as well as the strategic decisions and management concerns for the future. However, this meeting was not to be an ordinary one, since the partners have already aired their concerns on the financial sustainability of the venture, given the disappointing results for 2011 and the first half of 2012, with revenue decreases of 6% and 17% respectively. To make things worse, there was an urgency to invest again in order to improve the website design

and usability and place it within the latest developments of software and social network integration.

Calabrese was quite aware that it would not be easy to persuade his partners in making a greater contribution, when the economic outcomes were not satisfactory. He was convinced that the road walked unveiled infinity of options, but he also knew that there were many pending questions. Should Agora Magazine continue in pursuing its international expansion in Latin America? What should be the priorities in terms of target audiences and potential advertisers? What could be a sustainable business model for AM to make the leap from an entrepreneurial venture to a small but solid competitor in an increasingly changing business environment?

2. The start-up stage: a group of friends

After three months of meetings and heated discussions, in April of 2007, a group of four friends had decided to found start Spazio Agora, whose main mission was to publish the online periodical www.agoramagazine.it.

Umberto Calabrese, an architect by profession who had dedicated many years to social volunteering work and political activism, led the group. He became Agora Magazine's Editor, responsible for public relations and commercial activities. Another member of the entrepreneurial team was Carla Corsi, a marketing professor and consultant, who had worked in the editorial world. She joined as Editorial Director, with the overall responsibility on editorial contents, section design and author coordination. The third partner was Roberto De Giorgi, an environmental opinion leader and consultant, who brought a group of experts in his field and became Vice Director. The group was completed by Alessandro Bruni, an information technology professor and programming

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expert, who took the responsibility of Webmaster and coordinated a small team of web designers.

To begin the project, each partner contributed an initial capital of 10 thousand dollars, which were required for web site design and production, computer and video equipment, hosting, setting up a small office in Rome and working capital. The partners agreed to contribute with their work without receiving a salary, for what was to be, at least in the beginning, a secondary professional activity for all of them. The initial objective was to position the editorial concept and generate a level of traffic to the web site that would allow for advertisement sales and therefore for a self-sustaining model.

The first efforts were made on a personal level, with four experienced sales representatives that worked for a 30% commission on sales. Even though some interesting contracts were achieved with local advertisers, this model was reconsidered in 2008, by accepting the offer of a media center located in Milan (the most important Italian business and advertising center), which promised a quality leap in the commercial area, together with national coverage. However, by 2009, the results were quite disappointing, as Calabrese recalled:

“In a short time, the panorama of advertising sales had changed completely, the media center proposed a cut of more than 50% in the tariffs, adducing that the advertisers aimed at vertical media with a high traffic volume and that even though our target was a valuable segment, it became difficult for them to insert us in massive packages. The contract of exclusiveness, tied our hands and so we decided not to renew it.”

Back with his small group of sales representatives, Calabrese was able to close yearly promotional package contracts, which included banners, videos and special reportages, with few but loyal advertisers in the cultural and food industry.

As of 2010, Calabrese moved to Venezuela. This change entailed different challenges. What had been a collateral business for him up to that moment, began to claim greater interest and exclusiveness, and further became in an opportunity to work via flexitime, independently from his place of residence. Although new opportunities unveiled in Latin America, the Italian commercial activity remained somewhat unattended, jeopardizing the financial performance of the venture (Table 1).

3. The editorial structure

Around the founding group there was a senior editorial team constituted by an experienced journalist, appointed as Director, and known experts in areas as diverse as art critique, design, gastronomy, social psychology, entertainment and politics. While the Director had the legal responsibility for all content published, according to Italian

Table 1
Income statements in US\$ (2008–2012).
Source: Author's elaboration on company records (2012).

	2008	2009	2010	2011	2012 ^a
<i>Revenues</i>					
Advertising sales	11,000	26,000	32,000	26,000	15,000
Google AdSense	0	14,800	26,780	36,241	33,200
Audiovisual	3400	8000	19,700	12,200	14,000
Other	0	0	1800	1200	2000
Total revenues	14,400	48,800	80,280	75,641	64,200
<i>Expenses</i>					
Professional fees	9400	18,000	26,950	31,800	28,000
Sales commissions	0	7800	9600	7800	4500
General expenses	8000	12,020	18,530	16,250	12,000
Total expenses	17,400	37,820	55,080	55,850	44,500
Operating profit	–3000	10,980	25,200	19,791	19,700

Note: Figures were modified upon request of the firm; represent trends, but not absolute values.

^a Estimated in July 2012.

media law, the experts took the responsibility of coordinating specific content sections that constituted the navigation architecture of the website (Fig. 1), which gradually evolved from 2007 to 2012 to host nine main sections and more than fifty sub-sections.

A small group of journalism interns, mainly young digital natives, worked in the virtual news room. Their main focus was on updating the editorial content, producing multimedia material and working on Search Engine Optimization (SEO) techniques, such as page title indexing, meta tags and keyword positioning, as well as hyperlinks and internal navigation structure, some of which were recommended by Google (2010) as a way to improve the organic positioning in its search engine.

Another challenging task was to build a network of valuable collaborators, whose original contents became the trademark of Agora Magazine, which followed the concept of citizen media, based on social relations and interactions of people from the audience that employed press tools to inform one another (Rosen, 2008). The common thread that brought them together resided in their passion for communication and the search for an independent space, in which each one could share their interests and creative work.

Agora Magazine's editorial orientation was to become a public arena where citizens would be free to express their opinions on a vast array of themes and no one would be vetoed on account of his/her political orientation. Mutual respect among collaborators and toward end readers was the only condition. As Calabrese commented:

We chose the name of Agora, because it adhered to the tradition of the Greek city states, where the agora was the town square where relevant decisions were made, market exchange took place, and spectacles and events were shown. The periodicals motto, “reconquer your space”, indicated that whoever aspired to participate actively in an interactive cultural exchange had the opportunity to do so.

The collaborators' network development was based on the personal relations of the initial group, dividing the responsibilities according to their field of interest. When recalling this stage, Roberto De Giorgi commented:

Each one of us mobilized our own networks. Umberto, thanks to his social and political relations, was able to attract known personalities belonging to journalism, culture and politics, who wrote for us while assuring credibility and prestige to the medium. Carla brought in an array of business experts, while I contributed with my environment activists network which I had constituted after years of social action.

The section readership evolved in time (Fig. 2), not following a precise strategy, but depending more on the individual effort of the section coordinators and the number of collaborators involved, who tended to be quite volatile.

The Politics section was the heart of the discussions held in the *agora*, where authors, of the most diverse affiliations, as well as private citizens and career politicians promoted their causes. The Culture section covered a vast array of themes, ranging from society to education. Starting in 2010, it also featured a special subsection, The Books of Agora, a space for unpublished novels, poetry and short tales, which became the raw material for an e-book collection, that was launched to the market in 2011. The Environment section published in depth research as well as latest news, featuring the cream of the crop of the Italian and European environmental movements. The Gastronomy section was a combination of family recipes and professional gastronomical research presented by well-known chefs. It also included reviews of restaurants and national and local gastronomical events that received special multimedia coverage when part of a promotional package. The Creativity section presented art exhibition reviews written by art critics. This section also contained a Modern Design Museum subsection, a project dear to Calabrese, created to allow young designers to publish their

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