Analyzing Spatialization in Newspapers’ Production: A Case Study of Guadalajara’s Daily Press

JUAN S. LARROSA-FUENTES
University of Guadalajara, Mexico

From 1990 to 2010, Mexican newspapers’ ownership structure changed because of globalization, digitization, and financial crises. This process coincided with the technological convergence of newsrooms. Thus, this case study employs the concept of spatialization to investigate how digital technology was used to concentrate resources and thus, to concentrate Guadalajara’s (Mexico) newspapers industry. Drawing on semistructured interviews with media workers, this article suggests that the use of digital technology allowed 1) smaller newsrooms with fewer workers, 2) the creation of new advertisement markets, 3) the development of virtual newsrooms structured by journalists working in real time in different cities, and 4) the transformation of a distribution system that in the past was mainly supported by hawkers. This research couples the concepts of spatialization and value chains, and it explains that media create, modify, and eliminate social spaces to improve the control of time and space in their production. An outcome of these processes (i.e., spatialization) is economic concentration.

Keywords: spatialization, concentration, Mexico, newspapers, production

The industrial model of news production, which was mainly developed in newspaper newsrooms, was profitable and efficient until various economic and technological transformations began to unfold during the 1990s and 2000s, such as financial globalization, the digitization of information, and technological convergence. In Mexico, at the beginning of the 1990s and during the next two decades, the newspaper industry underwent significant changes, which were evident in Guadalajara, a major Latin American city in this country. The structure of ownership and control tended to concentrate, and many local newspapers perished or were absorbed by national holdings (Larrosa-Fuentes, 2014).

One way to investigate how media concentration takes place is through the concept of spatialization, which refers to the process of creating spaces as “overcoming the constraints of space and..."
time in social life” (Mosco, 2009, p. 157). In contemporary societies, economic organizations, media outlets included, use technology to control their daily functions and division of labor better. This control is the primary mechanism for reducing costs of operation and expanding the economic size of media companies. Drawing from this theoretical background, the primary purpose of this research is to answer three central questions:

RQ1: How was technology, understood as labor instruments, used to spatialize newspapers’ value chain?

RQ2: How did spatialization transform newspapers’ marketing activities, newsrooms’ organization, and the distribution of papers?

RQ3: What type of spaces (i.e., physical spaces, spaces as products, and spaces as means of production) were generated by the spatialization processes?

The economic and technological transformations of the industrial model for producing journalism during the 20th century is not a new topic. However, this research is relevant because it presents a case study of a local newspaper industry that faced ownership concentration throughout the 1990s and 2000s and, at the same time, the incorporation of digital technology for news production. Throughout that time span, Guadalajara’s newspapers created new spaces of production and commerce and a new division of labor, which led them to survive various economic crises. Thus, this case allows expanding the political economy of communication empirical corpus by using the concept of spatialization to explain how newspapers transformed their value chain amid global economic and technological trends and how these transformations led to the concentration and conglomeration of a journalistic industry. Moreover, this investigation addresses the ongoing changes in journalism from a perspective other than the “crisis of the press” paradigm and observes journalism outside the global North (Connell, 2007; Zelizer, 2015).

The first section of this article contains a theoretical approach for coupling the concepts of spatialization and newspapers’ value chains. The second section explains why Guadalajara’s newspaper industry is a valuable case for studying ownership concentration and spatialization. The third part contains an explanation of the methodological characteristics of this research, a case study informed by semistructured interviews with reporters, editors, directors, and managers who worked for Guadalajara’s newspapers. In the fourth section, these testimonies and information are discussed. The main findings suggest that amid a turbulent economic landscape, media institutions that did not have the economic and technological resources required to spatialize their production perished. On the contrary, newspapers that were able to create new industrial and commercial spaces for production not only survived but also experienced growth with evident tendencies toward concentration and conglomeration. Finally, the conclusion explains the theoretical advances around the concept of spatialization.

Theory

The notions of spatialization and an understanding of news as being produced across a value chain allow this article to bridge economics and technology. More specifically, the article aims to show how
communication and digital technology were used to concentrate an industry within a particular media system.

Vincent Mosco (2009) explained that spatialization refers to the processes through which businesses and corporations in general—media outlets included—overcome the constraints of time and space. According to the author, communication is one of the most important mechanisms for generating spatialization. Consequently, the case of communication industries is unique because they are composed of companies that use communication to spatialize the production of communication and symbolic forms (Mosco, 2009). Put simply, through communication technologies, media companies have changed how businesses and corporations control time and space. These technologies allow the reduction of time in the production of media content (i.e., news and ads) and the possibility of distributing these materials into larger territories.

The intellectual genealogy of spatialization begins with Henri Lefebvre, a French geographer, who suggested that social forces and power relations build spaces as social products. If spaces are social products, Lefebvre claimed, there are no natural spaces. Spaces are social relations that are part of the material world. However—and this is crucial for the argument of this article—spaces are also products and means of production, composed of “networks of exchange and flows of raw materials and energy [that] fashion space and are determined by it” (Lefebvre, 1991, p. 85). Building his theory from a Marxian perspective, this geographer explained that there are four forces at work in the production of social spaces: natural resources, labor and its organization (i.e., division of labor), instruments of labor (i.e., technology), and knowledge (Lefebvre, 1991).

Despite the richness of the concept, few scholars have used spatialization to investigate communication in general and the production of journalism in particular. Luciano Frizzera (2015) discussed how mobile devices are transforming social spaces and practices, and Patricia Mazepa (2015) described the militarization of communication in Canada through spatialization and centralization. Adila and Novita Putri (2013) presented a case study of how the Indonesian Kompas Gramedia Group performed several spatialization processes by merging and acquiring new media outlets and other nonmedia businesses.

This article seeks to expand the theoretical scope of spatialization by using this concept to describe and analyze the general process that entails the production of newspapers. A path to achieving this task is observing the historical transformations of their production. Since their inception, newspapers have been produced in various ways. However, a general value chain has been present in the production of newspapers since the industrial era—a pattern that has changed but is still in operation within contemporary daily press (Picard, 2011).

The concept of value chain refers to “the value that is added to a product or service in each step of its acquisition, transformation, management, marketing, sales, and distribution” (Picard, 2000, p. 62). Newspapers’ value chain, which is a process that begins and ends every 24 hours, has three different phases. First, newspapers produce content—that is, information and advertisements (Poynter, 1942). Media outlets buy information from other organizations (e.g., news agencies) and produce information through the labor of journalists. This information (i.e., texts, photographs, and infographics) is vetted, corrected, and
transformed by editors. In a simultaneous process, a merchandising team is in charge of selling spaces for advertisements to different companies that want to publicize their products or services to the newspapers’ readers. Subsequently, a team of editors organizes the information and advertisements into an original edition. Second, when the original edition is ready, media outlets reproduce thousands of print copies of the day’s edition. This reproduction occurs through industrial printing presses, which can create thousands of copies in a couple of hours. Third, in the last part of the value chain, newspapers distribute the physical paper-based copies to their readers, who typically pay a cost for one print copy (Organisation for Economic Co-operation and Development [OECD], 2010).

As observed, newspapers’ value chain is a process that entails the control of time and space. Journalists, editors, technicians, and managers have 24 hours to produce, reproduce, and distribute paper-based artifacts (i.e., time). Moreover, the production and reproduction of these artifacts occur in newsrooms and the distribution in different urban places (i.e., space). If this value chain is analyzed following Lefebvre’s ideas, the labor of media workers can be conceptualized as social relations that create social spaces. By controlling time and space and thus creating new spaces, media outlets become stronger in their economic organization and tend to dominate markets. Therefore, spatialization offers a productive way to grasp how media workers used digital technology, as a set of labor tools, to have better control of time and space across the three phases of newspapers’ value chain.

The Case: Guadalajara’s Newspaper Industry

Guadalajara’s newspaper industry is the case study proposed for investigating how media outlets created spaces by using digital technology. This case is relevant because during the 1990s and 2000s, Guadalajara’s newsrooms incorporated digital technologies to their daily work (i.e., technological convergence), a process that coincided with the concentration of newspapers’ ownership and the decay of newspapers owned by local investors. During that period, national holdings bought and opened new local newspapers around the country—Guadalajara included. The outcome of this concentration pattern was that between 1990 and 1997, six of seven local daily papers perished in Guadalajara, and during the following decade, national holdings such as Grupo Reforma, Grupo Milenio, and La Jornada arrived in the city and created five new newspapers that published a mix of the national editions, with some information from local newsrooms.

Guadalajara’s case is valuable because it offers information to broaden the understanding on how media industries have faced a prolonged economic crisis and, at the same time, incorporated digital technology into their daily work (Carson, 2015; Dekavalla, 2015; Prado, 2015; Slaatta, 2015). In a turbulent economic landscape, newspapers used technology to have more precise control of their finances, to decrease costs of operation, to speed up the time of production, to replace human labor with machines, and to create new socioeconomic spaces. These processes allowed modes of internationalizing ownership to concentrate resources and to expand the readership and advertisement markets of the media outlets. In this sense, this study extends previous Mexican scholarship on the digital, economic, and organizational convergence of media institutions (Meneses Rocha, 2010).
This case study is not representative of all Mexican newspapers. However, it can offer a “logical generalization” (Kleis Nielsen & Ganter, 2017, p. 7) of some of the spatialization processes of this industry during the 1990s and 2000s. Guadalajara harbors newspapers owned by the three of the five Mexican largest newspapers’ holdings that could spatialize their news production (i.e., Grupo Reforma, Grupo Milenio, and Organización Editorial Mexicana). Moreover, as I show in this article, Guadalajara, along with Monterrey and Mexico City, were the metropolitan areas where publishers found new markets for readers and advertisers. Therefore, studying Guadalajara’s case can help to understand the spatialization trends in the other two cities.

Thus, three research questions guided this research: How was technology, understood as labor instruments, used to spatialize newspapers’ value chain? How did spatialization transform newspapers’ marketing activities, newsrooms’ organization, and the distribution of papers? What type of spaces (i.e., physical spaces, spaces as products, and spaces as means of production) were generated by the spatialization processes?

**Method**

Studying the Mexican press is a challenging endeavor—especially from economic and organizational dimensions. Throughout most of the 20th century, newspapers were controlled by a semiauthoritarian government, which paid the wages of some journalists, bought advertisements, and offered tax exemptions to media companies (Hughes, 2006; Lawson, 2002; Orme, 1996). These measures ensured newspapers’ economic stability. In exchange, the government had a say in how journalism was produced. In this context, newspapers did not offer public accountability, and researchers did not have any form of analyzing basic economic metrics, such as the number of journalists who populated the newsrooms, the daily circulation of the press, and the number of newspapers’ readers (Sánchez Ruíz, 2017; Trejo Delarbre, 1995).

In the 1990s and 2000s, which is the time span of this case study, there were changes in the political system, and the semiauthoritarian government was replaced by new political forces. Some of the old practices that the government employed for controlling the press disappeared. However, other practices remain in a new hybrid system in which newspapers still receive large amounts of money from federal, state, and municipal governments without proper accountability (Ahmed, 2017; Fundar, 2017; Gómez & Sosa-Plata, 2011). Typically, the flow of public funding from the Mexican government to newspapers has not been transparent and lacks clear rules of operation, which has opened the door to corruption and collusion.²

In this system of power relations, the Federal Government has produced very little information about the newspaper industry (Gómez & Sosa-Plata, 2011; OECD, 2010), and a systematic census of the number of newsrooms and journalists does not exist (Márquez-Ramírez & Hughes, 2017). Mexican newspapers are not listed on the stock exchange, and they are not obliged to offer financial information for people who want to invest in these companies. This system of relations informs a journalistic culture where

---

² Although public funding is a fundamental part of Mexican newspapers’ business model, I do not refer to it in this article because these economic transactions did not entail spatialization processes.
newspapers do not report about other media companies (i.e., media beat), and reporters are reluctant to talk about the internal dynamics of their organizations, mostly because they fear that their jobs could be jeopardized if they reveal their internal affairs.

This order of things represents a challenge for researching newspapers. Therefore, this investigation is a case study (Yin, 2012) that relies on interviews with journalists, editors, and managers of Guadalajara newspapers. Nine interviews with Guadalajara newspaper workers comprised the sample for this research, as well as various off-the-record conversations with people who worked in these organizations. The sample includes three newspapers’ directors, two commercial managers, and four journalists. Participants were 35–60 years old and had at least 10 years of experience in the field. Some of them worked for various newspapers. Thus, the sample includes those who worked at all the newspapers in the city during the period examined. The interviews were guided by a semistructured questionnaire and performed face to face and through email from 2011 to 2017. The interviewees who agreed to participate asked that their identities remain confidential; therefore, pseudonyms are used.

From a reasonable academic standard, it is clear that nine interviews do not constitute a robust sample for qualitative research such as the one proposed in this article. However, given the structural constraints previously explained, the process of gaining access to interview directors, managers, and journalists who worked in Guadalajara’s newspapers was not simple. Many declined the invitation because they considered newspapers’ managerial and economic information to be a sensitive issue and, because of a corporate culture of secrecy, feared that they could face repercussions if they talked. Nevertheless, the sample allowed surveying the general labor processes within the newsrooms because I was able to speak with journalists and managers who worked in all of Guadalajara’s newspapers and, especially, in those media organizations that experienced spatialization processes, such as the dailies that pertain to Grupo Reforma, Grupo Milenio and Organization Editorial Mexicana. Also, the interviews are supplemented with the scattered data produced by the National Institute of Statistics and Geography (INEGI, 2008; Vidal Bonifaz, 2008), which offered information about the national newspapers’ revenues from 1994 to 2008.

Discussion: Spatializing Newspapers’ Production

During the late 1980s and the early 1990s, Guadalajara’s journalism experienced profound technological transformations. The labor instruments that journalists, editors, and publishers used to perform journalism and produce newspapers changed dramatically. These changes were part of two major trends in the last two decades of the 20th century that affected newsrooms around the world. On the one hand, media outlets started to digitize their processes of production, storage, distribution, and consumption (Picard, 2011). Digitization is the “material process of converting individual analog streams of information into digital bits” (Brennen & Kreiss, 2014). New material devices that could produce digital information were placed in newsrooms and used by reporters, editors, and designers. On the other hand, as a consequence of digitization, technological convergence began to unfold; consequently, different communication technologies were combined and integrated into the same devices (Brennen & Kreiss, 2014; Salaverría & García, 2008; Scolari, 2009). These technological transformations became the material backbone for spatialization developments during the 1990s and 2000s. In the following sections, three significant
transformations in Guadalajara’s value chain are explained, particularly the creation of two new spaces for producing information.

The Emergence of the “Golden Triangle”

In 1994, the peso suffered a substantial devaluation, and Mexico experienced a massive economic crisis. Newspapers had loans in dollars, which became an economic burden; the costs of producing newspapers suddenly rose, circulation dropped 15%, and advertisement prices plunged 6.7%. In total, these media outlets faced a 24% drop in their income and were never able to reach their 1994 economic performance (INEGI, 1994; Lawson, 2002; Vidal Bonifaz, 2008).

Enrique Osorio is a journalist who has worked in newsrooms as an editor and director since the 1980s. He is one of the witnesses of how the Golden Triangle emerged after the 1994 economic crisis. He recalled,

during many years Mexico City was the only real advertisement market. Then, they [owners of the newspapers] realized that the size of Guadalajara and Monterrey, which at that time were cities of four million inhabitants, had 60% of the national market for many products. Thus, people from the advertisement and marketing departments started to call these three city-markets the Golden Triangle. The equation was easy: if news outlets were in Guadalajara, Mexico, Monterrey, they had access to 60% of the total market. (E. Osorio, personal communication, October 19, 2011)

At the end of the century, Guadalajara and Monterrey became attractive advertisement markets for media outlets, and the owners of Grupo Milenio and Grupo Reforma, two media holdings based in Monterrey, decided to invest in new projects in Guadalajara and Mexico City. These investments expanded the size of their companies and concentrated the Mexican press ownership structure.

In the beginning, the new projects of Grupo Milenio and Grupo Reforma started to work as different outlets of the same companies. However, media owners and strategists soon realized the potential of the Golden Triangle, which concentrated an audience composed of social elites with medium and high economic incomes (E. Osorio, personal communication, October 19, 2011). Instead of thinking about three different groups of readers, newspapers had the idea of having one audience that could be divided by cities but could also be considered a universe of more than 20 million potential consumers located in three different territories. Thus, the Golden Triangle’s audience became a new space-as-a-product, and media outlets were able to charge more for the ads because they offered a better product to the brands that wanted publicity in the daily press. For local brands, the new space-as-a-product was an opportunity to reach new customers on a national scale. National and international brands represented a path for reaching the population with the highest incomes in Mexico and a way of reducing production costs.

The Golden Triangle opened new advertisement and audience markets for newspapers and the possibility of reducing expenses in the first phase of the value chain. As mentioned, in the first stage of the papers’ value chain, a merchandising team is in charge of selling spaces for advertisements to different
companies that want to publicize their products or services to the newspapers’ readers. Before the Golden Triangle emerged, each media outlet of Grupo Reforma and Grupo Milenio had its merchandising team. After the emergence, media outlets concentrated the resources for its daily operations. Instead of having different teams in each vertex of the triangle, newspapers created one team that operated in three different cities simultaneously.

This operation had two primary processes. First, newspapers had agents in the three vertexes who were in charge of finding brands that wanted to buy ads. The vertex that concentrated more power was Mexico City because almost all the major national and international commercial brands had their headquarters in the capital (E. Osorio, personal communication, October 19, 2011). Second, the graphic design of advertisements was centralized. Instead of having a design department in each newsroom, newspapers created one team that manufactured the majority of the national and international ads in a single space. In Lefebvrian terms, the Golden Triangle produced, as stated, a space-as-a-product “to be used and to be consumed” (Lefebvre, 1991, p. 85)—that is, readers from the three vertexes—and a space-as-a-means-of-production. This new “network of exchange and flows of raw materials and energy” (Lefebvre, 1991, p. 85) was possible because of labor tools (i.e., technology) that resulted from the digitization and convergence processes. The new division of labor was supported primarily by computers connected to the Internet and by telephones and faxes, which allowed people in Monterrey, Guadalajara, and Mexico City to work simultaneously but in different spaces.

After the 1994 financial crisis, the emergence of the Golden Triangle offered economic relief for some newspapers. In 1994, all Mexican newspapers earned 7,548 million pesos from advertising sales. In 1995, these earnings dropped 25%. After that year, little by little, the industry recovered. However, Mexican newspapers were not able to reach their 1994 sales. For example, in 2008, they earned 6,450 million pesos—which was the last year the Mexican government offered information on newspapers’ profits (INEGI, 1994; Vidal Bonifaz, 2008). In this scenario, those newspapers that had the economic and technological capacity for competing for the Golden Triangle market were able to prosper and grow amid a global economic crisis. Those newspapers with fewer resources perished and were bought by national holdings.

National Newsrooms Engulf Local Newsrooms

The development of the Golden Triangle had an impact on how the daily press produced the news. The content-creation phase of the papers’ value chain was reorganized and emulated some of the mechanisms that the merchandising teams used to create the Golden Triangle. Newsrooms in Monterrey, Guadalajara, and Mexico City began to collaborate with each other, and a new division of labor appeared. In the old model, each newspaper, including those that were part of national holdings, produced most of its information within local newsrooms. Newspapers had international and national wire services, but local journalists selected and edited this information. Moreover, some newspapers had correspondents in Mexico City and other parts of the country to allow them a local view of the national landscape. In the spatialized model, each newsroom was in charge of producing a particular part of the newspaper.

For example, the political section of Grupo Milenio’s newspapers was created and edited in Mexico City, the international section in Guadalajara, and the entertainment section in Monterrey, and each
newsroom produced its local information (Hernández Ramírez, 2010). In other words, instead of having three different newsrooms, one national newsroom was spread across three cities. In this new division of labor, journalists created text and images that could be published at local or national levels, and editors designed entire sections that were published in at least three different newspapers. According to Moisés Castillo (personal communication, January 27, 2013), a former editor of a local newspaper, the articles, photographs, and pages were distributed either by satellite services or through Internet servers (for this topic, see also Hernández Ramírez, 2010, p. 88). These changes in content creation facilitated lower costs of production and the formation of a new space of journalistic production integrated by the three most prominent cities in Mexico. Newspapers created a new space-as-a-means-of-production.

The transformation of newspapers’ value chain produced ambivalent outcomes. On the one hand, the emergence of the Golden Triangle was a breath of fresh air for the industry. The daily press, including Guadalajara’s newspapers, could not recover the profits from sales of physical copies. In 1994, all Mexican newspapers earned 3,658 million pesos selling their printed materials, and in 1996, after the crisis, their income dropped to 2,823 million, and they were not able to reach the 1995 profits again (INEGI, 1994; Vidal Bonifaz, 2008). For example, Jorge Álvarez del Castillo, owner and publisher of El Informador, explained that the 1994 crisis signified a reduction of 50% of the circulation for all Guadalajara’s newspapers (Demers, 2000). However, those firms that were able to expand and buy newspapers in Mexico City, Monterrey, and Guadalajara had the possibility of spatializing their news production. Companies such as Grupo Reforma, Grupo Multimedios, and Organización Editorial Mexicana benefited from the new technological, economic, and political trends, which allowed them to have income from creating information with lower costs of production and, at the same time, expanding their circulation when most newspapers were facing a decline in their revenues.

On the other hand, these processes had undesirable impacts. Moisés Castillo (personal communication, January 27, 2013) recalled that the economic crisis affected the industry and the journalistic labor market:

The strongest crises were in 1994, 2002, and 2009. Before 2001, the newsroom where I worked was composed of, more or less, 150 journalists. However, since 2001, the newsroom had fewer and fewer people, and now, at best, they have 40 workers. These job cuts were done to survive the crises.

This situation was similar in other newsrooms that sought a decrease in the number of working journalists, editors, technicians, PR specialists, and commercial managers. For example, Nancy Ruiz, who worked during the 1990s and 2002 in the local political beat for four different newspapers in Guadalajara, witnessed the collapse of the number of reporters in the newsrooms. In the first part of the 1990s, she worked for Siglo 21. Then, in 1998, 90% of Siglo 21’s workers founded a new daily called Público. Two years later, Grupo Milenio bought 66% of the shares of Público, and in 2002, the same firm purchased the totality of the shares (Público, 1998). The newspaper was rebranded as Público-Milenio and then as Milenio Jalisco. According to Nancy, the number of reporters who worked with the local political beat—which is the most important in a local newsroom—has decreased over the years because of the economic crises, the technological convergence, and the spatialization processes. In Siglo 21, 12 reporters were devoted to the
local beat. Then, in Público, 12 reporters were on the local beat, and four reporters were dedicated to special investigations. In 2002, when Grupo Milenio was in total control of the newspaper and when the 2002 economic crisis hit the industry, the number of reporters began to decrease (N. Ruiz, personal communication, October 1, 2017). In 2009, the newspaper fired 25 journalists who worked not only in local politics but also in other beats such as economics and sports and culture; photographers; and editors who were in charge of the graphic design (Mejía Picón, 2009).

At the beginning of the 2010s, Milenio Jalisco had only six reporters devoted to the local beat, and they did not work the entire week. For example, Tuesday, Wednesday, and Thursday, the newspaper had five journalists working for the local beat, four journalists on Monday and Friday, and two journalists on Saturday and Sunday (N. Ruiz, personal communication, October 1, 2017). Thus, the team that worked producing news about local politics decreased by more than 50%. As observed, the economic crises and the expansion of national holdings into local markets led to a new division of labor. Through digital technologies, newspapers were able to produce journalistic information with fewer reporters, editors, and designers.

Sonia Parra, a former manager of the advertisement and distribution departments of a local daily newspaper, recalled that the economic crises and the development of national virtual newsrooms created another undesirable effect: the standardization of news. "The owners of national holdings began to put much pressure to reduce costs and began to lay off much of the staff. Newspapers lost their position on important issues such as beat coverage of local politics and culture" (S. Parra, personal communication, October 11, 2011). That is, Guadalajara’s journalistic information was focused on topics of a national scope, especially pertaining to items of interest for Golden Triangle readers. Newspapers paid little attention to other regions, states, and cities in the country. Even in Guadalajara, Monterrey, and Mexico City, local news decreased because it was easier and cheaper to publish information about national affairs. The erosion of local content in the Mexican press is part of a broader research agenda that could be investigated through content and textual analyses.

**The Hawkers’ Decline and the Obliteration of a Space**

During the 1990s and 2000s, there were no relevant changes in the second phase of the newspapers’ value chain. However, there were significant variations in the distribution and consumption of newspapers, that is, the third phase of the value chain. The main conclusion is that newspapers’ distribution system was drastically affected by the structural economic changes and spatialization processes previously described. Throughout the 1990s, newspapers transitioned from a hawker-based distribution to a hybrid system that included various forms of distribution. This section of the article describes some of the consequences of spatialization for the third phase of the newspapers’ value chain.

Before the 1994 crisis, the costs of printing and distributing newspapers were absorbed by readers. Printing and distributing newspapers in the industrial era “accounted for two-thirds of the whole cost” of news production (Picard, 2011, p. 11). This was true, in general terms, in Guadalajara’s newspaper production. In that system, every day, each company transported thousands of newspaper copies to a building located in Center City. In that building, hawkers collected the copies and then sold the newspapers in the streets.
Ramiro Villegas is an experienced journalist who has been a reporter, editor, and editor in chief for more than 10 different newspapers. Villegas recalled that

at the end of the 1980s and beginning of the 1990s, hawkers distributed 90% of the print copies. Some hawkers distributed the newspapers by walking through the city, others used a bicycle, others worked under the traffic lights and in the most transited avenues of the city. (personal communication, April 28, 2012)

The other 10% of the printed copies were distributed through subscriptions. Moisés Castillo (personal communication, January 27, 2013) recalled an anecdote that illustrates this situation:

One of the most prominent newspapers of the city had only 2,000 subscriptions, and at the time, they did not admit any more. People had to wait for some to die to have a subscription: it was like a club of friends of the newspaper’s owner.

The hawker-based distribution system was convenient for media outlets because they only had to transport the products from the newsroom to the distribution center, and then, hawkers were in charge of selling the papers. News outlets traded in cash, and hawkers were not allowed to return the newspapers that they could not sell during the day. In this distribution system, Moisés Castillo explained (personal communication, January 27, 2013), 20% of the value of each copy was for hawkers, 30% was for paying the costs of manufacturing each copy (i.e., paper and ink), and 50% was revenue for the company.

After the 1994 crisis and the emergence of the Golden Triangle, the distribution system became expensive and obsolete. On the one hand, materials for printing and distributing newspapers soared in the market. The cost of ink increased 43% (Lawson, 2002), and the cost of paper increased by 210%. Gradually, newspapers started to lose the revenue that they used to earn through the sale of papers as a physical product and thus began subsidizing their circulation. On the other hand, the Golden Triangle entailed finding niche markets and specific readers located in Mexico City, Monterrey, and Guadalajara. In the old model, hawkers were able to distribute newspapers to a massive and general public. However, the new economic environment asked for a more precise form of distribution. In this scenario, hawkers were no longer useful in the political economy of the third phase of the newspapers’ value chain. At the beginning of the 2000s, only 10% of the daily press was distributed by hawkers (E. Osorio, personal communication, October 19, 2011; S. Parra, personal communication, October 11, 2011; J. Téllez, personal communication, February 12, 2012).

In the new version of the value chain, the number of copies that a media outlet could sell was no longer as relevant as in past decades, for two reasons. First, newspapers stopped profiting by selling printed paper copies with information; “these companies transitioned from a very efficient and inexpensive distribution system to a complex and expensive system. Nowadays, all the newspapers have lost their gains by selling printed copies, and all of them have to subsidize their circulation” (S. Parra, personal communication, October 11, 2011). Second, in the new model, newspapers had the task of creating niche markets. The new challenge was to target specific groups of people who lived in the Golden Triangle. Consequently, they had to modify their value chain to substitute the hawker-based distribution system.
In the following years, newspapers started distributing their products in “closed stores,” such as supermarkets, pharmacies, and kiosks, and decreased distribution in communities that were far from the top three cities in Mexico because it was expensive to distribute their products in small towns and rural areas. Moreover, subscriptions became the most relevant mechanism of distribution. At the beginning of the 1990s, 10% of the entire newspaper circulation was distributed through subscriptions (E. Osorio, personal communication, October 19, 2011). Ten years later, 40%-60% of the circulation occurred through this method (J. Téllez, personal communication, February 12, 2012). According to the interviewees, the newspapers that were fighting for the Golden Triangle market began to deliver free copies of their product to premium readers:

Some newspapers give for free up to 30% of their subscriptions. This strategy costs to the media outlets, but they know that the newspaper must be circulating. Otherwise, the advertising machine will perish. Thus, the strategy is to circulate no matter what. (E. Osorio, personal communication, October 19, 2011)

Newspapers succeeded in finding a new model for distributing their product, reaching particular consumers, and creating audiences for advertisers. Nevertheless, they never were able to recover the revenue from selling the physical copies.

The decline in hawkers did not entail the creation of a new social space. However, this decline was caused by the spatialization of the first phase in the newspapers’ value chain. In this sense, spatialization entails not only the creation of spaces but the obliteration of them: Sometimes, as is the case at hand, the creation of space involves the destruction of another space. During most of the 20th century, hawkers distributed newspapers by walking through Guadalajara’s streets and avenues. Hawkers were in control of a network where they exchanged newspapers for money. At the beginning of the 20th century, the space and network of exchange that hawkers created in the streets of Guadalajara almost disappeared, while other spaces and networks emerged—such as the route for distributing newspapers through the Golden Triangle.

Conclusions

This article studies the way in which a local media industry changed amid national and global transformations. Guadalajara’s case illustrates how technology was used to spatialize the production of newspapers in Guadalajara and other urban spaces such as Mexico City and Monterrey. That is, digital technology served to control time and space in the newspapers’ value chain. At the same time, by concentrating resources and centralizing the news production, digital technology was used for breaching the economic crises of 1994 and 2002.

In short, three significant transformations were detected in newspapers’ value chain, which included the creation of three new spaces and the destruction of another. First, during the 1990s emerged the Golden Triangle, an advertising market that integrated the most powerful and influential Mexican cities, that is, Monterrey, Guadalajara, and Mexico City. In Lefebvre’s typology, the Golden Triangle simultaneously constituted a space-as-a-product and a space-as-a-means-of-production. Second, within the same period, media outlets created virtual newsrooms structured by journalists working in the vertexes of the Golden
Triangle. In this space-as-a-means-of-production, journalists, editors, and designers were able to produce information in a virtual newsroom. Third, at the end of the 1990s, the primary mechanism for distributing newspapers changed. Throughout most of the 20th century, newspapers were mainly distributed by hawkers who sold the product in the streets. At the end of the century, hawkers were no longer the heart of the distribution system, and newspapers transformed into a more complex, precise, and diversified distribution network.

The transformation of the labor tools (i.e., technology) used for producing and commercializing journalism was an essential element of spatializing newspapers’ value chain. Digital technology allowed media companies to 1) reduce the amount of time required in various processes in the first phase of newspapers’ value chains, such as writing and editing via a computer, 2) decrease the number of individuals doing specific journalistic tasks (the number of people working in newsrooms decreased over time because media outlets were able to produce journalism with fewer editors and reporters), and 3) machines substituted for human labor (computers replaced linotype technicians with computers).

The spatialization of newspapers’ value chain yielded ambivalent outcomes. On the one hand, owners of the companies benefited from technological developments, which allowed the creation of higher volumes of information with lower costs of production and distribution. The newspapers that had the economic resources for spatializing their value chain not only survived the unstable economic, political, and technological environment of the 1990s but also became leaders of local and national media systems. On the other hand, these spatialization processes had undesirable impacts. Those newspapers that did not have the economic resources for spatializing their value chain perished or were absorbed by national holdings. Many journalists, editors, technicians, and hawkers lost their jobs. Moreover, readers had to consume a journalistic product with less local coverage and more standardized national and international information. To sum up, the overcoming of time and space led to the “concentrate to expand phenomena,” where media outlets concentrate human and economic resources to expand their ownership and control of an industry.

It is important to stress that digital technology did not spatialize newspapers’ value chain per se. Labor tools do not have agency. Individuals decide how to use technology to achieve specific objectives, in the frame of historical, economic, political, and cultural structures (Örnebring, 2010). In the case at hand, media workers acquired new labor tools and changed how journalism was traditionally produced and distributed. This distinction has been observed by other authors, who explained that “when new technologies are introduced into production, those who own and control large, powerful media outlets get to decide how they will be used” (Cohen, 2015, p. 115). Thus, in theoretical terms, and following Lefebvre, spatialization processes are not the natural outcome of the emergence of new technologies, but the result of human actions that inform social and power relations.

Finally, this article suggests that the concept of spatialization offers a path for exploring how media concentration takes place and, regarding Guadalajara’s case, to analyze how the production of newspapers was transformed in the late phase of the industrial model and at the beginning of the postindustrial era. Spatialization is an analytical tool that is useful for observing the different forms that value chains have adopted throughout mediated communication history; for understanding how the use of labor tools transforms time and space within the various stages of news production, distribution, and consumption; and
for discovering what spaces, defined as social and power relations, are created and obliterated in the manufacture of journalism (i.e., spaces-as-products and spaces-as-networks-of-exchange, in Lefebvre's typology). Further research could focus on studying the historical transformation of newspapers’ value chain, from its artisanal production to its contemporary form; the similarities and differences of media concentration in diverse countries; the economic transformations of other industries such as radio, television, and digital media; and the normative implications of creating and obliterating spaces as a way to enhance journalism as a public service.

References


Scolari, C. (2009). On convergence(s) and rapprochement(s): Theoretical discussions, conceptual differences, and transformations in the media ecosystem. Signo y Pensamiento, 28(54), 45–55.


