

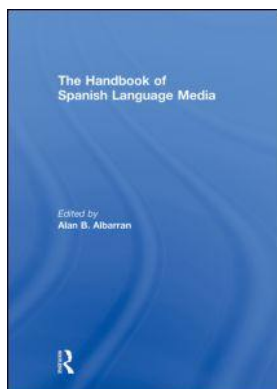
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## **The Handbook of Spanish Language Media**

Alan B. Albarran

### **The Media Industry in Mexico**

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# The Handbook of Spanish Language Media

edited by Alan B. Albarran

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# 3

## The Media Industry in Mexico

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### Introduction

The year 2000 saw an event the likes of which Mexico had not experienced in almost seventy years. For the first time since 1929, a party different from the Partido Revolucionario Institucional (PRI: Institutional Revolutionary Party) won the presidential elections. Partido Acción Nacional (PAN: National Action Party), represented by Vicente Fox Quesada, was the winner. For the majority of Mexicans, this event promised the end of a presidential system that had characterized the government for seven decades, and also influenced the economy and the actions of the country's media industry.

The concentration of the economic, political, media industry and social structure in Mexico has been one of the consequences of the relationships, at times harmonious, at times conflicted, between the president, the ruling party (PRI), big business and, of course, the media. In the media industry, there was never a clear, effective judicial framework that would set the standards for social communications in the country (Gutiérrez, 2004).

Some of the great topics that have dominated discussion since 2000 are related to the judicial regime, under which the information industry must operate. The principal topics for debate have been informational transparency on the part of the government, access to the media by the principal government institutions, and the healthy economic independence of some media with regards to financing and influence from the government (Villanueva, 2001).

Also under discussion and change has been the topic of telecommunications. The Federal Law for Radio and Television, established in 1960, has also been under permanent discussion in Mexico. The debate has centered on assigning radio and television concessions, as well as causes for revoking the same. This is a permanent source of linkage between the media and the party regime (Corral, 2007; Fuentes-Berrain, 2001). Finally, the use of fiscal time on television and radio, that is, airtime conceded to government authorities, also came under discussion. During the term of President Gustavo Díaz Ordaz (1964–1970), there were confrontations between political groups and media managers. Commercial TV was slowly gaining more influence in society: Díaz Ordaz wanted to have access to the media, and he created new rules related to broadcasting. The fiscal tax that he pretended to establish was transformed in an exchange. Broadcasters ceded a total of 12 percent of programming time to the government authorities; in

this way the state managed access to radio and television. In 2003, authorities approved a reduction in fiscal time to 2.5 percent of programming time given to authorities (Gutiérrez, 2004, pp. 72–75).

Some studies have addressed the influence of the audiovisual industry given the maximum level of concentration on informational pluralism, diversity and cultural content in the country (see Amyot, 1995; Clarke & Riddell 1995; Fadul & Solis, 1995). In Mexico there has been little research and few sources of information that study the communications sector from a perspective related to economy or strategic management (e.g., Gutiérrez, 2001, 2004, 2007, 2008; Hernández, 2001; Sánchez-Ruiz, 2000; Sánchez-Ruiz & Hernández, 2001).

This chapter offers a brief description of the principal actors and characteristics that define the media sector in Mexico with the greatest influence on the Hispanic market. The importance of this examination is based on the fact that Mexico is the largest country in Latin America, and the birthplace of the majority of Hispanic residents in the United States.

This chapter is divided into three sections. The first section presents the main macroeconomic variables that influence the media. The second section deals with media content, as well as audience preferences and tastes in terms of information and entertainment. Finally, the third section describes the principal leaders in each sector.

### **Macroeconomic Environment**

Mexico is characterized as a mosaic of realities. This region of Latin America exemplifies the existence of distinct and separate worlds, with the tensions and contradictions characteristic of inequality. There is rural Mexico, poor and predominantly indigenous. In contrast, there is modern Mexico, urban, globalized, with the prosperity of the countries of the first world. The Mexican media are considered among one of the most trustworthy and credible six institutions in the country (Consulta Mitofsky, 2005).

Since the 1930s, Mexico allowed the development of firms that learned to participate in a market structure with high levels of concentration. This gave rise to large monopolies, both private and public. Some examples are Vitro, Cemex, Grupo Carso, Gruma, Maseca and Telmex, among others. Economic neoliberalism and a period of industry deregulation began in the early 1990s. The first half of this decade saw the creation of the Federal Law for Economic Competition (COFETEL) and the Federal Law for Telecommunications; both directly impact the Mexican media sector. At present, there are no legal limits to vertical or horizontal integration in multimedia groups, which has favored the concentration of the audiovisual industry.

Throughout its history, the Mexican economy has been greatly dependent on the United States. Beginning in the 1990s, Mexico began a period of liberalization deregulation and market privatization. This has helped the country grow economically and become a competitive market, not only on the domestic front, but also internationally. The country has also felt the consequences of market globalization.

For several years, the Mexican economy has been seen as low risk for national or foreign investment. More institutional reforms are expected, and these should allow for a more competitive role on the markets, and for a stronger political system.

The telecommunications sector is more open to foreign investment. Job growth is stable, in spite of the negative effects of the current economic situation in the neighboring northern country. However, there are still problems that have been hard to solve, such as drug trafficking, insecurity, and informal commercial activities. As to the media, negative feelings remain due to the high level of concentration found in national television.

**Table 3.1** Integration of Socioeconomic Levels in Mexico, 2007

| Classification | Mexico City (%) | Monterrey (%) | Guadalajara (%) |
|----------------|-----------------|---------------|-----------------|
| A/B            | 7               | 12            | 8               |
| C+             | 11              | 16            | 15              |
| C              | 15              | 18            | 20              |
| D+             | 41              | 32            | 40              |
| D/E            | 27              | 22            | 17              |
| Total          | 100             | 100           | 100             |

Source: Compiled by the author with information from AMAI

The population of Mexico is young. According to the Consejo Nacional de Población (Conapo: National Council of Population) it is made up of 105,790,725 persons (Consejo Nacional de Población, 2007). Of these, 56,066,743 are men and 53,723,982 are women. About 62 percent of the population is under 29 years of age. The average life expectancy is 75 years.

Mexico is considered the third country in Latin America in terms of median human and social development (Consejo Nacional de Población, 2000). In 2000, 91.8 percent of the total population of children and teenagers (aged 6 to 14) were attending school; only 55.3 percent of young people aged 15 to 17 were, while barely 22.3 percent of 18 to 24 year olds still attended school. In general 95 percent of the younger population is literate.

Cities with the strongest economic, political and social influences are Mexico City, Monterrey and Guadalajara. Table 3.1 shows the socioeconomic level of these three cities in 2007, according to research carried out by the Agencia Mexicana de Investigación Aplicada (Mexican Agency of Applied Research) (2007).

Table 3.1 illustrates how most of the Mexican population, located in the three largest cities, is largely made up of socioeconomic levels D+ and D/E. According to the classification by Asociación Mexicana de Agencias de Investigación de Mercado y Opinión Pública (AMAI: Mexican Association of Market Research Agencies and Public Opinion), the main characteristics of D+ households are that the head of the family is a person who has finished secondary or at least primary school. Their homes are, for the most part, owned, though in some cases they are rented, and in others, they are acquired through a government credit program. On the other hand, levels D/E are represented by those households where the head has an average primary school education. Level E is the lowest segment, and is not often included in market segmentation. The heads of these families lack basic education; they do not own their homes and are very austere people.

### Main Sources of Entertainment and Information

Commercial television with nationwide coverage is the most influential means of communication in Mexican society; it is the means chosen by advertisers, and it is the one that has had an influence on the evolution of the behaviors, values and customs of the Mexican public. Television constitutes the largest source of entertainment and information for the people. This is due, in large part, to the political environment that characterized Mexico during the one-party dictatorship, to the current situation of transition to democratic life, to the socioeconomic level of the population, and to the low level of readership. In a world comparison, investment in open access television is Mexico is much higher than the average. It is close to 58 percent, while the world average is around 38 percent, according to the Asociación de Radiodifusores del Valle de Mexico (ARVM: Association of Radio Broadcasters of the Valley of Mexico, 2008, p. 9).

**Table 3.2** Market Segmentation by Value, 2007

| Segment        | % share |
|----------------|---------|
| Television     | 58.0    |
| Outdoor        | 11.0    |
| Radio          | 8.0     |
| Newspapers     | 8.0     |
| Magazines      | 5.0     |
| Pay television | 5.0     |
| Cinema         | 2.0     |
| Internet       | 1.0     |
| Others         | 2.0     |
| Total          | 100     |

Source: Compiled by the author with information from AMAP

At the same time, new technologies and opening markets have contributed to rethinking the ways that media companies in Mexico entertain and inform. In Mexico, there have also been changes in consumer habits, especially due to the arrival of Internet, and also due to digital convergence that allows pay and cable television to begin looking for packaging triple-play services (digital television, telephone and Internet).

For their part, advertisers have become more selective in deciding where to advertise. Audience fragmentation is a challenge for reaching key groups. There is a segment of the national market whose source of information and entertainment is the Internet. Table 3.2 shows the investment preferences of advertisers.

Commercial television is the means most selected by advertisers, followed by billboards, radio and the national press. In spite of the fact that online advertising acquires only 1 percent of the total advertising pie, it is an industry that is growing exponentially year by year (Asociación Mexicana de Agencias de Publicidad (AMAP: Mexican Association of Advertising Agencies), 2005).

The audiovisual industry has remained almost the same since 2000. However, some media were affected by decreasing government investment in advertising and by the arrival of new technologies. The three main communications groups in the country are Grupo Televisa, TV Azteca and Grupo Radio Centro; together they account for more than 50 percent of all advertising revenues (ARVM, 2008, p. 9).

Penetration by pay television in Mexico is approximately 28 percent (Cámara Nacional de la Industria de las Telecomunicaciones (CANITEC: National Chamber of Cable Telecommunication Industry), 2008). At present, there are roughly 1,100 concessions controlled by some 200 companies throughout the country. Mexican legislation established in 1960 considers radio and television to be a public service. Media managers are allowed to charge freely to advertisers, and to admit or reject advertisers. The law gives concessions to radio and television stations up to thirty years to operate commercially. Article 13 of Radio and Television law warns about the nature and the purpose of the stations, which can be commercial, cultural or experimental. Broadcast stations are required to have concessions. Official, cultural, experimental, school stations or other kinds of public stations are required to have permissions. Throughout the country, companies offer digital services, and are currently prepared to offer the services that make up the triple play.

Mexico's cable telecommunications industry grew from 1.9 million subscribers in 2003 to more than 4.3 million in pay television by 2007 (Cámara Nacional de la Industria de las Telecomunicaciones, 2008, p. 44). According to CANITEC, the industry expects to reach 1.1 million Internet subscribers and 200,000 subscribers to telephone services. As of 2008, the country was awaiting reform of the telecommunications law. Companies who participate in this sector are hoping that Telmex, the main provider of telephone services in Mexico, will not be an obstacle to interconnection. Cable providers have joined together hoping to get more coverage, to take advantage of convergence, and to encourage competition. According to CANITEC, the largest cable provider in Mexico is Megacable Telecomunicaciones, followed by Cablemás and Cablevisión, which belong to Grupo Televisa.

In 2007, the Internet boasted 19.5 percent of national penetration. That is, in that year, there were around 20.4 million users among the total population over 6 years of age (Fundación Telefónica, 2007). Socioeconomic levels ABC+ and C account for approximately 70 percent of the total users among that population; the age profile is between 13 and 35 years of age. Approximate connection time is around 2 hours per day. The majority of young people use that time to listen or download music and to play online games.

### Television

The media industry model is characterized as a commercial enterprise, as it is in the United States. Mexican television and radio had the same nuances as to legislation as they did in the northern neighboring country, unlike the majority of European countries, with decades of audiovisual monopolies under the direction of the state. Mexico had a private television monopoly for twenty years (1973–1993) controlled by the Azcarraga family; this company is Televisa. Public television has never had the same acceptance among the audience. In 1993 the government decided to sell Imevisión—the public television network—to Ricardo Salinas Pliego, who is the main owner of TV Azteca. Currently, the main broadcast networks are Televisa and TV Azteca.

The typical Mexican spends about four and a half hours watching television (Jara & Garnica, 2007, p. 61). Prime time in Mexico is between 9 p.m. and 10 p.m. During this period, the average percentage of viewers is between 68 and 70 percent. According to Grupo Televisa, in 2007 the company aired 78 percent of the top hundred programs, and forty-five of the top fifty programs in Mexico. In addition, its average sign-on to sign-off audience share was 70.9 percent of the network's prime-time hours. The content, in particular soap operas, brought Univision some of its best ratings during the year (Grupo Televisa, 2007). However, TV Azteca reported in 2007 an average share of 27.9 percent of the prime-time hours on weekdays (Grupo TV Azteca, 2007).

According to Jara & Garnica (2007, p. 71), Mexican television as a whole broadcasts around 22 million minutes a year. Of this total, roughly 80 percent of the time is devoted to programming, and the rest is devoted to advertising. Nevertheless, the average viewer watches less than 2 percent of the total broadcast time. This explains the enormous competition that exists between open and pay television vying for audience attention.

Broadcast television with its national coverage devotes the greater part of its time to programming in genres such as magazine shows, marketing programs, news programs and foreign movies. With regard to pay television, the majority of the channels devote almost two-thirds of their total broadcast time to movies, musical programs or series.

Melodramas (soap operas) are not the most important part of Mexican production. This genre, as well as soccer matches, has helped generate audiences for advertisers, and has been the most important Mexican export in audiovisual material for several decades. In fact, the most important daily news programs on both Televisa and TV Azteca begin as soon as their major soap operas end. Televisa's Channel 2 ("the channel of the stars") and TV Azteca's Channel 13 devote a large part of their programming to the production and broadcasting of soap operas.

Soap opera viewers are mainly women; men, though, also habitually watch them. According to Jara & Garnica (2007, pp. 87–88), there are two women for every man in the audience. The dominant age group is over 45 years of age. In general terms, older viewers in a lower socioeconomic group are Televisa's target audience. In spite of this, TV Azteca has captured audience attention through the production of melodramas targeted to the middle class.

Table 3.3 includes the principal television channels in Mexico. There are numerous affiliates, for the most part, to Televisa and to TV Azteca. In the past few years, state television has tried to



**Table 3.3** Principal Channels on Open Television in Mexico, 2008

| Channel                                         | Institution                                  | Coverage                         | Type                     |
|-------------------------------------------------|----------------------------------------------|----------------------------------|--------------------------|
| Canal 11-XEIPN                                  | Instituto Politécnico Nacional               | Mexico City and Federal District | Cultural and educational |
| Canal 22                                        | Consejo Nacional para la Cultura y las artes | Mexico City and Federal District | Cultural and educational |
| TV UNAM                                         | Universidad Autónoma de México               | Mexico City and Federal District | Cultural and educational |
| Canal 2, Canal 4, Canal 5 and Canal 9           | Televisa                                     | National                         | Commercial               |
| Canal 7 and Canal 13, Proyecto 40 (Mexico City) | TV Azteca                                    | National                         | Commercial               |
| Canal 28                                        | Imagen Telecomunicaciones                    | Mexico City and Federal District | Commercial               |
| Canal 34                                        | Sistema de Radio y Televisión Mexiquense     | Mexico City and Federal District | Public                   |

Source: Compiled by the author from various sources

increase audience participation, though it has not been able to create content that is attractive to its target audience.

### Radio

Programming and supply of radio content in Mexico is made up of a mix of information—talk radio, news programs, opinion programs—and entertainment, which is primarily musical content depending on the region where the station is located. There are 855 AM stations and 616 FM stations in the country; most of them are affiliated to one of the main radio groups.

The main radio groups operating in the country are Organización Radiorama, with more than 220 stations, distributed all over the country; Grupo ACIR (Association of Independent Radio Concessionaires), associated with the Clear Channel group and with 160 stations throughout the country; MVS Radio; Grupo Radio Fórmula (belonging to the Ramsa chain), with 101 stations and coverage in the southern United States; and Grupo Radio Centro, with 14 stations. Grupo Radio Centro trades on the stock markets in both Mexico and New York.

According to the Asociación de Radiodifusores del Valle de México, in the Federal District and in Mexico City, radio is a key companion medium, because of the amount of time people spend commuting in that part of the country (ARVM, 2008).

The industry has given rise to several journalists who are considered as leaders of public opinion in Mexico. Among the most important are Jacobo Zabludovsky, Joaquín López Dóriga, Ciro Gómez Leyva, Eduardo Ruiz Healy, Denise Maerker, Jorge Zarza, Adela Micha, Alejandro Alfaro, Sergio Sarmiento and Pedro Ferris de Con. In fact, radio has been used by political parties to carry out their campaigns (Ibope AGB, 2008). Some of the radio programs are also broadcast on pay television channels.

Mexican radio is experiencing a high rate of audience segmentation and it has also been undergoing a learning process with respect to the new political era in the country. There are some radio stations without an established political position; there are others that have been criticized for maintaining editorial stances according to economic interests related to political parties or powerful groups.

Audience participation is active: Mexican radio continues to be a local or regional strategy that allows a community to remain in touch. Talk radio is predominant and has the most impact among adult listeners, as well as stations devoted to certain types of music: Grupera, pop in English or Spanish; ballads, English pop-rock, or mainstream Spanish music. The scheduling period with the highest number of listeners is 7 a.m. to 3 p.m.

Radio has been one of the means of communication that has been most affected by new technologies, and by the unfortunate practice known as *payola*, whereby certain radio stations enter into pacts with record companies to broadcast songs and lodge them in the audience's mind, regardless of audience acceptance. Listeners are tiring of this practice and are opting for the new broadcasting options.

### Newspapers

Perhaps it is the newspaper industry that has most been affected by the arrival of the Internet and the new information technologies, political changes and the socioeconomic level of the people. Mexico has always been noted for its low readership numbers, and for the direct links that existed between some of the more important papers and the country's political leaders.

One of the main features of the history and development of Mexico's principal newspapers during the PRI era was strong party influence on editorial issues, through loans, concessions or, in some cases, government manipulation. At the same time, the various recurring economic crises caused a considerable decrease in the funding available to the government for self-promotion in the media. Newspapers that depended on federal funds have been disappearing little by little, since their main source of income came from government advertising, or from enterprises directed linked to the government.

Beginning in the 1990s, diverse institutions such as the Comisión Intersecretarial para la Transparencia y el Combate a la Corrupción (Intersecretary Commission for Transparency and Combatting Corruption) and Instituto Federal de Acceso a la Información Pública (IFAI: Federal Institute of Access to Public Information) have been involved in different legal processes that have helped to bring about informational transparency.

The country's main newspapers have redoubled efforts to improve their content, and have changed editorial and commercial strategies. Most newspapers have no official editorial stance to favor a particular political party. There has been a notable change in the principal newspapers, as they try to develop strategies appropriate to the market, while they attend to their readers' needs. New papers have sprung up, and the current supply even includes some foreign papers. Beginning in 2000, free newspapers began to circulate locally. There are those devoted to sensationalism or to sports, with the intention of capturing a non-reading audience. For example, *El Gráfico*, a sporting paper certified by Institute for the Verification of Media the Instituto Verificador de Medios (IVM), has become one of the nation's most popular dailies. According to *El Gráfico's* director, Eduardo Vorhauer of *El Universal*, 29 percent of the readers did not previously read any newspaper. These papers have opened up a fertile and previously non-existent market for the press, at low cost and with considerable reach (Méndez, 2006, p. 51).

The Mexican press is predominantly regional or local. The most important journalistic enterprises handle different brands distributed by region. Others simply locate their operations in Mexico City, Monterrey and Guadalajara, where the political decisions that impact society are made. Some of the industry leaders have made strategic alliances with each other, while others have made these alliances with international organizations. This has contributed to changing the

**Table 3.4** The Twenty Papers with the Highest Published Tariffs, 2004

| Rank | Newspaper name                       | Publishing group                        | Location                 |
|------|--------------------------------------|-----------------------------------------|--------------------------|
| 1    | <i>El Financiero</i>                 | El Financiero                           | Metropolitan Mexico City |
| 2    | <i>El Universal</i>                  | El Universal Cía. Periodística Nacional | Metropolitan Mexico City |
| 3    | <i>Reforma</i>                       | Grupo Reforma                           | Metropolitan Mexico City |
| 4    | <i>Rumbo de México</i>               | MAC Ediciones y Publicaciones           | Metropolitan Mexico City |
| 5    | <i>La Crónica de Hoy</i>             | Grupo Empresarial Periodístico          | Metropolitan Mexico City |
| 6    | <i>La Jornada</i>                    | Desarrollo de Medios                    | Metropolitan Mexico City |
| 7    | <i>Milenio Diario</i>                | Milenio Diario                          | Metropolitan Mexico City |
| 8    | <i>El Diario DF</i>                  | MAC Ediciones y Publicaciones           | Metropolitan Mexico City |
| 9    | <i>El Economista</i>                 | El Economista                           | Metropolitan Mexico City |
| 10   | <i>Diario Monitor</i>                | Infored                                 | Metropolitan Mexico City |
| 11   | <i>Excélsior</i>                     | Excélsior                               | Metropolitan Mexico City |
| 12   | <i>Unomásuno</i>                     | Impulsora de Periodismo Mexicano        | Metropolitan Mexico City |
| 13   | <i>Mural</i>                         | Grupo Reforma                           | Guadalajara              |
| 14   | <i>Milenio</i>                       | Grupo Mulimedios                        | Monterrey                |
| 15   | <i>El Mexicano</i>                   | Editorial Kino                          | Tijuana                  |
| 16   | <i>Diario de Yucatán</i>             | Cía. Tipográfica Yucateca               | Mérida                   |
| 17   | <i>El Informador</i>                 | Unión Editorialista                     | Guadalajara              |
| 18   | <i>El Nuevo Siglo de Guadalajara</i> | El Nuevo Siglo de Guadalajara           | Guadalajara              |
| 19   | <i>El Sol de México</i>              | Cía. Periodística del Sol de México     | Metropolitan Mexico City |
| 20   | <i>El Diario de Juárez</i>           | Publicaciones Paso del Norte            | Cd. Juárez               |

Source: Compiled by the author with information from Zapata (2004)

Note: 283 dailies, both morning and evening editions, were analyzed.

way information is handled, and to professionalizing these institutions. Table 3.4 presents the top twenty papers as ranked by advertisers.

Mexican society is more actively involved in the political life of the country, promoting editorial quality. The media are now under the scrutiny of their principal clients: readers and advertisers. The press has given signs of positive change, and has made an effort to support the political transition towards democracy. The most important and renowned information enterprises have tried to accomplish their social roles in the way they handle information.

In 2006 Mexico had 462 newspapers registered with the Secretariat of the Interior; the majority are dailies. Some foreign papers are included in these, such as *Señales*, a magazine from Colombia, *El País*, the Spanish newspaper, and *Diario de México* and *Rumbo de Texas*, both from the United States.

Currently, the newspapers with the strongest influence and the best positioning and market participation are financed through advertising revenues, especially from financial groups, the automotive industry and service institutions. These papers have been considered more attractive to advertisers because they also have their own websites, which complements their offerings. Subscribers do not form part of the principal source of income for these newspapers.

There is no official institution to monitor circulation; the data come from each paper, or from registration in the Institution for the Verification of the Media, and from private audits undertaken by outside consultants. Table 3.5 shows the certified dailies with the largest national circulation.

Most newspapers are associated with the Union of Distributors. Grupo Reforma stands out for being one of the first groups to develop its own distribution channels.

**Table 3.5** Principal Dailies with Certified Circulation above 18,000, 2004

| Daily                        | City                     | Verifying institution           | Daily circul. |
|------------------------------|--------------------------|---------------------------------|---------------|
| <i>El Gráfico</i>            | Metropolitan Mexico City | Instituto Verificador de Medios | 225,469       |
| <i>El Universal</i>          | Metropolitan Mexico City | Instituto Verificador de Medios | 170,356       |
| <i>Ovaciones</i>             | Metropolitan Mexico City | Ferral, de la Fuente y Asoc.    | 152,388       |
| <i>Reforma</i>               | Metropolitan Mexico City | PriceWaterhouseCoopers          | 150,569       |
| <i>El Norte</i>              | Monterrey                | PriceWaterhouseCoopers          | 146,039       |
| <i>Diario de Yucatán</i>     | Mérida                   | Instituto Verificador de Medios | 78,117        |
| <i>Metro</i>                 | Metropolitan Mexico City | PriceWaterhouseCoopers          | 73,970        |
| <i>Excelsior</i>             | Metropolitan Mexico City | Instituto Verificador de Medios | 55,493        |
| <i>Metro</i>                 | Monterrey                | PriceWaterhouseCoopers          | 54,108        |
| <i>El Sol Regiomontano</i>   | Monterrey                | PriceWaterhouseCoopers          | 52,258        |
| <i>El Diario de Juárez</i>   | Cd. Juárez               | Instituto Verificador de Medios | 47,702        |
| <i>La Crónica de Hoy</i>     | Metropolitan Mexico City | Check Media                     | 43,020        |
| <i>El Debate</i>             | Culiacán                 | Instituto Verificador de Medios | 38,406        |
| <i>Mural</i>                 | Guadalajara              | PriceWaterhouseCoopers          | 38,311        |
| <i>El Guardián</i>           | Saltillo                 | Daniel Moreno y Asoc.           | 37,847        |
| <i>a.m.</i>                  | León                     | Instituto Verificador de Medios | 34,776        |
| <i>El Economista</i>         | Metropolitan Mexico City | Instituto Verificador de Medios | 32,689        |
| <i>El Imparcial</i>          | Hermosillo               | Instituto Verificador de Medios | 32,365        |
| <i>Récord</i>                | Metropolitan Mexico City | Instituto Verificador de Medios | 32,330        |
| <i>El Siglo de Torreón</i>   | Torreón                  | Instituto Verificador de Medios | 30,572        |
| <i>Provincia</i>             | Morelia                  | Instituto Verificador de Medios | 30,000        |
| <i>El Diario</i>             | Toluca                   | Instituto Verificador de Medios | 28,734        |
| <i>Novedades Acapulco</i>    | Acapulco                 | Instituto Verificador de Medios | 25,562        |
| <i>Tribuna del Carmen</i>    | Ciudad del Carmen        | Notario público 20              | 24,750        |
| <i>Vanguardia</i>            | Saltillo                 | Daniel Moreno y Asoc.           | 24,062        |
| <i>Noroeste Mazatlán</i>     | Mazatlán                 | PriceWaterhouseCoopers          | 24,026        |
| <i>El Dictamen</i>           | Veracruz                 | Reyes del Valle y Asoc.         | 23,356        |
| <i>La Voz de la Frontera</i> | Mexicali                 | Instituto Verificador de Medios | 22,548        |
| <i>Dirario de México</i>     | Metropolitan Mexico City | Universidad Autónoma de Morelos | 18,473        |
| <i>Noroeste</i>              | Culiacán                 | PriceWaterhouseCoopers          | 18,381        |
| <i>Imagen</i>                | Zacatecas                | Instituto Verificador de Medios | 18,000        |

Source: Compiled by the author with information from Zapata (2004) and Centro Interamericano de Marketing Aplicado, plus information from the press.

Note: 283 dailies, both morning and evening editions, were analyzed.

## Magazines

The national trend is toward title segmentation on the part of the publishers who participate in the sector. Grupo Televisa is considered the most influential publisher in Latin America. The group publishes eighty different titles in nineteen countries, with a circulation of 127 million issues monthly. Their principal distinguishing strategy is branch generation, advertising strategies and subscriptions (Méndez, 2006, p. 51). The seven companies with the largest number of titles are Editorial Televisa, Grupo Expansión, Grupo Editorial Vid, Corporativo Mina, Servicios Editoriales Sayrols, Editora Cinco and Ediciones PLM (Ayala, 2001, p. 53).

The editorial content with the most demand by readers in the Mexican market is sensational stories, comics or love stories. Another popular product is a summary of the content of soap operas, principally those broadcast by Televisa. The five weekly magazines with the greatest circulation in Mexico are *Libro Semanal* and *Libro Vaquero*, both from Nueva Impresora y Editora Mexicana; *Libro Policiaco*, *TV y Novelas* and *TV Notas* (Ayala, 2001, p. 53). The specialized magazines sector is even smaller than the popular market. The five magazines with the greatest

monthly circulation are *Selecciones de Reader's Digest*, *Tú*, *Cosmopolitan*, *Muy Interesante* and *Escala*.

A large part of the income from magazines with a nationwide weekly distribution comes from direct purchasing by the reader. However, the same cannot be said for the specialized magazines: these survive thanks to advertising sales.

### Industry Leaders

Mexico's media market has evolved positively in part by the actions of the principal industry leaders. Since the 1990s, the heads of the principal companies have used different strategies that have strengthened them against competition. Other important companies are diversifying in order to participate actively in the national media industry. The main communications companies have maintained their important presence in Mexico from the beginning of the industry to today's more dynamic and competitive environment.

The different economic, political and social stages in Mexico's history have also played a role as macroeconomic factors that have influenced company owners' strategies and actions. Depending on the medium, the competitive structure differs. It is similar to the present structure in the United States. The television sector shows excessive market concentration. With regard to pay television, in spite of increasing participation by more companies, the structure remains a very dynamic oligopoly, especially now that companies can participate in offering triple-play services.

Local or regional press follows a model of monopolistic competition. However, an analysis of the owners of the principal papers that are produced and distributed by locality shows that they belong to a small group of enterprises.

Some of the most important communication groups in Mexico entered the business in a single medium. At present, they have modified their strategy to form large multimedia groups organized around their greatest source of revenue. Other entrepreneurs have decided not to enter into related business, preferring to concentrate on their star medium. Nevertheless, they are all present on the Internet. Table 3.6 (p. 44) shows industry leaders in Mexico, grouped according to their level of influence and market penetration, as well as the medium, and the president or director of the company.

### Conclusion

The economic, political and social situation that Mexico experienced after the Mexican Revolution (1910) through a one-party dictatorship influenced the media industry in Mexico. Given this fact, the media market in Mexico grew in an environment of high levels of economic and political concentration.

The Mexican economy represents an oligopoly structure, where the main source of demand has been placed in a domestic market, centered in the highest spheres of the society. Mexican authorities never had a clear vision for the mass media, as in the United States and other countries. It was not until the 1990s with the passage of the Federal Law of Telecommunications that the market found the environment to establish a competitive market in Mexico, given the rise of globalization and other international factors.

Economical liberalization and financial globalization created the right conditions for some private companies like Televisa Group, MVS, TV Azteca, Carso Group, Telmex and America Movil (Carlos Slim Helú), to start plans for international strategies through joint investments with foreign companies, and the simple trading and exportation of media content that had been already proven in the domestic market.

**Table 3.6** Leading Main Communication Firms in Mexico, 2008

| Company                            | Media                                                                                      | President or CEO                                               |
|------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| América Móvil                      | Wireless operator and prepaid card for cellphone                                           | Carlos Slim Helú, CEO                                          |
| CIE-OCESA                          | Entertainment (shows)                                                                      | Alejandro Soberón Kuri, CEO                                    |
| Cinemark                           | Motion picture distributor                                                                 | Roberto Jenkins de Landa, CEO                                  |
| Cinemex                            | Motion picture distributor                                                                 | Alma Rosa García Puig, CEO;<br>Miguel Ángel Dávila, main owner |
| Cinépolis                          | Motion picture distributor                                                                 | Enrique Ramírez Miguel, President                              |
| Editorial Notimusa                 | Sports newspaper, magazines                                                                | Carlos M. Flores, President                                    |
| Editorial Progreso                 | Books                                                                                      | Joaquín Flores Segura, CEO                                     |
| El Universal                       | Press, Internet                                                                            | Juan Francisco Ely Ortiz, President                            |
| Grupo Acir                         | Radio, Internet                                                                            | Francisco Ibarra López, President                              |
| Grupo Carso                        | Diversified company; press: new stakeholder of <i>New York Times</i> ; music store: Mixup. | Carlos Slim Helú, CEO                                          |
| Grupo Editorial Expansión          | Business magazines                                                                         | John Reuter, CEO;<br>Clemente Serna Alvear, main owner         |
| Grupo Fórmula                      | Radio, pay television, Internet                                                            | Rogelio Azcárraga Madero, President                            |
| Grupo Imagen y Excelsior           | Radio, press, Internet                                                                     | Olegario Vázquez Raña, President                               |
| Grupo Mundo Ejecutivo              | Magazines, radio, television, press                                                        | Walter Coratella, CEO                                          |
| Grupo Radio Centro                 | Radio, Internet, television, printed media                                                 | Francisco Aguirre, President                                   |
| Grupo Reforma                      | Press, Internet                                                                            | Alejandro Junco de la Vega, President                          |
| Grupo Santillana                   | Books                                                                                      | Jorge Delkáder, CEO México                                     |
| Grupo Televisa                     | Open and pay television, magazines, radio, video, Internet                                 | Emilio Azcárraga Jean, President                               |
| Megacable                          | Cable television, Internet and telephony (triple play)                                     | Enrique Yamuni Robles, President                               |
| MMCinemas                          | Motion picture distributor                                                                 | Germán Larrea, President                                       |
| Multimedios Estrella de Oro        | Press, radio, television, Internet, magazines                                              | Francisco A. González, President                               |
| MVS Comunicaciones                 | Radio, television, magazines, books                                                        | Joaquín Vargas, President                                      |
| Nueva Impresora y Editora Mexicana | Magazines: comics “Libro Vaquero”                                                          | Fernando Varela Robles, CEO                                    |
| Organización Editorial Mexicana    | Press, Internet                                                                            | Mario Vázquez Raña, President                                  |
| TV Azteca                          | Television, Internet                                                                       | Ricardo Salinas Pliego, President                              |
| Telmex                             | Telecommunications and Internet                                                            | Carlos Slim Helú, CEO                                          |

Source: Compiled by the author from various sources

The economic and political system in Mexico has had a lack of democratic tradition similar to most Latin American countries, until 2000 when a different political party won the presidential elections. This helps explain the long absence of professionalism in the mass media, which is an essential function to guarantee political pluralism and reflect the cultural diversity of society.

The main providers of entertainment and information of Mexicans are a few huge multimedia groups. Nevertheless, this environment has changed thanks to the arrival of new technologies that give the audience numerous options for information and entertainment. Nowadays the media industry faces the advantages and competitive risks that offer digital convergence. Mexico has started a battle to win the audience, and media managers have realized the importance of paying attention to fragmented audiences that demand more specialized options in media content. The triple play is one example: it is taking an important role as a competitive factor, driving the expansion of strategic alliances between national and international media companies.

Media companies in Mexico started around the 1960s to conquer Latino audiences in the United States. The companies have worked the strategy of selling content to television networks, the launching of television and radio stations and newspapers, the exporting of Mexican newspapers, and even print editions of Mexican magazines.

Communication companies have entered the digital stage, and it is expected that the switch from analog will alter the offer and demand of information and entertainment. The total switch to digital technologies is expected to occur by 2017.

The work of media professionals is not well valued in Mexico. The main challenge for universities is to educate communicators with ample knowledge of the media industry, reflexive and critic thinking, and entrepreneurship skills.

Mexico is a country with a high level of influence on the media industry in the United States and across Latin America. More research and study are needed, not only to strengthen links between scholars and entrepreneurs, but also to give the Hispanic market higher levels of quality and diverse options in information and entertainment content.

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