

# Digital Transformation at *La Presse*: A – Crafting a New Digital Strategy

Case<sup>1</sup> prepared by Camille GRANGE,<sup>2</sup> Sandrine PROM TEP,<sup>3</sup> and Sylvain SÉNÉCAL<sup>4</sup>

At this moment, the rate of technological change is the slowest you will ever experience for the rest of your life.

– Shelly Palmer<sup>5</sup>

As Guy Crevier, president and publisher of *La Presse*, prepared to chair the company's final board meeting of 2015, he assessed the progress made since the 2008 financial crisis that had accelerated the digital transformation of his newspaper. In a few days, *La Presse* would reach a major milestone in its 131-year history. On January 1, 2016, the flagship tablet app *La Presse+*, launched in April 2013, would fully replace the weekday print edition of the newspaper. This would make *La Presse* the world's first daily newspaper to become 100% digital on weekdays (while maintaining a Saturday print edition), and thus the digital leader of Quebec's news and media industry. Crevier was optimistic that *La Presse* had built a sufficiently strong and flexible business model to differentiate and survive in a severely disrupted industry.

## 1. *La Presse*

### 1.1. Background and market position

*La Presse* is a French-language daily founded in Montreal in 1884 by journalist William-Edmond Blumhart. Under the leadership of the Berthiaume-Du Tremblay family until 1967, and of the Gesca group (a subsidiary of the Power Corporation conglomerate) thereafter, *La Presse* became one of Canada's top-selling newspapers. In 1908, it became the first Canadian newspaper to cross the circulation threshold of 100,000, and, in 1915, it became the largest French-language daily in America, with a weekly circulation of 120,000. While *La Presse* competes with several other newspapers in Quebec (12 paid and 2 free), its most direct competitors are *Le Journal de Montréal*, which targets a more populist readership, and *Le Devoir*, the only independent large-circulation newspaper in Quebec (Exhibit 1).

<sup>1</sup> Winner of the 2018 Best Case Award of the *International Journal of Case Studies in Management*.

<sup>2</sup> Camille Grange is an assistant professor in HEC Montréal's Department of Information Technologies.

<sup>3</sup> Sandrine Prom Tep is a professor in ESG – UQAM's Department of Marketing.

<sup>4</sup> Sylvain Sénécal is a professor in HEC Montréal's Department of Marketing.

<sup>5</sup> <https://www.shellypalmer.com/2015/08/what-will-you-do-after-white-collar-work/>

Since its founding in the late nineteenth century, *La Presse* has delivered a wide range of local and international news to its French-speaking audience, earning numerous awards for the quality of both its content and its presentation. Over the years, the newspaper has built a solid reputation and a strong brand, becoming known for its wide and diversified coverage of current events, background articles, and debate coverage.

Until 2013, *La Presse* relied on two major income sources. About 25% of its revenue came from the sale of weekday and Saturday print editions. Regular readers paid monthly subscription fees to have the paper delivered to their home every day, while non-subscribers could buy the paper at newsstands or other points of sale. About 65% of the paper's income came from companies purchasing advertising space. The final 10% came from short, generally text-based classified ads placed by individuals (e.g., selling personal goods) or small local businesses (e.g., help wanted ads). To create content, *La Presse* relied on a team of skilled journalists covering a variety of subjects, including local and foreign affairs, business news, politics, sports, and culture. In this century-old business model, operating expenses were divided between news production, including journalist salaries (about 50%), printing costs (about 15%), and newspaper delivery (about 35%).

## 1.2 Earlier waves of digital transformation at *La Presse*

The first wave of digital transformation was triggered by the emergence of desktop publishing software in the late 1980s. The production of print newspapers was traditionally a time-consuming affair requiring large teams of typographers to carry out an array of composition, arrangement, and printing processes using lead-based movable type. Desktop publishing revolutionized newspaper production by digitizing much of the process. Complex page layouts including high-quality text, images, and graphics could now be created much more quickly and easily.

The second wave came in the 2000s. Taking advantage of new opportunities afforded by the Internet, *La Presse* began to develop its digital ecosystem by launching a website in 2000 (cyberpresse.ca, renamed lapresse.ca in 2011). In 2001, while developing its digital operations, *La Presse* simultaneously initiated a radical upgrade of its presentation and editorial content. The paper's look was modernized, new sections were introduced, and international coverage was greatly expanded. All these changes significantly increased the newspaper's quality and circulation. *Cyberpresse Mobile*, a first mobile app, was launched in 2008. *La Presse Mobile*, an upgraded version of the original app, was launched in 2011 for both iPhone and Android. Other mobile applications (*La Presse Mots* and *La Presse Hockey*) were later integrated into *La Presse Mobile*.

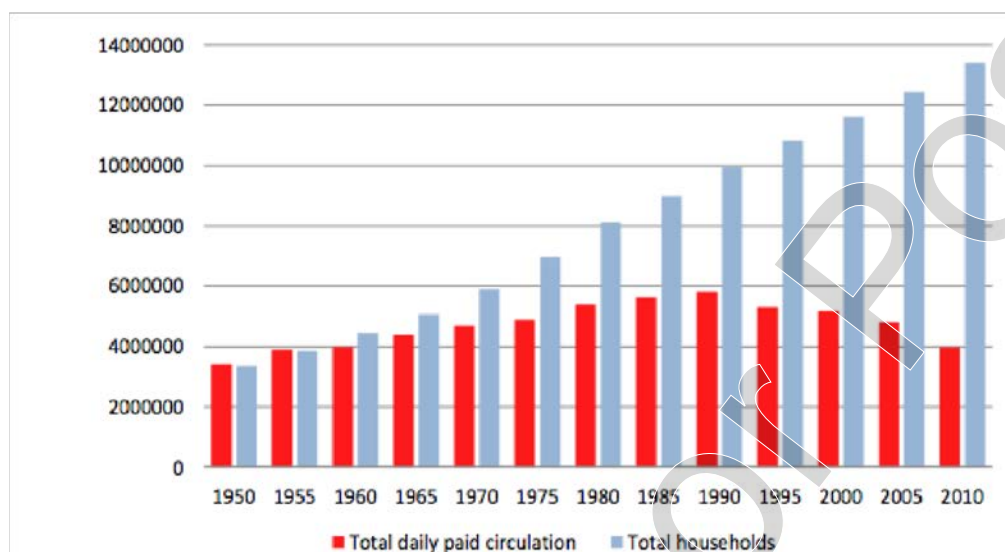
## 2. The changing landscape of newspaper publishing

### 2.1. New media consumption habits and competition

Publishers face increasingly stiff competition: newspaper readership has fallen in the past fifty years (Figure 1), while, in the past decade, more and more people have begun seeking content online. This is especially true of younger people such as millennials (born in the 1980s and '90s), who rely heavily on mobile phones to get free access to both hard and soft news, or “infotainment.”<sup>1</sup>

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<sup>1</sup> [http://www.huffingtonpost.ca/olivia-lovenmark/millennials-and-the-news\\_b\\_11981366.html](http://www.huffingtonpost.ca/olivia-lovenmark/millennials-and-the-news_b_11981366.html)



**Figure 1: Total daily newspaper paid circulation and total households, Canada 1950–2010**

Source: Kenneth J. Goldstein, *Canadian Daily Newspaper Trends, and Three Issues That Will Shape the Future of Newspaper “Brand”*, 2014, p. 5

Moreover, “pure players,” companies that operate exclusively online, are increasingly popular with younger people. These companies have adopted different business models, with some creating original content while others aggregate content from other news outlets (Table 1). Another characteristic of today’s news audiences is that they engage in cross-border news consumption to feed a growing appetite for a diversity of news sources.<sup>1</sup>

**Table 1. Examples of pure player news organizations\***

Pure player	Description
Buzzfeed	A social news and entertainment company that has built a large audience by exploiting social media’s viral potential. It is known for experimenting with story formats, but is moving into more traditional news coverage.
<i>The Huffington Post</i> ( <i>HuffPost</i> as of April 2017)	In addition to original reporting, it publishes content from outside contributors (e.g., politicians, celebrities, and policy experts) and aggregates content from other sources including <i>The New York Times</i> . Its platform is open to readers (more than a million comments are made each month). <sup>2</sup>
<i>Flipboard</i>	A highly visual news aggregator that allows users to follow themed publications presenting content from a variety of publishers.
<i>Medium</i>	An open publishing platform that allows anyone to write and distribute content. Posts range from scrutiny of world affairs to deeply personal essays. Medium’s editorial team seeks the best content to curate “collections,” and readers can follow collections and individual writers.

\* Note: these examples are for illustrative purposes only; *HuffPost* is the only direct competitor of *La Presse* in the Quebec market.

<sup>1</sup> <http://www.pwc.com/gx/en/entertainment-media/publications/assets/cross-border-news.pdf>

<sup>2</sup> <https://en.wikipedia.org/wiki/HuffPost>

Social media plays an increasingly important role in the diffusion of news. Facebook has become the indisputable media industry leader as both referral source and competitor. Google and Facebook account for almost 80% of all external referral traffic to news sites, and Facebook surpassed Google in this area in 2015.<sup>1</sup> In February 2014, Facebook launched Paper, a newsreading app that explored new immersive design elements for reading and interacting with online content. Although the app was shut down in July 2016, as it had failed to attract a large audience,<sup>2</sup> Facebook's ambitions as a news distributor continued to grow. Nearly one third of Americans regularly get their news from Facebook,<sup>3</sup> and key ideas from Paper made their way into other Facebook products such as Instant Articles. Released in May 2015, Instant Articles is a fast-loading story format that enables publishers to load articles on Facebook's mobile app ten times faster than before.<sup>4</sup> Hosted on Facebook's servers, the articles create a better experience than the typical 8-second wait for articles to load on the mobile web.<sup>5</sup> With this new format, Facebook aims to strengthen its dominance in distributing news online, making publishers even more dependent on a platform they cannot control.

## 2.2. Impact on the top and bottom lines of news publishers

Some experts believe that the profound changes in the news publishing industry over the past decade could lead to the disappearance of most print newspapers by 2025.<sup>6</sup> Although most major publishers have developed online offerings, new revenue streams from digital channels have not compensated for losses resulting from declining print circulation. In fact, between 2011 and 2016, Canadian industry revenues from circulation, classifieds, and advertising decreased at an annualized rate of 8.4%.<sup>7</sup>

According to the Canadian Newspaper Association, the average weekly circulation of daily newspapers declined at an annualized rate of 3.8% between 2011 and 2015, from 35.6 million to 30.4 million. These figures include several popular free publications whose circulation did not decline significantly, suggesting that paid daily newspapers were hit much harder than indicated. In fact, the circulation and associated revenues of paid newspapers decreased by 12% between 2009 and 2015. In Quebec, it dropped by about 10% during the same period.<sup>8</sup>

Advertising has historically been the industry's main revenue and profit driver, with circulation revenue serving mainly to defray the costs of creating and distributing the physical product. In fact, publishers have often priced issues at a loss to maintain a large print audience and continue to attract advertisers. For this reason, the steep decline in print advertising has strongly impacted newspaper profits. The 2008 financial crisis hit the industry hard, significantly reducing ad revenue. In Canada, total advertising expenditures were relatively flat over the post-crisis years, increasing

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<sup>1</sup> <http://fortune.com/2015/08/18/facebook-google/>

<sup>2</sup> <http://www.theverge.com/2016/6/30/12062124/facebook-paper-shutdown>

<sup>3</sup> <http://www.journalism.org/2014/03/26/8-key-takeaways-about-social-media-and-news/>

<sup>4</sup> <https://instantarticles.fb.com/>

<sup>5</sup> <http://www.theverge.com/2015/5/13/8595263/facebooks-instant-articles-arrive-to-speed-up-the-news-feed>

<sup>6</sup> K.J. Goldstein, *Canadian daily newspaper trends and three issues that will shape the future of newspaper "brands"*, conference at HEC Montréal, Canada, 2014.

<sup>7</sup> D. McGinley, *Newspaper publishing in Canada*, IBISWorld Industry Report, 2016.

<sup>8</sup> Ibid

at an annual rate of just 0.2% from 2011 to 2016.<sup>1</sup> In addition, with more consumers accessing content online, advertisers with limited budgets slashed their spending on print advertising. Toronto-based Postmedia Network is Canada's largest publisher, with 160 brands across several print, online, and mobile platforms. In 2016 alone, it reported a 15.3% decline in print advertising revenue.

At the same time, Internet advertising has continued to expand. In 2017, it overtook U.S. broadcast TV advertising for the first time, and by 2020, nearly half of Internet advertising revenues are expected to be generated by mobile apps.<sup>2</sup> The advantages of digital over print advertising are staggering. These include the ability to target a specific audience at a specific time and place based on granular data, real performance-based pricing through pay-per-click, budget flexibility (from a few dollars to several thousand daily), and the ability to track campaign performance and retarget audiences as needed.

A second revenue source for daily newspapers has also dried up: classified ads for car sales, jobs, and apartment rentals, for example, have largely migrated to digital platforms such as Craigslist, Kijiji, eBay, and other websites with specific clienteles such as accommodation or job seekers. In 2015, classified ads in Canadian daily newspapers brought in C\$119 million compared to C\$875 million in 2005.

### **2.3 Responses from news publishers**

Faced with both falling circulation numbers and declining ad revenues, the industry has restructured in an effort to cut costs and maintain profits. To centralize administrative and editorial functions, acquisitions have become commonplace (for example, in 2015, Postmedia Network acquired all of Quebecor's English-language newspapers). In addition, some daily newspapers began to publish weekly, others slashed their price, and still others began to distribute their product free of charge. Some publishers were forced to close up shop. As a result, employment in the Canadian newspaper industry fell at an annualized rate of 9.7% between 2012 and 2016<sup>3</sup> (Figure 2). Some cuts were brutal. For example, Postmedia Network laid off more than 3,000 employees during this period.<sup>4</sup>

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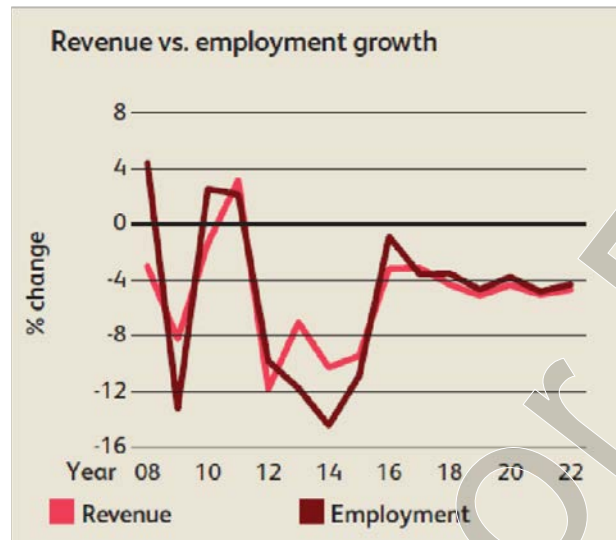
<sup>1</sup> Ibid

<sup>2</sup> [PricewaterhouseCoopers' Global Entertainment & Media Outlook 2016–2020](#)

<sup>3</sup> *Newspaper publishing in Canada*, IBISWorld Industry Report 51111CA.

<sup>4</sup> <http://business.financialpost.com/news/postmedia-issues-layoff-notices-at-the-montreal-gazette-ottawa-citizen>





**Figure 2: Revenue and employment growth and forecast**

Source: IBISWorld, Canada

Most newspapers, including *La Presse*, have responded by expanding their digital operation and adopting various monetizing strategies. Some have implemented hard paywalls, where access to content requires readers to purchase a subscription, or leaky paywalls, which give readers access to a limited number of free articles before they must pay.<sup>1</sup> Some have focused on growing their digital audience by offering unlimited free access to content in an effort to boost readership and advertising revenues. Online audiences are much more transient than print subscribers, however. With the cost of digital advertising much lower than that for print advertising, digital readers are not nearly as lucrative as print readers, and increased traffic has done little to slow the industry's decline. In addition, with about half of marketers' digital advertising budgets earmarked for search engine advertising (e.g., Google), a significant chunk of the digital advertising pie remains inaccessible to digital newspapers.<sup>2</sup>

### 3. *La Presse*'s new digital strategy

#### 3.1 Background

In the 2000s, several indicators suggested that *La Presse* had been relatively successful at maintaining a strong hold on Quebec's daily newspaper market. Its website was popular, reaching an audience of nearly 2.6 million unique visitors monthly in 2009. And while readership of the print edition was gradually declining, *La Presse* still ranked second in Quebec (Exhibit 1) and fourth in Canada by circulation that year.<sup>3</sup> In 2003, the paper had been forced to make a decision: its forty-year-old letterpress equipment would have to be replaced if it was to continue meeting reader expectations. So instead of investing heavily in an outdated technology, it decided to both increase the quality of its newspaper and improve operational efficiency while focusing on its core

<sup>1</sup> <https://www.digitaltrends.com/mobile/new-york-times-goes-free-with-redesigned-ios-app/>

<sup>2</sup> <https://www.emarketer.com/Article/US-Digital-Ad-Spending-Surpass-TV-this-Year/1014469>

<sup>3</sup> [https://en.wikipedia.org/wiki/List\\_of\\_newspapers\\_in\\_Canada\\_by\\_circulation](https://en.wikipedia.org/wiki/List_of_newspapers_in_Canada_by_circulation)

activities (producing editorial content and selling advertising space) by outsourcing printing to Transcontinental.

*La Presse* still faced three major challenges: operational costs remained high; it needed to attract younger readers, who preferred getting their news from free online sources; and online readers were not as lucrative as traditional print readers. In fact, online media reached audiences that were ten to a hundred times larger than did print media while bringing in ten to a hundred times less revenue.

Crevier was thus convinced that the century-old business model of *La Presse* (and of many other newspaper publishers) was no longer sustainable. He realized that if *La Presse* could not reinvent itself to compete with online media, the quality of its content would suffer. This would lead to a vicious circle of declining readership and falling revenues that, in the long run, would sound the paper's death knell.

### 3.2. The emergence of the new digital strategy

The foundational idea behind *La Presse*'s new digital strategy surfaced in a meeting between Guy Crevier and Jean-Marc De Jonghe in late 2009. As the company's senior director of operations, De Jonghe had been responsible for all operations, quality control, advertising production, and colour management for the *La Presse* news and information ecosystem for the last seven years – including the outsourcing of *La Presse*'s printing operations to Transcontinental. With an engineering background and a decade's experience developing and managing newspaper operations, De Jonghe had a deep understanding of the business and the changing role of information technology (i.e., in digitizing not only media production tools and processes but also customer experience platforms). As technology industry experts were discussing the highly anticipated introduction of Apple's latest product, De Jonghe wondered if this new device would be at the core of *La Presse*'s transformation. Yet, as he likes to remind people, “nobody knew at that time what this new tool would look like or how it would work.” So the form and function of the cardboard prototype he created in December 2009 for his discussion with Crevier was still a highly speculative version of what this new medium would look like.

In January 2010, the same month Steve Jobs introduced the first iPad to the world, Crevier announced to his team that the company would have to create a new medium that would retain the DNA of *La Presse* while leveraging the full potential of the iPad. Crevier envisaged much more than just an app. He wanted to seize this opportunity to revolutionize *La Presse* by bringing the print business model to the tablet. The *La Presse+* tablet app would become the vehicle for this new digital strategy.

### 3.3 *La Presse+*: the flagship of *La Presse*'s digital strategy

*La Presse+* is a tablet app that delivers a complete edition by 5:30 a.m. every morning, seven days a week. It offers a wide variety of exclusive content from many new columnists, complemented by a sophisticated visual presentation incorporating text, interactive images, videos, photo galleries, tabbed folders, and scrolling screens that enhance the reading experience. In addition to its daily edition, *La Presse+* integrates a live news feature to keep readers updated on breaking news.

*La Presse+* was designed to revolutionize news consumption. Most newspapers had developed an online presence by digitizing their content without giving much thought to the user experience. In contrast, *La Presse+* fully exploited the affordances of the iPad to facilitate an engaging information-consumption experience in a user-friendly, interactive environment, bringing together the best of video (e.g., rich media, engagement), the Web (e.g., interactivity and calls-to-action), and magazines (high-quality reproduction). While the app aimed to become a mass medium, it was expected to be especially appealing to adults aged 25 to 49.

*La Presse+* aimed to complement other communication channels (mobile, web, paper). With a complete ecosystem, *La Presse* hoped to provide customers with the best option for every moment of their day and to meet different needs at different times. *La Presse Mobile* was useful for when readers wanted to catch up quickly on the latest news; *La Presse+* was meant to provide a “lean-back experience” for captive audiences, offering both rich media content and entertainment; and the paper’s print edition was still a key part of its readers’ weekend ritual.

The decision to use the iPad as the supporting device for *La Presse+* was also driven by the tablet’s potential as an advertising vehicle. As Crevier explains, the goal was to “transform the relationship with advertising through maximum touchscreen interaction.”<sup>1</sup> By offering a daily edition in a magazine-type format, *La Presse+* could offer a much more engaging experience than could other media. The design challenge was to integrate advertising and editorial content as part of the reading experience. Rich media ads with unique formats (e.g., full screen or half screen) were created specifically for *La Presse+*. A leading paint brand would let readers experiment with their favourite colours to virtually repaint a kitchen, or a visually appealing audiovisual clip of Adele singing during her 2013 tour would be posted in the Arts section with a link to buy tickets or her latest CD directly from the app. In these ways, a tablet app with tactile interaction could give readers multi-sensory experiences in a highly focused context. Compared to other digital channels, this unique *La Presse+* experience could help meet a wider range of advertising needs, from increased brand awareness (as traditionally achieved with ads displayed on Web or mobile apps) to conversion (something at which Web and mobile apps were less effective) and to do so more effectively than other online media. Ad variety, guaranteed visibility, and proof of performance were essential in justifying the price premium associated with advertising on *La Presse+* as well as the extra cost incurred by advertisers to design ads specifically for *La Presse+*. (The ad formats displayed on *La Presse+* could not easily be reused on other online media, including *La Presse*’s web or mobile channels.)

Just seven months prior to the launch of *La Presse+*, the company decided to offer its iPad edition free of charge, relying exclusively on advertising revenues. In contrast, most newspaper publishers use paywalls, but there hasn’t been strong evidence of their success – especially for mass market publications such as *La Presse*. In 2011, News Corporation, a New York-based multinational mass media corporation, launched a paid tablet-only publication named *The Daily*, but the app failed to attract a significant audience and was shut down after two years. “I don’t believe in paywalls,” Crevier said. “I think *The New York Times* will succeed. I think *The Financial Times* will succeed. I think probably one or two large European papers will succeed. Why? Because they have content

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<sup>1</sup> [http://www.lemonde.fr/actualite-medias/article/2013/04/18/au-quebec-la-presse-fait-le-pari-de-l-ipad-et-de-la-gratuite\\_3162051\\_3236.html](http://www.lemonde.fr/actualite-medias/article/2013/04/18/au-quebec-la-presse-fait-le-pari-de-l-ipad-et-de-la-gratuite_3162051_3236.html)



that is really, really unique [...] and that is so specialized and so business-oriented.”<sup>1</sup> Aside from paywalls, there were other ways to monetize content such as subscriptions, freemium, micro-transactions, and marketplaces. *La Presse* executives had endless discussions about their monetization strategy, but ended up rallying behind Crevier’s argument that removing barriers to readership and audience growth was most critical to ensuring the survival of the *La Presse+* model and strategy in the Quebec market. A key challenge was to attract young adults between 25 and 35 years old and “young people thirst for free information, an irreversible phenomenon,” according to Crevier.<sup>2</sup> It was thus decided to offer a free edition to meet the goal of quickly expanding their audience and advertising revenues.

In April 2013, after three years of research and development and a C\$40 million investment, *La Presse+* was officially released. At a time when no newspaper had ever created a viable digital business model, *La Presse* became the first daily newspaper to develop its own tablet-based digital platform. To create this platform, an entirely new team composed primarily of programmers, system architects, developers, and graphic designers had been assembled. *La Presse* had also expanded its newsroom staff by hiring more journalists, photographers, videographers, and page designers. In addition, all other operational and support functions, including sales, marketing, and archiving, had also been revamped. The editorial process had been particularly affected by the transformation. Journalists now had to write shorter texts and collaborate with photographers, videographers, and designers to enhance their stories using videos, photos, graphics, and animation. To get buy-in from the newsroom, a “contamination process” had been implemented whereby small teams of enthusiastic volunteers worked on pilots, honed their skills, and served as ambassadors for this new form of content creation for the new medium.

The development of *La Presse+* also led to the launch of a subsidiary company (Nuglif.com), whose mandate was to market the shell platform and its tools (planning, creating, editing, and publishing digital multimedia publications on both iPads and Android tablets) as white label products for other media companies.

Exhibit 2 presents a timeline of major events and technology-driven transformations at *La Presse*.

### 3.4. The market response to *La Presse+*

The tablet app was quickly adopted, with many print readers switching to the new format. Thirteen months after its launch, *La Presse+* was already reaching more readers than the print edition of *La Presse* after 131 years of existence (see Figure 3). Between 2013 and 2015, *La Presse* was the only Canadian daily boasting a 35% increase in circulation for print and digital combined.<sup>3</sup> In 2016, the app was opened by an average of more than 260,000 unique tablets every week day.<sup>4</sup> In comparison, the daily circulation of *La Presse*’s print edition had reached its peak in 1971 with 221,250 copies. In addition, by 2016, the number of letters submitted to the Debates section had more than quadrupled to 73,000.

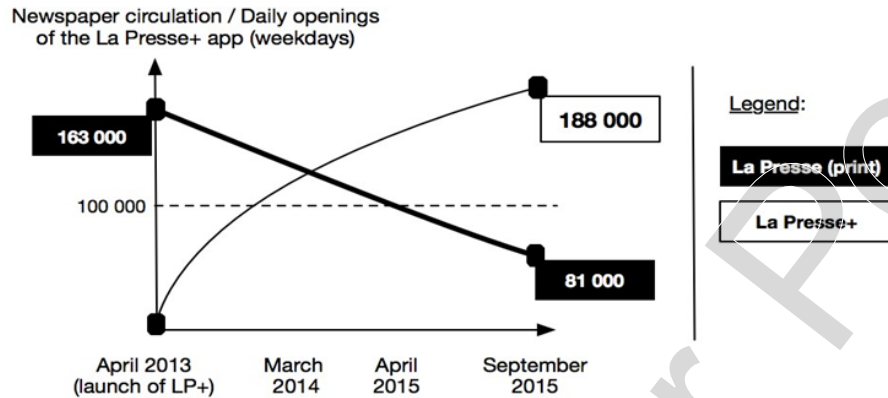
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<sup>1</sup> <http://blog.fagstein.com/2013/10/22/la-presse-plus-analysis/>

<sup>2</sup> [http://www.lemonde.fr/actualite-medias/article/2013/04/18/au-quebec-la-presse-fait-le-pari-de-l-ipad-et-de-la-gratuite\\_3162051\\_3236.html](http://www.lemonde.fr/actualite-medias/article/2013/04/18/au-quebec-la-presse-fait-le-pari-de-l-ipad-et-de-la-gratuite_3162051_3236.html)

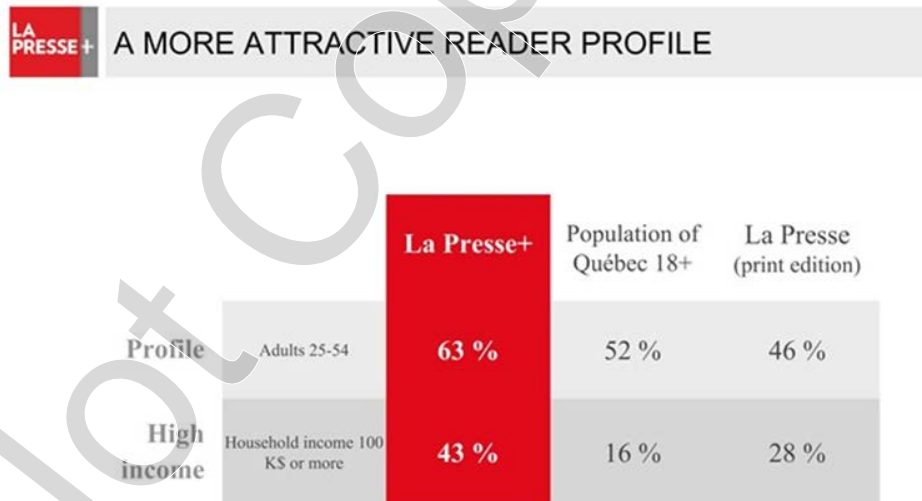
<sup>3</sup> [https://en.wikipedia.org/wiki/List\\_of\\_newspapers\\_in\\_Canada\\_by\\_circulation](https://en.wikipedia.org/wiki/List_of_newspapers_in_Canada_by_circulation)

<sup>4</sup> [https://plus.lapresse.ca/cdn/pdf/Communique15avril2016\\_en.pdf](https://plus.lapresse.ca/cdn/pdf/Communique15avril2016_en.pdf)



**Figure 3: *La Presse* (print) versus *La Presse+* (2013–2015)**  
 Source: *La Presse*

Readers also began spending more time with *La Presse+*. On average, they spend forty minutes daily browsing their weekday edition and more than fifty minutes daily on the weekend.<sup>1</sup> This level of engagement is unique in the digital news media world. Moreover, *La Presse+* was able to meet the challenge of renewing and rejuvenating its readership while increasing the average household income of its readers. In 2015, 63% of *LP+* readers were aged 25 to 54, and 43% had a household income above \$100,000 (see Figure 4).



**Figure 4: *La Presse* and *La Presse+* readership profile in 2015**

Source: *La Presse*, based on data from January 2015 CROP survey:

<https://www.globaleditorsnetwork.org/press-room/news/2016/02/la-presses-successful-shift-away-from-print/>

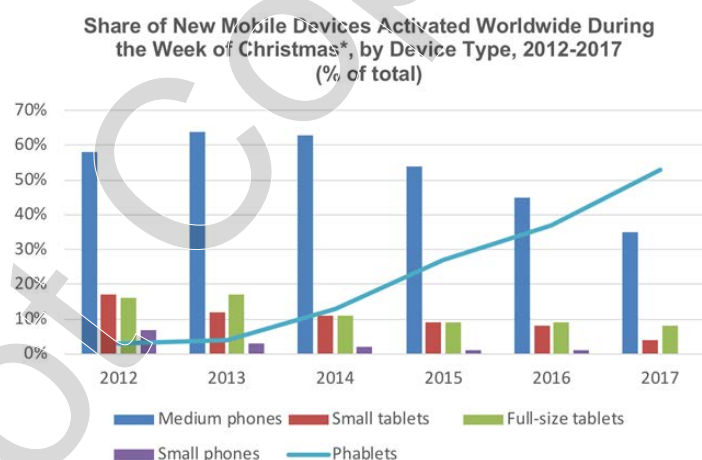
In April 2014, *La Presse+* was made available on Android platforms, and later that year, it became the first-ever tablet media company in Canada with advertising impressions certified by the Alliance for Audited Media (AAM). This recognition is critical since AAM produces comparative advertising performance indices, providing key third-party validation for advertisers.

<sup>1</sup> <http://plus.lapresse.ca/advertisers.html>

As of early 2017, more than 40,000 ads had been distributed via *La Presse+* and, according to Crevier, “Ad revenues from digital platforms already account for more than 88% of *La Presse*’s total advertising revenues. *La Presse+* alone generates more than 75% of *La Presse*’s total advertising revenues.”<sup>1</sup>

### 3.5 Looking ahead

Although competitors and pundits around the world had been impressed by *La Presse*’s digital transformation, Crevier knew this was only a first step and that the company still faced major challenges that would require continued innovation. Due in part to improvements in screen size and quality, tablets had been overtaken by smartphones in their ability to reach online audiences. Readership growth for *La Presse+* had been fuelled by the high penetration rate of tablets, which were adopted by more than 50% of North American Internet users in less than a decade, a speed never before seen in the history of digital technology. But, by 2014, the growth of tablet sales had slowed to just 4.4 percent.<sup>2</sup> Phablets (phones with a screen size of more than 5 inches) are now leading growth in mobile device adoption (Figure 5). The question of whether and how to transfer or adapt *La Presse+*’s experience to such devices without compromising the tablet app’s growth and revenues would thus soon have to be answered. In short, Crevier knew that what *La Presse* had achieved with *La Presse+* was only a first step. Like other industry experts, he knew only too well that “the innovations and disruptions of the past ten years have been nothing short of astonishing, but they’re just the warm-up acts for what’s to come.”<sup>3</sup>



**Figure 5: Distribution of new mobile devices by form factor**

Source: Flurry Analytics, as cited in company blog (<http://flurrymobile.tumblr.com/>). The data represents activity on Flurry platform (Dec. 19–25 of each year); broader industry metrics may vary.

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<sup>1</sup> <https://www.globaleditorsnetwork.org/press-room/news/2016/02/la-presse-successful-shift-away-from-print/>

<sup>2</sup> IDC Worldwide Quarterly Tablet Tracker

<sup>3</sup> G. Westerman, D. Bonnet, and A. McAfee. *Leading Digital: Turning Technology into Business Transformation*. Harvard Business Publishing, 2014.

## Exhibit 1

### Dailies Circulation in Quebec from 2008–2015

	2008	2009	2010	2011	2012	2013	2014		2015	
							Print+dig	Print	Print+dig	Print
<b>Montreal Gazette</b>	1 057 294	1 144 504	1 094 653	806 122	683 327	624 807	547 445	390 477	485 369	336 043
% of total circulation	13,3%	13,4%	13,1%	9,9%	8,0%	7,3%	6,6%	6,2%	5,9%	5,7%
Yearly growth		8,25%	-4,36%	-26,36%	-15,23%	-8,56%	-12,38%	-37,50%	-11,34%	-13,94%
<b>The Record</b>	22 865	22 018	20 615	21 538	21 355	21 565	21 715	20 410	21 715	20 410
% of total circulation	0,3%	0,3%	0,2%	0,3%	0,2%	0,3%	0,3%	0,3%	0,3%	0,3%
Yearly growth		-3,70%	-6,37%	4,48%	-0,85%	0,98%	0,70%	-5,36%	0,00%	0,00%
<b>Le Devoir</b>	175 308	178 363	189 517	200 926	208 183	211 252	214 263	159 126	260 147	145 677
% of total circulation	2,2%	2,1%	2,3%	2,5%	2,4%	2,5%	2,6%	2,5%	3,2%	2,5%
Yearly growth		1,74%	6,25%	6,02%	3,61%	1,47%	1,43%	-24,67%	21,41%	-8,45%
<b>La Tribune</b>	199 680	197 278	198 071	195 459	189 326	187 963	181 785	170 185	166 139	152 343
<b>Le Quotidien</b>	203 317	201 060	198 656	199 078	195 577	193 962	189 527	161 940	182 021	152 697
<b>Le Nouvelliste</b>	257 234	256 682	265 239	267 256	267 082	259 693	256 565	215 418	248 254	210 458
<b>La Voix de l'Est</b>	96 359	92 844	90 591	90 724	90 320	96 424	94 765	86 907	91 579	80 756
<b>Le Soleil</b>	610 173	593 404	565 039	572 107	563 026	556 624	553 309	489 033	549 188	442 312
<b>Le Droit</b>	215 579	217 258	221 912	215 554	213 212	210 641	205 136	177 386	204 947	161 976
<b>Total Capital Medias</b>	1 582 342	1 558 526	1 539 508	1 540 178	1 518 543	1 505 337	1 481 087	1 300 869	1 442 128	1 200 542
% of total circulation	19,9%	18,3%	18,5%	18,9%	17,8%	17,7%	17,8%	20,6%	17,5%	20,4%
Yearly growth		-1,51%	-1,22%	0,04%	-1,40%	-0,87%	-1,61%	-13,58%	-2,63%	-7,71%
<b>La Presse - Gesca</b>	1 504 674	1 505 992	1 276 623	1 309 543	1 363 237	1 500 269	1 734 445	864 516	1 739 598	621 901
% of total circulation	18,9%	17,7%	15,3%	16,1%	16,0%	17,6%	20,9%	13,7%	21,1%	10,6%
Yearly growth		0,09%	-15,23%	2,58%	4,10%	10,05%	15,61%	-42,38%	0,30%	-28,06%
<b>Le Journal de Montréal</b>	1 577 987	1 885 737	1 927 589	1 901 916	2 014 592	1 953 681	1 633 726	1 354 939	1 626 327	1 308 466
<b>Le Journal de Québec</b>	617 781	803 828	867 244	890 996	1 015 625	1 108 394	1 055 490	624 375	1 063 611	634 018
<b>24 Heures</b>	740 000	715 040	715 040	728 415	894 569	728 415	751 193	751 193	751 193	751 193
<b>Total Quebecor</b>	2 935 768	3 404 605	3 509 873	3 521 327	3 924 786	3 790 490	3 440 409	2 730 507	3 441 131	2 693 677
% of total circulation	36,9%	39,9%	42,1%	43,2%	45,9%	44,5%	41,5%	43,2%	41,7%	45,8%
Yearly growth		15,97%	3,09%	0,33%	11,46%	-3,42%	-9,24%	-27,96%	0,02%	-1,35%
<b>Métro</b>	680 000	710 770	710 770	759 437	824 604	860 010	860 010	860 010	860 010	860 010
% of total circulation	8,5%	8,3%	8,5%	9,3%	9,7%	10,1%	10,4%	13,6%	10,4%	14,6%
Yearly growth		4,53%	0,00%	6,85%	8,58%	4,29%	0,00%	0,00%	0,00%	0,00%
<b>Total circul. QC dailies</b>	7 958 251	8 524 778	8 341 559	8 159 071	8 544 035	8 513 730	8 299 374	6 325 915	8 250 098	5 878 260
Yearly growth		7,12%	-2,15%	-2,19%	4,72%	-0,35%	-2,52%	-25,70%	-0,59%	-7,08%

Source: Data compiled annually by Newspapers Canada using circulation data certified by the Audit Bureau of Circulations (ABC), the Canadian Circulation Audits Board (CCAB), the Canadian Media Circulation Audit (CMCA), and publisher claims. Available at: <https://nmc-mic.ca/about-newspapers/circulation/daily-newspapers/>

## Exhibit 2

### Key dates in the history of *La Presse*

