



NEWS MEDIA OUTLOOK

Re-Imagining the Transformation

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**2 ENDS
OF A ROPE,
BURNING
TOWARD
EACH
OTHER**



2 ENDS OF A ROPE, burning toward each other

Legacy

The New York Times
O GLOBO J 중앙일보
hindustantimes
Le Monde theguardian
Clarín EL TIEMPO
The Washington Post

Digital

 THE HUFFINGTON POST
VOX  GAWKER
MEDIA
VICE BUSINESS INSIDER
SAY" COMPLEX MEDIA
BuzzFeed  Demand Media

2 ENDS OF A ROPE, burning toward each other

Legacy

Print-digital synergies
Cash flow
Good profit, low cap
Workforce: 40s/50s
Journalism as an end
Decisions from heart
Skeptical of free content
Do what's right
High-quality editorial environment

Digital

Digital
Venture capital
Bad profit, high cap
Workforce: 20s/30s
Journalism as means to end
Decisions from analytics
Skeptical of paid content
Disrupt legacy media
Medium-quality editorial environment

2 ENDS OF A ROPE, burning toward each other

Legacy

1,400 news dailies
38,000 journalists
27+ journos per daily
Low productivity

Digital

500 news sites
5,000 journalists
10 journos per site
High productivity

Who are these DIGITAL LEADERS?



Keys to **SUCCESS**

Journalism with an attitude

Ferociously burrow into content verticals

Target audience: young adult urban dwellers

Analytics key part of corporate culture

Advertising both bold and subtle

Mobile-first, desktop and tablet second



Complex Media and the vertical drill-down

Past focus

Fashion
Video games
Music
Design

Emerging focus

Streetwear
Sneaker culture
Hip-hop
Graphic art

COM
PLEX
MEDIA

“Our investors look at us and ask if we can disrupt media in the same way that others are disrupting health care and other industries.”

Jim Bankoff, CEO, Vox Media



Today's PRESENTATION

The background of the slide is a photograph of a long, straight asphalt road stretching into the distance. The road has a dashed yellow center line and solid white edge lines. It is set in a vast, arid desert landscape with sparse, low-lying vegetation. In the far distance, a range of mountains is visible under a clear, light blue sky. The overall tone is bright and open.

Transformation

Technology trends

Big Data

Mobile

What the middle of the rope looks like

Where news media is going

Sharing ideas. Inspiring change.



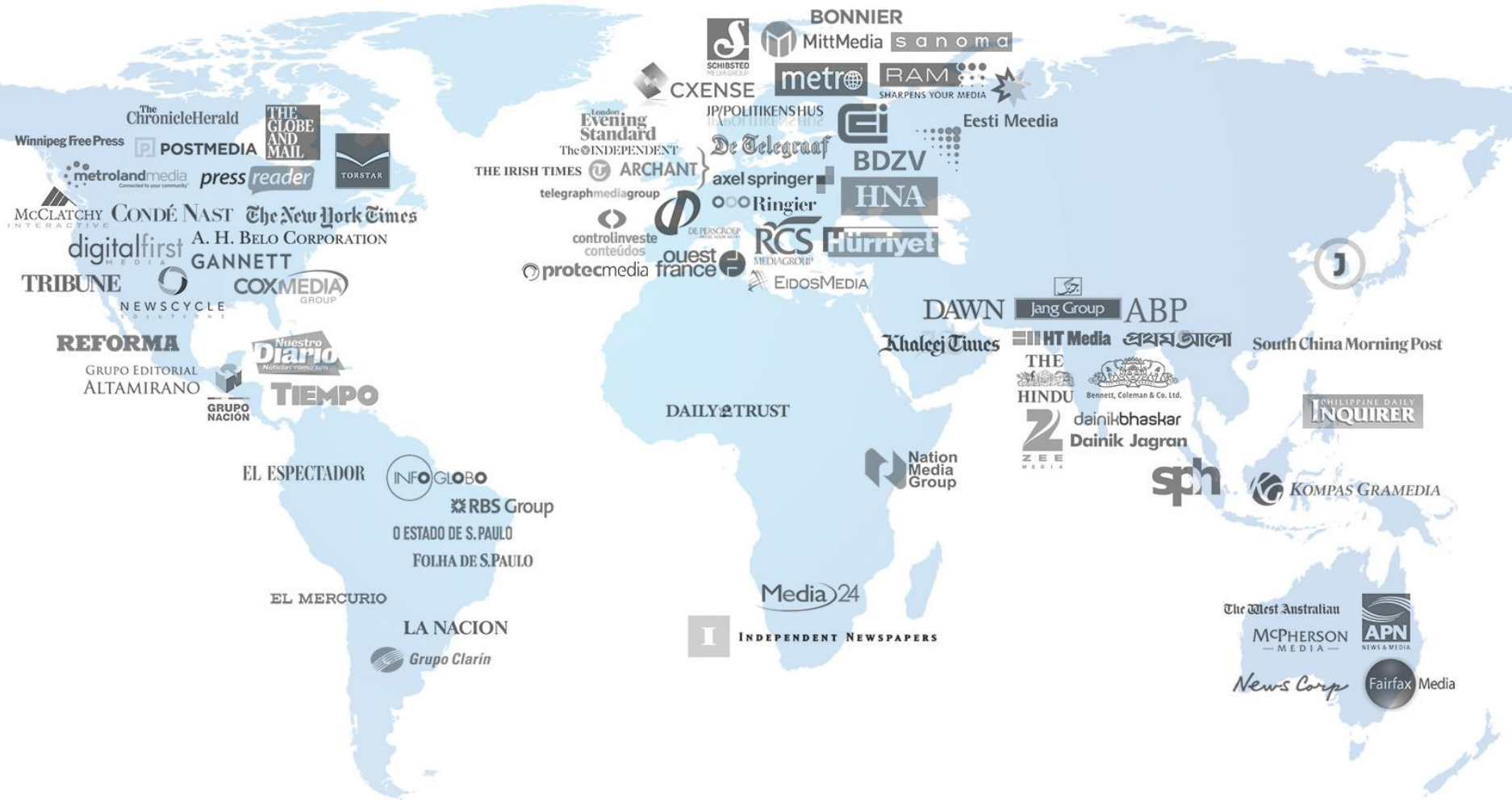
The vibrant

INMA COMMUNITY

includes 7,000+ executives

at 600+ news media companies







inma

Sharing ideas. Inspiring change.

TRANSFORMATION



Inexorable TRENDS for media and advertising

Reach

Print/broadcast

Reach

Bulk impression

Big tickets

Brand/image

Volume-based

Inefficient ad buy

Advantage: publisher



Each

Web/mobile/keyword

Precision

Limited impressions

Small tickets

Transactional

Response-based

Efficient ad buy

Advantage: advertiser

Why do we need to **TRANSFORM**?

Sharing ideas. Inspiring change.

Trends point us in one direction: digital

Consumer ecosystems going digital

Readers: print > desktop > tablet > smartphone

Advertisers chase readers wherever they go

Balancing act of print: differentiator, legacy platform



Our grand TRANSFORMATION

Sharing ideas. Inspiring change.

Unlearning exclusivity of print economics

Ramping up learning of digital economics

Identifying synergies between print and digital

Downsizing workforces, legacy costs with low ROI

The point: a lot of crucial bandwidth spent on transitional issues

What print to multi-media “transformation” really is

Corporate culture

Can you create a culture that innovates routinely?

Revenue diversification

How to create management structure strong enough to go further out “on the limb”?

Print to multi-media path

Where do the content, audience, advertising experiences intersect?

“TRANSFORMATION”

dangerous term for media companies

Print-to-digital is problematic

Too much direct transference of print to digital

Too much settling in the middle between
print and digital

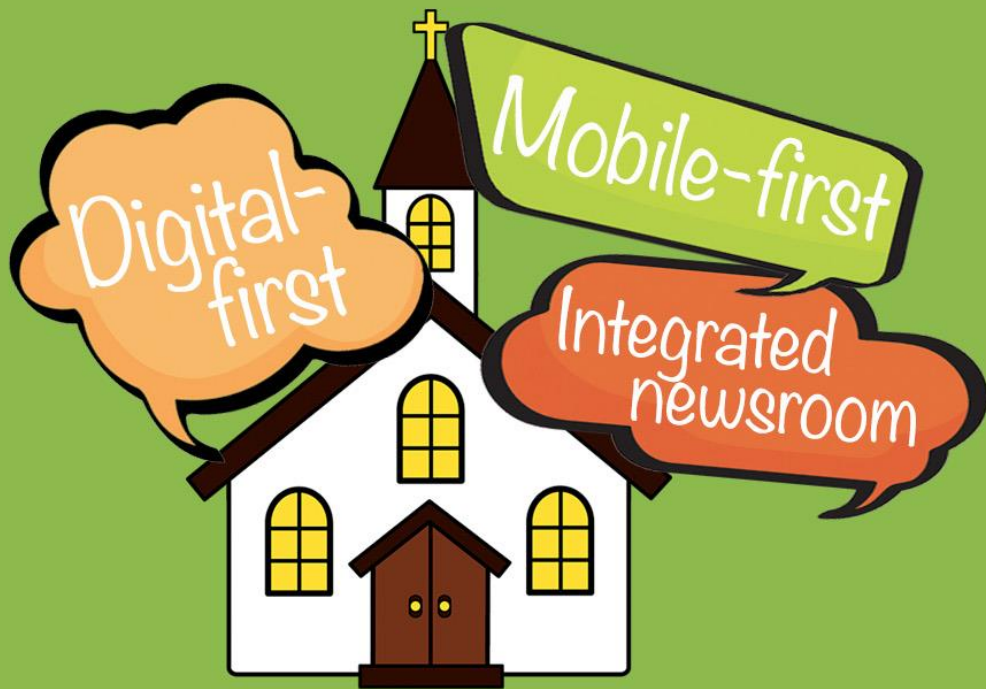
Brand and mission should persist



Richard Gingras, *Head of News, Google*

POLITE words in church

95% of legacy publishers today are print-first



What “DIGITAL-FIRST” means

Culture

People,
organisational
structure, job
titles, physical
workspace,
analytics,
transparency

Audience

Right people
producing right
content in right
ways, optimised
through SEO,
social media,
platforms

Revenue

Programmatic,
native advertising,
video, high CPM
formats

Approaches to **TRANSFORMATION**

Can't make transformation stick incrementally

Stake bold positions, work backward

Kudos:

MittMedia and VK for innovation

Bonnier Group for mobile-first

Aftenposten for storytelling

Advance for cultural overhaul

Forced migration of readers

PRINT TO DIGITAL

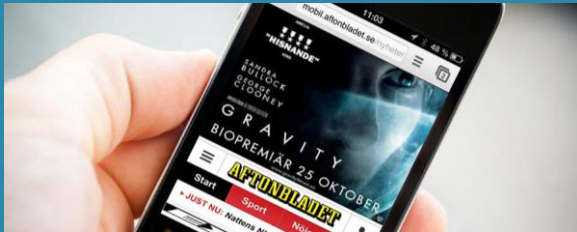
Aftonbladet / Sweden

Online-only operation by 2017

Mass market mobile

Interact with readers 5 key points

Reach 50% population daily



La Presse / Canada

iPad app now their core product

Encouraging readers to read via iPad

200,000 print, will question at 40,000

Does not believe in print dominance



Hiring for “DIGITAL FIRST”

Deficit of digitally minded editors

Your competitors are Vox & Vice: How are you different?

Workplace attractive to young digital talent

Technology must be world-class

VALUE PROPOSITIONS



Modern **VALUE** propositions

If your company or brand disappeared, would society be poorer for it?

What is your indispensability factor?

To whom are you indispensable?

Fast will eat slow. Big will not always beat small.
Simple will always displace complex.

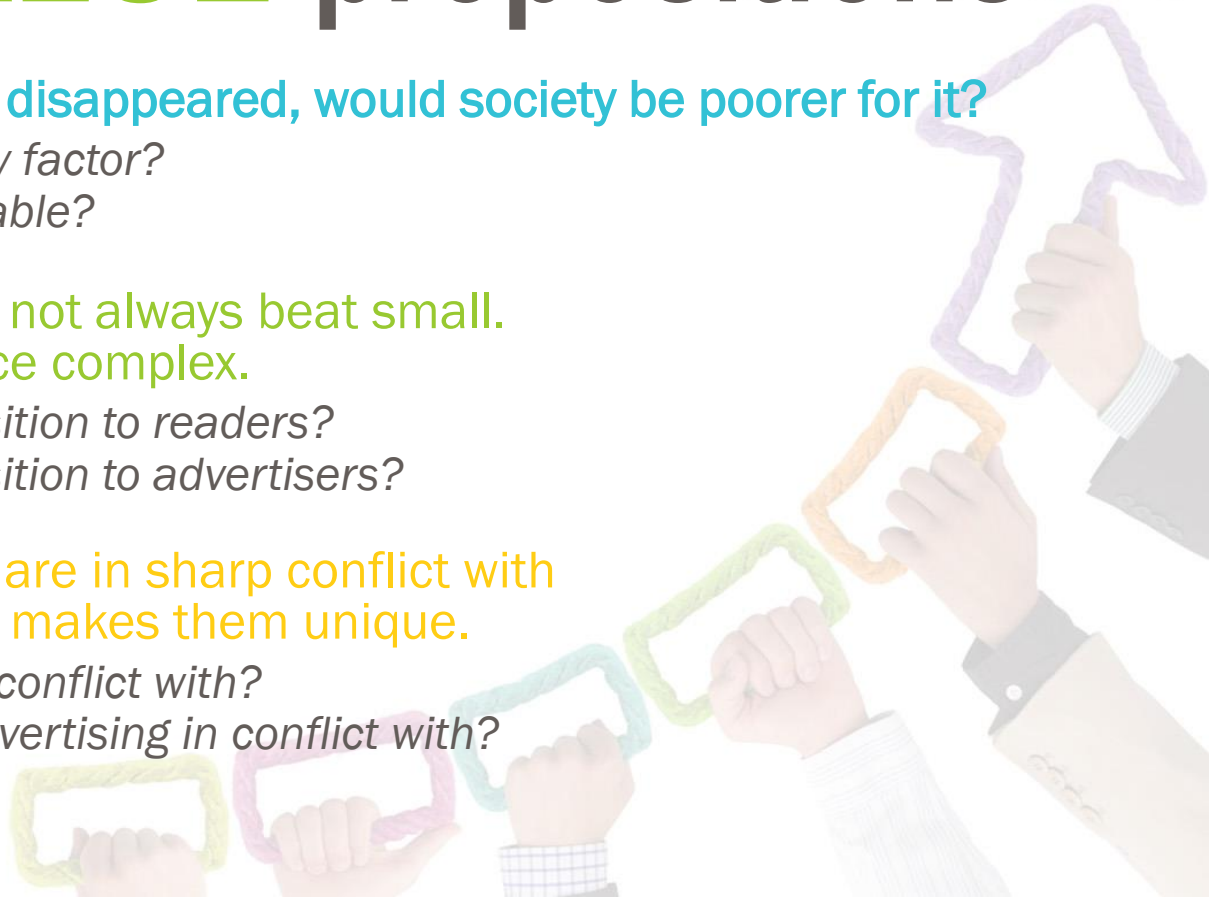
What is simple value proposition to readers?

What is simple value proposition to advertisers?

Companies that succeed are in sharp conflict with something in society that makes them unique.

What is your news brand in conflict with?

What are journalism and advertising in conflict with?



What is your **REAL VALUE?**

Brand

Local

Growth story (mobile)

Transformation story

Influence



What is your REAL VALUE?

Brand

Intensity of reader relationship

Communicating value across platforms



VALUE GOAL: intensifying reader relationship

Paid digital subscriptions

THE WALL STREET JOURNAL.

917,000

The New York Times

875,000

FINANCIAL TIMES

476,000

The Economist

167,000

Sources: Latest available data from Nieman Journalism Lab, Digiday, Forbes, The Guardian



Be honest about your **MARKET** relationship

Half of value proposition was (is?) non-content

Non-content “readers” scattered across digital platforms

Content readers: passionate, older, strong ability to pay

Among content readers, relationship about packaging and habit

Our response: less content at higher prices



The markets for **PACKAGED** content



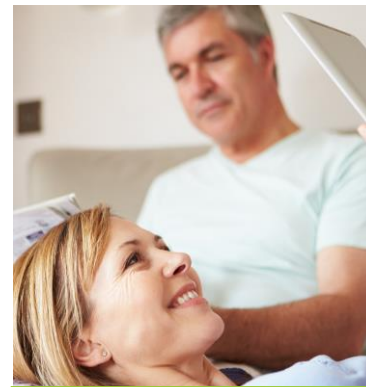
Digital Natives

Mobile, free, unique packaging, frustrated with legacy experiences



Print Natives

Locked in to print, passionate, willing to pay premium



Digital Immigrants

Print history yet lives going digital, digital embrace slowly, tablet perfect

What is your REAL VALUE?

Brand

Intensity of reader relationship

Communicating value across platforms





Consumer perceptions of **LEGACY** multi-platform brands

Old print brands in young digital world

Not enough passion behind them

Lack of clarity of what they stand for

Extraordinary complexity

LEGACY media brands

Quality

Slow

Thorough

Irrelevant

Old

Print

EL PAÍS

The Washington Post
The Daily Telegraph

TIME

MODERN media brands

Popular

Fast

Skimmable

Relevant

Young

Digital

Vox **BuzzFeed** THE HUFFINGTON POST

THE DAILY
BEAST

Platforms are **PROXIES**

Print defined as **old** by the
young

Digital defined
as **young** by
the **old**

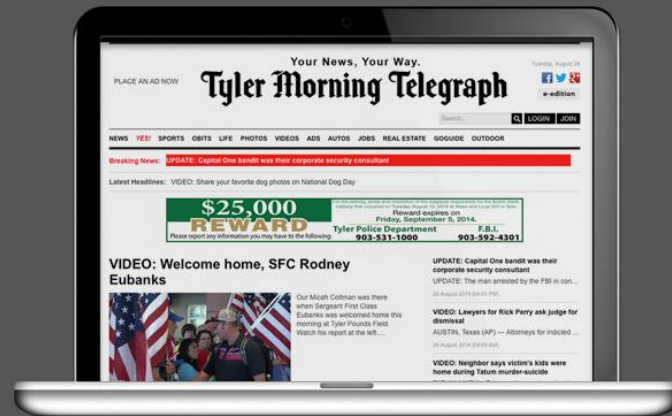
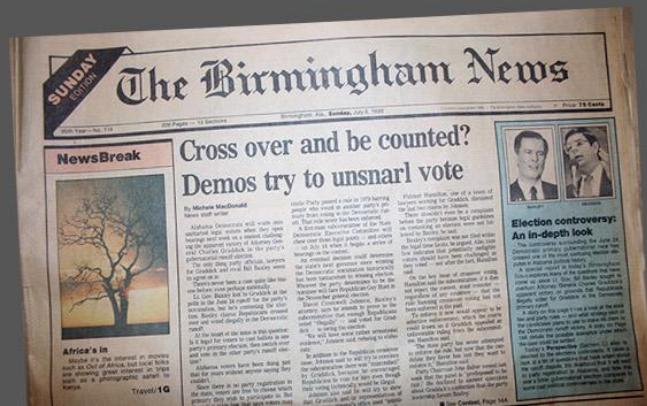


Faces of your NEWS BRAND

Your front page

Your home page

Your front door

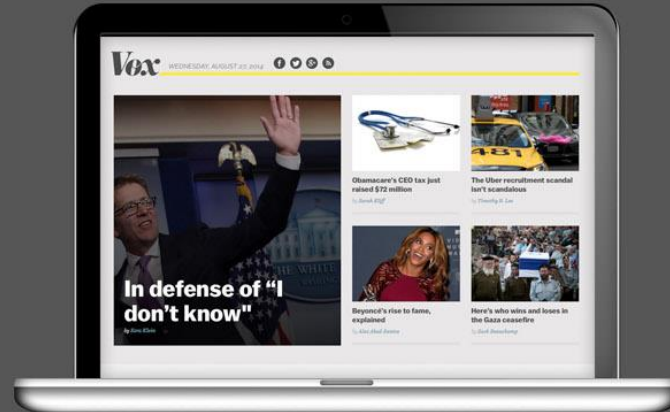


Faces of your NEWS BRAND

Your
front page

Your
home page

Your
front door



The image your NEWS BRAND projects

Are you authoritative?

Are you collaborative?

Are you exclusive or
inclusive?

Are you accessible?

Are you passionate?

Are you projecting imagery
unintentionally?



TECHNOLOGY TRENDS

TECHNOLOGY TRENDS

for news publishers

Connectivity

Power shifts to consumers:
wearables, connected cars, smarter TV units, mobile

Personal data center

Connecting wearables, cars, homes, Big Data, big impact on advertising + couponing

Access vs. ownership

Renting overtaking owning from real estate to cars to cable TV to content (good for subscriptions)

Proliferation of screens as devices proliferate

Screens trying to do too much:
sorting out what consumers want to do with each screen

What TECHNOLOGY TRENDS mean for you

Mobility

Unhinging from desktop, TV, home: **media** more out-of-home experience

Simplifying

Drowning in information, **role of media** simplifying, clarifying, signal amid noise

Subscriptions

Mindsets shifting: **bad for iTunes,** good for Spotify and Netflix



BIG DATA

BIG DATA: what you need to know



What it means
in 2015

Ad-serving software
Customer relationship
management (CRM)

Big impact on culture,
strategy, personnel,
foundations

ROI: engagement, revenue,
better business outcomes
“Math Men” replacing “Mad
Men” at media companies

Tied to programmatic,
mobile, paywalls

INMA focus on BIG DATA

Less “Big Data,” more “smarter data”

Subject moving quickly, INMA to go fast and slow

What “fast lane” is starting to look like

Programmatic publishing of personalised content

Nano-segmentation to grow lifetime value of consumer

BIG DATA and the burning rope

Data analytics vs. human judgment

Quantitative vs. qualitative

Science vs. art

Push vs. pull

Serendipity vs. individualised





MOBILE

MOBILE: what you need to know

Time spent with media by U.S. adults, 2010-2014



Note: Hours: minutes, mobile is non-voice

Source: eMarketer

MOBILE for consumers

Addiction to mobile devices = jolt of dopamine

Average person checks mobile 150+ times per day

66% mobile users engage news on mobile device

Only 2%-5% of time spent on mobile is with news

Smartphones = young, tablets = old

What to WATCH next with mobile

Growth rates in non-voice mobile usage

Advertising category shifts

Proliferation of ad formats, geo-location

What drives higher CPMs (La Presse, Aftonbladet)

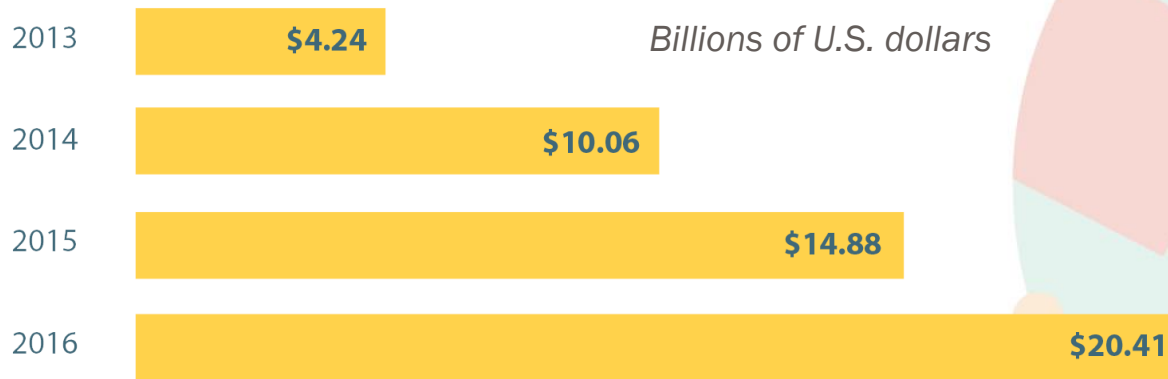
Keep eye on Quartz, Vice, Vox

PROGRAMMATIC

A large, faint background graphic on the right side of the slide. It features a central illustration of two hands shaking, symbolizing a deal or partnership. Surrounding this central image are various business-related icons: a lightbulb (representing ideas), a line graph with an upward trend (representing growth), a pie chart (representing data or market share), and a bar chart (representing performance or statistics). The entire graphic is rendered in a dark, muted color palette, blending into the dark grey background.

PROGRAMMATIC: what you need to know

U.S. programmatic display ad spending, 2013-2016



Source: eMarketer, October 2014

PROGRAMMATIC: what you need to know

No longer “race to bottom” and low CPMs

Publishers won't catch up to advertising community until 2016

Publisher data may be more valuable than their inventory

Scale matters, but executable at local media companies

Partnerships crucial to success

Publishers building capabilities around programmatic



SPOTLIGHT ON SCHIBSTED



SCHIBSTED:

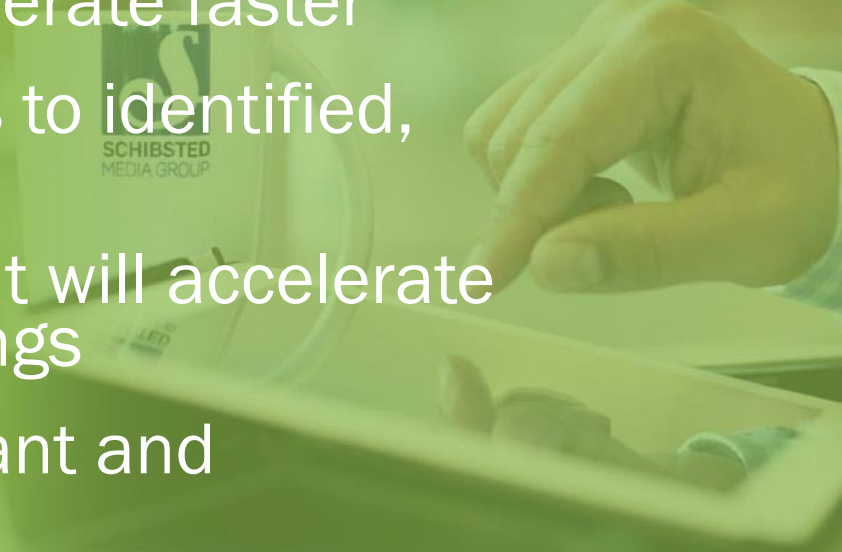
middle of the burning rope

Digital transformation will accelerate faster

Web changing from anonymous to identified, login crucial

Traffic, data new currencies that will accelerate with wearables, Internet Of Things

More data = better, more relevant and personalised services



SCHIBSTED cornerstones

Advanced data analytics

Customer insights

Payment services

Technology platforms

Organisation and competence



SCHIBSTED “newspapers”

VG, Aftenbladet, Aftenposten re-imagined as digital media houses

Print circulations continue to decline

Aspiration: transfer brand soul to mobile and video bodies



CONCLUSION



**2 ENDS
OF A ROPE,
BURNING
TOWARD
EACH
OTHER**



LEGACY focus

Preserve enough print audience and advertising

Capture new digital audience and advertising

Preservation of today's newsroom scale crucial



DIGITAL focus

Grow audience at all costs

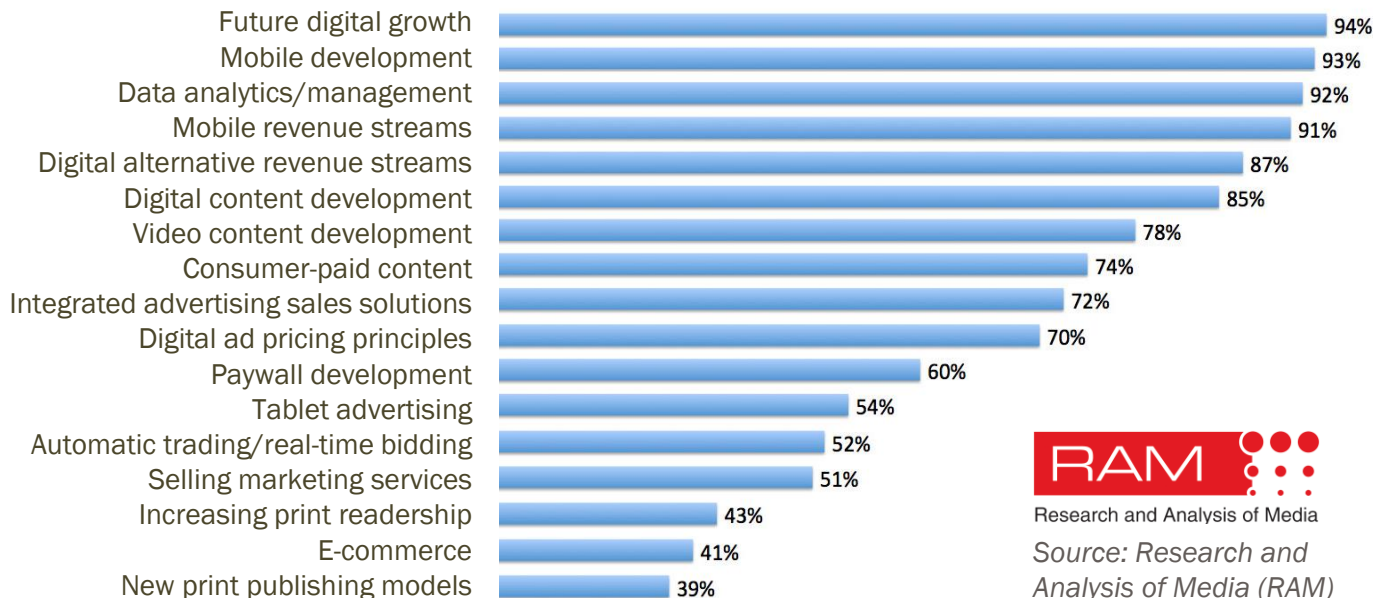
Create new quality editorial environments

Be innovators + disruptors for ad revenue



Media company PRIORITIES in year ahead

“Absolutely crucial”
+ “very important”
issues of INMA
World Congress
attendees, May
2015



Research and Analysis of Media

Source: Research and
Analysis of Media (RAM)

PRIORITIES FOR NEWS PUBLISHERS



Keep up with rapidly changing news consumption habits

Leverage data to grow audiences and revenue

Compete in programmatic advertising environment

Diversify revenue beyond print and digital



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