



Global News Media Outlook

Earl J. Wilkinson

Executive Director and CEO

International News Media Association (INMA)

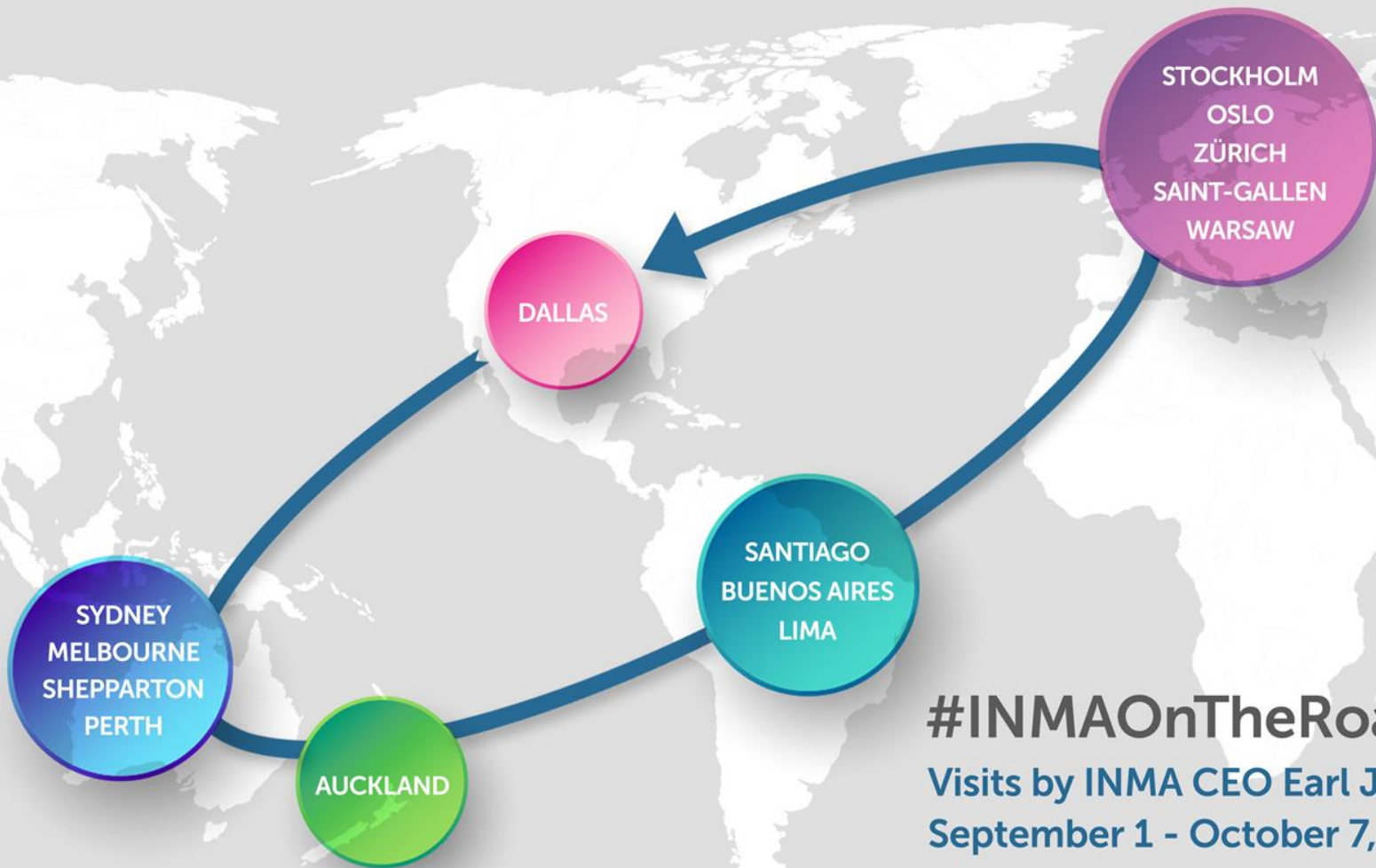
@earljwilkinson



inma

Sharing ideas. Inspiring change.

International News Media Association



#INMAOnTheRoad

Visits by INMA CEO Earl J. Wilkinson
September 1 - October 7, 2017

Today's presentation

A snapshot of news media, 2017

The road to media transformation

Build foundations first

The vitality of news brands

The role of data

The economics of content

Conclusions

A SNAPSHOT OF NEWS MEDIA, 2017

inma
WORLD CONGRESS
OF NEWS MEDIA



inma

Sharing ideas. Inspiring change.

WHAT INMA DOES

- Surface best practices
- Inspire change
- Connect peers

WORLD CONGRESS OF NEWS MEDIA

May 21-23, 2017 | The TimesCenter | New York

inma
WORLD
OF NEWS

#inma17

Over-arching INMA World Congress themes

The rapid rise of reader revenue in business model

The lowering of expectations for advertising

“New normal everywhere”: optimism in face of disruption

AI moving faster at data “fast-lane” companies

The omnipresence of Facebook and Google



Strategic takeaways from World Congress

Don't get distracted by technology; relentlessly focus on consumer, who is driving disruption

New York Times strategy based on US\$0 print advertising revenue in future, reader revenue key

Digital subscription models moving from simple to complex, new tilt toward freemium models

People don't pay for articles; they pay for great access to brands they like

Be realistic in advertising expectations: defend current share over gaining new share

Re-focus sales efforts from media agencies to advertising clients (where decisions are influenced)

Media seriously under-estimating rise of AI, treating it like Internet 20+ years ago

Combination of Trump and "fake news" has helped media re-think what they are best at

THE ROAD TO TRANSFORMATION

Overly simplistic history of journalism-rich news media

1450-1830: News on paper, publishing an “influence industry”

1831-1930: Creation of mass media info products and business models

1930-1993: Optimisation of profits, context of new media (radio, TV)

1994-2004: Launch, popularization of Web, give away content online

2004-2009: Decline of print advertising, flirtation with digital

2010-Present: Rapid acceleration of print to multi-media 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

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

Media revenue models

Advertising

- Brand creative
- Pay-per-click
- Pay-per-action/sale
- List rental
- Product placement

Affiliate

- Pay-per-sale
- Pay-per registration
- Pay-per-download

Brand

- Brand licensing
- Sponsor fees
- Branded products
- Branded content

Classifieds

- Listing fees
- Transaction fees
- Contextual advertising

Community

- Membership
- Pay-for-voting
- Pay-for-messaging/SMS
- Sales of community research

Content

- Subscription
- Pay-per-view
- Pay-for-format
- Customised content

Distribution

- Syndication
- Licensing
- Custom feeds
- API fees

Events

- Conferences
- Roundtables
- Showcases
- Access to buyers

Leads

- Lead generation
- Registration-for-content
- Offers
- Enquiry matching

Merchandising

- Books/research
- Music/video
- Clothing

Partnerships

- Revenue share
- Profit share
- Share of revenue increase

Platform

- Sell distribution platform
- License platform
- Distribution fees
- Serve advertising

Update on “burning rope”

Legacy

Moving on Big Data

Digital skill sets

Talent turnover

Audience struggles

7 of 10 most shared sites on
Facebook

Managing down

Digital

Audience growth slows, stops

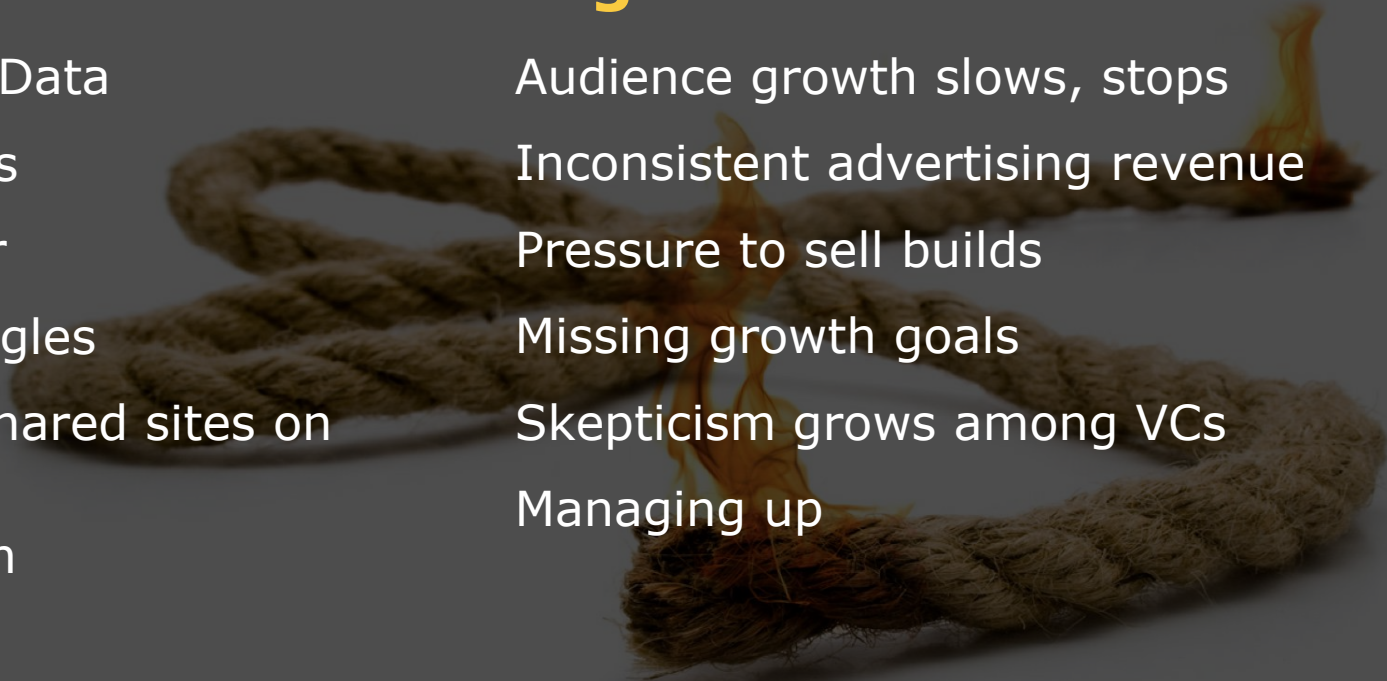
Inconsistent advertising revenue

Pressure to sell builds

Missing growth goals

Skepticism grows among VCs

Managing up



Brands, data, audiences, culture

Establishing platform-agnostic brands and personalities

Harnessing data: decisions, personalisation, knowledge

Smarter audience and product segmentation

Content buckets and platform specialists

Hiring and training: Multi-media skill sets

Talent-friendly workforce: flat walls, ideation

Commitment to constant experimentation

The great stall

Readership relationship becoming click-transactional

Too many companies failing to on-ramp to data highway

Print cultures and print workforces like an anchor to change

CEOs frozen to make digital switch: money/time vs. short-term financial needs

Not positioning H.R. as proactive arm of company

Christmas Tree without a stand

Chasing “bright shiny objects” without firm foundations

Programmatic and paywalls without data

Digital transformation without the right talent

Going further out on complexity limb without management

Not enough eyeballs on business opportunities, segmentations



BUILD FOUNDATIONS FIRST

Schibsted foundations

Advanced data analytics

Customer insights

Payment services

Technology platforms

Organisation and competence



First, what is your primary purpose for existing?

Journalism

Audience

Advertising



Technology

Influence

Profitability

Second, establish your foundations

Brand

Culture

Data

Audience



Third, know your platforms

Strategy/storyline

Over-arching platform and audience storyline

Targets, audience, and monetisation for which platforms

Philosophy on technology trends

Platforms

Print

Responsive Web

Smartphone

Tablet

Google AMP

Facebook Instant Articles

Snapchat Discover

Browser-based apps

The bright shiny objects

We are an **audience**-based company

We are obsessed with optimising **foundations**

We operate across 6 **platforms** delivering X million **audience**

We aim to be expert in these 7 spaces



THE VITALITY OF NEWS BRANDS



#fakenews?

Opportunity in chaos

A wonderful excuse to talk about what you stand for (values-driven media)

A potential staff motivator, galvanizer

A wonderful excuse to push changes in journalism ecosystem

Opportunity for news brands to talk collectively

Opportunity to make Facebook a partner

May be a subscription opportunity, definitely opportunity to segment out influencers in audience base

IN THE NEWS | EDITOR'S LETTER
TRUMP'S PRESIDENCY
ALREADY A JOKE,
BUT NO LAUGHING MATTER
READ THE ARTICLE →

VANITY FAIR

DAILY REEL DONALD TRUMP
FULL-TIME PRESIDENT,
PART-TIME MAESTRO
WATCH THE VIDEO

Subscribe! Vanity Fair: After Trump

blast, 13,000 subscribers and 10,000 new Twitter followers in one day (subscriptions up 77,000)



The Kardashians
Flip the Queen
Script

by JOSH DUBOFF



HIVE

SEARCH 🔍

TRENDING

First Look: Alicia Vikander as
Lara Croft in Tomb Raider
BY HELENE RICH

Stunning Rare Photographs
of Frank Sinatra, Lucille Ball,
and Marlene Diet...
BY CHRIS ROVZAR

FROM THE MAGAZINE
Elon Musk's Billion-Dollar
Crusade to Stop the A.I.
Apocalypse



The New York Times

50% off for one year.

Monday, March 27, 2017 Today's Paper Video 84°F Dow -0.22% ↓

World Politics News Opinion Tech Science Health Sports Arts Style Food Travel Magazine T Magazine Real Estate ALL

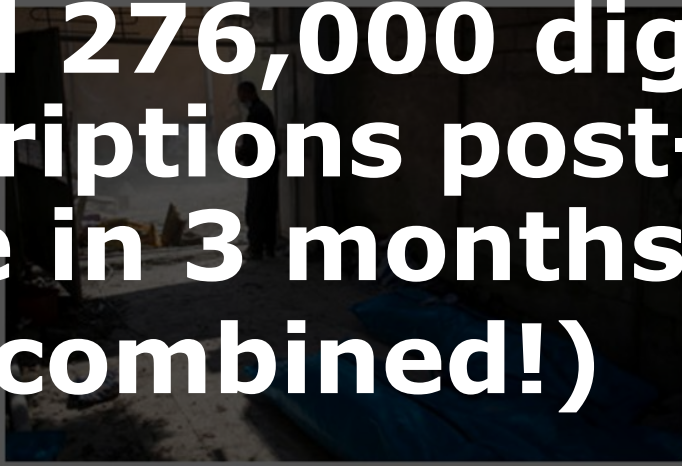
The New York Times:

Added 276,000 digital subscriptions post-Trump (more in 3 months than all of 2015 combined!)

G.O. Wins Less Ambitious Tax Plan, Health Bill Loss

By ALAN CRAPP

- Republicans in Congress will start this week on an obstacle course of more arduous and difficult the first overhaul of the tax code in three decades.
- President Trump's inability to reverse the health law has made the daunting tax challenge even harder.



Felipe Dana/Associated Press

At Site of Deaths, Our Reporters Find Cost of U.S.-ISIS Battle

Times reporters are in Mosul, Iraq, to assess reports that less time is being taken to weigh risks for civilians as the battle

The Opinion Pages

CONTRIBUTING OP-ED WRITER
The All-Male Photo Op Isn't Great for America
 By JEFFREY M. HANAUER
 Republicans know the photo op was a mistake. They should have

- The War on Science
- Blow: The King of Crash and Burn
- Krugman: How to Build on Obamacare
- To Win Again, Democrats Must Stop Being the Abortion Party
- Why Steven Mnuchin Wants a Stronger I.R.S.

THE STONE
Our Delight in Destruction
 By COSTICA BRADATAN
 We were surprised by Trump because we assumed that humans and history are driven by reason.

RED CENTURY
The Bolsheviks Versus the Deep State
 By ANNE O'DONNELL
 One hundred years ago, Russia's communist insurgents faced a stiff challenge from an intransigent bureaucracy.

THE WALL STREET JOURNAL.

U.S. Edition | March 27, 2017 | Today's Paper

Subscribe Now | Sign In

Join now 50% off

Home World U.S. Politics Economy Business Tech Markets Opinion Arts Life Real Estate

Search

What's News

Health-Law Suit
Takes Center Stage
After Bill's Failure

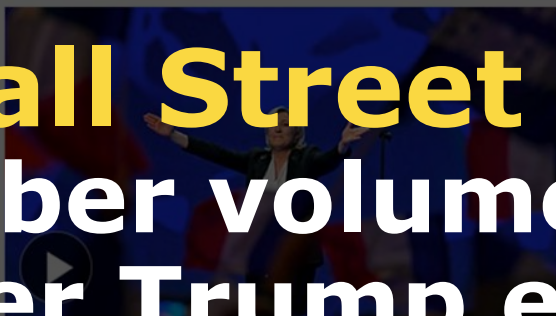
President Donald Trump and GOP lawmakers seeking to repeal the Affordable Care Act have an option for gutting the health law relatively quickly. They could halt bill payments to insurers after the

334

Kushner to Tell Senate Panel About
Russia Bank Contact

President Donald Trump's son-in-law, Jared Kushner, met during the White House transition with the head of a state-run Russian bank that is on a U.S. sanctions list, White House officials said. 436

- Trump Team's Russia Ties: List of Who's Who
- Kushner to Oversee 'Innovation' Office



Le Pen, leader of the National Front, is one of the most divisive politicians in Europe—and a frontrunner in France's presidential election this spring. What does she stand for, and can she win? Photo: Jeff J. Mitchell/Getty Images

With Help From France's Elite, Le Pen Tries to
Steer Far-Right Party to Mainstream

Far-right French presidential candidate Marine Le Pen sought advice from a clandestine group of bankers, executives and government officials called "Les Horaces" that is part of the same establishment she has railed against.

- Analysis: In Populists vs. Establishment, the Establishment Strikes Back

Foreign Investors Flock to Iran



Elon Musk's Latest Startup:

Elon Musk's latest startup is a... (text is partially obscured)

No Evidence Linking London
Attacker to ISIS, Police Say

Markets

	U.S.	EUROPE	ASIA	FX	RATES	FUTURES
						1D
						5D
						3M
						6M
						1Y
DJIA	20550.98					-45.74 -0.22%
S&P 500	2341.59					-2.39 -0.10%
Nasdaq	5840.37					11.64 0.20%
Russell 2000	1357.32					2.68 0.20%
DJ Total Mkt	24252.36					-15.83 -0.07%

Mar 27 '17, 4:40 PM EDT

MARKETS →

Opinion

Gorsuch's Foes Embarrass the Senate

By Orrin G. Hatch | Commentary

The Kremlin's Woman in Paris

Review & Outlook

'We Were Never Brothers': Iraq's
Divisions May Be Irreconcilable

By Aziz Ahmad | Commentary

Common messaging

The New York Times *This is an advertisement*

Truth.

It's hard to find.
But easier with 1,000+
journalists looking.

Get up to 40% off the Times
subscription of your choice.

[SEE MY OPTIONS](#)

[NO THANKS](#) [ALREADY A SUBSCRIBER?](#)

Orlando Sentinel

Know fact from fiction

8 ~~4~~ weeks
for **99¢**

[START MY SUBSCRIPTION](#)

We're committed to bringing you truth in journalism
because as times change,
the need for quality reporting doesn't.


Sign up for newsletters | Unsubscribe | Privacy Policy | Copyright © 2017
Orlando Sentinel | 633 N. Orange Ave., Orlando, FL 32801 | 407-420-6353

Orlando Sentinel

THE AUSTRALIAN [LOG IN](#) [SUBSCRIBE](#) *plus*

50% OFF* FOR THE FIRST 12 WEEKS
*\$4 per week, then \$2 per week. Conditions apply.

[FIND OUT MORE](#)



**YOU'VE READ ALL THE FAKE NEWS
NOW READ THE REAL NEWS**

Access every premium story

50% OFF FOR 12 WEEKS
Conditions apply

[FIND OUT MORE >](#)

[No thanks](#)

50% OFF*



**What does your
news brand stand for?**

(Other than "quality" and "journalism")

We are in the brand love business

We are not print brands

We are not TV brands

We are not radio brands

We are not digital brands

"Digital" simply cross-platform organising principle

Brand objectives

Get consumers to embrace your brand messaging

Passion scale: Hate > Tolerate > Like > Love

De-link brand from any specific platform (print, TV, radio, digital)

Warnings

Impacts pricing, retention, need for marketing spend

Reader can't differentiate news and opinion

Brand amid complexity

The more complex the ecosystem, greater abandonment of the middle

Brand needs to mean something if it is to stand out in Facebook-like ecosystem

Danger in journalism: sterile professionalism perceived as unauthentic

Does brand strategy embrace 100% of market? 50% of market? 25% of market?

The Washington Post

Prices may vary in areas outside metropolitan Washington.

SU V1 V2 V3 V4



Rain 77/60 • Tomorrow: T-storm 76/53 **B6**

Democracy Dies in Darkness

MONDAY, MARCH 27, 2017

U.S. mulls deeper role in Yemen's civil war

Removal of Obama-era curbs on aid to gulf states would mark a major shift

BY KAREN DEYOUNG AND MISSY RYAN

Defense Secretary Jim Mattis has asked the White House to lift Obama-era restrictions on U.S. military support for Persian Gulf states engaged in a protracted civil war against Iranian-backed Houthi rebels in Yemen, according to senior Trump administration officials.

In a memo this month to

A nationwide show of defiance in Russia



Sections

Politics

Opinions

Sports

Local

National

World

Business

Tech

Lifestyle

Entertainment

Video

The Washington Post

Democracy Dies in Darkness

Great journalism needs you.

March 27, 2017

In the News

Heritage

Breastfeeding

Lindsey Graham

Cyclone Debbie

Teen's crash

Jurassic Park

Rachel Dolezal

ICE shooting

'Justice League'

Nunes admits meeting on White House grounds with source of Trump surveillance documents



M
Mon

1

News brand attributes

Universally work

Trust

Authenticity

Differentiating

Facts

Stand for something

Crusading vs. empathy

Shaky ground

Truth

Journalism

Quality

Fake news

“Print” vs. “digital”

Reflects my views



58% OF AMERICANS SEE FOREIGN
TRADE AS AN OPPORTUNITY.
34% SEE IT AS AN ECONOMIC
THREAT

FACTS. TRUTHS.

FINANCIAL TIMES



**You cannot monetise a
customer relationship
that does not exist**

THE ROLE OF DATA

Big Data, AI, and beyond

3 "lanes" of Big Data: From tasks to ubiquity

Slow lane: tasks

A/B testing of marketing messages

How to improve subscription retention

Serving up digital advertising

Dashboard communication tools

Best practice: Newsday, NRC Media, Agora

Middle lane: role expansion

Moving beyond tasks to ubiquity

Data becoming central to decision-making

Experimenting with low-end AI

Best practices in creative use of data

Best practice: NYT, News Corp, Economist

Fast lane: ubiquity

Data is ubiquitous throughout company

How AI can replace human-centered data

Best practice: ESPN, HuffPost, Schibsted

Newsday subscriber focus

- Engagement habits for each subscriber and interactions with brand
- Probability of canceling for each subscriber
- Steps + stages of why and when subscribers cancel
- Content types + consumption patterns predict retention, price elasticity
- Audience revenue attributable to each content segment
- Which subscribers will be influenced by retention treatments
- Optimal personalised retention treatment for each subscriber



Why data is necessary now

Evergreen

Ability to translate data to improved business outcomes

“Big Data” = fire hose of information, growing (danger of drowning)

Urgency today

Use today’s capital base to create data foundation for future

Lower cost of operations in long-term: companies will be smaller in future

Personalisation and relevance trends becoming the new normal for consumers

Shift from “blind” marketing to metrics marketing

AI, Machine Learning, Automation

Gary Liu + Reg Chua + Laura Evans

South China Morning Post

Led by new 33-year-old CEO, formerly with Digg

CMS, DWH, DMP, powering algorithms and platforms, spot changing consumer behaviours

Machine learning will free up journalists to do what meant to do

Should companies “buy” or “build” with data? Gary Liu says these will be in parallel

Thomson Reuters

Machine learning and AI to have big impact on process and outcome

How data drives quality, efficiency

Will automation replace human reporters? Machines good at computing and scale, so “no”

Real value is marriage between machine and people

Automation to create personalised news-on-demand, better reader engagement

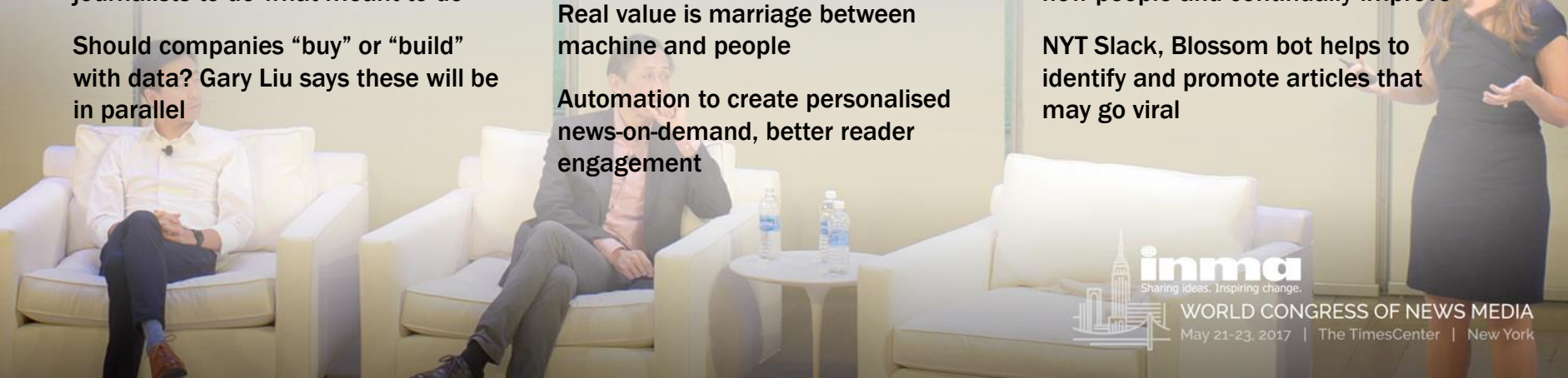
The New York Times

Machine learning used to advance understanding and improve efficiency

Algorithms used to fill gaps by identifying cross-topic opportunities in content

This creates opportunities to reach new people and continually improve

NYT Slack, Blossom bot helps to identify and promote articles that may go viral



WORLD CONGRESS OF NEWS MEDIA
May 21-23, 2017 | The TimesCenter | New York

ECONOMICS OF CONTENT

**Reader Revenue | Digital Subscriptions
Paid Content**

What we know now about paywalls

Rising consensus that media can't give away content for free

Metered paywall

Freemium

Freemium hybrid: editor-select freemium

Shift among non-global brands away from metered paywall to freemium

Ongoing challenge implementing paid model in competitive environments

Why the shift from metered to freemium

Metered model strong for brands where journalism is overwhelming percentage of value proposition:

New York Times: 1.6 million **Financial Times:** 632,000

Wall Street Journal: 1 million **The Economist:** 345,000

Metered model requires scale that local brands can't deliver

Metered model mostly under-performing for non-global, non-national brands

Subscription triggers

Emerging debate: What triggers a digital subscription?

Metered flaws:

- Why give away so many subscription-generating articles?
- Why lock thousands of articles if you know they won't trigger subscriptions?

Translation: You have hit a paywall on an article that data says you will never pay for anyway, now pay us an annual subscription for more of these articles

Gnawing question: If 10% of your content drives 90% of your traffic, how do you prioritise more of the 10%?

Digital subscriptions: data-driven + complex

Tobias Henning + Siri Holstad Johannessen + Suzi Watford

Overview

Digital subscription models moving from “simple” to “complex”

Somewhat trend away from meters to freemium, panel suggested meter/freemium hybrids

Shape of paid strategy depends on whether brand or content is considered primary draw

Can't succeed with digital subscriptions without being data-driven

Schibsted

9% of readers hit paywall, did not convert enough, saw burst in conversions

What's next: dynamic paywall with focus on frequency, content, time

Frequent visitors = fewer free views; rare visitors = more free content; first-timers = period of unlimited access

Axel Springer

Bild uses freemium model and is open to referral relationships with all social networks

Since changing to freemium, awareness much better

The Wall Street Journal

WSJ membership program enhanced by shift in relationship with Google in February

Google prioritises free sites over paid sites, work-around is Google First Click Free policy

WSJ turns off Google First Click Free, charts 46 member variables to understand “propensity to subscribe”

WSJ result: significant increase in sales, 4X increase in conversions from Google traffic



WORLD CONGRESS OF NEWS MEDIA
May 21-23, 2017 | The TimesCenter | New York

The next question on paid content

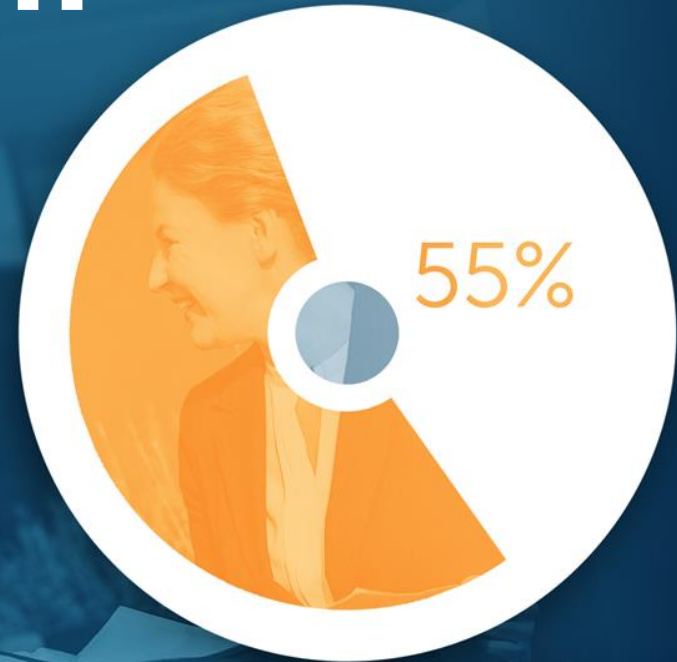
55% of market engaged with news brand (Boston Globe)

30% of market has high (enough) propensity to subscribe

10% of market's registered users willing to digitally subscribe

News industry focused on tactics for this 10%-30% (metered? freemium?)

What about the "other 70%" who will never subscribe?



How to address the “other 70%”

Consumer pay

Pay-per-view via easy third parties like Apple + Amazon

Read article in exchange for advertisement

Survey questions

Advertiser pay

Sponsored content

Newsletter sponsor

Daily deals

Promotional contests

End-to-end marketing services for SMBs

CONCLUSIONS

What really creates value?

Brand perception matters greatly

“More” is rarely better ... “relevant” is better

Being in middle most dangerous place today

Consumer needs: sometimes buffet, sometimes menu

Goal should be passion, not satisfaction (crowded market)

Audience strategy: urgent needs

Need to get smarter about audiences

Need to democratize access to audience storylines

Need great leap forward in data, notably data implementers

Need to get smarter about optimising audience engagement

Need bigger (or more passionate) audiences for content you already produce

Gaps that need filling today

Simplify product line, cut money-losers + long-time decliners + under-performers

Establish data objectives, what success looks like, financial wish list

Empower HR for innovation culture + attract Millennial talent

Establish digital subscription beachhead for consumers

Who relentlessly holds everyone accountable for execution?

Strategy principles for 2018

Invest heavily in the things that won't change (foundations)

Love the brands that pay the bills

Identify and embrace the big bets



inma

Sharing ideas. Inspiring change.

International News Media Association



Global News Media Outlook

Earl J. Wilkinson

Executive Director and CEO

International News Media Association (INMA)

@earljwilkinson