New business models in the news industry in the United States

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EXECUTIVE SUMMARY

This report was commissioned by the Media Industry Research Foundation of Finland, with the aim of identifying and describing new business models in the U.S. news industry. The study takes a bottom-up approach, identifying patterns in observations obtained from industry insiders and experts. Business models have been discovered through clustering of observations obtained from experts and through media mining, and expert interviews have been carried out in order to get an in-depth understanding of each model. Thirty-one experts were interviewed for the study.

Readers are leaving printed media
Several shifts in contextual factors mean that business models of many actors in the U.S. media industry are undergoing adjustment. Most shifts are related to a trend in which both readers and advertisers are abandoning printed media, and turning to digital alternatives.

Media’s share of digital advertising is declining
Media’s share of digital advertising is declining, as a handful of advertising giants have a strong domination on the growing advertising market. It is therefore increasingly difficult for publishers to rely on ad revenue.

From B2B to B2C
As ad revenue is declining, most publishers look to the readers to make up some of the difference, leading to a larger revenue share than before. This is done through raising subscription prices, or through finding new reader-related revenue sources such as e-commerce. At the same time, the competition among publications for the readers is increasingly becoming international, at least within the English-speaking world.

From print to digital
Since print circulation is declining, higher subscription revenue increasingly needs to come from digital subscriptions. So far the growth rates of digital subscriptions are however generally low, and publishers are implementing a range of business models for increasing the revenue from subscribing as well as non-subscribing readers.

From centre to periphery
One challenge lies in remaining relevant enough for readers to be willing to pay, as even leading newspapers – once at the centre of readers’ attention zones – are becoming more peripheral. One reason is that the total number of accessible news sources has become considerably larger, another that readers can consume news in new ways and on new devices. Today’s typical reader can therefore be described as having a low interest in a large number of publications, rather than a high interest in a small number of publications. While many readers are consuming news from a
large number of sources, the willingness to pay for subscribing to a single publication is generally low: in general, just 1-2% of all the readers of a publication are paying for a digital subscription.

**Non-paying readers are converted through trialling subscriptions, or joint subscriptions offered in collaboration with a partner**

Several business models are, in different ways, targeting the non-paying readers. One model, so far with limited adoption, includes utilising micro-transactions to let readers pay for single articles. A more frequent approach is to target the segment of readers who are interested but have not yet converted to paying users. These non-paying readers can in many cases be converted into paying readers through means such as discounted trialling subscriptions, which are proving to be an effective way of stimulating reading habit – along with loyalty to a publication. *The Financial Times* saw a 14% year-on-year increase in circulation in 2016, much thanks to the introduction of a refined trialling system. Another way of stimulating conversion is to offer joint subscriptions with a competitive pricetag together with a partner, such as in *The New York Times*’ collaboration with Spotify.

**New engaging formats increase the demand for news products**

Something which can convert non-paying readers, while at the same time making paying readers willing to pay more, is to present content in new engaging formats. Such formats include VR and interactive data visualisations, or formats appealing to a mobile-native audience such as the chat-style news app introduced by *Quartz*. Applying a new tone in the content and language, for example targeting a specific age group such as millennials (as done by *Billy Penn*), has a similar effect on the that group.

**The willingness to pay among loyal readers is often higher than assumed**

Perhaps surprisingly, several publishers have found out that those readers who are already paying are in most cases ready to pay considerably more than what has been assumed. This can for example be seen in the case of *The Boston Globe*, which raised its digital subscription price to $1/day without seeing considerable churn. A likely explanation is that it takes a lot for a reader who has developed a habit of reading a certain publication to give up this habit.

**Premium offerings and sponsorship programs for extra revenue from readers who are ready to pay more**

At the opposite end of the scale from the large number of readers who are not ready to pay for a subscription, are smaller segments of readers who are prepared to pay more – in same cases very much more – for the right product. Readers with a higher willingness to pay are in many cases good targets for premium offerings, such as access to more advanced visualisations, better search functions, or early access to content. One way of also optimising revenue from the very small number of readers who have an extremely high willingness to pay is to, like *The New York Times*, offer these readers to sponsor student subscriptions.
Ad scarcity drives up the revenue per ad
The amount of revenue that it is still possible to get from advertising is highly dependent on how many the readers are, who the readers are, and the number of ads that are displayed. One way of increasing the revenue per ad is to apply a strategy of ‘ad scarcity’ – a kind of premiumisation of the ad space that Quartz is using in its news app.

Ads are increasingly sold bundled with event sponsorship and other marketing products
Apart from ads, U.S. publishers are also using a range of other methods to get revenue from businesses and brand owners. These include ‘branded storytelling’ or event sponsorship programs. A common way of stimulating the sales of ad space is to bundle it with other marketing products. Another is to take on a role of digital brand agents for local businesses. For Dallas Morning News, local marketing services now contribute 16% of overall revenue.

New technologies can lower production costs while raising the quality
Many publishers have found themselves having to lay off staff facing a harsher business environment, but there is a range of other means that are used to increase production efficiency and reduce costs. In several cases, new technologies are used to lower production costs while at the same time increasing the quality of the product. This is for example the case with automation of writing or research tools. Using automated writing, Associated Press is now able to cover ten times as many companies with earnings reports as before. Crowdsourcing of photo and video content, offered for example by Fresco’s Uber-style smartphone app, means that more news can be covered faster. In some cases, such as that of La Presse, publishers have also cut costs by dropping the production and distribution of their printed editions.

Analytics of reader data is used to optimise revenue from readers and advertisers
One result of the digital technology is that publishers have access to a lot more data about readers. There is a trend away from selling data to third parties, and the data is instead used for discovering ways to increase retention and conversion rates, product quality, and ad revenue. One strategy, for example used by The Washington Post, is to conduct split-testing to see which sets of headlines and graphics generate highest reader engagement. The Star Tribune has started targeting readers identified as being likely to churn with specific campaigns, thereby reducing its churn rate by 10%. Advertisers are also highly interested in seeing which kinds of campaigns generate most interaction from readers.

Conclusions
One central conclusion of this study is that experimentation is needed to find the right pricing and packaging models. Something important to keep in mind when exploring the underlying demand curve is that this tends to be highly skewed, which a small number of readers willing to pay large sums, and a very large number of readers who are ready to pay very little. In order to monetise the latter, ‘long
tail’ of readers, **a user-centred perspective should be applied.** Micropayment models have in some cases proven to make readers willing to pay for content from sources which to them are peripheral. For those who are already loyal readers, the **price sensitivity should not be overestimated.**

**Synergies are key to successful collaborations**, both for optimising production and for converting non-paying readers through joint offerings with other media providers.

Analysis of reader data is highly useful for optimising revenue from readers and advertisers, but **adaptation of content and format based on data analysis should not be exaggerated** – streamlining easily leads to a publication becoming irrelevant.

**A new balance between reader and advertising revenue needs to be found**, as traditional ad revenue is declining. Experimentation has shown that subscription prices can be raised without much churn, but this will only be the case up to a certain point. Bundles of ad-space with other products have proven to be an effective way of increasing ad revenue.

**Newspapers need to clearly define what their core is.** While new revenue streams are in many cases found through extending the value chain and leveraging internal assets, they must not be allowed to take the focus away from the core of creating great journalism.

Regarding automation, a conclusion is that **it is tasks, rather than jobs, that will be automated in the short run.**

To give an overview of how different business models identified, the report outlines four ‘newsroom archetypes’: **the technology-driven newsroom**, **the service-oriented newsroom**, **the journalism-centred newsroom** and **the social-based newsroom**.
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1. INTRODUCTION

This report seeks to identify and describe new business models in the news industry in the United States. The context of the study is digitalisation and a changing operating and media environment, creating new challenges for the news industry and a pressure to find new business models. The study was commissioned by the Media Industry Research Foundation of Finland and conducted by Kairos Future. Newsonomics assisted in conducting interviews. Research and interviews were carried out between January and June 2017.

The report is structured as follows. The next part of the introduction contains a description of the methodology applied. Section 2 outlines contextual factors and trends that drive the search for new business models in the U.S. news industry. Section 3 organises findings into business model types, discusses underlying principles of these types, and presents illustrative examples of each type. Section 4 deepens some of the business models by presenting insights from interviews with industry insiders and experts. The final section concludes with a number of reflections and four future newsroom archetypes.

1.1 METHODOLOGY

The study takes a bottom-up approach to understanding changes in the contextual environment and new business models in the U.S. news industry, inductively letting patterns emerge from observations obtained from industry insiders and experts. The identified patterns were investigated in further detail through interviews and desk research.

The process involved the following steps:

1. Systematic collection of observations related to new business models, and factors driving new business models in the U.S., was conducted in two ways:
   a. News mining and social media analysis, where information, companies, and experts related to new business models in the news industry were identified through publicly available content.
   b. Expert interviews and observations obtained from news media insiders and experts in relation to new business models in the U.S. news industry.

2. These methods yielded more than 100 observations, which were clustered based on similarity through a qualitative process. This allowed patterns to emerge ‘bottom-up’, avoiding the pitfall of relying on a priori assumptions regarding what topics are important. Clusters were categorised into business models and contextual factors and trends. This resulted in 8 clusters of business models, four industry trends, 9 consumer trends, and seven technology-driven trends. Some overlap between clusters existed.
3. Each surfaced business model, contextual factor, and trend was further validated and described through desk research.

4. To gain in-depth insights into some of the identified business models, contextual factors, and trends, interviews were conducted to gain further insights. One aim of these interviews was to gain quantitative information in relation to the different business models and trends. This was achieved more in some cases than others. The 31 interviewees that generously provided input for the study are listed in Appendix.

5. Information from the various sources was organised into the three main sections of this report: Contextual factors and trends, Towards a business model typology, and Business model cases.

6. A report was written and insights visualised. Infographics were generated to highlight interesting results.

The report sometimes uses non-U.S. examples to illustrate a point. This is particularly the case in the section on contextual factors and trends, where the aim is to capture change in the broader environment that drives business model innovation in the U.S. news industry. The study’s interviewees also sometimes made references to business models in non-U.S. news media that they felt were relevant in a U.S. context. The Financial Times (FT), for example, has a very large American audience and was mentioned by several of our interviewees in relation to subscription models. When considered relevant, such examples have been included in the report.
2. CONTEXTUAL FACTORS AND TRENDS

A number of contextual factors and trends are affecting the U.S. media landscape and driving the adoption of new business models. Many of these are related to a global trend in which readers and advertisers alike are leaving printed media, instead turning to a range of different online channels. This shift has been ongoing for years, and is posing some serious challenges for traditional news media.

Where previously people might have been subscribing to a particular local newspaper, today’s U.S. media consumers can just as well choose to read the digital version of a British newspaper, if they are not following the news through Facebook or a smartphone news app. Advertisers also have more choices in the digital era. Much of the revenue from online advertising is ending up with online advertising giants such as Google and Facebook.

The trends or clusters of trends that are considered by this study’s interviewees to be the most important ones in driving new business models in U.S. news industry are outlined in the subsequent sections. Figure 1 provides an overview of these trends and their estimated, yet unrealised, potential.

Figure 1. Overview of trends with an impact on the news industry in the United States. The size of the bubble corresponds to the trend’s yet unrealised impact on the industry, roughly and qualitatively estimated based on this study’s interviews.
2.1 INDUSTRY TRENDS

2.1.1 Digital advertising is growing, but news media’s share is declining

Many publishers are struggling to find their footing in the new online media market. Although total spending on digital advertising has been rising, growing by 20% and reaching about $60 billion in 2015\(^1\), this development has not primarily benefited news publishers. Most of the digital advertising revenues are concentrated in five technology companies, including Google, Facebook, and Yahoo. While these companies offer news on their platforms, they are not engaged in original reporting and writing, which remain in the domain of news organisations. News publishers are dependent on technology companies for the distribution of their content, but they have also been losing advertising revenue to these massive platforms.\(^2\) Indeed, between 2000 and 2015, print newspaper ad revenue fell from $60 billion to $20 billion, setting the industry’s advertising income back to a level not seen in 50 years.\(^3\)

For many newspapers’ newsrooms, shrinking revenue streams mean fewer employees. Figures from 2014 show a 10% decline, revealing that the workforce now has 20,000 fewer positions than twenty years ago.\(^4\) The employment situation is only worsening: in 2016, over 400 layoffs, buyouts, or cuts were announced. Print newspapers are losing their status as a preferred source of information, with only 5% of U.S. adults surveyed by Pew Research Center in 2016 naming print newspapers as their ‘most helpful’ source of information on the U.S. presidential election.\(^5\)

2.1.2 Business model shifting from business-to-business to business-to-consumers

In 2015, combined digital and print advertising revenues fell by almost 8%.\(^6\) As revenues from ad sales are falling, publishers need to make up for this gap through larger revenue from readers, new forms of advertising, or completely new revenue sources. There are thus two forces driving readers’ share of revenue higher: the decline in print advertising revenue and the attempts by media organisations to push revenue from readers higher.

These two trends are driving visible change in the revenue composition of many newspapers. Looking at The New York Times (NYT), for example, readers’ share of its revenue grew from 27% in 2003 to 49% in 2013. For the media holder Gannett, the same numbers were 20% and 33%.\(^7\) The decline in circulation of printed papers, however, means that the reader revenue increasingly needs to come from digital subscriptions – average weekday newspaper circulation fell by 7% only in 2015.\(^8\) But although digital circulation has increased slightly – by 2% for weekdays in 2015, for example – it only accounts for 22% of total circulation.
2.1.3 Ad blockers a growing threat
Another challenge comes from readers’ increased use of ad blockers.\(^9\) Ad blocking penetration is expected to reach one quarter of internet users in the U.S. in 2017.\(^{10}\) Despite attempts by internet giants such as Facebook and Google to ban or out-smart ad blockers, some analysts believe that they will cut between $16 billion and $35 billion off advertising revenue globally by 2020.\(^{11}\) Optimists, however, have pointed out that at a penetration rate of 8%, ad blocking remains relatively low on mobile devices.\(^{12}\)

2.1.4 Globalisation of news consumption
At least within the English-speaking world, the news market has become increasingly globalised. Some foreign newspapers, particularly British ones, have become well established with an American audience and are in some cases accessed by U.S. readers as frequently as American newspapers. Based on the number of unique visitors in U.S. web traffic, the five most popular newspapers include two British ones, Daily Mail and the Guardian.\(^{13}\) The 50 newspaper websites most frequently visited by American users include ones from Australia, New Zealand, India, Ireland and Canada.

2.2 CONSUMER TRENDS
Digitalisation has been one of the most impactful trends of our time. For a number of industries, the rise of the web has been disruptive, giving rise to entirely new dominant business models. The media industry is no exception: with the wide adoption of digital platforms, people started to consume and interact with information in new ways. This section outlines these trends and, more importantly, their implication for news media.

2.2.1 The rise of social media and social news curation
The rise of social media, platforms on which people interact and share content peer-to-peer, has changed the way information is produced, distributed, and consumed. Before going into the details of these changes, the U.S. social media landscape is outlined through brief descriptions of its key players – none of which was around fifteen years ago:

- **Facebook**, an online social network launched in 2004, is used by 79% of all American internet-using adults.\(^{14}\) In the group 18-24-year olds, the penetration rate is close to 100%. The platform’s news stream contains status updates, comments, photos, videos, and links posted by a user’s circle of friends. Facebook tends to be seen as the key driver of traffic and engagement across industries, including news media. The company gets one third of global social network ad spend.\(^{15}\)

- **YouTube**, a video sharing site launched in 2005, has 1.3 billion users globally, 20% of which are in the United States.\(^{16}\) The platform reaches more 18-49-year-olds than any cable network in the U.S., with 8 out of 10 in this demo-
graphic using it any given month. Every minute, 300 hours of video are uploaded to YouTube.

- **Twitter**, launched in 2006, is used by 24% of American internet-using adults. The platform is known for only allowing posts consisting of a maximum of 140 characters, often containing shortened links to news stories posted on the websites of traditional news media. Discussion on Twitter often revolves around news pieces, driving large traffic to specific news articles that have ‘gone viral’. Twitter is favoured by the American president as a channel for bypassing traditional media and speaking directly to audiences.

- **Instagram**, launched in 2010, has 700 million active users globally. Though it is primarily known as a photo sharing site, functionality rolled out at the end of 2016 makes it possible for users to post links to external web content. This move means that Instagram has become a platform for news curation in its demographic, dominated by affluent, female millennials.

- **Pinterest**, launched in 2010, has 70 million users in the United States. The site offers user-based curation of visual online content, sometimes involving links to news stories with attractive visual elements. It boasts more than 50 billion ‘pins’ – displays of visual content found anywhere on the web and brief commentary – and its user base is 80% female.

- **Snapchat**, launched in 2011, has 160 million daily users who, on average, open the app 18 times a day and spend half an hour a day in the app. The platform became popular among young Americans partly due to the fact that messages on the platform are automatically deleted soon after being posted, in contrast to social networks such as Facebook where information is perceived to be stored indefinitely.

2.2.2 Social elements adopted and abolished by news media

As newspapers attempted to cultivate their own online communities, they utilised social media elements on their websites, primarily the possibility for readers to comment on news articles. This often led to heated debates in the space underneath the news pieces. Starting around 2014, a growing number of newspapers abolished readers’ comments from their sites. Reasons for this broadly fall into the following categories:

- Discussions on the news article pages tended to degenerate into name calling and quickly go off topic. A small number of pseudonymous users accounted for a large part of the commenting, often engaging in personal attacks on writers and other users.
- External social media platforms, such as Facebook and Twitter, were seen as better channels for on-topic and thoughtful discussions. One interviewee explained this through the tendency of users on these platforms to use their own names and profile photos.
- Engaging with users and influencers on their preferred platforms, typically the large social media channels, turned out to be an easier way of interacting with the right audiences.
• Rather than having to meticulously audit the discussion under news pieces, media organisations could use social media monitoring tools to track where the discussion was active and what was being said there, and selectively engage in conversations.

2.2.3 Digital’s impact on news production, distribution, and consumption

The digital shift has a number of implications for how news and information are produced, distributed, and consumed. Synthesising perspectives from this study’s interviewees and online sources, the key trends driving changes in these activities are outlined below.

1. Peer-to-peer logics make news part of social experience

Social platforms are governed by peer-to-peer logics. Users share information on these sites only when doing so fits into their social context and purposes. Sharing can be a means to cultivate an image and collect ‘likes’, which can be seen as a form of social currency. The social news curation that results from individual users engaging in such activities is therefore part of a broader social experience.

2. Social content distribution provides mechanisms for viral spread

The social logic outlined above heavily influences what types of content is shared in social media. News pieces that resonate with consumers can rapidly spread to a large audience by snowballing through social networks. The dense structure of social networks is the basis of the exponential, ‘viral’, spread that news stories sometimes undergo.

The social structures underlying the spread of information have not been static over time. Taking a long time horizon, McKinsey Global Institute has shown that while radio took 38 years and television 13 years to reach 50 million users, the internet took only three years; Facebook 1 year; Twitter 9 months; and Pokemon Go only 19 days. The ever-increasing connectivity of consumers, most recently through the adoption of mobile platforms that further increases users’ access to their social networks, ensures this gradual shortening of the time it takes for new phenomena to reach mainstream adoption. For news media, the implication is a large discrepancy between the circulation of news pieces that resonate with readers – or simply happen to go viral, as sometimes happens – and those that do not. Some of this study’s interviewees referred to a small number of their news outlets’ articles that have achieved incredible viral success.

3. Fragmentation of content production provides new supply-side logics

The social media logic enables anyone to become a news producer, blurring the boundaries between news produced by professionals and news
produced by hobbyists. A new breed of semi-professional ‘digital influencers’ has emerged, offering their personal takes on topics ranging from fashion design and wine tasting to artificial intelligence and botany. Their pieces, whether in the form of text, audio, or video, are often more up-to-date and better-informed with regards to specific topical areas, than pieces published by news organisations, which need to cover a broad range of topics. While many news organisations, facing declining ad revenue, have been forced to focus on their core audiences and topics that are interesting to the mainstream of their readership, digital influencers have attracted consumers looking for in-depth knowledge in specific areas.

Digital influencers have benefited from technological developments and commoditisation of advanced production technology. New camera and drone technologies, along with software to help enhance images and text, are blurring the boundaries between amateur and professional. Meanwhile, digital influencers are free to offer followers more attitude and personal flair than the typical news organisation, which tends to strive for objectivity and neutrality.

The distribution of followers across content creators in social media is a frequent outcome of the platform and marketplace logic that characterise many online platforms: while a small number of digital influencers have a huge following, the vast majority of content producers are followed only by a small number of people. Nonetheless, this ‘long tail’ of low-key content producers ensures that every conceivable topic and angle is covered and searchable online.

The peer-to-peer logic and the fragmentation of content production have not marginalised traditional news sources. On the contrary, these organisations are often found among the densest nodes in the network of referrals that is the basis for measuring impact in the online world. As discussed in subsequent sections of this report, some newspapers are playing by the rules of the social logic by allowing readers to follow individual journalists, effectively turning them into digital influencers. The extreme version of this tendency would be the model agency approach: providing a platform and shared resources, but having a business model that relies on letting the individuals shine.

A dilemma for professional news organisations is how to position themselves and their content in the new production landscape. Focusing on topics that appeal to the greatest number of consumers is a natural choice in times of downsizing, especially given the competition from niche influencers in any narrow content area. This approach, however, leads to lack of differentiation, as many news providers are targeting the same mainstream audiences. As discussed under Business model cases, a growing number of U.S. news organisations are building content around a wide range of specific reader interests rather than seeking to maximise the impact of any
given piece of news, which tends to lead to excessive streamlining.

4. News in streams rather than batches lead to information overload

One feature of news consumption in an online world of social platforms and news aggregators is that it arrives in streams rather than batches. While traditional ways of consuming news through a few select sources involve a finite number of news pieces, online news feeds in channels such as Facebook, Twitter, and Google News more closely resemble infinite and rapid streams. The growing popularity of messaging apps such as Snapchat in news consumption further reinforces this tendency. The resulting information overload, and the impossibility to consume all the information that passes by, forces the user to be selective about what to consume.

The constant stream of information also appears to speed up the news cycle. While previous studies have found weekly and daily news cycles, a study of the 2008 U.S. presidential campaign concluded that Twitter has turned what used to be a 24-hour news cycle into a two-hour news cycle. With conversations on Facebook and Twitter rapidly coevolving, campaign staff attempted both to seed their angles and amplify topics that were emerging organically on the platforms.

5. Filter bubbles as a coping mechanism

Information streams and overload have been claimed to give rise to ‘filter bubbles’ and ‘echo chambers’ that distort the types of news consumed.

In the face of too much information, the narrative goes, consumers tend to selectively consume information shared by people they already trust and with the same personal opinions, whether in their smaller social circles or in the public debates on platforms such as Twitter. The result is a lack of exposure to views that question and oppose those held by the individual, unless framed by those of a similar mind.

As platforms attempt to help users deal with selection problems in an environment of information overload, according to the proponents of the ‘filter bubble’ theory, they make use of algorithms that inadvertently favour content that align with individuals’ current beliefs. This happens because algorithms are designed to maximise engagement and click-through, and users are more likely to engage with content that reinforces their views or that is posted by those of their friends that they interact with the most.

The result has been argued to be personalised echo chambers that filter out content that does not fit with the individual’s personal views. Such mechanisms have been blamed for the growing polarisation in political views that become clear through the 2016 U.S. presidential election.

Several studies have attempted to examine how large the effect of filter bubbles actually is. One controversial study, conducted by researchers at
Facebook, looked at posts by 10.1 million Facebook users who self-identified as either liberal or conservative over a period of 8 months. The study found that 29% of any person’s news feed contained contrary opinions. Facebook’s algorithm hides only 1 in 20 of posts with contrary opinions for conservatives and 1 in 13 of such posts for liberals. The study also found evidence that people tend to create their own filter bubbles by more frequently clicking on and liking content that supports their own beliefs. The study was criticised for its skewed sample, as only a small share of users disclosed their political views.

Using an entirely different approach, researchers at Brown University and Stanford University similarly concluded that the effect of algorithmically induced filter bubbles is more limited than what has been assumed. Studying the relationship between political polarisation and the use of online media among American adults from 1996 to 2012, the researchers argue in their recently published paper that polarisation has been driven primarily by older demographic groups – those that spend the least amount of time online. Younger Americans, aged 18-39, were only slightly more politically polarised in 2012 than in 1996, long before online filter bubbles could have existed.

As the debate about filter bubbles continues, a less controversial trend is the polarisation in the demand for news from the established newsrooms. In the case of TV channels, CNN and its viewers commonly share one view of current events, while Fox News and its viewers hold a totally different one. News consumers are demanding news that aligns with what they perceive as true.

### 6. Filter bubbles and peer-to-peer logics provide foundation for ‘post-truth society’

If postmodernism questioned the existence of overarching truths, the new information landscape enables personalised truths, reinforced through filter bubbles and echo chambers. Actors with their own agendas are taking advantage of such a landscape of fragmented, albeit overlapping, information spheres where quality control is all but impossible. The use of automated and personalised propaganda was highlighted in the U.S. presidential election of 2016.

This sombre reality contains a bright side for publishers, however: There is a new increase in demand for serious, in-depth journalism. The debate around ‘fake news’, not least since the 2016 presidential election, seems to be working in favour of traditional newsrooms, which are regaining some audiences with an increasing demand for accurate reporting. Similarly, fact-checking platforms have also seen an increase in support. As further discussed under Business model cases, several American newspapers have started to offer fact-checking columns and in other ways attempt to attract
readers by offering counterweights to the fluid, post-truth information landscape.

7. Growing demand for high-touch experiences

As a counterweight to the trend toward growing digitalisation, ‘high-touch’ experiences have become a growing niche market.

Old-style letterpress printing is experiencing a revival, albeit on a small scale. Original equipment that had been stored away for decades are dusted off to meet new demand, online communities are emerging around the art of letterpress printing, and publishers such as San Francisco-based Arion Press is successfully charging thousands of dollars for limited edition, letterpress printed books.

The same has happened to vinyl, which has made an unexpected comeback after having been proclaimed dead in the early 2000s. The sales of vinyl reached a 28-year high in 2016.\(^27\) At $416 million, it made more money than on-demand, ad supported streaming services such as YouTube and Spotify’s free service, which only reached $385 million.\(^28\) Consequently, artists such as Taylor Swift and Justin Bieber are releasing their new albums as LPs.

The high-touch trend does not suggest a shift away from digital. In face, those who read letterpress-printed books are often the same ones who also read e-books on their tablets, and those who listen to vinyl are also streaming music online from services such as Spotify. Rather than representing an entirely new group of consumers, what is happening is that consumers are switching between different behavioural modes.

In the magazine publishing industry, this study’s interviews reveal a trend toward thicker, heavier, and glossier paper, with added layers of coating compared to a decade ago. The same tendency is seen in the vinyl category, where LPs are heavier today than they were during their golden era. The aforementioned new wave of letterpress printing relatedly seeks to create an imprint in the paper, whereas in the old day printers used a lighter touch so as to reduce wear on the types. It is clear that consumers are pursuing slower, more tactile and tangible experiences within their digital and connected lives.

8. Traditional news sources moving from centre to periphery of readers’ attention zones

When most readers had one or a few dominant news sources, these sources occupied a central part of their readers’ information worlds. Adding sources required additional costs in money and time.

In the digital information landscape, conversely, people spend most of their time in a small number of digital platforms, from which they selectively
enter and consume information from a diverse range of sources – though many maintain a small number of favourite news sources as part of their news ‘repertoire’. There is almost no marginal cost to each additional source of information consumed: the news streams discussed above mean that a wide range of sources is just a click away.

The result is that most news sources have moved from the centre to the periphery of most of their readers’ attention zones. Where a given news medium used to be one of a few preferred sources of information for a given user, they are today one of a large number of sources consumed.

Users do not, however, treat all sources showing up in their information streams equally. Studies have shown that familiarity is important in selecting a source. Both the social and algorithmic mechanisms of filtering, ranking, and selection favour well established sources. In addition, sources that get a strong start are reinforced by ant colony-style mechanisms: the initially popular sources get a high ranking, making it more likely for other users to click that source, further increasing its ranking.29

Reader statistics obtained through the interviews of this study support the unequal consumption from the publisher perspective:

- 1-2% of all readers pay for digital subscription
- 5% register without paying
- 10-15% read more than 50% of the free content limit
- 20% of all readers consume significant ad pages

These statistics indicate that any given news source is most likely to be part of the long tail of the news consumption of a large number of news consumers. The shift over the last decades for most news sources has therefore been from strong attention of a small number of readers to weak attention of a much larger number of readers. The strongest publishers appear to have benefitted disproportionately, in line with the discussion about ant colony-style dynamics above. When it comes to circulation of print editions, Figure 2 highlights the strong skewness of the distribution.

This partly explains why the digital shift has reduced the willingness to pay for news. As the number of sources consumed by each reader increased, dedication to any given source declined, and with it the willingness to pay for information. Digital access and social and algorithmic curation have made readers less loyal.

From the reader’s perspective, as discussed above, a few sources are more important than others in a pool of many occasionally used sources. From the media source’s perspective, by the same token, a small number of readers are especially active within a much larger pool of occasional users. This suggests a power law distribution, where a small share of news sources make up a large share of a given user’s consumption, and a small share of
news consumers account for a large share of the news consumption of any given news source.

These characteristics have important implications for what business models work in a digital landscape. Indeed, this report shows many ways in which news organisations are reconfiguring business models to benefit from power law distributions and long tails.

Figure 2. Circulation of the top 100 U.S. newspapers.\textsuperscript{30} The five largest newspapers account for 26% of the total circulation.

2.3 TECHNOLOGY-DRIVEN TRENDS

2.3.1 Algorithmic news aggregation
While social media platforms represent a human-centred, ‘social’ approach to content curation, news aggregators such as Google News instead take an algorithmic approach. Scanning more than 50,000 news sources globally,\textsuperscript{31} the platform uses this data to sort the most relevant news sources for any given search. According to one study, Google News had 339 million U.S. visits during the month of February 2016.\textsuperscript{32} Another study suggested, however, that as many as 44% of Google News visitors scan headlines without going on to visit the actual news source.\textsuperscript{33}

An examination of the metrics used by the platform’s ranking algorithm showed a strong favouring of large news media. Metrics included the volume of news production, length of articles, a score for the tendency of the source to be early with breaking news, click-through and traffic, global reach, and even writing style.\textsuperscript{34} This makes Google News part of a broader internet ranking phenomenon: despite the perception that the internet makes it easier for smaller brands to gain attention, ranking logics – whether social or algorithmic – are not favouring small, lesser-known brands.
News aggregators have been castigated for stealing ad revenue from the news producers, while benefiting from their hard work. Rupert Murdoch, for example, famously called Google a ‘parasite’.35

2.3.2 Messaging and chatbots
The growth of messaging apps, such as WhatsApp, Facebook Messenger, and Snapchat is outpacing that of leading social networks in the United States. These apps have proven especially appealing to young consumers. Their growing use for news consumption prompted Quartz, an online-based American news site, to create a messaging-style format for their news. This effort is discussed in detail under Business model cases.

With advances in machine learning, the conversational messaging-style format has also become the preferred interface for human-computer interactions. More than 18,000 chatbots have been developed and offered over platforms such as Facebook Messenger. The most popular chatbot, according to ranking site Chatbottle, is Poncho, which gives personalized weather forecasts in a humorous, pop-culture inspired way.36

Chatbots are not limited to texting. Amazon’s voice control system Alexa lets users search the web, shop online, and control devices in the home by giving voice commands. While the system offers users to have news read to them, it does not yet allow a conversational news format. The general trend and large amount of effort going into the development of machine learning-enabled chatbots by a wide range of organisations, however, suggests that this is likely to happen in the near future. As is discussed further under Business model cases, the interviews in this study revealed that news organisations are currently working on conversational chatbots for news.

2.3.3 Emerging and growing formats enable higher advertising revenue
With the decline in banner ads, news organisations are looking for formats that increase user attraction, retention, and conversion. The large discrepancy in engagement metrics between formats is currently leading an increasing number of newspapers to work more with formats such as video. The dilemma for publishers is that users’ response to different formats is constantly changing, as overuse causes fatigue and new technical possibilities enable formats that users find more relevant. Current format trends in the U.S. are outlined below.

• Mobile
There is more traffic on the internet from mobile devices than from desktops. Mobile’s share of time spent online increased from 53% to 65% from the end of 2013 to the end of 2015.37
Consequently, online news consumption is shifting from personal computers to mobile devices. Most large U.S. newspapers are now also getting more unique visitors from mobile devices than from desktop computers by at least 10%. According to a study by the Pew Research Center, the shift toward mobile has prompted Google to roll out what it calls ‘accelerated mobile pages’ as a framework to allow designers to build websites that load more rapidly on mobile devices.

- **Video**

  Facebook’s founder Mark Zuckerberg has described video as a megatrend, ‘almost as big as mobile’. Cisco predicts that video will account for 82% of consumer internet traffic in 2020, up from 63% in 2015. Newspapers are increasingly adding video to their sites to increase traffic, stickiness, and advertising conversion rates.

  Within video as a growing format, there are several sub categories and trends:

  - **Live video** is a format that is gaining popularity, albeit not on the levels seen in Asia. Facebook has noted that users spend three times more time when they watch live video than when they play pre-recorded clips.

  - **Outstream video** is another growth format, consisting of an advertising element that is used within text content and starts playing only when readers reach the specific part of the text where the video element is located. A study found that outstream video is 25% more effective than other video formats.

  It is not unlikely that these formats will eventually fade away as users get tired of them, but if they do, new video formats will likely take their place. Marketers are constantly experimenting with formats that appeal to users and increase conversion.

- **Virtual reality and augmented reality**

  Virtual reality has seen a strong hype, but has so far been slower to catch on with consumers than many expected. An estimated 22.4 million Americans, or 7% of the population, engage with VR monthly. The use is driven by 360-degree videos and photos on YouTube and Facebook, as well as gaming and entertainment. Major American news outlets such as The New York Times offer journalistic reporting in VR format. Due to lingering technical, cost, and ergonomic issues of current VR technology, mass adoption is not expected in the short term.

  Augmented reality has seen faster growth, with 40 million monthly users, amounting to 12.3% of the population. The growth is fuelled by the technology’s use in the popular social apps Snapchat Lenses, Facebook Stories and Instagram Stories. Not requiring any special gear beyond a smartphone, the...
augmented reality-driven game Pokemon Go became the fastest-growing game ever, reaching 650 million downloads in February 2017.\textsuperscript{44}

Blippar, a London-based startup, is using augmented reality for banner ads. In one example showcased by the company, a user tapping a banner ad for a car on a smartphone gets to see the car’s interior through the smartphone display and can move the camera around to see different parts of the car’s interior.

Snapchat uses creative augmented reality camera filters for advertising. An example is a filter that allowed users to turn their selfies into an ad for Tex Mex chain Taco Bell by replacing their heads with a lettuce and tomato filled taco. The filter was available for only a single day, during which it received 224 million views.\textsuperscript{45}

Experimentation has also been going on for years in the realm of printed news around the world. The Metro newspaper in Vancouver, for example, used a photo that turns into a movie trailer when holding a smartphone display over it. Japan-based Tokyo Shimbun uses augmented reality to transform news pieces into articles for children, involving animated cartoon characters and simplified writing.

\textit{2.3.4 Knowledge automation rewriting the rules of content production}

Data analytics and machine learning have taken off as computing power has become cheap, data has become commoditised, and uncovering correlation between elements within data can be valuable. From a news media perspective, ‘data’ encompasses article text, images, and videos as well as information about user behaviour.

One application of machine learning is automation not only of manual work, but also of knowledge work. Consultancy McKinsey & Co estimates that 45\% of activities that people are paid to perform today could be automated using technologies that are already available today.\textsuperscript{46} 60\% of occupations, according to the same study, could see 30\% of their constituent activities automated.

In journalism, a number of companies are trying to automate tasks such as information collection, article writing, headline creation, and real-time testing of the most appealing combination of visual and textual elements. Business models involving such techniques are discussed in further detail in subsequent sections of this report. It is worth noting here, however, that besides lowering production costs, it is likely that the widespread adoption of automated journalism will lead to more dynamic content creation, where headlines, visual elements and even article text are constantly changing shape so as to maximise traffic and engagement.
2.3.5 Crowdsourcing enables distributed and collaborative content production

Crowdsourcing refers to a mode of sourcing that distributes work between participants to achieve a cumulative result. Well-known examples of crowdsourcing include open platforms such as Wikipedia, but the practice has also been adopted by companies such as LEGO and Starbucks to solicit ideas and solutions from a large number of participants outside the company, sometimes through individual contributions and sometimes through collaboration between participants.

A comprehensive study of crowdsourcing practices in journalism, conducted by the Tow Center for Digital Journalism at Columbia Journalism School, sheds light on the different ways in which crowdsourcing is used by news organisations. The study defines journalism crowdsourcing as ‘the act of specifically inviting a group of people to participate in a reporting task – such as newsgathering, data collection, or analysis – through a targeted, open call for input; personal experiences; documents; or other contributions.’ Such practices engage news consumers in the news production in a variety of ways: prioritising which stories reporters should take on, sharing observations and experiences, contributing or analysing data, contributing in writing and editing, and spreading the word once the story is published.

Some have questioned the trustworthiness of crowdsourced contributions, while others have described it as a way to improve the quality of journalism. Indeed, international news organisations that have thoroughly integrated crowdsourcing into their work, including The Guardian and ProPublica, use it not primarily to cut production costs, but to tell unique personal stories that cannot be created in any other way.

U.S. news organisations’ use of crowdsourced journalism is discussed in the business model part of this report.

2.3.6 Physical goods entering the information domain

It is not only people that are becoming more connected; physical objects, too, are becoming embedded with sensors and entering the information domain. This is giving rise to business models where less of a product’s value is made up by its hardware, while more of its value is generated through the interaction with the user and the environment. The common use of words such as ‘smart’ and ‘connected’ in front of product categories is a testament to this change: connected vehicles, smart health, smart cities, and smart grids, to name a few.

This study’s interviewees highlighted a few news media examples of this trend. As mentioned above, augmented reality demonstrates the potential for connecting digital content to the print edition. There are also examples where the content in the print edition is optimised by studying user patterns on the online edition. Introducing elements that can be scanned using a smartphone, such as QR in print newspapers, was mentioned as one possible way to create interaction points with consum-
ers through the physical news product.

2.3.7 Micropayments
Micropayments – paying a small amount for a good – has long been popular in Asia, where the prevalence of piracy has forced online developers of games and apps to find on-platform revenue sources. In China, micro transactions are entering the physical realm, where, by scanning a QR code, consumers can rent a bicycle, battery pack, or umbrella for about 10 cents. In the U.S., the idea is finally gaining some traction, as online payment solution provider PayPal has made micropayments easier, and a growing number of startups are experimenting with the concept. As discussed in detail under *Towards a business model typology*, micropayments could provide a path toward monetisation of infrequent users of media products.
3. TOWARDS A BUSINESS MODEL TYPOLOGY

In the context of the factors and trends described in the previous part of this report, publishers are exploring a variety of ways to tweak their existing business models or come up with entirely new ones. This section categorises and uncovers underlying principles of the various business models reported by the industry insiders and experts that information was gathered from in the first phase of the study.

A useful way to understand what news media business models are doing is to think of the demand curves of readers and advertisers. For reasons discussed in detail under Contextual factors and trends, only a small number of readers (or watchers, listeners, etc.) are prepared to pay a very high price for a product, while at the other end of the scale, many are interested if the price is low. A similar distribution appears to apply in relation to advertisers.

Many of the business models identified in this study’s interviews can be understood in the light of these skewed demand distributions of readers and advertisers. In the subsequent section, the principles underlying the different business model observations contributed by this study’s interviewees are framed in terms of how they interact with and modify these distributions. This leads to a typology of news media business models.

The business model observations and examples presented in the sections below are selected because they illustrate the different principles and therefore are conceptually interesting. Details of some of these examples, including hard facts and numbers, can be found under Business model cases. An overview of principles can be seen in Figure 3.
Figure 3. Overview of seven underlying principles of business models reported by the industry insiders and experts that information was gathered from in the first phase of the study.
3.1 SYSTEMATIC EXPERIMENTATION

*Underlying principle: Understanding and manipulating the demand curve*

Related activities:
- Constant testing and iteration toward better solutions
- Pricing and nudging to lower the conversion threshold
- Finding the right price

![Figure 4. Schematics showing the impact on the reader and advertiser demand curves of The Boston Globe raising the subscription price to $1/day (a) and The Financial Times’ switch to a trialling subscription model (b). Blue curves show demand before the change, while the orange curves show demand after the change. The dashed areas between the lines show the change in revenue.](image)

A key challenge for news media is to create offerings that fit the underlying demand curve among consumers and advertisers. This involves issues such as creating relevant subscription packages and finding optimal pricing levels. The divergent subscription and pricing models among American news organisations, even those targeting the same audiences, indicate that there are no universal solutions. Therefore, leading organisations take an experimental approach, constantly and systematically testing different models and gradually iterating toward more optimal solutions.

While testing takes different forms, it often aims at finding ways to monetise readers at different parts of the demand curve. At the lower end, the aim is to convert non-paying readers into paying ones without alienating loyal subscribers who seldom receive any incentivising deals. At the higher end, the challenge for newspapers is to find offerings that correspond to these readers’ higher willingness to pay.

A typical form of demand curve manipulation is to *stimulate demand among readers whose willingness to pay is just below the price level of a subscription*. Lifting
the demand of such readers above the threshold that the subscription price constitutes can mean a substantial increase in reader revenue. As we will see for example in the case of *The Financial Times*, one medium- to long-term strategy for doing this is to stimulate habit – with the goal that the reader who gets used to reading a certain paper will get an increased willingness to pay for a subscription. To stimulate habit, however, FT is in the short term using the strategy of optimising pricing to better match the existing demand of those with a low willingness to pay; this is done by offering trial subscriptions at a heavily discounted rate. The mechanism used here is to *lower the conversion threshold*. Other ways to lower that threshold can be to reduce entry barriers, for instance by making payment and signing up very easy.

News organisations that systematically test different models have discovered that experimentation does not uncover a fixed, underlying demand curve, but instead manipulates it. A well-documented phenomenon is that increasing the price can actually lead to higher demand, as buyers value the product more. *The Boston Globe* and *The New Yorker* have been raising subscription prices heavily more than one time and found out that their core readership is less price sensitive than they had previously assumed. They could therefore increase the reader revenue by raising prices without seeing any substantial churn – thanks to this way of *exploring the demand curve*.

Systematic experimentation does not always focus on pricing. News organisations such as *The Washington Post* use an iterative approach to optimise the traffic to individual articles. They conduct split testing, where the outcome of readers being exposed to different versions and configurations of headlines, text, and visual elements is measured. (See section 4.2.1.) Such examples show that newspapers are taking a page from the e-commerce playbook, where split testing has long been used to tune every aspect of the customer journey in a way that maximises sales. The publishers engaging in this kind of tests are still in an early stage, and the interviews carried out for this report did not reveal any clear pattern of what kinds of headlines, graphics, etc. work better than others.
3.2 SYNERGISTIC APPROACHES

Underlying principle: Letting those with high willingness to pay subsidise those with low willingness to pay

Related activities:

- Cross-targeting of non-overlapping audiences
- Resource sharing
- Cross-subsidisation, advertisers-readers
- Cross-subsidisation, readers-readers

![Schematics](image)

**Figure 5.** Schematics showing the impact on the reader and advertiser demand curves of *The New York Times’* program to let subscribers sponsor student subscriptions (a) and its collaboration with Lincoln Motors, where the latter subsidised non-paying readers (b). Blue curves show demand before the change, while the orange curves show demand after the change. The dashed areas between the lines show the change in revenue.

An interesting way of simultaneously optimising revenue from readers with a high willingness to pay and stimulating the demand at the lower end of the curve can be seen in a *cross-subsidisation* program by *The New York Times*. In this program, the newspaper encouraged generous readers to sponsor digital subscriptions for students, leveraging generosity while simultaneously building habit among the students. In March 2017, 1.3 million students had benefitted from the generosity of 15,000 individual contributors, with one anonymous contribution of $1 million.

NYT has also been able to realise synergies by engaging in unconventional partnerships with the aim of gaining in new ways or from new audiences.

One of these partnerships is with the music-streaming provider Spotify, identified by NYT as a potential partner, its target audience largely non-overlapping with their own. By bundling subscriptions of Spotify and NYT at reduced prices, both partners could attract new customers who would not (yet) be ready to pay for a
full-priced subscription. The audiences largely being non-overlapping meant that this could be achieved without any substantial loss of revenue from readers who would otherwise have bought a standalone subscription.

The second of *The New York Times*’ partnerships – with the car manufacturer Lincoln Motors – is more unconventional. The idea of this collaboration was born through NYT’s reader data analysis – more specifically when looking at non-paying users who kept hitting the paywall month after month. Being frequent readers, these people were clearly interested in NYT’s content, but showed a low willingness to pay in not choosing to become subscribers. The interesting part is the next step of NYT’s analysis, in which the profiles of this group of readers were studied. The publisher could thereby identify a subgroup among the returning non-paying readers who matched the target profile of Lincoln Motors. Upon this finding, NYT offered Lincoln Motors the chance to sponsor subscriptions for these readers as a targeted marketing campaign. Through this arrangement, *NYT* could get revenue in two steps: first from the sponsor, and later by retaining some of the new subscribers who could be converted into paying subscribers after developing a new reading habit.

Partnerships can also be used to create synergies in content production, thereby improving quality and/or lowering costs, as in the case of *The Providence Journal*’s collaboration with Gimlet Media’s podcast *Crimetown*. Similar to the case of *The New York Times* and Spotify, the audiences of *The Providence Journal* and *Crimetown* were also largely non-overlapping, and one of the motives of the partnership was to attract new readers and listeners from each other. This partnership, however, had content production and resource sharing at its heart. The newspaper gave the podcast access to its archives for research and started publishing weekly columns with the podcast’s stories. Both media frequently mention each other in a form of cross-promotion and, at the same time, the shared resources add value to the products of both companies.

3.3 FORMATS THAT INCREASE ENGAGEMENT AND DEMAND

*Underlying principle: Lifting the demand curve*

Related activities:

- Incubating influencers and social media inspired formats
- Formats for mobile-native audiences
- Virtual reality and 360-degree reporting
- Advertising formats that improve engagement

A broad cluster of observations is related to lifting the entire demand curve, either of readers or advertisers. This is typically achieved through introducing formats that are more relevant to these groups. As more traffic comes through mobile devices, for example, newspapers are ramping up their efforts to present content in
ways suitable for this format. On the advertising side, the high engagement generated through video has led many newspapers to present stories and display ads through video.

It is important to note that the demand curve of advertisers is linked to the number and quality (from an advertising viewpoint) of a publication’s readers. More readers (or more readers that are perceived as more relevant to the advertiser) will normally lift the demand curve of advertisers.

Ad scarcity is another way to lift the advertising demand curve, a concept mastered by Quartz and discussed further under Business model cases. Since advertisers know that their Quartz ad will not just be one ad among many, their willingness to pay gets higher.

Quartz also offers an example of formats that are perceived as more relevant to readers. By presenting news in a messaging format, inspired by Snapchat, Quartz’ content has attracted a younger audience. The New York Times and The Washington Post have also invested in Snapchat news products in pursuit of a format more attuned to the habits of young readers.

Billy Penn, the fastest-growing U.S. smartphone-centric news site for young readers goes further in attracting a young audience. The company organises tech meetups, food and bar events, and recognition events for ‘30 under 30’ to create stronger loyalty among its readers.

Other news outlets experiment with formats that integrate elements inspired by social media. The Street lets readers follow individual journalists, replicating the person-centred aspect of social media as a way to foster loyalty, increase relevance, and allow advertisers better targeting. Only subscribers of the newspaper’s premium edition can follow The Street’s most popular journalists. Using its own resources and platform to cultivate the brands and visibility of its individual contributors resembles the approach of a model agency.

Newspapers are also eyeing the potential of virtual reality as a format to increase engagement. After NYT distributed one million Google Cardboard virtual reality headsets to its subscribers in late 2015, others followed suit and started to create virtual reality content in 2016. Projects by Huffington Post, The Washington Post, The Wall Street Journal, and NYT have taken readers on 360-degree experience journeys to other planets, war zones, travel destinations, and presidential candidate rallies and debates.
3.4 PREMIUM CONTENT CREATION AND REPACKAGING

Underlying principle: Realisation of maximum value from those with highest willingness to pay

Related activities:

- Reorganising content into new formats
- Exclusive content
- Early access to content

![Figure 6. Schematics showing how premium offerings can generate more revenue from reader and advertiser demand curves.](image)

Recognising that a small number of subscribers and advertisers have a willingness to pay that far exceeds the price of the highest tier of a typical subscription model, some news outlets are experimenting with offerings for this premium segment.

Atlantic Media’s publication ‘Leading Brands in Government’ is an example of targeting a sector of readers with an extremely high willingness to pay. When customers are prepared to pay $20,000 for a single copy of a publication of repackaged content, as is the case with ‘Leading Brands in Government’, a single copy sold represents a larger market than that of a large number of ordinary subscriptions.

Another example of targeting the premium segment with repackaged content is The Chronicle of Higher Education, which reorganised their data and previously published editorial content into the book ‘2026: The Decade Ahead – the Seismic Shift Transforming the Future of Higher Education’. The 42-page book sells for $150 (digital edition) or $200 (print edition) and brought more than $500,000 in new revenue.

Slate, one of the oldest digital-only news sites, has discovered that some of its users are prepared to pay a premium for early access to content. The site has partnered with the podcast network Panoply to offer early access to Panoply’s free podcasts as parts of its premium offering.

Other news outlets are leveraging data and other internal resources to create content that customers are prepared to pay a premium for. The Street, for example, is
offering a ‘members-only investing club’ with action alerts and investment advice by Wall Street investors and columnists. *TechCrunch* has started to offer a premium version of the startup database Crunchbase, by adding new services on top of the data.

### 3.5 LONG TAIL STRATEGIES

*Underlying principle: Generate direct revenue from the long tail of infrequent readers*

Related activities:
- Micropayments
- Marketplaces for individual news pieces from many different sources

With the rise of social media discussed under *Contextual factors and trends*, many consumers access most of their news from social media streams and apps rather than a few select news sources. This leads to a situation where readers are spending less time with more news sources and news sources have a greater number of readers that consume a small amount of content from them. As these users are unlikely to pay for a subscription, traditional approaches have sought either to retain these users and eventually convert them to paying subscribers or to benefit from the advertising revenue that the long tail of infrequent readers help generate.

A new approach is aiming to generate revenue directly from the long-tail readers through micropayments. The Dutch micropayments startup Blendle, sometimes described as the ‘Spotify of news’ received an investment from *The New York Times* and entered the U.S. market in 2016. Blendle has signed up publishers such as *Time Inc.*, NYT, *The Wall Street Journal*, and *Condé Nast* to allow users to browse and pay for individual articles rather than having to sign up for subscriptions. The company charges 19-39 cents per newspaper article, and 9-49 cents for magazine stories.\(^{50}\)

The most extreme long-tail strategy would be realised through marketplaces for news, where individual pieces of news are auctioned off, priced dynamically depending on demand, or priced by the seller. While similar platforms exist in Asia, this study has found no examples in the United States.
3.6 SERVICE PROVISION AND ADDED VALUE FOR ADVERTISERS

Underlying principle: Extending the advertising value chain

Related activities:

- Full marketing solutions
- Target group specificity
- Data-driven advertising
- Bundling advertising with additional value-added components

With marketing expenditure on the rise but display advertising in relative decline, news organisations extend their value chains by assisting in brand building, not just advertising. This redefinition of the value they provide to merchants has led news outlets to expand their capabilities. The New York Times, for example, has acquired the influencer agency Hello Society to enable the newspaper to assist its advertising customers across platforms.

Gatehouse Media has spotted an opportunity in the relatively low maturity in digital marketing among small and medium-sized enterprises. Through its Propel Marketing division, whose revenue grew 69% in 2016 to $53 million, it offers search engine optimisation, site and app building, and social marketing to complement the ordinary advertising offering.

Another cluster of observations indicates that news organisations are finding advertising is easier to sell when it is bundled with additional value-added components such as branded content or event sponsorship. Atlantic Media, for example, is selling display advertisements based on leads from events it has produced.

News outlets are finding dual benefits in more finely and accurately segmenting their readers and creating formats and contents that appeal to these different segments. Apart from lifting up the reader demand curve, doing so also makes the audience more valuable to advertisers. New local news platforms such as Billy Penn, which targets a young audience by using ‘a young voice’, is achieving relatively high margins by selling the attention of these users to advertisers targeting that demographic.
3.7 MAXIMALLY LEVERAGING ASSETS
Underlying principle: Adding new value chains around existing assets

Related activities:

- Leveraging brand for additional revenue
- Leveraging skills for additional revenue
- Leveraging data for additional revenue
- Leveraging existing resources for event organising

One example of *leveraging skills for additional revenue* is to produce ‘white label’ events for advertisers and partners. *Government Executive Magazine*, for example, plans to organise 31 white-label conferences for its partners in 2017, built on the infrastructure of their own sponsor-supported events. It is the fastest-growing, highest-margin part of the news organisation’s business.

Amid the general increase in businesses’ ability to make use of data, *leveraging data for additional revenue* is an attractive proposition for newspapers. *TechCrunch*, for example, not only uses data to perfect content and advertising offerings, but also sells data directly to third parties. As discussed further under *Business model cases*, however, the general trend in the industry is more in the direction of protecting data than selling it.

*Leveraging the brand for additional revenue* is a third way of monetising existing resources in new ways. Beyond branded or curated merchandise sold through a news organisation’s website, increasingly they set up their own e-commerce platforms boosted by brand loyalty and trust. *Gizmodo Group*, for example, launched an e-commerce platform for consumer electronics and smart gadgets.

Publishers are also adding *event organising* as a value chain around their existing resources, including content, moderator skills, and brand recognition. *Gatehouse*, the largest newspaper publisher in the U.S., has started the division Gatehouse Live for producing (mainly lifestyle-oriented) events. All events are sponsored, some with bundled advertising, and some also charge entry fees. Additional observations reported by this study’s interviewees show that many regional news publishers have moved into the events space.
3.8 COST REDUCTION AND INCREASED EFFICIENCY

*Underlying principle: Lowering the cost curve*

Related activities:
- From mobile-first to mobile-only
- Automated journalism
- Crowdsourcing
- Outsourcing

Fresco, a startup affiliated with *The New York Times*, has launched an app that connects editor requests with interested amateur photographers. This way of *crowdsourcing* photo and video through an Uber-style app leads to increased speed and lower production costs. Crowdsourcing is also used by *Deseret News*, which gets high quality written material from bloggers, ensuring the quality through an automated vetting process.

In the area of *automated journalism*, *Associated Press* uses artificial intelligence to automatically compile quarterly earnings reports for 4,000 companies, a tenfold increase compared to pre-automation. The academic spinoff Narrative Sciences uses automated journalism to help local newspapers generate sporting event recaps and financial market reports.

*The Washington Post* has developed Arc, an online *content managing* system that other media publishers can license to free up resources and focus on their core strengths. The system is discussed in further detail under *Business model cases*.

A growing number of legacy newspapers, including *La Presse* (Montreal) saves on printing and distribution costs by going fully digital. *La Presse* was mentioned by this study’s interviewees, despite its non-U.S. location, due to its strong mobile edition that makes full use of the new format.
4. BUSINESS MODEL CASES

Interviews with industry insiders and experts were conducted to gain a deeper understanding of some of the business model principles discussed in the previous section. The cases below are the outcome of these interviews. In some cases quantitative information has been obtained, while in other cases the information is more qualitative. Most of the cases do not match one specific business model principle, but instead integrates aspects of several of business model principles.

4.1 CASE 1: QUARTZ – PREMIUM ADS FOR HIGHLY ENGAGED READERS

<table>
<thead>
<tr>
<th>Key stats</th>
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<tbody>
<tr>
<td>The ads</td>
</tr>
<tr>
<td>$65 CPM (all channels combined)</td>
</tr>
<tr>
<td>7.5% click-through</td>
</tr>
<tr>
<td>The users</td>
</tr>
<tr>
<td>300,000 monthly active users</td>
</tr>
<tr>
<td>App used on average 5 minutes per day</td>
</tr>
<tr>
<td>30%-40% of readers read the whole sessions</td>
</tr>
<tr>
<td>The company</td>
</tr>
<tr>
<td>28% revenue growth in 2016</td>
</tr>
<tr>
<td>250 employees</td>
</tr>
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</table>

Quartz, founded in 2012 by Atlantic Media, represents a new type of digital news publisher from both the reader and advertiser perspectives. Through the interactive news app it launched in 2016, Quartz has been able to attract a new, young audience and generate high reader engagement. The company is using the data on engagement to sell premium advertisement bundles for high-end prices. This represents a new type of business model based on high user engagement, advertising scarcity, and expert editing and branded content production by the company.

Quartz is a niche but growing business news player in the United States, with 28% revenue growth in 2016 and a content attracting a young, well-educated and affluent audience. Quartz employs multiple platforms to increase reader engagement: news can be accessed through their website, mobile site, newsletter, flash briefings, and the interactive chat news app. Different platforms target different tastes and demographics, attracting 19 million unique visitors per month. Of all these platforms, the Quartz news app is the most innovative component, as it is a new format attracting a new audience and also generating higher engagement than traditional media formats. So far, the app has 650,000 downloads and 300,000 users who use it at least once a month. Half of these users belong to the overall user base of Quartz, while the other half are new users who have been attracted to Quartz.
thanks to the news app. The news app, which gets its revenue solely from the single ad featured in each session, has just turned profitable, on a run rate (projected revenue) of about $1 million in 2017.

*Quartz* offers premium advertisement at rates equivalent to $65 CPM (cost per 1,000 ad impressions). Employing a scarcity marketing strategy, it has established advertisement prices around three times as high as those of mid-market competitors such as *Business Insider*. From the advertiser perspective, several factors distinguish the *Quartz* model from those of competitors, justifying its premium prices. *Quartz* offers two ad formats: large-format ‘engagement units’ and branded content or so-called ‘storytelling units’. Its scarcity strategy is fundamental to its value proposition; there is no algorithmic or differentiated pricing of ads. In-app ads are sold in fortnightly runs. They were initially sold independently from the other *Quartz* platforms, but are now offered as bundled ad packages across the mobile, web and newsletter platforms. It only began selling in-app advertisement space after reaching a certain critical mass of users. Later in 2017, *Quartz* will start experimenting with interactive advertisement content as part of a development of the in-app chat experience.

The *Quartz* app has been successful in generating user engagement. Its visual appearance resembles instant messaging apps such as WhatsApp: Users are presented with news headlines in the form of ‘message bubbles’, to which they respond by tapping a button to read more of the story. Within its first year, the app reached 100 million ‘taps’ by users choosing to read more; the average reading session has 13 taps. The average user uses the news app twice a day for a total of 5 minutes, with 30-40% of users consuming all news in a session. This high rate of reader engagement is used as a selling point for in-app advertising through different forms of content engagement. The 7.5% click-through rate is more than six times the industry average. In-app advertising space is sold out about half a year in advance.

*Quartz* is growing, hiring new personnel and looking to expand its new ‘bot studio’. It now staffs up to 250 people and is planning 68 new hires this year. 45% of the new staff members will be journalists, 40% business people, and 15% product and engineering staff. *Quartz* devotes a staff of six editors and technologists exclusively to the news application. Its two-person ‘bot studio’ has just begun building audio activation products, and a test launch is promised for later this year. *Quartz* identifies Amazon’s Alexa and Google Home as interesting platforms for this, while Apple’s Siri is regarded as not being sufficiently user friendly at this point. The company sees potential in expanding the content of the messaging app via voice control, and more experimentation in this field can be expected before 2018.

From the user perspective, the *Quartz* business model has several advantages over traditional business media. The content is free to the user; the app, which is built around interactive messaging, responds to users’ desire to engage with news socially; and the tone and presentation are lighter and more humorous than is usually the
case in business news. Quartz also applies a mobile gaming experience to news consumption through features in its app. Quartz’ content aims to engage and entertain readers in addition to providing news. It is designed as a secondary news platform to complement other sources like The New York Times, The Wall Street Journal and Bloomberg. The degree of content personalisation is low, although Quartz is currently experimenting with increasing this.

4.1.1 Key takeaways

Quartz’ success highlights that it has managed to respond to the demands of the changing media landscape. The interactive nature of the Quartz news app distinguishes it as a news ‘experience’, and its messaging style news app succeeds in attracting a comparatively young audience. Its premium advertising model is built on a strategy of advertising scarcity and bundling. Instead of creating new content, the app is focused on smart editing and distinctive presentation. Finally, the philosophy of creating a family of products – web, mobile, app, newsletter, and flash news – is fundamental to the Quartz model. These are not just parts of one product in different packages, but several distinct products appealing to overlapping but different demographics.

4.2 CASE 2: READER DATA IS USED TO OPTIMISE REVENUE STREAMS

<table>
<thead>
<tr>
<th>Key stats</th>
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</thead>
<tbody>
<tr>
<td>Washington Post</td>
</tr>
<tr>
<td>89% increase in newsletter-driven pageviews 2015-2016</td>
</tr>
<tr>
<td>6% increase in user engagement achieved through real-time headline &amp; graphics variation</td>
</tr>
<tr>
<td>Star Tribune</td>
</tr>
<tr>
<td>10% churn reduction through reminder campaigns</td>
</tr>
<tr>
<td>New York Times</td>
</tr>
<tr>
<td>88% revenue from 12% of readers (in digital)</td>
</tr>
<tr>
<td>8-15% of digital users drive &gt;50% of traffic</td>
</tr>
</tbody>
</table>

Publishers and advertisers are increasingly influenced by reader data, which is used to optimise a wide range of practices affecting revenue streams. Modern analytics, whether built in-house or outsourced, now informs every modern revenue stream of publishers, from reader revenue to ad optimisation.

An important development is a trend away from external selling of reader data. Currently, selling data rarely yields any significant revenue; the publishers interviewed for this study do not report selling it to third parties at all. On the contrary, they have, over the last two years, made a concerted effort to disallow ad networks from harvesting reader data from their sites. Instead of selling reader data, publishers are using it in-house to optimise revenue from readers as well as advertisers. The Local Media Consortium, a partnership of local U.S. publishers, is also
researching how it could better harness user data collectively, for the shared use of its members, to improve advertisement targeting and pricing.

Reader data analytics offers four distinct benefits to the news industry:

- **Increased retention** through improving satisfaction and loyalty of current paying users.
- **Increased conversion** through attracting non-subscribers who are hitting the paywall month after month.
- **Product development** based on user feedback and analyses of user data.
- **Increased ad revenue**, which can be obtained through better advertiser targeting and through measuring the impact of campaigns.

A range of metrics is used to optimise the above. According to Mather Economics, a consultancy engaged in subscription revenue optimisation, the following metrics categories ought to be used when segmenting readers:

- **Consumption metrics** include the frequency and time spent with the content during a set period of time.
- **Interaction metrics** observe the behaviour of the customer while engaging with the content or using the site.
- **Attitudinal metrics** measure the level of loyalty or enthusiasm that an individual has for a topic, product or community.
- **Time metrics** reflect on the timing of certain events during a subscriber’s lifecycle and the overall time of activity on the account, often called ‘account tenure’.
- **Socioeconomic metrics**, finally, describe factors that influence an individual’s demand for a product, including disposable income, price sensitivity, age, gender, macroeconomic indicators, education, and household type. In short, publishers must use a wide variety of data points to maximise their pricing.

Data, which is processed and acted on in real time by analysts, drives the valuation of advertisement as well as reader revenue. In talks with analytics companies Parsely, Piano Media, and the above mentioned Mather, the key role of ‘engagement’ metrics stands out as an organising principle for optimising monetisation. Each analytics company defines their engagement metrics differently. For instance, Piano Media’s methodology is highly applicable in its depth; the engagement metrics it focuses on are visit frequency, total page views, and direct traffic.

Analytics of reader data should not be confused with ‘data journalism’ – journalism focused on finding news stories with help of analytics of external data sources – which is discussed later in this report. One data journalist told us that the two roles of analysts are frequently being mixed up in discussions about how media companies use analytics, although they are seldom or never combined in the newsrooms. Both kinds of analysts are, however, increasingly demanded. The growing importance of reader analytics is illustrated by the introduction of majors in this field at U.S. universities, and newsroom managers who are cutting staff to cope with declining revenue tend to hold on to journalists capable in data analytics.
Some companies, like the small digital startup site *Voice of San Diego*, have come up with their own definition of engagement metrics by defining three groups: the Informed, the Involved, and the Invested. Engaging these different groups with targeted campaigns has allowed it to recently, and rapidly, establish a membership base of 2,000.

Taken to the extreme, a too strong attention to reader data can lead to a decrease in content quality. One interviewee mentioned that some companies behind news sites are grading reporters based on the number of page views of their articles – inevitably leading to superficial ‘click-bait’ stories. More positive examples, on the other hand, include newspapers making very long articles shorter and more focused. The takeaway here is that reader metrics can provide good input for content decisions, but cannot replace sound editorial judgment.

A publisher with a very strong position in reader data analytics is *The Washington Post*, which claims that developing a set of analytic tools partially enabled it to grow from 50 million to 100 million readers in just two years. *The Post* employs an article recommendation system, which has helped it improve the click-through rate on post recommendations by 95% and has, moreover, emphasised the role of newsletters in reader engagement. Its newsletter optimisation has led newsletter-driven pageviews to grow twice as fast as other pageviews; between 2015 and the fourth quarter of 2016, newsletter-driven pageviews increased by 89%.

### 4.2.1 Real-time variation for testing headlines and graphics

*The Washington Post* has also seen increased user engagement by 6% via real-time testing with a variation of headlines and graphics. At this stage, *the Post* can instantaneously determine how different headlines and graphics affect traffic using its Bandito testing module. In one recent experiment, for example, a number of different photos and headlines for a specific article were prepared by the editors, and then combined in 18 different ways by the automated testing system. By real-time measuring which combinations generated more engagement then others, the system could then automatically use these combinations more frequently. The plan is to expand this practice for regular use in the future. Headlines and graphics can furthermore be automatically adapted based on factors such as which device a reader is using, which time of the day it is, or where in the world the reader is located. Results from the testing are shared with the newsroom, in reports that show examples of improved reach.

Similarly, *The Washington Post*’s new Drawbridge project aims at ‘intercepting’ would-be-subscribers at unusual, non-standard points in their reading journeys, while maintaining the current 20-article paywall. An example can be targeting a heavy sports user as a season’s game schedule begins. Higher conversions have been reported early on.
4.2.2 Identify and engage with subscribers likely to churn

Data on reader behaviour is also used to identify readers to target with reminder campaigns. As an example, the Star Tribune, a mid-size metro newspaper, recently reduced its churn rate by about 10% using a targeted reminder campaign. The Star Tribune hired its first data analyst, who was tasked to analyse the site behaviour of the digital-only subscribers whose subscriptions were expiring within the next 60 days. The analyst was able to isolate those ‘most likely to churn’ by observing their under-usage. A list of these users was given to the marketing department, which then messaged these targets, reminding them of the content they were missing. This practice showed promising results, reducing the churn rate by approximately 10%.

4.2.3 A focus on the heavy users

Publishers across the board are recognising the potential of reader analytics in increasing revenues, both from subscriptions and advertisement. The strategy of The New York Times (is now driven by its central discovery of learning through detailed analysis of reader behaviour and related advertisement interaction. The primary goal is to satisfy heavy users, ensuring their subscriptions are retained and can be priced up. Important here is that NYT currently derives 88% of its digital revenue from 12% of its digital readership. This holds true not only for NYT: Across the media organisations surveyed for this report, monthly traffic is disproportionately driven by the heaviest users, with 8%-15% of the total monthly digital audience driving more than 50% of all traffic.

A secondary goal for NYT is to satisfy active non-paying users, those who hit the paywall month after month and are the key demographic to engage with. An example of strategies for leveraging the interest from such readers can be seen in NYT’s partnership with Lincoln Motors, described under Towards a business model typology.

NYT has also made another highly interesting finding: readers who regularly consume two or more kinds of content are more likely to subscribe than those who consume only one kind. Even if they consume a higher amount of one type of content, they are more likely to subscribe if they consume a lower total amount of different types of content.

4.2.4 Sharing user metrics for retention of advertisers

Findings indicate that transparency aids future advertisement sales. Among all the companies interviewed, The Financial Times provides the highest level of reader engagement feedback to its advertisers. FT Advantage is a new brand based on showing and sharing the relevant user metrics associated with a brand’s specific buy. FT’s philosophy is that the transparent approach of acknowledging both under-performing and successful campaigns will aid in future advertisement sales.

Ad-related user metrics that interviewees mention as being of special interest to advertisers include reader demographics (what kinds of readers saw or interacted with a certain ad), clickthrough rate to an advertisers’ own sites, and the number of
times attached material (such as PDFs) has been opened. In the cases of video ads and interactive ads, data on how far into the ad readers have gone are highly sought after.

4.2.5 Using social media metrics to enhance branded content campaigns
Publishers are also using social influencer metrics to increase the value of advertisement propositions. Last year, The New York Times added social metrics effectiveness to its selling proposition by buying the social influencer company Hello Society. Hello Society licenses top social influencers on social media platforms like Facebook, Pinterest, and Twitter, often with hundreds of thousands of followers. NYT then pays the influencers to speak well of the product or content involved in its branded content campaigns. It also records all the metrics of influencer mentions and shares, in order to measure their effectiveness in promoting the content.

4.2.6 Letting freeloading readers ‘pay’ with their data
A method increasingly employed by publishers for getting more data, and thereby value, from non-paying readers is to get their email addresses. Many large publishers, including The Wall Street Journal and Forbes, are similarly asking non-paying users to log in via Facebook or Google to keep accessing content. Condé Nast’s digital food platform Epicurious has experimented with requesting users to either disable ad blockers or register to keep reading. The Washington Post has begun asking readers for their email address in exchange for continued access, simultaneously signing them up for the daily newsletter mailing list. Users are essentially exchanging their privacy for access.

4.2.7 Key takeaways
There are a number of key takeaways from the findings in this case. Data analytics has become increasingly central to the digital media business and is now used to add value to components across business models. Reader data is helping publishers engage users in many ways, including better and cheaper content production through automated article writing, headline generation, more efficient search and monitoring of news and social media, better selection and prioritisation through the prediction of viral potential of content and the real-time testing of reader responses to different headlines, and graphics. It also facilitates more accurate article recommendation, which in turn increases time spent, content consumed, and advertisements seen by individual users.

On the business-to-business side, data analytics facilitates advertiser targeting and acquisition through marketing automation and merchant profiling. It also enables advertisement pricing that follows, and even manipulates, the demand curve. Data analytics enables more sophisticated advertising personalisation and improved campaign impact assessment via the use of social metrics.
Another key finding is that the sale of reader data to third parties is a declining business model component, with online publishers increasingly seeking to disallow data harvesting by third parties and instead focusing on gathering data for their own use – internally or in collaboration with other publishers.

4.3 CASE 3: IMPROVED PRICING MODELS INCREASE READER REVENUE

<table>
<thead>
<tr>
<th>Key stats</th>
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<tr>
<td><strong>The Boston Globe</strong></td>
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<td></td>
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<tr>
<td><strong>The Financial Times</strong></td>
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<td></td>
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<tr>
<td><strong>The New Yorker</strong></td>
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<tr>
<td><strong>Dallas Morning News</strong></td>
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</tbody>
</table>

Publishers are gradually learning to fine-tune their pricing for subscribers, thereby improving their subscription profit margins. Although these models have been developed fairly recently and are still a work in progress, they show significant potential for the future. Paywalls are being abandoned in favour of trial periods, which are believed to increase subscription growth. Publishers are embracing the view that extended trial periods allow users to build habits and loyalty, which is now seen as the key for increasing reader revenues.

A new dual pricing curve has been gaining popularity; a model that can allow publishers to maximise the pricing on their loyal subscribers, while simultaneously gaining new customers with more entry-level pricing. This field is still in the early stages of development but is showing significant potential for increasing reader revenue. Many publishers tend to under-price their products, as they have operated under the assumption that readers are unwilling to pay for content access online. When publishers began utilising paywalls in the early 2010s, they were still priced timidly. More recently, however, they have recognised their core readership is more willing to pay for access than had been previously thought. For many legacy publishers, improving pricing models is a key metric to focus on, as reader revenue is becoming their primary source of revenue.

4.3.1 From paywalls to trialling – for building habit

For non-subscribing readers, there is a trend away from paywalls and towards trialling models. This is driven by the finding that trials can be used as an incentive for conversion to paid subscriptions. When readers are offered low-priced trial sub-
scriptions for an extended period of time, this can create the habit of using the service regularly, which in turn builds loyalty. Loyalty can then be leveraged, if the customer chooses to continue using the service on a standard subscription after the trial period ends. This model has already proved to be successful. As an example, The Financial Times doubled its growth rate of new subscriptions after replacing its paywall with a trialling model. In 2016, its total circulation was up by 8%, while digital subscriptions were up by 14%. Similarly, The Boston Globe achieved a year-on-year net subscriber growth of 272% in the first weeks of 2017, after introducing a $1/day price model with big discounts during the first year. Publishers are increasingly recognising that the ‘carrot’ of extended trial periods and discounts works better than the ‘stick’ of denying access via paywalls, and acting on these findings has been leading to significant successes in increasing reader revenue.

For publishers still choosing to use a paywall model, a key to success is to make paywalls flexible and adjust them based on user data. Mather Economics uses data from its own proprietary system, Listener, to develop a set of ‘business rules’ aimed to maximise the digital revenues of its customers: if a site visitor is running an ad blocker, access to content should be restricted; if a heavy user is generating $20 per month in advertising revenue, they should be provided with as much content as possible. In this way, individual users’ likelihood of subscription can be modelled and then used as the basis for a strategy of digital revenue maximisation.

4.3.2 Four reasons to raise the price
There are four key reasons to extend the price range to include both higher- and lower-priced products. First, this can be used to achieve a levelling effect, as differentiated price levels will maximise revenue from readers with different willingness to pay. Second, it works as an anchoring strategy; by adding a higher price level, the previously most expensive product is perceived as more affordable. Third, a higher price can increase the perceived value of the product and thereby increase retention rates. Fourth, a higher price is not an issue for key readers who like and are loyal to the product.

Mather claims that many publishers have so far under-priced their products, recommending introducing higher-priced products for ‘anchoring’. In the same way that coffee shops see increased sales of their largest coffees when they introduce an even larger option, publishers introducing longer subscription options get more subscribers for their previously longest choice. In both cases, adding a bigger option makes available options seem more moderate. In one experiment with introducing two-year subscription options, Mather found something surprising: Not only did the number of annual subscriptions go up, but the new two-year subscription option became the most popular. A three-year option was thereby introduced as a new anchor, and today more than 50% of the new subscriptions of the paper in question are three-year.

Based on the above findings, Mather invented a new KPI: contract years, representing the subscription volume that is sold. Mather recommends that publishers
begin offering longer subscription terms, as these both provide greater near-term revenue certainty and lead to higher retention over time. According to Mather, the retention rate after 30 months of readers who have been using a short trial is only 4%, while the same number for readers who have had a one-year subscription is 45%.

4.3.3 The Boston Globe: Raising price to $1 a day with high retention rates
Among U.S. regional newspapers, The Boston Globe has been the most aggressive when it comes to pricing. The Globe employs a gradually escalating pricing model for subscriptions. In mid-2015, it began setting the standard price for all-access digital subscriptions at $1 per day. Subscribers currently move from a one-week, 99-cent trial period to a 12-month period of $4 a week, or $210 for the year. After 12 months, they are moved up to the full-price $365 a year. Apart from this, they also maintain a 10-article paywall, which is flexible and adjusted to different readers as well as different times of the day.

In the first six weeks of 2017, they have seen a 272% net digital subscriber growth, year on year. This represents 47% of their net digital sub growth from 2016 already in the first 6 weeks of the year. The Globe currently has 80,000 digital-only subscribers, up 10,000 over the last six months. However, retention of subscribers has declined by 1-2% as compared to the earlier period of lower subscription pricing.

4.3.4 Financial Times: Trialling and premium newsletters
The Financial Times has been one of the prime innovators in optimising reader revenue. Although it is the inventor of the metered paywall (in 2007), it, too, has now moved away from the meter and adopted a trialling model. This change has helped the FT both accelerate subscription growth and improve its pricing. It now offers only one to three free stories per month, but offers a four weeks’ trial subscription for $1, asking customers to register and provide their credit card information. FT is now growing net new subscriptions at twice the rate it was growing while still using the meter.

The Financial Times embraces the idea that building habit is key to conversion, and that is why trialling works better than paywalls. It also believes frequent messaging during the trial period supports conversion. In 2016, it grew in both circulation and revenue: circulation reached a record high of 846,000 across digital and print, up 8% year-on-year, while digital subscriptions grew by 14% to a total of 647,000, more than three-quarters of the total paying audience. Revenues from the digital and services sectors at FT now outpace those from print, and content and services revenues make up 60% of overall revenues.

The publisher’s pricing strategy is led by its 20 newsletters. Within The Financial Times, which is already something of a speciality publication in itself, growth is being driven by speciality and ‘premium’ publications which cover niche sectors like investment advising. For instance, the newly launched ‘Due Diligence’, similarly to many of its other newsletters, is exclusively available to those paying for a
premium subscription. The premium option costs $533 a year, about $200 more than the standard subscription; despite the significantly higher cost, about one-third of new subscribers opt for the premium package. The premium bundle has now reached a critical mass of difference, with a number of added perks.52

4.3.5 Bundling print and digital to make subscribers pay more
Reader revenue share has been increasing. As a prime example, The New Yorker magazine now gets 55% of its revenue from readers. It has been continuously raising its price, totalling a 64% price hike in the last 5 years, yet the raised price has not added much churn. On the contrary, The New Yorker’s subscription numbers are now the highest in the magazine’s history, standing at 1.1 million.

The abovementioned The Boston Globe, and other Condé Nast magazines, such as Wired and Vanity Fair, have a similar experience and are expected to follow The New Yorker’s pricing model later this year or in early 2018. The New Yorker is priced at $99 for print and digital, a package selected by 90% of new subscribers. Print or digital alone is priced at $89. The New Yorker employs a metered paywall of six free articles per month, and offers introductory 12-week subscriptions for $1 per week. Since the day when Donald Trump was elected U.S. president – after which demand for serious journalism has seen an upswing – the magazine has sold 360,000 new subscriptions.

In order to gain additional revenue from existing print readers, The Minneapolis Star Tribune emphasised bundles of print and digital subscription early on. Its long-time print readers were actively encouraged to also access its content digitally, and a bundle of digital access and Sunday print, priced at $4.54 per week, has subsequently become the preferred subscription option. 50% of The Star Tribune’s total revenue is now from readers – a significantly high figure for a U.S. daily newspaper. The Star Tribune’s model of emphasising competitive all-access pricing has been a success, making it one of the few dailies able to grow revenue year over year. Conversely, many other publishers have emphasised the digital-only sell while adding little or nothing to print subscribers’ prices for digital access, which they have then restricted.

As another case study, Dallas Morning News represents a pioneer in advertisement revenue optimisation. The mid-size metro newspaper is leading in using data to provide marketing solutions to the small and medium-sized businesses merchants in its market area. A single data repository is the key to the five businesses it has founded or bought. Dallas Morning News has begun to profile its merchants similarly to how many news publishers profile their news consumers, with a strategy to sell them more than one of their services. This has enabled it to receive increased average revenue per user (ARPU) from each of its merchant customers. The share of its annual revenue driven by digital advertising and marketing has risen from 7% to 16% within two years from launching the merchant marketing strategy.
4.3.6 Key takeaways

To conclude this section, a few key trends can be identified. Publishers are increasingly depending on revenue from readers. They are recognising that fostering habits is at the centre of successful models for entry-level pricing. There has recently been a trend away from paywalls and towards extended trial periods, intended to build habits and loyalty. New pricing models are based on differentiated prices of ‘standard’ and ‘premium’ products and on increasing prices across the product line. Research has shown that many readers are less price-sensitive than has previously been assumed. Increased prices therefore tend to lead to higher revenue. Paying news subscribers already represent an elite – and many of them will gladly pay more for a well-packaged and upgraded offering.
4.4 CASE 4: ADVERTISING SPACE IS BECOMING SECONDARY

Key stats

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banner advertising decline</td>
<td>25% decline in banner advertising in one year</td>
</tr>
<tr>
<td>Branded content</td>
<td>20% of The New York Times’ digital ad revenue comes from branded content</td>
</tr>
<tr>
<td>Events</td>
<td>80% of Billy Penn’s revenue comes from events</td>
</tr>
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While advertising space has traditionally been the primary business-to-business pitch point for publishers, it is now increasingly being added as a secondary component in bundles with other added-value marketing services. Such services include branded content storytelling, sponsorship endorsements, organising events, local marketing assistance and over-the-top video production – new offerings that now lead publishers’ sales efforts. In this way, digital disruption has fundamentally changed the way publishers market their advertising opportunities.

A driver behind this change is the declining interest in ad space as such. Banner advertising has declined 25% in one year, according to a recent U.S. Interactive Bureau (IAB) report, and its share has fallen from 16% to 12% of overall digital spending. Advertisement space is also increasingly moving to the lowest price end of the advertisement market, fulfilled by programmatic advertising. In this context, advertisement strategists and sellers have had to reinvent their strategies, products and sales staff to retain competitiveness in the marketplace.

4.4.1 Publishers are now double-hatting as digital agents for brands

As publishers are increasingly moving from selling advertisement space to guiding and helping businesses, advertisement-selling staff is taking on the role of consultants rather than of order-takers. With prices of ad space falling, a new role of media has become to find ways to assist the advertiser’s business. Services such as event sponsorship, branded content storytelling, and local marketing assistance are now at the centre of media advertising. Taking responsibility for the effectiveness of the advertisement content, as well as helping in its production, helps cement the relationships between publisher and merchant.

Offering local digital marketing services is increasingly replacing the revenue lost from shrinking print sales. All major U.S. media chains, and many independent publishers, have introduced local marketing services. This procession is led by Heart’s Local Edge, Gatehouse’s Propel, Gannett’s newly acquired Local Reach and Digital First media’s AdTaxi. Local businesses tend to lack expertise in digital marketing areas such as building websites, producing low-cost videos, and placing advertisements on Facebook and Google. Many of them need help building and expanding their digital presence. Publishers regard this as an opportunity to replace revenue lost as print buys diminish, although the margin on some of the products is
small. Some publishers have already had significant success in this: for *Dallas Morning News*, as an example, local marketing services now contribute 16% of overall revenue.

**4.4.2 Branded content leading ad sales**

Branded content has now moved to the centre of the advertising strategy of top news publishers. Over the past four years, media houses from *Atlantic Media* to *The New York Times*, from *The Financial Times* to *Hearst Magazines and Newspapers*, have effectively become full-service digital agents for brands. These publishers’ long-time storytelling expertise attracts national brands and their agencies to their services. The strategy is working; for instance, 20% of the digital ad revenue for NYT now comes from branded content. Moreover, NYT’s T-Brand Studio often leads the publisher into wider discussions on advertising spending with brands and their agencies. These agencies then partner with T-Brand to produce campaigns aimed at the publisher’s specific audiences. An Atlantic Media executive interviewed for this study remarked that ‘Most campaigns now involve some kind of branded content component’.

While most publishers lack the resources to establish a full-scale digital agency, even smaller publishers can adapt their thinking to achieve improved ad revenue. By helping merchants create digital advertising, using many popular tools of the day, publishers can open doors that may otherwise be shutting. A key strategy publishers can employ to attract advertisers is creating social advertisement content and then taking responsibility for its effectiveness. This involves using social metrics to measure the level of attention and engagement the branded content is receiving and reporting the findings back to the advertiser. (See also the above section on reader data.) Taking responsibility for the effectiveness of the branded content in this way strengthens the bonds with advertisers. *BuzzFeed* has pioneered this approach, packaging advertisement space with creation and placement of social content.

From the start, *BuzzFeed* has taken a distinctive strategy towards advertising. Instead of displaying traditional advertising, it has focused on ‘native ads’, branded content that does not overtly appear like advertising. The company has smartly developed this into a niche of viral social advertising. *BuzzFeed Studios* creates advertising campaigns in the style of *Buzzfeed’s* own editorials. A good example of this are its ‘Dear Kitten’ campaigns for Purina. Rather than displaying blatant advertising, *Buzzfeed* created an emotionally engaging video depicting life with a pet. This 2015 collaboration with Purina proved highly successful, attracting 4 million views in just 2 weeks.

*BuzzFeed* has developed this advertising strategy into its signature. It rarely sells digital advertisement space alone, preferring to package it with other services instead. These packages include creation of social content and its placement management. *Buzzfeed* then tracks the attention and engagement metrics and proceeds to report these back to the advertiser. This creates a circle that goes far beyond the
traditional ‘selling space’. Over the years, Buzzfeed’s work in extending the value of advertising has been a major differentiator.

It can be noted that branded content, while being increasingly important for many publishers, is at the same time controversial in the eyes of many journalists. The main reason for the controversy is that branded content blurs the boundaries between journalists and ad desks – two entities which have traditionally been kept strictly apart. Some journalists see a creative challenge in formulating interesting stories behind brands and their products, and find the often informative texts to be a better way of engaging with readers compared to traditional ads. Others see branded content as ‘selling out’ their integrity. Investigative journalists generally seem to be more negative than journalists covering lifestyle themes. In order for the branded content writing to not damage their reputation in the eyes of readers and publishers, many journalists choose not to use their own name when writing branded content, or to do branded content in a different field than that which they otherwise work with. Journalists embracing the value of high-quality branded content have told us that they also see a lot of bad examples, with branded content that resembles straight product marketing more than informative story-telling. Measures that can be taken by publishers to ensure that branded content is done in a good way – and its value acknowledged throughout the organisation – include policies on clear labelling, and keeping a branded content team that is separate from the newsroom and fully respects the editorial brand of the publisher.

4.4.3 Events leverage competence and trust – and sell ad space

Publishers have also become increasingly involved in events production, which can provide new revenue in two ways, in addition to being a good revenue stream in itself. First, events can be used to attract sponsors, who can then be turned into advertisers through bundling of event sponsorship with ad space. Second, publishers have an advantage in event production through their pre-existing competencies and trust from their audience. As an example, the non-profit The Texas Tribune, which was founded only 5 years ago, generated $1.13 million from events in 2013. This made up more than 20% of its total revenue. Approximately 50% of its events revenue came from a single event. Three other small-scale nonprofits, MinnPost, NJ Spotlight and St. Louis Beacon, also received over 10% of their revenue from events.

The United State’s largest newspaper publisher by the number of dailies, Gatehouse Media, has recently established a new events division called Gatehouse Live. This year, the division will produce 240 events in Gatehouse’s top 25 markets, up from 120 in 2016. Gatehouse Live offers strategy, branding, marketing, and all execution for these events. Event topics include food and drink, boomer and senior lifestyle, and sports. All events are sponsored; some with bundled advertising, and some charge admission fees as well. The establishment of this new division indicates that Gatehouse Media now considers events a key part of advertising and recognises the importance of building sufficient staff expertise.
For some news websites, events add the physical part of a ‘high tech, high touch’ offering. An example of this is *Billy Penn*, the fastest-growing U.S. news site aimed at young readers. *Billy Penn* is using events, sometimes with admission fees as well, to generate sponsorship and advertising revenue. In 2015, events accounted for 80% of *Billy Penn*’s revenue. In 2017, the company will host as many as 125 events. *Billy Penn* can be said to be a high touch publisher, with its approach reflected in its whole strategy from events to newsletters and requests for reader-generated content. The touch here is an evolving mix of digital and physical.

Events sponsorships are, in and of themselves, a good new revenue stream. They are currently being used expertly by national companies and less consistently by local ones. The value of sponsored events is significantly extended in combining sponsors and advertisers as targets; packaging of the two increases their spending with a publisher. For example, McDonald’s, an event sponsor previously reluctant to buy ad space, is now buying advertisements from *The Chattanooga Times Free Press* for $10,000 per month owing to the packaging of event sponsorship with ads. *The Chattanooga Times Free Press* is a private publisher in Tennessee, which achieved seven-digit earnings from hosting 12 events, thereby making 11% of its advertisement revenue from local event production.

### 4.4.4 Key takeaways

As ad space sales decline, publishers are seeking new ways to increase revenue streams - one interesting approach has been to use partnerships. *The New York Times*, for instance, has partnered with such companies as Spotify and Lincoln Motors. Mining their data vaults, such publishers can identify non-competing, overlapping audiences and develop programs to benefit both parties.

Publishers are also taking on a new role, as digital agents, and offering additional services to both clients and their agencies, increasing their value to clients as well as their bottom line. One particularly lucrative service is event production, which can offer both event sponsorship ads as well as tagalong ad space sales.
4.5 CASE 5: NEW TECH MAKES CONTENT PRODUCTION CHEAPER AND QUICKER

**Key stats**

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<td><strong>Crowdfunding</strong></td>
<td>$6.3 million in funding for journalism on Kickstarter (2009-2015)</td>
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<td><strong>Automated journalism</strong></td>
<td>5,000 companies covered in earnings report by AP, using automated journalism</td>
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<td><strong>Repackaging of content</strong></td>
<td>$20,000 charged per copy for ‘Leading Brands in Government’</td>
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The media landscape is being transformed by new technologies which allow editors to reduce costs, get stories out faster, and provide new products. Some media, such as *The Berkshire Eagle*, have started using drones to improve its news coverage. Another widespread new technology can be seen in the crowdsourcing platforms that aggregate text and – more often – photo and video to allow for more and cheaper content. While the internet initially empowered professional journalists by making them more efficient, crowdsourcing, as well as automated journalism, is now helping media quickly produce high volumes of routine stories. New presentation of data at the same time provides value to customers, often becoming part of premium access packages. Repackaged content in the form of print-on-demand or e-books can be sold with high margins to businesses and government agencies.

### 4.5.1 Fresco has ‘Uberised’ the production of photo and video content

An Uber-like smartphone app, Fresco, enables amateur photographers to provide photo and video material for publishers, facilitating fast news coverage. Fresco’s app allows pre-vetted amateurs to take on assignments covering current news events with photo or video material. These users get paid a flat fee of $35 for submitting a still image or $50 for a video. Fresco then sells the crowdsourced material for TV stations and newspapers, who can thereby cover news events early while keeping the cost low. By ‘Uberising’ the content production process, Fresco has revolutionised the supply chain. Its CEO John Meyer currently has a staff of 40, stating the app aims to ‘effectively, and I would say cheaply, bring in prospective citizen journalists’. Prospective photographers can view assignments geographically, similarly to how the Uber app works. After shooting and uploading the content, Fresco manages the billing and payment processes.

### 4.5.2 Limited success with crowdsourced text

While there have been successes at crowdsourcing visual content, it has proven markedly more difficult to crowdsource text. While an amateur photo can suffice at least for early visual coverage of a news event, writing remains very much a pro-
fessional task. It is difficult to replace reporters with non-professionals without suffering a critical loss of text quality.

As an idea, crowdsourcing has been around since the internet boom of the late 1990s. In those early days, many newspaper chains experimented with user-generated content, but these attempts proved unsuccessful for two reasons. First, technology could not replace the professional skill of reporters. Another, secondary reason, was that the tech simply was not advanced enough at the time; but even now, publishers have had limited success with crowdsourcing text.

There have, however, been some notable exceptions. Deseret Digital, based in Salt Lake City, gets text material through a network of thousands of part-time writers. This network is managed by its Deseret Connect business division. Another example of using crowdsourced written content is EByline, which works with over 2,000 vetted freelancers engaged in ‘content creation’ for both publishers and brands. Similarly, The Washington Post is able to offer twice as many stories a day as the The New York Times, thanks to having a network of higher-end freelancers.

4.5.3 Journalism is increasingly benefiting from crowdfunding

Online crowdfunding campaigns have become a common way to find public support and sponsorship for journalism-related projects, despite the failures of some crowdfunding websites for journalism.

Between 2009 and 2015, 658 journalism-related projects on the crowdfunding website Kickstarter received almost $6.3 million in funds. Over this time period, the funding received by journalism projects has also been gradually growing, with a larger number of projects receiving higher funds. In 2009, when Kickstarter was launched, just 17 journalism-related projects received funding; the following year, this number multiplied to 64 projects. In the first nine months of 2015, 173 journalism-related projects received full or partial funding. In parallel with this development, the amount of funding rose from $49,256 in 2009 to $1,743,668 in the first 9 months of 2015, and the amount of individuals contributing has grown from 792 in 2009 to over 25,000 in 2015.

While Kickstarter is the largest, it is not the only case where crowdfunded journalism can be seen. Others include Mother Jones, a radical magazine pledging to sponsor in-depth reporting; and Patreon, a platform that enables readers to contribute directly to the writers they follow. A potential drawback was that Beacon Reader, a platform dedicated to crowdfunding high-profile journalism projects, was shut down in 2016. It is, however, too early to draw any conclusion about the interest in crowdfunding having reached its peak, as new journalism projects built on crowdfunding are simultaneously emerging. An example of this is Tarbell, scheduled for launch later in 2017 with a focus on investigative journalism.
4.5.4 Automated journalism is expanding speed and scope of coverage

Associated Press (AP) has been a pioneer in the field of automated journalism. It now covers 5,000 companies with earnings reports, thanks to automated journalism provided by its affiliation with Automated Insights; the pre-automation number of companies covered was 500. Automated Insights produced company earnings reports for AP by using natural language-generation technology. The ‘writing’ is based on business descriptions from AP together with financial results and estimates from Zack’s Investment Research. The automation process often allows AP to be the first with the news, thereby gaining the coveted top position among Google search results.

Owing to its partnership with the Associated Press, Automated Insights has gained the most traction in this field. It has two main advantages in producing company earnings reports: scope and speed. Automation has increased not only the scope by also the speed of coverage, often allowing the AP to file news first. This helps AP gain the top position in Google search and thereby increase user traffic. In addition to business news, Automated is producing an increasing volume of sports-related content, benefiting from the same main advantages of scope and speed. Wordsmith, Automated’s natural language-generation product, performs similar services as the business report production, converting customer and product data into more reader-friendly language.

AP’s relationship with Zack’s Investment Research is also important to note as a key source of expertise. Automated Insights comments: ‘Every story starts with data. Zack’s Investment Research provides corporate financial results and Wall Street estimates for measures such as earnings per share, net income and revenue. AP staffers contribute data including business descriptions.’

Automated Insights is also considering trying out more localised models for automated journalism and data-collection, although this has not gained traction yet. A company that does apply a location-based model is Local Labs – formerly Journatic – which has perfected the automated collection of local and municipal data. The Chicago-based company uses publicly available sources and provides the data to some local news websites. However, it still struggles to find a robust business model.

Algorithms are a highly attractive tool for publishers. They are overwhelmingly superior to human journalists in the speed, cost and accuracy of producing news. Automated journalism is useful for producing more automated stories, creating intelligent content production systems, writing filters and alerts, and carrying out computer and network assisted investigations. They are the most useful in producing routine news stories about repetitive topics using cleanly structured data. From the same data, algorithms can produce stories from multiple different angles. They can also simultaneously provide content in different languages. By virtue of these capabilities, algorithms can easily be used to personalise content for each individual user. As automated journalism becomes more widespread, the transparency of the algorithms and the accountability of their creators will become points of contention when errors do occur. These will be especially contentious.
issues when the errors are related to news personalisation or coverage of controversial topics. The key drivers of automated journalism are the ever-increasing availability of structured data, as well as news organisations’ goal of simultaneously cutting costs and increasing the quantity of news. Media companies such as Associated Press, Forbes, The New York Times, Los Angeles Times, and ProPublica have already started to automate news content. The first steps towards automation have already been taken, and this development is increasing in volume. It is likely that journalists who cover routine topics will be made redundant by automated journalism. Conversely, more people will be employed in developing news-generating algorithms.

4.5.5 A rise in data and machine-learning driven journalism

Data driven journalism – not to be confused with analytics of reader data – was pioneered by Philip Meyer, whose book Precision Journalism was published in 1969. The idea was, and still is, that there are many news stories to be found behind the numbers in various data sources, if you know how to analyse them. Initially considered an exotic specialty, the importance has been steadily growing over the years, with many high-impact investigative report based on data analysis. Journalists with analytic capabilities are today among the most sought-after by publishers, according to this report’s interview sources.

Data journalism has been greatly helped by the introduction of new tools. The internet is one tool which has made it considerably easier for journalists to get access data in recent decades. New tools, which allow newsrooms to present data to readers in new and often interactive ways, also provide new incentives to build stories around data.

A new kind of tools are now starting to emerge, and might potentially have a disruptive effect on data driven journalism in the coming years. The key is that the new tools are using machine learning, a form of artificial intelligence (AI). This is also the case for the fully automated content production discussed above. While fully automated journalism is in the foreseeable future only viable for a limited range of highly standardised articles (such as earnings reports), however, tools using existing machine learning today has the potential to automate individual tasks such as clean-up of data – thereby making the job of data journalists more efficient. One interviewee told us that, while journalists so far use very little machine learning, we are likely to see semi-automated analytics assistants put into use within the next five years.

4.5.6 Customers are willing to pay for useful and well-packaged data

Data is not only used by publishers to increase revenue, but can also have value to their customers. Online platforms publishing data are beginning to realise that the value of data increases significantly if it is well-packaged.
Crunchbase, part of the TechCrunch technology website, has started charging customers for premium access to its data. Crunchbase Pro has several added services that are designed to provide ‘within-the-workflow’ value to customers and make the premium bundle saleable. The company has a vast backlog of data on venture capital investment, but has not previously been charging for access to it. More recently, Crunchbase has recognised the added value of data in making premium subscription packages more saleable for customers. In addition to the premium data access, the subscription bundle involves several added-value tools that make it more attractive for heavy users. These include improved search functions, such as multi-join dynamic searches, shareable searches and lists, and a powerful query-building engine which enables users to search all fields and relationships to create lists of relevant entities; automated monitoring and email alerts; and analysis tools, such as the ability to drill into search results to see the interconnections between entities, and the ability to quickly analyse market trends.

The value of data-based premium products might be most clearly seen in the B2B field, but well-packaged data can be important also to news consumers. The increasingly advanced interactive presentations of, introduced by newsrooms during the last decade to better visualise news stories, are an example of this. Access to such visualisations has often been made part of premium subscriptions. It should however be noted that, with ‘mobile first’ strategies being increasingly common, many publishers are starting to turn back to more simple data presentations, since these tend to be more easily displayed on a smartphone screen.

It is becoming increasingly important for publishers to consider what kind of data is valuable to their customers. Publishers need to identify data that is useful for their target demographic – on topics such as cities, entertainment, or schools – and work out ways to incorporate it into their paid subscription packages to generate added revenue.

4.5.7 Print-on-demand has gained a new life in high-end B2B publishing
Print-on-demand books have regained value in business-to-business publishing by focusing on targeted and well-packaged information. For example, Atlantic Media’s Government Executive, which targets government officials, has begun repurposing available content as print-on-demand books. Its title ‘Leading Brands in Government’ has been sold to 25 high-end customers paying about $20,000 each. The publication also attracts new customers through free PDF summaries of its content.

4.5.8 Publishers are experimenting with virtual reality journalism
Publishers such as The New York Times and the Des Moines Register have taken the first steps towards offering virtual reality journalism, aimed at allowing readers to ‘experience’ the news. Although the virtual reality technologies are still in an early development stage, many in the industry believe in their potential to transform the way we experience entertainment, commerce, and education. Forecasters
have suggested that by 2020, approximately 30 million devices will be sold, generating around $21 billion in revenue.69

4.5.9 Moving away from Google and Facebook as distribution platforms
Many publishers interviewed in this study have had a negative experience of Google and Facebook as distribution platforms, as they are losing advertisement revenue to these companies. It has also been difficult for many media companies to build their own digital news platforms. More recently, however, publishers have been able to benefit from Arc, a publishing platform developed by The Washington Post. Arc is leased to other newspapers, who can thereby avoid the technical hardships of having to build their own platforms.

Arc aims to facilitate the production of web and mobile content, the management of editing and publication of that content, and the monetisation of the content through advertising and other strategies.70 Smaller publishers are charged a monthly licensing fee of approximately $10,000 to The Washington Post in exchange for using the Arc software. For larger publications, the monthly licensing fee can rise up to $150,000. Shailesh Prakash, chief information officer of The Washington Post, has said he believes the Arc licensing fees could eventually generate up to $100 million in revenue for the publisher.71

Publishers have also begun employing social media applications to extend their online presence. The Wall Street Journal recently became the first U.S. newspaper and the first business publication available on Snapchat Discovery. The Journal’s executive emerging media editor Carla Zanoni commented the plan is to create a ‘snackable’ mixture of core news coverage and lifestyle features for its Snapchat channel.72

4.5.10 Key takeaways
Technology advances open more avenues to publishers to speed up and broaden their reach. Some content delivery can be automated, while platforms have been created to involve amateur and professional freelancers, thus expanding publishers’ reporting capabilities, sources, and speed to publish. Automated journalism, smart partnerships allowing the sharing of structured data, and the use of algorithms allow for faster news production in more languages. Crowdfunding’s popularity has benefitted journalism as well, allowing the emergence of individual journalism projects, which have the potential to be sold on to larger publishers.
4.6 CASE 6: E-COMMERCE AS A NEW SOURCE OF REVENUE

Key stats

| E-commerce revenue | 30% of Fusion Media Group’s revenue from e-commerce |

Publishers have long distinguished between advertisement revenue and circulation or reader revenue. Now, we are also seeing the advent of ‘reader-related revenue’: the selling of products by publishers. This appears to be a new area of revenue, generating significant early profits, although it is still too early to see how widely applicable it can be. Both small and large companies have now entered the e-commerce business, from the Portland publisher *Willamette Week* to *The New York Times*, which recently bought the digital products review website *Wirecutter*. As publishers look for new ways to get loyal readers to support their journalism, the new e-commerce may be a major growth area. *Buzzfeed*, *Vox* and *Mashable* have all placed recent investments in the e-commerce area.

Interviews with the Fusion Media Group (FMG) highlight some current trends. The FMG is largely based on six of the old Gawker properties, including cars, digital goods, gaming, and sports. The Gawker properties – save for the Gawker.com domain itself – were bought by Univision, the fifth largest broadcaster in the U.S., last fall. E-commerce now accounts for 30% of FMG’s revenue and is its most highly profitable line of business. Overall, the e-commerce revenue amounts to approximately $30 million a year; that’s the net profit to FMG, earned through affiliate fees paid by Amazon, eBay, and other product fulfillmenters. Univision will soon adapt its e-commerce learnings from the smaller digital sites to its main domain, a sign of the company’s larger belief in the e-commerce strategy.

Univision sums up its theory of converting the ‘enthusiast’ audience to a ‘buying’ audience in a three-word slogan: ‘Truth. Trust. Transaction’. It employs a commercial journalistic unit of five staff members, who write deals content. In a given day, each of its sites may feature three or four deals. These deals are then also aggregated at the company’s *KinjaDeals* website, from which the majority of its sales are made. The deals staff searches for products that have been well-reviewed on FMG sites, especially the digital gadget-oriented *Gizmodo* and *Lifehacker*, and then complements these reviews with its own research. The company aims to inspire readers’ trust in the authenticity in these reviews, thereby becoming more likely to take the site’s recommendations for what to buy.

While first-generation publisher e-commerce often amounted to placing hotlinks on products mentioned in stories, the FMG is using a more nuanced approach. Their strategy is based on the careful curation of deals; the article-based selling approach targeting the reader’s feed; and operating the commerce out of the content management system, allowing for smart linking and data sharing. FMG has separated e-commerce writing from the newsroom, running prominent disclosures to ensure
readers don’t feel that their trust in the editorial content is compromised. Also central to their approach is managing good vendor relationships to ensure best margins.

Other publishers are also taking major steps into the e-commerce business. *The New York Times* has made a significant e-commerce investment in buying *The Wirecutter* and its sister website, the furnishing-oriented Sweet Home.

4.6.1 Key takeaways
Many big-name publishers are experimenting with e-commerce sales, as an adjunct to their classic sources of ad revenue and reader revenue. Companies are partnering and enlisting sites like eBay, Amazon, and other product fulfillers to accomplish sales.

Fusion Media Group has made one of the boldest moves and proudly proclaims 30% of its revenue now derives from its e-commerce units. *The New York Times* has taken an equivalent move with its purchase of *The Wirecutter* and its sister home furnishings site, *Sweet Home*. Each works hard to separate its news unit from its e-commerce unit to allay readers’ potential concerns about objectivity.
5. CONCLUSIONS

5.1 OVERALL REFLECTIONS

5.1.1 In the absence of silver bullets, systematic experimentation is needed
The first step in creating a viable business model in the new operational environment is recognising that there is no one-size-fits-all model. Instead, this study finds a set of dimensions along which U.S. publishers explore value. Successful news organisations carry out this exploration in a highly structured way, with metrics in place to measure the effectiveness of each action they take.

Actions taken, whether a change in the pricing model or the rollout of a new format, can result in unexpected consequences as different reader groups and advertisers react differently to them. To add further to the complexity, readers’ preferences and demands are changing rapidly, and the competitive landscape is highly fluid. In this highly nonlinear and dynamic environment, the best practices identified in this report tend to be more related to the process than the outcome.

News outlets have adopted methods and tools that enable them to constantly make small changes and test the effectiveness of each individual change in real time through split testing with real users. The most advanced industry actors, notably The Washington Post, are using this approach not only to optimise the overall content and subscription model, but on the level of individual news pieces as well.

5.1.2 Designing business models for a skewed demand curve
Data presented in this report indicate that readers’ willingness to pay (for the right product) is distributed along what resembles a power law curve. On the one hand, a very small number of readers are willing to pay as much as $20,000 for an exclusive report (Atlantic Media’s Government Executive) or subsidise student subscriptions for a value of $1 million (The New York Times). At the same time, the vast majority of readers – typically in the range of 98-99% according to this study’s interviewees – are unwilling to pay even at the lowest subscription level.

Traditional tiered subscription models thus crudely cut off both the upper and the lower parts of the demand curve: they miss the potential of the small number of readers with a very high willingness to pay for the right product, as well as the long tail of infrequent readers that have a willingness to pay that does not reach the lowest subscription level. Many of the business model principles discussed in this report, and in the subsequent reflections in this section, are more successful than the simple subscription model precisely because they do a better job at providing value at different parts of the demand curve.
5.1.3 Taking a user-centred perspective to monetise the long tail

From the newspaper’s perspective, readers can be sorted based on their engagement: 1-2% of all readers pay for digital subscription; 5% register without paying; and 10-15% read more than 50% of the free content limit. It is important to see, however, that from the reader’s horizon, newspapers can be ordered in a similar way. A reader may have a few favourite sources of news, while occasionally consume news from a large number of sources that pop up in his or her news feed.

The unwillingness to pay even for a cheap subscription trial might thus not be because the reader does not have the means or is generally unwilling to pay, but simply because the news source is too peripheral for the reader to perceive sufficient value in a subscription. Recognising this could stimulate monetisation of readers in ways that do not rely on advertising or on turning them into frequent readers and eventually paying subscribers.

The approach represented by Blendle, the previously discussed micropayments startup that recently entered the U.S. market, is one example of a long tail strategy. Another indication of what may come can be spotted in Asia, which has led the way in monetising knowledge sharing and peer-to-peer entertainment using micropayments. With PayPal and other payment solution providers making micropayments easier, newspapers could follow suit and charge infrequent readers a small sum for an individual article.

5.1.4 Avoiding overestimation of readers’ price sensitivity

Recent evidence from the U.S. news industry suggests that publishers may have overestimated readers’ price sensitivity. As noted in one of this study’s business model cases, paying news subscribers already represent an elite, and many of them will gladly pay more for a well-packaged and upgraded offering. To attract new subscribers, newspapers are increasingly moving away from paywalls and towards extended trial periods. Recent experience in the U.S. news industry shows that low-priced trial subscriptions can be a way of building habit among readers, which in turn leads to loyalty and ultimately a higher chance of conversion.

5.1.5 Seeking synergies within the ecosystem and between value chains

Recognising synergies is the unifying theme of several of the business models discussed in this report. Other companies, whether producers of podcasts (see the collaboration between The Providence Journal and Gimlet Media), platforms for music streaming (see the collaboration between The New York Times and Spotify), or advertisers (see collaboration between NYT and Lincoln Motors) may have resources, audiences, and interests that complement those of the news organisation itself.

Such business model approaches build on the view that different actors are a part of the same ecosystem, with often-overlapping value-chains. Collaboration within the
ecosystem can help actors find mutual benefit such as lower production costs by sharing of resources and capabilities, reaching each other’s audiences, and more effectively monetising users.

5.1.6 Adopting social network logics
The rise of social media means that newspapers have become part of social dynamics whether they like it or not. Through linking mechanisms on platforms such as Twitter, Facebook, and Snapchat, newspapers are nodes in the same social networks as digital influencers and average social media users and competing for the same followers.

Some news organisations have done more than others to facilitate social mechanisms: by using social channels to spur constructive discussions around their news pieces, turning individual journalists into digital influencers by enabling readers to follow them (see the example of The Street), and collaborating through social networks to tap into new audiences and receive help with news gathering and content creation (see the Fresco example).

5.1.7 Avoiding traps of data-driven journalism and excessive streamlining
By analysing reader data, newsrooms can see in real time what content attracts a lot of attention and what content is less popular. Single-mindedly using this data to inform content production leads to misguided decisions. The most popular articles tend to be the least common denominator between different reader groups or reflect the interest of the large mainstream. Excessively focusing on overall popularity metrics therefore leads to differentiation problems, as content becomes tailored to the same mainstream readers that many other newspapers are targeting.

An alternative approach takes a multidimensional perspective, finely segmenting reader interests. As discussed in this report, The Washington Post leads a trend toward tailored newsletters for specific interests and in trying to nudge readers during their subscription trial period with content tailored to their special interests. Data from The New York Times, as discussed under Business model cases, shows that readers are most likely to subscribe if they consume several different types of content from the news source.

Excessively relying on real-time data to track the latest online discussions and hot topics also risks locking a newsroom into a Twitter-speed news cycle that rises and subsides over a period of hours. Most readers are plugging in and out of their social media news streams and are thus not moving on this timescale. Rather than running on every weak signal, newspapers can achieve a strong value proposition by allocating resources to uncovering and connecting to the underlying drivers of the sudden and short bursts in activity around a topic that takes place in social media.
5.1.8 Finding the right balance between reader and advertising revenue
As the market value of advertisement space is declining for most news products, publishers typically need to get a larger share of their revenue from readers. This is a reason behind the raised subscription prices imposed by media companies such as The New Yorker and The Boston Globe. Their experience has been surprisingly good, with very little added churn due to the raised prices. On the other hand, a publication will unquestionably lose readers if the price gets too high. One way of getting a larger share of revenue from readers can be to sell them additional products, apart from subscriptions. A way of increasing revenue from advertisers, conversely, is to create new products and bundles that can attract brands. Studying the experiences of other publishers can be highly valuable, but experimentation is generally key to finding the right balance between reader and advertising revenue for an individual publication.

5.1.9 Focusing on the core vs. extending the value chain
As noted in this report, many news organisations in the U.S. are seeking new revenue streams by extending their value chains, for example going from providing ad space to becoming brand consultants. It has also become common to seek ways to leverage existing internal assets, such as skills, brand recognition, and data, for additional revenue streams. While such approaches are appealing ways of making up for declining advertising revenue, they risk taking focus away from the core of creating great journalism or even redefining what the core business is. News organisations need to clearly define what their core business is and, based on this, find a balance between focusing on this core and extending their value chains.

5.1.10 New formats are key to increasing engagement
As this study highlights, the engagement generated by journalistic content is highly dependent on how it is presented. A number of formats that U.S. news organisations are experimenting with to increase engagement are discussed in previous sections: virtual reality and 360-degree video, interactive chatbots and messaging interfaces, various types of video, mobile-adapted formats, and infographics. On the advertising side, formats used to increase revenue include ad scarcity and bundling of advertising with other value-added components. Adopting best practices in formats for consuming and interacting with news should be an important consideration in redesigning news media business models.

5.1.11 Tasks, not jobs, will be automated in the short term
In the short term, the greatest value for newsrooms in automated journalism is in freeing up resources for creative and in-depth reporting by automating simple tasks
and routine reporting. With the field moving quickly and the results of automation highly dependent on the quality of the algorithms behind it, large news organisations have a big advantage. Smaller publishers would therefore benefit from commoditisation of journalism automation. They might consider coordinating support for open source projects and making use of third-party apps, built on top of platforms for learning-as-a-service by the likes of Google, rather than attempting to build their own solutions.

### 5.2 FOUR FUTURE NEWSROOM ARCHETYPES

The different emerging and growing news media business models identified in this study can be bundled into four newsroom archetypes of the near future. In reality, these four newsrooms could – and will be – combined. Rather than being an attempt at accurate prediction, therefore, the descriptions of the archetypical newsrooms are meant to capture and provide a clearer understanding of how the different business models discussed in this report may be applied. Each newsroom archetype comes with a set of challenges and opportunities.

**Figure 7. Four newsroom archetypes.**

<table>
<thead>
<tr>
<th>The technology-driven newsroom</th>
<th>The service-oriented newsroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full automation of routine articles</td>
<td>Focus on providing brand-building services – from consumer insights to campaign execution</td>
</tr>
<tr>
<td>Automated tools assist writers and analysts</td>
<td>Branded content</td>
</tr>
<tr>
<td>Dynamic pricing</td>
<td>Monitoring reader behaviour to understand consumer tastes</td>
</tr>
<tr>
<td>Personalised content</td>
<td>Organising partner-sponsored events</td>
</tr>
<tr>
<td>Add revenue shared with contributors</td>
<td>Repackaging content as tools</td>
</tr>
<tr>
<td>Split testing with parallel versions of articles</td>
<td>Selling merchandise</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The social-based newsroom</th>
<th>The journalism-based newsroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>A focus on the strong relationship with readers</td>
<td>Focus on the core competence: high-quality journalism</td>
</tr>
<tr>
<td>Youth shine in articles</td>
<td>Ethics and objectivity</td>
</tr>
<tr>
<td>Ecosystems build through collaboration with other news outlets</td>
<td>Crowdsourcing for additional insights</td>
</tr>
<tr>
<td>Social media distribution</td>
<td>High subscription price</td>
</tr>
<tr>
<td>Building communities through events and a strong online presence</td>
<td>VR and other new formats support reporting</td>
</tr>
<tr>
<td>Ads target specific reader segments</td>
<td>Trolling models foster habit and loyalty</td>
</tr>
<tr>
<td>Reporters are stars</td>
<td></td>
</tr>
</tbody>
</table>
5.2.1 The technology-driven newsroom

In the technology-driven newsroom, a number of technological innovations has enabled reporting that is personalised and optimised to the evolving tastes of readers, with high-quality content produced at a fraction of the cost previously possible.

Automated journalism is used to varying degrees in content production: the writing of routine articles is entirely automated, while more complex reporting uses automation to generate embryos for the text as well as fact-checking, making sure the narrative flows, and ensuring varied and high-quality language.

Crowdsourcing helps the newsroom to cheaply obtain information about newsworthy events and source photos and videos from contributors across the globe. The quality of such contributions has improved greatly thanks to camera, drone, and image processing technologies that turn amateurs into professionals. Online tools are put to use to create news pieces in a Wikipedia-like fashion, having several contributors working on the same piece at the same time. These contributors are rewarded with a share of the revenue that the specific article they have contributed to is responsible for. A strong motivator for these contributors is the knowledge that when an article goes viral, as occasionally happens, the reward can be huge.

While crowdsourcing has made it possible to cover geographical areas that were previously beyond reach, advances in auto-translation has expanded subscribership. To avoid the cost of running local advertising sales offices, the newsroom gets its advertising revenue from the world’s online advertising networks. Since revenue on such ads is low, the newsroom focuses primarily on revenue from readers. Dynamic pricing is used to find the right price for each article and user. Micropayments, where users can pay a tiny fee to read a single article, has helped monetise the long tail of users who occasionally find their way to the site from a social network or app.

Reader analytics and social media monitoring are utilised to constantly track readers’ evolving interests and the topics that are most likely to create engagement. Through continuous split testing, each article gradually increases its appeal over a time period after publication, as its different elements are reshaped to maximise reader engagement. Since different readers have different tastes, each article exists in a number of parallel versions, using slightly different headlines and layouts. Rather than having a clear agenda, the newsroom’s reporting is fluid and co-evolves with reader interests in ways that the newsroom itself is unable to anticipate or plan.

The newsroom’s reporting is available through a variety of formats to suit different reader preferences. One of these is a conversational interface, compatible with Apple’s Siri and Amazon’s Alexa, through which a reader among other things can ask for more detailed information about a story, and can choose to get the short or long version of a news piece. Readers can interact with this virtual news reporter
through text messaging as well as speech. As content is highly personalised, different sets of stories are presented to different users, and even the same stories are presented differently.

5.2.2 The service-oriented newsroom

The service-oriented newsroom has built an entire offering targeted at brands. The newsroom provides solutions for the entire marketing chain, spanning consumer insight, strategy development, content creation, and campaign execution.

Readers are a commodity that fits into an extended value chain of brand-building services. Selling access to readers’ attention is not the only way of monetising them; monitoring their reading behaviour provides the newsroom an understanding of changing consumer tastes, enabling them to help brands understand how to position themselves and connect with consumers. Reader data is also sold directly to third parties, and a web-based monitoring and analytics tool is provided. Readers are segmented finely, both in order to provide more specificity for advertisers, and to better understand trends within each specific segment.

Through partnerships, the newsroom is able to assist brands to have an impact across platforms, including social media and events. Marketing activities are often run simultaneously in several different channels for maximum impact and revenue. Advertising is bundled with other value-added components, such as event sponsorship.

In order to cultivate and maintain strong relationships with business customers, the newsroom has a dedicated customer support and services team that is larger than the reader-focused support team. Strong capabilities exist within the organisation to create sponsored content, combining text, graphic design, and video production.

The newsroom benefits from the relatively undeveloped online marketing skills among small and medium-sized companies. Targeting these businesses, the newsroom offers basic online marketing services including website and app development, search engine optimisation, content creation, and campaign execution.

Efforts have been made to monetise as many internal resources as possible. News content that has been published is repackaged and sold as books or as exclusive reports to corporate and government clients. The newsroom’s journalists are encouraged to take on external speaking or moderation engagements, of which the company takes a cut. The strong brand is leveraged for selling merchandise, including that of advertising customers.

5.2.3 The journalism-centred newsroom

In a growing tide of fake news and post-truth tendencies, the journalism-centred newsroom has returned to classical, high-quality journalism guided by strong prin-
ciples of ethics and objectivity to earn a reputation for credibility and trustworthi-
ness. This reputation has made wealthier readers and brands willing to subsidise
subscriptions of students and other readers with less financial means.

The newsroom focuses on its core competence, which means that it has not
branched out into adjacent value chains such as events organising and marketing
services. It does, however, make use of new technologies and tools to enhance its
core product: good journalism. Thus, data and analytics are used not so much to
understand readers as to understand and explain complex phenomena in an easily
digestible way. Crowdsourcing is used not to cut costs, but to gain additional in-
sights and shed light on a story from more angles.

With the relatively long timeframes and large effort that goes into each story, the
focus is on ‘the story behind the story’ rather than the latest hot topics and instant
user interests. The highly regarded content means that a large group of readers is
willing to pay a relatively high subscription fee, while habit and loyalty is built
among a much larger low-paying reader group through a trialling subscription
model.

New formats have been developed to support reporting. Among the newsroom’s
most popular stories are several that utilise virtual reality, including one piece cov-
ering an underwater excavation of a centuries-old shipwreck. Dynamic visual and
infographic elements are frequently embedded into articles to achieve the benefits
of different interacting formats.

5.2.4 The social-based newsroom
The social-based newsroom cultivates strong relationships with its readers and has
taken care to build online as well as local offline communities by organising
events, including pub crawls and concerts. Using youth slang and online memes
has attracted a loyal following of young news consumers. Formats that are relevant
for this target group, such as a messaging-style app and heavy use of video, are
deployed.

Rather than trying to anticipate and satisfy readers’ interests, the newsroom sees
itself as the trendsetter. Through its deep understanding of the audience – taking
pride in ‘being one of them’ – it has become adept at introducing new topics that
resonate with readers. Content is created to connect with readers’ aspirations and
emotions, which is possible only through the feedback received directly from the
readers.

Through its strong appeal among the youth, high margins are generated on adver-
tising that targets specific segments of young consumers. Members of the commu-
nity are further invited as brand ambassadors for selected brands, to promote them
through their respective social networks. To make sure advertising is not seen as
too intrusive, advertisement displays are restricted. This ad scarcity has led to advertisement margins increasing even more.

The newsroom collaborates with other news outlets that are seen as compatible in terms of image, and with capabilities that are seen as complementary to those of the newsroom. This has led, for example, to a collaboration with a design community app, where each is promoted to the other’s audiences. Another collaboration has led to resource sharing with an indie film production company. Through the various collaborations, the newsroom is attempting to build an ecosystem of companies that complement each other, bringing down costs and improving content quality.

Social media is seen as a more important platform than the newsroom’s own website. Different types of content are published in different social media channels: images are frequently posted on Instagram, commentary on Twitter, and the latest news on Snapchat. Discussion around articles is encouraged on Facebook, which due to users’ use of their real names and profile picture is seen as the best channel for positive conversation. Reporters also follow what readers post online about their publication and do not hesitate to comment on the things they see.

Readers who themselves are active and influential in social media are invited to publish on the news site as ‘guest stars’, tailoring content for the site based on their expertise. This way of working with external writers as well as photographers, video, and podcast producers who already have strong followings helps the newsroom to provide initiated coverage of niche topics that fall outside of its usual reporting and knowledge base. Meanwhile, both parties benefit from each other’s reader base.

Individual reporters are encouraged, and given the platform and tools, to shine, and some of them have gained a substantial following. But while the attention is on individual reporters, the work behind their success is a team effort. Their pieces are based on news gathering, analysis, content production, and so on that rely on the organisation’s resources, reducing the risk that reporters would choose to depart as soon as they become popular.
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APPENDIX

News industry insiders and experts from the following organisations have generously provided input for the study:

Atlantic Media  Co-Publisher
Boston Globe  Publisher
Boston Globe  VP Audience
BuzzFeed  Publisher
Byline  Head of company
Chattanooga Free Press  Former Publisher
University of Nebraska  Professor
Columbia Journalism School  Research scholar
CondeNast  Editor
CondeNast  PR head
Cronkite School of Journalism  Professor
Dallas Morning News  Publisher
Dallas Morning News  VP
Deseret Digital  President
Financial Times  Managing Director
Fresco  CEO
Google  Data journalist
KleinsLines  Journalist
Mather Economics  Owner
MDeziel.com  Branded Content Consultant
Minneapolis Star Tribune  Data journalist
Minneapolis Star Tribune  Publisher
New York Times  EVP
New York Times  Sr. VP Business Development
Quartz  Executive in charge of advertising
Quartz  Executive in charge of business overall
Quartz  Executive in charge of product strategy
TechCrunch  Head of company
Washington Post  CEO
Washington Post  CIO
ZipSprout  Co-Founder