



READER REVENUE VS ADVERTISING REVENUE

tiso blackstar group.

RIAN WOLMARANS
Managing editor: digital
November 2018



Who is **Tiso Blackstar Group**?
It's the old **Times Media**, if you're wondering.

BusinessDay

RAND DAILY MAIL

financialmail

BusinessLIVE

**Sowetan
LIVE**

**Sunday
World**

**TSHISA
LIVE**
THE HOTTEST CLUB NEWS

**Times
SELECT**

**Herald
LIVE**

Sunday Times

TimesLIVE

DispatchLIVE



OUR WORLD IN 2018


- Internet users: **4bn**, up **7%** year on year
(Africa up **20%**)
- Social media users: **3.2bn**, up **13%** year on year
- Mobile phone users: **5.1bn**, up **4%** year on year

Source: We Are Social/Hootsuite



OUR COUNTRY BY OCTOBER 2018	Y/Y
• Unique browsers of websites: 42.4m	+1.2%
• Daily average unique browsers: 4.6m	+7%
• Share of audience on mobile: 71.8%	+4.7pp
• Number of pageviews: 1,228,814,863	+7.1%

Source: Narrative & Effective Measure; change from October 2017



But how the hell
do we take their
money from them?





PRINT TO DIGITAL (MOBILE)

- Enormous upheaval: declining advertising spend; mass migration of audiences
- Slow response of legacy organisations
- Ostrich management: internal and external
- Focus on (dying) cash cows
- Print dollars and digital cents
- Likewise upheaval in digital advertising



TRADITIONAL (PRINT) REVENUE

Two revenue sources:

■ ADVERTISING

Limited inventory
High prices

■ CIRCULATION

Cover price
Subscription revenue



MODERN (DIGITAL) MEDIA MODELS

A supply and demand problem:

■ ADVERTISING

Abundant inventory
Lower prices

■ CIRCULATION

Free, no cover price
No revenue





DIGITAL MEDIA: SUBSCRIPTION


Two revenue sources:

■ ADVERTISING

Abundant inventory
Lower prices

■ CIRCULATION

Native content
Subscription revenue



WHAT WILL CONSUMERS PAY FOR?

Niche content
Scale/quality

FT **BusinessLIVE**

THE WALL STREET JOURNAL

The New York Times

The Washington Post

Sunday Times

Vernacular
content

NETWERK 24
AL DIE NUUS, ALTYD BYDERHAND

Nordic nations

Access/delivery

*SMS lines, micro- &
nano- payments for
services*

Hyperlocal
content

Winnipeg Free Press

**Herald
LIVE** **DispatchLIVE**

Defensive

*Locking digital content
to protect print*

Micro-
payments

» Blendle

Special interests

*Gaming,
betting*



NEWSONOMICS & PHILOSOPHY

If one believes news should be free, how does one pay for the cost of producing journalism?

■ Donor-funded organisations:
proliferation in Africa

■ State-funded: good at the BBC,
but China, North Korea – or SA?

■ “Begging bowl”: The Guardian
asking for donations

■ Corporate media houses: unbiased (?)
but under pressure for profit



A close-up, black and white photograph of a typewriter keyboard, showing several keys and the mechanism. The image is slightly blurred, focusing on the texture and mechanical details of the keys.

OPPORTUNITIES IN DIGITAL

1. Bigger audiences than in print
2. Intimate social media environments
3. Abundant data that can be bought/deployed
4. Targeting opportunities and better ROI
5. New advertising possibilities: native, programmatic

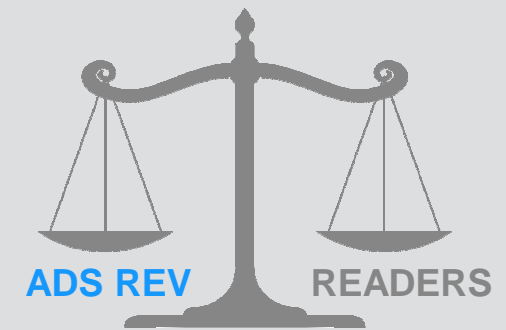


WHAT'S IN OUR
MONETISATION
ARSENAL?



PREMIUM DISPLAY ADS

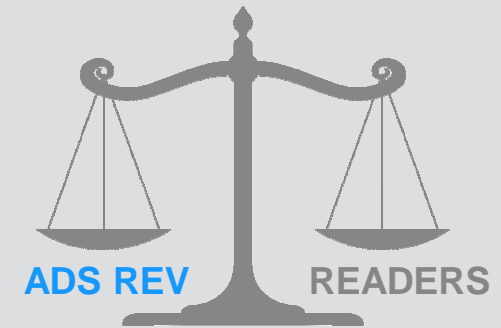
- Struggling in many ways
- Can we beat Facebook and Google?
- Problems with programmatic
- Brand safety opportunity: regain clients' trust
- Mobile ad spaces: think differently but don't annoy the readers
- Need skilled sales staff – takes much more effort



MAYBE

PROGRAMMATIC & DATA SALES

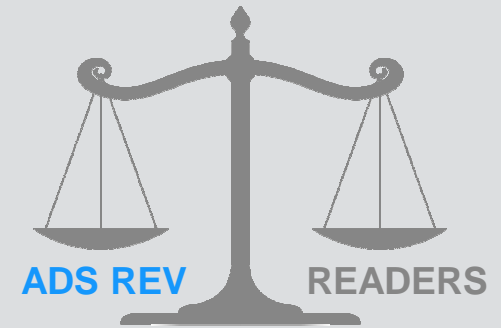
- Does save money and time, but...
- Not living up to the hype
- Poor quality, problematic placement
- Tags upon tags upon tags
- Lower revenue for publisher
- New ways – programmatic guaranteed vs direct
- Need skilled sales and ad ops staff, good systems



MAYBE

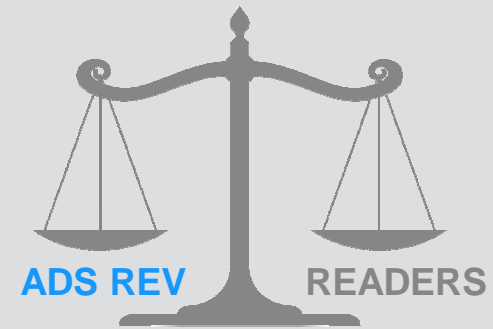
SPONSORSHIPS

- Apps, sections, special reports, multimedia
- Competitions, giveaways
- Watch out for overpromising
- ROI for client can be tricky
- If done well, sponsorships can build trusted and recurring relationships with clients



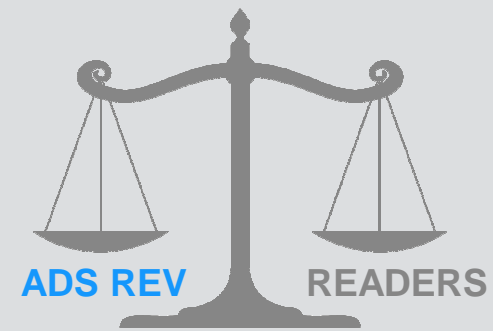
E-COMMERCE

- Tie-up with e-commerce platform (or own?)
- Links nicely to lifestyle content: fashion, shopping, motoring etc
- Take care not to destroy editorial independence
- Check that revenue justifies the effort to implement, which could be considerable



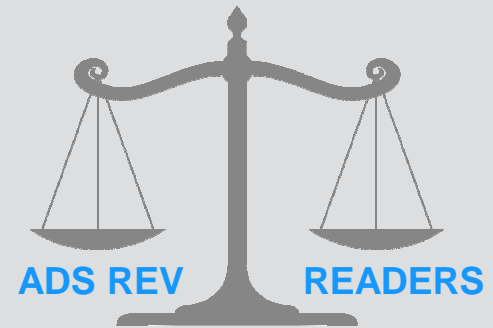
LEAD GENERATION CAMPAIGNS

- Specialised widgets, sections etc
- Revenue (CPL) – different definitions
- Watch out for overpromising and then underdelivering
- Targeting is very important
- Don't cheapen own brand



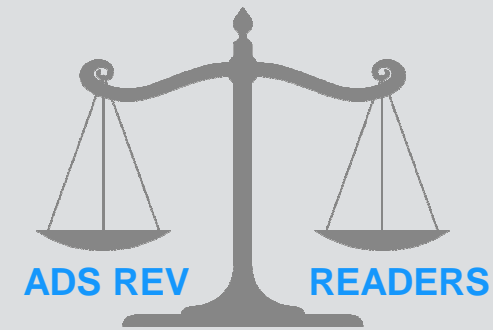
PAID SOCIAL REACH

- We have valuable and loyal social audiences
- Paid social from a trusted media brand resonates
- Only use in conjunction with editorial
- Take care not to alienate readers
- Can deliver real boost to campaigns



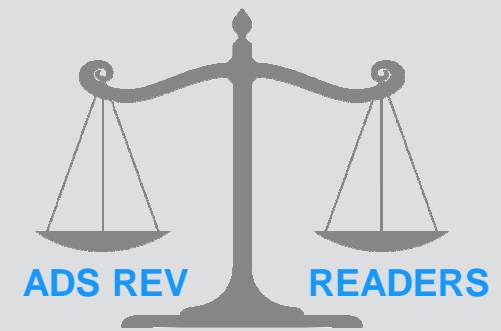
DISTRIBUTED CONTENT

- Example: Facebook's Instant Articles
- Falling out of favour: revenue, control just not enough for publishers
- Keep audiences on own app/website
- Give the middle finger to Facebook



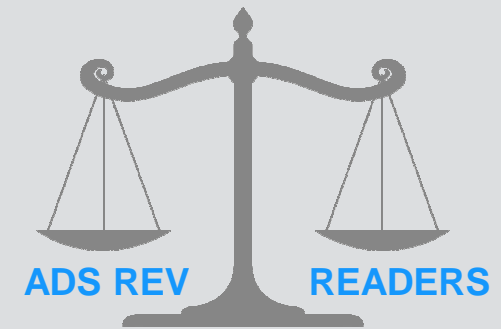
MULTIMEDIA

- Videos and podcasting: growing interest
- Preroll video ads easier to sell to target audience
- VR & AR: interesting but still too pricey; also slow to develop
- Many clients not quite ready for this
- Sponsorships work nicely



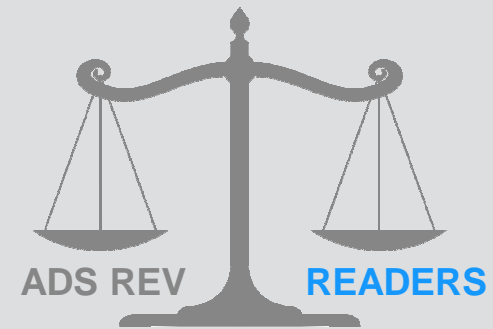
NATIVE CONTENT

- Growing source of revenue – if done right
- Skilled, devoted staff (sales, editorial)
- We're much better at storytelling than Facebook & Google
- Potential for great partnerships
- Native content delivers 100% brand safety
- Editorial independence & ethics remain crucial



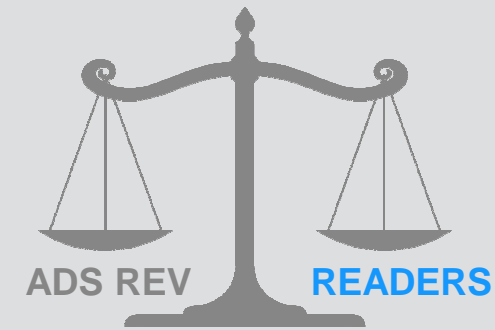
SYNDICATION

- Does work for the big publishers
- Factor in the cost of technology, staff
- Might be worth more in smaller market to hold on to content
- Lots of work for little revenue: we're not Reuters or AFP, after all



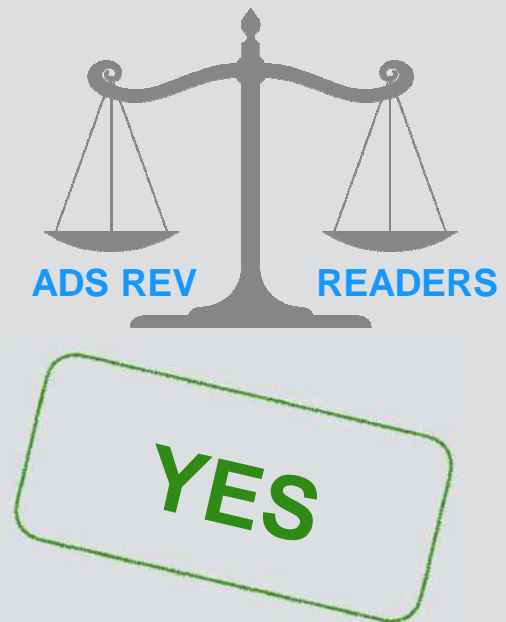
SUBSCRIBER REVENUE

- Sea-change in reader willingness to pay
- Recurring revenue; no sales overheads
- Pressure is now on editorial to deliver quality
- Technology has to be superb
- Range of payment methods: quick and easy
- Need to invest in data/CRM tech & skills:
profile-driven campaigns, behaviour targeting etc
- Privacy regulations to take into account: GDPR, POPI



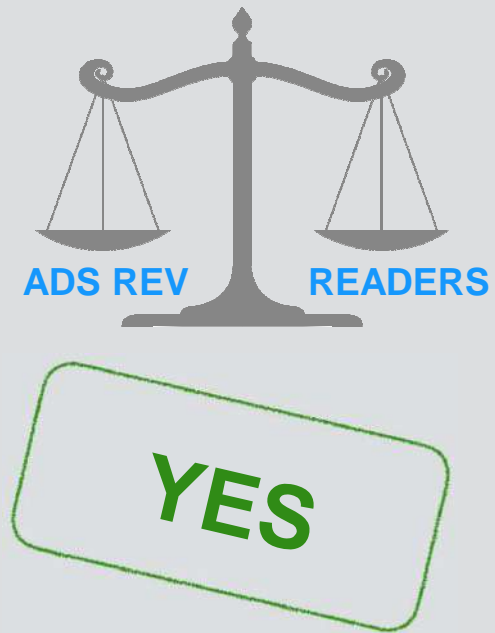
EVENTS

- Use trusted brand to run sponsored events
- Raise awareness of your brand and what it does
- Great way to engage/reward (or gain) subscribers
- Can be expensive, time-consuming – plan properly or risk losing money

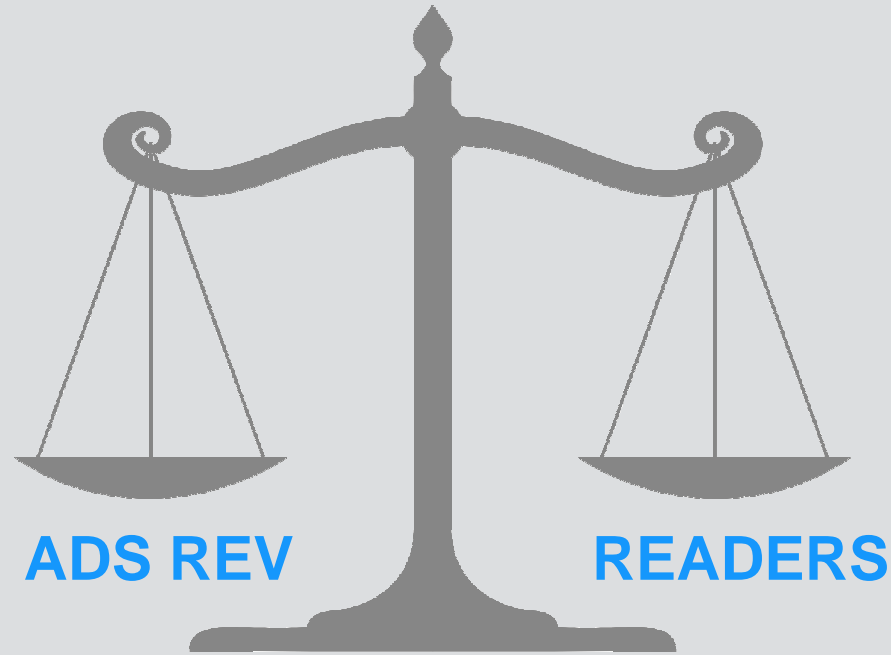


360° SALES

- Now bring all of these together
- Larger publishers can offer compelling combos
- Can be great deal for client because of scale
- But tricky elements: commission, sales targets etc
- Sales staff need knowledge across business areas
- Sales staff must be able to educate clients & agencies on all business areas



3 x **MAYBE**
2 x **YES**



1 x **YES**
1 x **MAYBE**

5 x **YES**
1 x **NO**



SHOW ME THE MONEY

tiso blackstar group.

AVERAGE REVENUE PER USER

Our broad calculation is about **R1.25 per month** on a traffic CPM basis versus an average of **R150 per month** for a digital subscriber.

SUBSCRIBER REVENUE
EVENTS
360° SALES
NATIVE CONTENT
MULTIMEDIA
PAID SOCIAL REACH
E-COMMERCE
SPONSORSHIPS



SYNDICATION
LEAD GENERATION CAMPAIGNS
PROGRAMMATIC & DATA SALES
PREMIUM DISPLAY ADS

DISTRIBUTED
CONTENT



A close-up, black and white photograph of a typewriter keyboard, showing several keys and the underlying mechanism. The image is slightly blurred, focusing on the texture and mechanical details of the keys.

THE END/ QUESTIONS