

World News Publishers Outlook 2017

Main report

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WORLD NEWS PUBLISHERS OUTLOOK 2017: MAIN REPORT

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WAN-IFRA
Rotfeder-Ring 11
60327 Frankfurt, Germany

CEO:

Vincent Peyrègne

COO:

Thomas Jacob

DIRECTOR OF INSIGHTS:

Dean Roper

INNOVATION RESEARCH GROUP PARTNERS:

Dr François Nel,
Faculty of Culture and Creative Industries
University of Central Lancashire, Preston, United Kingdom

Dr Coral Milburn-Curtis
Green Templeton College
University of Oxford, United Kingdom

IRG Research Assistant: Jacob Waite, University of Central
Lancashire

COPY EDITING:

Brian Veseling

DESIGN/LAYOUT:

Snezana Vukmirovic, Ivan Cosic, Plain&Hill

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About the report

Some of you hopefully remember “newspaper techniques,” the former industry magazine that then-IFRA published on a monthly basis. Back in January 2005, we started an annual edition called the “Decision-Makers’ Guide to Publishing,” primarily based on a survey of publishing executives around the world.



DEAN ROPER
Director of
Insights
WAN-IFRA

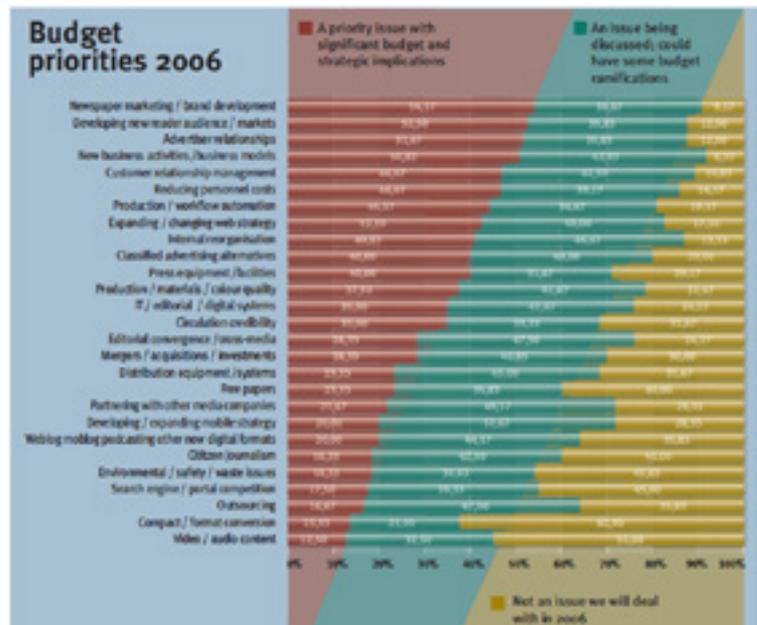
For whatever reason (my memory fails me these days), we didn’t publish the graphic results of that 2005 survey, focusing more on the analyses, but we did so the following year (results opposite).

When we started talking to Dr. François Nel of the University of Central Lancashire in the UK last year about possibly working together again for this World News Publishers Outlook 2017 – this research project was initiated in 2009 and published by WAN-IFRA until 2011, then by UCLan and WNMN in 2012 and 2013, and as chapters in FIPP reports in 2014 and 2015 – I couldn’t help but think of the Decision-Makers’ Guide. That “guide” was similar to the Outlook with its primary goal of identifying publishers’ budget/investment priorities for the next year, but not in its scope.

We got more feedback from the Decision-Makers’ Guide edition than most other magazine editions as it was a good barometer for publishers looking forward. And we expect a similar response to this Outlook report as it delves much deeper into not only possible investment projections and trends, but due to its granularity of data and analyses, it allows us a peek into the mindset of publishers and to benchmark what a culture of innovation looks like.

It’s interesting to take a closer look at that 2006 graphic, and the similar graphic (Q12) for this year’s survey on page 23-24. Noticeably absent from the 2006 survey is the issue of social media, which TOPS the priority list in 2017. Also, video content is another top priority in 2017; it bottomed out in the 2006 survey. And social media has driven much of that video trend for sure.

But there are indeed some priorities that haven't changed in that time: developing new business and reader products, as well as internal reorganisation. There are a couple of ways to look at that: 1) you could say, as most analysts tend to do, that inertia haunts our industry; or 2) our industry has been developing its new business intensively and adapting to change internally. The answer is probably somewhere in between.



But among the numerous findings of this year's World News Publishers Outlook, one stood out for all of us that is telling: When asked, "What is the single most important risk to your news organisation's future success?", the largest number of executives in our study (26 percent) answered: their organisation's reluctance to innovate.

Not the challenges of finding new business models (which isn't that far off at 24%), nor Google and Facebook gobbling up all their ad revenue, nor a lack of trust from their readers, but that inertia to innovate. Of course all those other challenges play a major role and an impetus to innovate, but summing up the will and the strategy to "get moving" is apparently what concerns many publishing executives across the globe.

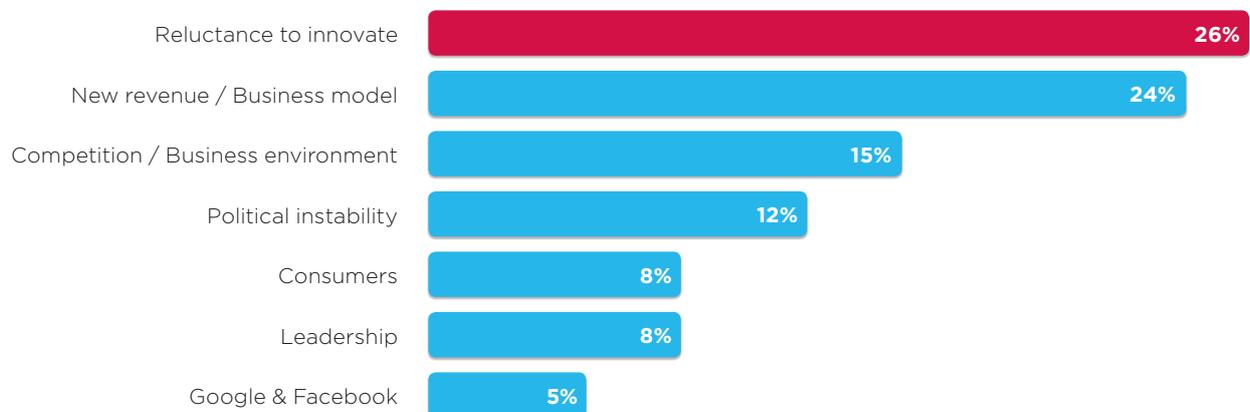
But that is just one of the many insightful findings from our survey and the analyses that François and his colleague, Dr. Coral Milburn-Curtis of the Innovation Research Group, provide that can help publishers to benchmark where their activities stand and should be headed.

We want to thank François for his hard work on this report. Hope you enjoy it.

Executive summary:

Certainly, news media firms worldwide confront an array of external forces – whether increasing competition for advertising from Google and Facebook, shifting audience consumption patterns, rapid technology advances, or political instability. But decision makers responding to our annual survey told us the greatest risk to their businesses lies within their own organisations – a reluctance to innovate.

(Q19) Greatest risk



Source:

World News Publishers Outlook 2017 – Innovation Research Group, & WAN-IFRA

They also told us how these factors and more have shaped their financial performance during the past year, what their investment priorities are for the short- and medium terms, and in which ways they plan to change to ensure their firms thrive going forward.

The 7th annual survey was conducted in 11 languages by the Innovation Research Group and WAN-IFRA in the third quarter of 2016. Of the nearly 250 executives in 68 countries across six continents, by far the largest group of respondents, 43 percent, sit in C-suites, serve on boards, or own their companies. Other responses came from editorial, commercial, and technology managers, as well as from a very small number (2 percent) of consultants and academics.

The majority (82 percent) are at organisations that are in private hands, while 6 percent worked in government-owned media firms and 4 percent were in public service organisations without direct political control. Further details about the respondents and the full methodology is available at the end of the report.

Whatever their company profile, however they are involved, and wherever they are based, most of those surveyed are very anxious about the capacity of their companies to innovate at the pace and to the extent required. “Habits [are] changing faster than we can innovate,” answered an editorial executive from the United States. “The biggest risk is that senior management does not make decisions quickly,” said an editorial manager from Bolivia.

They are right to be concerned.

Although almost a third of our respondents report that their firms’ revenues have grown over the previous year, six out of 10 say revenues have shrunk. Many expect that their organisations will need to radically change their business models if they are to meet future expectations. And there is no time to waste. Seventy percent say that during the next 12 months up to 30 percent of their income should come from non-traditional media activities (i.e. other than content sales and advertising) if they are to reach their financial goals. Those figures flip exactly when we asked for their medium-term outlook. Seven out of 10 respondents expect that during the next five years more than 30 percent of their firm’s income will need to come from diverse revenue streams if they are to be successful.

To reach those ambitious targets, there is much work to be done – and much need to reconsider the way things have been done in the past. We asked respondents: What is the single most important change that should be implemented in your news organisation during the next year? The answers varied widely. “Find ways to distribute content to audiences who do not know us,” said a senior manager from Iran. “Get everyone on the same digital path,” the top executive of a firm in El Salvador responded. “Transform to a multimedia powerhouse,” came the answer from a C-suite in Malaysia. “Focus first on our clients’ needs,” said a technology manager from France. While their responses may seem disparate, several distinct change themes did emerge: technology, social media, convergence, efficiency, monetisation, talent and organisational culture.

More specifically, the news media executives in our study identified the following key priorities for change:

- technology investments for both editorial (CMS) and commercial (CRMs);
- convergence of operations, both across channels (print, online, broadcasting) and functions (technology, editorial, commercial);
- efficiencies to cut costs and increase effectiveness;
- monetisation of both current endeavours and by identifying new business opportunities;
- social media platforms for content and commerce;
- developing talent from the board and across all departments, especially in regards to all things “digital.”
- the organisation’s approach to innovation.

All these changes are justifiably important, but the one change that news media executives most wanted to make was to their company’s way of doing things. More than one out of every five respondents (21 percent) mentioned this. “Getting all staff to embrace and share new ideas, techniques and strategies to keep the newspaper alive and exciting,” said an editorial manager from Kenya. “Less fear, more action,” a senior manager from Norway said. A chief executive from Portugal summed it up: “Innovation culture.”

To understand the relationship between Innovation Culture and organisational performance, we used advanced statistical techniques to scrutinize the nearly 80,000 data points collected in this study from news executives working in business environments ranging from Australia to Zimbabwe. Our analysis showed a statistically significant link between organisational cultures in which innovators flourish and their firms’ performance and success – including their financial success.¹

We continued to dig deeper and discovered the ways in which the decisions of leaders at firms reporting successes differ from those at loss-making companies across the 7 building blocks of organisational culture: resources, processes, values, behaviour, climate, success and innovation role models. While organisational culture is a multifaceted construct and the building blocks are all dynamically linked, the critical role leaders play in shaping every aspect of innovation in their firm is undisputed. In fact, our analysis shows that firms where the leaders

1 We draw on World Bank studies to define variables such as regional boundaries, Gross Domestic Product and internet penetration.

are positive Innovation Role Models are more than 4.3 times more likely to be reporting overall revenue growth compared with those who do not.

Thus, company leaders have it within their gift to cultivate a culture where innovation thrives – and, when they do, our study shows that their companies' fortunes can too.

Survey Translations:

Arabic: **Ali Alrowaili**, University of Central Lancashire

Chinese: **Chen Chenchen**, Chongyang Institute for Financial Studies at Renmin University of China

Finnish: **Dr Katja Lehtisaari**, University of Helsinki

German: **Dr Britta Gossel**, Technical University Ilmenau

Russian: **Emma Urjasova**, University of Central Lancashire

Persian: **Dr Datis Khajeheian**, University of Tehran

For citations:

Nel, François & Milburn-Curtis, Coral. (2017) *World News Publishers Outlook 2017*. Frankfurt: World Association of Newspapers and News Publishers (WAN-IFRA).

Key takeaways

- Although trading conditions are tough worldwide, 30 percent of nearly 250 decision makers surveyed reported overall financial growth during the past financial year, while about 35 percent said there had been no change. This is the highest proportion of positive responses since the study began in 2009/10 in the wake of the global economic recession.
- The biggest risk to future success is not seen to be challenges to business models, technology disruption, advertising declines, or political instability – but firms’ own reluctance to innovate.
- An analysis of almost 250 responses by executives in 68 countries shows a statistically significant relationship between the innovation culture in firms and their financial performance. In fact, companies that prioritise innovation are more likely to report organisational and financial success compared with companies that don’t.
- Leaders at successful firms make distinctly different choices about the 7 building blocks of an innovation culture than those at firms that report losses.
- The outlook for the future success of media firms depends on the extent to which they can diversify their revenue streams. In the short term (next 12 months), 70 percent of respondents say they will need up to a third of their income to come from non-traditional sources (i.e. traditional advertising and existing content sales) to meet company revenue expectations. That figure flips when asked to project into the medium term (3-5 years) – and nearly a quarter (24 percent) of all respondents expect more than half their income will need to come from new revenue streams.
- Meeting future revenue targets will require significant focus on innovation by news media leaders – who will increase their firm’s likelihood of success very significantly if they are effective Innovation Role Models themselves.

Studying innovation in the news media worldwide

Executives worldwide want their organisations to be innovative. And, of course, news media firms always have been. Innovation – the process of transforming creative ideas into outputs with impact – has, and continues to be, the fuel that drives newsroom engines at the heart of every organisation. But wide-ranging changes in our context compels us to rethink the way we go about innovation in every part of our current enterprises – across editorial, commercial, technology and operations. We also need to identify and develop brand new opportunities to sustain and grow our businesses.

Decisions about what to innovate and how to go about it falls largely to the company's leadership. That is why WAN-IFRA has once again teamed up with Dr François Nel and Dr Coral Milburn-Curtis of the Innovation Research Group to survey decision makers worldwide in 11 languages: Arabic, Chinese, English, Finnish, French, German, Italian, Persian, Portuguese, Russian and Spanish.

(Q11) Map of respondents



Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

The perspective of this report is truly global. The 7th annual world news media innovation study was conducted during the third quarter of 2016 and had 235 responses from 68 countries across six continents: Africa, Asia, Australia/Oceania, Europe, North America, and South America.

An analysis of the regional spread shows that more than half of our respondents (57 percent) are in Europe, reflecting the geographic bias of the study leaders who are spread across the UK, France and Germany. That said, almost one in five of the respondents are from the Americas (20 percent), while 18 percent of the respondents are from Asia and the Middle East, and 4 percent are from Sub-Saharan Africa.

While the geographic representation is uneven, our analysis shows that, in the main, country of origin played no statistically significant role in distinguishing survey responses. This supports our view that there are more similarities amongst news media firms than differences.

Traditionally the sector has shared similar practices, processes and business models, and globally we now face very similar business challenges, including shifts of consumer preferences to mobile and competition for adspend – often from the same or very similar technology firms, i.e. Facebook, Google, Snapchat, Weibo, and the like. However, there is one striking exception. When we explored how firms approach innovation, we found that the organisational culture of firms in South Asia was markedly different – specifically, organisations in South Asia are 17 times more likely to have a high Innovation Climate, compared with European organisations (Odds Ratio = 16.91). (For more detail, see the the discussion on the Building Blocks of an Innovation Culture in Chapter 4 as well as the essay by Magdoom Mohamed on p. 60).

The survey's 22 questions broadly look at four areas: 1. the profile of the respondents, including details about nature and activities of their firm; 2. the current revenue streams, the financial performance during the past book year, and the anticipation of future revenue sources; 3. The specific priorities for change and investment in the next 12 months and in the medium term (3-5 years); 4. how leaders experience change and risk.

Firstly, we report back on the the current situation: how our respondent's firms have performed financially during the past year, what the primary sources of those revenues are and the risks they face. Then, we report on their outlook for

the short and medium terms, along with the the 10 key areas our respondents say their organisations need to change if they are to achieve their objectives. Finally, because our respondents have flagged the critical importance of their organisation’s capacity to innovate, we take a much closer look at that issue. In Chapter 4, we consider the building blocks of an innovation culture. We also use advanced statistical methods to analyse the relationship between various aspects of organisational culture and organisational success – and we point out the strong link between Innovation Role Models² and company performance.

To provide additional insights on the data and to suggest further practical action points for news media executives to consider, we invited five guest analysts to contribute to this report:

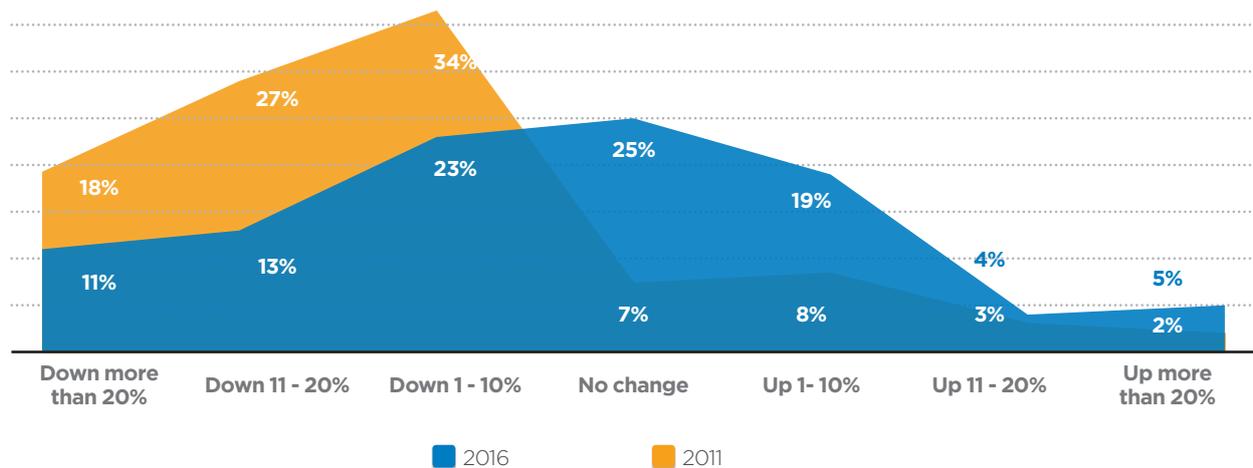
- Anette Novak, a former senior newspaper executive and now CEO of Rise Interactive, Sweden: “5 lessons learned from an innovative firm”
- Helen Philpot, Head of Transformation and Governance at DMG Media, United Kingdom: “Three important factors for successful behaviour change”
- Kevin Anderson, an international media and communications consultant and Founder of Ship’s Wheel Media, United States: “Combating the ‘accelerating avalanche’ of declining ad revenues”
- Magdoom Mohamed, Managing Director at WAN-IFRA – South Asia, India: “Innovation in India: South Asia’s largest growing market”
- Dean Roper, Director of Publications at the World Association of Newspapers and News Publishers (WAN-IFRA), Germany: “Why news companies appear to be focusing on the social newsroom instead of social revenue”

Appended to this report are the survey, details of the methodology, and an invitation to engage further with the findings from this study – including how to participate in the next one.

2 In our study, Innovation Role Modelling represents the extent to which organisations demonstrate to their stakeholders that they have a burning desire to change, to explore opportunities, to use resources to create new things, to model the right innovation behaviours for others to follow, and to speak a common language about innovation.

Revenue performance now, next – and the risks

(Q17B) Overall revenue trends



Source:

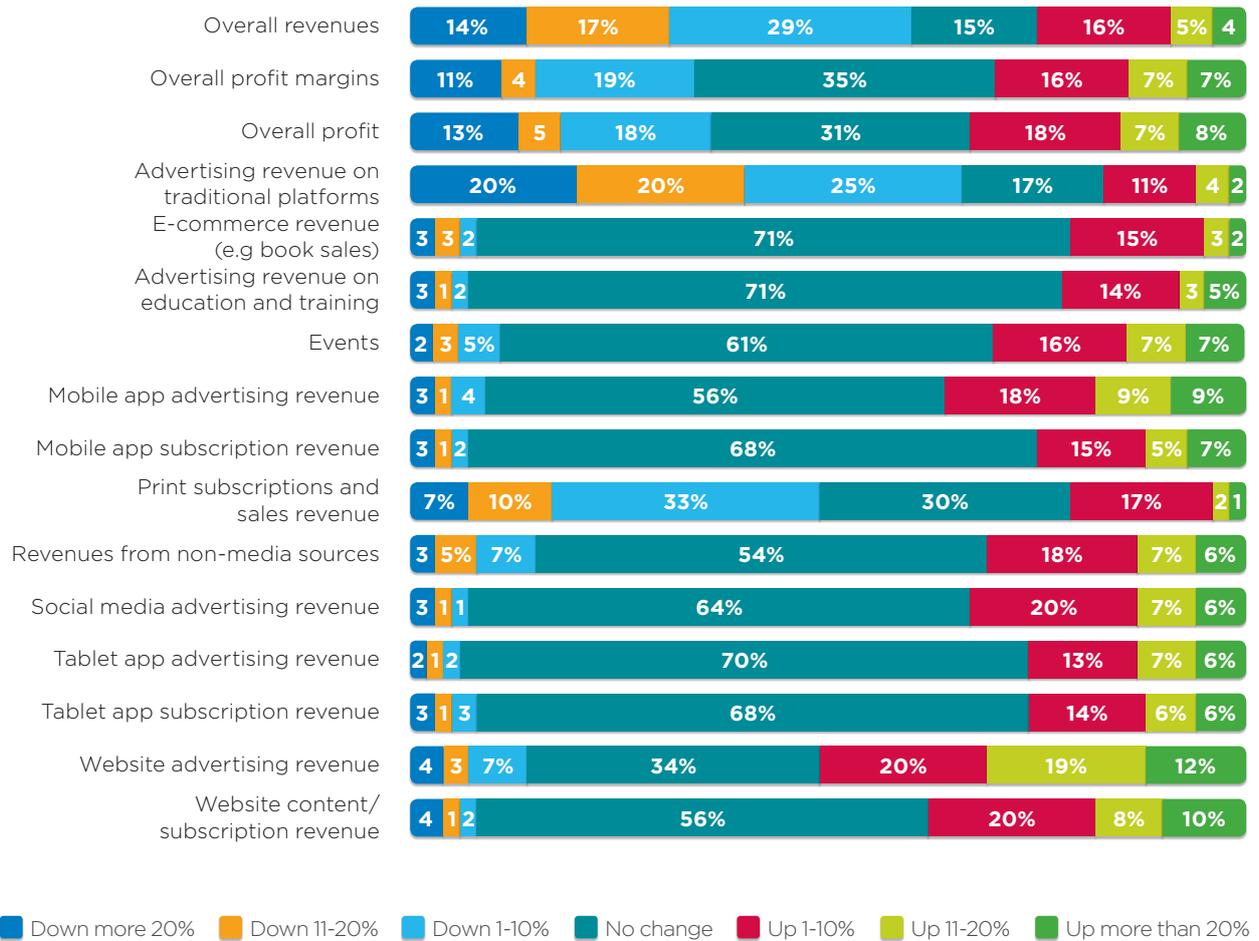
World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

This study was started in 2009 in the wake of what many economists considered to be the worst financial meltdown since the Great Depression of the 1930s. The question then was: How has the financial crisis affected your company’s revenues over the past financial year? At that point, most publishers (88 percent) reported that overall revenues had declined. More than a third (38 percent) said overall income was down more than 20 percent. We’ve since stopped asking about the effect of the economic cycle on revenues and now simply ask about revenue performance. Yet eight years on, the wounds still haven’t healed: on the back of declines in traditional advertising (down for 65 percent of respondents) and print sales (down for 50 percent), six out of 10 of our respondents report that their firm’s revenues shrunk over the previous year.

Kevin Anderson, whose essay appears on p. 56, notes that while nearly two-thirds of study respondents reported revenue declines, only 36 percent said their profits were lower. “[This suggests] that many groups surveyed have maintained

profit through efficiencies,” says Anderson, who has held senior digital roles at the BBC, Guardian and Gannett and now consults with companies worldwide. “Hence, the respondents saw streamlining their workflow and processes or more comprehensive reorganisation as key priority.” But there are some green shoots.

(Q17) How have your company’s revenues changed over the last fiscal year?



Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

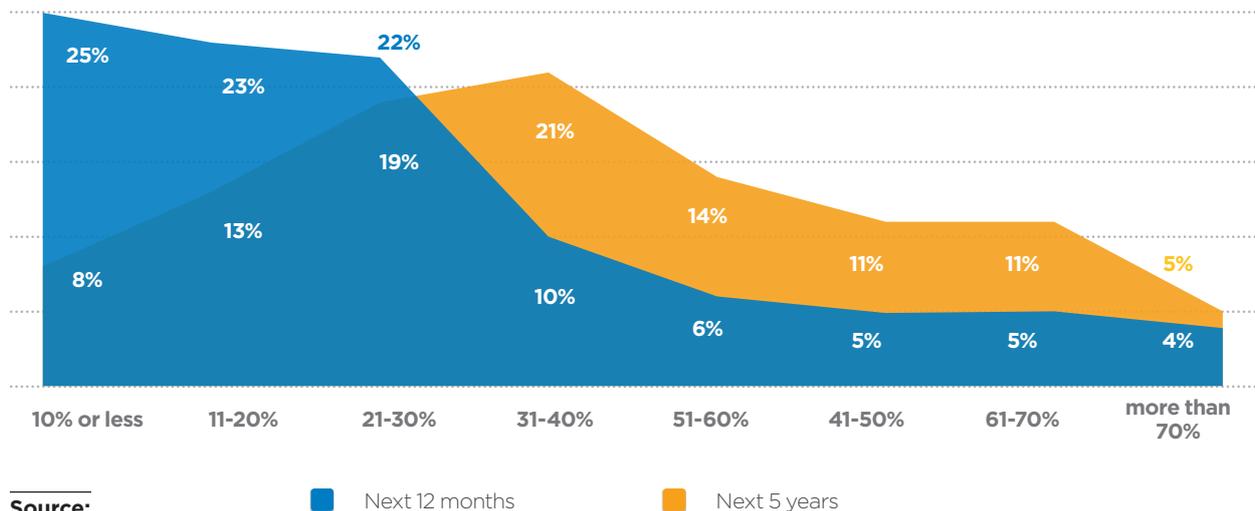
A quarter of our respondents say their firm’s overall revenues are up. The strongest growth has reportedly been in Advertising on Websites (up for 52 percent of respondents), Website Content Sales and Subscriptions (up for 38 percent), Mobile App Advertising (up for 36 percent) and Social Media Advertising (up for 33 percent).

While advertising revenues are clearly still very important to news media firms, many are weaning themselves off wholly depending on it. And, in line with tendencies identified in World Press Trends 2016³, news media firms are increasingly looking – and finding – other sources of revenue.

Eighteen percent of our respondents said that more than 70 percent of their firm’s income comes from advertising, a similar number (15 percent) said that events and other revenue streams accounted for more than 70 percent of their income. There is also steady growth in those categories. Almost a third of respondents (31 percent) reported growth in revenues from non-media sources, with increased revenues coming from events (up 30 percent) and e-commerce (20 percent).

The structural challenge to the funding model for journalism is not only clear from the respondents’ reports on past revenue performance – but also from their future revenue expectations.

(Q16) Total company revenue/income from non-traditional media activities (content sales and advertising)



Source: World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

³ WAN-IFRA’s annual World Press Trends survey.
See: <http://www.wan-ifra.org/microsites/world-press-trends>

When respondents were asked what percentage of their total company revenue would need to come from sources other than traditional income streams (i.e. advertising and content sales) in the short term and in the medium term, the direction of travel was unmistakable. Or, rather, the directions of travel are unmistakable.

This year's study provides further evidence that there is no longer a one-size-fits-all business model for media firms. **Instead, we observe three distinct strategic mindsets that we like to think of the Guards, the Rangers and the Pioneers⁴.**

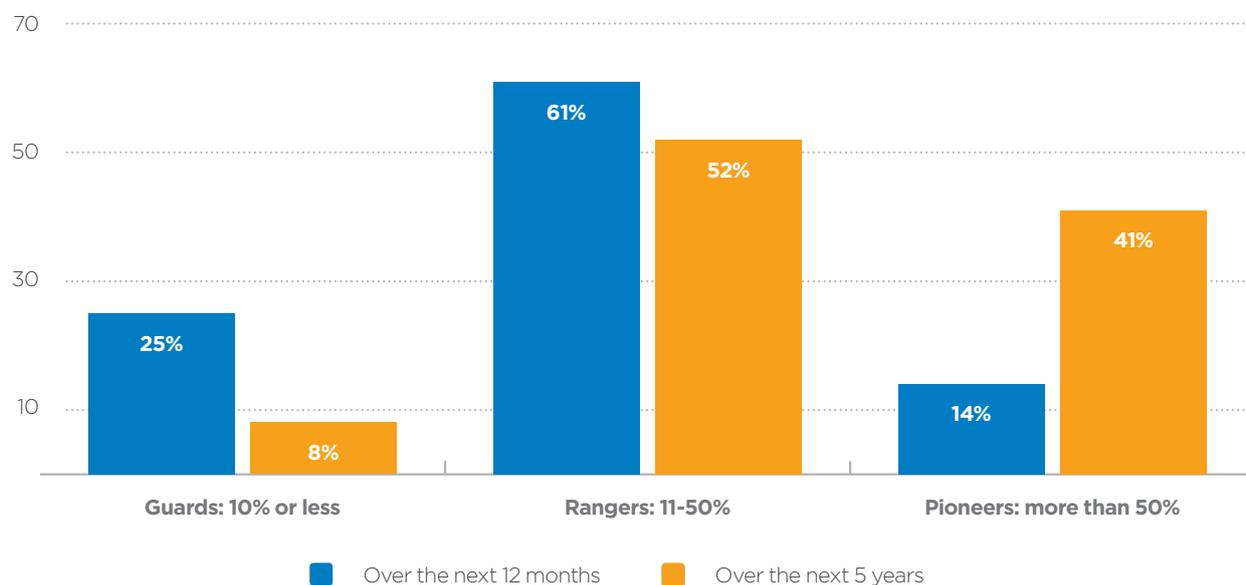
The Guards are those who doggedly defend their traditional business model and are expecting at least 90 percent of their future profits to come from advertising and content sales. A quarter of the respondents said they would need 10 percent or less of their firm's income to come from alternative sources if they were to meet expectations during the next 12 months. Only 8 percent of those surveyed expected that to be the case in the next five years.

The Rangers are those who are doing all they can to protect their current businesses, but are also working towards earning up to half their income from alternative sources. Most study participants might be described that way. Fifty-six percent said they expect that their company would need to earn more than 10 percent and up to 50 percent of their income from different sources in the next five years.

Then there are the Pioneers. They are not only seeking out a variety of new revenue streams, but they're expecting that their companies should earn more than half their income from sources other than traditional advertising and content sales to meet their revenue targets. More than a third of our respondents (36 percent) fell into this group. More than one in five (21 percent) of respondents said they expect more than 70 percent of their income to come from sources other than traditional advertising and content sales.

4 The co-founder of this study, Dr François Nel, first described these mindsets in a report published in 2016.

(Q15-16) Over the next 12 MONTHS, what percentage of the total company revenue/income will have to come from sources other than your traditional media activities (content sales and advertising) in order to achieve your company objectives?



Source:

World News Publishers Outlook 2017 – Innovation Research Group, & WAN-IFRA

These findings continue to invite a variety of further questions. Those media executives who might be described as Guards and are still banking on advertising for most of their income in the longer term, might want to ask themselves why more than nine out of 10 of their peers have made a different assessment about what would be required for future success. The Rangers are likely to be asking themselves how do executive teams straddle the twin challenges of identifying new ancillary opportunities and exploiting current activities without losing focus. The Pioneers, who are stepping over the line into new business territory and expect to settle there, are likely to be questioning whether to keep hold of their news media assets at all.

There may be widely divergent views about the best path to future success, but there is a consensus about the risks on the way (See Fig – Q19 in Exec Summary, page 6).

We asked an open-ended question, “What is the single most important risk to your news organisation’s future success?” The answers showed news executives worldwide might be working across different contexts, and in different size organisations, and have different ownership structures, but these factors made no

significant difference to the issues that worry them: Business Model/Revenues; Competition/Business Environment; Consumers; Facebook, Google, and other social and search technology firms; Leadership; Reluctance to Innovate; Social and Political Instability.

This list of concerns may not surprise industry insiders, but their order of concern might. Yes, news media managers are rightly concerned about the challenges to their traditional revenue models, but that is not the foremost concern amongst those in our study – though 65 percent report traditional advertising income declines and many fret about their financial future.

Many of the executives in our study (8 percent) puzzle over the changing processes whereby news and information consumers decide whether, what, when, where, how, and with whom to engage. But the majority don't think that consumer behaviour changes poses the greatest threat to their firms' success.

Nor do most of respondents primarily worry about rising social tensions and political decision-making – though for 12 percent this is top of mind.

Instead, the largest number of executives in our study (26 percent) think the single biggest risk to their future success is this: their organisation's reluctance to innovate. "Products, processes and employees cannot be adjusted quickly enough to the digital changes," said an editorial manager from Singapore. "Market power of the big digital providers," a Portuguese top manager added. "The lack of sensitivity to perceive the scale and implications of the current technological revolution," said a senior executive from Portugal.

Alongside this, there are those (8 percent) who are specifically worried about their company's leadership "The biggest risk is that senior management does not make decisions quickly," said an editorial manager from Bolivia. "Bad senior management set in their ways of thinking," added a top manager from Singapore.

Thus, the biggest threat to the future success of news media firms may not be coming from external forces. Instead, per most of our study respondents, our major risks may lurk within.

They are right to be worried. Whatever their strategic direction, all news media managers – whether "Guards," "Rangers," or "Pioneers" – will need to innovate.

Guards will need to innovate products and processes if they are to keep their share of advertising revenues in the face of increased and technology-advanced competition. Rangers will need to do that and more besides. If Rangers are to earn up to 50 percent of their income from nontraditional sources, they may well need to reposition their existing products to reach new audiences, and re-tool their organisations to deliver a variety of new services too.

Perhaps none will need to dramatically change existing organisational paradigms more than the Pioneers who will need to radically re-engineer their firms to earn more than half their income from new activities. Then again, you could argue the same for each group.

To do so, all news media leaders recognise they will need to challenge existing practices and cultivate organisational cultures in which innovators flourish. Their firms' bottom lines depend on it. For decision-makers that conclusion invites several additional questions: What to stop doing, what to continue doing and what to start doing next?

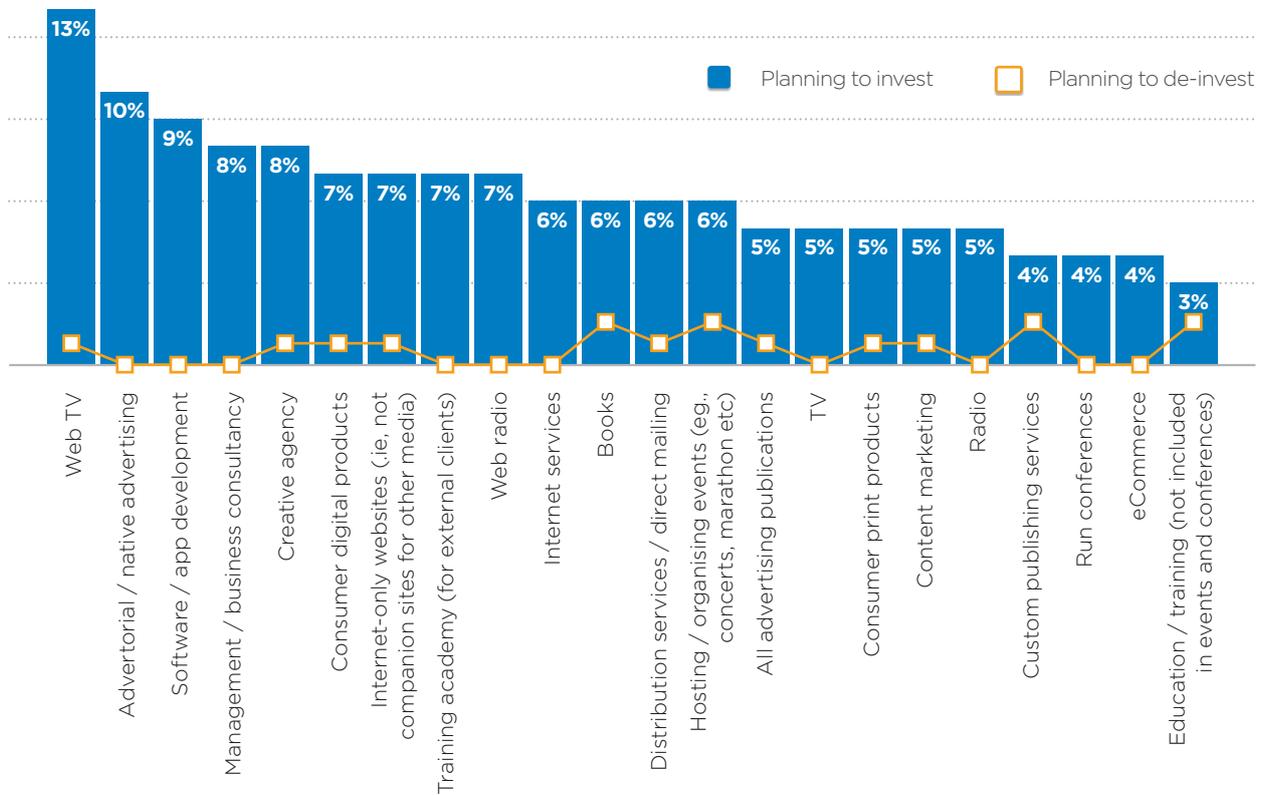
What to stop doing, what to keep on doing – and what is the outlook ahead?

Whatever else our survey shows, this much is clear: characterising companies as “newspapers,” or “broadcasters,” or “online” is increasingly outmoded. Responses to our question about the activities in which firms are currently active shows most firms are involved across traditional media genres – and much more (See Q9, next page).

Not only are news media firms doing more things, more is also being expected of everyone in the firm. Senior managers, who may still remember heady earlier days when profits flowed like ink, are continuing to drive hard at efficiencies. This is underlined by the fact that reported profit margins eclipse overall growth in revenues, 30 percent and 25 percent, respectively (See Q17). Furthermore, streamlining workflow and processes is an important priority for three quarters of our survey respondents (75 percent selected this option). Meanwhile, editorial, commercial and technology teams face heavy demands to deliver on the increasing array of options available to serve content customers as well as businesses that want to connect with them.

So, what else do our survey respondents think is most important to continue investing in – and what to stop?

(Q9) Is your company also active in any of the following businesses?



Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

WHAT TO KEEP DOING?

Of those areas in which they are currently active, our respondents say it is important for their firms to plough even more resources into creating a richer array of content for audiences, and to offering wider services to businesses. What is the No 1 area that our survey respondents’ firms are investing even more energy into? Video, or Web TV. Publishers and technology platforms who are pushing online news video hard for commercial reasons⁵, should be mindful that studies show that most consumers still prefer text⁶ for news, which they find faster and

5 According to PwC’s Global entertainment and media outlook 2016-2020, video commands the largest share of any entertainment and media sector - and is expected to continue to over the medium term. See: <http://www.pwc.com/us/en/industry/entertainment-media/publications/global-entertainment-media-outlook.html>

6 As reported by the Reuters Institute for Media Studies’ Digital News Report 2017, over two thirds of the 70,000 respondents surveyed (71%) say they still mostly rely on text for news with 14% using text and video equally. This number has grown slightly in the United States

simpler. And new formats for audio are emerging, such as the BuzzFeed's daily 2-4 minute audio news briefing for smart speakers with hands-free voice services, such as the Amazon Echo. Other editorial activities ranked amongst the Top 10 areas for continued investment are: Consumer Digital Projects (No 6), Internet-only websites (No 7) and Web Radio (No 9).

The key commercial services firms represented in this survey are expected to invest even more into include: Native Advertising (No 2), Management/Business Consultancy (No 4), and Creative Agency (No 5). This emphasis on offering businesses editorially-rich advertising options and wider consultancy may well be prudent and profitable.

Our analysis shows that the firms of managers who are emphasising Advertorial/Native Advertising and Creative Agencies are more than twice as likely to be reporting financial success than those who do not⁷. To further underline the bottom-line impact of this shift from selling advertising space to offering business solutions, further analysis that showed significant positive correlations between organisational performance and company involvement in offering Advertorials ($r = .19$; $p < .01$) and Content Marketing ($r = .35$; $p < .001$).

The shift from selling advertising space to offering a variety of business solutions will undoubtedly require changes in the shape and talent mix in commercial departments. "Culture and skill-set in sales department need to transform into a high level advisory role talking to customers," said a top manager from Denmark when we asked about the single biggest change respondents' firms needed to make in the coming year.

It will also take technological talent to help news media companies increase their capacities to parse data, predict trends and produce personalised solutions for content consumers and commercial customers.

but remains at under 10% in the UK and Nordic countries, where most users get their online news direct from the provider. See: <http://www.digitalnewsreport.org/survey/2017/overview-key-findings-2017/>

7 Native advertising: Odds Ratio: 2.4; Chi square (1) = 6.96; $p < .01$; Creative Agency: Odds Ratio: 2.2; Chi square = 5.03; $p < .05$; Content Marketing: Odds Ratio: 2.4; Chi square (1) = 6.96; $p < .01$.

WHAT TO STOP DOING?

Our study suggests that news media executives are not subscribing to the “less is more” axiom. When we asked respondents to indicate which of their current activities they thought were important to disinvest from, the number of options that were selected were negligible.

However, four areas were mentioned by 2 percent of respondents: Education & Training (not associated with events and conferences); Hosting or Organising Events (e.g. concerts, marathons, etc.); Custom Publishing; and Book Publishing. While we didn’t find any significant relationship between these answers and the success of firms, they do suggest that some efforts to diversify revenue streams might not always be living up to expectations.

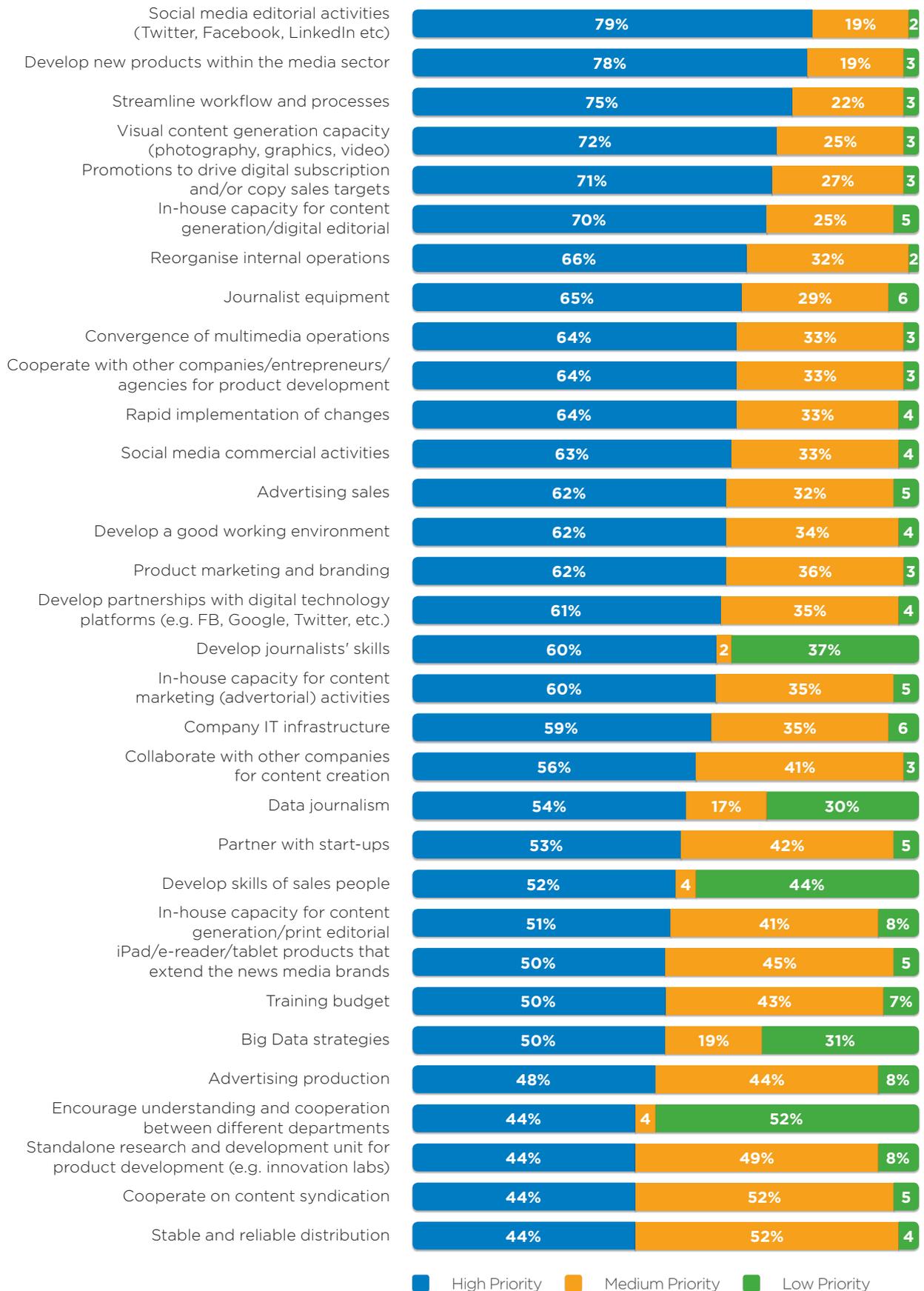
“Multitasking has a limit – and the news media are way beyond it,” warns Anette Novak (see essay page 49). “If you want certain staff to focus on the future – give them a chance to succeed by indicating what of all their tasks is of lower priority.” If news organisations are to innovate to the extent and at the pace expected, leaders will need to think hard not only about what to do next – but also consider what they need to stop doing now.

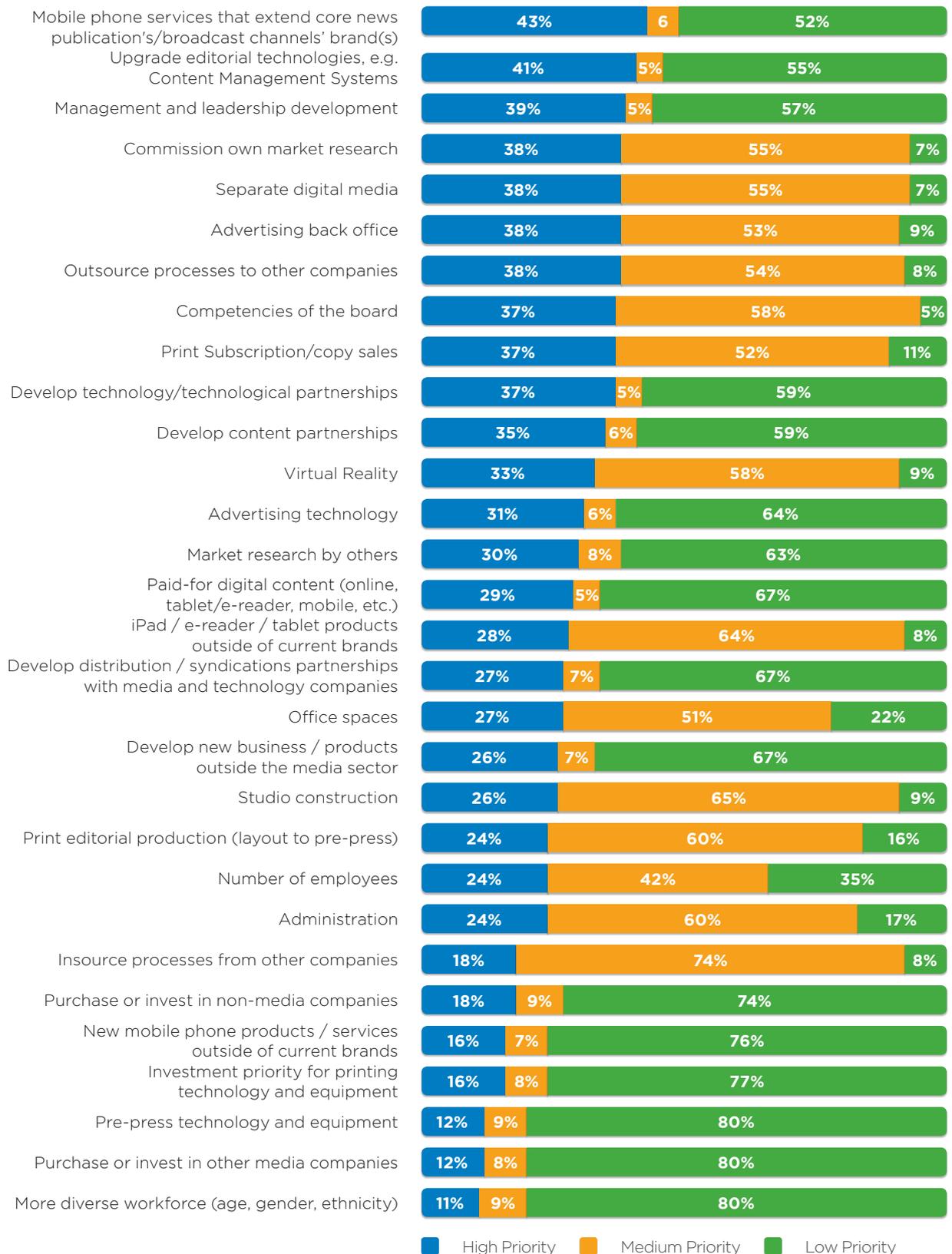
WHAT IS THE WORLD NEWS PUBLISHERS OUTLOOK FOR THE WAY FORWARD?

To understand what news media executives will be investing in during the coming year, we drew up a list of 62 options. Our survey respondents indicated on a scale of one to 10 whether these were high or low priorities.

The overall results are illuminating (see Q12, on the next two pages, and Q13 on page 33). But we dug deeper and asked: Are there any statistically significant differences between the choices made by executives at profitable firms and those at unprofitable firms? The answer, as we detail below, is, “Yes.”

(Q12) To what extent is it important for your organisation to invest in the following areas over the next 12 months?





Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

1.

What are news media executives investing in during the next 12 months?

It is immediately obvious from our study that news media executives worldwide are actively confronting a fundamental business dilemma: how to allocate resources between exploiting existing certainties and exploring future opportunities. In both directions, keeping pace with technological changes remains a major emphasis in both the short- and medium terms.

The No 1 short-term investment priority for firms in our study is related to exploitation: During the next 12 months, “Social media editorial activities (Twitter, Facebook, LinkedIn, etc.)” is a top priority for nearly 8 out of 10 survey respondents (79 percent). Only 2 percent said it was a low priority.

Notably, social media commercial activities are much lower down on the list (No. 12 - 63 percent). We found evidence that this might have important consequences. On the one hand, we found no significant relationship between investment in social media editorial activities and increases in overall revenues, profits, profit margins or social media revenues.

However, there is a significant relationship between those who report growth in social media revenues and those who emphasise social media commercial activities (rather than just editorial) as being important. It seems to be a case of “don’t seek, don’t find.”

The No. 2 short-term investment option is related to exploration: During the next 12 months, “Develop new products within the media sector” is a top priority for 78 percent of survey respondents. Only 3 percent said it was a low priority. The No 3 short-term investment choice shows that whether engaging in exploitation or exploration, news media organisations are changing the way they work to be more effective and efficient.

“Streamline workflow and processes” is a top priority for three quarters of survey respondents (75 percent). Furthermore, two thirds (66 percent) say during the next year it will be a top priority to “Reorganise internal operations,” which made it the No 7 choice overall.

2.

How does the investment outlook of leaders of successful new media differ from their counterparts at firms that perform poorly?

In our study, we could not detect any significant variation between the investment priorities of respondents in different countries, or in different world regions – but there are five notable differences between the investment outlooks of executives at firms that are successful and those that are not.

- 1. Investing in new products, new revenues outside the media sector.** While most news media companies are investing in developing new media products, executives at successful firms are significantly more likely to also be investing in separate digital media businesses ($r=2$; $p<0.05$). And they are even more likely ($r=23$; $p<0.01$) to be developing products *outside* the news media industry. This finding underlines the fact that successful companies are not waiting to diversify their revenue streams – they are already investing in doing so.
- 2. Investing in new competencies.** Leaders at successful firms are significantly more likely to be investing in data journalism ($r=2.0$; $p<0.01$). This indicates they recognise Philip Meyer's point⁸ that in contexts where information is abundant, rather than scarce, very different skills are required. Increasingly, journalists are called upon to bring sense and structure to the never-ending flow of data and to present what's relevant and important in ways consumers can understand. Clearly, news media organisations without data journalism teams and, increasingly, Artificial Intelligence-led computing capabilities are behind the curve.

Furthermore, firms in our study that are both reporting increases in Overall Revenues and are perceived to be successful by their own managers, are significantly more likely to prioritise investment in a Training Budget than leaders at poorly performing companies. By contrast, overall, 45 percent of respondents indicated that a Training Budget was only moderately important and 7 percent said it was a low priority. Our research findings invite them to rethink their company's investment in training.

8 According to the introduction to the Data Journalism Handbook by Jonathan Gray, Luliana Bounegru and Lucy Chambers.
See: http://datajournalismhandbook.org/1.0/en/introduction_2.html

3. Investing in new partnerships. The leaders of high performing firms in our study understand that the nature and source of competition has changed – and have adjusted their strategies accordingly. Their priorities for the coming year underline the key argument in Adam Brandenburger and Barry Nalebuff seminal management book, *Co-opetition*⁹, which was first published two decades ago. That is, forward-looking news media executives recognise their companies can gain an advantage from using a judicious mixture of competitive and cooperative strategies with suppliers and customers, as well as with other firms producing complementary or related products. Successful firms in our study illustrate this by forging ahead in two areas: firstly, they are leveraging their areas of strength to provide B2B services to other media companies. When asked, they are significantly more likely to prioritise “Insourcing processes from other companies” ($r = .199$; $p < 0.05$) than their counterparts at poorly performing firms. Secondly, they foster “coopetitive” relations with the likes of Facebook and Google. Our results show that during the coming year executives at high-performing firms are significantly more likely to prioritise, “Developing partnerships with digital technology platforms,” than their counterparts.

9 B. J. Nalebuff, & A. M. Brandenburger. (1997). Co-opetition: Competitive and cooperative business strategies for the digital economy. *Strategy & Leadership*, 25(6), p.28-33. DOI: <https://doi.org/10.1108/eb054655>

on PARTNERSHIP: KEY OUTLOOK:

Publishers form alliances to strengthen their hand against competition from technology firms.

Our study results broadly underline key findings on shifts in US adspend to mobile and social media as reported in the much-discussed State of the Internet slideshow produced annually by Mary Meeker of Venture Capital firm Kleiner Perkins. When comparing consumer time-spend by media with advertising spend, Meeker showed that US newspapers enjoyed only 4 percent on audience attention but still received around 12 percent of advertising spend, though that figure continued to shrink¹⁰. Shares of audience attention and adspend are equal for Radio (9 percent), TV (38 percent) and the internet (20 percent). On the other hand, the proportion of consumer time spent on Mobile was up to 28 percent, while the share of Mobile Adspend was 21 percent; that 7 percent margin offers an estimated US\$16 billion growth opportunity in the US - or US \$41 billion worldwide¹¹, if the proportions were equal.

Though the so-called duopoly of Facebook and Google are expected to continue to grab the lion's share of digital adspend, publishers are not shying away from the competition. Across a variety of regional markets, publishers have formed alliances to strengthen their hand against the intense competition from technology companies. These *coopetive* blocs are active in three key areas: 1. developing better offers for advertisers and ad buyers; 2. securing better deals from partnerships with technology platforms; and 3. lobbying for better regulation of market monopolies.

Examples of the improved scale and quality of digital advertising offers by consortia of publishers include: US industry support for the adtech company Sonobi, which has enlisted half the largest 250 US media companies listed on comScore; the Guardian-led UK ad network Pangea, which also includes the Financial Times, Reuters and CNN; and the German data sharing collaboration amongst Axel-Springer, Bertelsmann and others. In France, a much broader alliance of partners inside and outside of the news media are working together to establish the digital ad network, Gravity. Partners include national newspapers, such as Les Echos, regional newspaper publishers, such as La Dépêche, and traditional magazine publishers, such as Lagardère, as well as companies outside the press, such as the telecom SFR, the retail group FNAC DARTY,

¹⁰ Drawing on Slide 13 of Mary Meeker's State of the Internet 2017 presentation.

See: <http://www.kpcb.com/internet-trends>

¹¹ Calculations reflect 7 percent of the global advertising spend for 2017 of US\$583.91. See: <https://www.emarketer.com/Report/Worldwide-Ad-Spending-eMarketer-Forecast-2017/2002019>

and digital local communications company SoLocal¹². Similar initiatives are being discussed by groups in other regions, including Africa.

Industry associations, including WAN-IFRA, are also actively engaging with technology companies to address concerns about what content is surfaced on platforms, how visible news sources are (individuals and brands), which user data is shared, and the terms and nature of commercialisation.

Worldwide news media alliances also continue to lobby national, regional and international legislators to secure press freedom, content rights and royalties, but arguably some of the most high-profile battles have recently been fought in Europe. At the time of writing, on the one hand, European publisher groups are advocating against European Union e-privacy regulation aimed at curbing the use of cookies, which are perceived as critical to track the efficacy of content. On the other hand, they are also applauding EU regulators' US\$2.4 billion antitrust fine imposed on Google, which was found to use its market dominance to skew ecommerce searches in favour of its own Google Shopping thereby denying other companies the chance to “compete on the merits and to innovate” and “most importantly, it denied European consumers a genuine choice of services and the full benefits of innovation.”¹³ Consortia of publishers have also been quick to draw attention to Google, YouTube, and Facebook advertising served up next to “fake news” and extremist views, which has led to boycotts by advertisers concerned about brand safety (including the likes of the UK government, Starbucks, GM and PepsiCo) and increased attention from legislators concerned about social unrest and election interference.

Throughout, publishers continue to press the qualitative advantages of contextual advertising offered by established news brands, over the quantitative emphasis on audience volume and reach that is key to the offer by technology companies.

12 (French): Les Echos. See: <https://www.lesechos.fr/tech-medias/medias/030427903333-publicite-les-medi-as-francais-allies-pour-mieux-contrer-les-gafa-2099852.php>

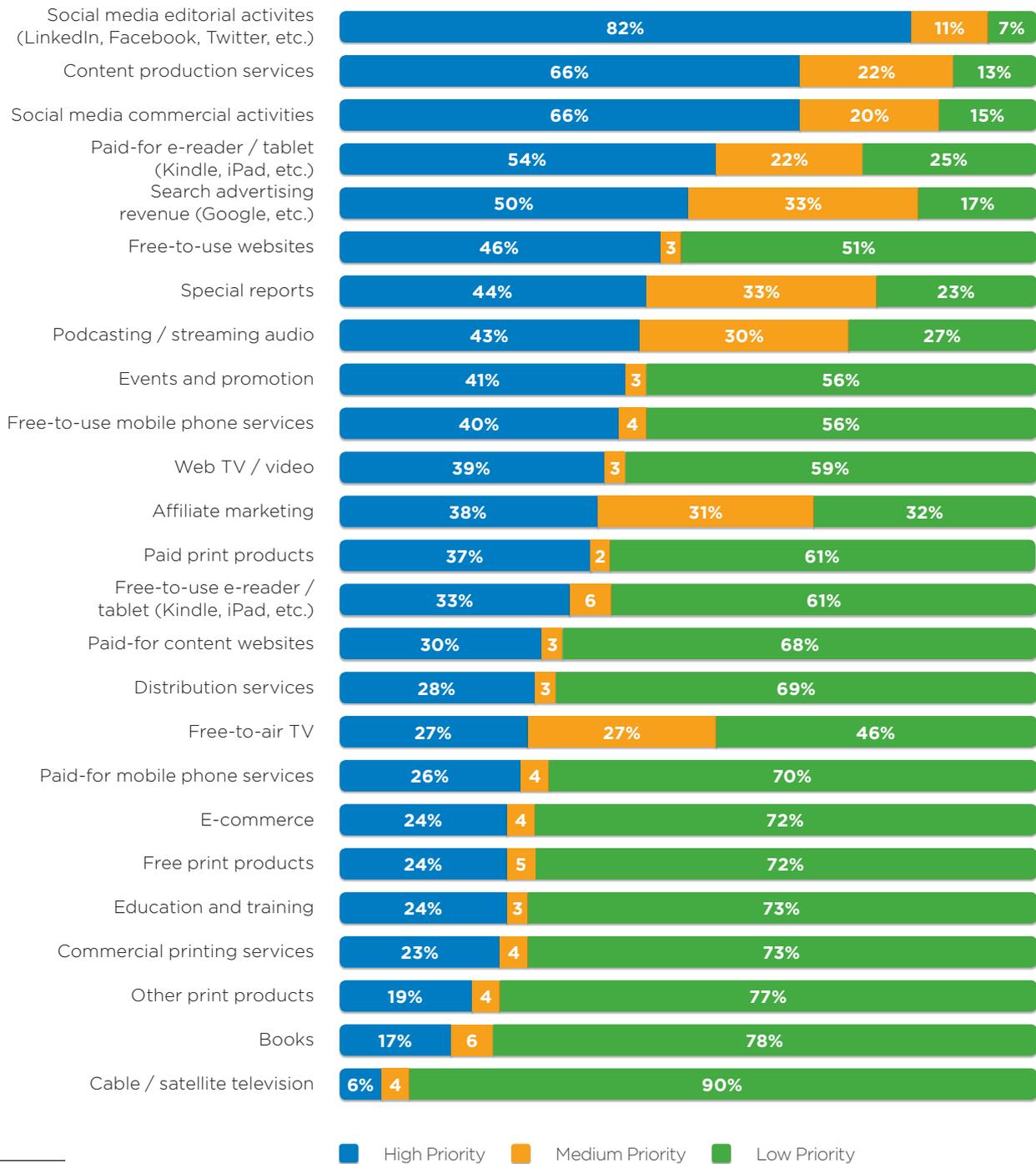
13 More detail about the EU Commissioner Margrethe Vestager's ruling and related documents is available on the EU website. See: http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_39740

4. Investing in new technologies. Creating effective content remains central to the news media firms in our study. The range and type of content produced by news media companies continues to increase – as do the variety of distribution platforms available. Newsrooms that once only produced text and still images for print, are now routinely drawing on a range of technologies to create a startling array of other content – from podcasts, video programmes and interactive infographics, to stories made or remade with social media, content marketing, augmented and virtual reality platforms in mind. To ensure the effective and efficient management of the large assortment of content being produced, leaders at the successful firms in our study are significantly more likely to be prioritising “Upgrading Editorial Technologies, e.g. Content Management Systems” over their counterparts.

Forward-thinking news organisations are also prioritising in Big Data strategies that are the essential underpinning for the next generation of Artificial Intelligence technologies that power applications for content generation (such as data-driven story creation, sometimes called “robo-journalism,” and sentiment-driven content recommendations engines), community monitoring and engagement (such as real-time customer analytics, predictive spam filters, and automated comment moderation), and commerce (such as hyper-targeted advertising and copy sales management).

5. Investing in diversifying the workforce. The leaders of innovative news media firms in our study also value something that is often raised in wider discussions about how to make firms more creative, innovative, and responsive to changes in the marketplace: Workplace Diversity. Interestingly, the clear majority of news media executives in our survey did not value Workplace Diversity highly at all. In fact, it was only at the top of the agenda for 11 percent of those surveyed, making it the lowest priority of all the 62 investment options available in our survey. However, it is a pressing issue for the leaders at high-performing firms, who are significantly more likely to prioritise investment in a diverse workforce (age, gender, ethnicity) ($r=.199$; $p < .05$) than their counterparts at firms that are reporting financial losses and perceived by their own leaders to be less innovative than their peers.

(Q13) To what extent could the following areas be opportunities for your organisation during the next FIVE (5) years?



Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

3.

What opportunities do they see emerging during the next three to five years?

In the medium term, the most of the respondents to our study remain bullish about the prospects of digital advertising – social, search and on-site. In that order. The No 1 and 3 investment priority for most of our respondents is social media editorial and commercial activities. Search advertising is No 5 and Free-to-use websites comes in at No 6. At first glance that finding would seem logical given reports of the fast growth of digital advertising. For example, the Interactive Advertising Bureau reported that digital ad spending in the U.S. surged 22 percent to a record US\$72.5 billion in 2016.¹⁴ However, on further reflection, that finding might seem alarming given that the clear majority of digital ad growth is going to technology companies.¹⁵

Direct payment for content is the second most important medium term revenue prospects for most of the respondents to our study – payment for content from commercial customers (B2B) and from consumers (B2C). In that order. The No 2 medium term opportunity amongst the majority of our respondent are B2B “Content Production Services” and “Special Reports” is No 7. “Paid for tablet/ereaders” content is No 4. “Paid for print products” and “Paid for content websites” are No 13 and 15, respectively, which suggests our respondents not only expect shrinking consumers interest in print, but also in PC products. The future of media consumption is clearly expected to be on mobile devices.

A closer look at responses from leaders who reported increases in digital revenues during the past financial year shows that their future strategies are bolstered by past successes – but they are less likely than their counterparts to be counting on traditional forms of advertising revenues. Instead, those respondents are significantly more likely to currently be involved in content market ($r=.35$; $p<.001$) and advertorials ($r=.19$; $p<.01$) and to see their future digital incomes coming the following areas: 1. Paid-for content websites ($r= .237$; $p<.001$); 2. Paid-for e-reader/tablet (Kindle, iPad, etc.) ($r= .206$; $p<.01$); and 3. E-commerce ($r= .159$; $p<.05$)

14 The IAB Internet Advertising Revenue Report: 2016 Full Year Results is conducted by PwC. See: https://www.iab.com/wp-content/uploads/2016/04/IAB_Internet_Advertising_Revenue_Report_FY_2016.pdf

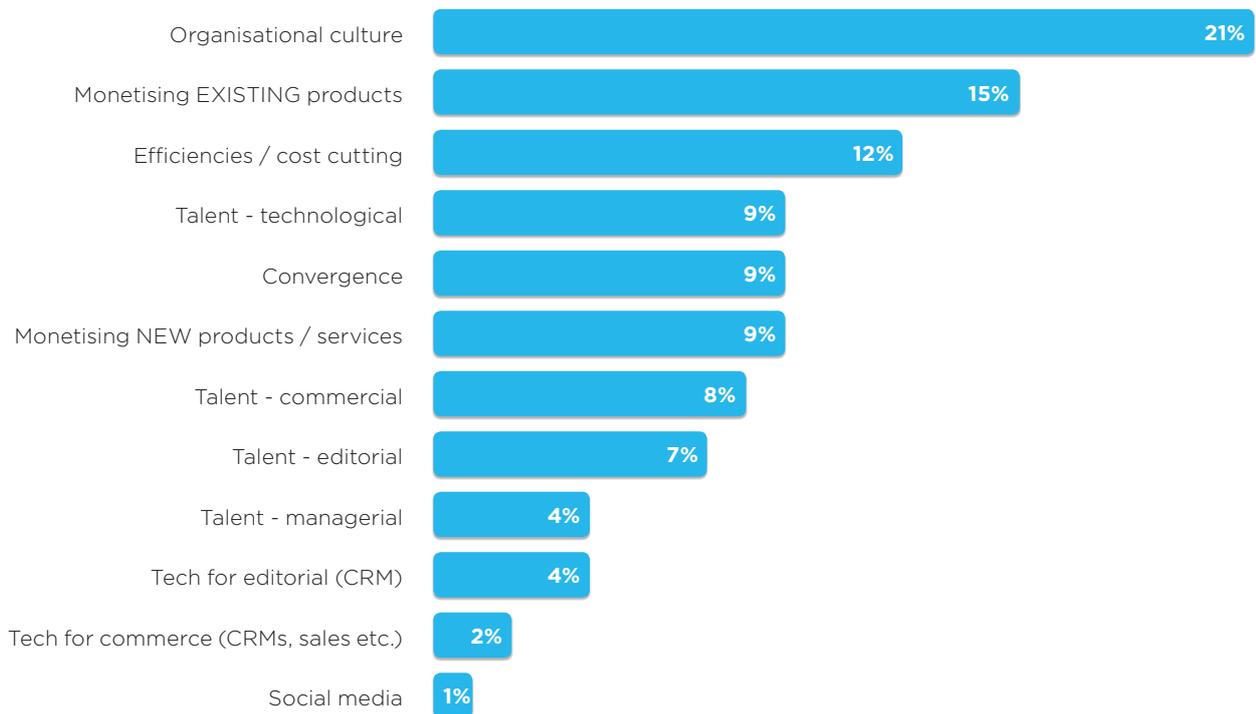
15 The IAB Internet Advertising Revenue Report: 2016 Full Year Results is conducted by PwC. See: https://www.iab.com/wp-content/uploads/2016/04/IAB_Internet_Advertising_Revenue_Report_FY_2016.pdf

4.

What do news media leaders most want to change in the year ahead?

In the final survey question, we asked executives: “What is the single most important change that must be implemented in your news organisation over the next year?” The answers varied widely. “Digital revenue growth and cost reduction,” said a top manager from Brazil. “Technological modernisation and reorganisation,” an editorial manager from Spain responded. “Search for new sources of income,” came the answer from a Romanian editorial manager. “Focus first on our clients’ needs,” said a technology manager from France. “Mobile,” said a commercial manager from Ukraine. “Flexibility to deal with uncertainty,” said a Spanish technology manager. While the responses may seem disparate, some distinct themes did emerge.

(Q20) What is the single most important change that has to be implemented in your news organisation over the next year?



Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

More specifically, the news media executives in our study identified the following 10 priorities for change, listed in reverse order:

- 10. Management Prowess.** “Change of leadership,” said a top manager from Russia. “Change of management...,” said an analyst or researcher from Spain. “Management changes and changes in the orientation of the set,” said a commercial manager from Iran.
- 9. Big Data.** “Introduction of Salesforce CRM,” said a top manager from Canada. “Implementation of technology to collect (and keep up to date) data on our customers/readers,” said a top manager from United Kingdom.
- 8. Commercial Talent.** “Culture and skill set in sales department need to transform into a high-level advisory role talking to customers,” said a top executive from the Czech Republic. “...New commercial strategy,” added an analyst or researcher from Spain.
- 7. Digital Know-How.** “Raising the digital skill level,” said an editor from Finland. “Complete digitalisation of all processes in all departments,” said a top manager from Germany. “All staff training for digital,” said an editorial manager from India. “More digital emphasis,” said an editorial manager from Japan.
- 6. Editorial Talent.** “Editorial teams being willing to take big data feedback into their workflow,” said a technology manager from Portugal. “Outsourcing of editorial production,” said a top manager from Canada. “Changes within the editorial teams would be required to provide exclusive content, investigative pieces and upgrade the overall quality of journalism across all our titles,” said a commercial manager from Sri Lanka.
- 5. New Income Streams – Build or Buy.** “Development of new fields of activity,” said a senior executive from Russia. “The trend towards investments outside the enterprise’s current activity,” said a top executive from Romania. “Invest in off-platform products,” said an editorial manager from the United States.
- 4. Efficient Systems,** which were typically (though not always) also linked to effectiveness. “Restructuring the organisation and news processes to reduce costs and invest in digital transition,” said a commercial executive from Mexico. “Outsourcing of editorial production,” said a top executive from Canada. “Downsizing and resizing,” said a top executive from Norway.

- 3. Convergence.** “Completion of the process of modernisation and optimisation technologies and structures in the main production units,” said a top manager from Russia. “Further developing our newsroom and transfer the media convergence also into the sales department,” said a senior executive from Switzerland.
- 2. Monetising Existing Products.** “Paywall model for website news,” said a Latvian senior executive. “Improved digital sales expertise,” said a top manager from the United States.
- 1. Organisational Culture.** “Getting all staff to embrace and share new ideas, techniques and strategies to keep the newspaper alive and exciting,” said an editorial manager from Malaysia. A top executive from Portugal summed it up the No 1 change that executives in our study felt would be important to address during the coming year: “Innovation culture.”

Building a culture of innovation – and the company’s bottomline

Many of the news media executives in our study recognise the risk their company’s capacity to innovate poses to their future success. And they also appreciate the need to change the organisation’s culture. This invites further questions, such as: What does an Innovation Culture look like? Is there evidence that such an Innovation Culture impacts positively the performance of news media organisation – including financial performance? And, what are the most important levers to pull to effect organisational culture change?

To help find answers, we combed through nearly 80,000 data points drawn from our survey – and analysed them alongside World Bank indicators. We were particularly interested in exploring relationships¹⁶ – and especially correlations¹⁷ – between organisational behaviours, investment priorities, attitudes, activities and performance. We report correlation strength as Pearson’s r values: a perfect correlation is 1.0, meaning a one-to-one relationship between two factors, while a correlation of 0.0 means there is no relationship, and results are totally random. And we only report those relationships that are statistically significant,¹⁸ meaning that there is less than a 5 percent probability that we got it wrong (probability is reported as “p” values).

A key finding from our analysis is that there is a positive and statistically significant correlation between the variables that indicate the nature of the organisa-

16 In statistical terms, by ‘relationship’ we mean we were looking to see the extent to which one variable behaved in a similar way to another. (The more of the one, the more of the other. Or vice versa.)

17 A perfect correlation is 1.0, meaning a one-to-one relationship between two factors. A correlation of 0.0 means there is no relationship, and results are totally random. Cut off criteria are defined as: $r = .1$ (weak correlation); $r = .3$ (medium) and $r > .5$ (strong correlation).

18 Significance is the probability (p) that the results could have been achieved by chance. We report significances below $p < .05$, $p < .01$ and $p < .001$ respectively, indicating there is less than a 5%, 1% and 0.1% probability of having achieved results by chance.

tion's culture and the indicators of firm performance – including their financial success. In fact, **firms with cultures in which innovators flourish were significantly more likely to report both increases in overall revenues and overall profits.**¹⁹

Yes, that result is significant, but to some it may not be unexpected. When we asked respondents to predict the single biggest change they would have to make to over the coming year to ensure their company's future success, the most frequent answers echoed this response from a senior manager in Brazil: "Culture." An analyst from Austria was more specific, saying: "Further implementation of innovation culture across the whole organisation, including editorial."

Of course, management researchers²⁰ have long pointed out that corporate culture was a much more important driver of radical innovation than capital, labour, government, or national culture.

But just what are the elements of an innovation culture? After examining a wide variety of studies²¹ alongside their own, Jay Rao and Joseph Weintraub (2013)²² noted that organisational culture is a multifaceted construct that rests on six building blocks: Resources, Processes, Values, Behaviour, Climate, and Success. From our study, we have also drawn out a seventh, distinct factor: Innovation Role Models. That is because although leaders play a critical role in shaping every aspect of their firm's culture, we contend that innovation leadership deserves specific attention. Our analysis of the data backs up that point of view. Next, we will examine each of the seven building blocks in turn.

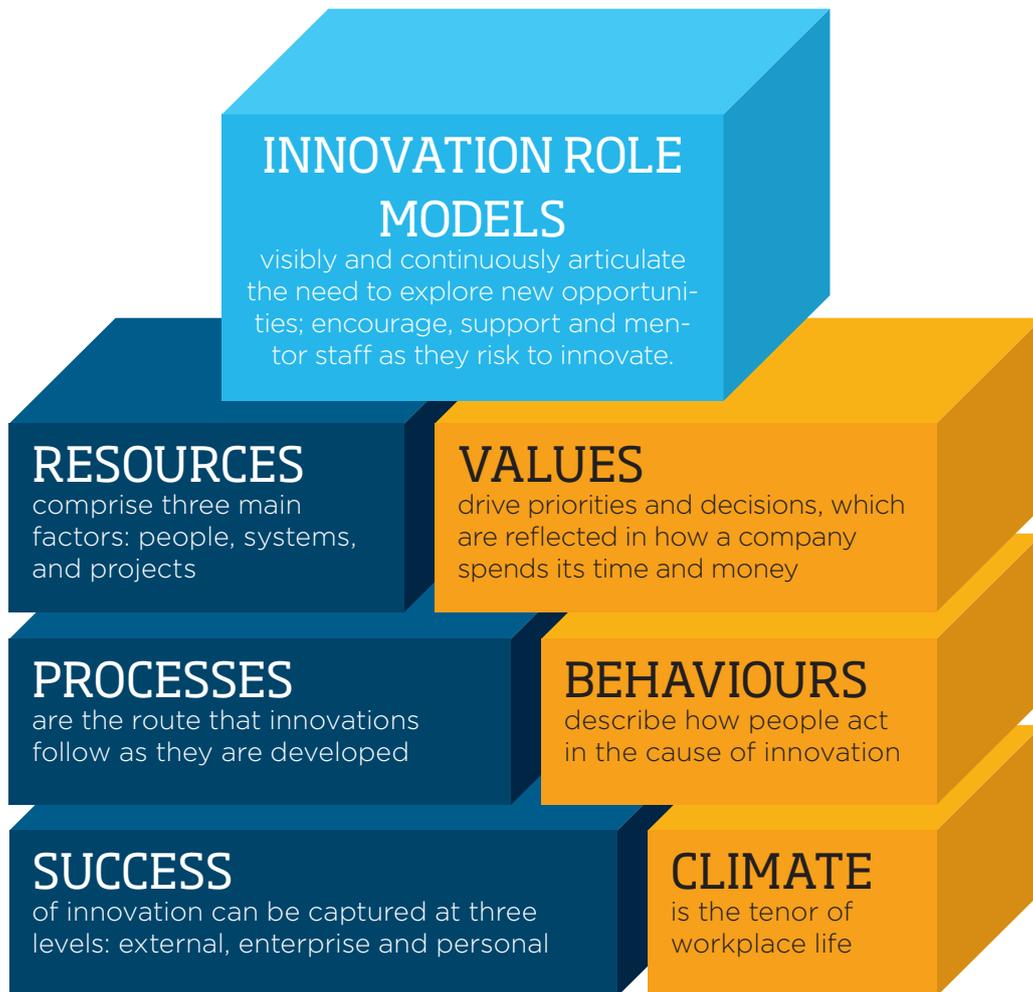
19 Correlations between overall profits and Innovation Orientation: Overall Revenues $r=.234$; $p<0.01$. Overall profits $r=.151$; $p<0.05$

20 Tellis, G., Prabhu, J. C., & Chandy, R. K. (2009). Radical innovation across nations: The preeminence of corporate culture. *Journal of Marketing*, 73(1), 3–23.

21 See Christensen, C.M., Anthony, S.D. & Roth, E.A., (2004) *Seeing what's next: Using the Theories of Innovation to Predict Industry Change*. Boston: Harvard Business School Press; Schein, E.H., (2009) *The Corporate Culture Survival Guide*. San Francisco: Jossey-Bass; Hofstede, G. (1998). 'Attitudes, Values and Organizational Culture: Disentangling the Concepts.' *Organizational Studies*, 19 (3): 477-493; Denison, D. (1996) 'What is the difference between organizational culture and organizational climate?' *Academy of Management Review*, 21 (3): 619-654.

22 Rao, J., & Weintraub, J. (2013). How innovative is your company's culture? *MIT Sloan Management Review*, 54(3), 29.

The seven building blocks required to create a sustainable culture of innovation in your company.



BUILDING BLOCK 1 – CLEAR MEASURES OF SUCCESS

Organisations with cultures where innovation thrives have clear measures of success, which can be captured on three levels: External, Enterprise and Personal. Our survey included direct and indirect questions²³ about each aspect.

External recognition shows how well a company is regarded as being innovative by its customers and competitors. To help us discern that, we asked respondents to rate the extent to which they agreed with the statement, “In dealing with

²³ In our study, ‘Perceived Success’ represents the extent to which the organisation perceives that its innovation efforts have led to better financial performance than others in the industry; the extent to which innovation projects have helped the organisation to develop new capabilities that they did not have three years ago; and the personal level of perceived success of the individual participant.

competitors, my firm is very often the first business to introduce new products, services, administrative techniques, operating technologies, etc.”

Success on an enterprise level includes the matter of whether an innovation has paid off financially. To understand the degree to which the success of innovation efforts might be related to Overall Financial Performance²⁴, we asked respondents to rate the extent to which they agreed with statements such as, “Our innovation efforts have led us to better financial performance than others in our industry.”

Further success measures included how satisfied individuals were with the level of participation, nature and pace of their own innovation efforts – and the extent to which they tend to be rewarded for taking risks. To assess that aspect, we asked respondents to rate their level of agreement with the statement, “I am satisfied with my level of participation in our innovation efforts.” Responses to this and others relating to Organisational Success, were aggregated into what we call Perceived Success, and tested against other responses to our survey. The results showed that the extent to which executives perceived their organisation’s innovation efforts to be successful was significantly related to positive changes in a variety of revenue streams – from Website Advertising ($r = .245$; $p < .01$), Social Media Advertising ($r = .166$; $p < .02$), Ecommerce ($r = .206$; $p < .05$) and Website Subscription Revenues ($r = .255$; $p < .0$), to Advertising on Traditional Print and Broadcasting Platforms ($r = .218$; $p < .02$). To further underline the significance of innovation successes for the company’s bottom line, we also found a strong relationship between Perceived Success and the Overall Financial Performance of the firm as measured by positive 12 month changes in overall revenues and overall profits.

BUILDING BLOCK 2 – VALUES

Our second Building Block, inspired by the Rao and Weintraub (2013) study, focuses its lens on Values.²⁵ Values drive priorities and decisions, which in turn reflect how a company spends its time and money. When a German editorial manager noted there was “too little courageous investment in innovation,” he illustrated that the values of a company are less about what the leaders say or what they write in the annual reports than what they do and invest in.

24 Overall financial performance = Revenue change plus profit change over the past 12 months

25 In our study, Values represents the extent to which an organisation promotes a desire for innovation and a culture in which all stakeholders, as individuals, aspire to be innovative.

Values manifest themselves in how people behave and spend, more than in how they speak. Truly innovative enterprises spend generously on being entrepreneurial, promoting creativity and encouraging continuous learning. Our study shows that firms that score highly on the Values Building Block are significantly more like to prioritise the development of News Business / Products Outside of the Media Sector ($r=.179$; $p<0.05$) and Investment in Training Budgets ($r=.186$; $p < 0.05$). Furthermore, the higher they scored, the greater their reported Organisational Performance.²⁶ This relationship was strongly correlated, with a Pearson's correlation coefficient of $r = .54$. The statistic was also highly significant, with a probability of less than one in 1,000 that this result could have been achieved by chance.

BUILDING BLOCK 3 – INNOVATION BEHAVIOURS

Innovation Behaviours²⁷ describe how people act in the cause of innovation. For leaders, those acts include a willingness to kill off existing products with new or better ones, to energise employees with vivid descriptions of the future, and to cut through red tape. All three behavioural demands pose significant challenges to news media leaders, but respondents to our study appear particularly concerned about being slowed down by organisational red tape. “Good ideas, but it takes too long...,” said an editorial manager from the Netherlands when asked to name the greatest risk to the business. “Do not innovate at the right pace,” said a top manager from Spain. “Speed (geschwindigkeit),” replied a digital publisher from Germany.

For employees, actions in support of innovation include doggedness in overcoming technical roadblocks, “scrounging” resources when budgets are thin, and listening to customers. Not surprisingly, customer insights are top of mind for executives at companies with strong innovation cultures. Our survey shows they are significantly more likely to be prioritising investment in Big Data Strategies and Market Research by Others than their counterparts. Unsurprisingly, the extent to which an organisation exhibits the specific Innovation Behaviours under observation, the greater their Organisational Success ($r =.78$; $p < .001$).

26 Organisational performance, in our study, is defined as financial success plus perceived success.

27 The Behaviours Building Block quantifies the behaviour of an organisation, in terms of the extent to which it monitors customers and competitors, the extent to which it strives for customer satisfaction; and whether it has a deliberate, comprehensive and disciplined approach to innovation.

BUILDING BLOCK 4 – INNOVATION CLIMATE

Climate is the tenor of the workplace life. An Innovative Climate²⁸ cultivates engagements and enthusiasm, challenges people to take risks within a safe environment, fosters learning and encourages independent thinking.²⁹

Our survey shows that years of turbulence may be taking its toll on the climate in news media firms. “Societal obsolescence (content, business model, cost structure),” said a commercial manager from France when asked about the greatest risk to the firm. “Mistrusting ourselves,” said a commercial manager from Norway. “Losing my interest,” said an editorial manager from Russia. Leaders at innovating firms clearly recognise the challenge of creating an energetic, safe and creative atmosphere in the workplace – and are reaping the rewards. Not only do our results show significant relationships between positive Innovation Climate and increases in Digital Revenues³⁰ ($r = .23$; $p < .01$) as well as Diverse Revenues³¹; i.e. from sources other than advertising and content sales ($r = .25$; $p < .01$) but Odds Ratio analysis also revealed that organisations which scored highly on the Innovation Climate Building Block were nearly seven times as likely to be reporting booming³² revenues, compared with the low scorers on this Building Block.

28 Innovation Climate Building Block items included: ‘We have a community that speaks a common language about innovation’; ‘Top management make the decisions that will ensure future success’; ‘Commercial departments take advantage of emerging opportunities’; ‘The IT department supports our company’s objectives’.

29 Rock, D. (2009) Managing with the Brain in Mind. Strategy + Business, No. 56 (Autumn 2009)

30 Digital Revenues: revenues from activities such as mobile apps, social media advertising etc.

31 Diverse Revenues represents the number of activities which an organisation pursues, alongside its main publishing activity.

32 ‘Booming’ revenues refer to 12 month reported increases of more than 20%. ‘Bust’ on the other hand, refers to decreases of more than 20%.

BUILDING BLOCK 5 – INNOVATION PROCESSES

Innovation Processes³³ describes the route that an innovation follows from are they developed – from idea generation, to selection, to development and, ultimately, deployment. These may include the familiar “innovation funnel” used to capture ideas, sift and connect the best to relevant resources before converting them into new products or services. Or the stage-gate systems for reviewing and prioritising projects then building a business case, prototyping and, testing before launch. In our study, we were looking for latent indicators that such processes are in place. Thus, we ask whether respondents feel their organisations are continuously monitoring and responding timeously to shifts in the marketplace – and if their leaders provided the encouragement and structures for innovation to thrive.

Responses to our Innovation Processes items were very uneven. While more than a third of respondents (35 percent) strongly agreed with the statement, “We continually monitor customers and competitors to find new ways to improve customer satisfaction” only about one in 10 of respondents (11 percent) strongly agreed with the statement, “Our leaders model the right innovation behaviours for others to follow.” There is also evidence that Innovation Processes may not be efficient. “The biggest risk [to our organisation’s success] is that senior management (decision making) does not make decisions quickly,” said an editorial manager from Bolivia. His concern is widely shared. Almost half of our respondents (48 percent) are neutral or disagree to some extent with the statement, “In dealing with competitors, my firm is very often the first business to introduce new products, services, administrative techniques, operating technologies, etc.”

The lack of efficient Innovation Processes may be costly. Our analysis shows there is a strong, positive relationship between firms with clearly-defined and articulated Innovation Processes and their overall Organisational Performance ($r = .72$; $p < .001$). Such organisations were also almost three times as likely to be reporting booming revenues, compared with those with less clearly defined Innovation Processes (Odds Ratio = 2.89; $p < .01$).

³³ The Innovation Processes Building Block represents the activities which an organisation engages in, in order to pursue their agenda of innovation. These activities include monitoring customer satisfaction, introducing new products, services, administrative techniques, operating technologies, etc

BUILDING BLOCK 6 – RESOURCES

Resources³⁴ comprise three main elements: Systems, Projects, and People. And there's no doubt that Resources matter. For instance, **our study found a highly significant relationship between Resources for Innovation and Organisational Performance ($r = .70$; $p < .001$)**. The extent to which the firms in our survey provided dedicated resources for innovation varied greatly. Only about one in five (19 percent) respondents strongly agreed that, “We have dedicated physical or virtual spaces for the exploration of new opportunities.” However, firms whose participants had confidence in their top management teams were almost twice as likely to be reporting booming revenues, compared with those that did not (Odds Ratio = 1.89; $p < .05$).

Overall, respondents to our study were very bullish about innovation projects. **Nearly seven out of 10 of the executives in our study agree to some extent with the statement, “Our innovation projects have helped our organisation develop new capabilities that we did not have three years ago.”** The most fervent acknowledgement of the dividends of innovation came from Senior Managers, who were significantly more likely to “strongly agree” with this statement than, for example, Editorial Managers.³⁵

Investment in talent across all areas, including in the boardroom and especially in technology is a key priority for successful firms in our study. We found that an organisation's approach to investment in people is directly and positively related to its Organisational Performance, that is its financial success, as well as perceived success. The correlation is large and highly significant ($r = .70$; $p < .001$). Furthermore, organisations which prioritise investment in people are almost twice as likely to be reporting that overall revenues and profits have been up more than 20 percent over the previous financial year, compared to those that don't (Odds Ratio = 1.89; $p < .05$).

34 The Resources Building Block focuses on the extent to which an organisation provides physical spaces for innovation, and provides the management infrastructure for innovation decision making.

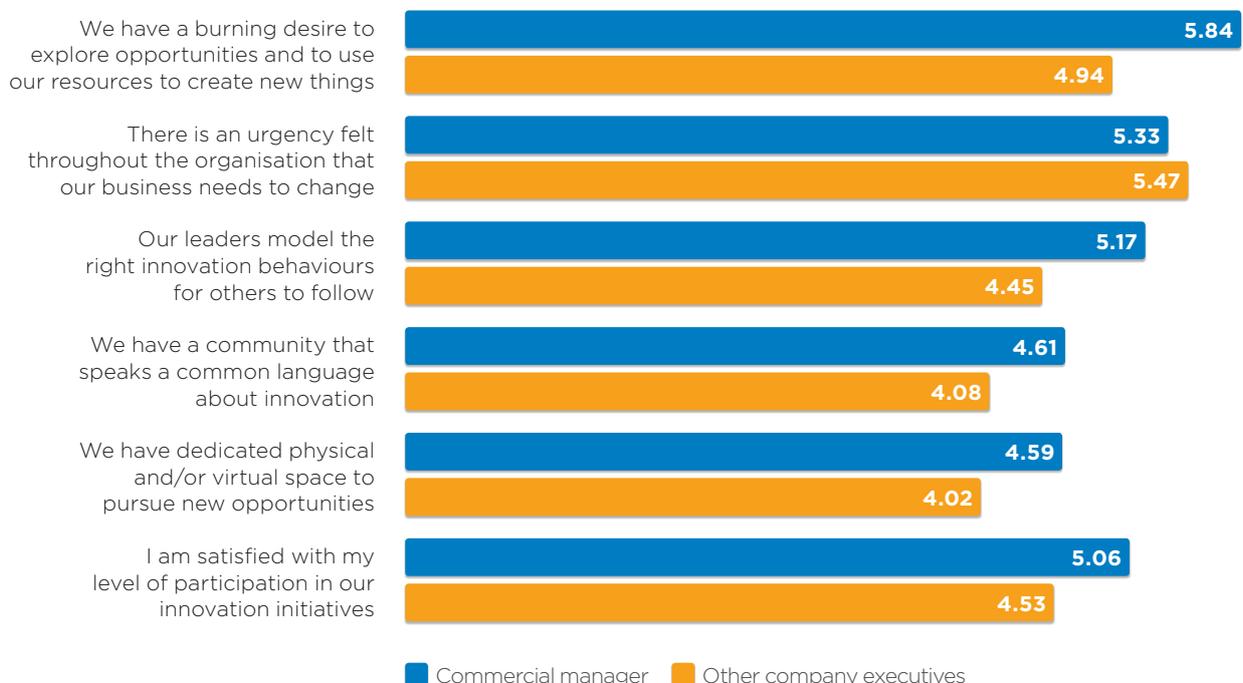
35 Top Managers were significantly more likely to agree with the statement “Our innovation projects have helped our organisation develop new capabilities that we did not have three years ago” when compared with editorial managers. T tests revealed that Top Managers ($M = 5.38$, $SD = 1.66$) scored this question significantly more highly than Editorial Managers ($M = 4.71$; $SD = 1.86$). The t test result is $t(144) = 2.241$; $p < .05$. Similar results were found when the attitudes of Senior Managers were compared with Commercial Managers and Technology Managers

US management professors Jay Rao and Joseph Weintraub (2013) believe that, of all the resources required to foster an innovation culture, people – especially “innovation champions” – are the most critical, because they have a powerful impact on the organisation’s values and climate. Our study findings supported that view. It also showed such a strong relationship between the success of firms and positive innovation leadership that we decided that Innovation Role Models warranted being considered an independent building block of Organisational Culture.

BUILDING BLOCK 7 – INNOVATION ROLE MODELS.

Firstly, we noted that Innovation Role Models were scarce across the firms in our survey. When asked, only 14 percent of our respondents strongly agreed with the statement, “Our leaders model the right innovative behaviours for others to follow” (Q18). This finding is even more startling when we consider that the bulk of the respondents are themselves leaders who are in the position to be Innovation Role Models.

(Q18) Commercial vs other company executives



Source:

World News Publishers Outlook 2017 – Innovation Research Group, & WAN-IFRA

When we explored our data to see what connections there might be between positive Innovative Role Models and Organisational Performance³⁶ we were wide-eyed. **The extent to which role models impact the bottom line of firms in our study is much more significant than any of the other components of an innovative culture. In fact, those companies with Innovation Role Models are more than four times as likely to be reporting significant increases in revenues during the past 12 months, compared with organisations that do not. (Odds Ratio = 4.3)**

What is an Innovation Role Model?

Whatever else, a role model serves as an example and needs to be visible. But there's much more to being an effective role model than that. "Role models embody an authentic and purposeful set of values (2) and demonstrate those values through their actions (3)," says former banker turned venture capitalist Warren Doss. Innovation Role Models may not be risk-takers themselves, but they will grasp the importance of risk and actively support risk-taking in their organisation (3.1). They may not be active connection brokers themselves, but they will understand, look for and encourage connection-making (3.2). They also provide explicit resources for innovation, such as virtual or physical spaces and clear decision-making structures. And they also explicitly expect subordinates to engage in innovative activities. Effective Innovation Role Models tirelessly advocate for innovation – they do so often, at every occasion. The adage "Do as I say, not as I do" gets turned on its head by the Innovation Role Model. In the presence of powerful, authentic role models, members of an organisation will model actions – and utterances. They will seek to "do what the role model does – and says."

Company leaders have both the mandate and the mechanisms to nurture organisational cultures where innovation thrives – and our study results confirm that when they personally rise to the occasion, their companies' fortunes do too.

³⁶ Organisational success represents overall revenue growth and the extent to which respondents perceive their firm to be more successful than their peers.

GUEST ANALYSTS

5 lessons learned from an innovative firm

Anette Novak, a former senior newspaper executive and now CEO of Rise Interactive, Sweden

Three important factors for successful behaviour change

Helen Philpot, Head of Transformation and Governance at DMG Media, United Kingdom

Combating the 'accelerating avalanche' of ad revenue declines

Kevin Anderson, an international media and communications consultant and Founder of Ship's Wheel Media, United States

Innovation in India: South Asia's largest growing market

Magdoom Mohamed, Managing Director at WAN-IFRA - South Asia, India

Why are publishers not chasing the cash on social?

Dean Roper, Director of Publications at the World Association of Newspapers and News Publishers (WAN-IFRA), Germany

5 lessons learned from an innovative firm

Digital disruption, declines in traditional revenue streams, and multi-front competition: the news media are struggling to survive and, instead of tending to the causes of the disease, many are shouting for a miracle cure or someone to save them from this valley-of-death. The truth is: it will not happen and inactivity will undoubtedly lead to extinction. Annette Novak shares what she's learned from an innovation engine with world-renowned success...



ANETTE NOVAK
a former senior newspaper executive and now CEO of Rise Interactive, Sweden

Three and a half years ago, I left news media for a position as CEO of a Swedish research institute, focused on ICT and design. My first impression was amazement: 50 researchers and developers had managed to create a world that spawned renowned innovations which frequently featured on Time Magazine's "World's Best Inventions" list.

Coming from an industry struggling with innovation, I have now spent years trying to understand what the ingredients of an innovative organisation are. I've asked myself: what does the research institute do that news media don't do? So, what are my findings? My conclusion, as a practitioner, of how innovative organisations differ from non-innovative ones, are the following:

1. Leadership: the commander's transformational intent

The commander's transformational intent... a publisher once told me: "I cannot ask staff to wade out in the water and start swimming when I do not know if there is land on the other side." With this leadership style, who is surprised everyone is still on the beach? I believe it is urgent to leave this hesitant approach, to adopt an inspiring leadership style, built on the certitude that if we deliver amazing experiences to the users, they will flock.

Our study results show that executives who report that their firms have had overall declines in revenues during the past 12 months are more than three times as likely to also report that their company's leadership are not strong Innovation Role Models, compared to those at successful firms³⁷

“Commander’s intent” is a term originating from military leadership theory: a way for superiors to guide their troops through uncertainty, without losing track of the goal. In brief, you paint a picture of success so strong that each soldier at any given occasion will be able to decide on a course of action that supports the desired development.

The new media world is faster, interactive and immersive – your intent as a digital transformation leader must be to get everyone to explore these opportunities and get everyone to swim.

2. Organisation: Structure creativity

Gone are the days when the newsroom editors had a notion of what the audience wants. To accelerate innovation, there is a need for a solid structure. Ideas do not only come from in-house brainstorming sessions (where the bosses pick which ideas should fly). The right idea might come from the wrong people – you need to invite as many as possible into the processes.

However, that is not enough. For the idea to become innovation you need ideation platforms and implementation processes; analytical methods to evaluate opportunity and risk, and a project organisation capable of developing the idea all the way to implementation.

3. Strategies: Focus your efforts

The other day a middle-manager at a medium-sized regional media group told me: there is no other business where the people who make the tables also must invent the pricing and the business model. She put her finger on the next wound.

Multitasking has a limit – and the news media are way beyond it. Reporters cannot produce quality journalism under the current pressures, which often includes taking on responsibilities to share and promote content online too. When the day-to-day demands are overwhelming, there is no energy left for

³⁷ Odds Ratio = 3.2; Chi Square (1) = 50.262; p < .001. This level of significance indicates a probability of 1 in 1000 that this result could have been achieved by chance.

innovation. If you want certain staff to focus on the future – give them a chance to succeed by indicating what of all their tasks is of lower priority.

4. Culture: The importance of the three F's – fun, fail & feedback

“Culture eats strategy for breakfast” is a wisdom often attributed to the late management guru Peter Drucker. The latest world news media innovation study results back that up: there is a significant relationship between a company’s innovation culture and the company’s bottom line. No matter what your innovation strategy contains, it will not move beyond a theoretical model without a culture to nurture creativity, without staff who feel empowered and free (“I can experiment”).

News media has for many decades been run by experts. Experts on journalism, experts on running the daily production of newspaper or broadcasts. Hierarchical cultures where you follow line of command. It is more than reasonable: When deadline is close, you just don’t experiment. You need military precision for the production machinery to deliver on time. To succeed with transformation, media managers need to foster a company culture characterised by three F’s:

- **Fun:** The fuel for creativity is humour and laughter, a great remedy for a negative work environment.
- **Fail:** You test – and when you realise things don’t work, you iterate until it works; learning from your failures is part of an innovative organisation’s DNA.
- **Feedback:** The young generation is raised on computer games with instant feedback in the shape of sounds, colours, points and levels for every move they make; they crave knowing if they are doing all right. So, are you telling them – and everyone else?

5. Vision: Something to believe in

Attracting the right competences is top management's main priority during a transformation era such as the one we are experiencing right now. The fact legacy media might not seem the coolest place to work in is a major threat to senior management's capacity to deliver on innovation ambitions.

So, how do you attract the talent you need innovate? Well, surely not by communicating you are a dying business. Instead, there is a tremendous opportunity for legacy media to carry crucial responsibility in democracies globally; without serious, investigative journalism there is mismanagement and corruption. Independent, in-depth coverage of national and international developments are built on verified facts, a population victimized by disinformation – losing trust not only in media but also in the state, its institutions and in each other.

In the post-truth era, there is momentum for legacy media to step up. Be clear on what you deliver. The value proposition is not: more information in attention deficit times. It is: a better world that we build together. Who could not want to work together with you on that?

Anette Novak is a former senior newspaper executive and now CEO of Rise Interactive. As a passionate apostle of transparency, co-creation and the mind-boggling possibilities of open innovation, she has a demonstrated history of leading transformation processes, strategic and operative management, business development, marketing and branding.

Three important factors for successful behaviour change

“Since I joined the BBC as a graduate trainee 20 years ago, media disruption has eaten away at the traditional business models of circulation, advertising and distribution. News media’s primary focus is shifting from the ubiquitous ‘bolt on more’ strategy to a more holistic approach,” writes Helen Philpot, who recently moved from heading business change at News UK to take on a similar role at DMG Media. She shares her insights into how to change organisational behaviours...

My first experience of digital disruption was during a stint in local radio, on a training course to learn how to shoot and edit video. During the past two decades, I moved from broadcast journalism to newsprint, and now help media teams to achieve rapid innovation and delivery by creating the right structure and processes for success.

Very few would dispute traditional media’s ambition, desire and urgency to meet the challenge of declining advertising revenues and rise of social platforms. The industry has experimented widely, with my own career illustrating the disruption. The interesting paradox is that, despite the disruption, the core structures of media businesses have not changed, especially concerning the “this is the way things are done around here” mentality.

This year’s World News Publishers Outlook report shows a clear link between organisational success, on the one hand, and changing behaviour, structures and processes to be more entrepreneurial, on the other. This supports my experience, where I have seen “innovative” behaviours embraced and more importantly sponsored by leaders who tend to get stuff done.

There are caveats though, these behaviours need to be sustained over time – they are not quick fixes. It is simply not enough to adopt an “agile methodology” to technology without the understanding and support of the wider business; it’s



HELEN PHILPOT

Head of Transformation and Governance at DMG Media, United Kingdom

not enough to have a talent and engagement plan for one department that does not link with the overall goals and culture of the company; it is also not enough to apply this approach piecemeal. Therefore, I have noted three important, inter-related factors for successful behaviour change:

1. Adoptive/adaptive leadership

We often hear the phrase, “act like a start-up,” which of course is nonsense, given that large enterprise media organisations must worry about profit and shareholders. However, the advantage legacy media has over any start-up is the ability to leverage years of experience, funding and might to embrace and support business transformation.

I do not mention “digital” because, in my experience, digital companies have often “let the business off” in terms of change, focusing transformation solely in the technology department’s remit. Business transformation with digital innovation powering it is what traditional media organisations will need to achieve in order to survive and thrive.

To enable such a root-and-branch change, leadership needs to have an open and adoptive style, embracing a fail-fast approach and sharing common goals. It is not enough to form cross-functional teams either with one shared goal if others in the business are competing against that goal, either individually or as a department.

Leadership in large media organisations are entrepreneurial without doubt. However, many senior executives have risen through the ranks of the newsroom and are unfamiliar with the language and processes of digital innovation. Technology leadership has a critical role to play in helping other leaders across the organisation understand new methodologies and the associated vocabulary. Having a common language when talking about change is key.

2. New emergent roles

Businesses will become more complex and complicated, operating globally across time zones and cultures. This requires highly matrixed organisational structures with cross-functional teams and staff with more than one reporting line. The news media is no different. To “manage” this complexity, new roles will start to emerge that require the types of behaviours and language described in

the OUTLOOK report. They are roles that are non-traditional and hard to justify in the legacy paradigm, but will provide the “glue” on which innovative-orientated cultures will increasingly depend.

These are people who know what is going on across organisational silos; they have the best interest of all the departments and the whole business at heart, but lack personal interest driven by headcount or budget. In my experience, organisations who have embraced this need either through recruiting “Chiefs of Staff” or “Heads of Change/Transformation,” and who have allowed those individuals to operate without restriction or the burden of budget, could drive initiatives through, challenge where necessary – and keep stakeholders focused on the goal: innovation.

3. Talent and engagement strategy

The most important factor to the success of any organisation (start-up, SME or large enterprise) is the people within. Support networks for entrepreneurs are fundamental to an organisation undergoing business transformation. Powerful tools such as peer recognition, awards, and newsletter mentions should play a part of the talent and engagement plan. The leaders who invest in such a plan are showing trust, respect, and confidence for their workforce. In addition, by doing so, they reinforce the importance of the intrapreneurial mind-set and enhance the chances of the culture change that underpins performance.

The last piece of the puzzle is ensuring that a set of values underpin the plan – and for those values to be modelled constantly by the company leadership. Behaviour change is the sum of the parts.

***Helen Philpot** is a senior change professional and coach with experience in digital platform development and implementation, customer and production operations who has led strategic planning and implementation of new teams, processes and products. She is currently Head of Transformation and Governance at DMG Media, publishers of the Daily Mail and the MailOnline.*

Combating the ‘accelerating avalanche’ of ad revenue declines

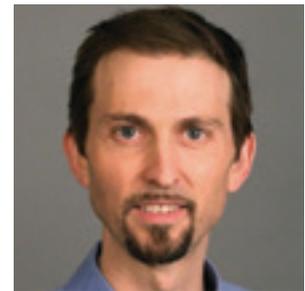
What has been a gentle decline for news publishers the past few decades suddenly became an “accelerating avalanche” for some countries in 2016. While the pressure was not acute everywhere, it was felt broadly, with 60 percent of the news leaders surveyed in this study reporting a decline in advertising revenues on traditional platforms. Data-informed strategies to diversify revenue streams have been the focus of forward-thinking companies...

Australia was the canary in the coalmine for this wave of print advertising collapse. In 2014, News Corp’s profits were pulled down by its newspapers Down Under, as advertising revenue fell by 85 percent in the first quarter of the year.

“The summer of 2015 will be remembered as the moment a perfect storm hit national newspapers,” The Guardian’s Mark Sweeney wrote in October 2015. National newspapers in the UK saw print advertising revenue decline by up to 30 percent, of which supermarket giant Asda cut its print budget by a terrifying 47 percent, Sweeney reported.

In 2016, many US newspapers and groups saw quarter-after-quarter double-digit print ad declines. This included major regional groups such as McClatchy, Gannett and Tronc, formerly Tribune Publishing, as well as The New York Times.

However, in the US, decline in newspaper advertising is not something new. From 2000 to 2015, newspaper advertising has dropped by two-thirds, from \$60 billion to \$20 billion. Derek Thompson of The Atlantic said late in 2016, “Lately, the collapse of newspapers is looking less like a steady erosion than an accelerating avalanche.”



KEVIN ANDERSON
an international media and communications consultant and Founder of Ship’s Wheel Media, United States

And all of this comes against the backdrop of a slowdown in digital growth for many groups, as digital media behemoths Google and Facebook extend their dominance of digital advertising in an increasingly mobile world.

During the past year, the imperative to grow revenue was clear. Nearly two-thirds of those who took part in the survey reported declines in revenue. However, only 36 percent said their profits were lower, suggesting that many groups surveyed have maintained profit through efficiencies. Hence, the respondents saw streamlining their workflow and processes or more comprehensive reorganisation as key priority.

Diversification means growth

News leaders are also looking for ways to grow again. When they were asked to name the single most important change that they needed to make in the coming year, 43 percent said it was to monetise existing products. And they were on the hunt for new sources of revenue, with another 22 percent said their top priority was to monetise new products and services.

Some groups are driving significant growth by diversifying their business beyond advertising, with content marketing and creative agencies being strategies that are driving the highest growth.

One of the best examples of how this diversified revenue approach comes from outside of the newspaper at Atlantic Media. After years of struggling, the group built around a 160-year-old magazine founded by New England intellectuals started to shift away from its reliance on advertising and print circulation as its almost exclusive sources of revenue.

Beginning in the middle of the last decade, it decided to aggressively develop digital products rather than attempting simply to protect print ones, and it expanded into other business lines such as a successful events business.

Hayley Romer, senior vice president and publisher at The Atlantic, said at an event at IBM last autumn that the magazine managed to reach a 50/50 split of print and digital revenue in 2011. During the past three years, the magazine has doubled its advertising revenue, and five years after digital reached parity with print advertising revenue, digital now accounts for 85 percent of all ad revenue.

But success can be found in the newspaper business. The Minneapolis Star-Tribune expects “non-traditional revenue streams” to grow from 5 percent of their income in 2013 to 15 percent by 2019, according to Rick Edmonds of Poynter.

The newspaper business has squeezed better than industry average returns for programmatic advertising, by creating a hybrid solution of “off-the-shelf” solutions from some of their own technology.

Data-driven audience focus

In my work, a couple things set successful news publishers apart from failing one’s: Focus and execution. As I often tell the media companies I work with, there are so many things that one can do in digital, the challenge is in deciding what one must do. To help provide that focus, news publishers are getting serious about their data, and the insights they are getting are allowing them to fine-tune their strategies to achieve audience and revenue growth.

One shift in strategy that we saw in 2016 was that many publishers began to target their most loyal users, users who are willing to pay. It is key to publishers trying to shift from advertising dependent to reader revenue driven businesses. For instance, The Wall Street Journal, a pioneer in reader revenue, has changed its push notification strategy to focus on users who regularly open their app and putting less emphasis on those who haven’t in the past two months, Nieman Lab reported.

McClatchy is doing sophisticated segmenting both for their audience and their commercial strategies. For instance, they have found it doesn’t pay to flash a subscription message to a first-time visitor from Facebook, per Chris Hendricks, VP of product, market and innovation. That data-driven focus on user experience also informed a redesign of their print and digital products that has delivered mid-teen digital growth, Hendricks told StreetFight.

In Norway, Aftenposten managed to double its paying digital subscribers in a year to 70,000. Tor Jacobsen, chief commercial officer at parent publisher Schibsted, told Digiday that they used to talk about stories that had the most visitors in editorial meetings but now talk about the stories that attracted the most paying readers. Subscribers now contribute 65 percent of the company’s revenues.

The last year was difficult for publishers, and many are under severe strain. This stress has come while the economy has been growing in most countries so there must be some fear about what happens when the economic cycle turns.

However, on a positive note, we now have examples of news publishers that are starting to see results in their business transformations. They have aggressively diversified their revenue, shifting away from advertising to reader revenue, and they are using data to focus on loyal audiences who will pay for their products.

***Kevin Anderson** is an international media and communications consultant who has worked with major news organisations and industry groups around the world, with more than 20 years of experience in digital journalism, which includes serving as the BBC's first online correspondent outside of the UK and the Guardian's first blogs and digital research editor.*

Innovation in India: South Asia's largest growing market

South Asian news publishers are in an advantageous position to embrace innovation quicker, learning from the experiences of their Western counterparts. While the news business in print still shows signs of growth, though at a declining rate, the publishers have taken dual position of growing the print business, which pays all their fortunes today and at the same time engaging with the digital media to prepare for their future.

Indian (and South Asian) publishers are extremely innovative and this shows in the tremendous growth of newspapers in the past 10 years in our country, says Jayant Mammen Mathew, Deputy Editor and Director of Malayala Manorama, a predominant print media group from Kottayam in Kerala, India.

Every newspaper in India has come up with innovations across editorial, circulation and advertising, he further adds. The survey result of 17 times more innovative than the publishers in the West could be a bit of over estimation, but it is true that the publishers in South Asia are indeed more innovative than their peers in the West.

Echoing similar reasons, Udesh Gunatunga, Director – Digital Media of Wijeya Newspapers Group in Sri Lanka says, “I guess we had a case study to learn from to avoid the same pitfalls.” He also feels that the software development skills in South Asian countries have benefitted publishers to develop innovative products in-house, and test them swiftly. He cites several new initiatives at Daily Mirror in Sri Lanka published by their Group, including Sri Lanka's first WhatsApp News Alert service, and their various content marketing websites targeting different segment of the audience.

“In India, there is no dearth of ideas and publishers are trying different approaches.”



MAGDOOM MOHAMED
Managing Director at
WAN-IFRA - South
Asia, India

Our study results show that there are some significant differences in innovation climate across world regions³⁸. The most striking of these is that executives at organisations in South Asia are 17 times more likely to report that managers set a positive climate for innovation, compared with European organisations³⁹

Hindustan Times in Delhi has taken to “digital first” policy with a new integrated newsroom that works across their print, digital and mobile properties. The Times of India, India’s largest media group carried more than 5,000 innovative advertising options for its print advertisers last year. It also has a separate digital business arm, Times Internet Ltd. to manage all its digital properties and has launched several non-news products such as Gaana.com, a music based portal and app, magicbricks.com, a property classifieds portal and much more.

Similarly, Malayala Manorama has its presence in Print, TV, Digital and Radio. It manages separate newsrooms for different platforms, but has adopted its workflow to suit the new working order. Last year, its English language news portal, manoramaonline.com won the top awards at WAN-IFRA World Digital Media Awards, for its rich content. The group also undertakes a lot of community engagement programmes. Jayant Mammem Mathew says, “We at Malayala Manorama focus on innovations in editorial. For example, we have done several social and community initiatives, Palathuli, our water conservation and awareness programmes, heart camps, savings in electricity amongst many others. We believe these innovations benefit the community. We also do innovations in other areas.”

NDTV, the pioneer Indian television media company is at the forefront when it comes to innovation and expansion of its business in digital. Its revenue from digital is estimated to be about 20 percent of its overall revenue, highest in the region and has conceptualised ‘watering holes’ strategy creating content on various genre to maximise revenue. It is also experimenting NDTV Premium, a paid app with no ads, the first of its kind in the region.

38 Correlations: Chi square (6) = 35.284, $p < .001$.

39 Odds Ratio = 16.91

The publishers in South Asia strongly believe in the future of news media business and are an enterprising lot. The size to their advantage and relatively lesser impact of new technology has only helped them to be more innovative and be guided by the lessons of the West.

***Magdoom Mohamed** is a news publishing industry professional and business adviser with vast knowledge of news publishing business. He is a futuristic thinker, with a keen interest in strategic issues impacting news media business and in change management.*

Why are publishers not chasing the cash on social?

It appears the Catch 22 social media situation that once haunted newsroom editors around the world is no longer in question: Newsrooms are all in to find the ideal editorial strategy to engage with and expand their audiences on social. However, making money on those same platforms remains, at best, a work in progress for publishers.

Last fall when we asked news executives what they will invest in during the next 12 months, “Social media editorial activities (Twitter, Facebook, LinkedIn, etc.)” rated as their top priority: Nearly 8 out of 10 survey respondents (79 percent) chose this. Notably, social media commercial activities are much lower on the list at No. 12 at 63 percent.



DEAN ROPER
Director of Publications at the World Association of Newspapers and News Publishers (WAN-IFRA), Germany

WAN-IFRA is publishing a report, “Facebook: Making money with a frenemy,” that sheds light on this burning issue for publishers and goes a long way to explaining why publishers are not “all-in” on the platform revenue side. The report was written by Grzegorz “Greg” Piechota, Research Associate at the Harvard Business School and soon to be a visiting fellow at the University of Oxford, where he will examine the impact of digital platforms on paid content models of UK and international news organisations.

Nick Tjaardstra, WAN-IFRA’s Director of Global Advisory, is part of a task force WAN-IFRA created with numerous publishers to address their issues with Facebook, and writes this in the report’s introduction:

“How many publishers have a real platform strategy that focuses on the revenue opportunity? Too few. The result is a collective uncertainty – veering from enthusiastic early adoption of Instant Articles, to demands for changes to anti-trust laws to allow news media to compete collectively with Facebook,” Tjaardstra writes.

“For many upcoming pure players, from BuzzFeed to Business Insider, Facebook is the business model: the source of traffic at scale that justifies the low CPMs. It is also the distribution point for sponsored content that builds on the brands they built using Facebook. They follow the basic venture capital approach to building a new platform – focus 100 percent on scale and worry about monetisation later.

“This model does not work for media incumbents. At the very least, the revenue they earn direct through Facebook will not pay for a traditional newsroom.”

For the report, WAN-IFRA conducted a survey with a member focus group. The respondents reported that Facebook contributed “on average 7 percent of their digital business revenue (although the median is just 3 percent). It included revenue from all kinds of monetisation programmes on Facebook, such as share of advertising revenue displayed within Instant Articles. About one in four (26 percent) of publishers surveyed reported no revenue coming directly from Facebook,” writes Piechota.

“The biggest U.S. publishers – such as CBS, Gannett, NBC, The New York Times and The Washington Post – which participated in a 2016 benchmark study by Digital Content Next, a U.S.-based publishers’ association, reported an average revenue from Facebook of \$560,000 or just 7 percent of their total distributed-content revenue in the first half of 2016. This number included ads sold within Instant Articles by publishers themselves or Facebook Advertising Network, branded content sold by publishers and published on Facebook, and production fees for Facebook Live that a few select publishers got. It’s hard to imagine such a revenue meeting the costs of distributing content across platforms, not mentioning funding the newsrooms of journalism powerhouses such as The New York Times (with its editorial staff of 1,300).”

Here are a few other takeaways from the report:

No, news publishers cannot make a lot of money on Facebook. In fact, they fund Facebook themselves by supplying it with content. What if publishers hired Facebook instead and used it, e.g. to acquire customers?

News publishers should embrace business-model innovation too, and look for new revenue sources that will be independent from Facebook and resistant to disruption from other platforms.

Many alternative business models mentioned in this report require the shift of focus from audience development to customer acquisition and retention. Publishers do not need more users; what they need is more buyers.

Fortunately, as this report shows, new revenue models, e.g. digital subscriptions, e-commerce and branded content, may bring news publishers greater returns than monetisation programmes on the platforms in the short term, and in the long term – they seem to offer a bigger opportunity than digital display advertising can offer.

Facebook is just one of the digital disruptors. News publishers need to find a strategic response to digital disruption by all kinds of platforms, not only Facebook. The solution needs to be long-term; one cannot change strategy whenever Facebook tweaks its algorithm.

Notes on our research methodology and further details on our respondents

This research project was initiated in 2009 in collaboration with the World Association of Newspapers and conducted annually by Dr François Nel of the University of Central Lancashire, UK, in association with a variety of research partners. The 2016 study that forms the basis of this report was a collaboration between Nel and Dr Coral Milburn-Curtis of the University of Oxford, who are partners in the Innovation Research Group, and WAN-IFRA.

The original research instrument was extensively revised and 22 questions were posed, using online questionnaires, which were made available in 11 languages. The sampling frame consisted of 246 top managers and other decision-makers from 68 countries: Afghanistan, Algeria, Argentina, Australia, Austria, Belarus, Belgium, Bolivia, Brazil, Bulgaria, Cameroon, Canada, China, Colombia, Costa Rica, Czech Republic, Denmark, Ecuador, Egypt, El Salvador, Finland, France, Germany, Ghana, Greece, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Kazakhstan, Kenya, Latvia, Liberia, Lithuania, Luxembourg, Macau, Macedonia, Malaysia, Malta, Mexico, Myanmar, Namibia, Netherlands, Nigeria, Norway, Pakistan, Philippines, Poland, Portugal, Romania, Russia, Singapore, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Tajikistan, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Zimbabwe. While anonymity was assured, participants were given the opportunity to voluntarily reveal their details, if they chose to receive information about the study outcomes.

We used a cross-sectional design that enabled us to explore correlational relationships between variables. While it was not our intention to attribute causal conclusions, we were nevertheless able to address issues around our principal research problem, which was to explore the strength of relationships between indicators of innovation, organisational climate and profitability.

We employed a purposive sampling strategy (Black, 2012⁴⁰), whereby as much as possible of the available population was examined. This is appropriate where the population has a specific set of characteristics that are not very common; in our case, all respondents were managers of news media organisations, in national, regional and local media. We chose to study the whole population because the global population of newspaper managers is relatively small.

This sampling strategy has many advantages. Since our total population sample includes as many as possible of our target population of interest, we can explore phenomena in great depth. Sampling error is reduced since there is less of a possibility that we are missing insights from participants who were not included. This sampling procedure enables us to make analytical generalisations, rather than statistical ones.

While this sampling procedure is potentially subject to criticism of researcher bias, we are careful to maintain the objective analysis of quantitative data, taking care not to generalise to a larger population (i.e. including those potential participants, who for one reason or another chose not to participate).

Data included: Ownership; country, language, world region, national income, area of work, geographic focus, publishing activity, size of organisation, circulation, investment priorities, revenues & profitability, attitudes to innovation, change and entrepreneurship.

Having collated the data in Excel, we analysed them using SPSS.⁴¹ Both descriptive and inferential analyses were conducted, using techniques that included correlation, chi square analysis, t tests and analysis of variance. Effect sizes were measured in terms of Pearson's "r," eta squared and Odds Ratio. The threshold for statistical significance (the probability that we could have achieved our results by chance) was set at 0.05.

40 Black, T. R. (2012). *Doing quantitative research in the social sciences*. London, England: Sage.

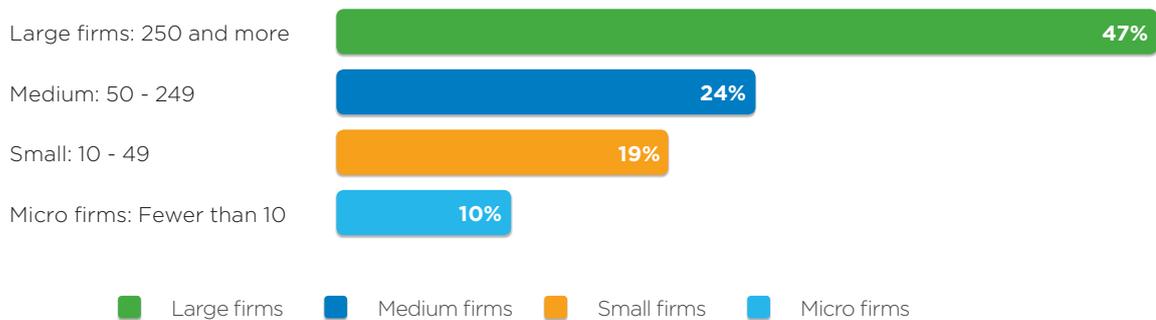
41 SPSS is a Windows built program that can be utilised to perform data entry, analysis and to create tables and graphs. SPSS can handle large amounts of data and has the ability to perform all of the analyses above, and more.

More about who responded to our study

So, just who are the news media decision makers who responded to this report?

Most (94 percent) identified themselves as editorial, commercial, technology and senior executives, while a very small number (2 percent) of consultants and academics also contributed. The other respondents (4 percent) were reporters, from industry associations, or did not answer that question. By far the largest group of respondents (43 percent) identified themselves as Top Executives, which we defined in the survey as “responsible for both editorial and commercial operations, e.g. Owner, Chairman, CEO, Executive Producer, Channel Controller.” So, in the main, views expressed in this report come from C-suites.

(Q10 2nd chart) Firm sizes of respondents by the number of employees

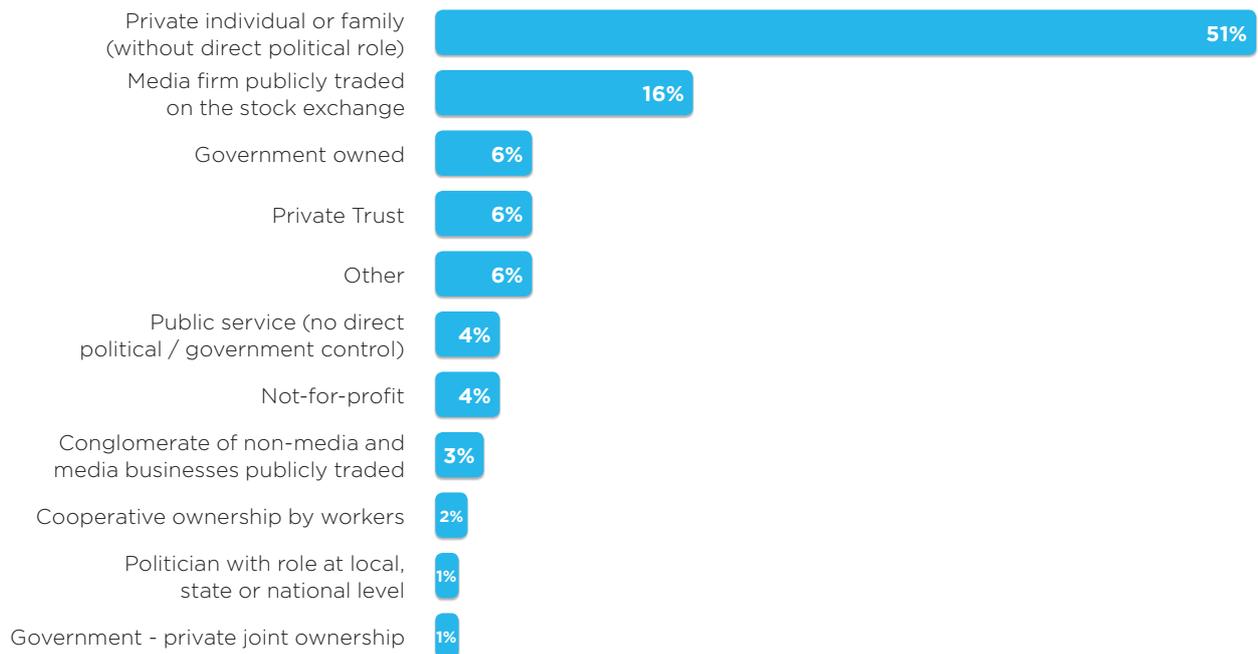


Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

Because management, financial, social and political analysts are increasingly interested in the effect that ownership structures might have on the decisions made by company leaders, we added that question to this year’s survey. While the overall results were not entirely surprising – the clear majority of our survey respondents (82 percent) state they worked for private enterprises – a wide variety of ownership structures were identified. More than half (51 percent) noted that their firms were owned by an individual or family without any direct political role, while 16 percent said they were at media firms that publicly traded on the stock exchange. A significant minority said they were owned by a trust (6 percent) or were not-for-profit (6 percent). Two percent of the respondents identified themselves as working in a cooperative, which is an ownership model much discussed amongst news media startups.

(Q1) Which of the following represents the ownership of your organisation?



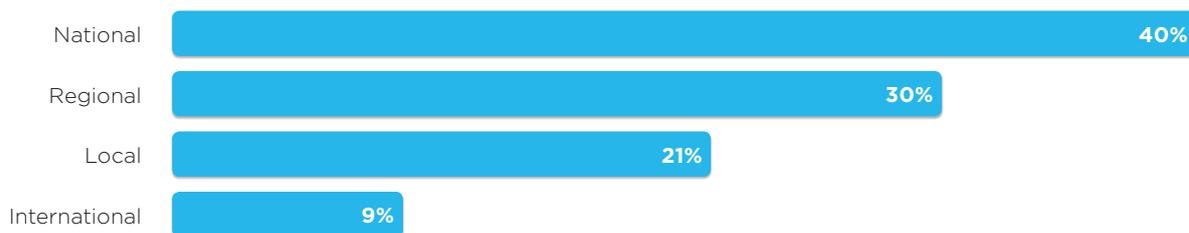
Source:

World News Publishers Outlook 2017 – Innovation Research Group, & WAN-IFRA

Government plays a direct or indirect role in the ownership of just over one in 10 of our survey respondents' firms. Six percent say they are government owned, while 4 percent identify as public service organisations (without any direct political / government control). Interestingly, 1 percent said they were either owned by politicians with a role in local, state or national government or were owned by government-private sector partnerships.

The size of the companies our survey respondents work for varies widely. At one end of the scale, 15 percent say their firms employ more than 1,000 people; on the other end, 10 percent said their firms are micro enterprises with fewer than 10 staff. That said, almost half (47 percent) can be described as large firms (more than 250 staff), while the other half (53 percent) are SMMEs, or Small, Medium or Micro Enterprises.

(Q5) What is the geographic focus for the target audience of your PRIMARY news product?

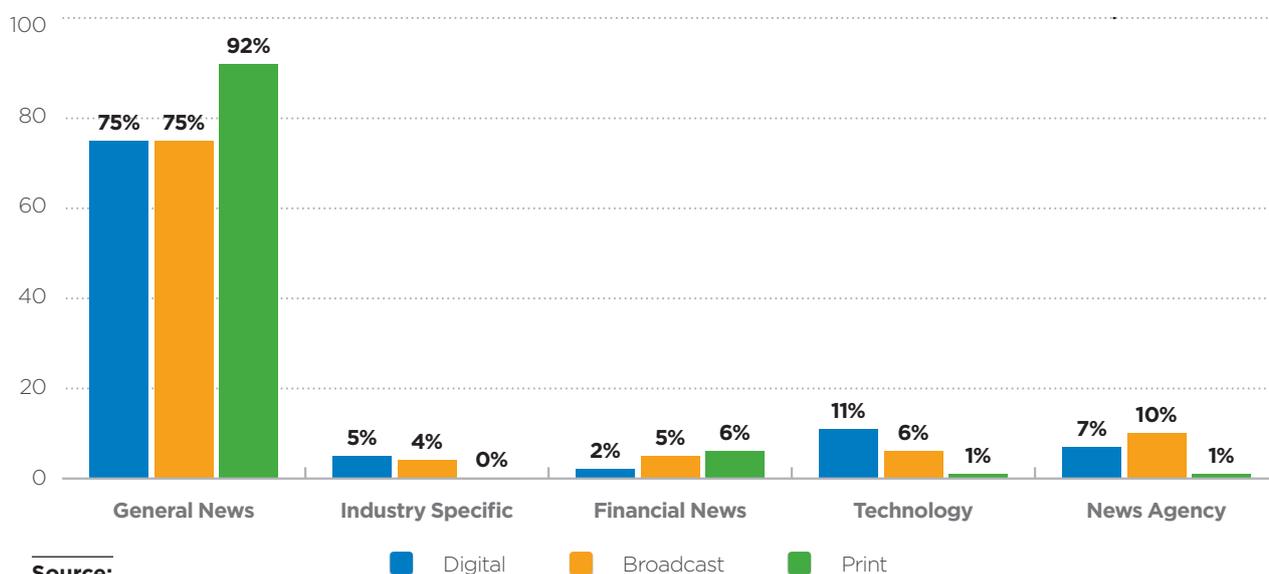


Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

The geographic focus of the news organisations represented in this study is broadly in line with our earlier studies. The largest number of our respondents work for firms where the primary news brand targets a national audience (40 percent). About one in three (30 percent) have a regional focus and 21 percent identify themselves as local publishers. About 10 percent of respondents say their firms actively target an international audience.

(Q3) How would you describe the content of your PRIMARY news product?

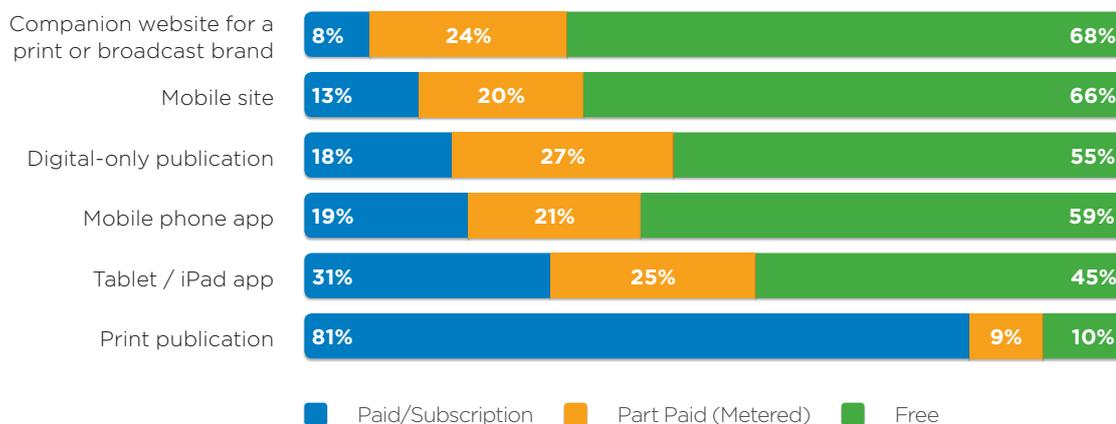


Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

Whether their primary product was print, broadcast or digital, most of our respondents were in the business of delivering “general news” (See Fig - Q3). Digital publishers were more likely to focus on niche sectors, such as industry-specific news (B2B), or themes, such as technology.

(Q4) How would you describe the current payment model for your PRIMARY publication title or PRIMARY broadcast channel?



Source:

World News Publishers Outlook 2017 - Innovation Research Group, & WAN-IFRA

When it came to payment models, there is still a digital divide. Nine out of 10 print publishers said their primary title was either paid for (81 percent) or part paid (9 percent). On the other hand, a third of the companion websites of print products asked users to subscribe (8 percent) or had meter (part-paid) payment models (24 percent).

The payment models for tablet, mobile and digital-only products are very different. More than half of all tablet products charge users either all (31 percent) or some (25 percent) of the time. However, only about one in five (18 percent) of digital-only publishers charge users for all time, while a quarter (27 percent) have a part-paid model. Publishers in this survey are least likely to charge users of native mobile apps or mobile sites. Two thirds of mobile sites are completely free (66 percent) and almost 60 percent (59) of mobile apps are. That said, publishers are more likely to charge for mobile apps all or some of the time (19 and 21 percent, respectively) than for mobile sites (13 and 20 percent, respectively). Given that consumer studies by comScore⁴² and other show users are increasingly accessing news from their mobile phones all or most of the time, these findings underscore the challenges publishers face in monetising mobile content.

⁴² comScore Mobile Metrix and MMX Platform data showed 96% of US consumers aged 18-34 and 94% of those aged 35-54 access news on mobile all or most of the time. Source: Leila, Adam. (2016). The State of Mobile News Audiences in 3 Charts. comScore.com. See: <https://www.comscore.com/Insights/Blog/The-State-of-Mobile-News-Audiences-in-3-Charts>

SURVEY

In 2016, the survey was conducted in 11 languages: Arabic, Chinese, English, Finnish, French, German, Italian, Persian, Portuguese, Russian, and Spanish

1. Which of the following most accurately represents the ownership of your organisation?

- Private individual or family (without direct political role)
- Politician with role at local, state or national level
- Private Trust
- Not-for-profit
- Media firm publicly traded on the stock exchange
- Other (please specify)
- Cooperative ownership by workers
- Conglomerate of non-media and media businesses publicly traded on the stock exchange
- Government owned
- Government - private joint ownership
- Public service (no direct political / government control)

2. Your area of work in the news company

- Top management (responsible for both editorial and commercial operations, e.g. Owner, Chairman, CEO, Executive Producer, Channel Controller)
- Commercial manager (e.g. Managing Director, Advertising Director, Business Development Manager)
- Editorial manager (e.g. Editorial Director, Editor-in-Chief, Title Editor, Programme Editor, Managing Editor, Programme Producer, Producer)
- Technology Manager (e.g., IT Manager)
- Analyst or researcher (e.g., academic, consultant)
- Other (please specify)

3. How would you describe the content of your PRIMARY news product?

	General news	Industry specific	Financial news	Technology	News agency
Print	<input type="radio"/>				
Broadcast	<input type="radio"/>				
Digital	<input type="radio"/>				

Other (please specify)

4. How would you describe the current payment model for your PRIMARY publication title or PRIMARY broadcast channel?

	Free	Paid/ subscription	Part free, part paid (e.g. metered)	Not applicable
Print publication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Digital-only publication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Companion website for a print or broadcast brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mobile site	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mobile phone app	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tablet/iPad app	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

5. What is the geographic focus for the target audience of your PRIMARY news product?

Local Regional National International

Other (please specify)

6. How frequently do you publish/broadcast your PRIMARY news product?

Continuously / 7 days Week days Weekly Weekend: Saturdays Weekend: Sundays Monthly

Quarterly

Other (please specify)

7. What is the size of your DAILY circulation / viewership / listenership for your PRIMARY product?

fewer than 1k

40k - 60k

1k - 5k

60k - 80k

5k - 10k

80k - 100k

10k - 20k

more than 200k

20k - 40k

8. If you have a **website** for that title/programme/channel, how many online unique visitors do you have MONTHLY?

- | | |
|-------------------------------------|--|
| <input type="radio"/> fewer than 1k | <input type="radio"/> 500k - 1 million |
| <input type="radio"/> 1k - 10k | <input type="radio"/> 1 million - 10 million |
| <input type="radio"/> 10k - 100k | <input type="radio"/> 10 million - 100 million |
| <input type="radio"/> 100k - 500k | <input type="radio"/> more than 100 million |

9. Is your company also active in any of the following businesses (Check all that apply)

	Currently involved	Not involved	Planning to invest	Planning to de-invest
Advertorial / native advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
All advertising publications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Books	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consumer digital products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consumer print products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creative agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Custom publishing services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Distribution services / direct mailing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
eCommerce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education / training (not included in events and conferences)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hosting / organising events (e.g., concerts, marathon etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet-only websites (i.e., not companion sites for other media)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management / business consultancy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Run conferences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Currently involved	Not involved	Planning to invest	Planning to de-invest
Software / app development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training academy (for external clients)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Web radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Web TV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify)

10. How many employees in your company?

- Fewer than 10 250 - 499
 10-49 500-999
 50 - 249 1000 or more

11. In which country is your business unit based? (Select from the list below)

12. To what extent is it important for your organisation to invest / de-invest in the following areas over the next 12 months?

	Strongly de-invest		No change				Strongly invest	N/A
Administration	<input type="radio"/>							
Advertising backoffice	<input type="radio"/>							
Advertising production	<input type="radio"/>							
Advertising Sales	<input type="radio"/>							
Advertising technology	<input type="radio"/>							
Big Data strategies	<input type="radio"/>							
Collaborate with other companies for content creation	<input type="radio"/>							
Commission own market research	<input type="radio"/>							
Competencies of the board	<input type="radio"/>							

	Strongly de-invest		No change				Strongly invest	N/A
In-house capacity for content generation / Digital Editorial	<input type="radio"/>							
In-house capacity for content generation / Print Editorial	<input type="radio"/>							
In-house capacity for content marketing (advertorial) activities	<input type="radio"/>							
Convergence of multimedia operations	<input type="radio"/>							
Cooperate on content syndication	<input type="radio"/>							
Cooperate with other companies/ entrepreneurs/agencies for product development	<input type="radio"/>							
Data journalism	<input type="radio"/>							
Develop a good working environment	<input type="radio"/>							
Develop content partnerships	<input type="radio"/>							
Develop distribution/syndications partnerships with media and technology companies	<input type="radio"/>							
Develop partnerships with digital technology platforms (e.g. FB, Google, Twitter, etc.)	<input type="radio"/>							
Develop journalists' skills	<input type="radio"/>							
Develop new business/ products outside the media sector	<input type="radio"/>							
Develop new products within the media sector	<input type="radio"/>							
Develop skills of sales people	<input type="radio"/>							
Develop technology/technological partnerships	<input type="radio"/>							

	Strongly de-invest		No change				Strongly invest	N/A
Promotions to drive digital subscription and/or copy sales targets	<input type="radio"/>							
Encourage understanding and cooperation between different departments	<input type="radio"/>							
iPad/e-reader/tablet products outside of current brands	<input type="radio"/>							
iPad/e-reader/tablet products that extend the news media brands	<input type="radio"/>							
Company IT infrastructure	<input type="radio"/>							
Journalist equipment	<input type="radio"/>							
Management and leadership development	<input type="radio"/>							
Market research by others	<input type="radio"/>							
Product marketing and branding	<input type="radio"/>							
Mobile phone services that extend core news publication's/broadcast channels' brand(s)	<input type="radio"/>							
More diverse workforce (age, gender, ethnicity)	<input type="radio"/>							
New mobile phone products/services outside of current brands	<input type="radio"/>							
Office space	<input type="radio"/>							
Outsource processes to other companies	<input type="radio"/>							
Insource processes from other companies	<input type="radio"/>							
Paid-for digital content (online, tablet/e-reader, mobile, etc.)	<input type="radio"/>							
Pre-press technology and equipment	<input type="radio"/>							

	Strongly de-invest		No change				Strongly invest	N/A
Print Editorial production (layout to pre-press)	<input type="radio"/>							
Print Subscription / copy sales	<input type="radio"/>							
Printing technology and equipment	<input type="radio"/>							
Standalone research and development unit for product development (e.g. innovation labs)	<input type="radio"/>							
Purchase or invest in non-media companies	<input type="radio"/>							
Purchase or invest in other media companies	<input type="radio"/>							
Partner with start-ups	<input type="radio"/>							
Rapid implementation of changes	<input type="radio"/>							
Number of employees	<input type="radio"/>							
Reorganise internal operations	<input type="radio"/>							
Social media editorial activities (Twitter, Facebook, LinkedIn etc)	<input type="radio"/>							
Social media commercial activities	<input type="radio"/>							
Stable and reliable distribution	<input type="radio"/>							
Streamline workflow and processes	<input type="radio"/>							
Studio construction	<input type="radio"/>							
Training budget	<input type="radio"/>							
Upgrade editorial technologies, e.g. Content Management Systems	<input type="radio"/>							
Visual content generation capacity (photography, graphics, video)	<input type="radio"/>							
Separate digital media business	<input type="radio"/>							
Virtual Reality	<input type="radio"/>							

13. To what extent could the following areas be opportunities for your organisation over the next FIVE (5) years?

	Totally unimportant		Neither important nor unimportant		Very important indeed	
Books	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cable / Satellite Television	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commercial printing services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distribution services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-Commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Education and training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Events and conferences	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free print products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free-to-air TV	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free-to-use e-reader/tablet (Kindle, iPad, etc.) products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free-to-use mobile phone services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free-to-use websites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other print products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid print products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid-for content websites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid-for e-reader/tablet (Kindle, iPad, etc.) products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid-for mobile phone services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Podcasting / Streaming Audio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Content production services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Totally unimportant		Neither important nor unimportant				Very important indeed
Search advertising revenue (Google, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media editorial activities (LinkedIn, Facebook, Twitter, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media commercial activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special Reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Web TV / Video	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Affiliate marketing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (and please specify how important)

14. Where do your CURRENT revenues come from?

	10% or less	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	More than 70%	N/A
Direct sales	<input type="radio"/>								
Subscriptions	<input type="radio"/>								
Advertising	<input type="radio"/>								
Events	<input type="radio"/>								
Other	<input type="radio"/>								

Other (please specify)

15. Over the next 12 MONTHS, what percentage of the total company revenue/income will have to come from sources other than your traditional media activities (content sales and advertising) in order to achieve your company objectives?

- 10% or less
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- More than 70%

16. Over the next FIVE YEARS, what percentage of the total company revenue/income will have to come from sources other than your traditional media activities (content sales and advertising) in order to achieve your company objectives?

- 10% or less
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- More than 70%

17. How your company's revenues changed over the last fiscal year? (Answer all that apply. If any of the options are not applicable, choose N/A).

	Down more than 20%	Down 11 - 20%	Down 1 - 10%	No change	Up 1- 10%	Up 11 - 20%	Up more than 20%	N/A
Overall revenues	<input type="radio"/>							
Overall profit	<input type="radio"/>							
Overall profit margins	<input type="radio"/>							
Advertising revenue on traditional platforms (print, broadcasting)	<input type="radio"/>							
E-commerce revenue (e.g. book sales)	<input type="radio"/>							
Education and training	<input type="radio"/>							
Events	<input type="radio"/>							
Mobile app advertising revenue	<input type="radio"/>							
Mobile app subscription revenue	<input type="radio"/>							
Print subscriptions & sales revenue	<input type="radio"/>							
Revenues from non-media sources	<input type="radio"/>							
Social media advertising revenue	<input type="radio"/>							
Tablet app advertising revenue	<input type="radio"/>							
Tablet app subscription revenue	<input type="radio"/>							
Website advertising revenue	<input type="radio"/>							
Website content/subscription revenue	<input type="radio"/>							

18. How does your organisation approach innovation?

Select the column that shows how much you agree with each of the following statements.

	1 Strongly disagree	2	3	4	5	6	7 Strongly agree	N/A
We have a burning desire to explore opportunities and to use our resources to create new things.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	1 Strongly disagree	2	3	4	5	6	7 Strongly agree	N/A
There is an urgency felt throughout the organisation that our business needs to change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our leaders model the right innovation behaviours for others to follow.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have a community that speaks a common language about innovation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our editorial, commercial and technology (IT) teams collaborate effectively	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have dedicated physical and/or virtual space to pursue new opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Top management make the decisions that will ensure future success.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commercial departments take advantage of emerging opportunities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The IT department supports our company's objectives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We continually monitor customers and competitors to find new ways to improve customer satisfaction.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, the top managers of my firm favour a strong emphasis on the marketing of tried and true products or services over a strong emphasis on R&D, technological leadership and innovation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In dealing with competitors, my firm is very often the first business to introduce new products, services, administrative techniques, operating technologies, etc	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our innovation efforts have led us to better financial performance than others in our industry.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have a deliberate, comprehensive and disciplined approach to innovation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our innovation projects have helped our organisation develop new capabilities that we did not have three years ago.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with my level of participation in our innovation initiatives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We are constantly looking for new ways to make money beyond traditional sources (i.e. subscriptions, advertising).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our company's culture encourages everyone to be innovative.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. What is the single most important risk to your news organisation's future success?

20. What is the single most important change that has to be implemented in your news organisation over the next year?

21. Thank you for participating in this study!

If you would like a summary of the next (2016) report, please add your contact details below. *Of course, your personal and company's identity will remain confidential*:

Name

E-mail

Telephone number
(international format with
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