

MEDIA IN THE DIGITAL AGE

Trends and business implications

The Lisbon Council

Brussels, March 14, 2016



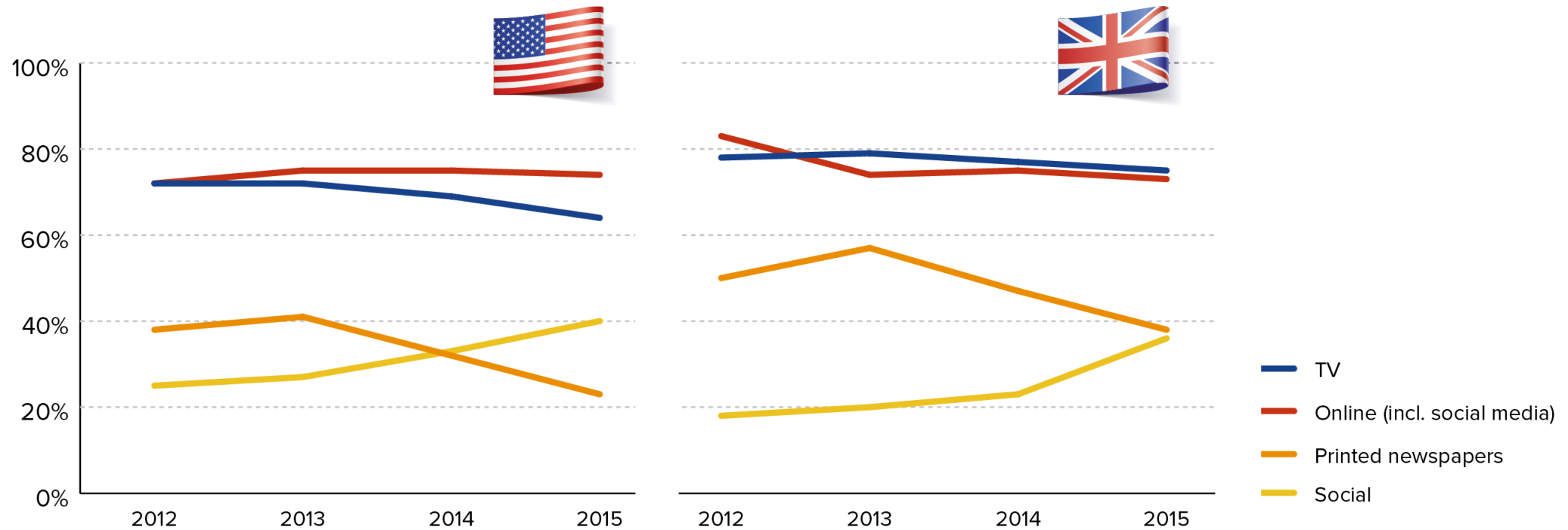
REUTERS
INSTITUTE for the
STUDY of
JOURNALISM

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Director of Research

BASIC TRENDS

Top news sources compared 2012-15

Online news broadly stayed at the same level. TV has declined a bit especially in the US. The main change has been the decline in **printed** newspaper and the rise of **social media**

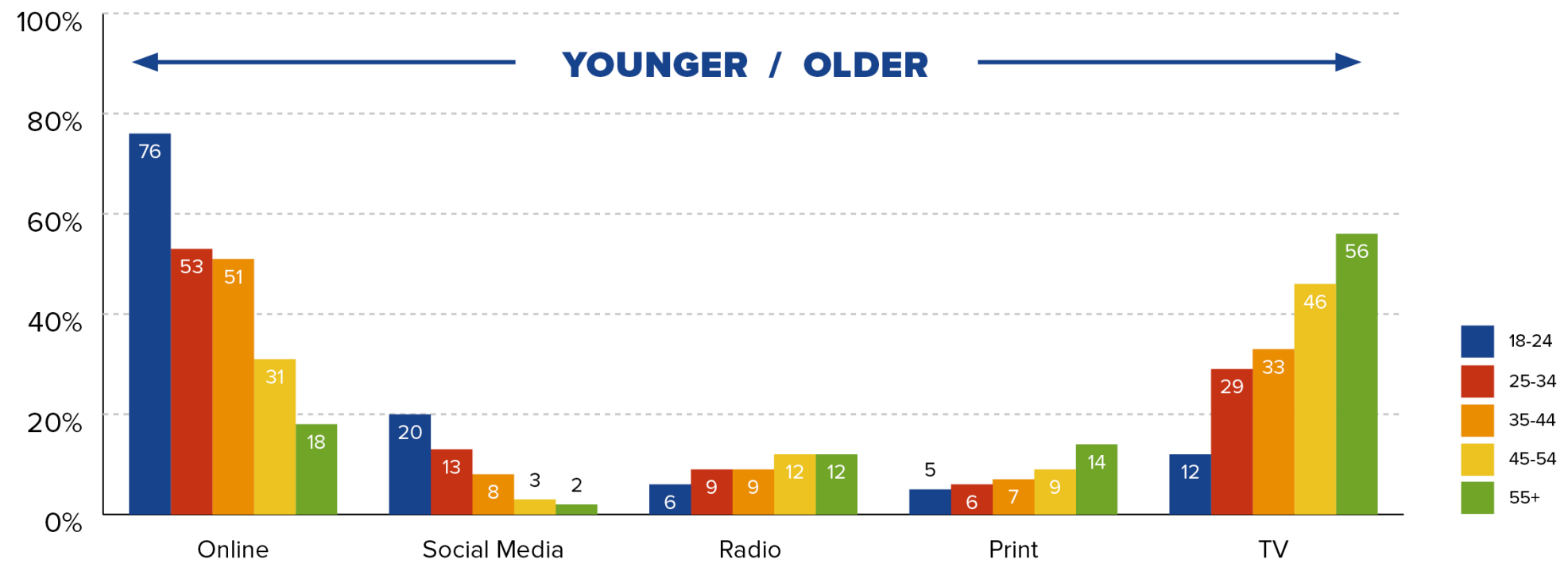


Source: Reuters Institute Digital News Report 2012-15

Generational splits – UK



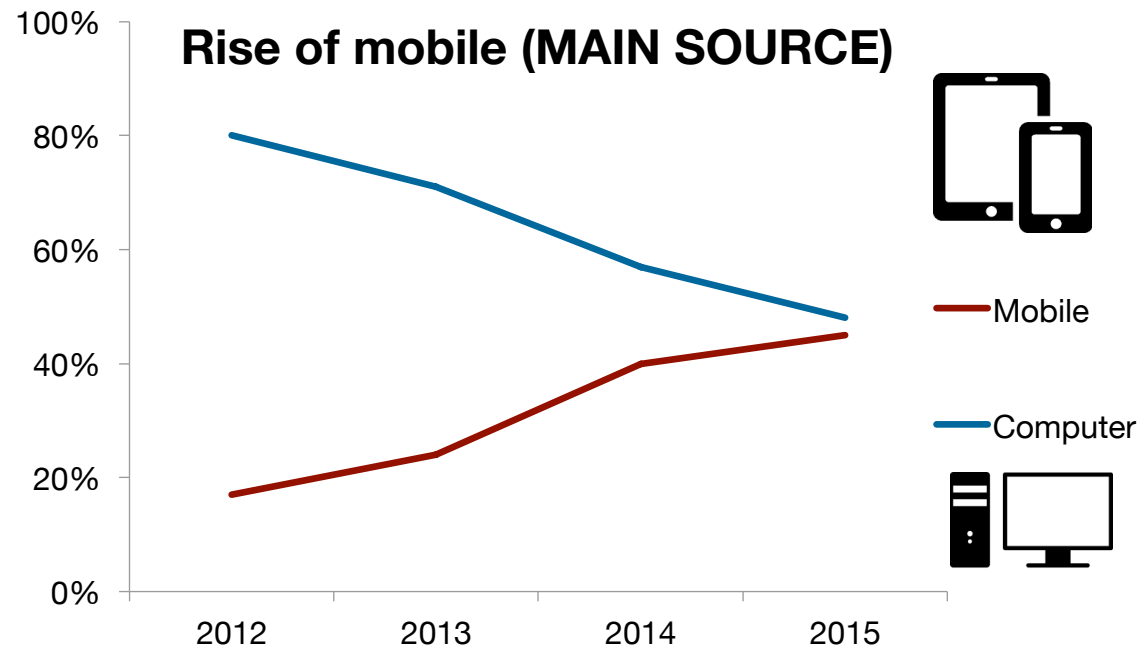
Main source of news by age



Source: Reuters Institute Digital News Report 2015



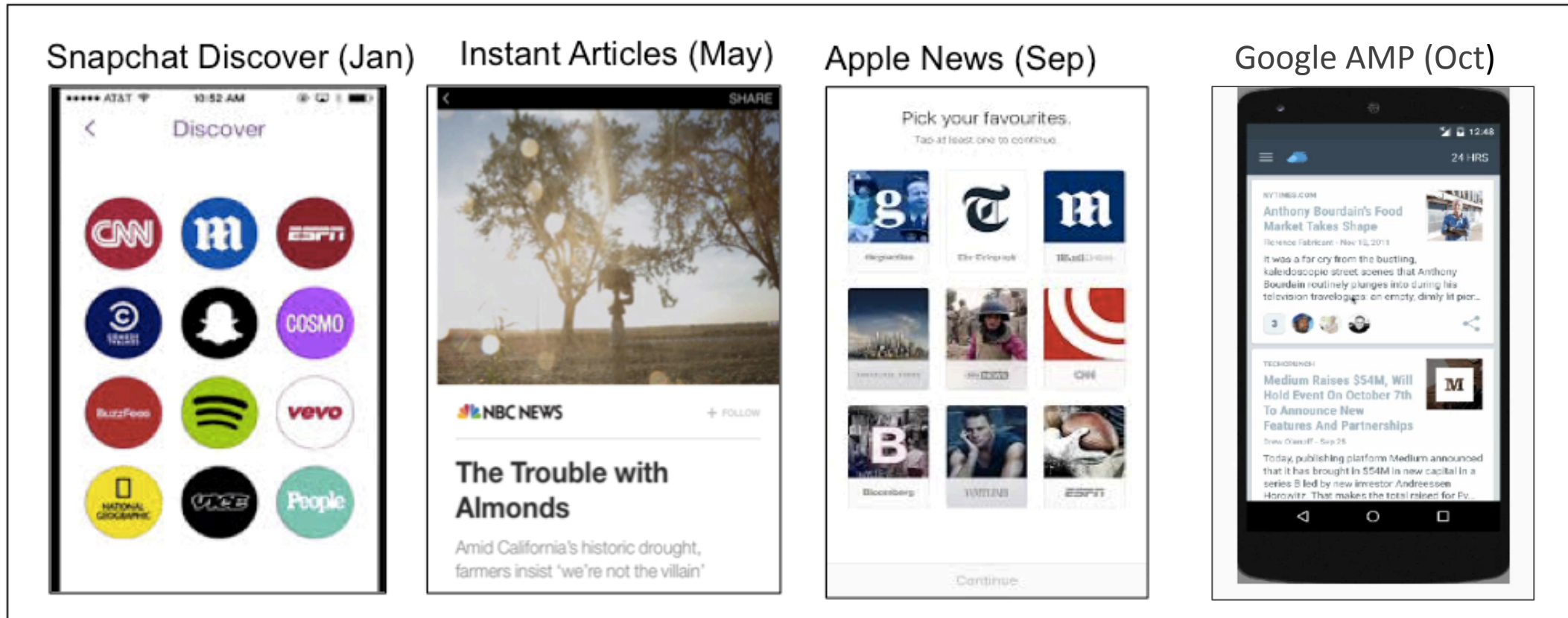
Smartphone becomes most important




BBC News
70%
Traffic from
mobile &
tablet

Source: Reuters Institute Digital News Report 2012-15

Rapid innovation in distributed content (growth in % who use social media for news)



+ WeChat, YouTube, Vimeo, Medium, Tumblr

The background is a dark, textured surface with a grid of small dots. It features several business-related terms in a light blue, sans-serif font, including 'COMMUNICATE', 'BUSINESS', 'WORLD', 'PEOPLE', 'MARKET', and 'INTERNET'. The word 'MARKET' is the largest and most prominent, appearing as a watermark behind the main title. The main title is centered and rendered in a bold, bright blue, sans-serif font.

BUSINESS IMPLICATIONS

Implications of these changes

Digital born challengers



See also

- Vox
- Mic
- Quartz
- (But also Circa and GigaOm)
- Few in EU

Old media struggles



Operating losses c.£50m

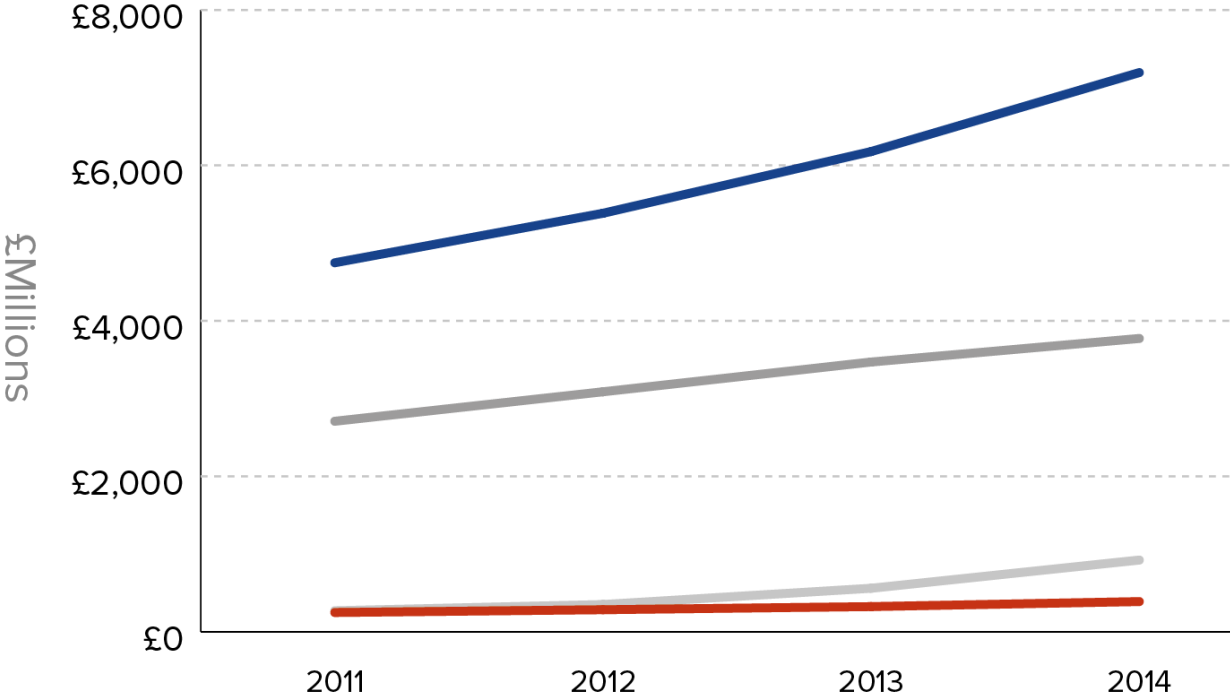


Losing c.50% journalists



Funding and political pressures





Advertising revenues (UK)



REGULARLY USE AD-BLOCKING SOFTWARE

 **47%**

 **39%**

-  All digital advertising (search, display and classifieds)
-  Paid for search
-  Social media
-  Digital adspend in national and regional newsbrands

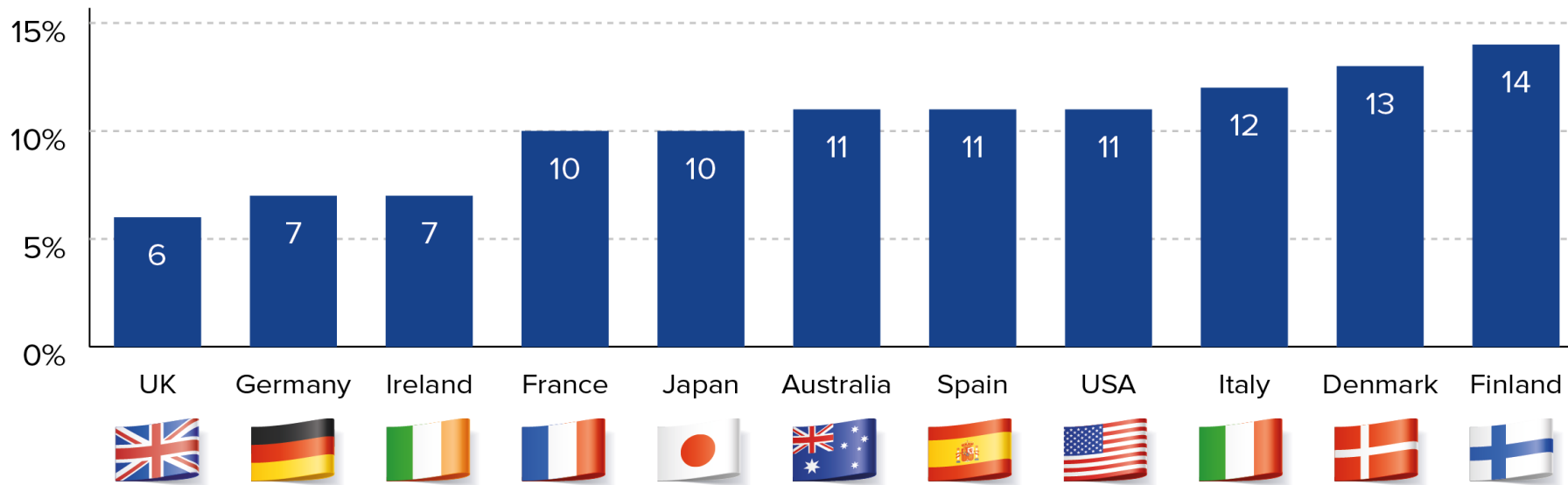


Sources: IAB, News Digital Ad Spend from Advertising Association/Warc Expenditure Report, 2015 RISJ Digital News Report

A minority are paying for online news

Compared to overall reach, the numbers **paying** for online news in any form remains relatively low

These numbers are not moving overall, though there is some incremental progress on **subscriptions**, and **younger people** are at least as likely as older people to pay for online news



Q7a. Have you paid for ONLINE news content, or accessed a paid for ONLINE news service in the last year ? (This could be digital subscription, combined digital/print subscription or one off payment for an article or app). Base: All markets 2015 – UK: 2149; Germany: 1969; Spain: 2026; Italy: 2006; France: 1991; Denmark: 2019; Finland: 1509; USA: 2295; Urban Brazil: 2033; Japan: 2017; Ireland: 1501; Australia: 2042.

LOOKING AHEAD?

Looking ahead

Key trends include **decline of legacy**, the continuing **move to mobile**, rise of **distributed content**, with major implications for both **advertising** and **sales** revenues for news media

Some common features across otherwise very different forward-looking news organisations (BBC, BuzzFeed, Financial Times, Guardian, New York Times)

1. **Meet them where they are** – think mobile-first and use distributed media to attract new audiences (and connect with existing audiences in new ways).
2. **Identify and engage loyal audiences** – as much as possible using own platforms and with clear branding.
3. **A data-informed approach** – “try and test” to find what works for you, use data to inform decisions on how to balance investments and resources. At every level of the process and in real time, news organisations need to create more value with fewer resources.
4. **Play to your strengths** – Journalists should spend time adding value, not churning out commodified content, so newsrooms should embrace robo-journalism and automation.
5. **Diversify revenue streams** – what will the business of news look like after display advertising?