

DIGITAL MEDIA & WORLD PRESS TRENDS 2013

5 POINTS WORTH SHARING

WAN-IFRA ITALIA June 2013



© Ph. Marco Mazzoleni



**The news industry's future
is about our numbers,
and more importantly about how citizens
engage and participate
in the society**

Introduction

News media are flourishing, thanks to growing print circulation in the BRIC nations and digital growth in Western Markets.

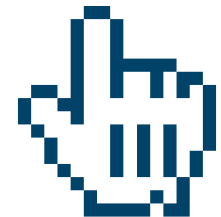


Over half the world's adult population
read a daily newspaper



Over **2.5 billion** in print

More than **600 million** in digital form



Today newspapers generate
\$200 billion of revenue globally





WORLD PRESS TRENDS 2013

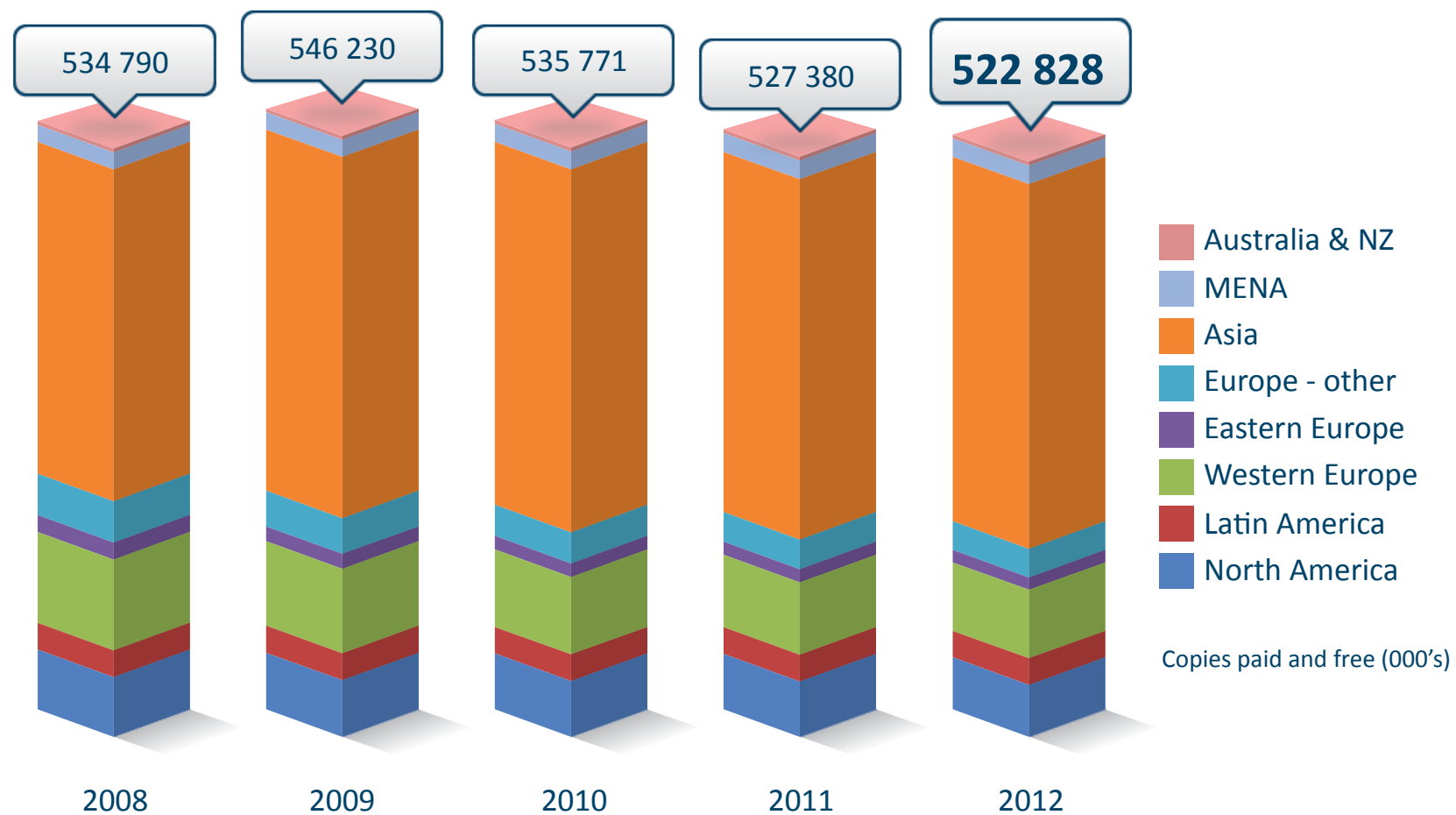
CIRCULATION TRENDS

THE MOVE TO DIGITAL

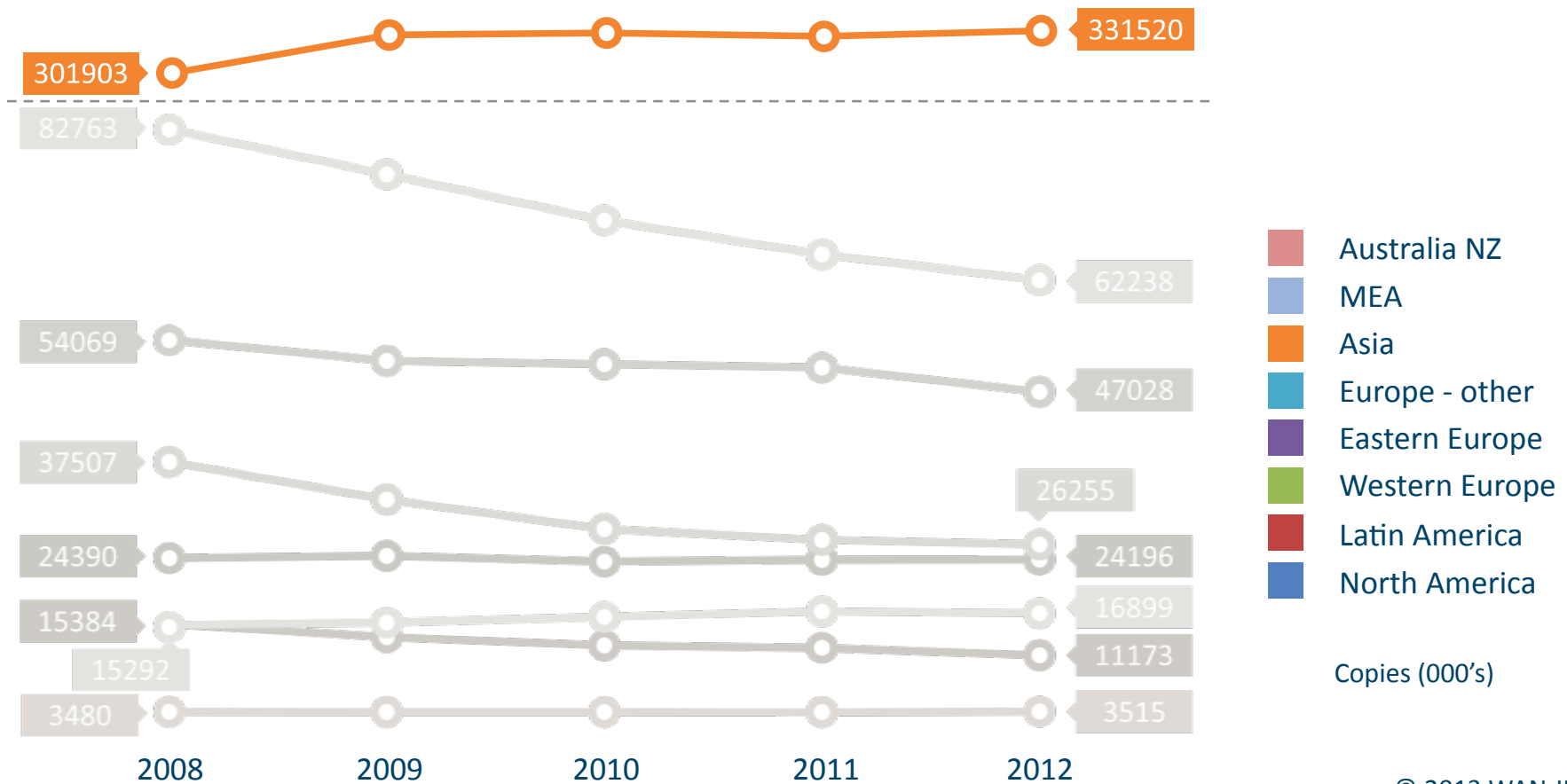
Circulation

2012/2011 -0.9%

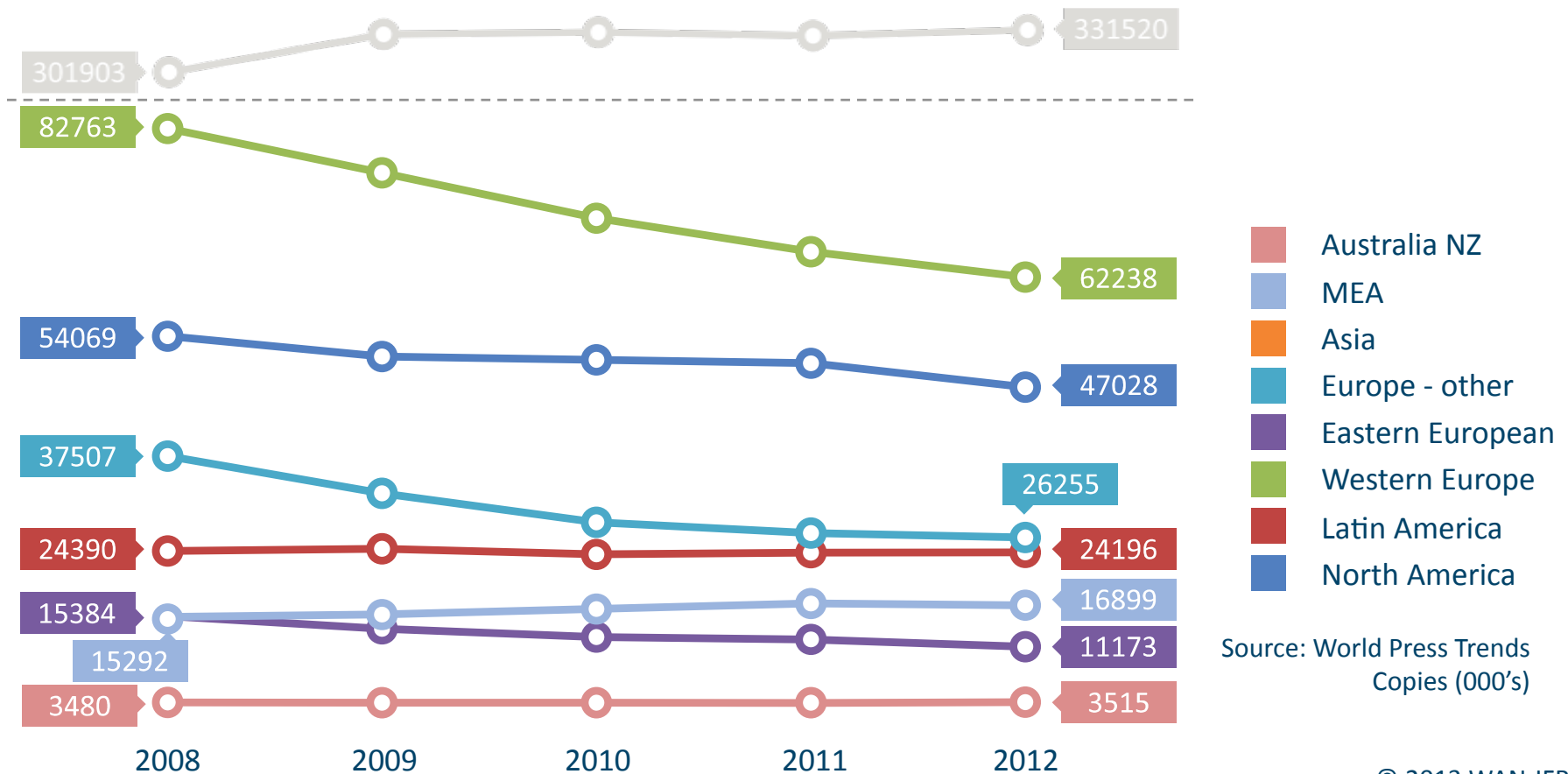
2012/2008 -2.2%



Asia dominates circulation and continues to enjoy growth though at a lower rate

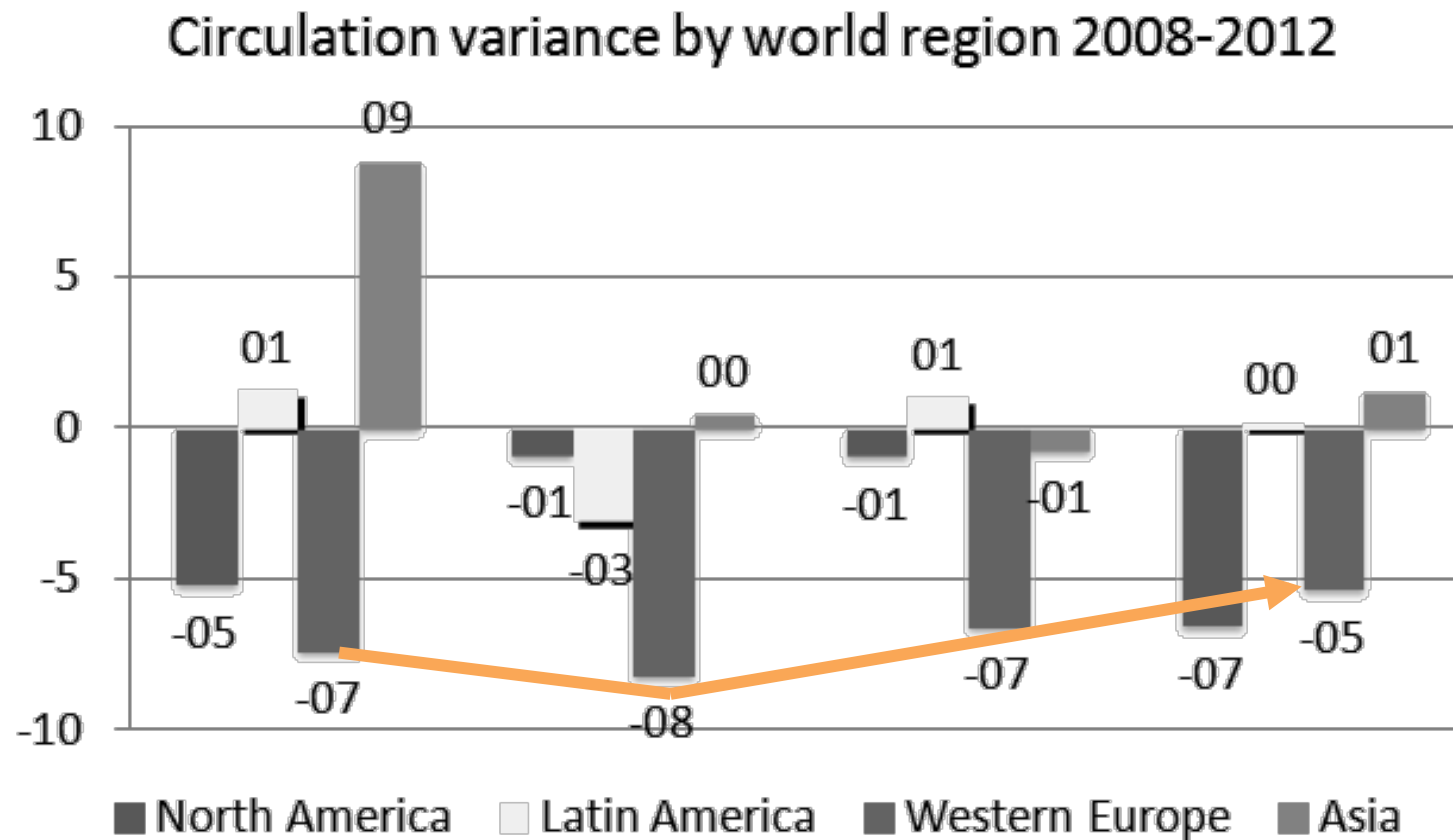


in mature markets print circulation continues to decline as consumers move to digital



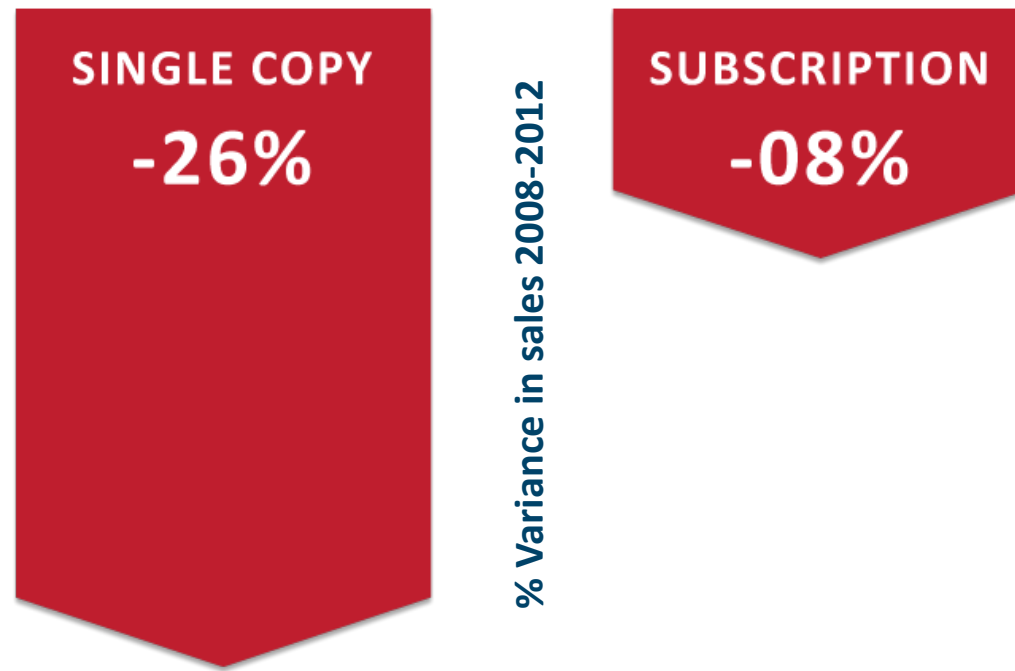
Asia and Latin America
now showing slowing levels
of growth.

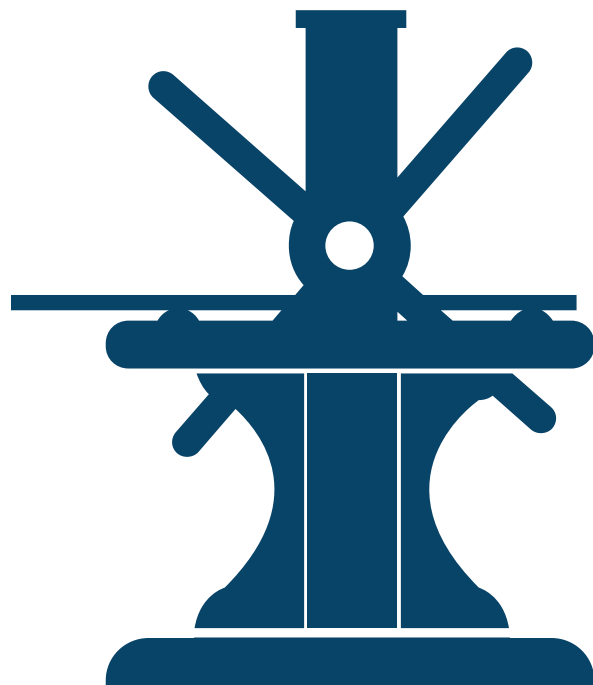
Rates of decline in Western
Europe markets are easing,
despite aggressive pricing
policies



Subscription v single copy

While single copy sales have fallen by 26% since 2008, subscription sales have declined by only 8%.





**Publishers are enjoying significant
profit contributions from print sales.**

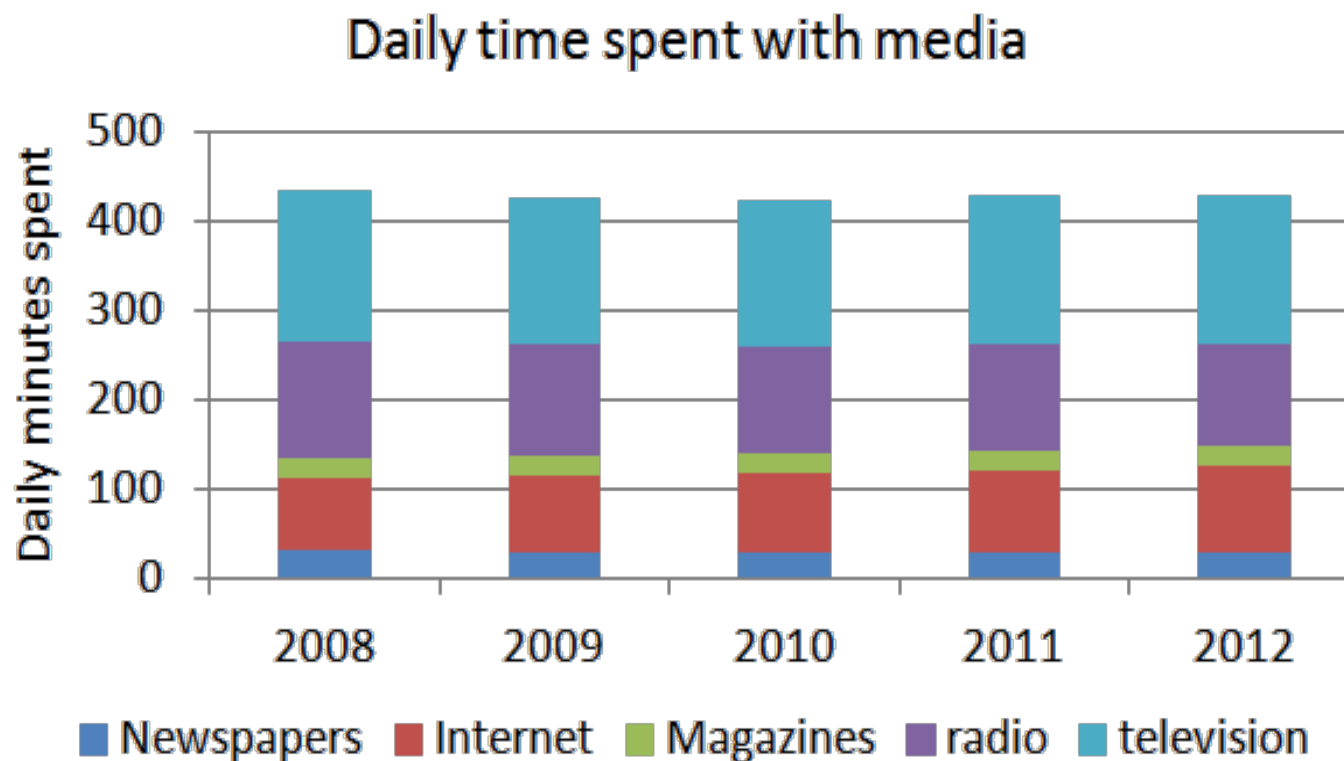


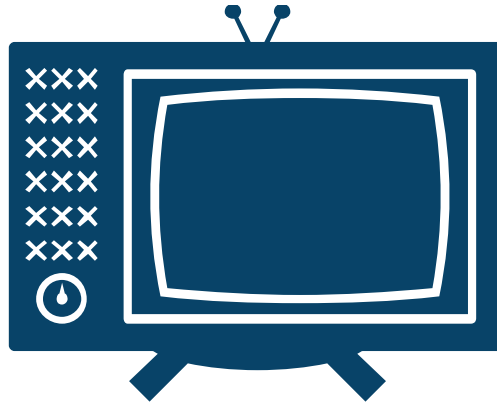
WORLD PRESS TRENDS 2013

MEDIA CONSUMPTION

PRINT STILL DOMINATES

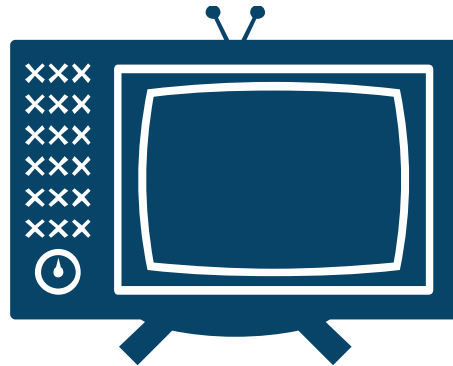
Newspapers are not losing readers, but readership frequency





While TV remains the most consumed medium, research shows it is an ambient medium where people are multitasking, whilst the set is on.

Broadcast media see far great declines in interest in news

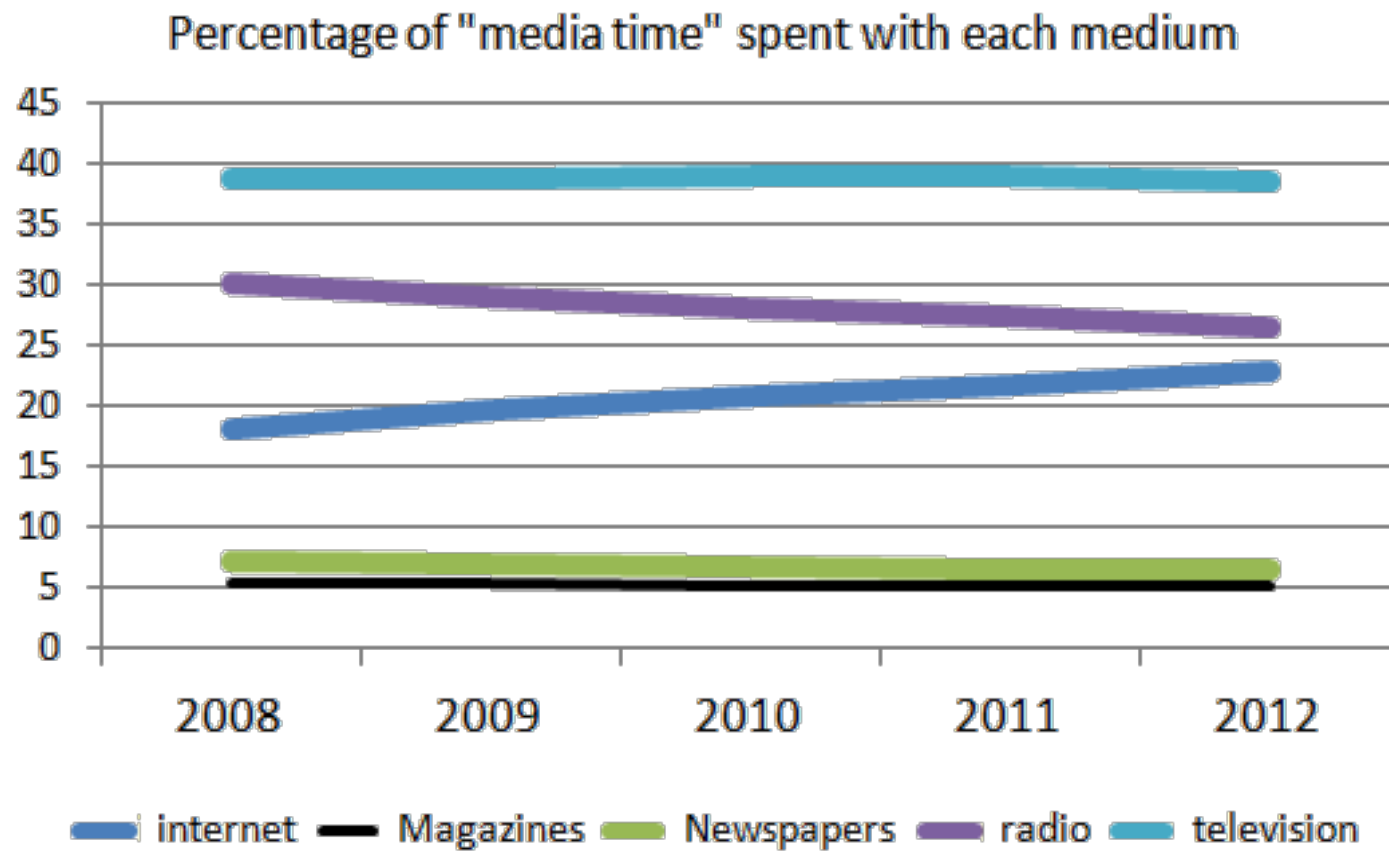


News accounts for **less than 5%**
of TV viewing



News accounts for **less than 1%**
of Internet page views

The loser in the battle for attention seems to be the radio



Print continues to dominate
the vast majority of **news consumption**



**Newspapers are looking forward to the tipping point of digital
driving and profitability**



WORLD PRESS TRENDS 2013

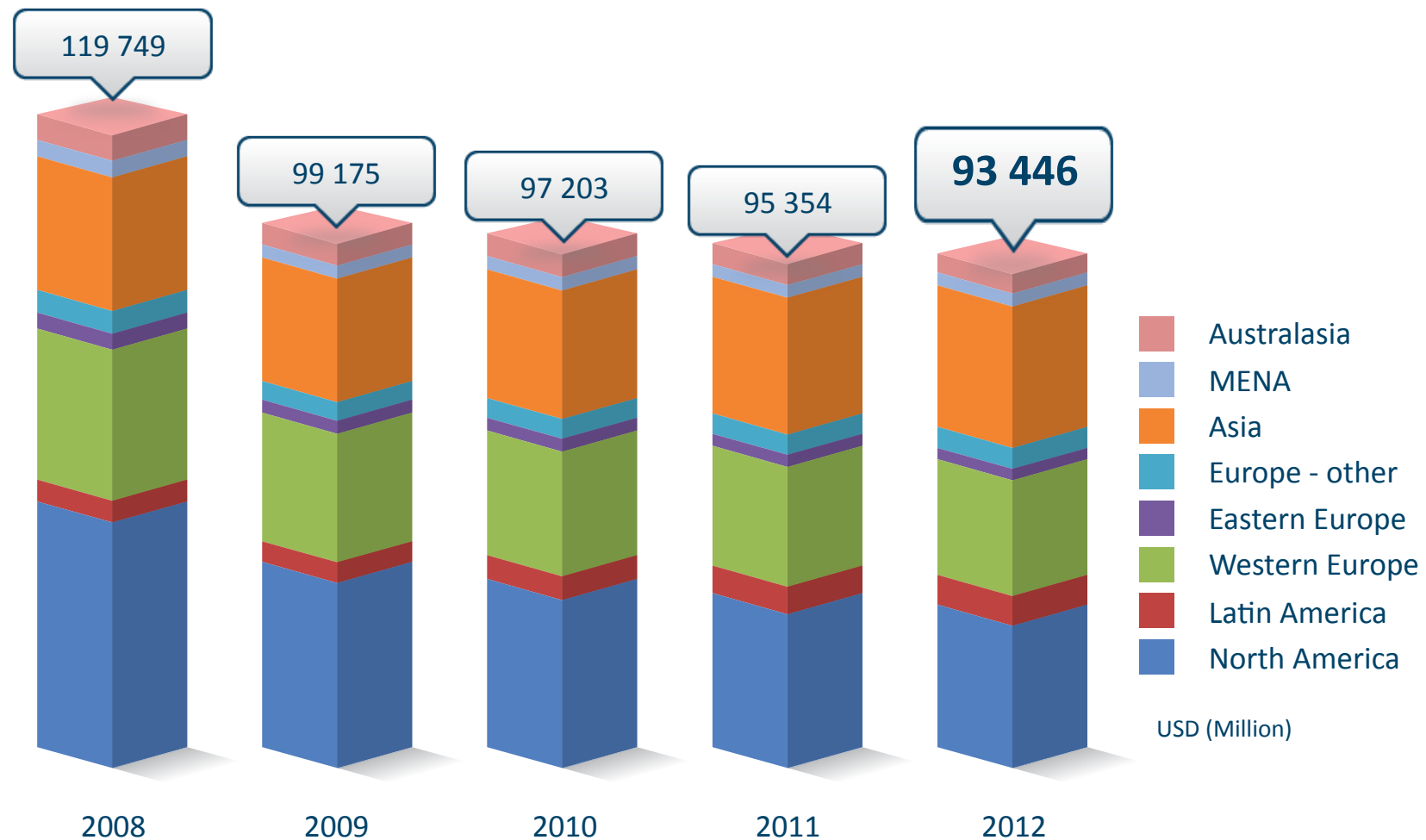
ADVERTISING

DIVERSIFICATION DRIVES
THE RISE OF THE INVISIBLE WEB

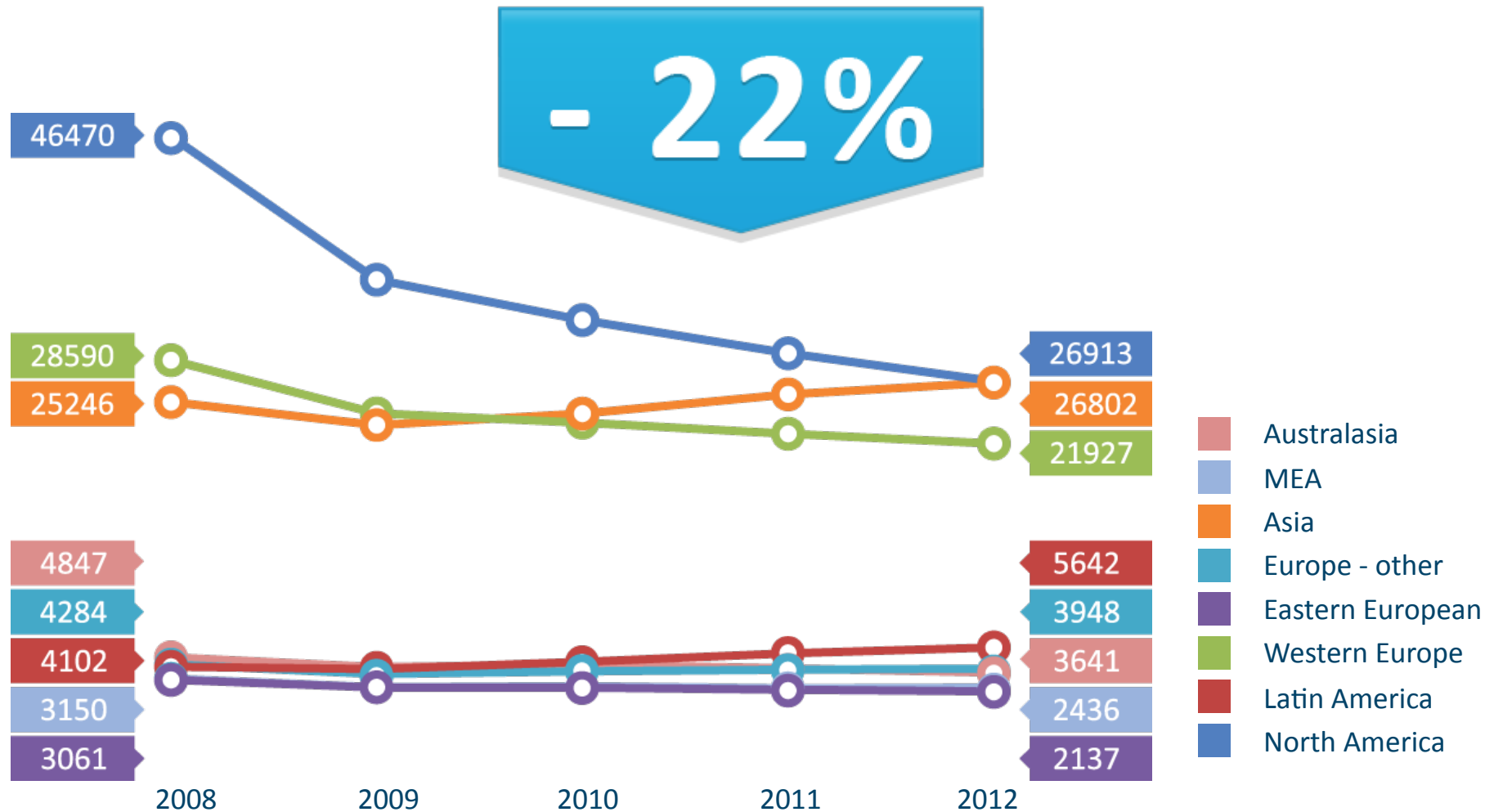
Advertising

2012/2011 -2%

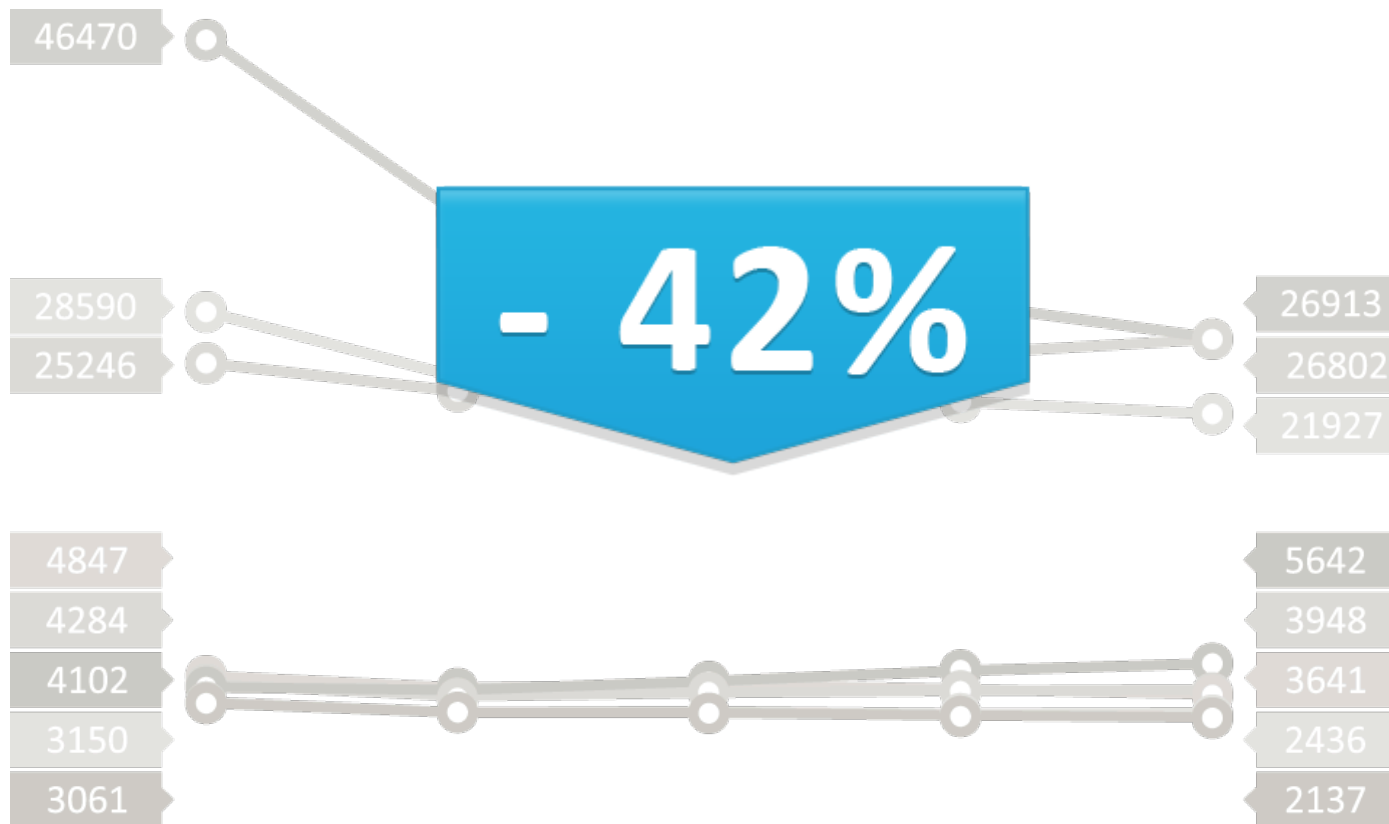
2012/2008 -22%



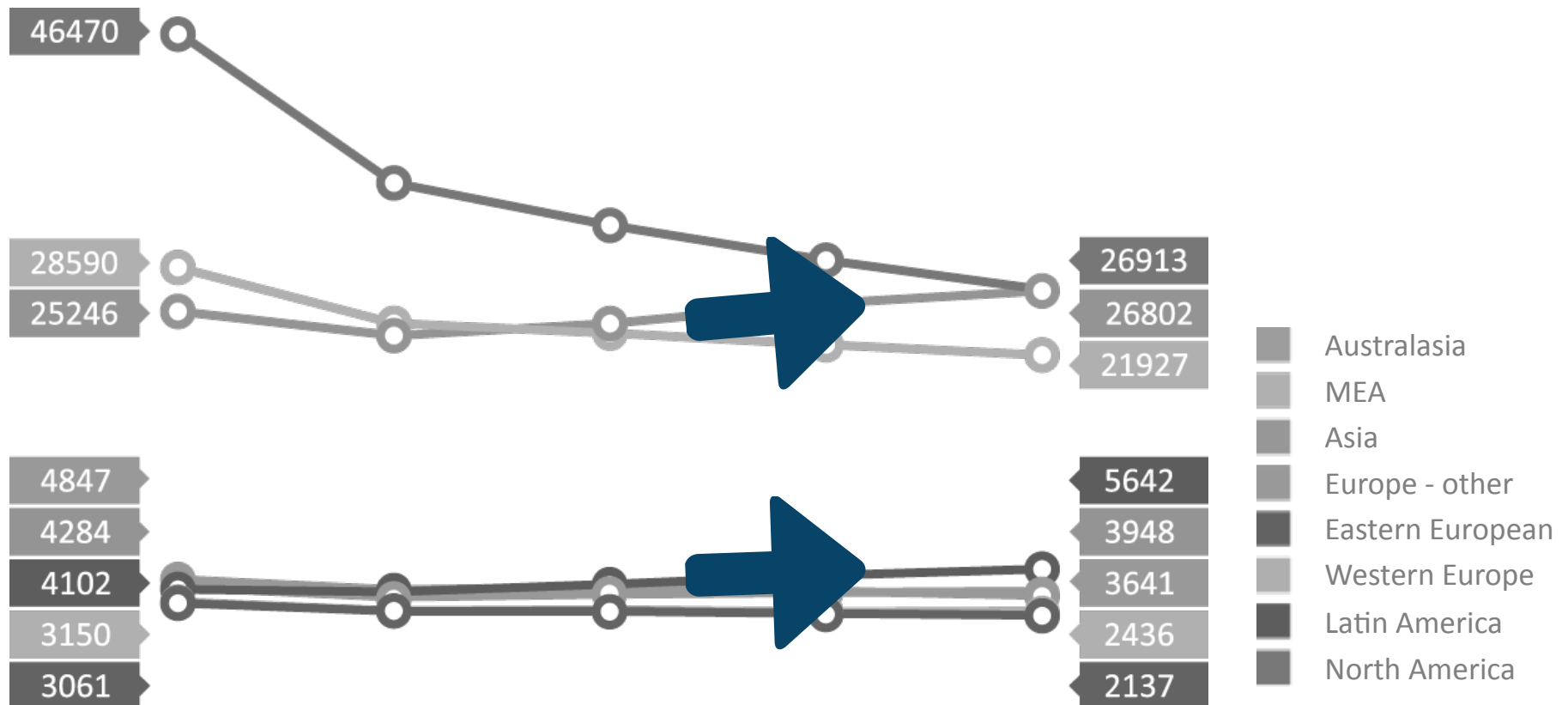
Over the last five years, newspaper print advertising revenues have declined by 22%.



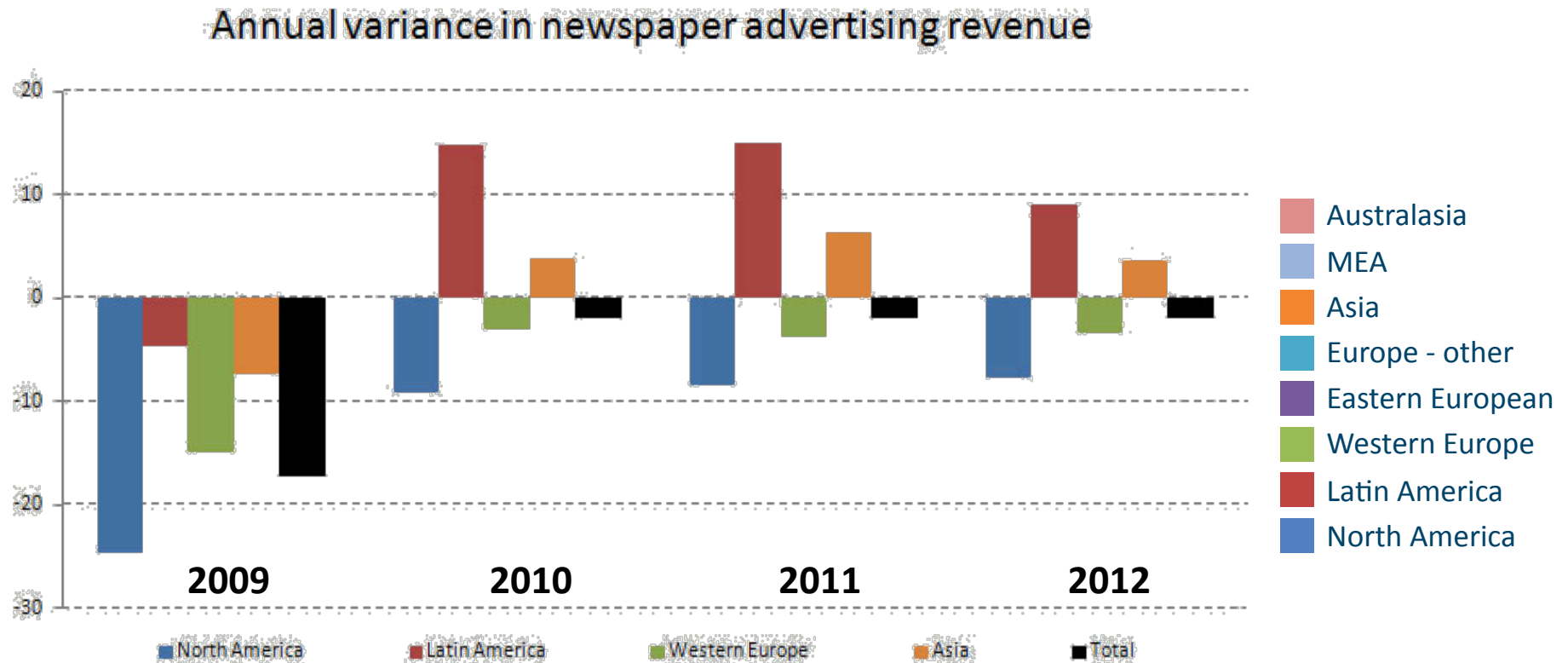
74% of the lost value has been in the USA,
where revenues have **declined by 42%**.



Asian and Latin American markets continue to show growth

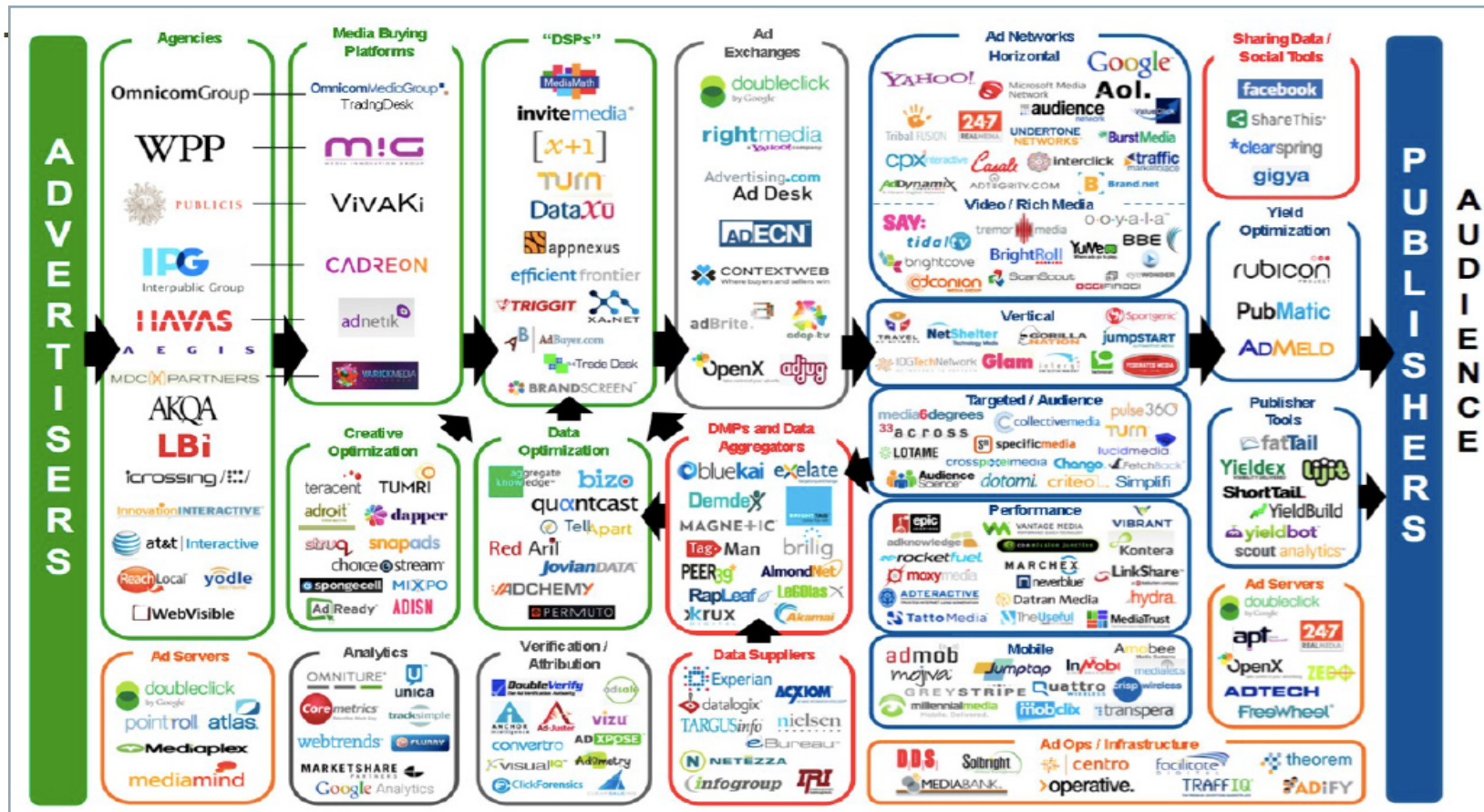


Elsewhere levels of decline are slowing, in line with the economy.



A value chain under pressure

The digital display ecosystem is crowded with third parties who want to take ownership of the publishers data and resell the premium inventory...



Display advertising technology landscape. Source Luma 2012

**QTR.
4**

Rank	Tracker	Commonality Score	Prev.
1	Google Analytics	99.90	1
2	Facebook Connect	99.80	2
3	Google AdSense	99.70	4
4	Facebook Like Button	99.59	3
5	Google +1	99.49	5
6	DoubleClick	99.39	6
7	AddThis	99.29	9
8	Twitter Button	99.19	7
9	Omniure	99.09	10
10	Quantcast	98.99	8
11	ScoreCard Research Beacon	98.88	11
12	MixPanel	98.78	143
13	OpenX	98.68	13
14	Right Media	98.58	14
15	AppNexus	98.48	15
16	Statcounter	98.38	16
17	Google AdWords Conversion	98.28	12
18	Amazon Associates	98.17	35
19	LiveInternet	98.07	19
20	Twitter Badge	97.97	20
21	Microsoft Atlas	97.87	21
22	Criteo	97.77	22
23	New Relic	97.67	26
24	ShareThis	97.57	23
25	ValueClick Mediaplex	97.46	24

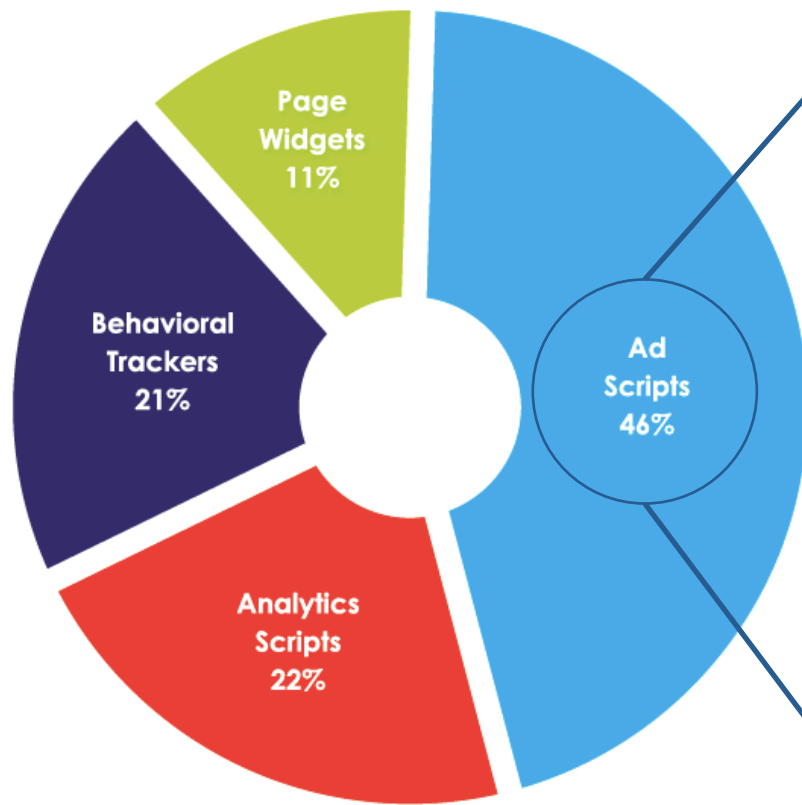
Representative of data across approx 157 M unique URL paths per month and 46 geographic regions across the 2012 calendar year.
Source 2013 Evidon, Inc.

EXPLOSION OF THE INVISIBLE WEB

Unique tracking technologies increased by 53% in 2012.

55% of tracking scripts are placed on websites by someone other than the site's owner

There is every reason to forecast continued growth



Ad scripts make up nearly half of all the scripts across the web

Ad Scripts



Tracker	Annual Avg
Google AdSense	99.50
DoubleClick	99.00
Quantcast	98.99
OpenX	98.56
Right Media	98.24
Google AdWords Conversion	98.04
AppNexus	97.82
Microsoft Atlas	97.73
Críteo	97.24
ValueClick Mediaplex	97.17

Advertising scripts deliver ads and track users for future ad delivery.

Behavioral Trackers

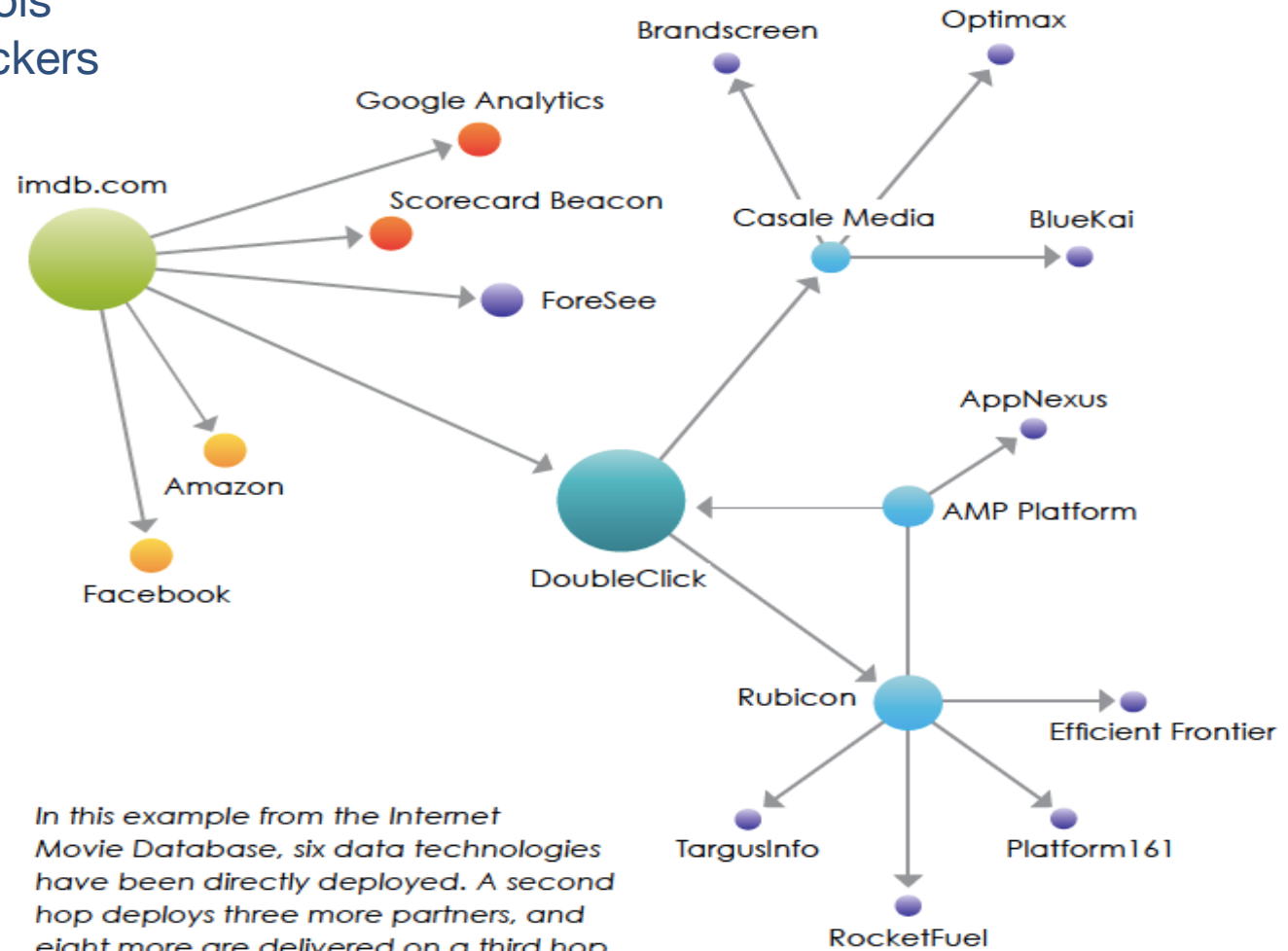


Tracker	Annual Avg
Rambler	95.67
DoubleClick Floodlight	95.08
eXelate	94.78
BlueKai	93.41
Audience Science	92.97
Tynt Insight	91.34
Optimizely	90.83
Chango	88.76
TargusInfo	88.71
Lotame	87.94

Behavioral trackers segment users for ad and content targeting.

Controlling the tag chain is getting increasingly complex

Data collection tools
and third level trackers



In this example from the Internet Movie Database, six data technologies have been directly deployed. A second hop deploys three more partners, and eight more are delivered on a third hop.

Three Major Challenges

Business compliance with **Cookie regulation & Privacy protection**

New page scripts mean new potential **security vulnerability** and increased page latency

AND Revenue loss

- ✓ We are losing revenue to players who can buy cheaper audiences outside our sites
- ✓ We lose contact with the customer to intermediaries
- ✓ We end up in information disadvantage against buyer
- ✓ Cost of loading speed: a one second delay results in a 7% loss in conversions

Publishers Must Take Steps to Control «Data Leakage»

1. If we do not have control of data leakage, we can not know if data is properly used in ways that users or advertisers agree to
2. We must be transparent and inform about how we use data from our users and advertisers

➔ We want to safeguard the trust of our users and advertisers

Terms and conditions for processing data on PUBLISHER websites

Who is covered

Anyone who, in the capacity of supplier (hereinafter "the Supplier") of services relating to digital content or digital advertising on websites controlled by companies in the Publisher (i.e. by companies wholly or partly owned by Publisher or any of its subsidiaries, or by Publisher or Publisher AB, hereinafter "Publisher Sites") – either directly through agreements with Publisher companies or through agreements with other parties who insert advertising – processes data in connection with such advertising, undertakes to comply with Publishers terms and conditions for such advertising.

Updated terms and conditions

Publisher reserves the right to update these terms and conditions as necessary, and it is incumbent upon the Supplier to remain abreast of current terms and conditions. The most recent version of the terms and conditions is available at all times at [URL]. In the event of major changes, Publisher undertakes to inform Third-party Suppliers specifically of these.

Prohibition on the collection of data

Third parties are not permitted, without prior written approval from Publisher, to collect or obtain data relating to users of Publisher for the purpose of targeting these users with advertising, now or in future, nor to categorise/segment these users for any other commercial purpose by using cookies or other tracking methods. An exemption from this prohibition on the collection of data is granted to Third-party Suppliers solely in respect of their obligation to advertisers on the collection of anonymous data, which is permitted for the purpose of reporting and following up advertisers' number of impressions, reach and conversion.

Prohibition on transfer of data

It is not permitted, without written approval from Publisher, to share data relating to users of Publisher Sites through, but not limited to, transfers to external ad exchanges, data collection platforms or other systems for adding value or capitalising on this data in any way.

Prohibition on processing of personal data

~~Data, which constitutes personal data~~ as defined in the xxx Country Legal act on Personal Data Act ("PDA") relating to users of Publisher Sites must not be processed without the express consent of the registered person. The terms "processed" and "consent" refer in this context to the definitions contained in the "PDA" and the "Data Inspection Board's Directives". This includes but is not limited to a prohibition on associating cookies or other tracking methods with personal data.

Sanctions in the event of infringement

Any infringement of these terms or conditions involves a material breach of contract in respect of the agreement between the Supplier and companies in the Publisher. In the event of such a material breach of contract, or reasonable suspicion that such a material breach of contract has taken place, Publisher has the right to terminate the agreement with immediate effect and to demand damages for the direct loss incurred through the breach of contract. If the breach of contract took place intentionally or through gross negligence, ~~Schibsted~~ also has the right to damages for consequential losses.

Unilateral undertaking

The undersigned Supplier accepts Publisher's terms and conditions for processing data on Publisher websites, and undertakes to comply with them.

Place and date: _____

Company: _____

Signature of authorised signatory: _____

"white paper » for Data Policy

WAN-IFRA has launched an initiative to ensure that users of news sites are protected from unauthorized collection of data.

Purpose : a fair regulation of BtoB relation between publishers and advertisers, to protect end customers from uncontrolled cookie collection of user data and behavior.

**Download
www.wan-ifra.org**



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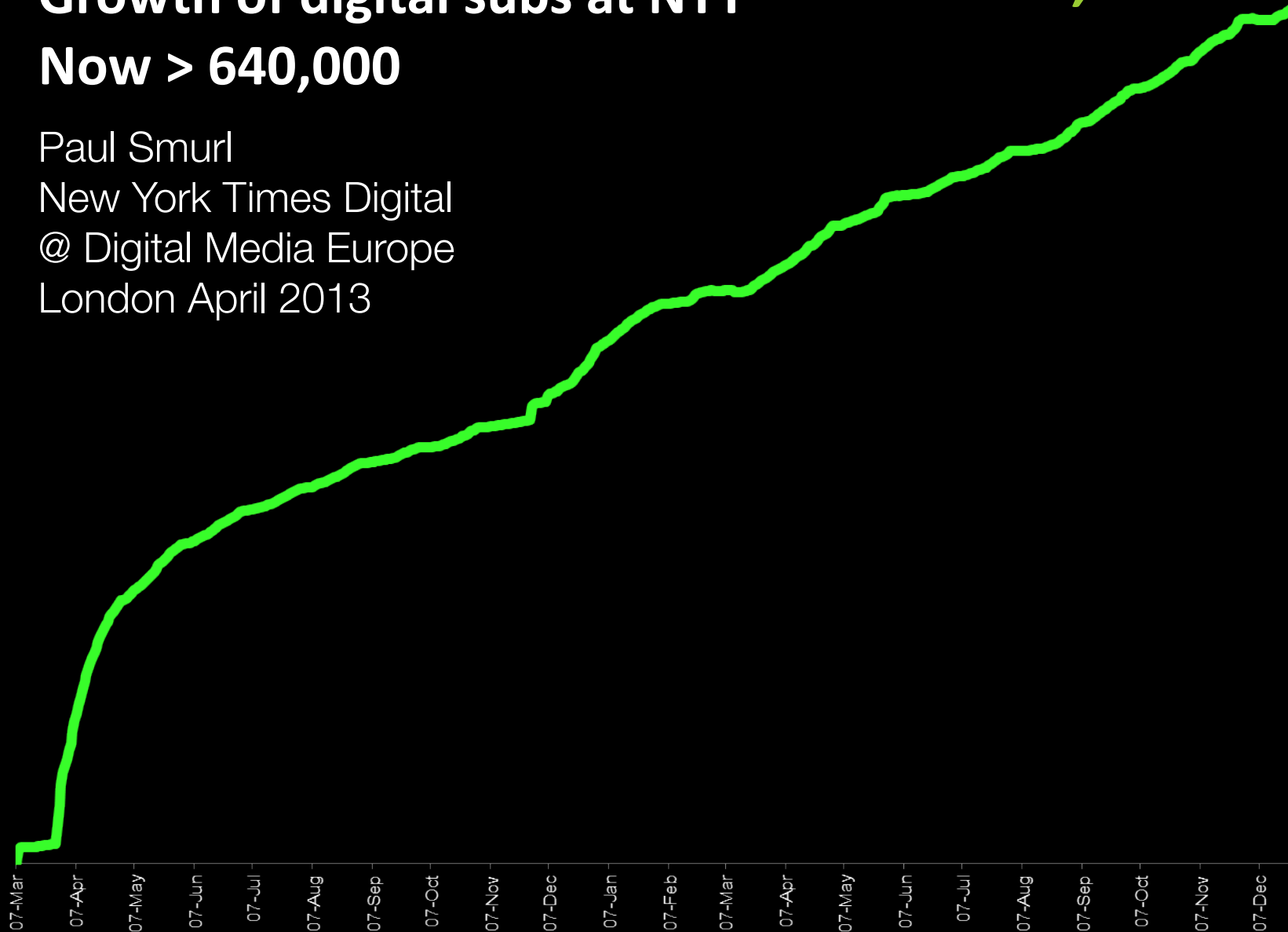
PAID CONTENT IS HOT

Growth of digital subs at NYT

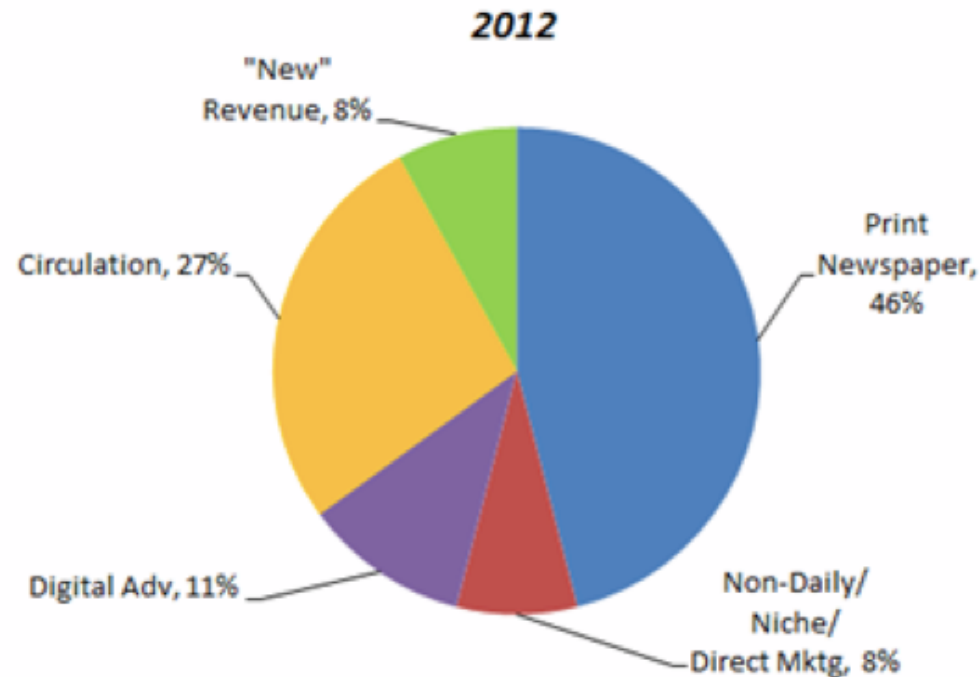
Now > 640,000

Paul Smurl
New York Times Digital
@ Digital Media Europe
London April 2013

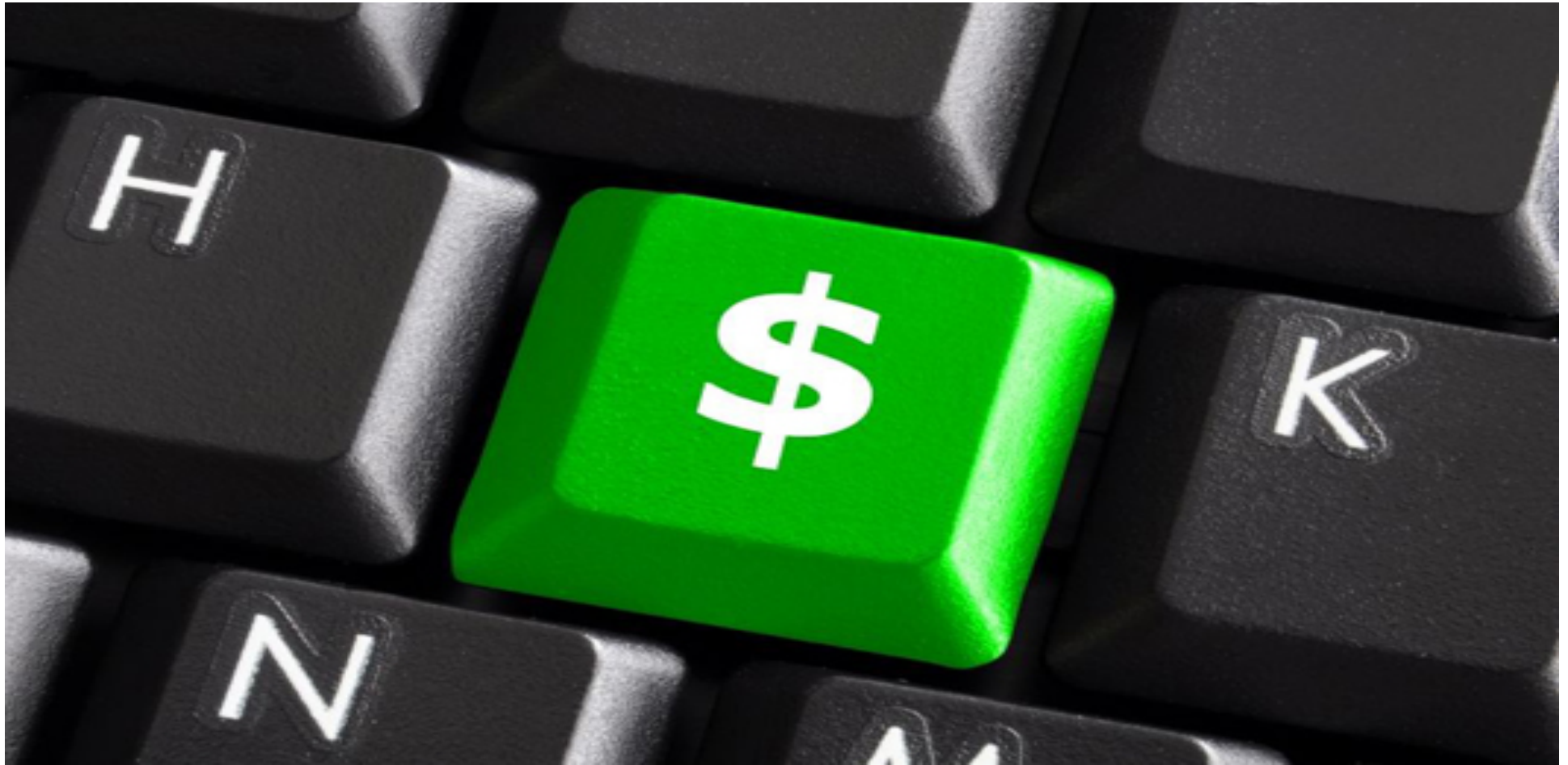
640,000



Shifting dependence from «communications» to «consumption» revenues



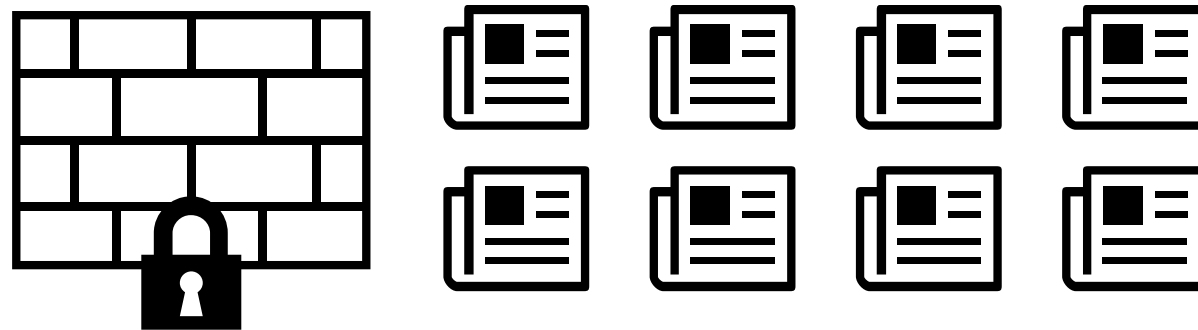
- print advertising revenues are down by 8,5%, while overall revenues only declined by 2%
- Digital revenues now account for 11% of all revenues & non publishing revenues account for 8%.
- Alternative revenues are particularly strong among smaller publishers.



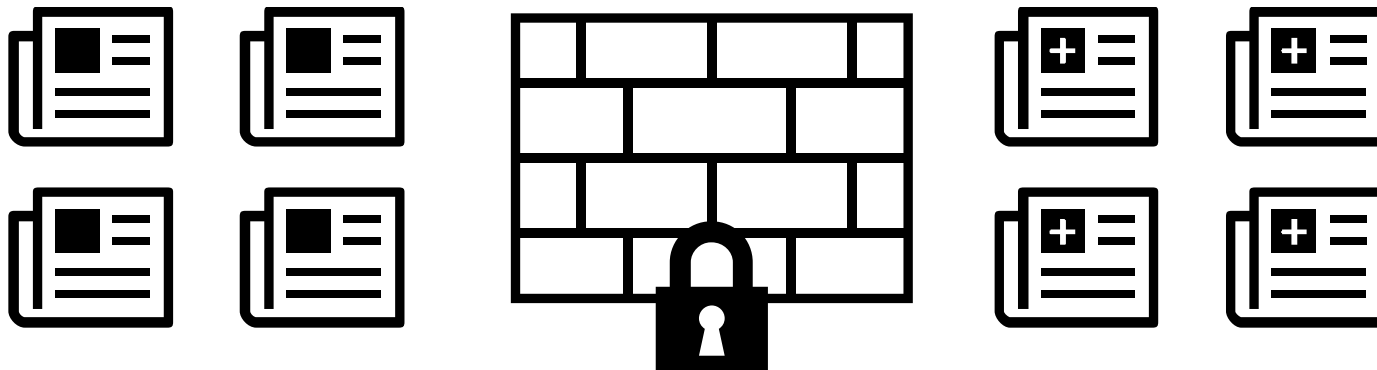
48% of publishers have a paid content model

40 % of publishers are using a metered model

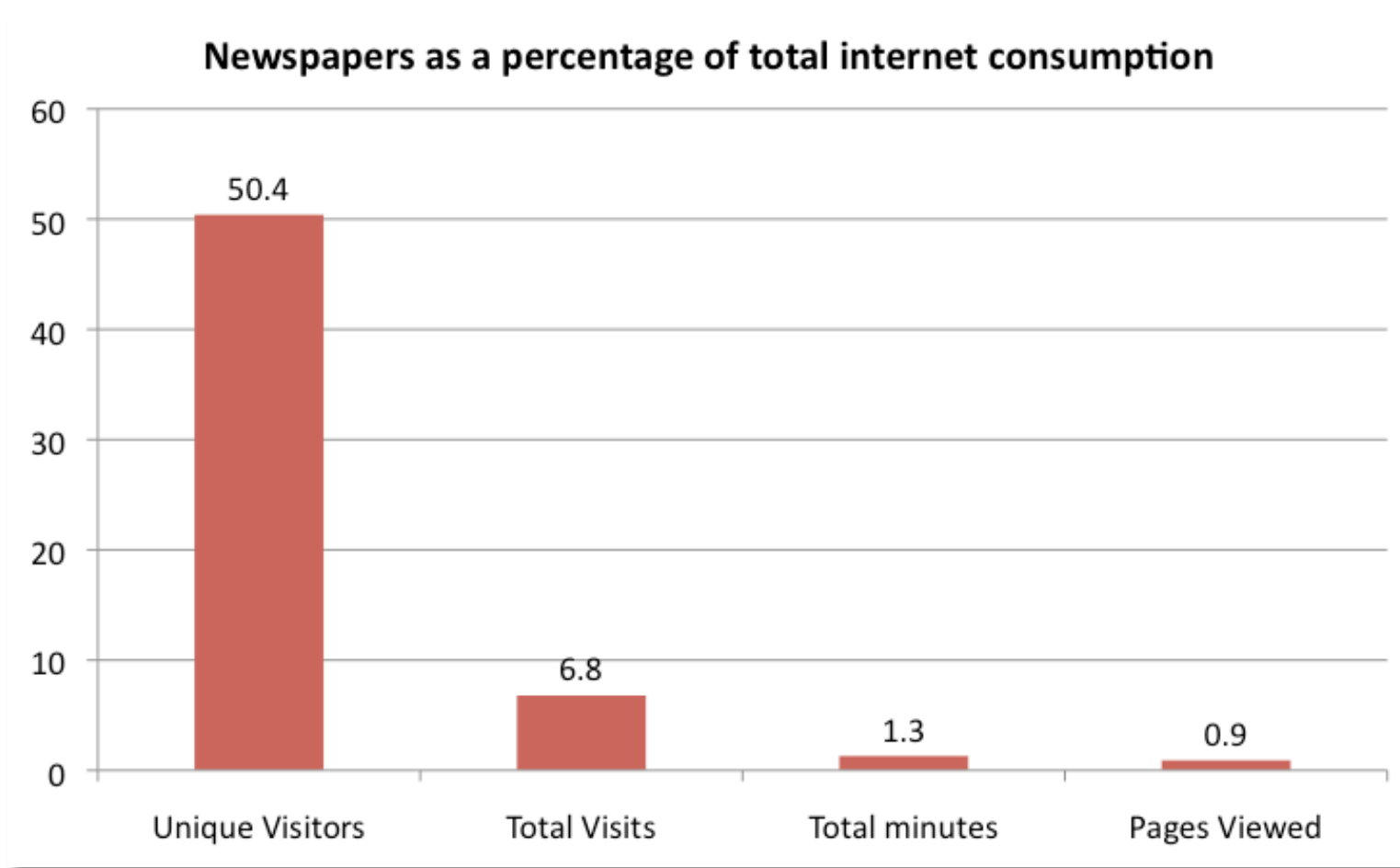
17 percent are using a
“hard” paid model where payment
is required to read any content



33 percent are using a **model**
that restricts access
to **premium content**.




We **attract** readers on-line
but do not **engage** them



Satisfaction

Engagement



**“People pay for the 3 Es:
Expertise, Experience,
Emotion”**

Frédérique Lancien,
L'Équipe, France

@ DigitalMedia Europe, London

In search of a solution

Our industry's biggest challenge is that readers visit our websites but have very low levels of engagement.

A comparison of pages viewed and time spent between print and digital suggests that digital engagement is 5% of that in print.

Digital revenues are generally around 5% of those from print.

**The route to the future is
engagement**



WORLD PRESS TRENDS 2013

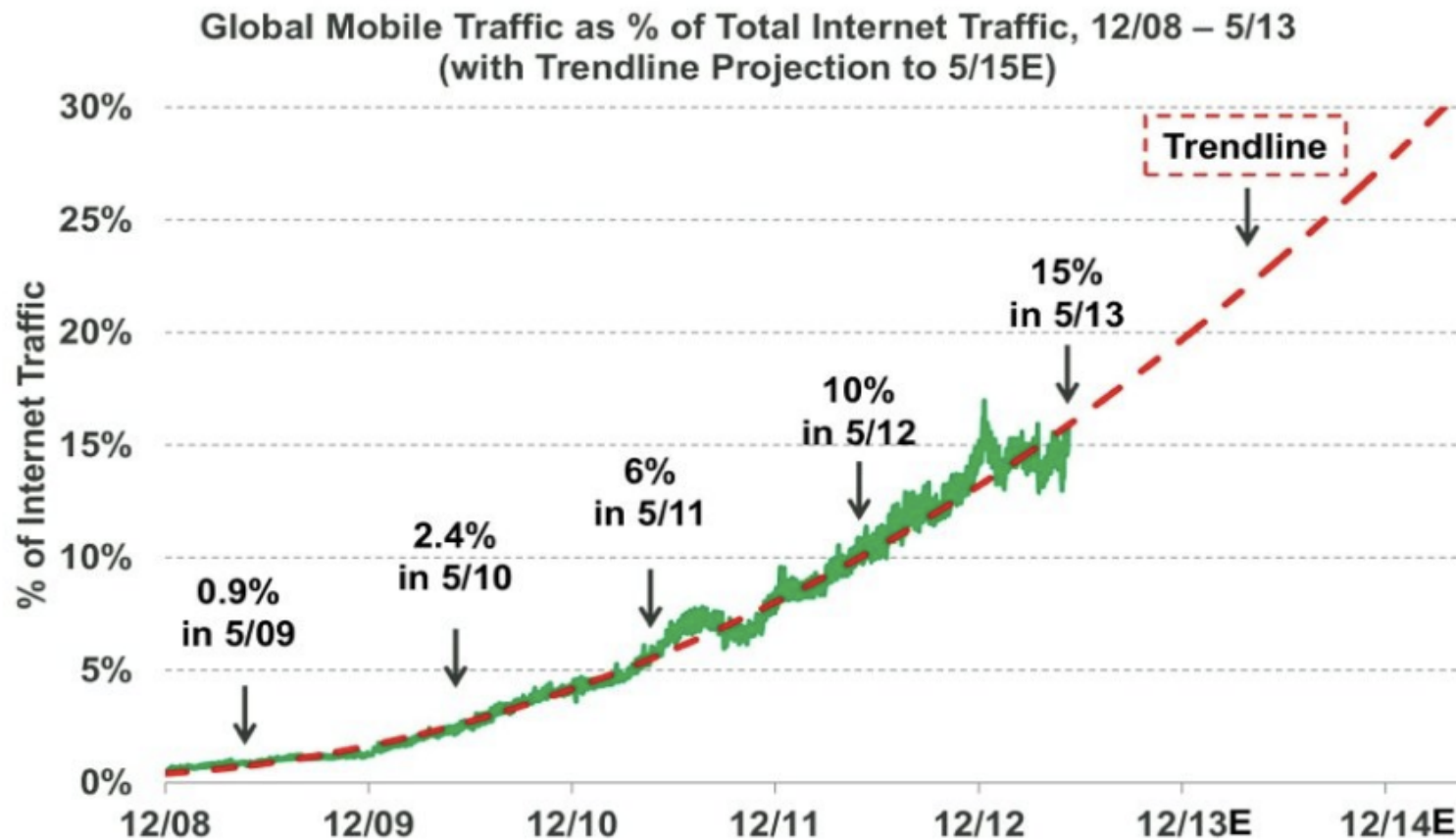
MOBILE IS EXPLODING

IN A MIDST OF A GLOBAL SHIFT

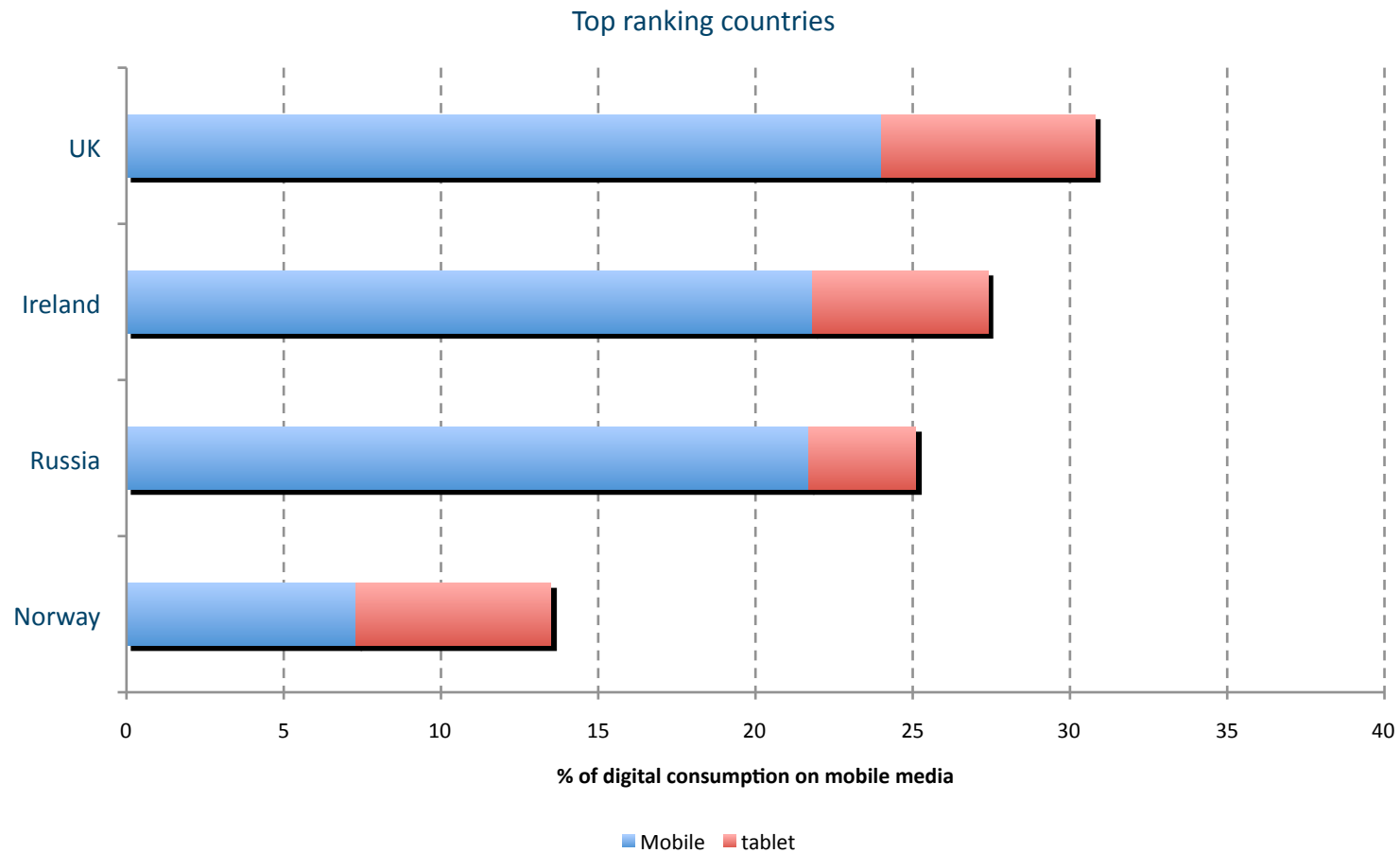
Mobile magic

the shift from computer to mobile

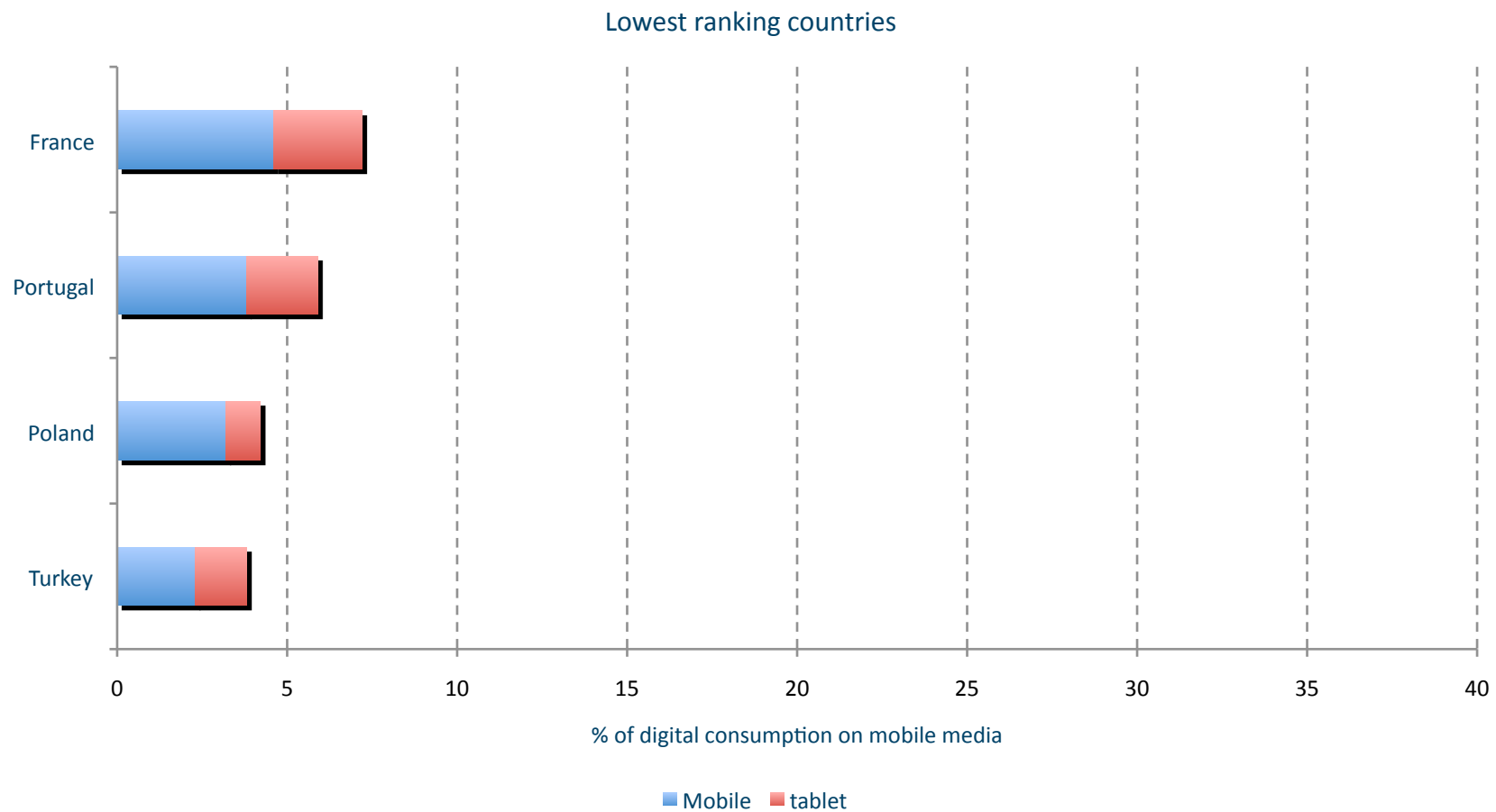
Global mobile traffic growing rapidly to 15% of Internet traffic



Differing patterns of engagement



Differing patterns of engagement



In the USA, in 2009, 51% of publishers had a mobile presence,

The figure is now 90%.

iPhone 85%	iPad 87%	Kindle 67%	Nook 57%	Android 75%
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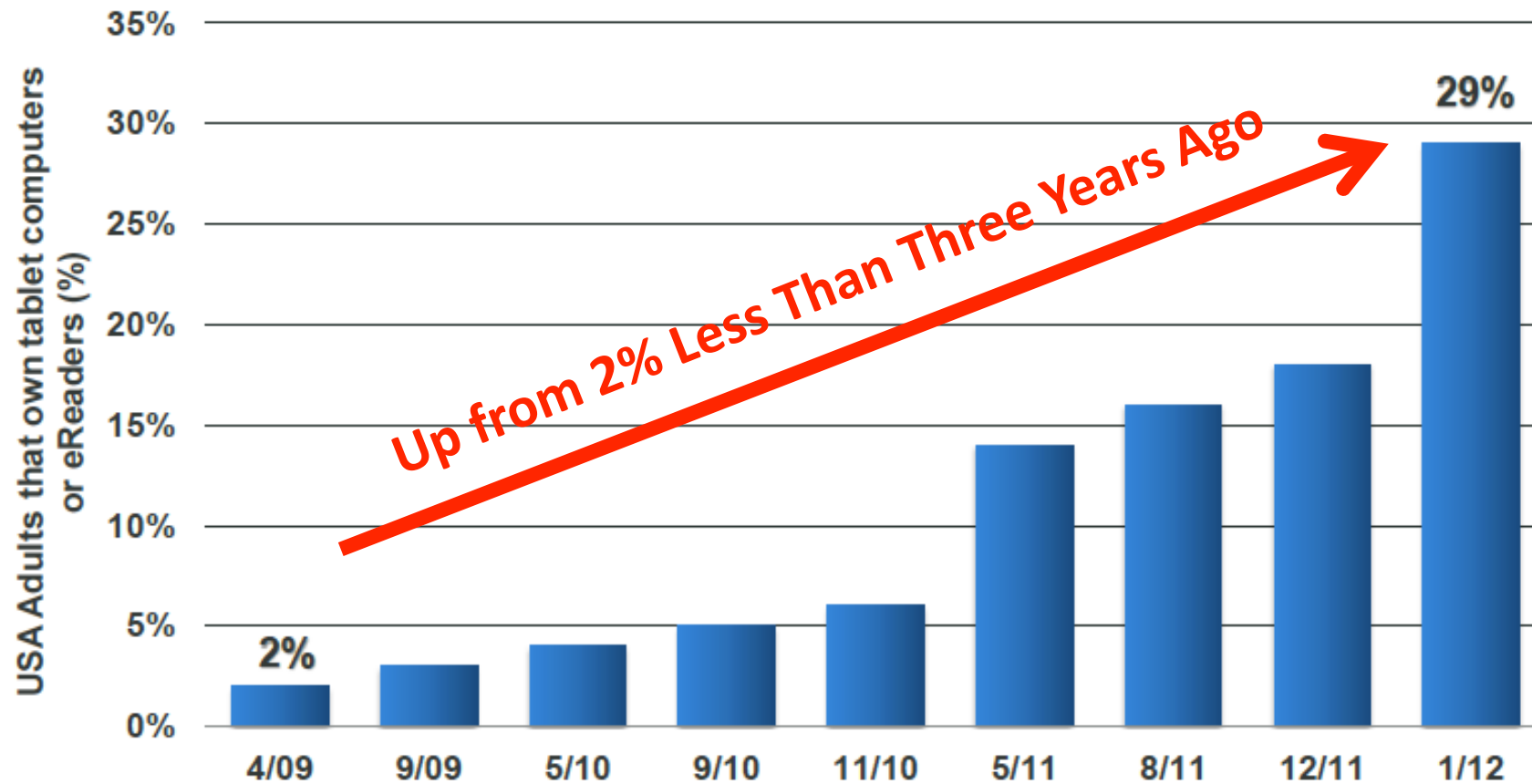
Between 2011 and 2012:

Kindle 24% >>> 67%

Nook 14% >>> 57%

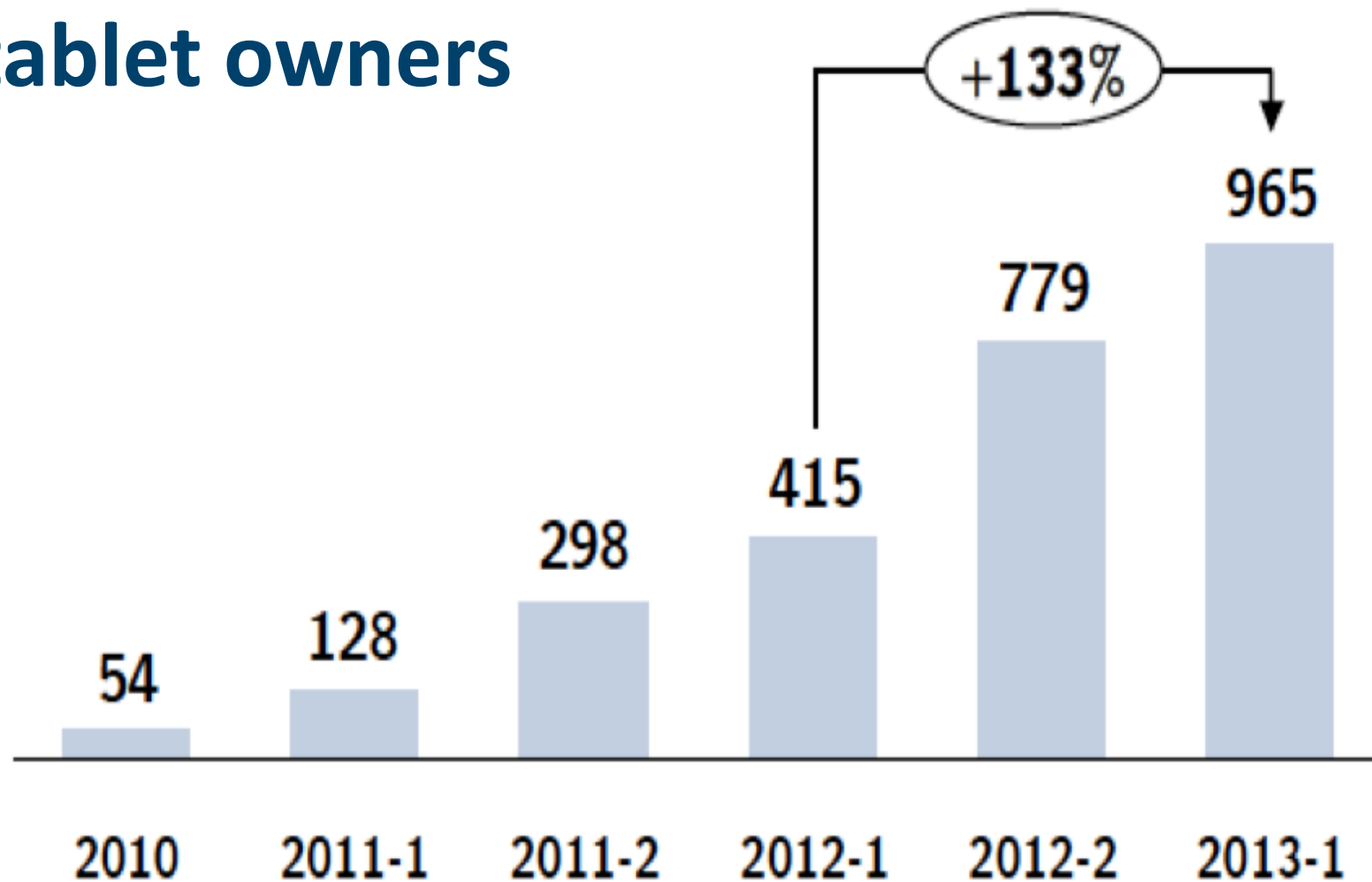
Impressive 29%

of USA Adults Own Tablet / eReader

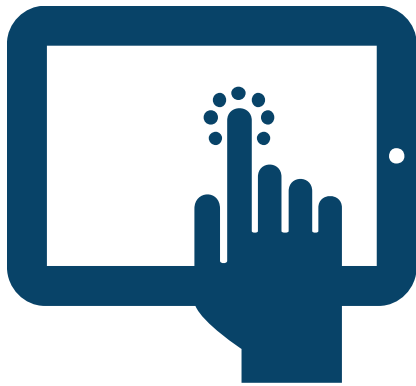


Another example

Number of swiss tablet owners



Mobile magic in the midst of a global shift



Research in the USA, Germany and France, suggests that news engagement via a tablet is **equal to that of the printed newspaper**.

Older readers with a tablet are particularly **engaged with news**.

20% of page views on digital are now from mobiles (15%) or tablets (4%)

Tablets are rapidly becoming the **medium of choice** for news consumption

Could this game changer be the **solution** for content **monetization**?

56 percent of US publishers charge for their iPad apps

42 percent for their iPhone apps

38 percent for their Kindle apps

31 percent for their Nook

Nearly 40 percent said they are not currently charging for their content on any device.

Be prepared to an unusual emerging **technology pattern**

In two computing cycles....:

1. Smartphones
2. Tablets

...a third cycle is entering:

3. Sensor Wearable
Scannable
Internet of Things
& Smart Cities





WORLD PRESS TRENDS 2013

OVERVIEW

NEXT STEPS

News media continue to **advance the migration from print to digital.**

Print remains the world's most potent influence. **We must continue to invest in it**

- Build data bases using the relationship with our customers , improve our capacity to leverage the big amount of data (BigData) now available on consumer behaviors and develop other forms of relationship and revenues

We have attract readers to our websites **but not intensively enough:**

- Impacting on content revenues
- Limiting communication revenues

Mobile and tablet technology would appear to be transforming news consumption

- High device up-take
- Higher intensity of consumption

There is a need for a **better understanding of how people** consume and interact with news content in the digital age.

The industry must match Fast-moving consumer goods investment standards in **branding and marketing**.

The days of correlating sales data with a few dozen discrete advertising variables are over

- Many of the world's biggest companies are now deploying real time analytics 2.0 to reveal how advertising touch points interact dynamically
- 10% to 30% improvements in marketing performance

Broad adoption of analytics 2.0 means building required infrastructure and changing organizational culture, strategy development

- As an industry, publishers should dedicate 2013 to becoming as intelligent about the tools we employ as we are about the audience they help us to understand.
- Businesses that do not will be overtaken by those that do

\$1 billion
\$25 million
dollars are spent on
digital marketing for every
\$1 billion in revenue with a
9% increase in 2013

Key findings from Gartner U.S. Digital Marketing Spending Survey, 2013.

shift in buying centers

Five Years From Now, CMOs Will Spend More on IT Than CIOs Do Today

It's time for CMOs and CIOs to start forging true, strategic partnerships, so both marketing and IT can begin sharing ownership of both goals and outcomes



www.wan-ifra.org/wpt

World Press Trends collects
accurate data for
over 70 countries,
accounting for
over 90% of the industry value.



World Press Trends
data is now
**available to WAN-IFRA
members**
on the interactive
database





www.wan-ifra.org



**WORLD NEWSPAPER CONGRESS
WORLD EDITORS FORUM
WORLD ADVERTISING FORUM**

Torino, 9-11 June 2014



World Press Trends 2013

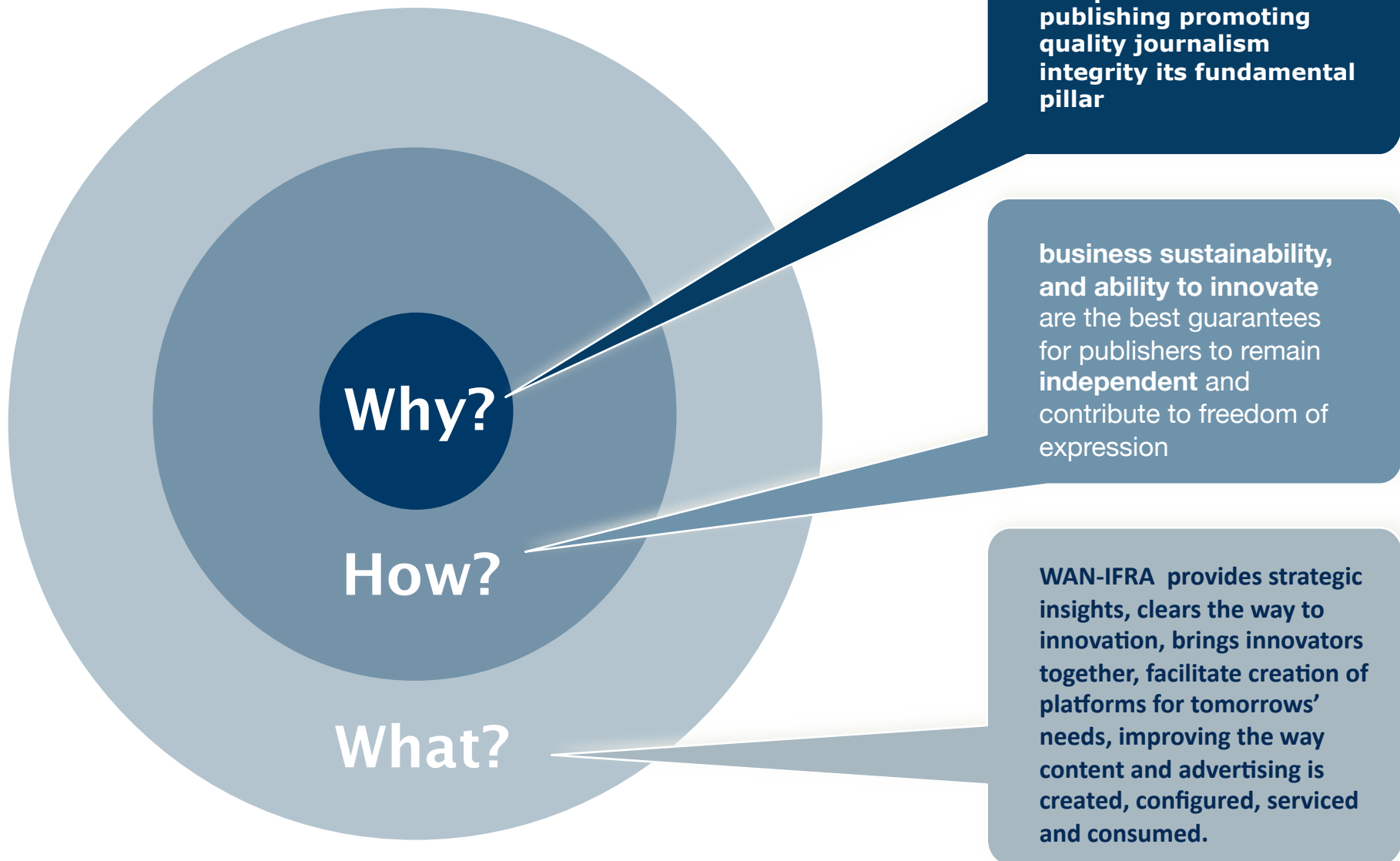
Vincent Peyregne
CEO WAN-IFRA
Vincent.peyregne@wan-ifra.org
twitter vinncentpeyregne



WAN-IFRA TODAY

World Press Trends
Mission, Vision & Values

WAN-IFRA Golden rules of **ENGAGEMENT**



ADVOCACY & PUBLIC AFFAIRS

Press Freedom
News literacy
Media development
Regulation Radar



**WORLD
EDITORS
FORUM**

BUSINESS & TECHNOLOGY

Innovation hub
Emerging Digital Platforms
New business models
Production technology

MISSION

WAN-IFRA helps news publishing companies to succeed in their transformation process, to grow their business, and to lead free debate in open societies.

We provide strategic insights, bring innovators together, facilitate creation of platforms for tomorrows' needs, improving the way content and advertising is created, configured, serviced and consumed.

VISION

To be the trusted and reliable global partner for the news media industry at the forefront of quality journalism, and sustainable business models.

6 CORE VALUES

1. We are **passionate** about the future of news, through promotion of **free press, quality journalism, youth engagement**, news literacy and editorial integrity.
2. We believe that **business sustainability** is the best guarantee for publishers to remain **independent** and contribute to freedom of expression in open societies.
3. We are **solution driven membership organisation committed to serve publishers, innovators and technology suppliers**, organising services where members can find solutions to their challenges.
4. We have **ability to deal with uncertainty**. We are proactive and a driver of new business models, with a holistic point of view, and a sense of urgency.
5. We are committed to curiosity, **open innovation** and **networking**, sharing professional knowledge inside and outside the organisation.
6. We champion **diversity** and promote integrity in all we do.



World Press Trends 2013

www.wan-ifra.org/wpt

Vincent Peyregne
CEO WAN-IFRA
Vincent.peyregne@wan-ifra.org

WAN  **IFRA**
World Association of Newspapers and News Publishers