

Key Ideas Highlighted by Global Media Executives at the WAN-IFRA Congress

by João Neves



Source: WAN-IFRA - 70° World News Media Congress

Introduction

The annual congress of WAN-IFRA (World Association of Newspapers and News Publishers) is probably the most important annual event in the media industry. This year, for the first time, it took place in Portugal at the Estoril Congress Center on the 6-8th of June. A team working for the ongoing PIMENED project (Program of Innovation in Media, Entrepreneurship and Digital Drivers) at the University of Porto conducted a series of interviews with media executives who participated in the WAN-IFRA congress under the scientific coordination of Professor Paulo Faustino. Besides that, the team also attended multiple conference talks and presentations that took place during the congress. This report summarizes the most interesting and relevant ideas of this major event.

David Pemsel on adapting a world class newspaper to the digital age

The first conference we highlight comes from David Pemsel, the CEO of the Guardian Media Group. David was a keynote speaker at the “Leadership for Changing Times” panel. When Pemsel took over as CEO, *The Guardian* was facing a difficult financial situation which could have led to the newspaper’s ultimate demise. The main point of his presentation at the WAN-IFRA conference was to outline the strategy used to bring *The Guardian* back on track. First, they had a clear and straight to the point strategy precisely based on simplicity: “One of the things that I care passionately about in relation to strategy is that it needs to be simple,” Pemsel said. The point was to condense everything *The Guardian* does into just one page, thus building a new strategy based upon four

key pillars: building the relationships with the readers; turn that relationship into a financial one; learn how to navigate the new advertising alignment, i.e., programmatic; learn how to control costs and balance the books in just three years.

The crucial aspect of *The Guardian's* current success lies in "the bounds between a very strong purpose and a very clear financial framework," Pemsel said, adding that it comes along with strictly following the plan devised by him at the beginning of his tenure. One of the challenges faced by Pemsel was to find ways in which readers could contribute to the newspaper financially, without establishing a paywall. This strategy started with a simple message on different areas of the website: "This is the reality and the economics of the news business right now. You're currently using it for free. We don't want to tax your consumption, so would you possibly mind if perhaps just today make a financial con-

tribution to this wonderful journalism that you enjoy?" Pemsel asked. This strategy, based on knowing how to target reader behavior and their predisposition to contribute, has paid off. Today, over 800,000 people help paying for *The Guardian's* high-quality journalism as subscribers, members or contributors.

As soon as *The Guardian's* financial stability was assured, GMG Ventures was launched, aimed at making investments in businesses that can boost *The Guardian's* plans or disrupt them, encompassing fields like AI and advances in virtual reality among others. In conclusion, *The Guardian's* CEO assured that: "We have no debts. We have a business model that is diversified. We have a unified group of people who not only values journalism, but understands the economics of how to fund it. And I feel we have enough things going on that we are beginning to advance into the next innovation around the corner."



Source: WAN-IFRA - 70° World News Media Congress (David Pemsel)

Miki Toliver King on the digital and subscription as a crucial revenue stream

The second talk I shall highlight was by Miki Toliver King, who is the Vice President of Marketing at *The Washington Post*. King took part in the Reader Revenue panel to discuss the best ways of establishing relations to get readers to pay for content. *The Washington Post's* revenue strategy – similar to many other major media outlets – is based to a large extent on digital revenues. “One of the most important pieces of our revenue strategy in respect to readers has been our site,” King said. For example, this is the case with *The New York Times* (see the interview with the NYT in this JOCIS issue). Attracting readers to the website is a fundamental point within the overall strategy of the WP: “We spend a lot of time focused on what is it we are doing on our site to make readers come back,” King said. Another key revenue stream of *The Washington Post* is similar to the trend started with the NYT (see the aforementioned interview), which is about creating more subscription opportunities within the platform.

As of now, nearly 60 percent of the WP's new subscriptions comes from the website. King emphasized the importance associated with it: “I cannot underscore enough how important it is for us to always be testing and understanding what is it that drives new subscriptions on our site.” This strategy has so far been a success. *The Washington Post* has over a million paid subscribers and an increasing readership both at the national and international levels. This shift occurred when Jeff Bezos, the founder of Amazon, bought the WP in 2013. Until then, despite the newspaper's international reputation, its coverage and audience remained largely local. According to King: “We don't think of ourselves as a local publication, we think of ourselves as one of the global publications of record.”

The Post has been really succeeding as both a national and an international brand, with 93% of its subscribers coming from outside of the Washington D.C. metropolitan area, according to King. During her presentation she talked about many other relevant topics, including paywalls, the marketing value of newsletters (the WP has more than 70 of them), working with major tech platforms, also with an aim of making it easier for readers to buy and renew subscription. The digital strategy has already paid off: in 2018 the WP had 88 million unique visitors per month on average, which represents an 84% increase in the last three years. This success comes from the brand value and core competencies associated with it: “Really understand what it is that your publication is known for, and where is it that most of your readers find value – double down on that, invest in that area, because that is where you are going to draw in more subscribers,” King said.

Even though The Post's revenue strategy is mostly based on the digital component, its success is largely built on two traditional categories of journalism – political journalism and opinion. According to King: “Our Opinions' content is very much something that our subscribers look to and continue to revisit.” Besides engaging with major tech and social media companies, The Post's strategy for attracting subscribers also relies heavily on their newsletters that work as reminders and serve as a way to interact with readers: “One, they expose the reader to our content, whether or not they come to our site, so that helps us to build a way of communicating with the reader and in some cases reminding them, giving them a brand reminder, when they are not on our site.” King mentioned. As a final note on her presentation, King referred to the idea that offering every payment method available to subscribers and thus simplify-



Source: WAN-IFRA - 70th World News Media Congress (Miki Toliver King)

ing the process helped the WP to attract new subscribers: “We’ve tried to create a friction-free payment experience for any potential subscriber who would come to our site. So, after the end of last year, we essentially offered every payment method – both on mobile and desktop to any subscriber who comes to our site.” King said.

Jason Kint and Tom Betts on the future of advertising

Tom Betts, Chief Data Officer of the Financial Times Group, spoke on “The Future: Advertising and Data” panel held at the Estoril Congress Center main auditorium on the last day of the event (8th June 2018). This session was moderated by Jason Kint, CEO of the Digital Content Next company. Betts’s talk intended to address the issues related to aligning data strategy with business goals; he shared his views on how The Financial Times Group successfully managed to align itself with common goals, data ownership and

platform relationships. Kint also talked about how media companies should build and strengthen their data strategy whilst many of them facing challenging times due to new regulations, including the brand new GDPR.

The revenue strategy of *The Financial Times* (as is the case with *The Washington Post* and *The New York Times*, as previously mentioned) is based on a successful equilibrium of digital subscription and ad revenue. During his talk, Betts put forward a lot of ideas. For instance, as far as media companies are concerned, Betts doesn’t believe in the possibility of digital advertising to become the only source of revenue: “I can’t really see a scenario where advertising alone continues to pay the bills. The challenge is not the composition of the revenue, but to find a model that will be sustainable and profitable in the long run.” Furthermore, according to Betts, advertising is also an unstable source of revenue: “Advertising, as a source of revenue, intro-



Source: WAN-IFRA - 70° World News Media Congress (Jason Kint and Tom Betts)

duces volatility into the business.” For that reason, Betts underlined the importance of subscription: “Reader revenue has brought more sustainability, which makes our business predictable and allows us to invest in user experience and things that matter to the reader.” Therefore, *The Financial Times’* business model lies in the *perfect* mix of ad revenue and subscription.

Due to Betts being the chief data officer of *The Financial Times*, Kint asked him if data was important to see the whole picture. Betts responded that data was fundamental to understand the context and motivations of consumers, thus the FT uses metrics and measurements in order to comprehend, build and maintain readers’ loyalty. When asked about the impact of social media on the FT’s business, Betts replied that he didn’t think of social media as an isolated *phenomenon*, instead, he believed it should be seen as a broader part

of media consumption: “We want to see them as part of a broader picture of your media consumption so that we can understand where we need to dial up or down our investments. We can only do that if we understand the whole, not just the fragmented picture.”

In conclusion, Betts emphasized the importance of the direct relationship with the readers and also shared a positive outlook on the future impacts of GDPR: “There’s probably a system that will have to be changed to be in line with the GDPR. The way of advertising businesses is still very messy, especially the privacy regulations – it is all going to have to go. Nobody really understands what’s going on in the digital marketing ecosystem. It’s incredibly hard to pull apart. And that’s one of the things, I think, GDPR is incredibly positive for.”

Final conference – Mario García’s Storytelling Showfest

The final conference of the 70th WAN-IFRA Congress was by Dr. Mario García, CEO and Founder of García Media, USA. He is a habitual speaker at WAN-IFRA events. In an impressive display of his media knowledge, Dr. García presented multiple ways in which media companies and outlets tell stories nowadays – in what he described as “the journalism of interruptions and everywhere.” The main challenge for journalists is, according to García, to create content to satisfy an audience that will grant very little time to pay attention to any given news story: “How does one write, edit and design for an audience that gives us between 6 and 8 seconds before it dives into information.” Despite being in the journalism business for quite a long time, García doesn’t share a negative outlook upon the impact of new technologies on it; quite the contrary is true: “Storytelling is more vibrant and full of possibilities than ever before, and we have several platforms in which to present news and information.” he said.

The session focused mostly on the smartphone as the main medium of access to information nowadays, with García asserting the importance “of keeping the thumb happy.” He mentioned several times how it is relevant to grab readers’ attention through the creation of content aimed specifically at people who predominantly read news on smartphones and don’t really read print editions. Despite the predominance of news reading on the smartphone, García claims that the necessity and desire to keep up with the news of the world hasn’t really changed, only the means of consumption did. To further illustrate his point, García displayed two curious images, in which people are

doing exactly the same thing: reading the news. In the first picture of the early 20th century, one could see a group of people outside a building all lined up and reading a print newspaper; in the second contemporary picture, we could see a group of people all lined up outside a building and they are doing exactly the same thing, with the only difference being that they are reading news on their smartphones.

Given this technological shift, García believes that newsrooms have to adapt to this new reality and should go even further as to have teams dedicated exclusively at creating content for smartphones. He also gave several examples of how different types of technological media can cooperate to convey stories in a different way, adapting themselves to each kind of medium. Several news stories created for smartphones only were presented, with García highlighting how many of these resembled WhatsApp or Snapchat conversations, thus adapting journalism to the culture in which social networks have the biggest role ever.

Regarding the future of print media, García doesn’t believe it will ever disappear (this opinion is contrary to *The New York Times*’ manager – see the interview in this issue of JOCIS). In the future, what he thinks will disappear are the daily print editions of newspapers, mainly because people don’t have time nor the attention span to read a whole issue of a daily newspaper, as they prefer to get their news online, mainly on their smartphones, but also on computers and tablets. Therefore, according to him, the future of print media will be in the form of weekly editions. Even though this wasn’t mentioned during his presentation, a recent case in the Portuguese press seems to give reason to what García was explaining: *Diário de Notícias*, one of the old-



Source: WAN-IFRA - 70° World News Media Congress (Mario García)

est publications in the Portuguese media landscape, ceased to come out as a daily print newspaper, now having only a print issue on Sundays and a daily digital edition. Another point that seems to correlate with this new format of *Diário de Notícias* and García's presentation lies in the following: people who read print newspapers during the weekends wish to unplug from smartphone notifications and the 'digital world' in general. Thus, they search for variety and for multiple supplements that are usually associated with weekly print newspapers, as is the case with *Diário de Notícias* which offers various supplements along with their print edition, changing every weekend.

García used *The New York Times* as an example to illustrate his point that multiple weekend supplements that come with the newspaper are a major reason for many people in New York City to continue to massively buy the print edition. He ended his presentation by claiming that he wished he was younger in order to be able to take part in adapting storytelling to the new technological landscape in the long run.

As a curious note, on his blog (<https://www.garciamedia.com/#blog>), García provided his personal account on Portuguese daily newspapers, acknowledging its variety and the necessity to fight for readers' attention. Afterwards, he mentioned the design of Portuguese newspapers: "The variety includes the down-market titles with big headlines and bright colors, as well as the classic-look newspapers, or, in the case of the newspaper *I*, a design that is contemporary and elegant."

Conclusion

In this brief account, *I* aimed at summarizing some of the many rich ideas voiced during the WAN-IFRA event in June in Estoril, Portugal. It was an impressive event that was organized mainly with the help of the Portuguese Press Association. The general impression is that the media industry, including print outlets, isn't dead and it has the tools to survive and strive in a world marked by technological innovation and disruption.

