



# READER REVENUE VS ADVERTISING REVENUE

tiso blackstar group.

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Managing editor: digital  
November 2018



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

**BusinessDay**

RAND DAILY MAIL

**financialmail**

**BusinessLIVE**

**Sowetan  
LIVE**

**Sunday  
World**

**TSHISA  
LIVE**  
THE HOTTEST CLUB NEWS

**Times  
SELECT**

**Herald  
LIVE**

**Sunday Times**

**TimesLIVE**


**DispatchLIVE**



# OUR WORLD IN 2018


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

Source: We Are Social/Hootsuite



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

Source: Narrative & Effective Measure; change from October 2017



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



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

## PRINT TO DIGITAL (MOBILE)

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



# TRADITIONAL (PRINT) REVENUE

Two revenue sources:

## ■ ADVERTISING

Limited inventory  
High prices

## ■ CIRCULATION

Cover price  
Subscription revenue





# MODERN (DIGITAL) MEDIA MODELS

A supply and demand problem:

## ■ ADVERTISING

Abundant inventory  
Lower prices

## ■ CIRCULATION

Free, no cover price  
No revenue







# DIGITAL MEDIA: SUBSCRIPTION

Two revenue sources:

**■ ADVERTISING**

Abundant inventory  
Lower prices

**■ CIRCULATION**

Native content  
Subscription revenue



# WHAT WILL CONSUMERS PAY FOR?

Niche content  
Scale/quality

**FT** **BusinessLIVE**

THE WALL STREET JOURNAL

The New York Times

The Washington Post

**Sunday Times**

Vernacular  
content

**NETWERK 24**  
AL DIE NUUS, ALTYD BYDERHAND

*Nordic nations*

Access/delivery

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

Hyperlocal  
content

**Winnipeg Free Press**

**Herald LIVE** **DispatchLIVE**

Defensive

*Locking digital content  
to protect print*

Micro-  
payments

**» Blendle**

Special interests

*Gaming,  
betting*



# NEWSONOMICS & PHILOSOPHY

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

■ Donor-funded organisations:  
proliferation in Africa

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

■ “Begging bowl”: The Guardian  
asking for donations

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



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

# OPPORTUNITIES IN DIGITAL

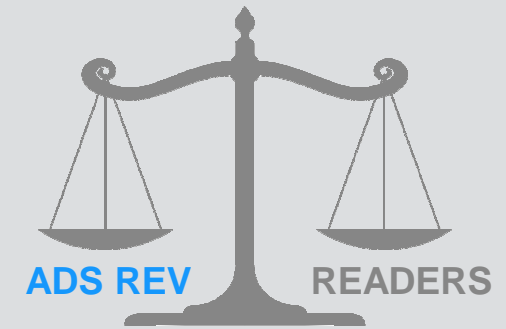
1. Bigger audiences than in print
2. Intimate social media environments
3. Abundant data that can be bought/deployed
4. Targeting opportunities and better ROI
5. New advertising possibilities: native, programmatic



WHAT'S IN OUR  
MONETISATION  
ARSENAL?

# PREMIUM DISPLAY ADS

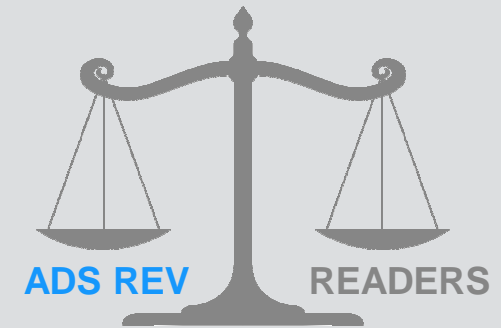
- Struggling in many ways
- Can we beat Facebook and Google?
- Problems with programmatic
- Brand safety opportunity: regain clients' trust
- Mobile ad spaces: think differently but don't annoy the readers
- Need skilled sales staff – takes much more effort



**MAYBE**

# PROGRAMMATIC & DATA SALES

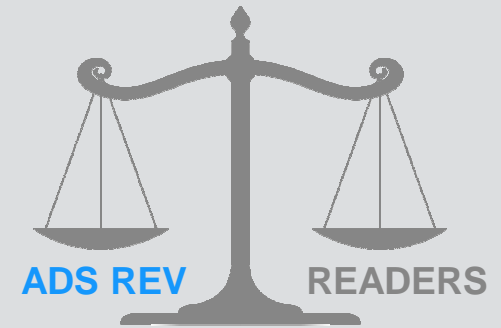
- Does save money and time, but...
- Not living up to the hype
- Poor quality, problematic placement
- Tags upon tags upon tags
- Lower revenue for publisher
- New ways – programmatic guaranteed vs direct
- Need skilled sales and ad ops staff, good systems



**MAYBE**

# SPONSORSHIPS

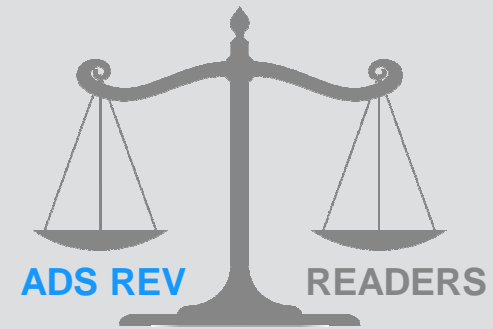
- Apps, sections, special reports, multimedia
- Competitions, giveaways
- Watch out for overpromising
- ROI for client can be tricky
- If done well, sponsorships can build trusted and recurring relationships with clients





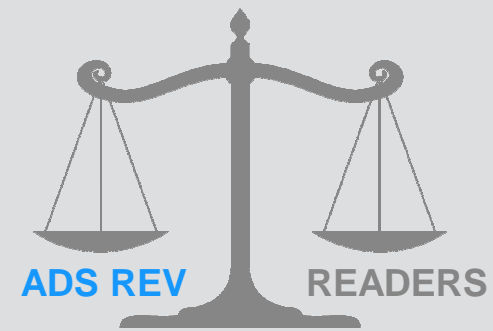
# E-COMMERCE

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



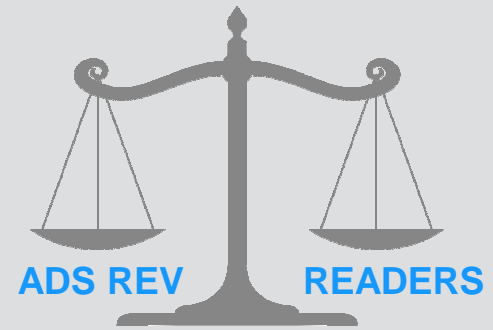
# LEAD GENERATION CAMPAIGNS

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



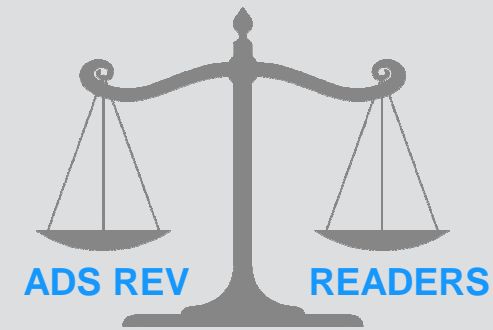
# PAID SOCIAL REACH

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



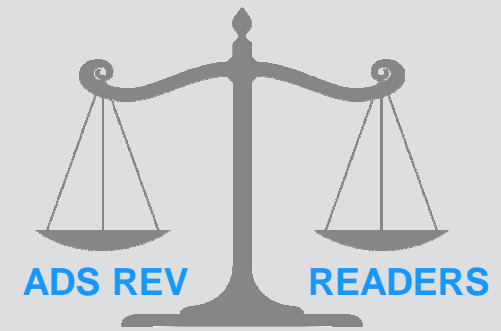
# DISTRIBUTED CONTENT

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



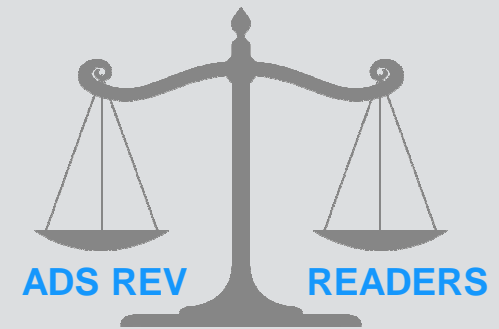
# MULTIMEDIA

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



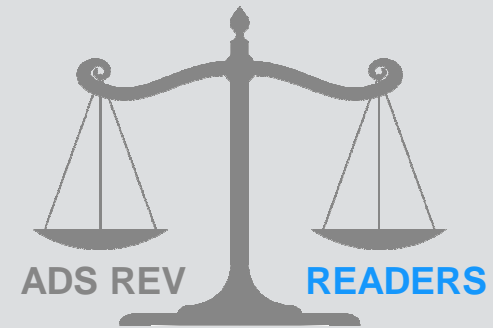
# NATIVE CONTENT

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



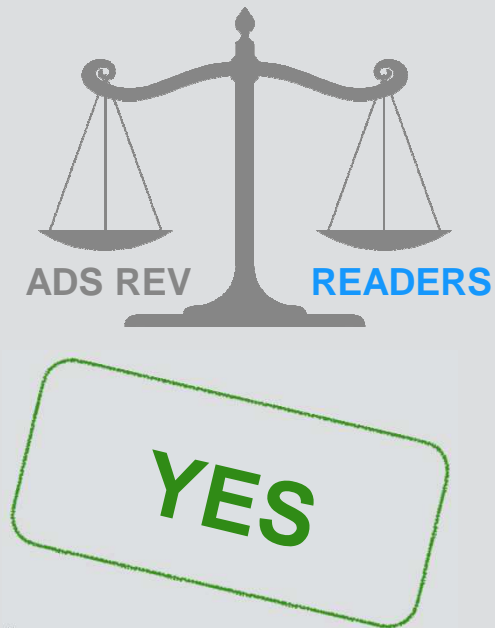
# SYNDICATION

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



# SUBSCRIBER REVENUE

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





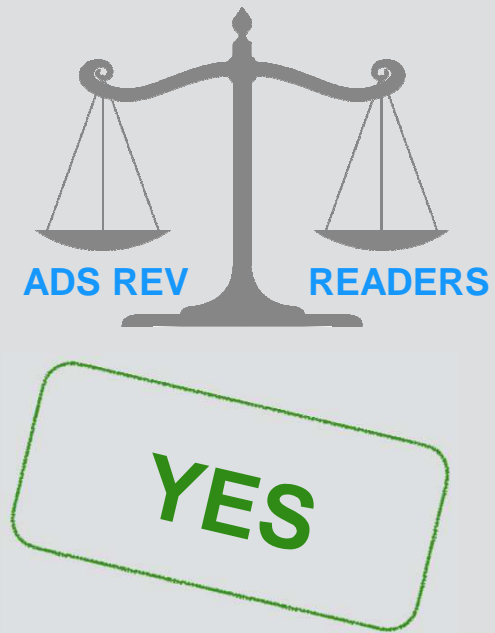
# EVENTS

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

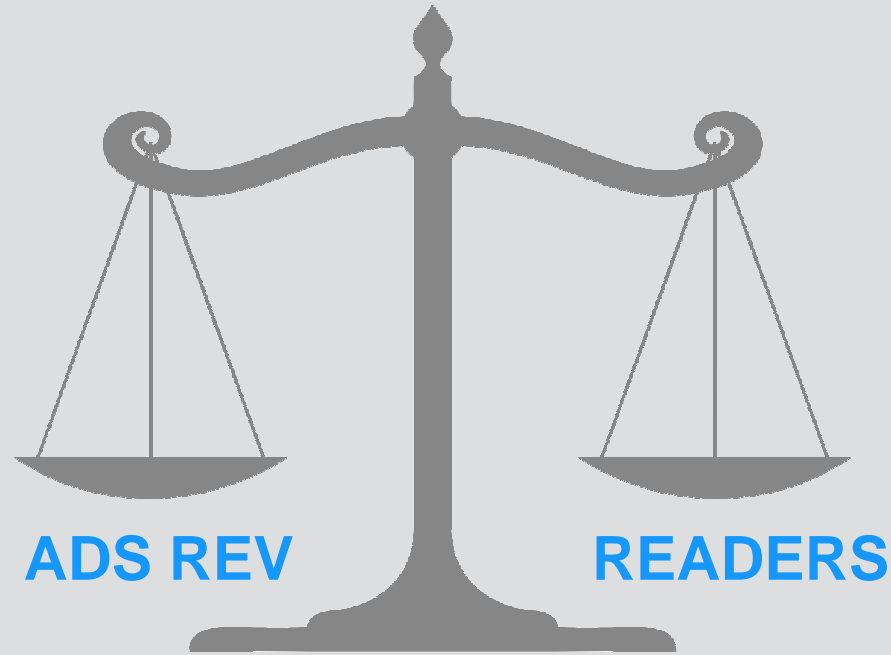


# 360° SALES

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



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



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

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



# SHOW ME THE MONEY

Blackstar Group.

## AVERAGE REVENUE PER USER

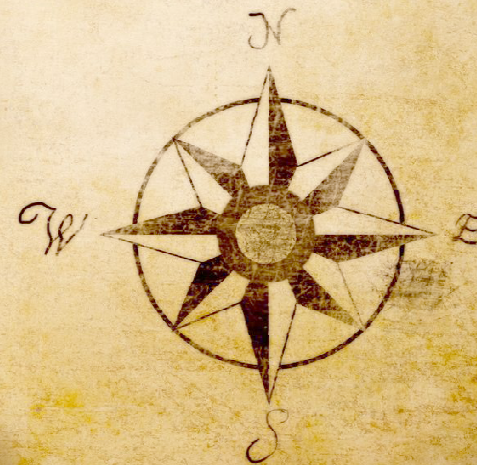
Our broad calculation is about **R1.25 per month** on a traffic CPM basis versus an average of **R150 per month** for a digital subscriber.

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



SYNDICATION  
LEAD GENERATION CAMPAIGNS  
PROGRAMMATIC & DATA SALES  
PREMIUM DISPLAY ADS

DISTRIBUTED  
CONTENT





**THE END/  
QUESTIONS**