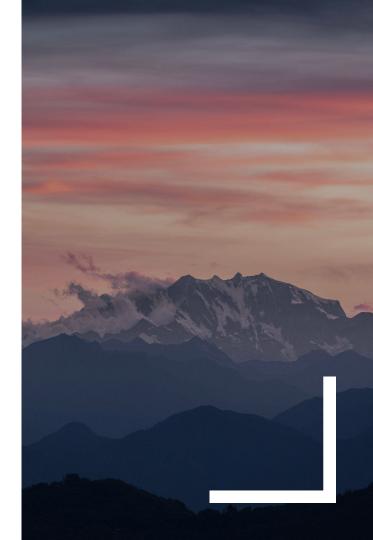
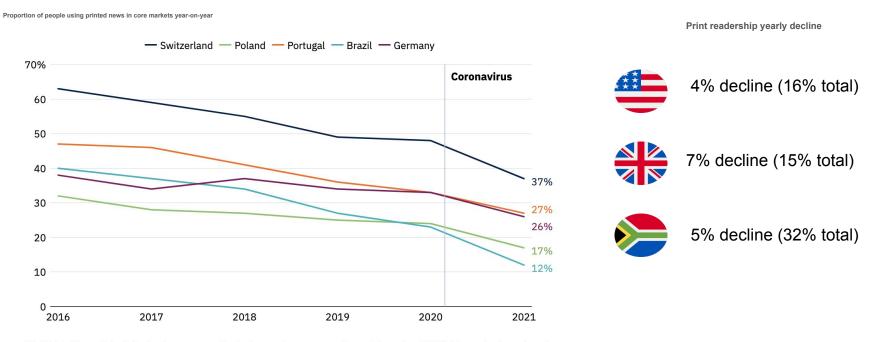


Contents

- 1. Global context
- 2. Global North vs Global South
- 3. Sustainability study and methodology
- 4. Definition and measurement of sustainability
- 5. Sustainability framework and preview



There has been a global decline in print news consumption

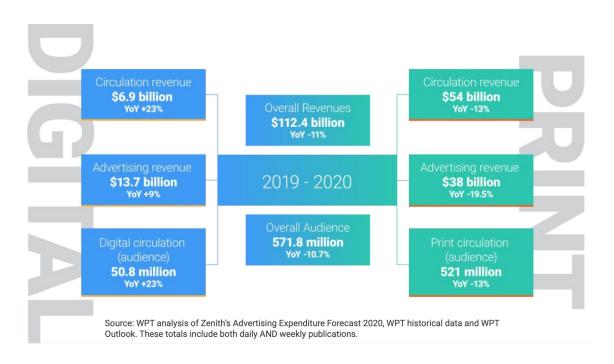


Q3. Which, if any, of the following have you used in the last week as a source of news? Base: Total 2016-21 samples in each market $(n \approx 2000)$.



The decline in print revenue has led to a shift towards digital

However, progress is slow - only 17% of people pay for any news online globally



Number of newspapers sold and subscribed to on average will decline by 24.1 million by 2025

Total newspaper and magazine revenue fell by US\$23.5 billion between 2019 and 2020

Publishers are turning to recurring revenue models to reduce reliance on advertising

Digital income is set to account for 24.1% of total newspaper revenues by 2025



Global outlook: publishers of all shapes and sizes all over the world have been affected by factors like Covid, economics and politics

- Covid has pushed many publishers over the edge of sustainability
- > End of third-party cookies and privacy concerns
- Anonymous browsing
- ➤ Undervaluing digital audiences: advertising and subscriptions: why cheaper?
- ➤ Data management and audience understanding
- ➤ Changing distribution models = a problem for low-quality print models
- Paper costs are prohibitive
- Russia Ukraine war: recession
- ➤ Economic problems
- Unstable political environments
- ➤ The rise of nationalism
- ➤ WhatsApp and the spread of misinformation
- Press freedom concerns



Global outlook: The challenges for sustainability are very different in the global North and the global South

- ➤ Low GDP coincides with low willingness and ability to pay for content
- ➤ Large audiences have facilitated advertising businesses: how to pivot to reader-centric revenue?
- > Data costs and accessibility have a huge effect on strategies in developing nations
- App swapping: a challenge in SA and countries with high Android, low storage capacity
- In South Africa, 55% of people have phones with 16 GB of storage capacity or less; 85% of people buy airtime data in amounts of R50 (\$3.30) or less; 90% of people regularly run out of data; most people have irregular or no access to Wi-Fi; and the majority of people have 5 or less apps on their phone (that they installed);
- The factors people consider most before installing an app are:- available phone storage (30%), data cost to download (26%), how much data an app will use once installed (20%), how long they might want to use it for (12%)
- This has a clear effect on strategies re e-commerce and affiliate revenue
- ➤ Also need to take in account these factors when planning heavy video and audio strategies
- Good journalism depends on reader paying a virtuous circle



Print losses in magazines have been exacerbated by the pandemic

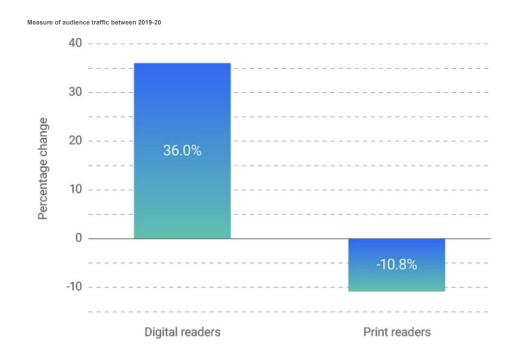
Lockdowns led to a decline in point-of-sales purchases, and later a resurgence of subscriptions

Total annual circulation (m)



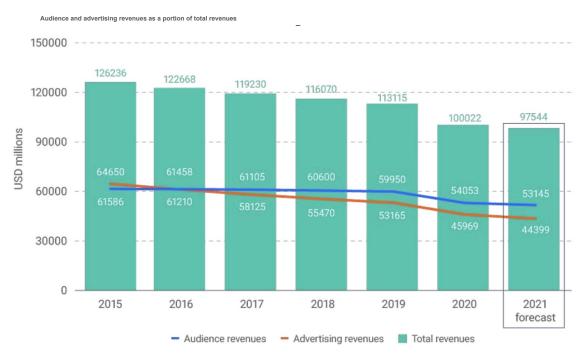


Decrease in print and increase in online readership lay the foundation for a digital revenue model





Audience revenues have overtaken advertising revenues

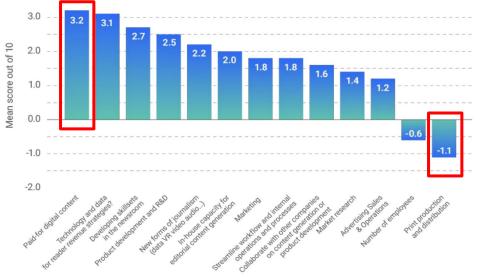


Source: WPT analysis based on historical data, Zenith (ad expenditure) and the WPT Outlook survey. Figures for daily publications only.



Building reader revenues are the top priority for publishers

Publishers are looking to invest in paid for digital content, and divest from print production and distribution in the next 12 months



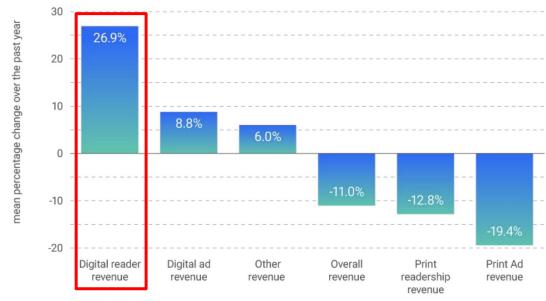
Source: World Press Trends Outlook survey



Digital reader revenue is the biggest growth area; print revenue is falling

However overall publisher revenue is still dropping despite these shifts

Question: How have your revenue streams changed over the last 12 months?



Source: World Press Trends Outlook survey



The focus on digital reader revenue will impact the newsroom in a number of ways









Digital content strategy and editorial alignment

Data in the Newsroom

Knowing your readers

Change in culture & mindset



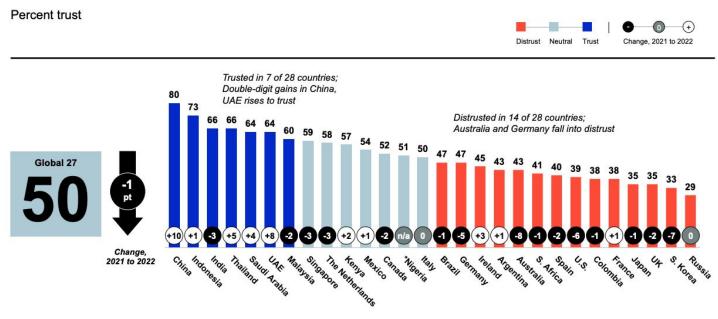
Shift from print to reader revenue is important, but there are other important global trends



Trust in news is on the decline

Legacy publishers and large, trusted brands are well placed to benefit from this, as people place a greater premium on accurate and reliable news

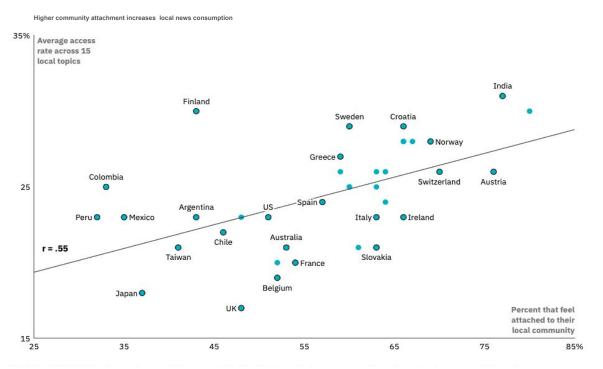
TRUST IN MEDIA DECLINES IN 15 OF 27 COUNTRIES





There is still a place for local media

Plays both a functional and emotional role in lives, telling people what's going on as well as giving them a sense of belonging



- Higher community involvement is associated with higher local news use
- However, it is considered the best source for only a minority of topics
- Local news is the #1 source for local crime and politics

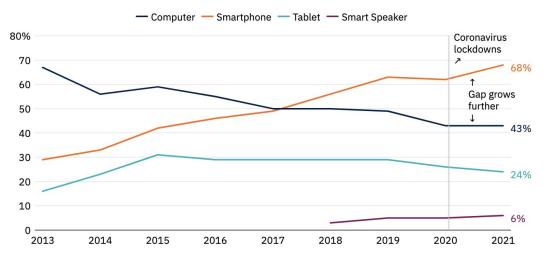


Smartphones are the device most used for news

People are looking for a medium that is accessible, easy to consume and reaches a wide range of demographics

Proportion that accessed news via a smartphone in the last week

United Kingdom

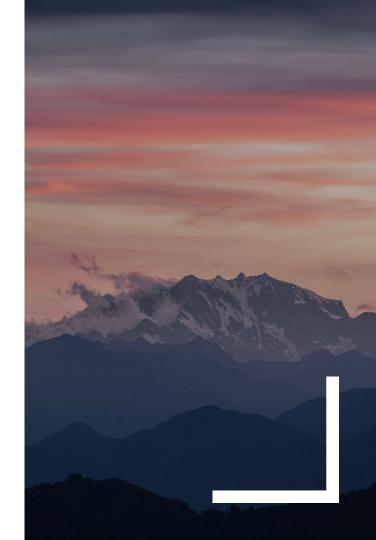


Q8b. Which, if any, of the following devices have you used to access news in the last week? Base: Total 2013-21 samples in the UK $(n \approx 2000)$.

- Western Europe lags behind the Global South in using smartphone for news
- The World Bank and African Development Bank report there are 650 million mobile users in Africa, surpassing the number in the United States or Europe.
- A recent Pew Research
 Centre survey shows that a
 third of the world's
 population across developing
 nations own a smartphone.
- Average cost of 1GB mobile data in South Africa is R78.50, which is 6th cheapest in Africa, and 136th globally



> What does this all mean for sustainability?



DEFINITION OF SUSTAINABILITY:

Sustainability for news publishers is the ability to fulfil their long term journalistic mission, by reaching the financial resilience and stability that allows them to continue investing in quality independent journalism, as well as in the transformation and growth of their organisation



THE VISION OF OUR PROJECT

Our goal is to build an in-depth understanding of financial sustainability in news publishing - as well as a way to measure it - in order to better support the industry in its efforts to transform and thrive





PROJECT AIM 1:

Define and measure sustainability

- Define sustainability and create a uniform way of measuring it
- Use this measurement to diagnose the industry on an global and regional scale, and create a tool which individual publishers can use to self diagnose





PROJECT AIM 2:

Identify pillars of success

- Articulate a clear view of the archetypes for news sustainability across the world
- Identify the set of capabilities and activities required within each archetype to achieve that sustainability



PROJECT AIM 3:

Help publishers progress

- Build a diagnostic tool, informed by benchmarks and best-practice
- Help publishers to both assess their sustainability and to identify key actions to improve it



A wide range of industry experts have collaborated on this project



























Google News Initiative



Publishers from across the globe have overseen and contributed their expertise



Post and Courier



Anita Li The Other Wave



Bharat Gupta Jagran News Media



John Heaston The Reader



Barbara Kaiia Vision Group



Eduardo Garces El Espectador



Daily Mayerick

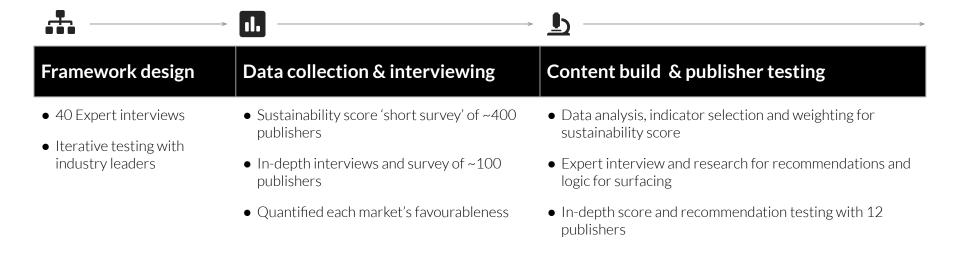


La Croix



Standard Group

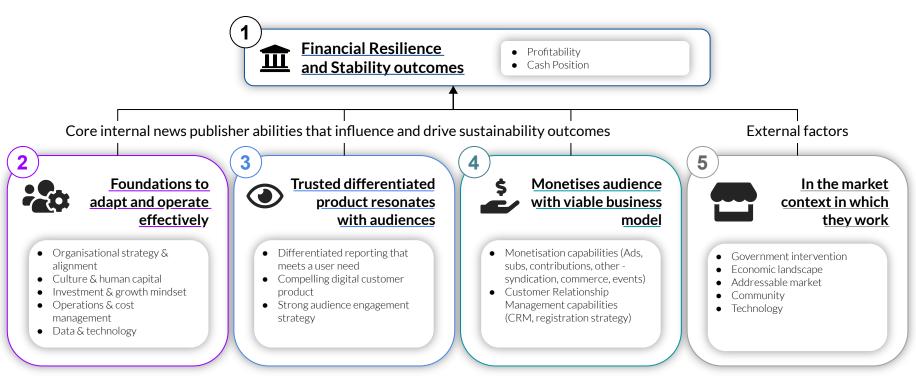
We have undergone a rigorous process to define and measure sustainability







5 dimensions make up the sustainability framework







We've created 3 deliverables based on this framework and research

'MINIMUM VIABLE' DIAGNOSTIC TOOL

Providing publishers with a sustainability score, core publishing operational performance metrics and recommendations to improve their sustainability



ARCHETYPES AND INSIGHTS REPORTS

Providing publishers with succinct summaries of the replicable models of success in each segment, and key learnings about sustainability from the study







Thank you

lisa.macleod@ft.com

Twitter: @lisataljard

www.ftstrategies.com

