



Digital Innovators' Summit

SPECIAL REPORT

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Introduction

“This is perhaps the most exciting time ever to be in the content business. We have become a global, digital and mobile content company delivering large scale audiences around well-defined media brands.”

Duncan Edwards, president and CEO at Hearst Magazines International and chairman of FIPP – the network for global media, was in bullish mood during his opening keynote speech at the 2016 Digital Innovators’ Summit (DIS) in Berlin.

He wasn't alone. Many of the larger publishers at the summit not only shared significant growth figures, but also celebrated new and emerging revenue opportunities.

The potential of video, content marketing, virtual reality, native advertising, membership schemes, retail tie-ins and more were clearly concentrating the minds of not only the speakers, but also many of the delegates at the summit. The days of media companies relying on display advertising for most of their revenue are at last on the wane.

And while some speakers explored how both new and legacy companies have innovated in the digital arena, others pointed to an experimental future where mobile devices could usher in a transformation of the way they delivered content.

That isn't to say, though, that the 2016 summit didn't also examine some of the serious challenges facing the publishing industry. It is somewhat ironic that the conference was held in Germany, home not only of the world's most prominent ad blocking software, but also of the publishers who have most aggressively fought back against them.

The emergence of social platforms have also given publishers much food for thought. Where should they draw the line in working with the likes of Facebook, Google, Apple and others?

In some respects, then, the 2016 summit saw a coming together of many diverse and disparate publishing companies, who possibly see a way to a more profitable future through a unified approach to technology, advertising and platforms.

The main summit spanned 21-22 March and included a number of ancillary networking events.

Like previous years, it appears that delegates left the conference excited, inspired and energised - ready to face a year that will deliver challenges, but lots of opportunities too.

This report, compiled by Ashley Norris and Sadie Hale, highlights some of the key discussions in Berlin.

1. **Social platforms and mobile**
2. **The fight against ad blocking**
3. **The continuing rise of content marketing and native advertising**
4. **Virtual Reality is coming**
5. **Emerging revenue streams**
6. **The centrality of technology**
7. **Targeting younger audiences - Millennials and Gen Z**
8. **Content innovation**

Social platforms and mobile

Undoubtedly one of the biggest talking points for publishers at the Summit was the rise of social platforms like Facebook's Instant Articles, Google's AMP and Snapchat's Discover. Many speakers at the conference mulled over whether the new revenue streams they offer are going to be enough to help the media overlook some of the disadvantages of working with the platforms.

Stefan Betzold, managing director digital, BILD GmbH & Co KG

"Distributed content and the rise of the social new platforms is the biggest change in the media in the past fifteen years," argued Stefan Betzold in his presentation. But he then went on to explain why the industry needs a united approach in tackling the platforms.

Betzold said that the shift has come about via the growth of mobile. At Bild, desktop is now stationary, but mobile is massively increasing. As Betzold explained, "there's a big question around revenue and distribution models – they simply don't make up for what we have lost in print. The shift to the new platforms has been putting added pressure on media companies and creating new changes. Mobile platforms don't get the correct value of audience usage and monetisation."

"Mobile advertising spend is only eight per cent," he added. "And we face the challenge from the dominance of the top five US players – Google, AOL, Twitter etc. Effectively we are fighting for just 37 per cent of mobile advertising revenues."

For some platforms it's all about money and advertising, while for others the key reason is brand exposure. Betzold also suggested that the CPMs that were being generated on social platforms were nowhere near as high as those Bild can achieve on its own website. Also for Instant Articles, for example, there is only one revenue source - display advertising. There's no rich media, native advertising, video or partnerships.

Betzold ran through the minimum requirements media needed from the social platforms. These include editorial freedom, control over advertising strategy, access to targeting and tracking data and paid content options.

"We need to change this together with the platforms, and we need to stay together as a publishing industry to get the platforms to agree to our requirements!" he exhorted.

"The key takeaways we can learn from associated industries are to analyse, test and learn and be confident and negotiate," he emphasised.

Ralf Kaumanns, Digital Business, Growth & Competition, Independent Advisor

Kaumanns began his presentation at the Summit by offering a deep dive into Facebook's Instant Articles (and the other platforms), which he describes as "a push model with content that comes into a newsfeed".

"The content is housed in a closed environment, and has a standardised approach. In many ways Facebook is being very controlling about the content that appears on the platform. It decides what to publish to whom on the basis of an algorithm that considers relevance for readers and user experience, in other words visual elements and interaction."

As for the monetisation options, Kaumanns argues that they are "nice, but the big money from content distribution is not in the articles themselves, but outside of them."

Kaumanns then talked about Facebook's newly unveiled Canvas ad format and how it might work with Instant Articles. He thinks the ads "take the style of Instant Articles to an ad format, with very similar integration of video, animations, etc." He reported that feedback from the ad industry to the format has been very positive.

Yet Kaumanns also cautioned the media industry not to get carried away with social platforms as there are clear compromises that publishers might have to make. "Publishers are junior partners in an ecosystem controlled by super distributors. There could also be stringent restrictions on storytelling, data gathering and content distribution."

Kaumanns also noted that the gatekeepers decide all the rules - for example keeping users on platforms rather than sending them to publishers' websites and controlling the standards. He concedes that the economic basis of publishers is threatened, as there is an erosion of own offering.

However, he added that "it is unlikely that publishers can ignore distributed platforms completely," still asking, "why brands should go to publishers if they can sell directly to the right user at the right time?"

Finally, Kaumanns concluded by arguing, "You cannot ignore distributed social platforms, but be aware not to feed the borg! The potential of reaching audiences and new monetisation options are promising. But pull the plug if you lose too much. Publishers need to get together to speak with one voice."

Juan Señor, partner, Innovation Media Consulting Group, UK

In his presentation at the summit Juan Señor shared many of the learnings gleaned from discussions with publishers throughout the last year which have been published in the Innovation in Magazine Media 2016-2017 World Report.

Señor had a great deal of advice for the delegates on how to produce and monetise mobile content. He stressed that the content needs to be hyper relevant, easy to navigate, quick and customisable. He advised against bandwidth-hungry large visuals and that as many stories as possible should be delivered as summaries, with tap or swipe for more options.

As for his view on social platforms, Señor quoted content and social media marketing consultant Simon Owens, who commented recently, "Think of it this way: If The New York Times struck a deal with CVS [a US pharmacy chain] to have its print edition sold at CVS, you wouldn't see a bunch of hand-wringing about how it's handing over the Times' keys to CVS."

He also noted the enthusiasm of some key influentials in the industry for social platforms, like Business Insider president Julie Hansen who said "we've been pleasantly surprised to see the monetisation is so strong. It's every bit as good as on our own site."

Ultimately he exhorted publishers to "jump into one platform, probably Facebook, as a test. See what happens. Expand or pull back, as results indicate."

Ad blocking

2015 was the year in which ad blocking software went from being a niche topic that was starting to worry largely tech-based publishers, to a very real concern for the entire industry. Some media companies remain adamant that it barely affects their bottom lines, while others are reporting that as many as 40 per cent of their readers aren't seeing the ads which are used to monetise the content that they are consuming.

At the DI Summit the fightback against ad blocking was led by German media companies, who have already embarked on court battles with ad blocking companies and are now experimenting with other approaches.

Oliver von Wersch, managing director, G+J Digital

"High quality journalism costs money and it needs to be paid for either by the advertiser or the user," stated Oliver von Wersch, in the opening remarks of his speech in which he sought to explain G+J Digital (and indeed much of the German publishing industry's) attitude towards ad blocking.

"Ad blocking disrupts this business model," argued von Wersch. "In our B2B communications we highlight that ad blockers are doormen of clubs they don't own."

On Eyeo, owners of Adblock Plus, and their business model, von Wersch said. "They are not about making ads better, but getting money from publishers. They already deal with

large companies who pay them to whitelist ads through. Things that are potentially illegal have to be addressed as illegal and this has coloured G+J's approach."

He advocates messaging users with ad blockers, making them aware of the economics of content production and asking them to consider switching them off. "Publishers need to try as much as they can to get back the dialogue and see what the reaction of the users are."

Von Wersch explained that so far G+J's approach has been successful. "Typically the strategy has reduced ad blocking rates - usually between 20-40 per cent depending on the site. The most successful one was the site Essen und Trinken, with 38 per cent of ad blocking system users switching if off. Users can't see the site unless they turn the blocker off."

"Adblock Plus is not a part of the value chain - it is a clear opponent," stated von Wersch. "Many users are not aware of the impact of ad blocking, and things like malware tracking and retargeting. We need better ads, but we need to ensure too that people understand that journalists are paid by those ads."

Ben Barokas, founder of Sourcepoint

In his presentation Ben Barokas gave the delegates a view on the history of ad blocking and how his anti-blocking approach had evolved. "Four years ago, my company, Admeld, was purchased by Google. I was then involved in marketplace development and had lots of discussions with German publishers about large issues with the ad ecosystem."

"Three years ago ad blocking rates started to reach 10-15 per cent and many publishers began to ask 'how do we look at this problem going forward? How do we get back the revenue that we're losing?' After the tenth publisher asked me that question I began to think - there may be a business here."

Barokas then explained how ad blocking had become mainstream. "The ecosystem has woken up and ad blocking has even entered popular culture with a South Park episode and Howard Stern talking about ad blocking."

Barokas cited Apple's move to introduce ad blocking into its Mobile iOS ecosystem as being the moment that the industry woke up.

He then went on to list some of the challenges the industry faces with ad blocking in 2016. He believes that in addition to desktop and mobile, ad blocking will arrive in three other ways:

1. Mobile carriers - devices may ship with ad blockers enabled. Companies like the Shine from Israel are working with networks such as Three in this area, while at the same time courting other networks like T-Mobile and Verizon.
2. Web browsers - could come with ad blocking capabilities baked in, e.g. in the same way they stop pop-ups.

3. Anti-virus software - may include basic ad blocking services - in the next year to two years, antivirus will auto-update users with ad blockers.

However, Barokas thinks that messaging the reader could be a very important part of the equation. "Companies need to have a conversation with the user, admitting that they understand that consumers demand choice." He believes that "offering multiple completion options to users is the only way the problem will get solved." These could include serving personalised ads, offering an ad-free experience for a period, or pushing subscription or membership options.

Barokas believes this messaging works best if used with a content lock, which is another option that he thinks publishers need to take seriously.

Finally Barokas said "do not underestimate the strategic relevance of ad blocking and its effect on whole corporations. There are many different parts of publishing which need to be part of the conversation - business departments, subs, ads, tech and engineering departments.

Secondly, offer users multiple ways for compensation; thirdly, collaborate with other publishers, and finally, make better ads - creative, secure and not intrusive!"

Content marketing and native advertising

Duncan Edwards, president and CEO, Hearst Magazines International

In his keynote speech Duncan Edwards unpacked the power of native advertising and, in particular, how publishers should be working in a bespoke way with brands. "The right ad in the right context. Content produced by, credited to and distributed by a trusted media brand for a client can be many times more effective than that produced by a client on its own."

Kaylee King-Balentine, director of T-Brand Studio International, The New York Times

One of the most critically acclaimed and perhaps commercially successful practitioners of native advertising is The New York Times. The newspaper recently developed the T-Brand Studio International, an in-house agency that makes content for the newspaper on behalf of brands.

Kaylee King-Balentine, director of T-Brand Studio International, began her presentation by stating her company's strategy. "We take a journalistic approach to creating stories similar to our newsroom."

She then suggested that to stand out in creating native advertising or branded content, the following rules need to be observed. "Don't trick your reader/viewer. Be authentic. Be relatable. Communicate your message in a sophisticated way. Tell a great story."

King-Balentine then described a project that the group worked on with Shell. "We created a multimedia paid post for Shell to highlight the rise of population from urban areas to cities, inspired by data visualisation techniques implemented by our newsroom."

She concluded by underlining the key factors that make native advertising so successful. "70 per cent of people would rather learn about products through content than traditional ads. Compared to banner ads, native ads generate 82 per cent more brand lift. People view native ads 53 per cent more than banner ads. Viewers spend nearly the same amount of time reading editorial content and native ads."

Shane Snow, COO Contently

In his presentation Shane Snow predicted huge things for the content marketing industry, claiming it will be "a \$50bn industry by 2019."

His key take away for delegates was to suggest they think about content marketing in reverse. "Figure out what the audience wants first, then figure out the technology and process. (Most of us do this backwards.)"

He added that "to build lasting relationships and make people truly care, we must follow journalism's number one tenet: Don't deceive."

Lucy Küng, author and research fellow at the Reuters Institute for the Study of Journalism, UK and Switzerland

Lucy Küng's tour of six successful media digital media brands also touched on native advertising. She pointed out that two of her key examples, BuzzFeed and Vice Media, had pioneered the format and were very successful at creating this type of commercial content.

"Generation Y is very cynical about ad messages," says Küng. "The Vice model is proper media content that happens to be made by a brand partner."

She then added that, "Intriguingly, Vice is becoming a new media hybrid, moving back to classic broadcasting with deals with HBO, Sky and others. It has a unique editorial voice and has really innovative relationships with commercial partners."

Sam Olstein, global director of innovation, GE

One of the most fascinating examples of how brands are working with content came from Sam Olstein of General Electric.

Olstein explained how GE apparently played a role in the moon landing - developing the plastic in the original visor of the astronauts' helmets. Two years ago the company took the same materials and created 100 pairs of moonboots based on the ones worn by the crew of Apollo 11. As Olstein explained, "We acted like a company that was releasing a shoe. So we used the sneakers to launch the brand on Snapchat. We used images of Buzz Aldrin, who made the first footprint on the moon."

The shoes went on sale on the 45th anniversary of the moon landing - at the exact moment when the lunar module landed on moon. And even though they were priced at \$200, they sold out in seven minutes. A secondary market developed on eBay with shoes selling for as much as \$5,000 per pair.

Olstein also shared the story of Drone Week, an innovative series which was created for the live video streaming Periscope format. He described it as a “five day showcase of GE machines from all over the US.”

The brand used a drone-powered aerial cinematography platform to convey a sense of scale and reach of the projects it works on.

As Olstein explained, “we used multiple flights looking at industries that people don't get to see e.g. aviation, renewable energy etc.”

Virtual Reality

At the FIPP World Congress in Toronto in October 2015, Koda Wang, COO of The Huffington Post spoke about how his company aims to make 50 per cent of its content video-based by the end of 2016.

So not surprisingly, many speakers at the Summit said they focus on producing compelling video content.

A significant and highly interesting sub-strand was a discussion of the rise of Virtual Reality video in publishing. After a very successful VR experiment conducted by The New York Times in November 2015 using Google Cardboard along with its own app to view The Displaced, an 11 minute film about refugee children, some speakers asked whether VR was a concept whose time had finally arrived.

Jens Christensen, founder and CEO of Virtual Reality vendor Jaunt

Christensen began his presentation by stating that he believes that one of the main reasons for VR's slow growth up until now is that good content is very hard to produce. Most of the initial work on VR was military-based and the headsets were large and clunky.

“Now though, what smartphones, Google Cardboard and Oculus have done is to make VR available to all.”

Christensen thinks VR will transform film too - creating a whole new genre of movies. He also suggests it could be a powerful tool for broadcasters in sports, with VR enabling the viewer to choose where to look, where to sit (next to celebrities?) and more, while watching the game.

Other areas where Christensen believes that VR will become commonplace include travel - so people can experience where they are going before they book their trip - and advertising.

Christensen stressed that as VR goes mainstream it needs content. And creating content is challenging as it has to be bespoke.

He challenged publishers to work on VR content explaining that Jaunt licences the use of the camera and the editing process through distribution deals.

Christensen concluded by saying he believes that “2016 will be the year that VR reaches the mainstream.” In addition to the headsets, he reminded the audience that The New York Times distributed over one million Google Cardboard VR viewers in November, and that there are many intermediary solutions emerging.

Juan Señor, partner, Innovation Media Consulting Group

In his presentation Juan Señor quoted The New York Times CEO Mark Thompson who said at the end of last year. “VR is already margin-positive for us. We're making money out of VR. We expect to make money from VR again in 2016.”

Tanja Aitamurto, fellow and deputy director at the Brown Institute for Media

Aitamurto claims that “Consuming 360° video is getting easier and cheaper all the time, increasing access and interest in the medium. Google Cardboard costs just \$3; the “sitting web” (desktop) is growing; but as with the rest of the internet, mobile is growing fastest, with social platforms like Facebook and YouTube making way for 360°.”

All these different platforms make for a difficult task for publishers – there’s no standard uniform way of viewing 360° yet, so it’s a challenge creating this kind of content.

Users have short attention spans, too, as Aitamurto warned. “360° should be used only when journalists are certain that people will actually use it and get something from it that they wouldn’t from a regular video. Nonetheless, adding interactive layers can work well to make the video worthwhile, for example integrating annotations, or “hotspots” which contain extra information when clicked on.”

In her final remarks, Aitamurto expressed a desire to alter and disrupt the linear storytelling format which seems to dominate 360° video at the moment. At the Brown Institute, she stressed, “We want to experiment with telling stories in a 360 way – for example allowing users to navigate from different exit points in the video, and combining video with computer-generated VR. All in all, 360° is in an experimental phase at the moment, but it’s going to be crucial to storytelling in the future.”

Ben Kreimer, fellow at BuzzFeed’s Open Lab, San Francisco

Another advocate of the potential of 360° at the conference was Ben Kreimer from BuzzFeed. He emphasised the fact that it places the user/media consumer directly into a space, encouraging interaction and (limited) exploration. “It means the consumer is no longer just an observer, and provides an important opportunity for journalistic transparency,” he said. Kreimer predicted that 360° video is the future, and recommends that anyone planning to use it not to overcomplicate things. He suggests that the video is hosted in the browser (don’t make people download an app) and that publishers use simple cameras that won’t distract them, such as GoPros.

He finished his speech by describing one of his first projects with the Open Lab in October 2015 when he was part of a team which flew drones into a 76,000 acre area north of the Bay Area in California which had been ravaged by forest fires. The “Valley Fire Project” involved drone footage and interviews with people affected by the fire using 360° cameras, and its footage was highly acclaimed.

Emerging revenue streams

Juan Señor, partner, Innovation Media Consulting Group

Up until now publishers have been elephants dancing to many digital tunes, as stated by Juan Señor in his round up of his Innovation in Magazine Media World Report for FIPP. But then he added, “now we know which tune to play!”

Señor then listed the seven key conclusions from the report, many of which refer to revenue generation. They are:

1. The days when digital had the audience but not the revenue are over
2. The display digital ad business model is dead
3. Controlled distributed content is a must
4. Mobile equals different content for different platforms
5. Frequency is now everything
6. Only physical change will bring about conceptual change
7. Trend watching is more important than metric watching.

In particular Señor was keen to stress the importance of and the opportunities created by mobile, arguing that “mobile is not a platform, it is a new medium and only mobile content and advertising that are totally unique and tailored to the mobile experience will succeed.”

Señor then quoted AllRecipes VP of consumer and brand strategy, Esmee Williams, who said recently that “consumers expect a relevant mobile experience — personalised, lightning-fast, consistent across screens, and highly efficient. Scrolling, tapping, clicking, swiping, talking, and motion must be part of it.”

The presentation then moved on to examine alternative methods of revenue generation such as micropayments. Señor outlined a series of lessons from Blendle, a Dutch based company that recently launched its micropayment service for publishers in the US.

After examining Blendle’s approach, Señor made four points.

1. Micropayments for journalism can work, but not for news
2. Readers punish clickbait creators by demanding refunds
3. Micropayments are a great measure of quality
4. Micropayment revenue is additional revenue, not cannibalism.

Peter Vamos, managing director of video at Star Media Group

“10 per cent of your posted video content will generate almost all your video pre-roll revenue — you just don’t know which 10 per cent.”

Frank Bachér, managing director, Rubicon Project, Northern Europe, Germany

Around one third of the worldwide digital ad spending was already programmatic in 2015, increasing to 50 per cent in 2019.

Matej Novak, managing director, CPEX

Novak focused on the need for publishers to get together to ensure that they get the best highest possible revenues. “To face up to global competition (Google, Facebook etc.) individually, we are weak. Even if we are competitors as publishers, the value we gain from working together is so great that the compromise is worth it.”

He added that “alliances can provide value across all channels (desktop, mobile, video) although they need to have a clear market offering for advertisers.”

Matthew Gerry, managing director of Weddings, Immediate Media

In his presentation, which showed how Immediate Media was pioneering new revenue sources, Gerry explained that “ultimately, trust gives brands permission to serve their audience, and publishers the chance to inspire, educate, and transact.”

He added that the key to his success focuses on a mobile first approach and on bridging print, digital content creation, and new transaction-based business models to engage special interest audiences and deliver real-time ROI to advertisers by connecting targeted data with marketplace opportunities.

He explained how Immediate Media has done this. “In January 2015, the company acquired hitched.co.uk, a leading digital planning tool for couples. Hitched was the perfect counterpart to its existing wedding brands; the site leaves no detail out in its focus on helping couples plan their perfect wedding. Hitched provided Immediate Media with a new marketplace platform and revenue opportunity in their native UK, but extends far beyond to Australia, Canada, India, Ireland, South Africa and the US, too.”

“To succeed in the digital world it is a must to ensure marketers, sales, and technologists are working in the same room,” Gerry concluded. That is the foundation of the new media room.

Miroslava Duma, founder, Buro

In her presentation, Duma stressed the power of niche publishing as a revenue generator. She said, “Niches are powerful, important and here to stay – and building on this, finding a committed and passionate base is the way forward for publishers.”

Steve Newbold, divisional managing director, Centaur Media

One of the most fascinating presentations at the DI Summit came from Steve Newbold, divisional managing director, Centaur Media. He explained how Centaur used digital technology and events to transform itself into a multimedia content and insight business.

He explained that “the majority of Centaur's revenue is now in paid for content and events. It now has four events which generate in excess of £250m revenue. Real-time data services are also a major revenue source, while paid for content, reports and insight data yield has tripled in the last year.”

“In the next three years, ads will be less than 30 per cent of our revenue, the rest will come from paid-for content and events.”

Yet Newbold added that publishers should also bear in mind the potential of print. He said that “Centaur is still very much committed to print. A brand is stronger in media with an anchor in print - it is not the big revenue driver, but gives you credibility.”

Jake Batsell, assistant professor at Southern Methodist University and former Texas Tribune fellow

In his presentation, Batsell talked about how the Texas Tribune, a non-profit, non-partisan political news site started in 2009 by VC investor John Thornton and CEO Evan Smith, successfully used membership schemes as a key part of its revenue strategy.

Batsell explained the key differences between subscription, which he describes as “paying for access to content”, and membership, which he believes is “paying to join (and support) a community of purpose”.

He then gave advice to other publishers who wished to make membership schemes work by suggesting that they needed to “define the ask, and be creative and inclusive. He then suggested that events can maximise value. And he finished by encouraging publishers to “over-deliver for your supporters as they may invest more next year.”

The centrality of technology

From The Washington Post to Bild via BuzzFeed, technology is increasingly driving publishers forward. At the Summit several presenters referenced technological innovations, from the latest content management systems through to hosting solutions.

Ingo Rube, CTO, Burda

German company Burda takes the view that publishers don't often compete on technology, so it has initiated The Thunder Project, which has at its heart a modular and customised Drupal-based content management system. Burda has now made access to the project available to anyone in the industry.

At the DI Summit Rube said, “We further believe that publishers do not compete through technology. Rather they compete with their unique brands and content. Therefore, we

chose to make Thunder publically available in order to foster cooperation among the publishing industry."

"One fundamental principle of Thunder, and its community, is that the system is free to use. We will also request from our industry partners that their value-added services will be available with a freemium model (e.g. video streaming or the Riddle tools). Therefore, many small publishers will be able to use these services without any cost."

In sum, Thunder provides small publishers with a professional platform at very low cost. And smaller publishers in particular will benefit from the future improvements of the system without the need to continuously finance a standing team of developers or external suppliers.

Colin Bodell, CTO, Time Inc.

In his presentation, Bodell aimed to prove that media and technology are "two sides of the same coin". He explained leveraging Time Inc.'s storytelling prowess, and a new technology infrastructure and tools to deliver content to their consumers "when they want it and in the format that they most deeply enjoy and appreciate," allowed them to reach new heights. It is at this precise point where the "cultural change happens and media companies start to reflect on the speed and cadence of a technology giant," explained Bodell.

He then gave a series of examples of how Time Inc. had used technology to enhance performance, for example moving to the AWS Cloud supported them to gain new levels of performance and scalability to handle traffic spikes. As a result, their hosting costs dropped by 53 per cent, they saved over US\$5m and reduced time-to-traffic to 15 minutes. "It provided the editorial team with improved ways to tell stories. That's where our business starts and ends each day," said Bodell. They have now moved all web, mobile, and corporate apps to the Cloud, bringing 100 per cent of UK brands, 76 per cent of US brands and the virtual enterprise data centre on AWS.

Bodell also recalled the difficulty of finding an off-the-shelf solution that could meet the needs of the media industry. This paved the way for Time Inc.'s Toro, a content-feed-based reading app for iOS and Android. With Toro, editorial teams are able to aggregate the content they create and deliver it to a native mobile app. "Today, it takes just one week - sometimes even less time - to put together a mobile site," said Bodell.

Targeting younger audiences - Millennials and Gen Z

Many of the conference speakers addressed the need for media companies to meet with younger audiences, namely millennials and Generation Z, on their own terms.

For some companies the relationship with younger audiences is highly prized. In her presentation, Lucy Küng reported a conversation that Vice Media's CEO Shane Smith had had with the owner of News Corp.

"I said to Rupert, 'I have Gen Y, I have social, I have online video. You have none of that. I have the future, you have the past.'"

Yulia Boyle, SVP international media, National Geographic Partners

In her presentation, Yulia Boyle spoke at length about the importance of visual content. She explained that Nat Geo is thriving on visual platforms, especially those which have appeal to younger audiences. Nat Geo boasts 170 million Facebook fans, 20 million Twitter followers, eight million views on Google+, and 53 million Instagram followers. What's more, Yulia explained that they tend to upload a lot of their videos directly onto Facebook, because it gives priority to brands using its native video player.

Boyle stressed: "We're so successful on these platforms because we are not afraid to be playful, fun and light-hearted when approaching the important issues, which inevitably attracts a younger demographic. Photos are key – 90 Nat Geo photographers have been given the login to the official Instagram account, which aside from being completely non-commercial, is awash with beautiful photos from these photographers who post from their locations all over the world. The result is very high engagement, with 75 per cent of engagers being millennials."

Kate Ward, vice president international, Refinery29

"Refinery29's audience doesn't fit in boxes – so neither does its content," explained Kate Ward of the successful female focused site at the start of her presentation. The site produces 30,000 pieces of content per year, and with a 994 per cent growth in video in the past year, the site reaches more than 25 million people per month and a further 150 million on social platforms.

Ward also argued that the "principle of 'millennials' is a *mindset* rather than a generation." Refinery29's audience also tend to regard themselves as global citizens, not citizens of the US – "they are more engaged in global context and culture than any generation before them, they live 24/7 online lives, and they want instantaneous global content."

As Ward explained with this in mind, the team at Refinery29 curate responsibly – serving content for their audience from all over the world, and creating a creative global network. They believe they offer something completely unique, with a content calendar that's global in perspective and never switches off.

Content innovation

"We built a locomotive and a few days later the train tracks got built." Lucy Küng quoted Jonah Peretti of BuzzFeed in her presentation. Peretti was describing the way in which BuzzFeed learnt how to create engaging content using data before finding a way to distribute that content - in this instance via social media.

Content innovation was an important theme for the Summit, as many speakers talked about how their editorial had broken new ground and attracted new readers.

Yulia Boyle, SVP international media at National Geographic Partners

Boyle described how Nat Geo has been innovating and disrupting itself since its conception in 1888. A notable example, she said, “was in 1906 when its first editor decided to use photographs in the magazine for the first time – prompting two board members to resign in disgust, for “turning a reputable journal into a ‘photobook’”. Looking back now, it’s hard to imagine the Nat Geo brand without the visual hooks – photos are right at its heart, reflected in the fact that it’s the number one media brand on Instagram.”

Henry Finder, editorial director, The New Yorker

Another speaker to stress the importance of content innovation tied to experimentation with the business model was The New Yorker’s Henry Finder. During the summer of 2014, the magazine decided to make a radical departure from its existing online paywall, and during this ‘summer of free’ made archives and all issues free for a couple of months, serving as a trial period in which they could teach readers what could be available to them if they paid.

After carefully tracking traffic, they looked at the idea of a turnstile which would allow visitors access to content a certain amount of times before asking them to pay – so they set the number at six free visits per person per month. This time, they put much more of the in-demand content in front of the paywall to entice people.

Finder described the thinking behind this. “We think of the New Yorker as a carefully cultivated garden that people actually want to visit,” he said. “In which people want to be key-holders; want to belong to the realm.”

For the New Yorker, the primary bond is with the reader. They make sure that a piece has been written and written well first, and there’s no strategic use of certain words or names to improve SEO/SMO, and they don’t AB test with content.

This is because in addition to the quality of the content, the quality of the traffic and readership matters: their general philosophy at the New Yorker is to “forsake dimes now for dollars later”. Lifetime subscribers, notions of membership, are key to building a lasting community. They’re looking for people who value what they have to offer, and as a result their social media strategy is all geared towards the lifetime value of the subscriber.

Tanja Aitamurto, fellow and deputy director at the Brown Institute for Media

Tanja Aitamurto talked about how crowdsourcing could bring audiences closer to media companies. When journalists use crowdsourcing, readers start to feel closer to the publications they help. Aitamurto stated that “the traditional relationship flows one-way from journalism to the reader, but this way, it’s more mutually beneficial. Central to readers’ feeling of belonging is the fact that they are no longer just consumers, but part of the process, and readers have often subscribed to the publication after being involved.”

Aitamurto gave an example of a leading newspaper in Sweden which wanted to investigate the interest rates of banks, so they asked people to use an online map to submit information about the interest rates they'd received. Incredibly, they garnered over 50,000 submissions, and it wasn't just a good story – in fact, many people who'd submitted used the information from their peers as a comparison tool to go back to their banks and ask for a better loan/interest rate. This shows how crowdsourced tips can be used to expose the ethical inconsistencies of banks and big businesses to ensure a better service.

However, Aitamurto said, it does raise a tricky fundamental question about crowdsourcing. "Journalists must be prepared for unexpected situations where they can gather massive amounts of data that they then can't or don't use. After all, how do we verify it?"

Andy Bowers, COO, Panoply

Andy Bowers from Panoply, which is owned by Slate Magazine, spoke about how his company was innovating using the mature medium of podcasting.

He explained that in 2014, publishers were already sensing something was changing, with Apple introducing the native podcasting app on iOS, meaning it was downloaded automatically on Apple devices and couldn't be deleted.

Then, Bowers said, came Serial. Attracting hundreds of millions of listeners around the globe, this podcasting phenomenon – which started out as an experiment by journalist Sarah Koenig in October 2014 – is justifiably credited with renewing interest in the podcast. Remarkably, the figure now stands at 98 million Americans who've tried out listening to podcasts, with monthly listeners at 57 million.

Bowers emphasised that podcasts attract and keep a hugely engaged audience – much more so than anything else on the internet. People feel that they're part of a club, and we can see this reflected in their passion for the hosts and the shows they listen to. Live versions of podcasts can be great fun, and thousands of people have come to Slate's.

What's more, Bowers added, "podcasts are the perfect modern medium because they're mobile first – you can multitask while listening in the way you cannot with video and text. Thirdly, podcasts are fun! It's rewarding work for almost everyone involved, and this is reflected in real loyalty from listeners."

Lucy Küng, author and research fellow at the Reuters Institute for the Study of Journalism, UK and Switzerland

During her presentation Lucy Küng illustrated how both BuzzFeed and Vice Media had become pioneers of media innovation. "BuzzFeed is essentially a tech company with algorithms and formulas for trying to decipher why we share some content," explained Küng. It is ten years old and half of its editorial staff work in news. The founder, Jonah Peretti, is in many ways trying to correct elements of the HuffPost's model (he worked at that organisation until 2006) which partially explains his passion for native advertising

rather than display. The company has just received \$200 million investment from NBCUniversal - mainly to expand its video output.

Another important reason for the success of BuzzFeed, says Küng, was timing -luck was very important. "Peretti was fascinated by why people share content then tested his hypothesis. When social mobile media hit BuzzFeed was the only game in town for content on social media news."

BuzzFeed has four core areas: distributed content, video (which is currently seeing huge growth), native advertising and native content and editorial. Lucy stressed though that BuzzFeed is not covering the whole panoply of news. "It focuses on silos - news with activist twist (not the EU for example) but climate change, LGBT issues, news that chimes with its targeted demographics. News adds huge gravitas to these brands."

They have clever leadership and singularity of purpose, know what they are trying to do, and have intuitive strategies which have worked credibly in complex markets. All saw where the future lay and all had resounding credibility within the culture - which is a big deal in media organisations."

"The integration of tech, commerce and content creation is the real story, said Küng. "Also a re-interpretation of what quality content looks like and how it is driven by data."

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