INNOVATION IN MAGAZINE MEDIA
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WORLD REPORT

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How to spot (and profit from) a trend

It could be as simple as just taking a step back and watching what’s going on right under your nose.
Trend spotting.

How do you hitch your wagon to the next big thing and make a zillion bucks?

Greater minds than ours have tried, and their track record is, well, spotty.

In our industry, magazine closures over the last seven years have gone from twice the number of launches to half. That’s a good sign, but there are still too many “sure things” for magazine investors that have gone bust.

In consumer goods, the graveyard of “Next Big Things” is populated by some pretty impressive companies and some pretty memorable flops – the Apple Newton PDA, Google Glass, Betamax, New Coke. There have been other less well known “locks” that attracted a ton of investment that now seem silly in retrospect – Bic Disposable Underwear, Harley Davidson Perfume, Cheetos Lip Balm, Cosmo Yogurt.

So what’s a publisher to do to get ahead of the next big trend?

At the risk of having these suggestions come back to haunt us (my father always said never put advice on paper), here are two “can’t miss” things that might be worth a side bet, or bigger.

Monitor trending hashtags. Pay attention to what your younger staffers are wearing, talking about, doing in their spare time (if you allow spare time). Attend the Consumer Electronics Show (CES) in Las Vegas. Watch for start-ups in your niche (if there are a bunch in one field, you may be on to something). Keep an eye on consumer goods’ sales figures. Go to the mall but don’t shop, just find a bench and watch people go by. Don’t talk about yourself at cocktail parties; ask other attendees what they’ve been doing and enjoying lately.

We could go on, but you get the idea. Open your eyes and ears to something other than the crisis of the moment at work.

One of the trends you would have noticed lately if you’d had your ear to the ground is virtual reality (VR).
The not-so-new new “thing”

Yeah, we know virtual reality has been around for a while — under-delivering since 1968, believe it or not! But with the early 2016 launch of the Oculus Rift (purchased by Facebook for US$2bn in 2014), VR’s time might have finally arrived for publishers.

It appears to be a great consumer product at a price that’s not totally out of reach for early adopters (still high at US$599), and it offers an environment that might be gangbusters for advertisers.

There are cheaper VR devices out there: Samsung Gear VR (US$199) and Google Cardboard (US$24.99 including shipping or as low as US$5 on Amazon). But as one reviewer delicately put his review of Google Cardboard:

“IT kinda sucks”.

Critics can sniff, but the New York Times distributed 1.31 million Google Cardboard devices to home subscribers in November 2015 to use to watch a VR video of the life of three refugee children. It quickly became the NYT’s most successful app launch ever and delivered proof of concept, according to the company.

“Given that the average time spent within the NYT VR app is close to 15 minutes — an unheard of metric for digital media — it is clear that this experience resonated with viewers,” NYT Magazine SVP/advertising and publisher Andy Wright told The Media Briefing.

The brilliant video aside, the real brilliance was to put more than a million free entry-level VR devices into the hands of more than a million people. “People understood the concept, were intrigued and excited by it, tried it out and enjoyed it enough that they kept it in their homes,” NYT CEO Mark Thompson told Beet.tv.

“We hope people see this as the moment when VR went mainstream,” New York Times Magazine editor Jake Silverstein told The Media Briefing. “Not when early-adopters, gamers, people who already know got it, but...
when those without exposure to it realised what this new medium can do."

Officials from The Times also pointed out that the project was sponsored by GE and vehicle manufacturer Mini, whose branded content was part of the app experience.

The NYT also used VR to take viewers through the streets of Paris after the November terrorist attacks, and released a short VR film in December called “Take Flight” that took viewers through the night sky.

Other media companies pushing VR include Discovery (creating weekly VR content for its VR app), the Associated Press (created its first VR video in November 2015, “Seeking Home: Life Inside the Calais Migrant Camp”, a story about the largest migrant camp in Northern France), and The Wall Street Journal (its first VR video, also in November, was about an American Ballet Theatre principal dancer).

Called the “Godmother of VR”, Emblematic Group CEO Nonny de la Peña has produced some of the best VR work to date, including “Project Syria” (viewers live through a recreated terrorist attack in Aleppo), “Hunger in Los Angeles” (recreating a dramatic medical
TREND SPOTTING

emergency in a food line), and “Use of Force” (the recreation of the murder of a Mexican immigrant by US Border patrol agents). The popularity of the less-than-perfect quality of the graphics proved that viewers will tolerate below-Hollywood standards if the experience is engaging enough.

Where to next?
“The challenge right now in VR and breaking news is sensationalism,” Economist business development and innovation vice president Ron Diorio told Digiday. “Everything about VR is hype; the danger is in mistaking the hype for the story.”

Hype or gold? Like any trend spotting situation, the answer comes down to three questions:

1. Is there, or will there soon be, a sufficiently large user base?
2. Can they be monetised?
3. What are the costs of production?

In the United States, the number of years before a quarter of the population adopts a new technology is fast decreasing, according to The Economist and singularity.com. And the time it takes for a new technology to hit a user base of 50 million is also shrinking. VR consultancy firm KZero is predicting there’ll be more than 40 million active users of VR by 2016. Digi-Capital predicts the VR market will be worth $30billion in 2020. And Statista, being perhaps a bit irrationally exuberant, anticipates a global VR userbase of 171 million by 2018.

So if we have scale, if the market is big enough, can it be monetised?

Well, VR could be the right tool in the right place at the right time. As users, especially young consumers, are looking for more interactivity, as publishers seek a replacement for the failed display ad model, and as brands are looking for a way to engage consumers, along comes VR with its high-impact immersive experience.

As is often the case, the advertisers and brands are ahead of the publishers. British Columbia’s tourism office, Destination B.C., has invested more than half a million US dollars in an Oculus VR video to attract tourists from around the world.

“You don’t have to simply lean on telling...
consumers things like, ‘The trees are this big.’ That sense of being there is such a powerful tool,” Destination B.C.’s Janice Greenwood-Fraser told AdWeek. “It brings it to life in a way that no photo or regular video can.”

When Oculus offered agencies, brands, and vendors a developer kit back in 2014, more than 100,000 took them up on the offer, including Hearst’s *Elle* (planning a VR live-stream of a fashion show).

“It’s going into environments that the consumer heretofore never had access,” Kevin O’Malley, senior vice president and publisher of *Elle*, told *AdWeek*. “That could be a tiki hut jutting over gentle waters in Polynesia, or it could be front row at a fashion show that they normally only see on TV, where they can see the celebrities who are there. It’s quite another thing to be front row, and when you turn to your left you are sitting next to celebrity X, Y or Z.

Niches are hot, and so are magazines’ niche pubs. Atlantic Media launched *Defence One*, targeting the defence industry.
Pros: At quintuple the price of the Samsung Gear VR, we’re taking a quantum leap up in terms of both quality and comfort with the Avegant Glyph. (A “glyph, by the way, is a carved symbol or, in the Avegant case, an oh-too-clever name for a VR viewer). Reviewers rave about the Glyph, calling it a “personal theatre”. Roughly the same size, shape, and weight as a pair of Beats Headphones, the Glyph is hands-free, micro-USB chargeable, featherweight (.4 kilograms), and boasts a four-hour battery life. Another aspect that charms tech-heads is the ability to connect to any and every HDMI-compatible device, giving users the ability to plug into anything from PC to gaming console to smart phone.

Cons: If you’re looking for a strictly games-focused VR headset, this may not be your first choice. The Glyph has been marketed more as an “HMD” (head mounted device) with VR capabilities, than a strictly VR device. Consumers can watch 360-videos and have a “theatre” experience, but it’s not a VR experience like the Rift or Gear.

Pros: This little device has arguably the best reputation in the world of virtual reality. Considered to be one of the first big consumer-targeted VR products, Oculus shipped the third generation Rift model in March of 2016. Equipped with a positional tracking system called “Constellation”, Rift headsets use infrared tracking sensors which track a user’s every movement when wearing the device — expanding the potential for gaming interaction and movement. Each headset is shipped with a wireless Xbox One controller — a pretty heavy-handed (albeit smart) cross promotion.

Cons: The drawback of this VR heavy hitter is that it is not a stand-alone device like the Glyph. The Oculus must be connected to a PC in order to operate. Also, the Rift is only compatible with Microsoft Windows operating systems.
“It’s great the NYTimes and Google are teaming up. But it will be better if you joined in this disruption, too! And chances are, after just some experimentation, your VR work can be as good as the shining stars of the industry.”

Robert Hernandez
Journalism professor
University of Southern California

proven and advertisers are on board, it comes down to the cost of equipment and production, right? If so, there’s good news.

Sure, you can spend as much as US$60,000 for one camera (the Nokia Ozo), and some marketing agencies have targeted the cost of a three-minute VR video at as much as US$1m, according to AdWeek.

But perfectly functional cameras or camera rigs can cost from a couple of hundred to three thousand dollars. Here are some:

- Ricoh Theta (US$350)
- V.360 (US$449)
- Giroptic (US$499)
- Blubcam (US$799)
- Six GoPros (US$200-$400 each) with the Freedom 360 GoPro Mount (US$499)

You’ll need software to stitch all the video together. “There are a couple out there, but I’ve been using Kolor’s suite of software,” wrote University of Southern California journalism professor Robert Hernandez on Medium. “That costs money. But you can download it for free to test it out, although videos will have watermarks.

“All together this goes for around $5,000,” Hernandez wrote. “With that, you are ready to take on the big players like the NYTimes. I’m serious. It’s great the NYTimes and Google are teaming up. But it will be better if you joined in this disruption, too!

“And chances are, after just some experimentation, your VR work can be as good as the shining stars of the industry,” wrote Hernandez.

Once you produce your VR videos, you can publish them on platforms ranging from YouTube to VRdeo or Kolor Eyes.

But who on your staff can do this stuff?

Some publishers, in a hurry to get started, have gone to outside VR companies like Jaunt for VR expertise. But others, like Gannett in the US, are training staffers at various publishing sites.

“If somebody goes to Jaunt, they’re spending a lot of money for those third-party relationships,” Mitch Gelman, vice president of product for Gannett Digital, told Digiday. “We’re spending a lot less money, and we’re spreading the capability across now 12 of those markets [where staffers have been trained].”

Distribution of VR content should not be a problem, either.

YouTube has added a “cardboard” viewing

"The ability to put viewers inside a scene, to be placed inside an event, is a massively compelling experience.”

Nic Mithan
co-founder of We Ar VR, a VR streaming and content delivery service, speaking to The Media Briefing.
Microsoft HoloLens
PRICE: $3,000

Pros: If virtual reality headsets were cars, it’s safe to say that the HoloLens would be a Rolls Royce. Microsoft’s premier holographic device goes WAY beyond being just a VR headset and is, in truth, more of a stand-alone, wireless, cordless (Windows 10) computer, contained in a pair of smart glasses. Cool, right?

Cons: The pesky issue of wearing eyeglasses. Visuals fail to cover a user’s full field of vision, but rather exist in a small box with limited peripherals in front of the user’s eyes. Furthermore, this device was created with developers in mind as a platform for them to create even more high-quality VR technology. That does not mean you should expect to pick up one next Christmas. Why? Well, it’s $3,000 for starters. It’s also being distributed in limited releases to developers and Microsoft insiders. It is actually the first step in Microsoft’s plans to develop its “Windows Holographic” platform of the future.

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Virtual reality investment has changed from a trickle of US$15m in 2012 to a flood of US$2b in 2015, according to SuperData’s research report: “Virtual Reality Market Brief 2016.” (Photo courtesy of Sony)
hand told Digiday. “When we go into verticals in which we’re dominant, it expands our overall audience, which helps boost everything else. You’re never going to see us start a site focused on consumer packaged goods.”

Atlantic Media also launched niche publications recently: Quartz and Defence One, targeting international business people and the defence industry respectively.

And if streaming shows and binge watching isn’t a trend, we don’t know what is. But viewers are often befuddled about what to watch and how to find it. In New York City, that’s not a problem thanks to the niche publication of The New York Post which launched the appropriately titled site Decider.

The folks who successfully brought Politico to Europe last April (they’re at a million uniques a month) knew a niche when they saw one, both last year and in 2007 when they launched Politico in the US. “Our overall philosophy of publication is

Virtual Reality will reach over 55M users in 2016E
Oculus has partnerships with developers and studios to ensure content is available by Oculus Rift’s release date.

Virtual Reality Gaming Regional Market Size 2016E

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<th>Region</th>
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Mobile is Asia is the first step toward Virtual Reality’s $12.3B 2016E industry. Asia will account for more than half of worldwide mobile VR users this year, helping to quickly gain a quarter of the global market. Mobile’s accessibility to nearly half the world’s users and console users to jump on board in North America and Europe, leading the industry to earn $5.1B in 2016E. As hardware and software developers respond to expanding consumer demand, the market will grow from 2016 to 2018E by a CAGR* of 10.8%.

Virtual Reality Gaming Market Brief, January 2016 © 2016 SuperData Research. All rights reserved. | www.superdataresearch.com

Virtual Reality Value Chain Participants

**INVESTORS**
- Private equity firms, hedge funds, venture capitalists

**CONTENT PLATFORMS**
- Game developers and publishers
- Software businesses
- Tech Development Investors
- Private Equity Investors

**HEADSET MANUFACTURERS**
- Oculus
- HTC
- Sony

**NON-HEADSET HARDWARE MANUFACTURERS**
- Game Makes
- Hardware and Software Businesses

**CONTENT DEVELOPERS**
- Film companies
- TV networks
- Sports leagues
- Educational institutions

**AUDIENCE**
- In China
- In Europe
- In the US

Virtual Reality will reach over 55M users in 2016E
Oculus has partnerships with developers and studios to ensure content is available by Oculus Rift’s release date.
that the future is niche as opposed to generalist,” Europe executive editor Matthew Kaminski told Press Gazette. “We prefer to go deeper than wider. And if we go wider we will go deep too... We want to be better than anyone else at politics and policy. That’s all.”

Another great example of hopping on a hot niche is *Il Mio Papa*, the Mondadori 2014 start-up that hitched its wagon to the global fascination with the new pope. It launched with a press run of three million copies and hasn’t slowed down since.

Between the heavily Catholic population in Italy and the 1.2bn Catholics worldwide, *Il Mio Papa* has an enviable potential circulation base.

The editors feed the pope frenzy on a weekly basis, often treating the pope like a pop star (pull-out pope posters, pope trinkets, and bookings for trips to the Vatican). But the editors try to keep it on the serious side with profiles of saints and serious examinations of the pope’s pronouncements.

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**Virtual Reality Investment**

Virtual Reality investment will reach $3B in 2016E and keep growing. Investments in Virtual and Augmented Reality reach a combined $4.1B between 2012 and 2015.

**Virtual Reality investment has changed from a trickle of $15M in 2012 to a flood of $2B in 2015*. VR investments more than quadrupled after Oculus VR’s $91M funding rounds in 2013. Funding comes from a variety of sources, which not only highlights immense industry interest, but means funding will continue to steadily roll in through 2018E.

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*Does not Include Facebook’s 2014 2.2B Acquisition of Oculus | ✝ Crowdfunding accounts for less than 1%
Not everyone can do a Pope-azine

So what niche can you profit from if the pope doesn’t live in your backyard?

Look at some of the magazines launched in 2015 in the US, and you’ll see a pattern of identifying what’s hot and jumping on it:

2015:
- **Marijuana Ventures**: How to grow, market and sell pot
- **Ballistic**: Firearms and survival lifestyles
- **Mornings with Jesus**: Picking up on the growing religious fervour in the US
- **Roadkill**: So-called Automotive Chaos Theory fixing up old cars and hitting the road
- **Sip**: Riding the coattails of the fascination with exotic cocktails
- **Cool Tech**: C/Net goes from digital-only to print
- **Do**: Crafts, colouring and gift-making in a meditative way
- **Eat This Not That**: Healthy consumption through black-and-white decisions

2014:
- **Craft Beer & Brewing Magazine**: Taking advantage of the craft beer explosion
- **Live Happy**: Banking on people’s desire to counteract all the bad news with the “science of positive psychology”
- **Modern Pioneer**: Feeding the back-to-our-roots passion of people seeking to escape the modern world
- **Mud & Obstacle**: Elite obstacle course racing has blossomed into a serious fad
- **Rescue Me**: Feeding the desire of people to save abandoned pets from kill shelters
- **Vapor Lives**: The popularity of vapour cigarettes drives this consumer magazine along with a partner title for the vapour industry.

So, go get yourself a cheap VR camera, train one of your staff, and shoot some editorial and advertising VR videos. And then put them in your latest niche publication. You’ll be latching on to two hot trends at once.

Good luck!
How to choose a VR camera

Sure, you can spend as much as US$60,000 for one camera (the Nokia Ozo), and some marketing agencies have targeted the cost of a three-minute VR video at as much as US$1m, according to AdWeek. But perfectly functional cameras or camera rigs can cost from a couple of hundred to three thousand dollars.

1. **Ricoh Theta S**
   - Price: $349.99
   - **Pros:** The newest model from Ricoh, the Theta S now offers the ability to capture up to 25 minutes of continuous shooting, as well as live-streaming capabilities. One of the biggest advantages of this device is the ability to transfer all data collected (in full 1080 HD) directly to one’s phone or mobile device, without having to download to a computer! Other notable pluses include: a micro HDMI port and the always intriguing long-exposure shot capabilities.
   - **Cons:** Unlike its predecessor, the Theta M15, this camera only comes in one colour. Which, if you’re a fan of the more “vibrant” looking 360° cameras, might be a drawback. Relatedly, the Theta S is larger and heavier than the Theta M15. But in an industry where convenience and durability are key, this could be a drawback for potential consumers.

2. **Bublcam**
   - Price: $799.99
   - **Pros:** Finally, a 360° camera with no blindspots! Bublcam uses its own software to stitch together images internally, eliminating the extra steps usually required in VR image capturing. Very developed web and mobile app plug-ins emphasise the social-focus of this product. Its design makes it ideal for tripod mounting, and with the use of Bublcam’s mobile app (available for iOS and Android), users can even use their mobile devices as remote controls for the device. Cool!
   - **Cons:** Photos can only be uploaded to the cloud one at a time. Which, depending on the magnitude of one’s projects, could become very tedious. Relatedly, if the camera’s battery happens to die while recording, that file will be deleted. Oh, and it doesn’t ship to the US (yet!)

3. **Nokia OZO**
   - Price: $60,000
   - **Pros:** As far as professional VR capturing, this camera sets the bar. With eight cameras and eight microphones, the OZO has cutting-edge capabilities. Equipped with interchangeable digital cartridges, recording time can be optimised for over 45 minutes/cartridge.
   - **Cons:** Price - It’s $60,000. That’s hardly a Christmas present for your tech savvy family member. Also, its 4.2kg (9.3lbs), roughly the size and weight of a cantaloupe melon. Then again, if you’re in the business for the top-of-the-line VR equipment, this is as good as it gets.
5 CENTR
Price: Estimated retail, $399
Pros: Created by former Apple camera engineers, this consumer-based product is the newest rival to the GoPro camera. It fits in the palm of one’s hand and is roughly the size and shape of a roll of scotch tape. Compared to the more bulky VR cams, the CENTR weighs just 250g (9 oz). It also comes with an internal digital bubble level that levels and stabilises the camera during filming.
Cons: Still in development, it is not available for mass consumption yet. Also, its max battery life is only two hours. As is the case with any tech of this size, it is delicate and quite easy to lose track of if you’re not careful.

6 Sphericam II
Price: $2,499
Pros: While comparable in tech specs to most of its competitors, the real distinction is the eight tripod mounts within the body of the camera, making it possible to be mounted on virtually anything. This is a cheaper, more consumer-based take on the Nokia OZO, boasting six lenses, six image sensors, and four microphones.
Cons: The sphericam doesn’t offer the option of capturing still frame photographs, only video. And it won’t currently be available to purchase until February/March of 2016. Also, the Sphericam II is branded as a personal, non-professional apparatus, but the price point begs to differ.