8 INDUSTRY TRENDS

JUNE 2018
WE EMPOWER OUR MEMBERS TO BUILD MARKET-LEADING INTERNATIONAL BUSINESSES THROUGH INTELLIGENCE, SOLUTIONS & PARTNERSHIPS
WHAT WE DO

INTELLIGENCE:
bespoke content across our portfolio of digital media and live events

SOLUTIONS:
targeted lead generation and discussion forums for suppliers targeting media owners

PARTNERSHIPS:
enabling media owners to make the connections they need to grow their business
The S-curve wave of a new paradigm as it explodes into growth and then matures.
<table>
<thead>
<tr>
<th>Product</th>
<th>Years to 50 Million Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airlines</td>
<td>68 yrs</td>
</tr>
<tr>
<td>Automobiles</td>
<td>62 yrs</td>
</tr>
<tr>
<td>Telephone</td>
<td>50 yrs</td>
</tr>
<tr>
<td>Electricity</td>
<td>46 yrs</td>
</tr>
<tr>
<td>Credit Card</td>
<td>28 yrs</td>
</tr>
<tr>
<td>Television</td>
<td>22 yrs</td>
</tr>
<tr>
<td>ATM</td>
<td>18 yrs</td>
</tr>
<tr>
<td>Computer</td>
<td>14 yrs</td>
</tr>
<tr>
<td>Cell Phone</td>
<td>12 yrs</td>
</tr>
<tr>
<td>Internet</td>
<td>7 yrs</td>
</tr>
<tr>
<td>iPods</td>
<td>4 yrs</td>
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<tr>
<td>YouTube</td>
<td>4 yrs</td>
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<tr>
<td>Facebook</td>
<td>3 yrs</td>
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<tr>
<td>Twitter</td>
<td>2 yrs</td>
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<tr>
<td>Pokémon Go</td>
<td>19 days</td>
</tr>
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1. TALENT & CULTURE

- **Compete for talent** - attractive employer brand & modern work environment to attract & retain right people

- **Change is ongoing & driven by management** - keep business agile & open to innovation

- **Training** - develop new skills sets and train for transformation

- **Diversity is key** - build new networks of talent, culture & leadership

‘Invest in people, not technology - because technology does not change a corporate culture’ - Philipp Schmidt, chief transformation officer and MD: Prisma Media Solutions

‘Company culture is going to develop with or without the participation of media execs’ - Gary Liu, CEO, South China Morning Post
Employees at $200B in Market Cap

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Electric</td>
<td>1997</td>
<td>239,000</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>2007</td>
<td>302,000</td>
</tr>
<tr>
<td>Verizon</td>
<td>2014</td>
<td>176,800</td>
</tr>
<tr>
<td>Microsoft</td>
<td>1998</td>
<td>27,000</td>
</tr>
<tr>
<td>Apple</td>
<td>2010</td>
<td>46,600</td>
</tr>
<tr>
<td>Alphabet</td>
<td>2012</td>
<td>53,861</td>
</tr>
<tr>
<td>Facebook</td>
<td>2014</td>
<td>9,199</td>
</tr>
<tr>
<td>Amazon</td>
<td>2015</td>
<td>165,000</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence, SEC Filings

Employee numbers based on year end nearest the date each company reached $200B in market capitalization.
2. THE ELEPHANT IN THE ROOM

- Where now for Facebook? - changes to News Feed & Cambridge Analytica make FB future direction uncertain

- Have an open conversation ... - FB more open than ever before to dialogue with content providers

- ... But don’t rely on FB for traffic - ensure you have a multi-channel approach to traffic acquisition

- Platform-specific content & marketing / a mix of approaches - right content for each medium

- SEO is back! - the renewed importance of the Google algorithm

‘...you cannot rely on Facebook ... to control your destiny. The notion that scale is everything has been replaced by the notion of relationships’– Vivian Schiller, independent editor-in-chief at Weber Shandwick

‘These massive tech platforms are essentially utilities. Facebook is the telephone line and we provide them with a conversation’ – James Wildman, President & CEO Hearst Magazines UK
Referrer Dashboard

External Referral Traffic to Parse.ly's Customers (100% = all external referrers)

Current Top 10 External Referrers

- Google Search: 4.4%
- Facebook: 2.4%
- Twitter: 2.2%
- Yahoo!: 9.2%
- Bing: 9.1%
- Drudge Report: 8.7%
- Pinterest: 7.2%
- Google News: 5.6%
- Instagram: 3.0%
- LinkedIn: 2.3%
3. PRINT MATTERS

- **The power of touch & feel** - use print’s tactile nature to tap into readers’ senses and marketeer nostalgia

- **The ultimate touchpoint** - print has luxury appeal, is consumed slowly and lingers in consumer households

- **Quality medium** - that sells and increase brand awareness

- **Innovation** - every year, FIPP’s Innovation in Magazine Media Report finds new innovations in printed magazines

‘Why try to be part of virtual reality if you can be part of reality?’ - Christian Kallenberg, director consulting, We Like Mags

‘[Newspapers & magazines] … may be more effective than people give them credit for’ - Sir Martin Sorrell, WPP
Strong journalism / unavailable online

New packaging for existing content / enhanced reader value

Premium print products
Issue One

by Facebook

Meet H&M's Millennial Whisperer
4. THE STATE OF ADVERTISING

- **Strategy** - look again at your advertising strategy, how does it integrate with your users' experience? What technology can you harness to deliver better results?

- **Native** - create authentic, opinionated and purposeful native copy; break down silos in your business and be transparent; beware the native bubble?

- **Video Monetisation** - partner with platforms to create branded or sponsored video content

- **Ad Fraud** - have a strategy and collaborate with industry partners; fraud and viewability both still live issues

- **Transparency** - underline to advertisers, partners and agencies the importance of transparency

‘The areas which have been proven to help publishers and advertisers grow their business are; data proficiency, partnerships and trust’- Bernhard Glock, Senior VP Medialink

‘All the rules for native advertising and trust fall under one overarching principle: respect is everything!’ - Carla Faria, director of The Foundry, Time Inc UK
5. Subscriptions & Reader Revenue

- **Subscriptions** - invest in knowledge/data to build subscriptions; add value through memberships

- **Paid Content** - readers are increasingly prepared to pay for quality, specialist content ... and they understand advertising no longer pays the bills

- **E-Commerce** transform from media to audience-focused content-and-commerce, with seamless transactional technology

- **Events** - build events as a revenue generator driving brand loyalty and subscriptions; a great platform for advertisers

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'We now charge the same for a digital subscription as for a print subscription on the grounds that you are paying for the content and not the format.' - Michael Brunt, chief marketing officer & MD: Circulation, The Economist

'If it is valued, if it is unique, if it is something you can’t get anywhere else, and if it speaks to their passions, makes them smarter, gives them advantages, and entertains them, readers should pay for it' – Juan Señor, Senior Partner IMC
The sources of revenue at the *Times* have shifted dramatically in the 21st century.

### 2000
- Advertising: 70%
- Print: 1%
- Digital: 23%
- Other: 6%

### 2005
- Advertising: 65%
- Print: 1%
- Digital: 27%
- Other: 7%

### 2010
- Advertising: 44%
- Print: 10%
- Digital Subscription: 39%
- Other: 7%

### 2015
- Advertising: 28%
- Print: 12%
- Digital Subscription: 42%
- Other: 12%
6. THE POWER OF PLATFORMS & PLATFORM-FOCUSED CONTENT

- **Video** - video content, particularly live, can create high levels of deep engagement which can solidify audience/publisher relationships ... but are increasingly hard to monetise

- **Podcasts** - have been a roller-coaster but are excellent at building brand values and extending reach to premium audiences; advent of voice services at scale mean they have better than ever potential

- **Voice** - this year’s ‘must-do’ activity ... or this year’s Snapchat?

- **Approach** - explore partnerships and branded content; create platform specific content with clear brand identity

- **Challenge ‘fake news’** - ensure our industry retains credibility and protect authentic journalism hope this remains a fad

‘Ask yourself questions about new platforms: will they enhance the value of the package? Can they introduce new subscribers? Will they reflect your core DNA? - Lucy Rohr, Deputy Multimedia Editor, the Economist

‘We have found that when you create original content for each platform it works much better for engagement’ – Kalli Purie, group editorial director, India Today Group
Google + Facebook = 85% (& Rising) Share of Internet Advertising Growth, USA
7. BLOCKCHAIN – BETAMAX OR VHS?

- **Plenty of hype & attention** - tech community believe it will revolutionise entire industry, starting with payment systems and distribution platforms

- **Starting to be explored by big players** - companies such as Mastercard, Samsung, Bank of America and Santander have announced Blockchain-enabled services or projects

- **An emerging technology** - hard to tell if it will achieve consumer-facing scale and prominence or remain in the back room powering things

‘... blockchain will change ... financial practice and exchange ... 40 years from now, blockchain ... will figure more prominently in that story than will bitcoin.’

*Larry Summers, US Former Treasury Secretary*

‘Bitcoin gives us, for the first time, a way ... to transfer a unique piece of digital property ... such that the transfer is guaranteed to be safe and secure [and] everyone knows that the transfer has taken place, and nobody can challenge [its] legitimacy’

*Marc Andreesen*
WEB 2.0 → WEB 3.0 COMPARISON LANDSCAPE.
WELCOME INTERNET OF BLOCKCHAINS

Matteo Gianpietro Zago
8. THE COMING AI REVOLUTION?

- **Understanding** - look at the potential of AI and at the type of problems it could help your address. Create an overarching data strategy across both advertising and editorial.

- **Be smart in how you use it** - explore how AI could enrich your content output by aiding research and commoditising dull and repetitive tasks.

- **Personalisation** - start thinking about how AI could deliver personalisation of both content and editorial.

‘Leveraging the power of artificial intelligence (AI) and big data strategies throughout the entire value chain should already be central for every media company.’ - Martha L. Stone, CEO of the World Newsmedia Network

‘The heavy lifting of duplication and generic content creation can be automated leaving more time for creative writing and effective storytelling’ - Margaret Ann Dowling, MD, Create And Translate
Our Distorted View of Intelligence

Time

Intelligence

Haha that’s adorable the funny robot can do monkey tricks!

EINSTEIN

DUMB HUMAN

AI INTELLIGENCE

CHIMP

BIRD

ANT

Reality

Time

Intelligence

Haha that’s adorable the funny robot can do monkey tricks!

EINSTEIN

DUMB HUMAN

AI INTELLIGENCE

CHIMP

BIRD

ANT

The fuck??
Thank You