stylondo
einfach anders leben

Strategic alignment in the media industry

How Facebook, Twitter & Co shape media companies' perspectives on IT and strategy

Dr. Thomas Langenberg

April 2015

Hi, I am Thomas

stylondo
einfach anders leben

I studied and worked in various places

stylondo
einfach anders leben

EPFL
ÉCOLE POLYTECHNIQUE
FÉDÉRALE DE LAUSANNE

accenture

halalati

VE RI TAS
HARVARD

McKinsey&Company

stylondo
Ideen für „Dein Zuhause"

I am a digital (media) addict

stylondo
einfach anders leben

stylondo
einfach anders leben

The (digital) media industry

stylondo
einfach anders leben

The landscape is shifting.

"All the News That's Fit to Print"

The New York Times

Late Edition

VOL. CLVII . . No. 54,231 NEW YORK, MONDAY, FEBRUARY 25, 2008 $1.25

POLITICAL MEMO

In Memories of a Painful Past, Hushed Worry About Obama

By JEFF ZELENY

DALLAS — There is a hushed worry on the minds of many supporters of Senator Barack Obama, coloring a conversation from state to state, rally to rally: Will he be safe?

In Colorado, two sisters say they pray daily for his safety. In New Mexico, a daughter says she persuaded her mother to still vote for Mr. Obama, even though the mother feared that winning would put him in danger. And at a rally here, a woman expressed worries that a message of hope and change, in addition to his race, made him more vulnerable to violence.

"I've got the best protection in the world," Mr. Obama, of Illinois, said in an interview, quoting a line he tells supporters who raise the issue with him. "So stop worrying."

Yet worry they do, with the spring of 1968 seared into their memories, when the Rev. Dr. Martin Luther King Jr. and Senator Robert F. Kennedy were assassinated in a span of two months.

Mr. Obama was 6 at the time, and like many of his admirers, he has only read about the violence that traumatized the nation. But those recollections and images are often invoked by older voters, who watch his candidacy with fascination, as well as an uneasy air of apprehension, as Democrats inch closer to selecting their nominee.

Mr. Obama has had Secret Service agents surrounding him since May 3, the earliest a candidate has ever been provided protection. (He reluctantly gave in to the insistent urging of Senator Richard J. Durbin, Democrat of Illinois, and others in Congress.) As his rallies have swelled in size, his security has increased, coming close to rivaling that given to a sitting president.

His wife, Michelle Obama, voiced concerns about his safety before he was elected to the Senate. Three years ago, she said she dreaded the day her husband received Secret Service protection, because it would mean serious threats had been made against him.

Among friends and advisers, danger is something Mr. Obama rarely mentions.

"It's not something that I'm spending time thinking about day

Continued on Page A18

Secret Service agents with Senator Barack Obama last month.

Conservative Distrust of McCain

George Jordan Dimbo, 11, is an Irish citizen, but his father, Ethelbert, is not.

Born Irish, but With Illegal Parents

In a Changing Land, Deportation Threatens Families

By JASON DePARLE

BORDER CROSSINGS
Diversity in Ireland

DUBLIN — Corktown and proud of it, George Jordan Dimbo is up to no the Irish lad. He studies Gaelic, eats rashers, plays hurling, prays to the saints, papers his walls with parochial school awards, and spends Saturdays at the telly watching Dustin the Turkey, a wisecracking puppet, mock the potential.

If the Irish government has its way, he may soon be living in Africa.

George, 11, is an Irish citizen and has been since his birth when Ireland, alone in Europe, still gave citizenship to anyone born on its soil. His mother and father, Bridianna and Ethelbert Dimbo, are illegal immigrants from Nigeria who brought him back to Ireland three years ago, judging it the best place to raise him.

risis, living in a country where one or both parents do not legally reside. Their stories find abundant parallels in the United States, where an estimated five million children — including three million American citizens — have parents who are illegal immigrants. New efforts to catch them make fear of deportation a growing factor in American life, the bipartisan passion laws that make infants instant citizens.

The battle over the "I.B.C.'s" — Irish-born children — stems from a decade of head-turning change that has brought this island of red-haired Marys and blue-eyed Seans the

RISING INFLATION PROMPTS UNEASE IN MIDDLE EAST

HIGH OIL PRICES A CAUSE

Strikes and Boycotts as Area's Middle Class Feels Squeezed

By ROBERT F. WORTH

AMMAN, Jordan — Even as it enriches Arab rulers, the recent oil-price boom is helping to fuel an extraordinary rise in the cost of food and other basic goods that is squeezing this region's middle class and setting off strikes, demonstrations and occasional riots from Morocco to the Persian Gulf.

Here in Jordan, the cost of maintaining fuel subsidies amid the surge in prices forced the government to remove almost all the subsidies this month, sending the price of some fuels up 76 percent overnight. In a devastating domino effect, the cost of basic foods like eggs, potatoes and cucumbers doubled or more.

In Saudi Arabia, where inflation had been virtually zero for a decade, it recently reached an official level of 6.3 percent, though unofficial estimates put it much higher. Public protests and boycotts have followed, and 19 prominent clerics posted an unusual statement on the Internet in December warning of a crisis that would cause "theft, cheating, armed robbery and resentment between rich and poor."

The inflation has many causes, from rising global demand for commodities to the monetary constraints of currencies pegged to the weakening American dollar. But one cause is the skyrocketing price of oil itself, which has quadrupled since 2002. It is helping push many ordinary people

Source: Luma Scape

stylondo
einfach anders leben

Wow … what happened?

stylondo
einfach anders leben

What do you need to participate in / consume digital media?

stylondo
einfach anders leben

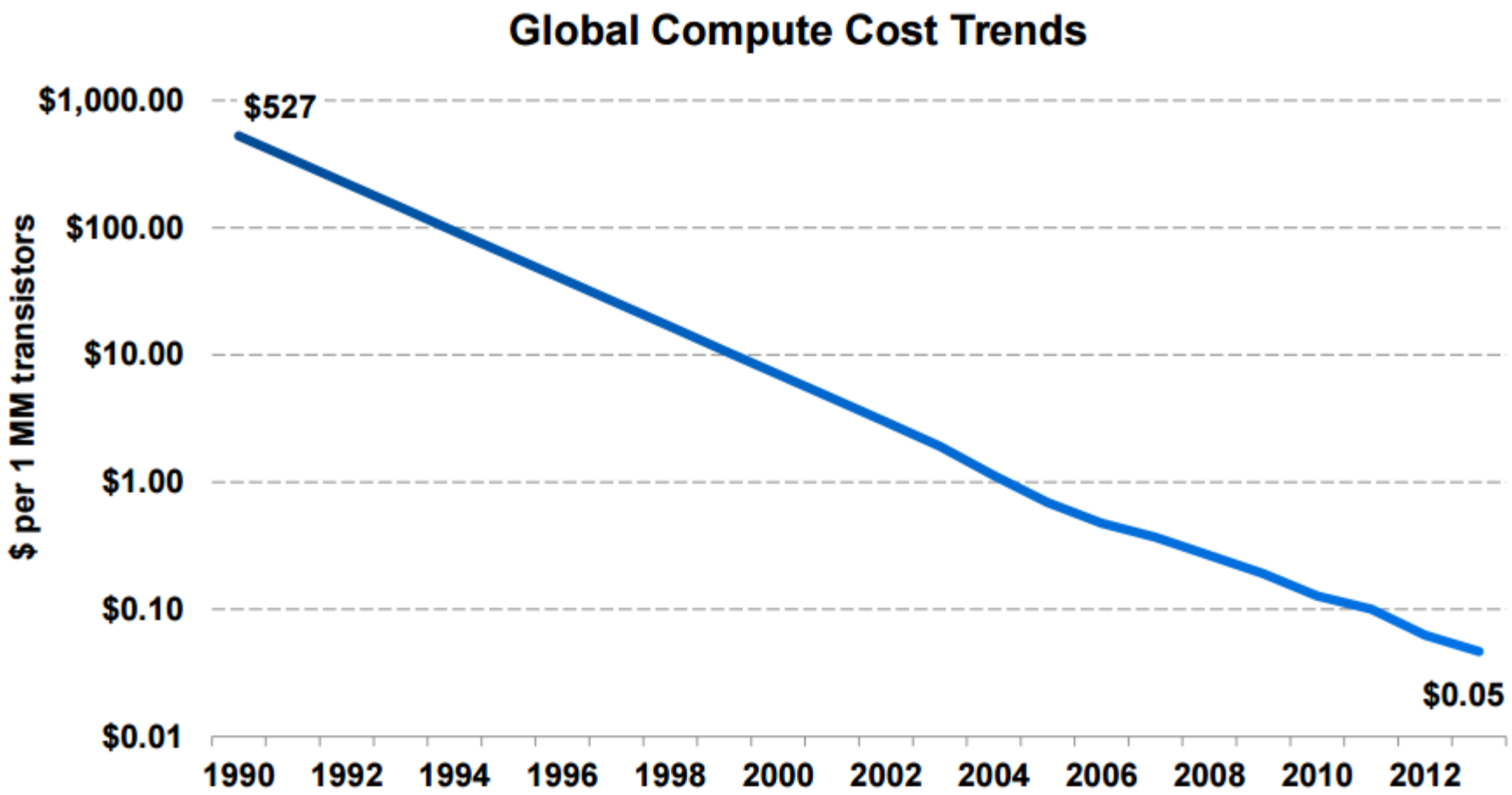
1. A (decently performing) device
2. A (decently performing) internet connection
3. Storage space (for photos, for messages etc.)

And all this at an affordable price

Compute Costs Declining = 33% Annually, 1990-2013...

stylondo
einfach anders leben

Decreasing cost / performance curve enables computational power @ core of digital infrastructure...

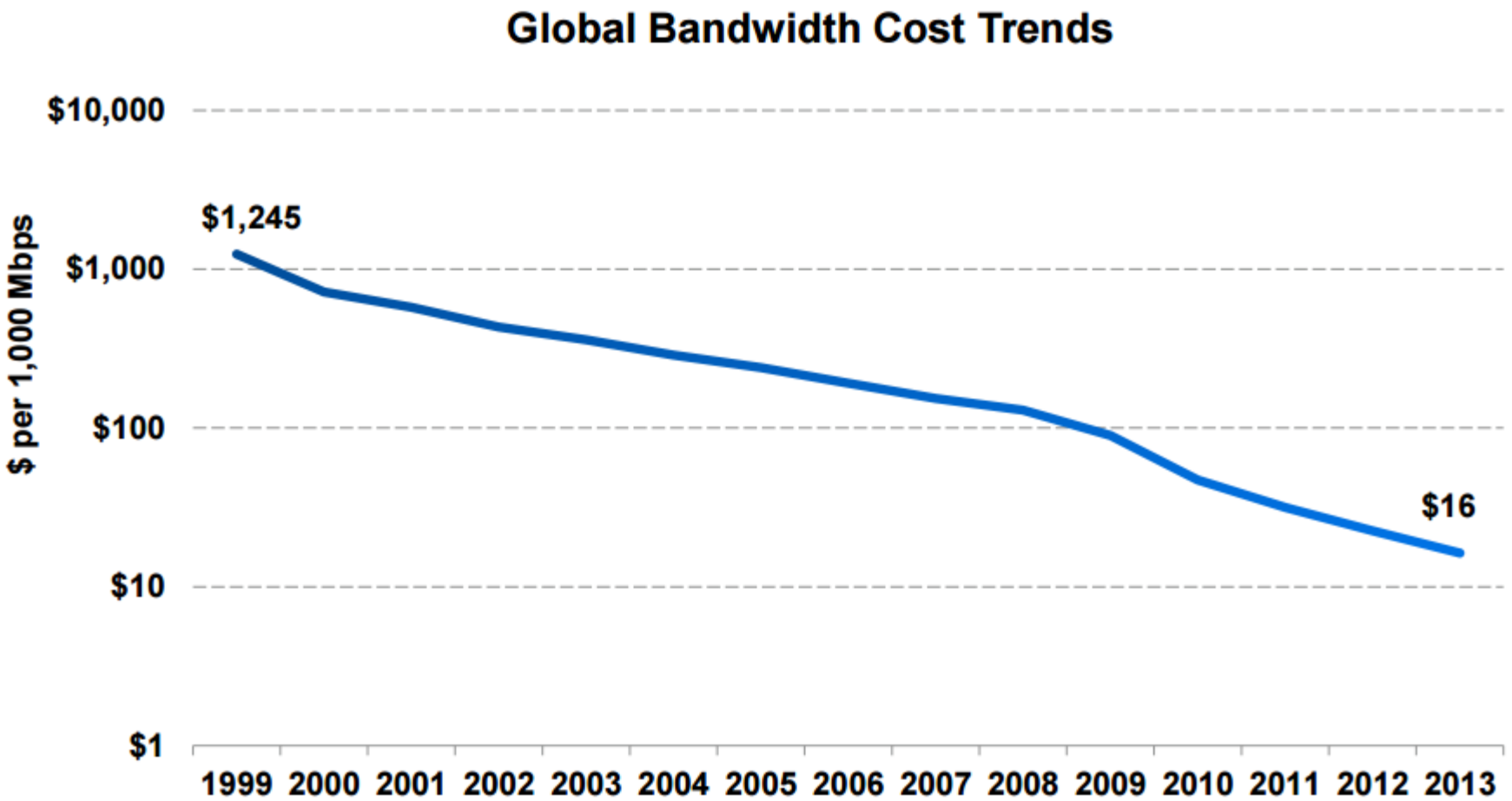


Source: KPCB

...Bandwidth Costs Declining = 27% Annually, 1999-2013...

stylondo
einfach anders leben

Declining cost / performance of bandwidth enables faster collection & transfer of data to facilitate richer connections / interactions...

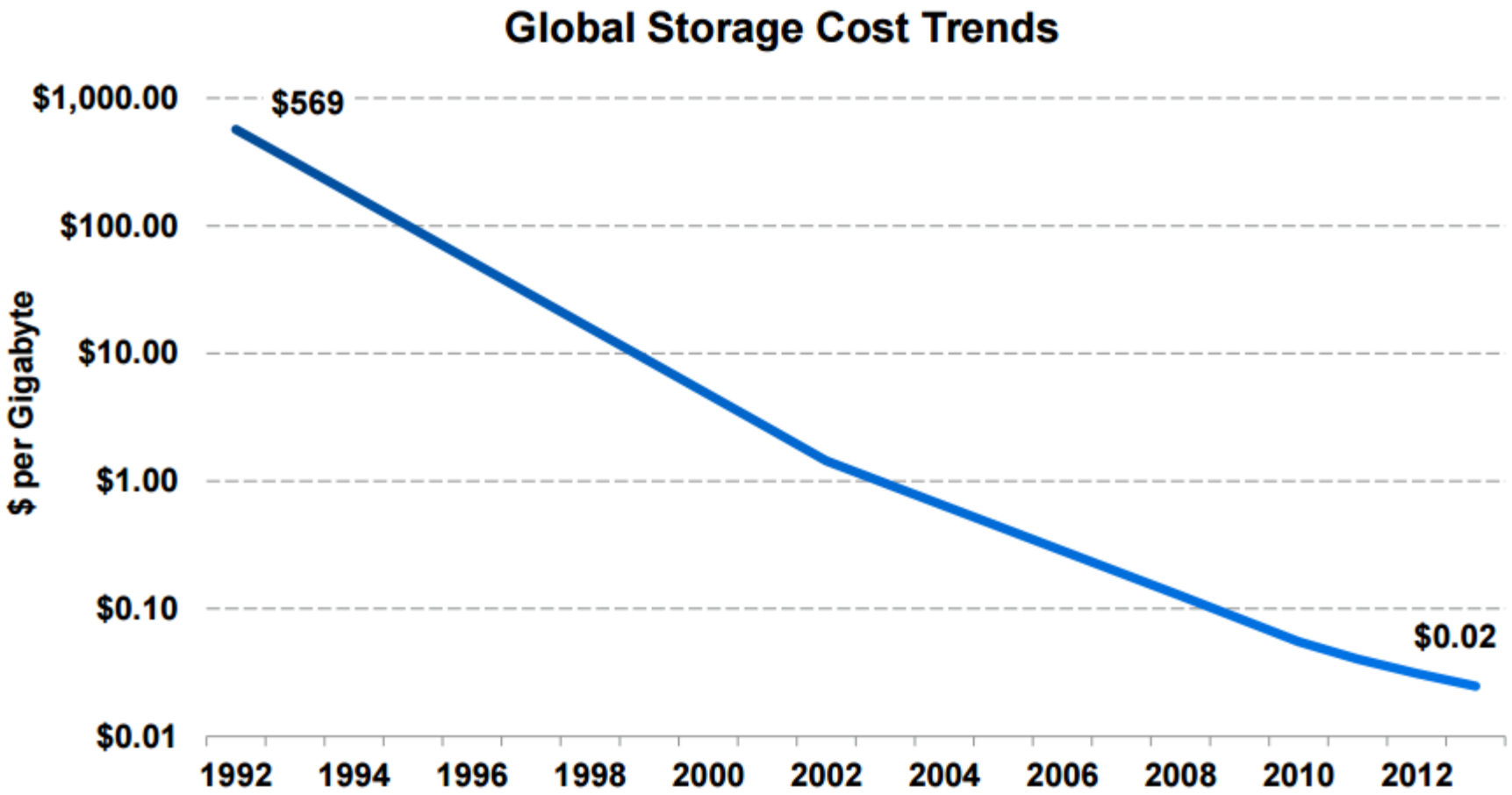


Source: KPCB

...Storage Costs Declining = 38% Annually, 1992-2013...

stylondo
einfach anders leben

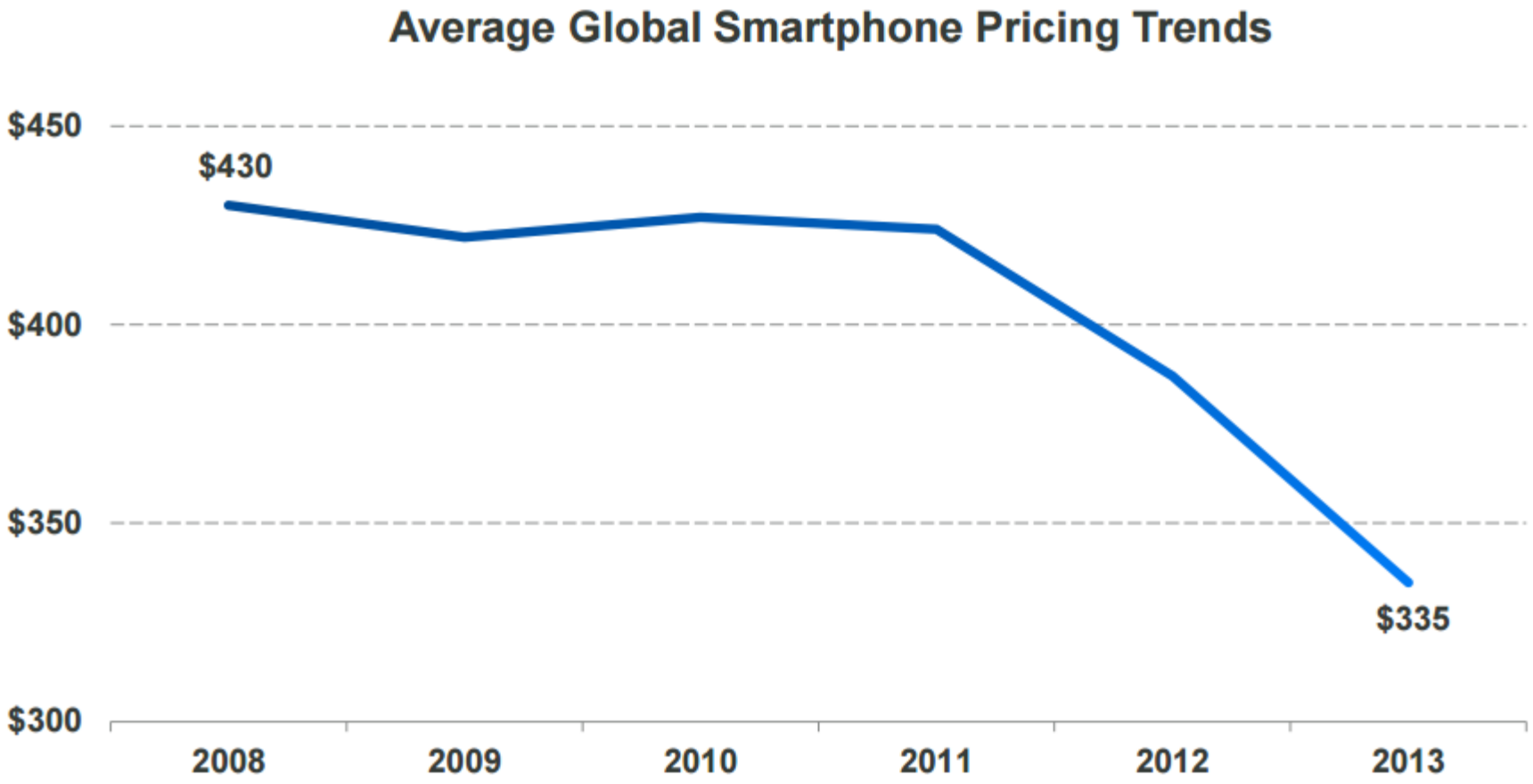
Decreasing cost / performance of digital storage enables creation of more / richer digital information...



Source: KPCB

...Smartphone Costs Declining = 5% Annually, 2008-2013

Smartphone prices continue to decline, increasing availability to masses...

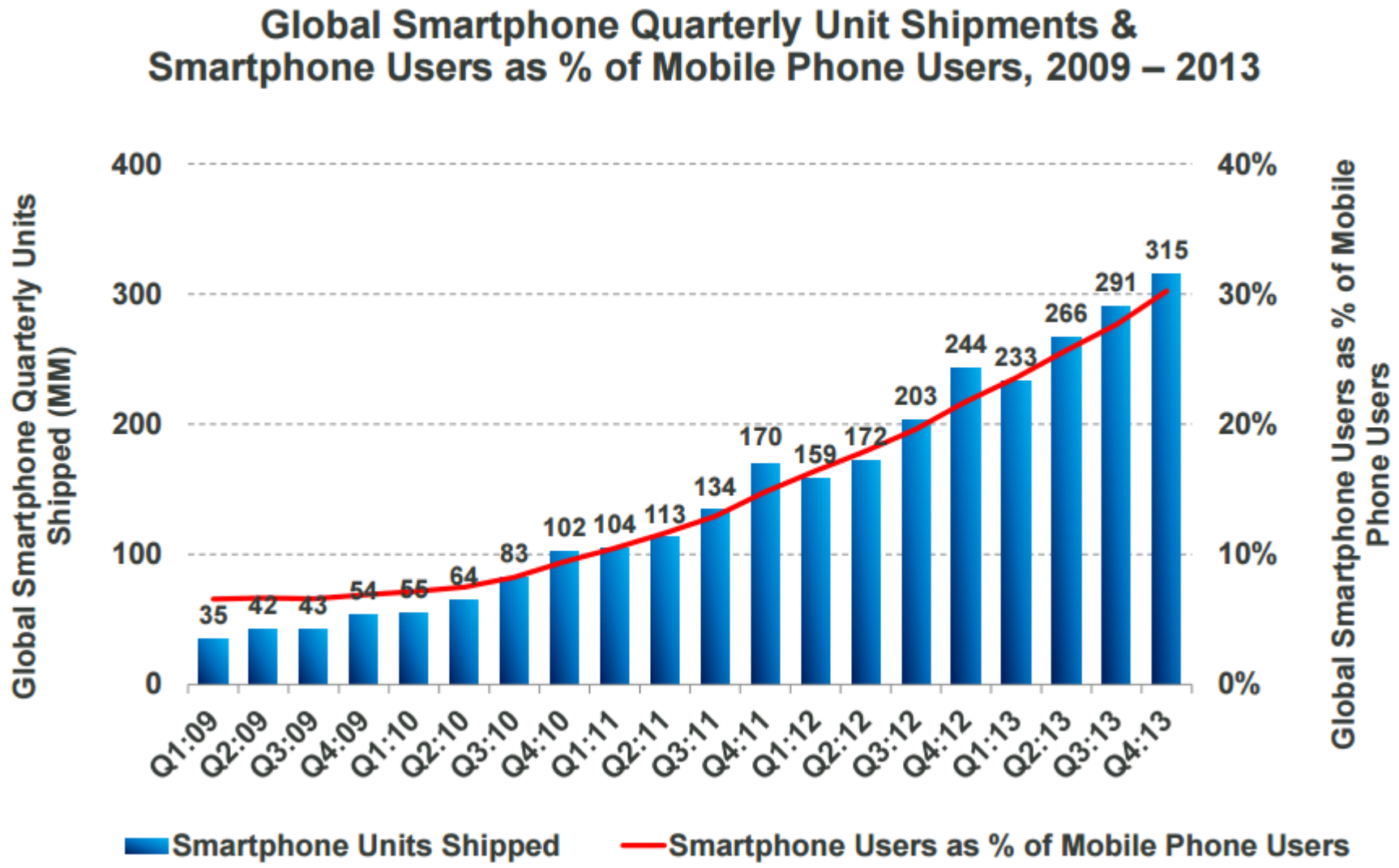


Source: KPCB

stylondo
einfach anders leben

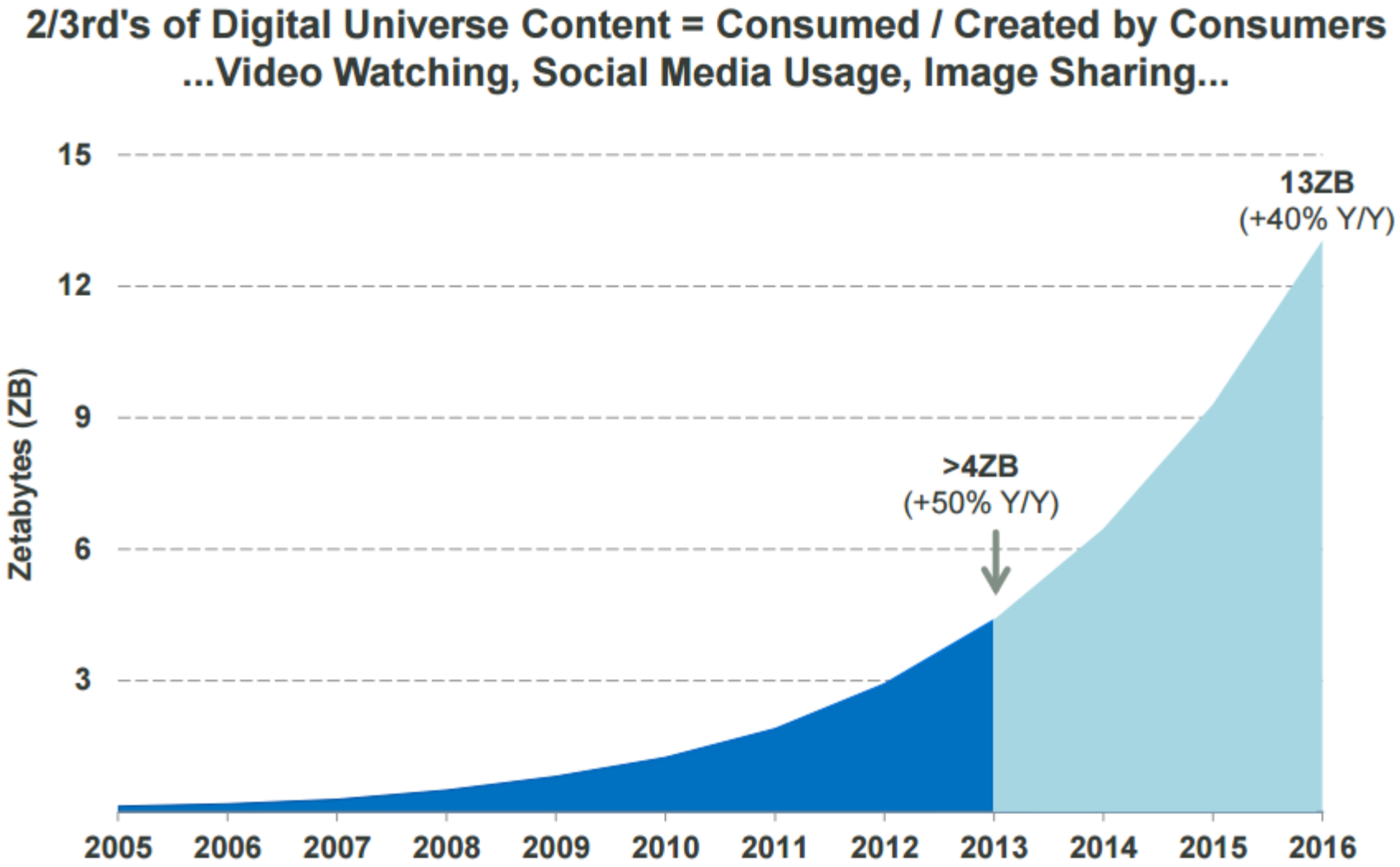
Internet trends

stylondo
einfach anders leben



Source: KPCB

‘Digital Universe’ Information Growth = Robust... +50%, 2013



Source: KPCB

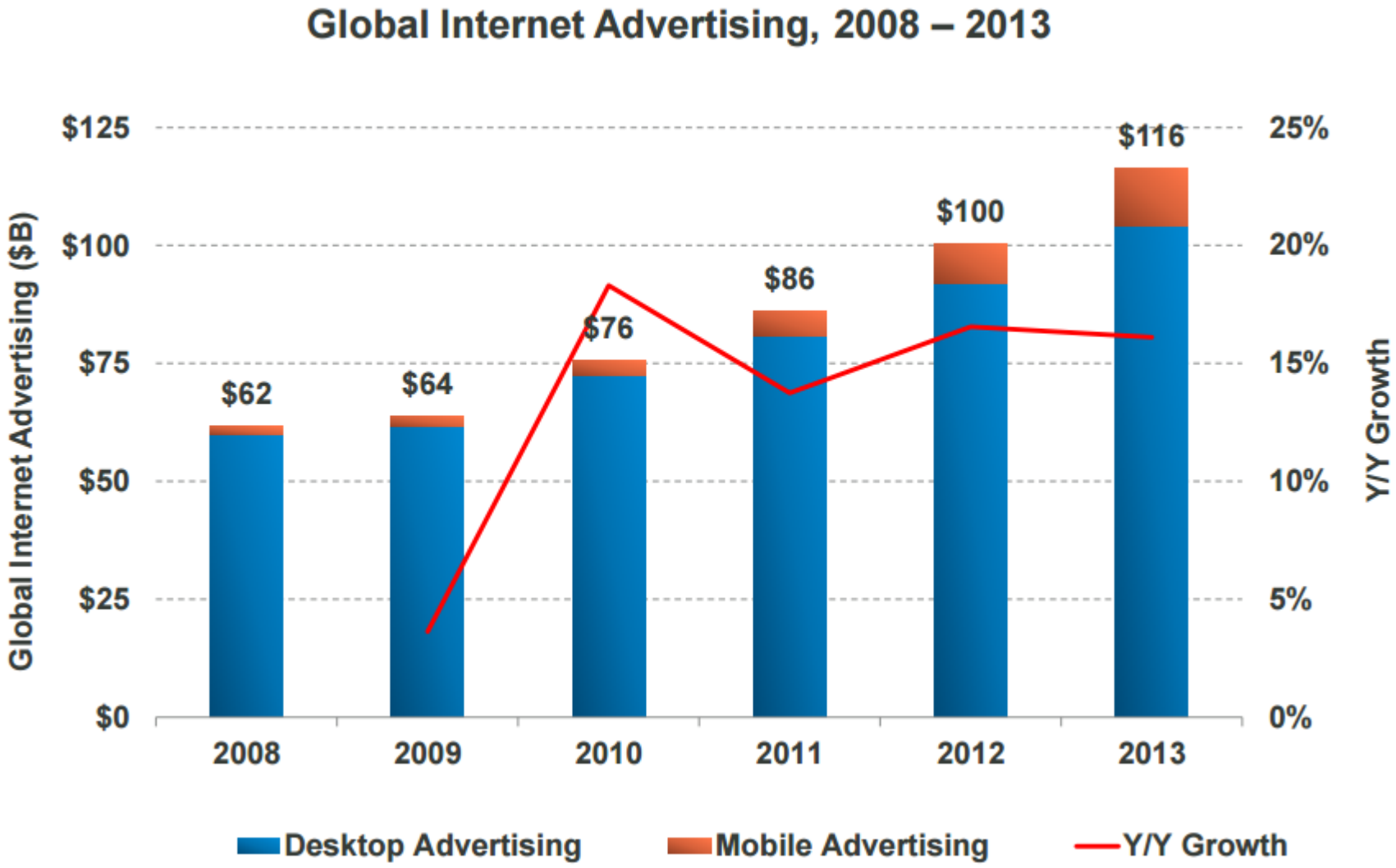
stylondo
einfach anders leben

Ok this is us,
what is the (media) business perspective on this?

stylondo
einfach anders leben

Media companies live from advertising (mostly)

stylondo
einfach anders leben



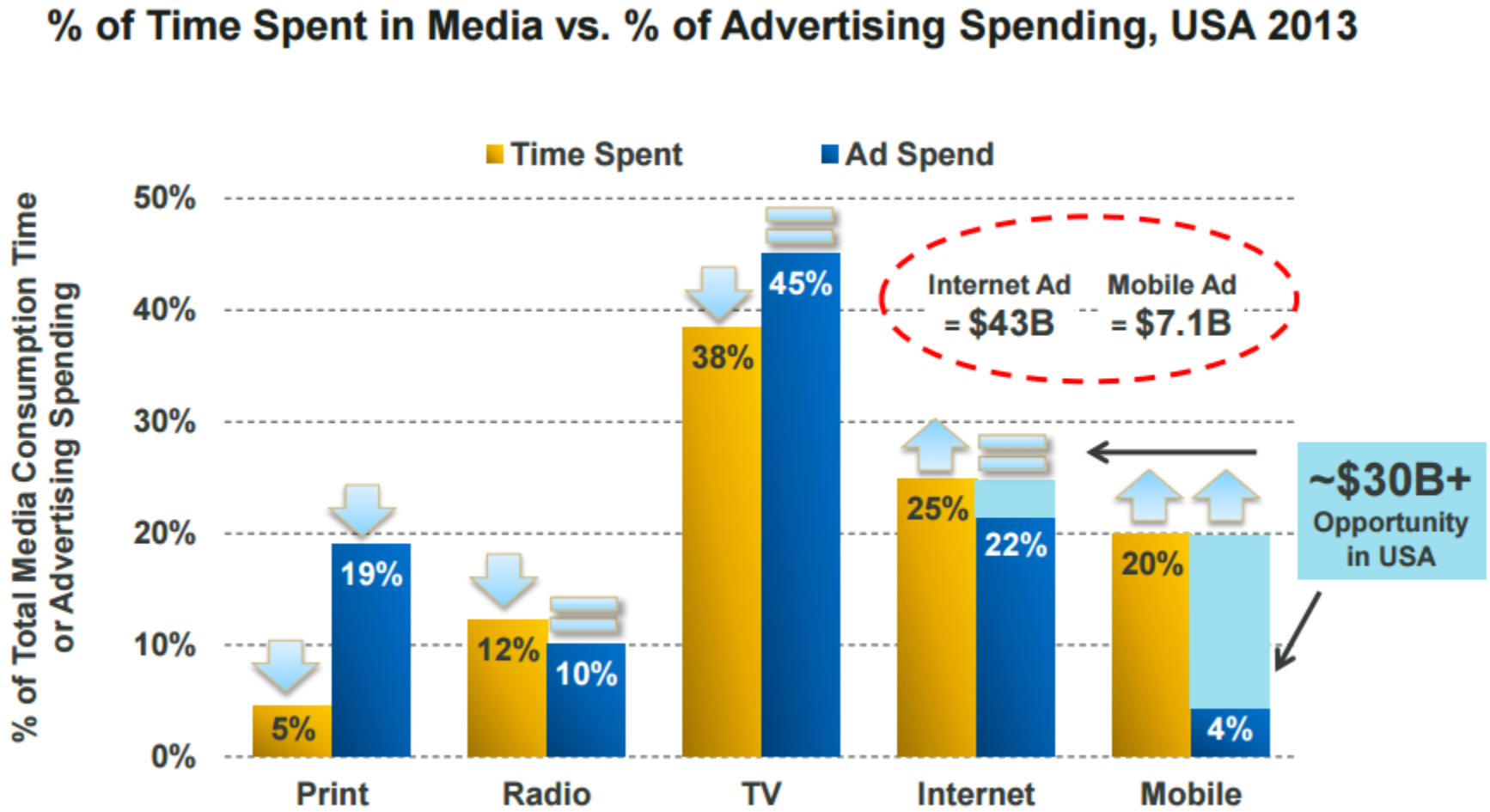
The ‚biggies' are already doing pretty well

stylondo
einfach anders leben

Annualized Ad ARPU ($) & Mobile % of MAU

Annualized Ad ARPU ($)	Q1:12	Q2:12	Q3:12	Q4:12	Q1:13	Q2:13	Q3:13	Q4:13	Q1:14
Google ($)	**$37**	**$37**	**$38**	**$43**	**$42**	**$41**	**$41**	**$46**	**$45**
Y/Y Growth	*9%*	*6%*	*6%*	*14%*	*14%*	*11%*	*10%*	*8%*	*8%*
Facebook ($)	**$4.00**	**$4.28**	**$4.43**	**$5.15**	**$4.60**	**$5.65**	**$6.14**	**$7.76**	**$7.24**
Y/Y Growth	*1%*	*(2%)*	*7%*	*12%*	*15%*	*32%*	*39%*	*51%*	*57%*
Mobile % of MAU	*54%*	*57%*	*60%*	*64%*	*68%*	*71%*	*74%*	*77%*	*79%*
Twitter ($)	**$1.29**	**$1.50**	**$1.64**	**$2.15**	**$1.97**	**$2.22**	**$2.65**	**$3.65**	**$3.55**
Y/Y Growth	*90%*	*134%*	*108%*	*93%*	*52%*	*48%*	*61%*	*69%*	*80%*
Mobile % of MAU	*--*	*--*	*--*	*--*	*--*	*75%*	*76%*	*76%*	*78%*

However,
ad budgets do not match time spent on digital media yet



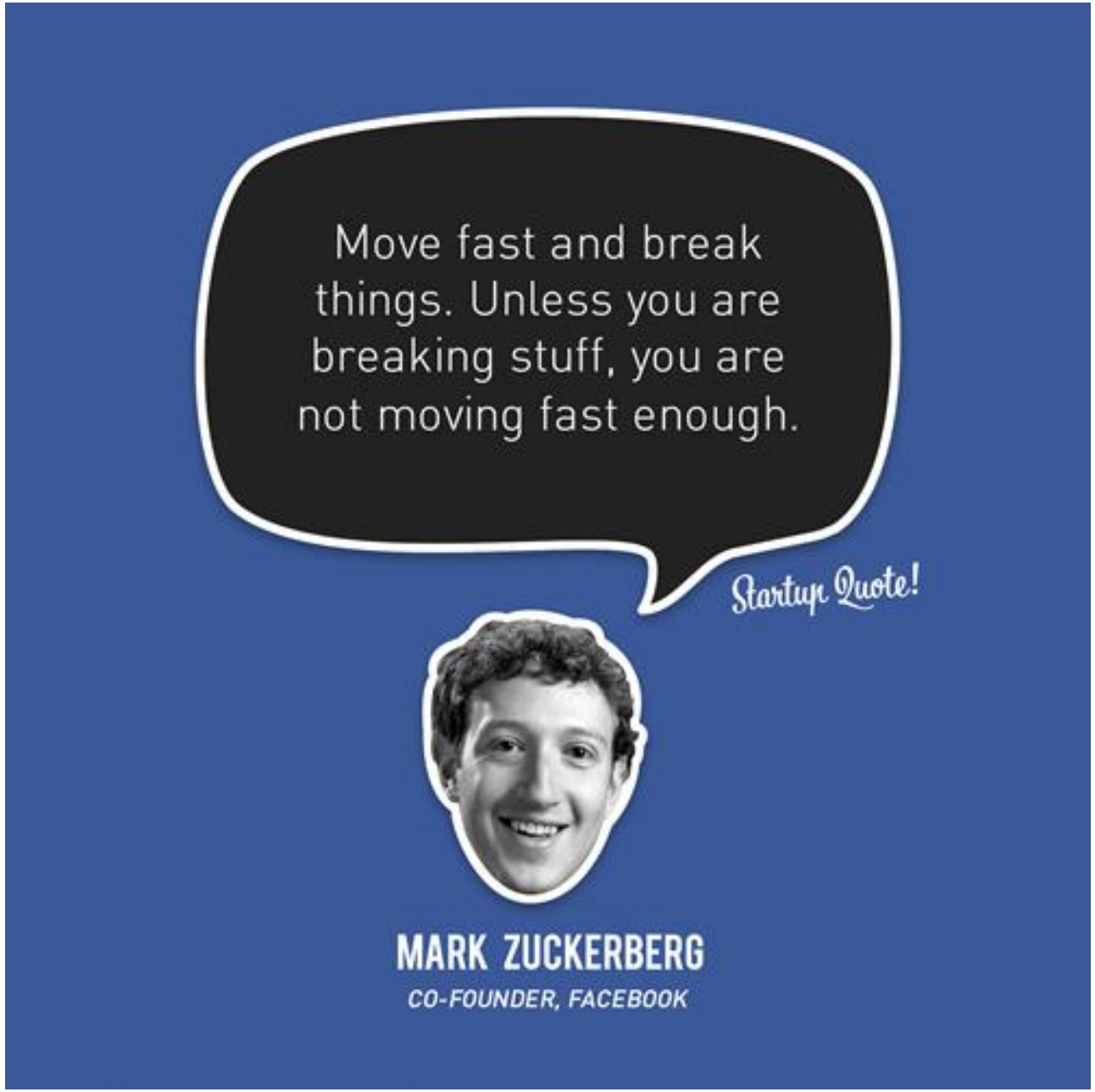
Great! Sounds like there is a chance to make some money! So how do you get started?

stylondo
einfach anders leben

Here comes your IT strategy

stylondo
einfach anders leben

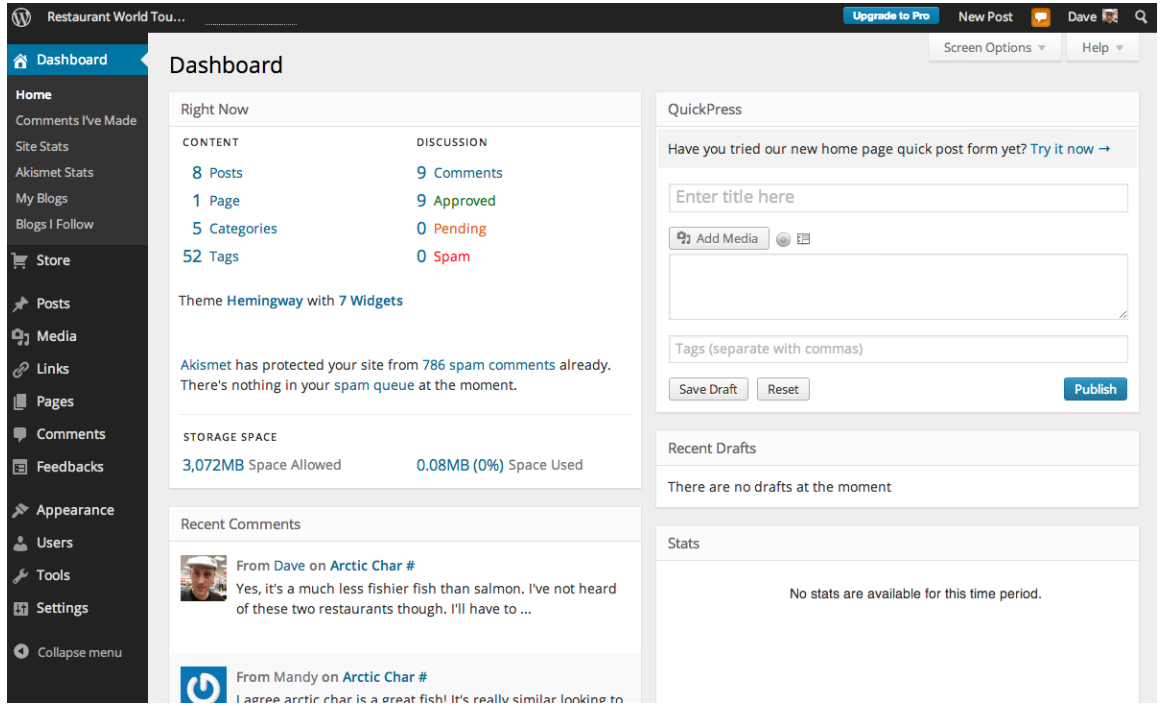
stylondo
einfach anders leben



Publishing Software

stylondo
einfach anders leben

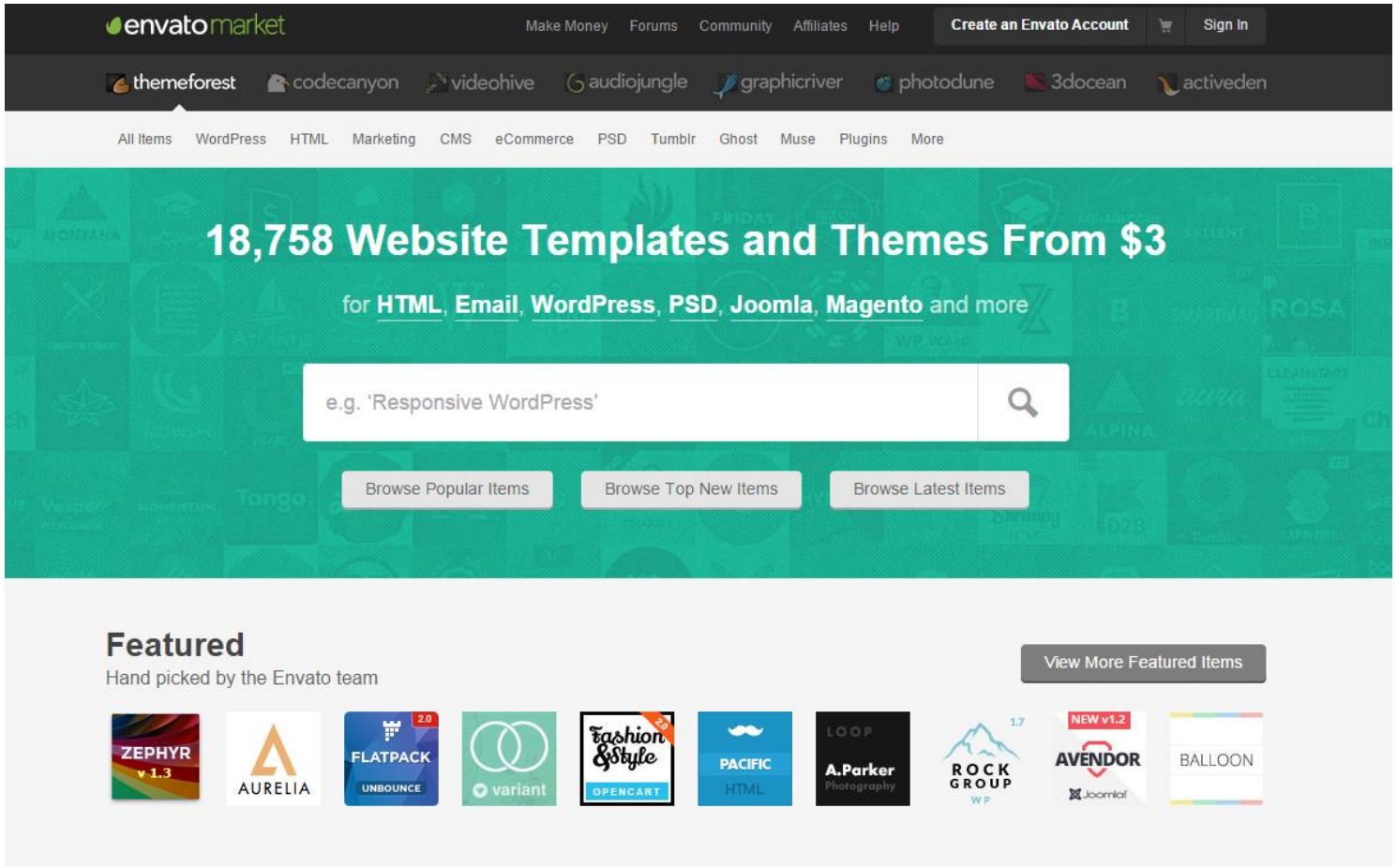
WordPress



For free

Awesome interface

stylondo
einfach anders leben



< 20 € / one time

Hosting & Storage

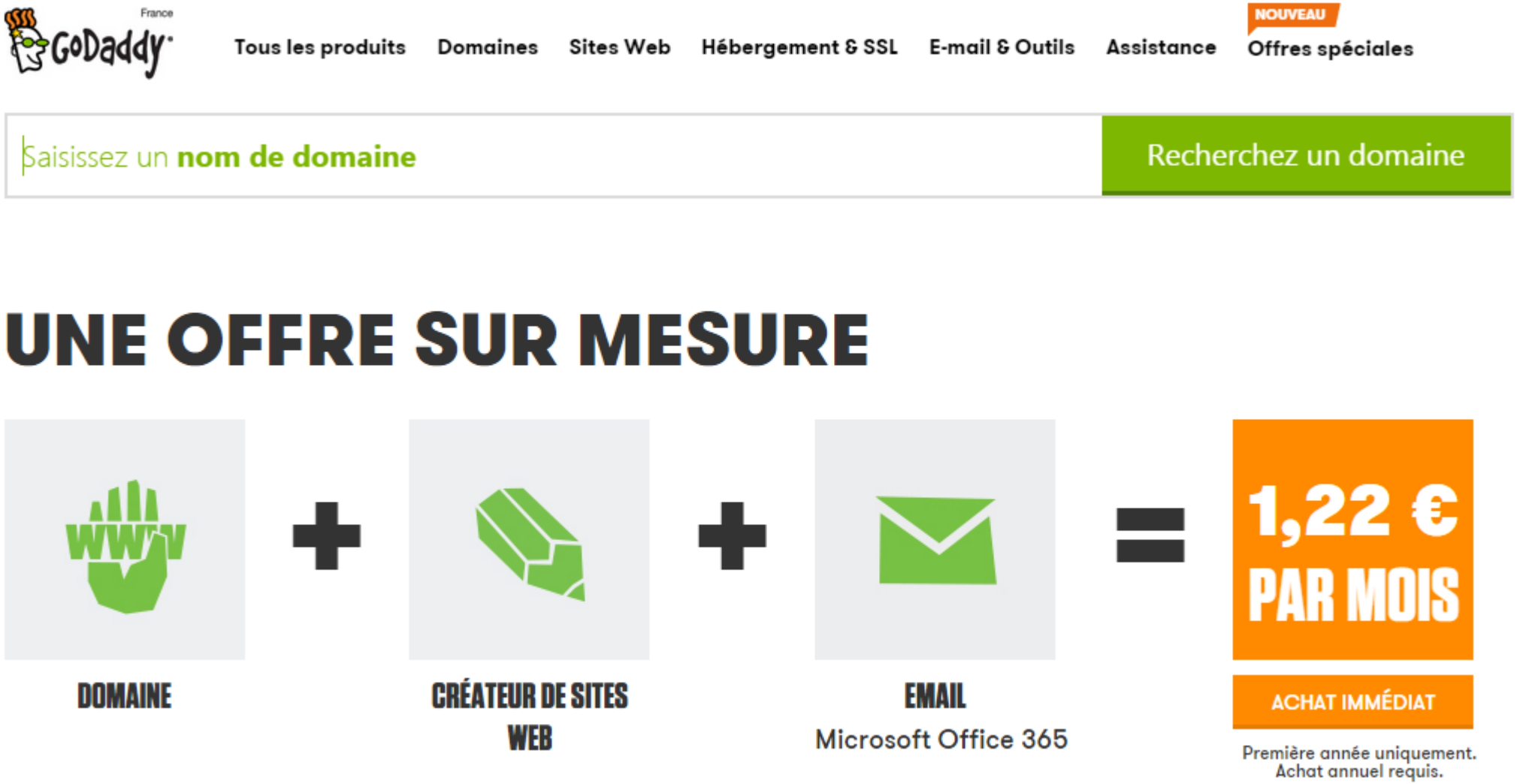
stylondo
einfach anders leben

optimized for **you**

< 20 €/month

Domain Services

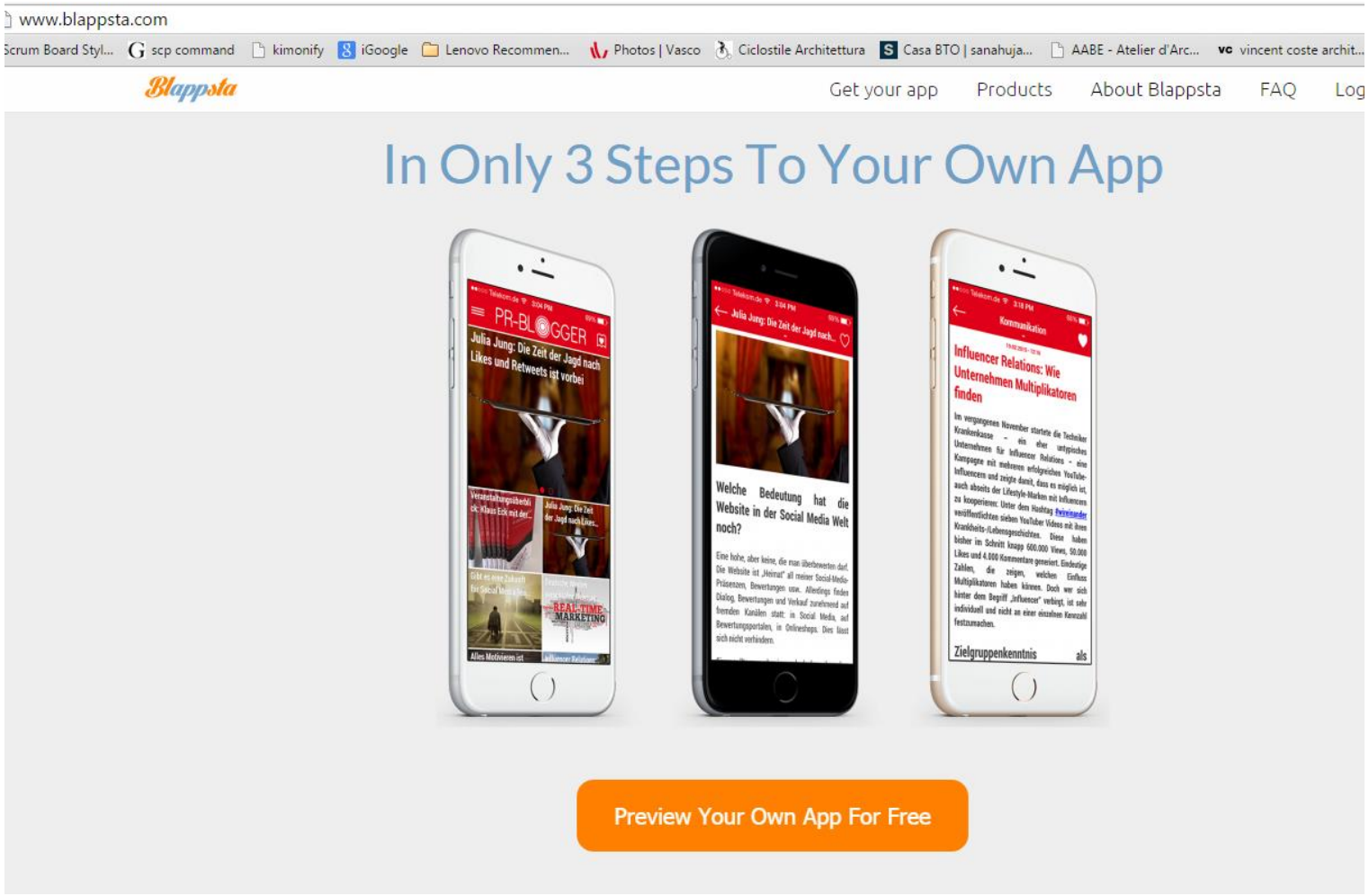
stylondo
einfach anders leben



< 10 €/month

Get a native app that sits on your Wordpress CMS

stylondo
einfach anders leben



For free

Great content

stylondo
einfach anders leben

46 commune
complètemer
BuzzFeed Sta
Anais Bor

Il s’appelle Burger, elle s’appelle King... et Burger King va payer leur mariage

On se demande s’il y aura des frites à la réception. (Pardon)

Ryan Broderick il y a 11 heures 7 réponses

23 réactions que tous ceux qui ont déjà eu un rendez-vous foireux connaissent

Ce n’est pas de votre faute si vous n’arrivez pas à cacher le

68 pensées que l’on a en voyant Ryan Gosling en vrai pour la première fois

0 €/month

stylondo
einfach anders leben

1 week

< 30 €/month

Wait a minute!
Am I saying that you can run a digital media business with less then 50 € per months?

stylondo
einfach anders leben

No!

BUT: becoming a publisher is (in the first place)

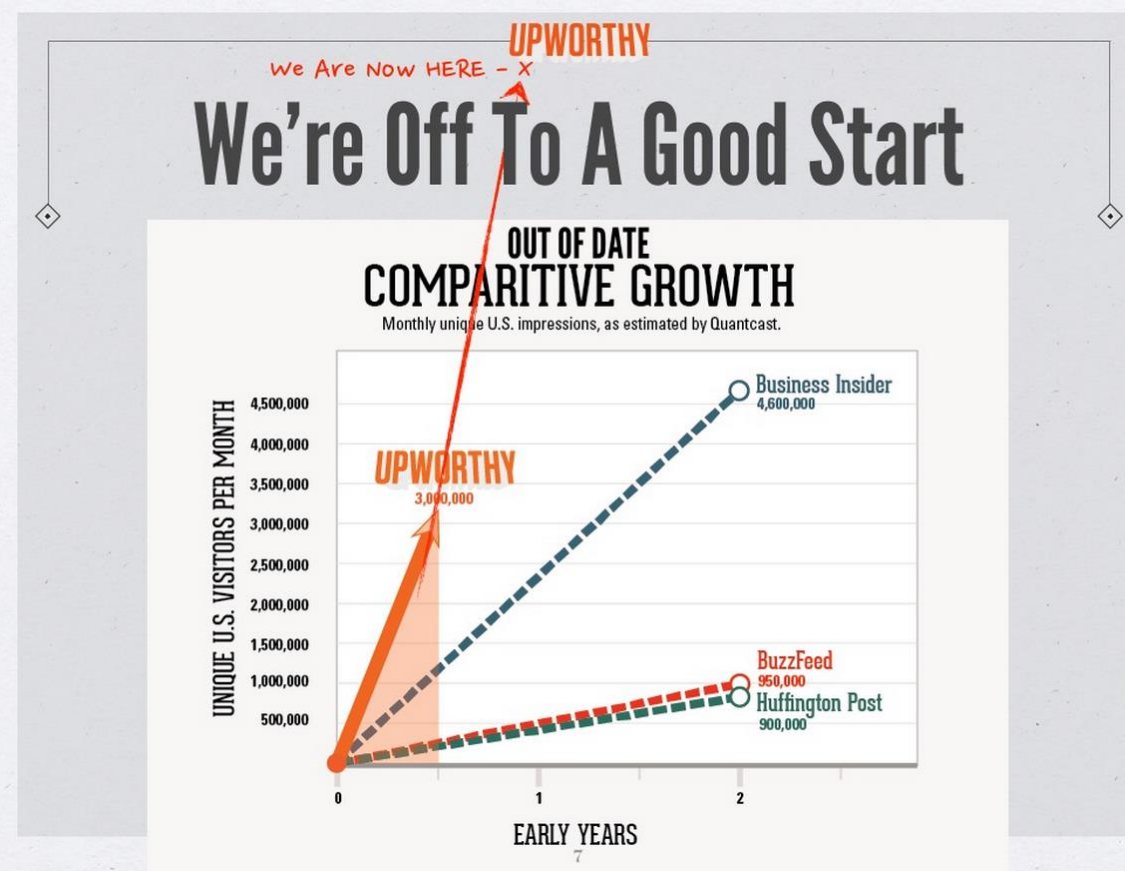
1. NOT about technology
2. NOT about big budgets
3. NOT about a sophisticated IT strategy

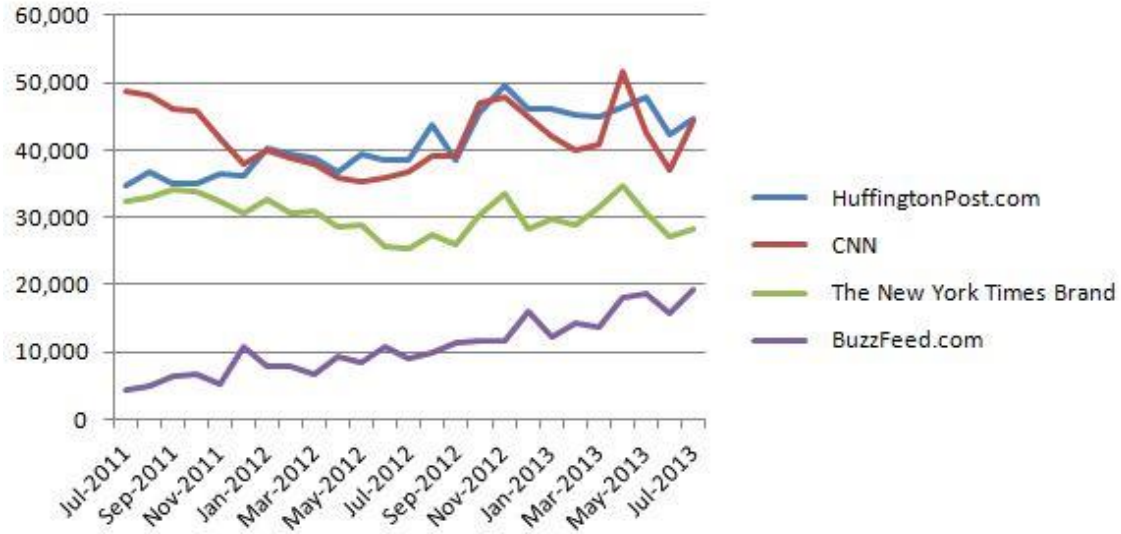
BUT

What is it about?

Let‘s have a look at the ‚rising stars‘ of the digital media industry

stylondo
einfach anders leben



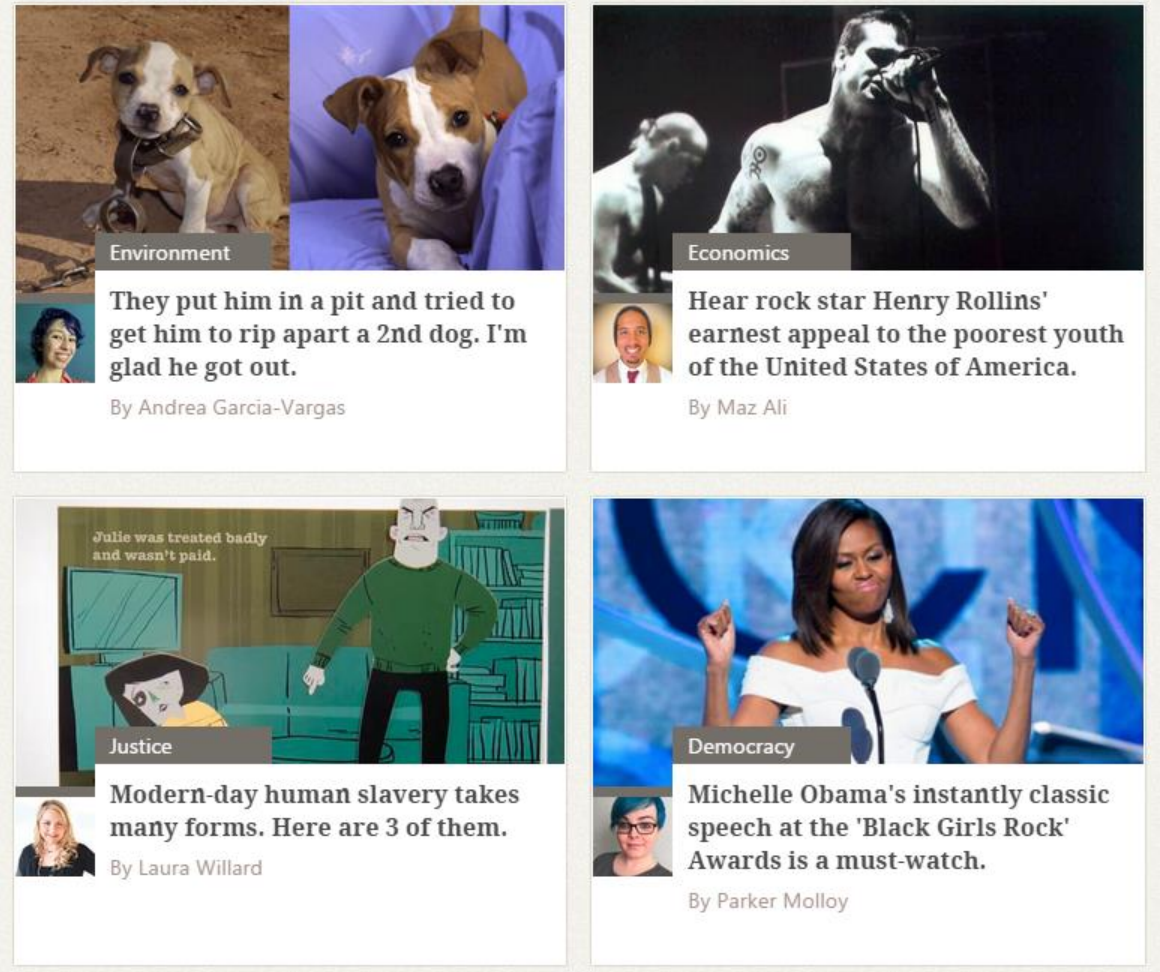


upworthy.com

buzzfeed.com

They rely on headlines and images to drive clicks

stylondo
einfach anders leben



upworthy.com

buzzfeed.com

However, that is only half the truth

stylondo
einfach anders leben

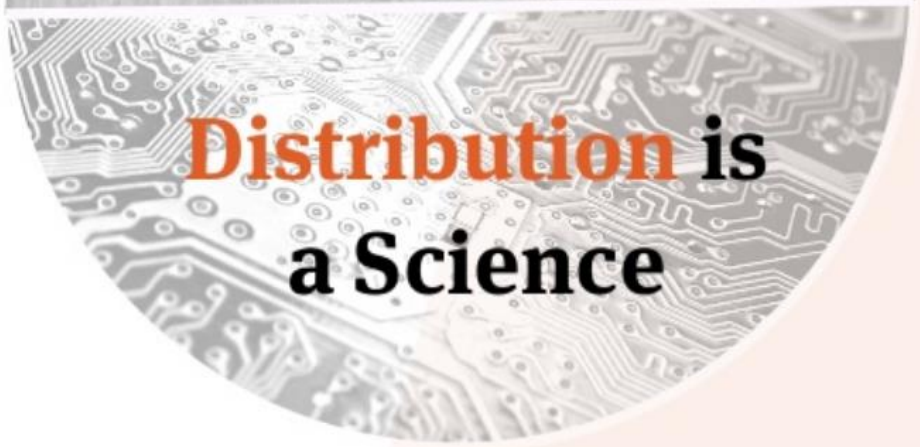
UPWORTHY

1. Nobody Knows Anything.

* **You** do not know how to make your video go totally viral.
* Also, **we** do not know how to make your video go totally viral.
* Unless you harness the magical powers of a unicorn horn, you will never know how to make all your stuff go totally viral.

The real deal is about (manual) curation and distribution

stylondo
einfach anders leben



stylondo
einfach anders leben

UPWORTHY

Upworthy's Editorial Process

1. You HAVE to crap out 25 headlines for every piece of content

2. You WILL write some really stinky headlines.

3. Once you start getting desperate, you start thinking outside the box.

4. So you HAVE TO WRITE 25 HEADLINES.

5. #24 will suck. Then #25 will be a gift from the headline gods and will make you a legend.

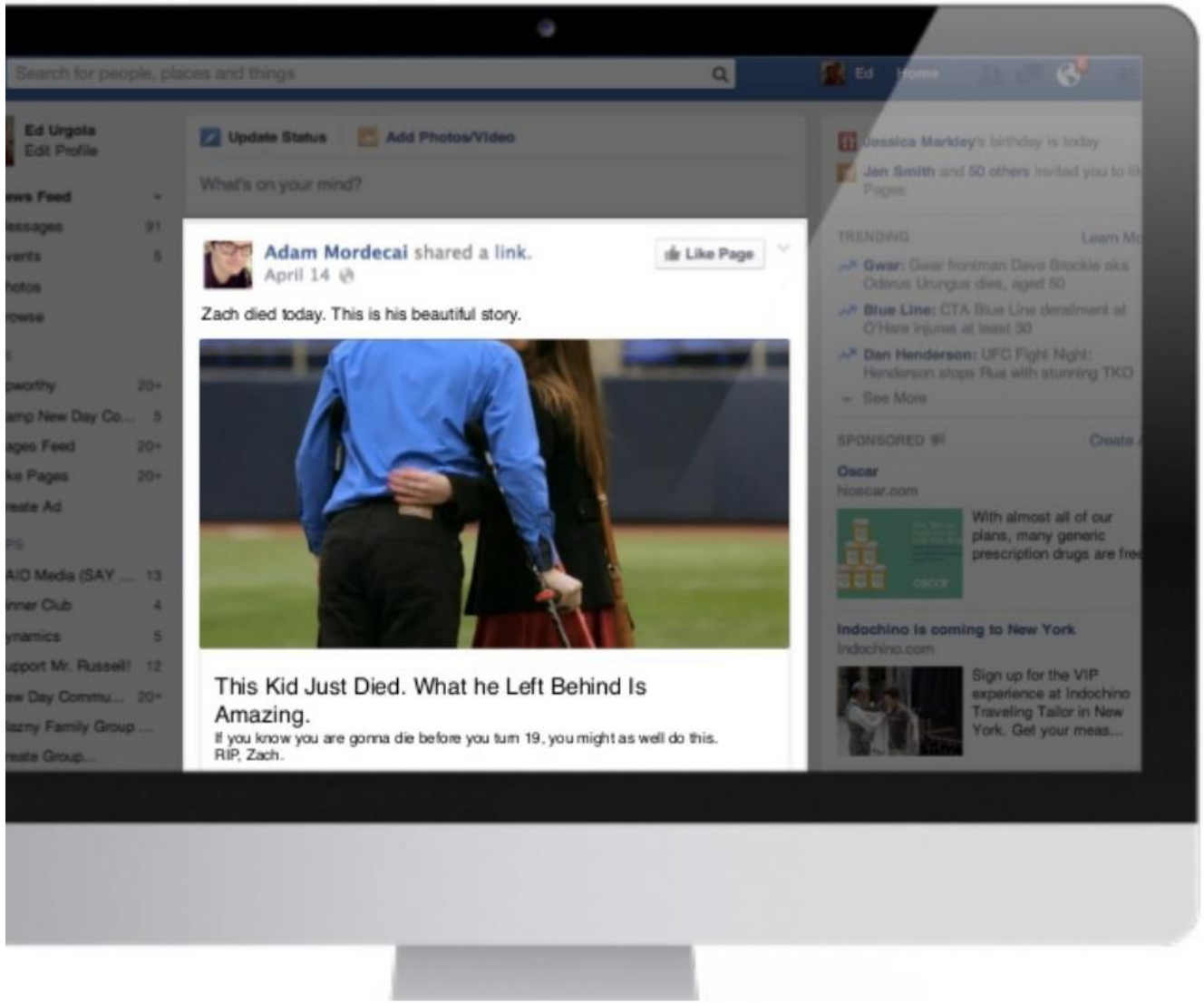
6. Accept that not every headline will be perfect.

7. Then write 25 headlines.

8. With practice, you'll be writing 25 in 15 minutes. Then I will give you permission to lower your limit.

SO PLEASE WRITE 25 HEADLINES

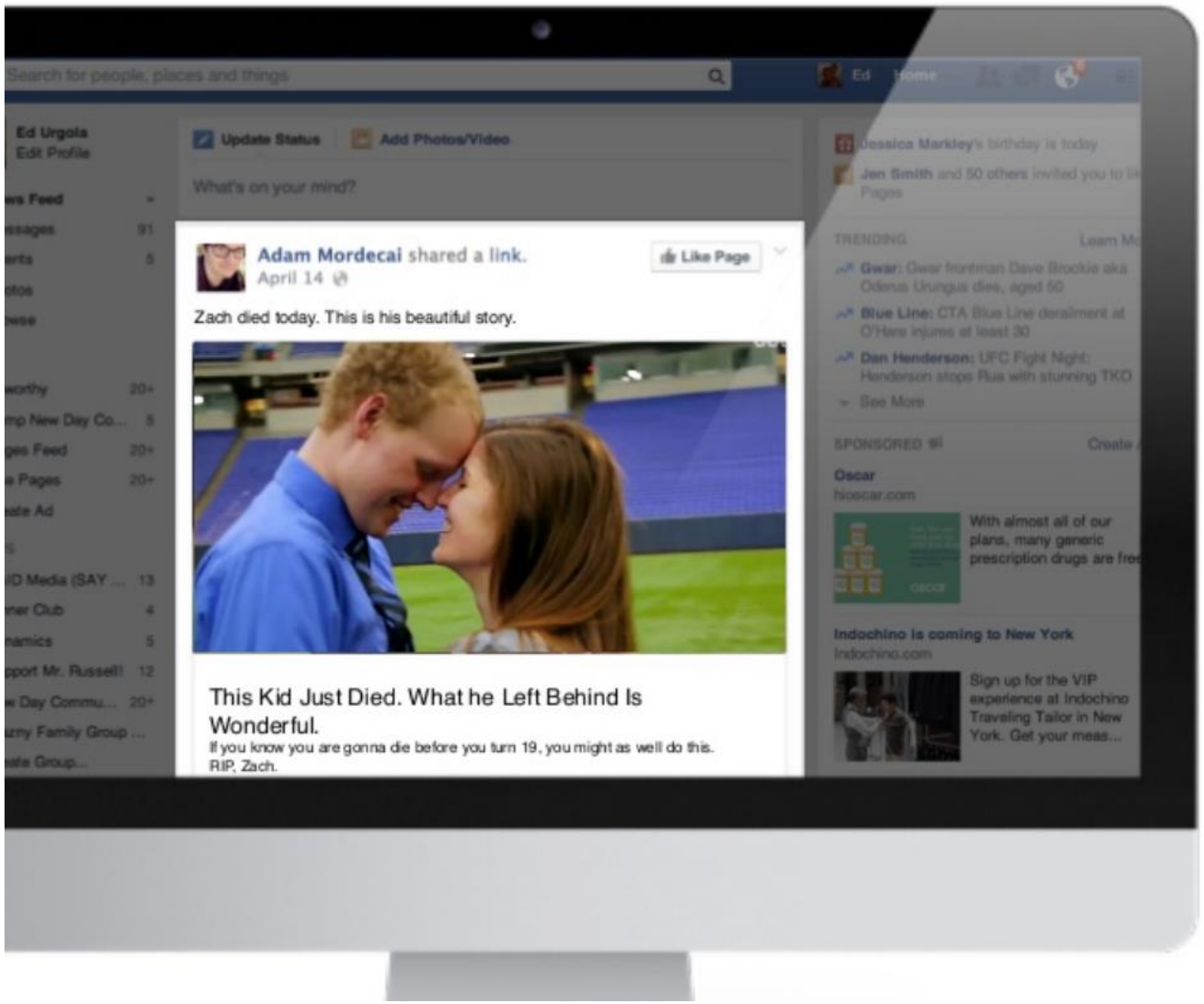
stylondo
einfach anders leben



Optimize everything.

+3%

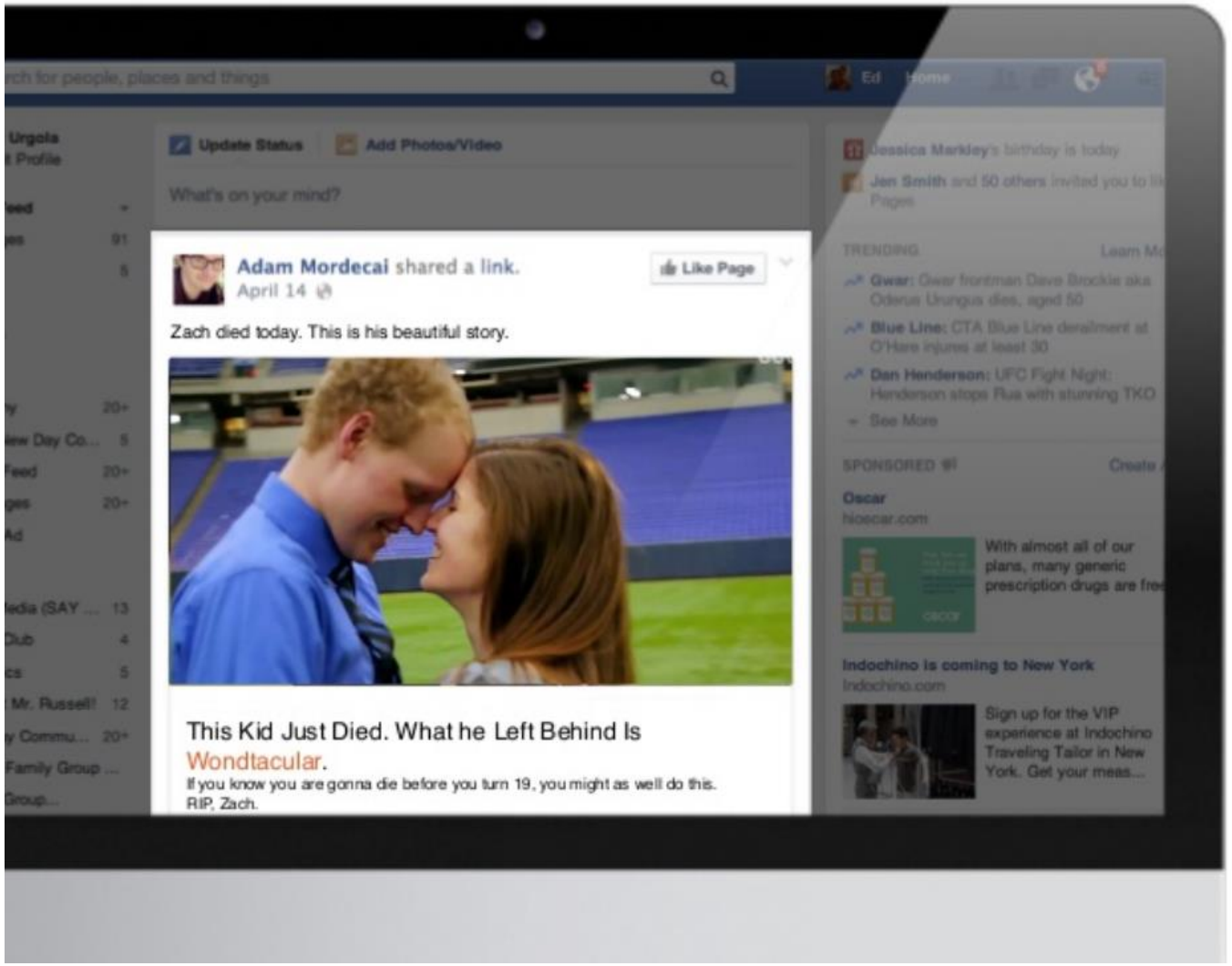
stylondo
einfach anders leben



Optimize everything.

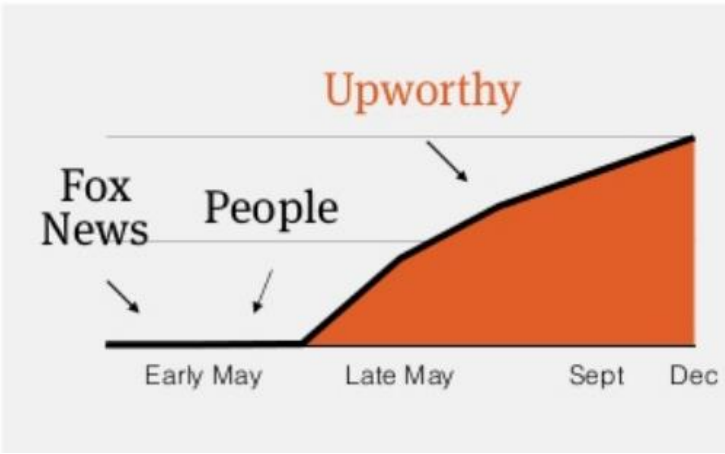
+28%

stylondo
einfach anders leben



Optimize everything.

+69%



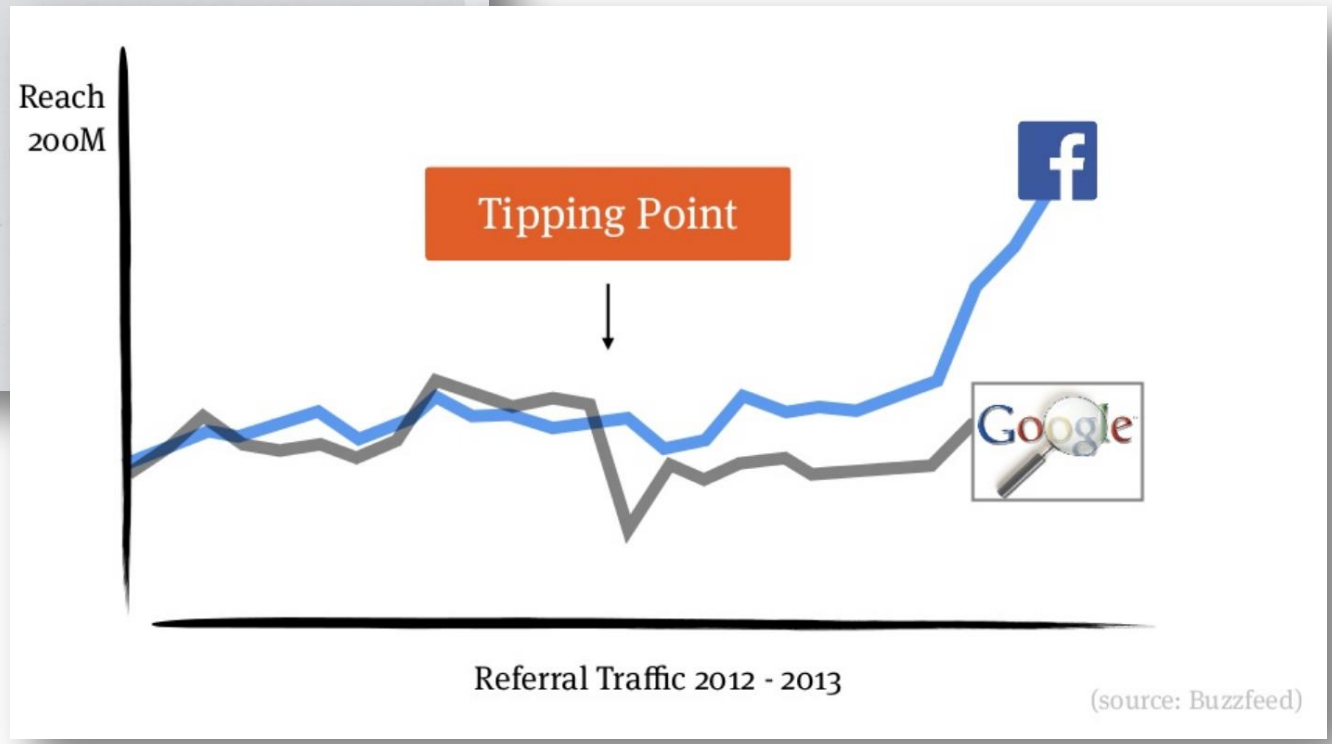
stylondo
einfach anders leben

UPWORTHY

8. Facebook: If You Aren't There, You Lose

Photo posts have 3-4 x the engagement.

Links on photo posts to your content get 10-30% increase in clicks



So, becoming a successful publisher is about

1. great content
2. effective distribution (using the channels that exist)
3. constant testing

Got it, but if it was so easy, why did Facebook build an entirely new campus for engineers?

stylondo
einfach anders leben

Source: Business Insider

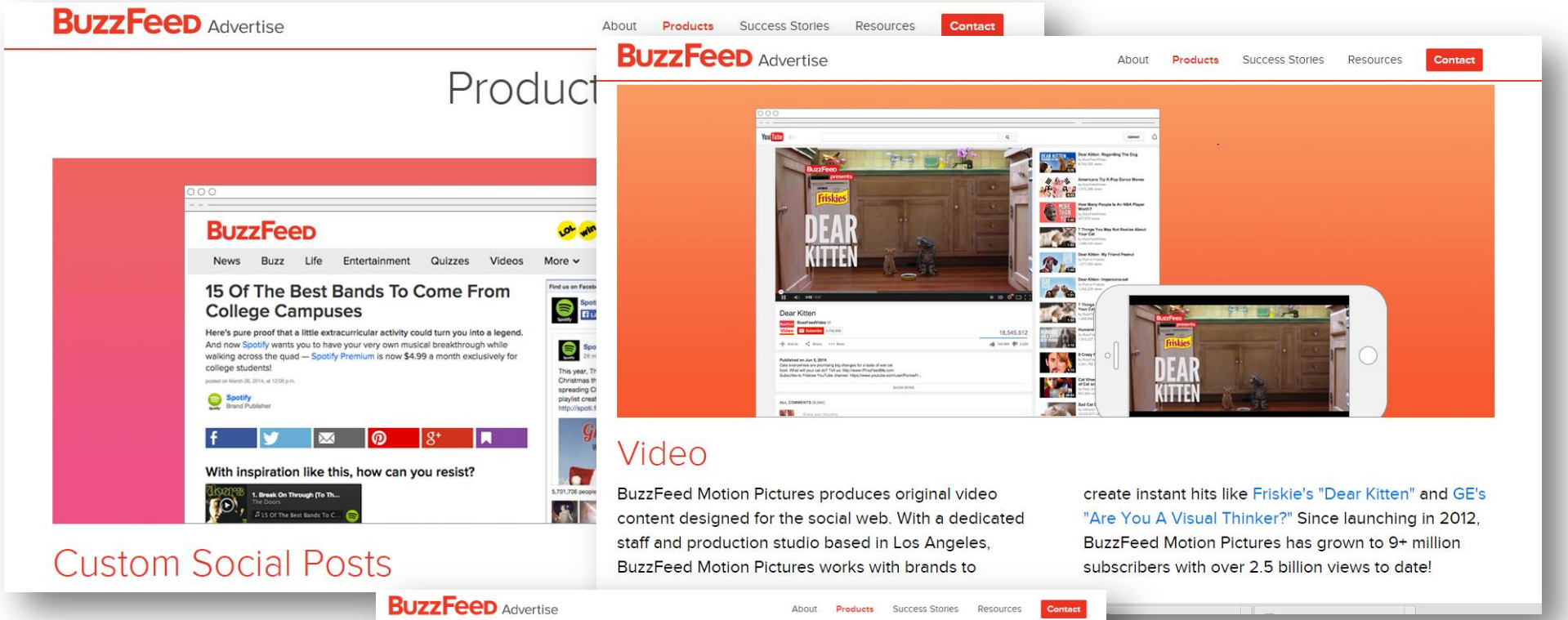
Internet unbundling requires variations of a product

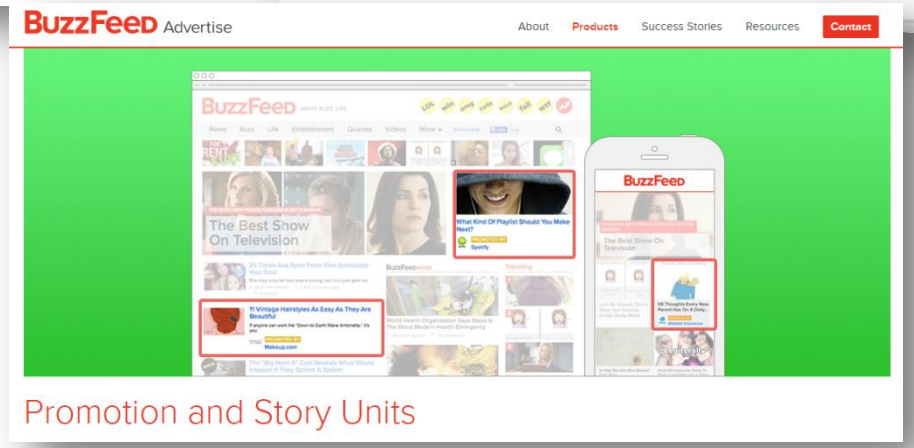
stylondo
einfach anders leben

Media companies need a sophisticated IT strategy
-
On the long run

Even a media business needs real ‚products‘

stylondo
einfach anders leben



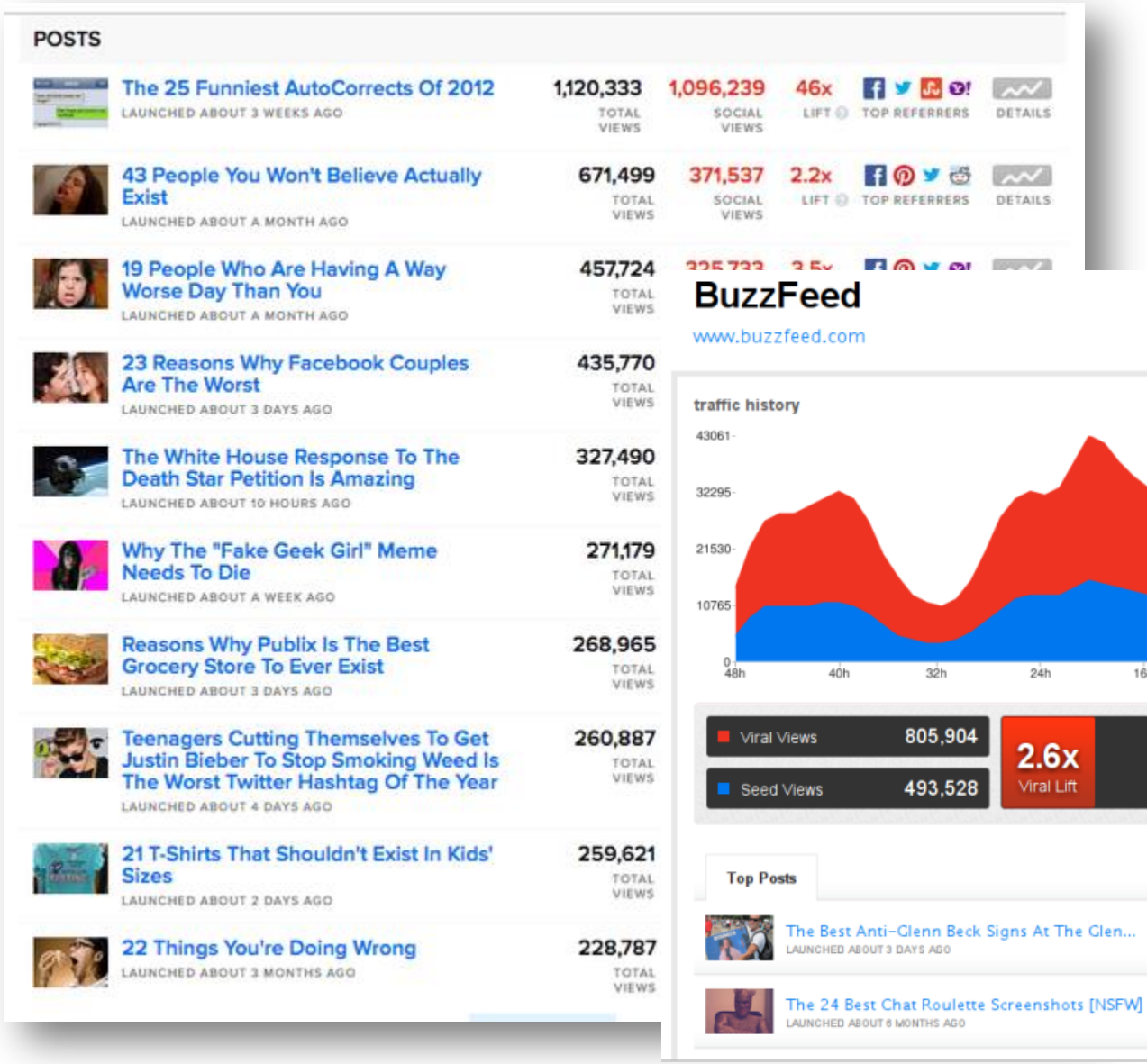


IT needs to know what the business side wants to sell

The business side needs to know, what the IT side is able to deliver

Constant testing requires sophisticated analytics tools

stylondo
einfach anders leben

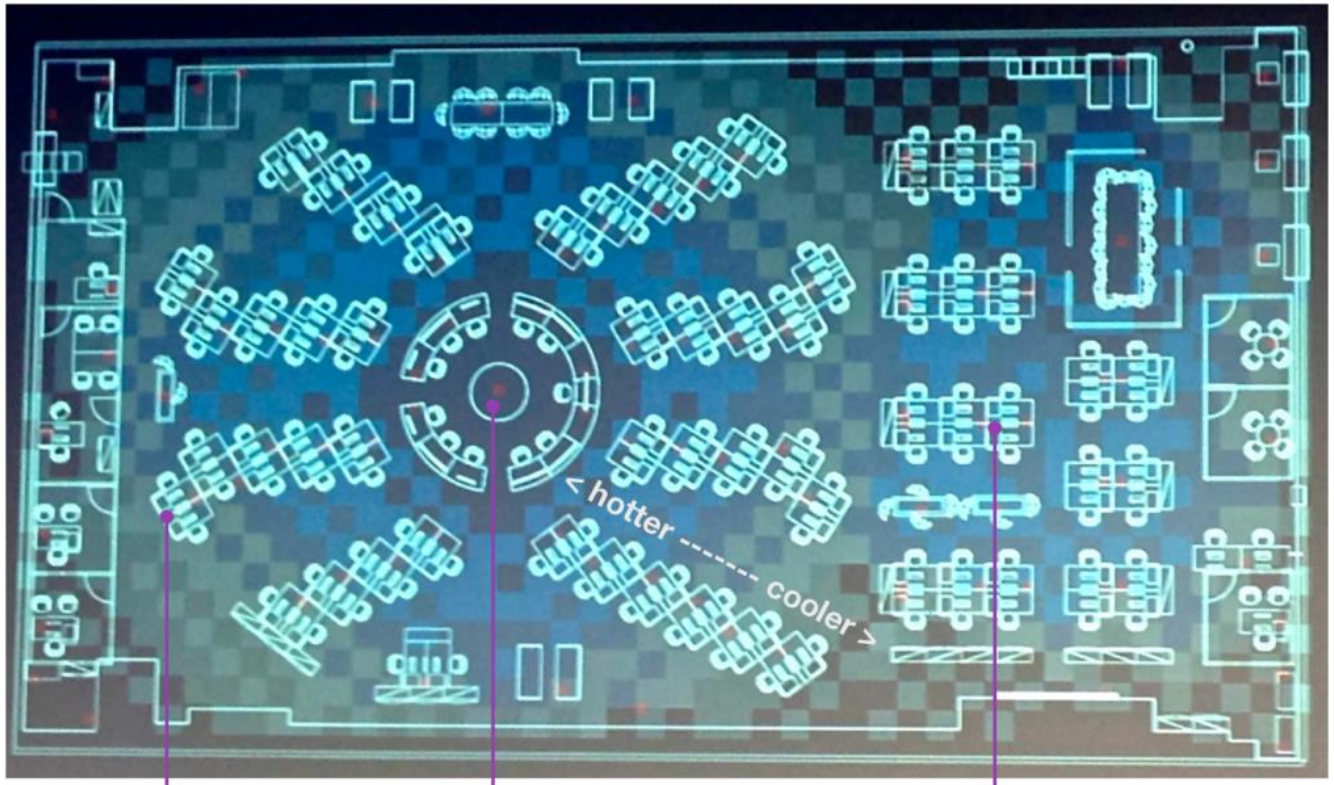


Beyond great content creators, media companies need creative data engineers

Being successful in (digital) media requires aligning all functions

stylondo
einfach anders leben

DIE WELT **Die Welt ±150 persons brand new open space**



floor plan © Axel Springer

©M

8 editorial desks
(national, foreign, business, opinion...) with dedicated staff for mobile, tablets, web, video, grahics, social and page making for the daily

12 persons x 8 desks: 96 p.

the "eye"
editor-in-chief on duty
products "pilots"
mobile & tablet editors
product person (tech enabler)

12 persons

cold products
week-end edition
special sections...

42 persons

Source: forbes.com

Succeeding in media requires constantly challenging the things you do

stylondo
einfach anders leben

Growing an IT driven media business

1. Is a process that differs in focus over time

2. Is about creating and distributing content and building reach

3. Becomes a very technical- and data-driven venture, when 2. is well executed

stylondo
einfach anders leben

facebook.com/langenberg.thomas
thomas.langenberg@stylondo.com
@tlangenberg