

Strategic alignment in the media industry

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

Dr. Thomas Langenberg

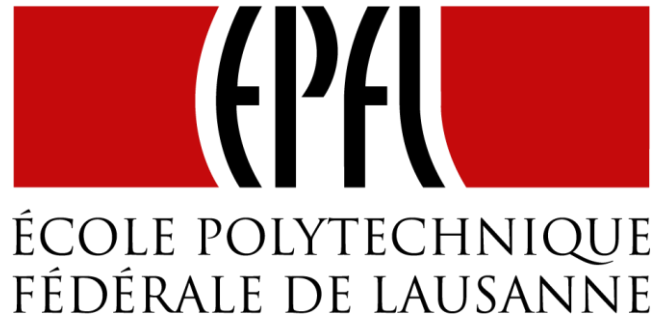
April 2015

Hi, I am Thomas

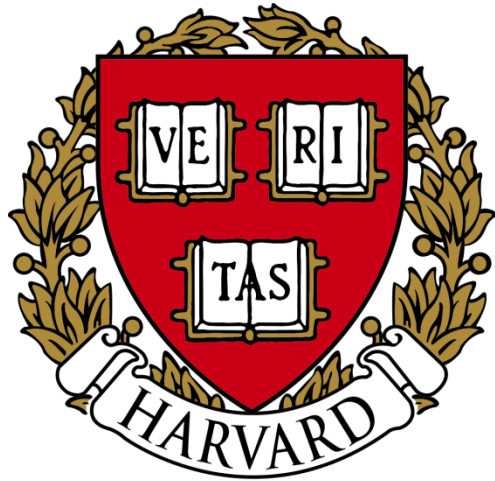
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I studied and worked in various places



accenture



McKinsey&Company



I am a digital (media) addict



The (digital) media industry

The landscape is shifting.

"All the News That's Fit to Print"

The New York Times

VOL. CLVII, No. 54,231

© 2008 The New York Times

NEW YORK, MONDAY, FEBRUARY 25, 2008

Late Edition

Today, partly sunny, milder, high in the 50s, but not as cold as last night. Tomorrow, cloudy, between 40 and 50. Weather map appears on Page 36.

POLITICAL MEMO

In Memories of a Painful Past, Hushed About Obama

By JEFF ZELENY

THAT IS — There is a hushed worry in the minds of many supporters of Senator Barack Obama, including in conversations from state to state, only to rally: Will he be safe?

In Colorado, for instance, they grew up daily for his safety. In New Orleans, a neighborhood also persuaded his mother to sell. But for Mr. Obama, even though the mother feared that visiting would put him in danger, and as early 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, repeating what he told supporters who raised the issue with him. "To stop worrying."

The worry they do, with the spring of 2008, seemed into their memories, when the Rev. Dr. Martin Luther King Jr. and Senator Robert F. Kennedy were assassinated in a span of five months.

Mr. Obama was at the time, and like many of his admirers, he has only read about the violence that threatened the nation. But

these 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 candidate has ever been provided protection. (He reluctantly gave in to the insistence of Senator Richard J. Durbin, Democrat of Illinois, and others in Congress.) As for rallies have moved to sites, his security has increased, coming closer to finding that gives to a young president.

His wife, Michelle Obama, voiced concerns about his safety before he was elected to the Senate. Three years ago, she said she crowded the day her husband received his Senate confirmation because it would mean his life would be in danger.

As a young man and adviser, danger is something Mr. Obama rarely mentions.

"It's not something that I'm spending time thinking about," he continued on Page A15.



Secret Service agents with Senator Barack Obama last month.

Conservative Distrust of McCain

Your Ad Here



George Jordan Dinko, II, is an Irish citizen, but his father, Eibheall, is not.

Born Irish, but With Illegal Parents

In a Changing Land, Deportation Threatens Families

By JASON DUFFELLE

DUBLIN — Cork-born and proud of it, George Jordan Dinko, II, is up to his Irish lads. He studies Gaelic, runs races, plays hurling, plays to the radio, pores his walls with patchwork Irish prints, and speaks. Saturdays at the rally watching Dublin the Turkey, a welcoming sight, much the potential.

If the Irish government has its way, he may never be living in Ireland.

George, II, 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, Eibheall and Eibheall Dinko, are illegal immigrants from Nigeria, who brought him back to Ireland to be born, and today he is the best place to raise him.

IMMIGRATION CROSSINGS
Doubtful on Ireland

It is, being a country where one or two parents do not legally reside. Their mother had abundant parents in the United States, where an estimated five million children — including their cousin American citizens — have parents who are illegal immigrants. New efforts to catch them make fear of deportation a growing factor in American life, the legacy of generous laws that made Ireland a haven for immigrants.

The battle over the "U.S.C." — Irish-born children — stems from a decade of hard-fought change that has brought the island of Ireland back to Ireland and Ireland from the

RIISING INFLATION PROMPTS UNEASE IN MIDDLE EAST

HIGH OIL PRICES A CAUSE

Strikes and Boycotts as Arab's Middle Class Feels Squeezed

By ROBERT F. WORTH

AMMAN, Jordan — Even as it crushes 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 spreading 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 and the surge in prices forced the government to remove almost all the subsidies this month, sending the price of some foods up 70 percent overnight. In a devastating domino effect, the cost of basic foods like eggs, potatoes and coconuts doubled or more.

In Saudi Arabia, where inflation had been virtually non-existent, a monthly inflation of 4.3 percent, though modest estimates put it much higher. Public protests and boycotts have followed, and a general strike period an unusual statement on the Internet in December warning of a strike that would cause "death, chaos, armed robbery and rioting."

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

newspaper



TV



Direct Mail



MARKETER

Social Marketing Management
BUDDY MEDIA, shoutlet, vifru, SYNCAPISE, Context Optional, Spreadfast, this.noment, votigo, sprinklr, involver

Social Publishing Platforms
hootsuite, EXPION, awarenessHUB, tweet, tapli, hear say, momentfeed, socialvok, SPROUT SOCIAL, Argyle Social

Social Promotion Platforms
offerpop, Fanzilla, SocialAppsHQ, Strutta!, SnapApp, Seesmic, Ambassador

Social Advertising Platforms
nanigans, Adapty, spruce MEDIA, Involved Media, TRIGGIT, Marin, SAM, KINETIC, Ybrant, brandnetworks, SHIFT, 12, KENSHOO, UNIFIED, Alchemy, optima, Lexity, EfficientFrontier

Social Ad Networks
OneRiot, rockyou, LIFESTREET, 33, 140, dstillery, GRAPH, radiumone

Social Intelligence
PostRank, Trendr, ATTERUNITY, VISIBLE, synthesio, crimson hexagon, actionmy, integy, TRAACKR, BuzzLabs, bottlen, se, COMMAND, quantifind, trackr, NETWORKED INSIGHTS, sysomos, brandprotect, backtype, ALTERIAN, NETBASE

Social Business Software
pagenger, lithium, jive, telligent, sition

External (Customer) Facing
inGage, satisfaction, mzinga, Assistly, KickApps, Lverage Software, Pluck

Internal (Employee) Facing
huddle, cubetree, acquia, IGLOO, Yammer, chatr, moxie, Watchtoo, Socialtext, nimble, SOCIALCAST

URL Shorteners
bitly, tiny arrows, TinyURL.com

Stream Platforms
UberMedia, TweetDeck, twirl, Aol Lifestream...

Twitter Apps
twit, wefollow, tweetmeme, StockTwits, chirpify, Listorious, Cadmus, twitvid

Facebook Apps
LIKESTER, BranchOut, snapto, CAPSOTS, SNAP, badoo, smule, ZOSK, causes, booshaka

Facebook Gaming
playfish, zynga, MetroGames, Playdom, KARAM, CrowStar, socialpoint, DIGITA, ZIPZAPRAY, UNISORT, WILDNEEDLEGAMES, PopCap

Analytics
SWE, SM, bluefin, Kontagent, Campalyst, OMNIDREY, shareable, mixpanel, webtrends, Simply Measured

Content Curation
F, hunch, Storify, SkyGrid, BuzzFeed, memolane

Social Branded Video
Visible MEASURES, sharethrough, UNRULY, virool, Touchstorm

Social Commerce Platforms
live gamer, SHOP TAB, muncom, STORENVY, dotbox, Molko, FLUID, Shopgizer, mityoni

Advocate Platforms
DYNAMIC SIGNAL, collective, bias, crowd, socialchorus, Zuberance, adly, lingia, AMPLIFINITY, twtMob, inluitive, FAN CORPS

Social Data
LiveRamp, DATASIFT, TOPSY, GNIP, COO

Social Search & Browsing
wink, Aardvark, StumbleUpon, spokeo, cue, WHOS TALKING

Social TV
tunerfish, PHILLO, INTO NOW, FLINGO, viggie, UNAMI, Cover TV LIVE

Social Networks - Other
Linked in, TAGGED, my, SKOUT, Nextdoor, Friendster, goia, plaxo, Path, FLUB, HABB0, 1st5, meet me, forkut, Google+, #hashable, renren, friendly

Social Shopping
Giant, Swipely, Zaarly, zappt, LOCKERZ, wane, FANCY, kaboodle

Content Sharing (Reviews/Q&A/Docs)
Dropbox, Pinterest, fotopedja, Scribd, box, Quora, Answers, topix, yelp, Angie's list, ikubPages, reddit, everplace

Social Referral
500friends, eurebit

Image/Video Sharing
imgur, snapchat, photobuck, klip, KEEP, SmugMug, ZangZing, Flickr, Picasa, Vine

Social Content & Forums
b, PowerReviews, Echo, RebelVoice, facebook, DISQUS, VideoGenie, Mass, livefyre, chub

Traditional Publishers
CANDY, CNN, The New York Times, MODE MEDIA, THE WALL STREET JOURNAL, HEARST corporation, Aol, CONDÉ NAST

Social Login/Sharing
Add This, AddShoppers

Gamification
Badgeville, PunchTab, Actionable

Community Platforms
GROU, PS, BuddyPress, NING, mixxt, GroupSite

Blogging Platforms
WordPress, tumblr, posterous, Blogger, Squarespace, Medium, Joomla

twitter
facebook

CONSUMER

Wow ... what happened?



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

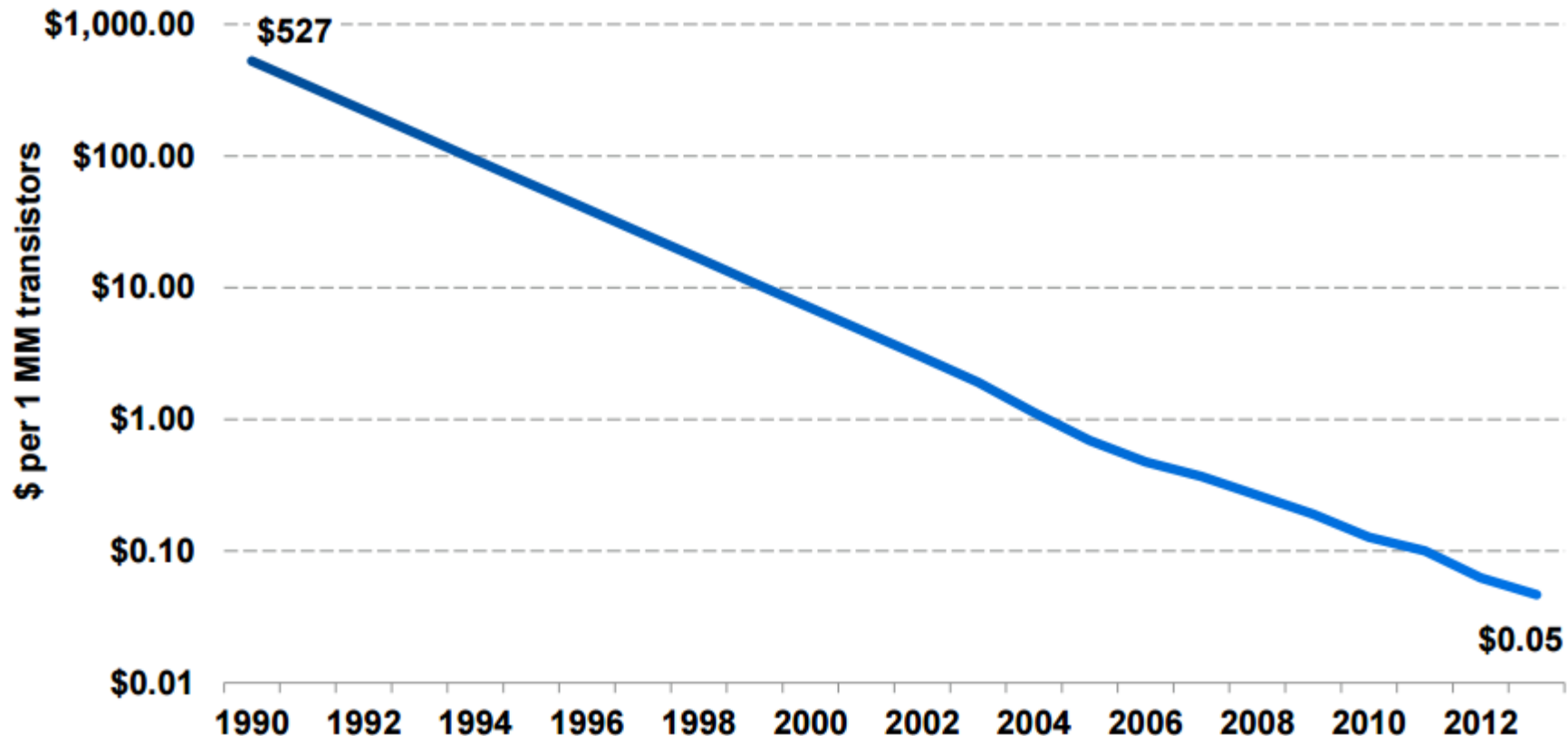
1. A (decently performing) device
2. A (decently performing) internet connection
3. Storage space (for photos, for messages etc.)

And all this at an affordable price

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

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

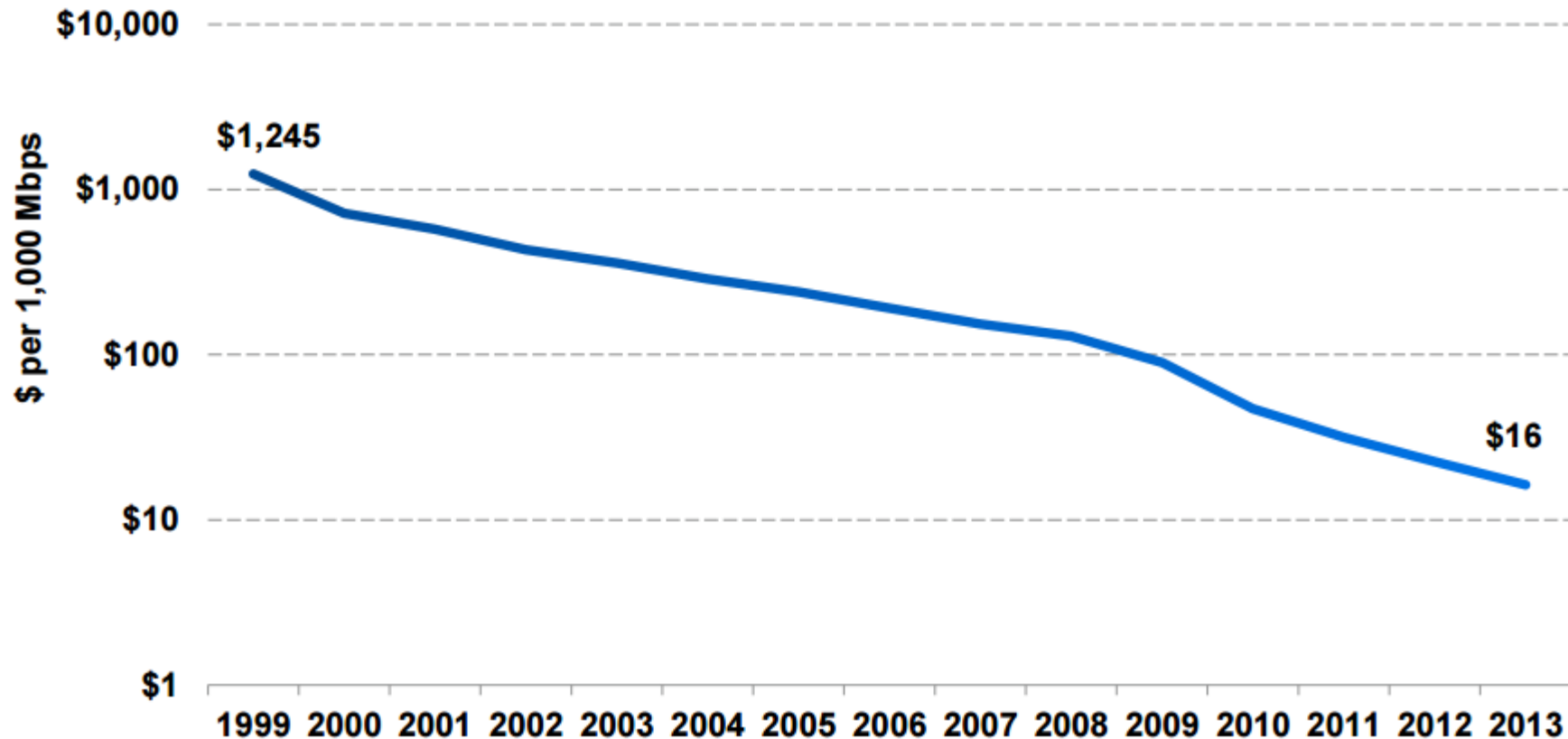
Global Compute Cost Trends



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

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

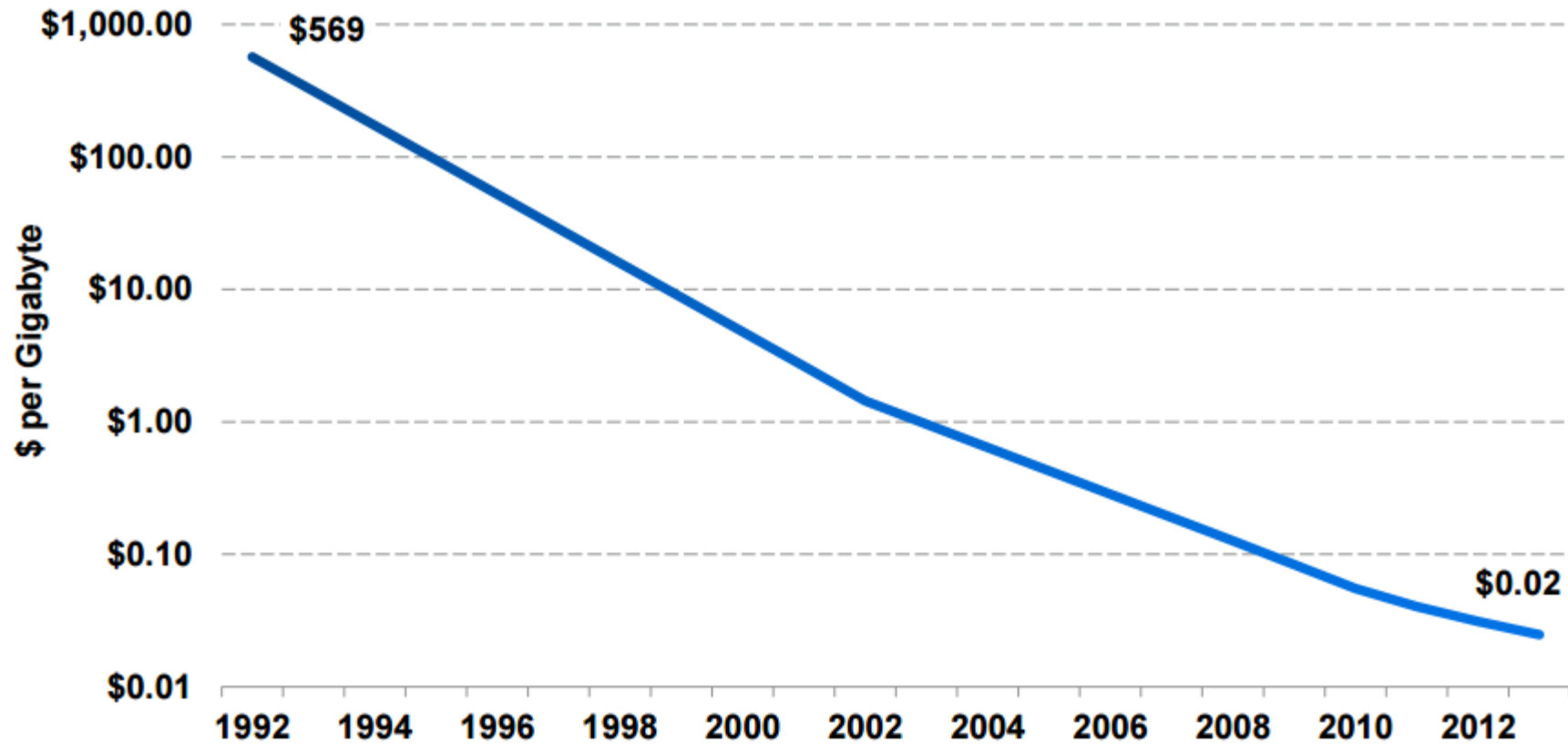
Global Bandwidth Cost Trends



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

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

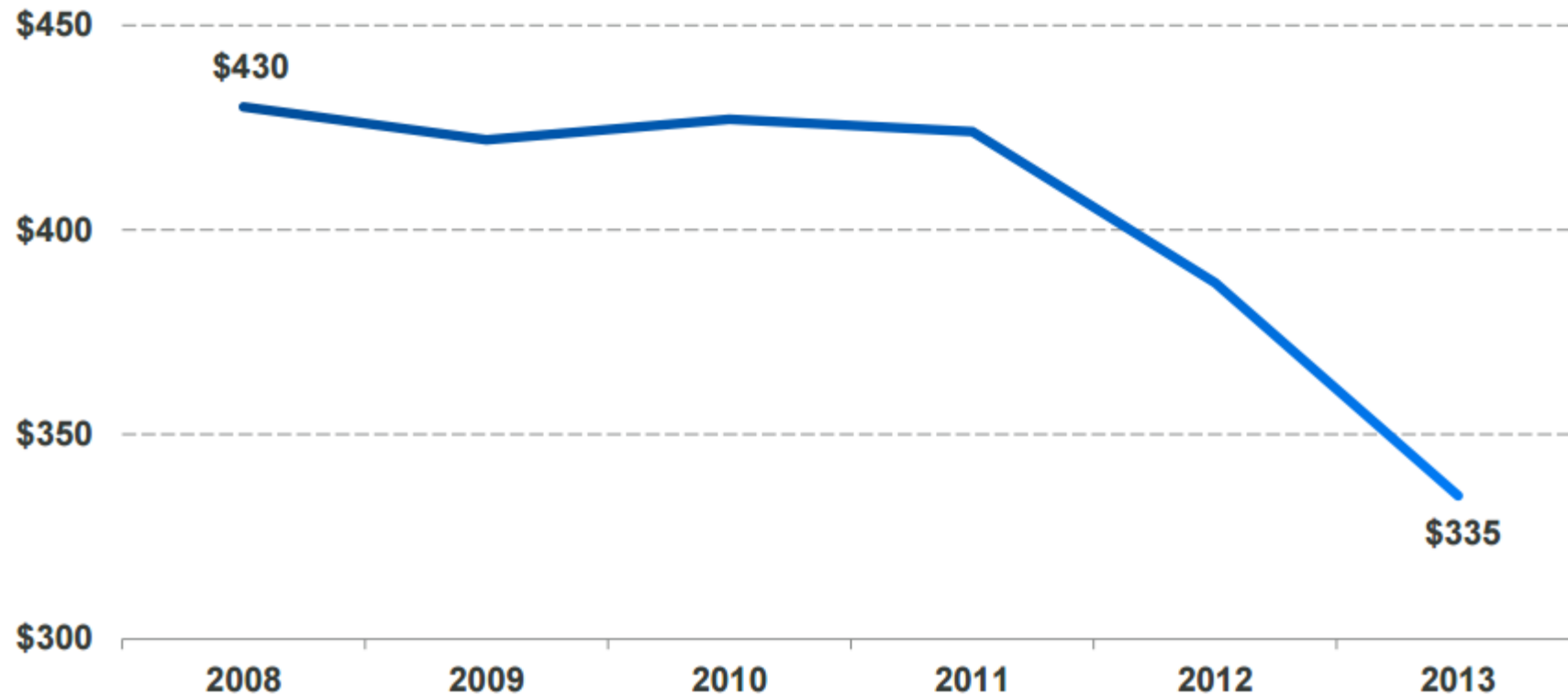
Global Storage Cost Trends



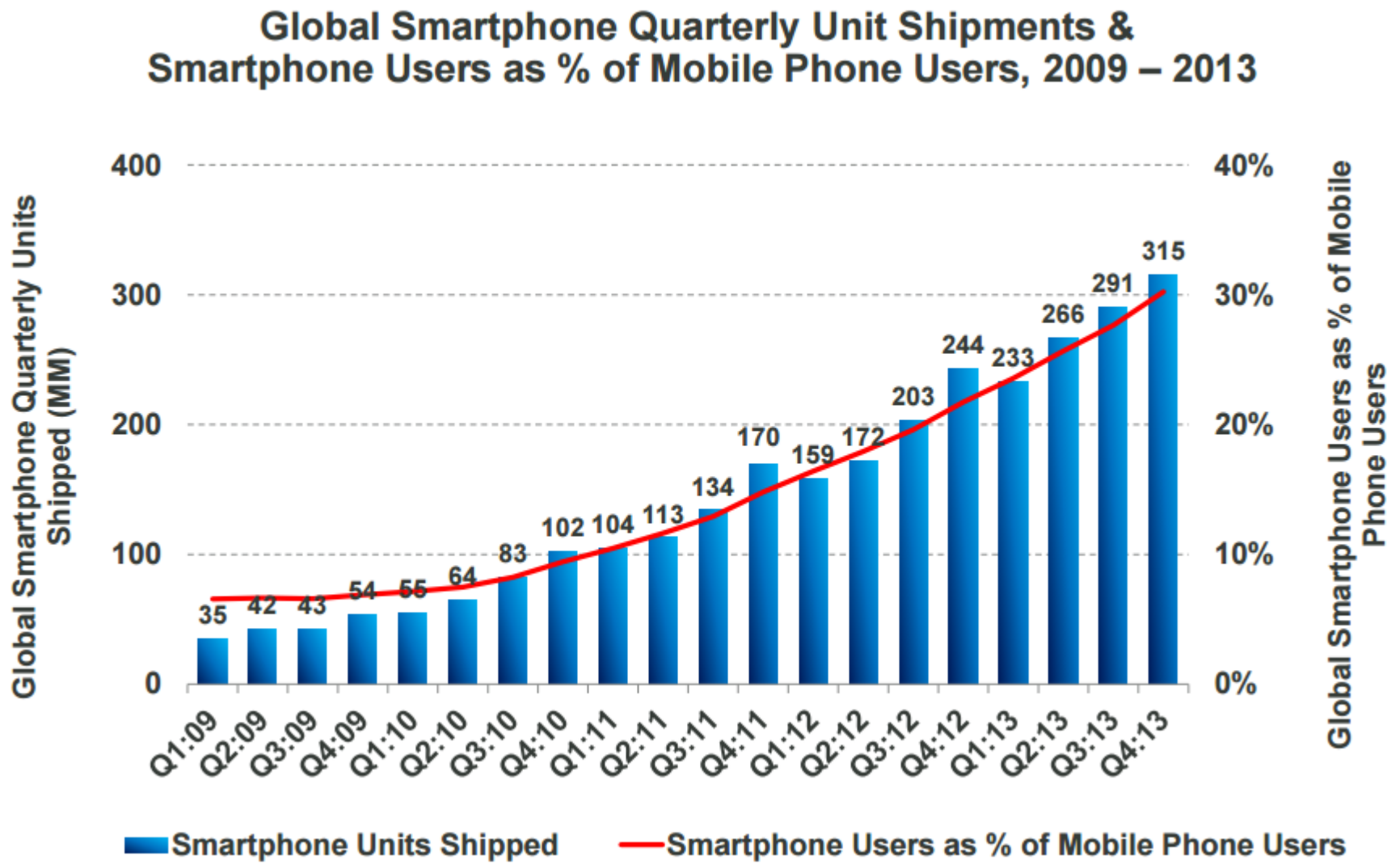
...Smartphone Costs Declining = 5% Annually, 2008-2013

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

Average Global Smartphone Pricing Trends



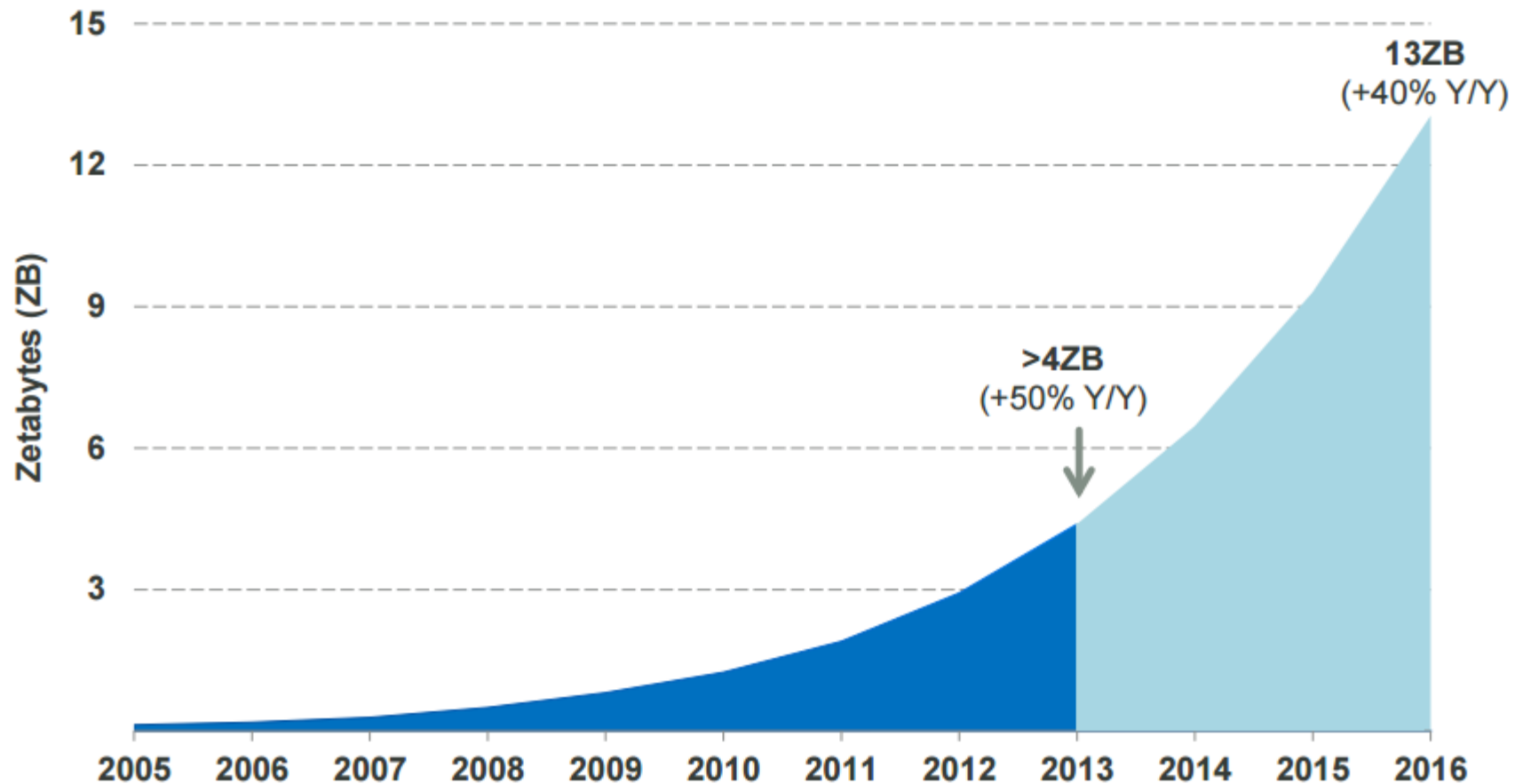
Internet trends



Source: KPCB

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

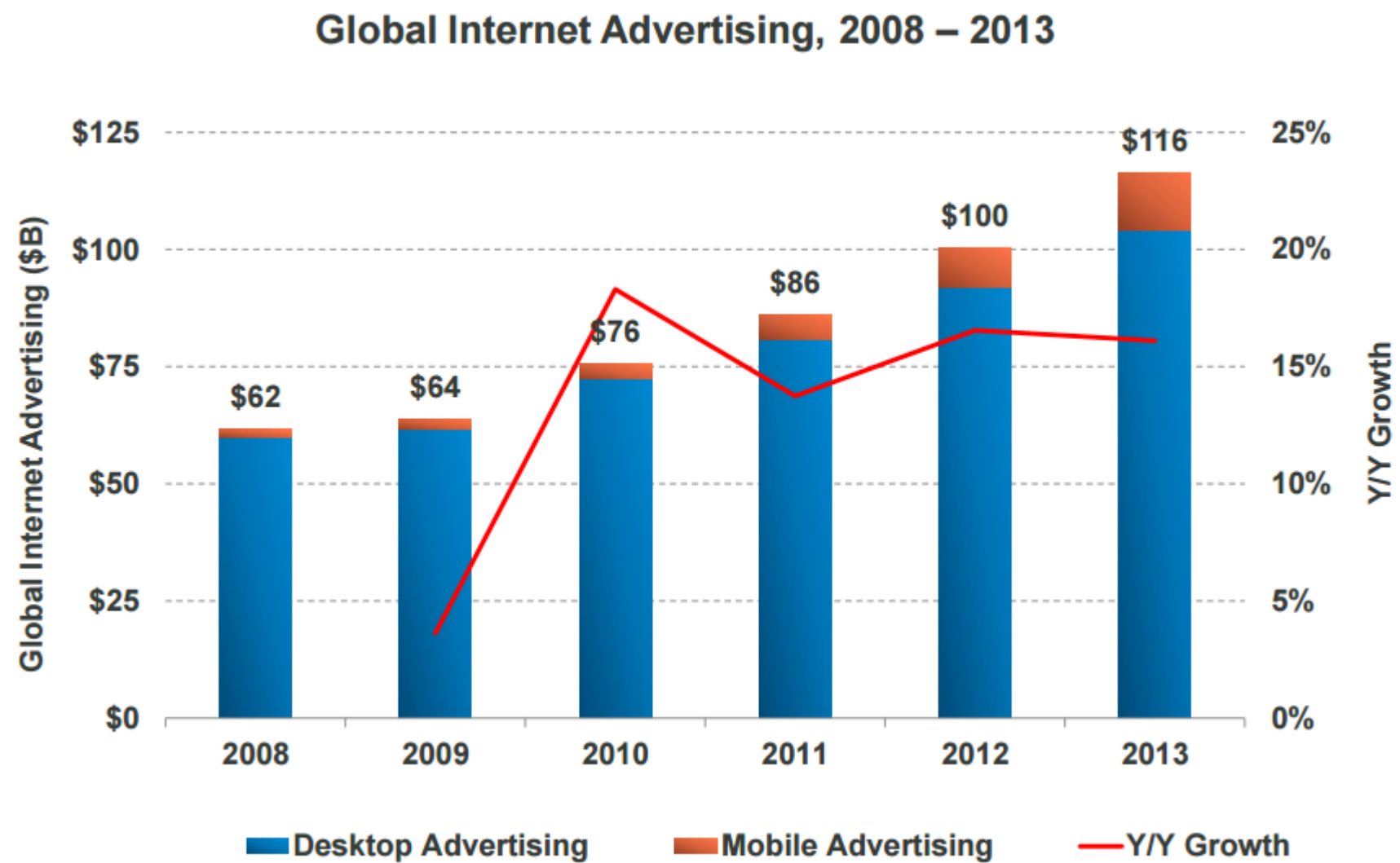
**2/3rd's of Digital Universe Content = Consumed / Created by Consumers
...Video Watching, Social Media Usage, Image Sharing...**



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



Media companies live from advertising (mostly)



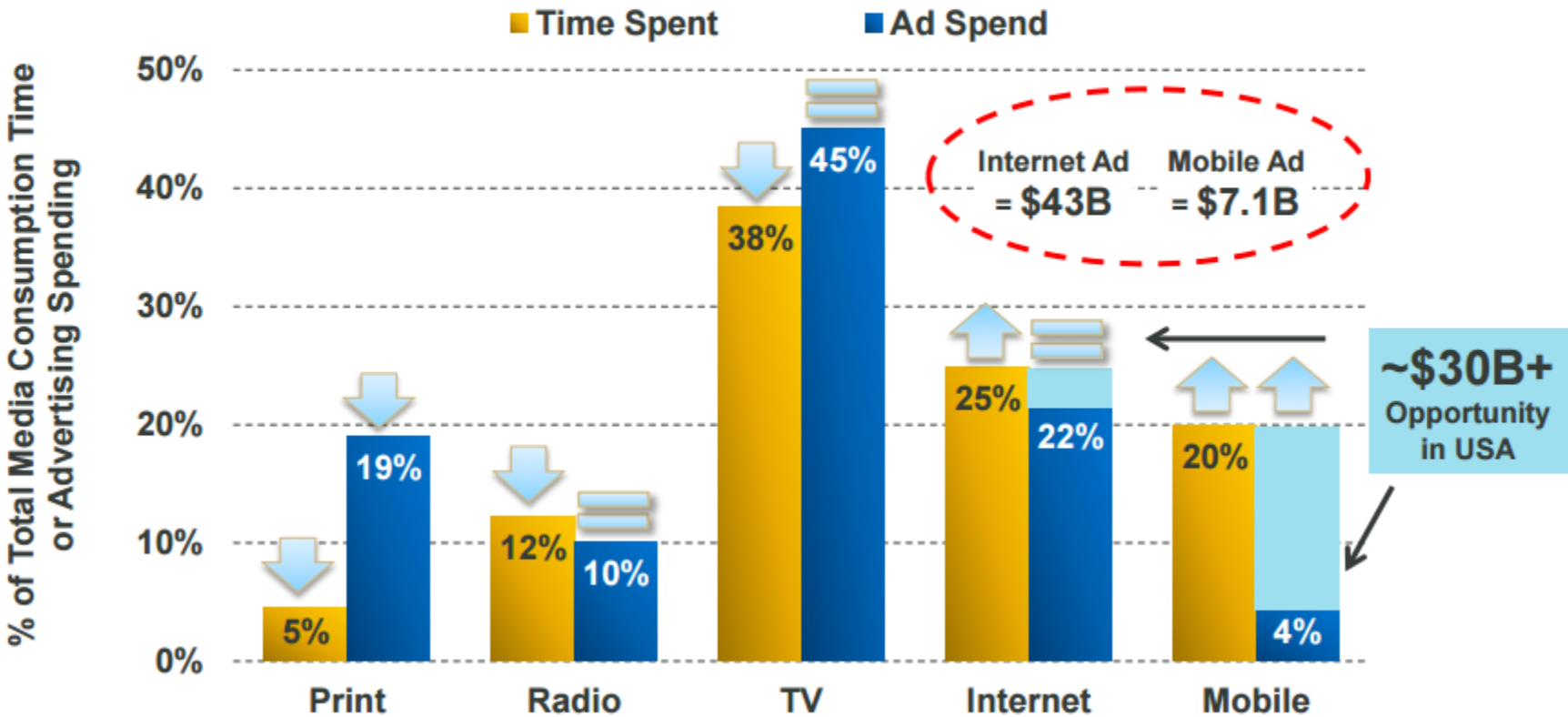
The ,biggies‘ are already doing pretty well

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

% of Time Spent in Media vs. % of Advertising Spending, USA 2013



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



Here comes your IT strategy

Move fast and break things. Unless you are breaking stuff, you are not moving fast enough.

Startup Quote!

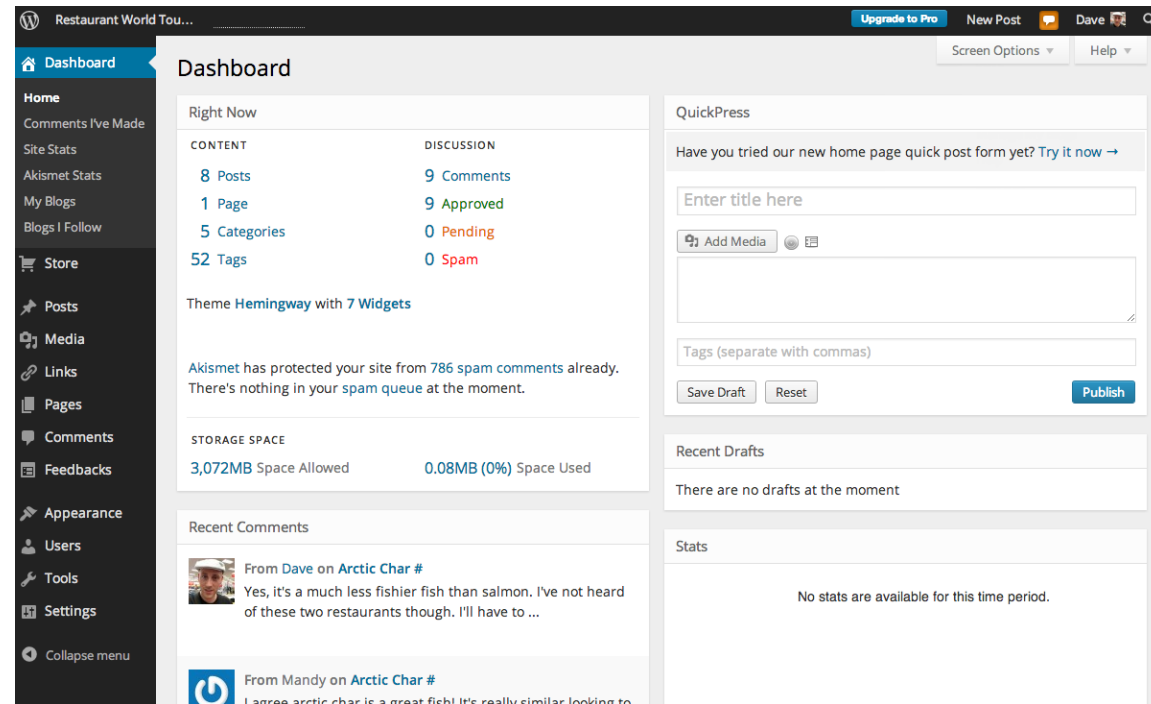


MARK ZUCKERBERG
CO-FOUNDER, FACEBOOK

Publishing Software



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For free

Awesome interface

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The screenshot displays the Envato Market homepage. At the top, the 'envatomarket' logo is on the left, and navigation links for 'Make Money', 'Forums', 'Community', 'Affiliates', and 'Help' are on the right. A 'Create an Envato Account' button and a 'Sign In' link are also present. Below the header, a row of logos for various marketplaces (themeforest, codecanyon, videohive, audiojungle, graphicriver, photodune, 3docean, activeden) is shown. A secondary navigation bar lists categories: All Items, WordPress, HTML, Marketing, CMS, eCommerce, PSD, Tumblr, Ghost, Muse, Plugins, and More. The main banner features a green background with a grid of template thumbnails. It prominently displays '18,758 Website Templates and Themes From \$3' and lists supported platforms: HTML, Email, WordPress, PSD, Joomla, and Magento. A search bar with the placeholder text 'e.g. 'Responsive WordPress'' and a magnifying glass icon is provided. Below the search bar are three buttons: 'Browse Popular Items', 'Browse Top New Items', and 'Browse Latest Items'. The 'Featured' section, subtitled 'Hand picked by the Envato team', shows a row of featured items with their respective logos: ZEPHYR v1.3, AURELIA, FLATPACK UNBOUNCE 2.0, variant, Fashion & Style OPENCART, PACIFIC HTML, A.Parker Photography, LOOP, ROCK GROUP WP, AVENDOR NEW v1.2, and BALLOON. A 'View More Featured Items' button is located to the right of the featured items.

< 20 € / one time

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EMAIL

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Achat annuel requis.

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Get a native app that sits on your Wordpress CMS

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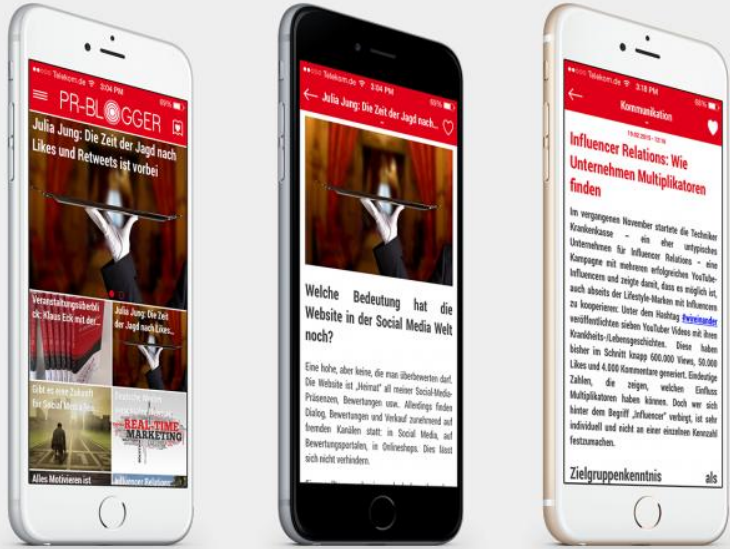
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In Only 3 Steps To Your Own App

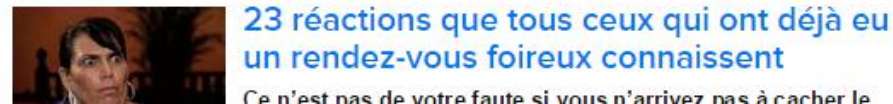


Preview Your Own App For Free

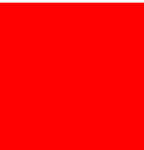
For free

Great content

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0 €/month



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Go for Launch

1 week

< 30 €/month

Wait a minute!

**Am I saying that you can run a digital media business
with less than 50 € per months?**



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

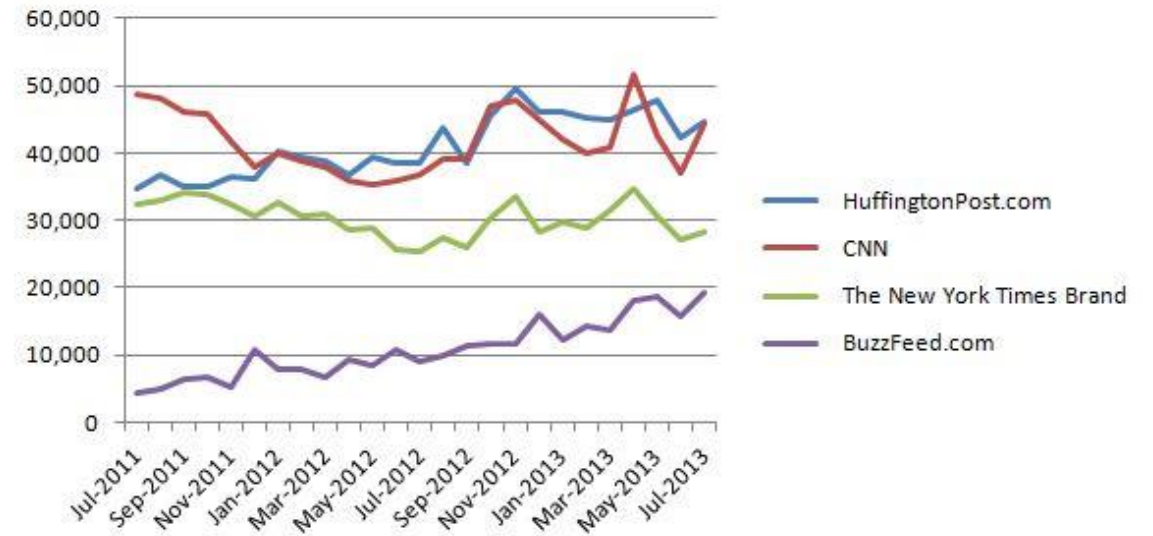
BUT

What is it about?

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



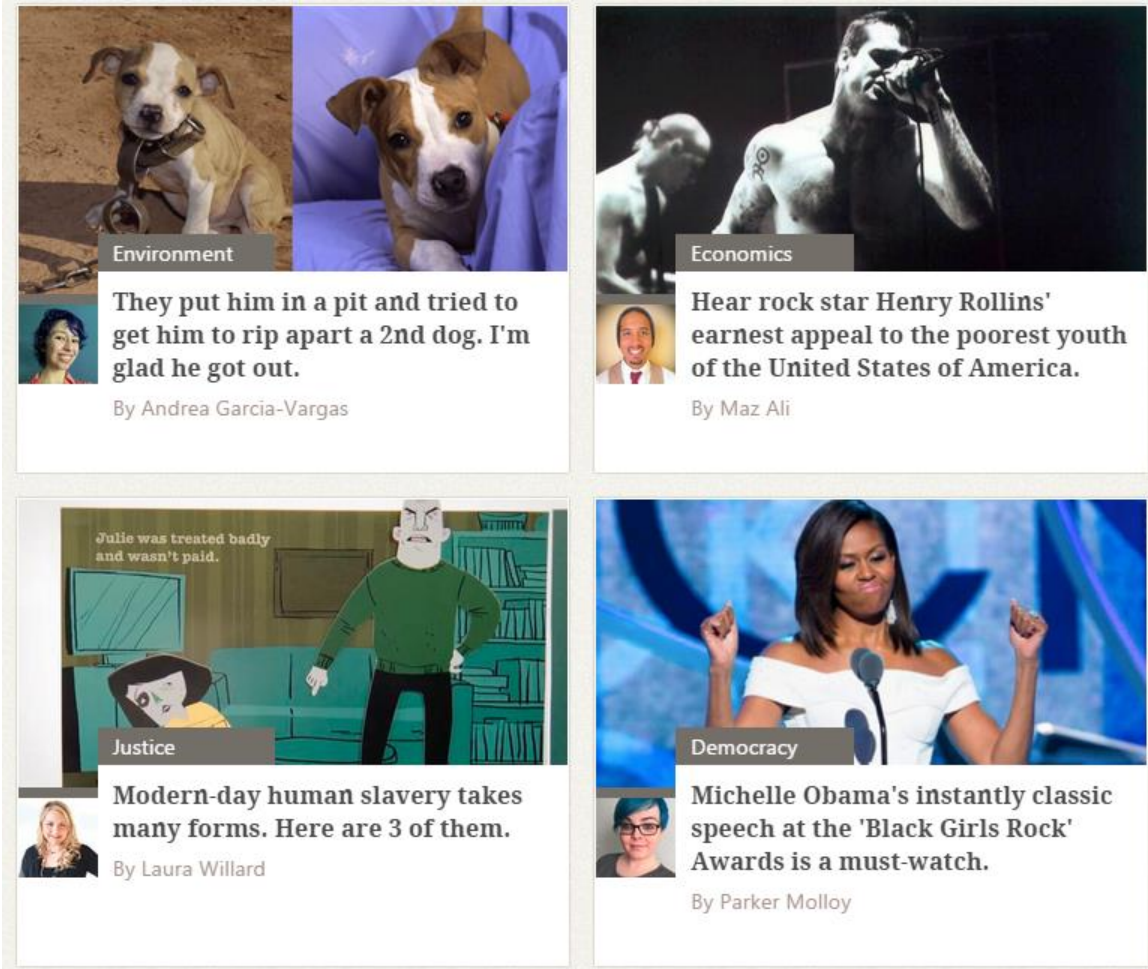
upworthy.com



buzzfeed.com

They rely on headlines and images to drive clicks

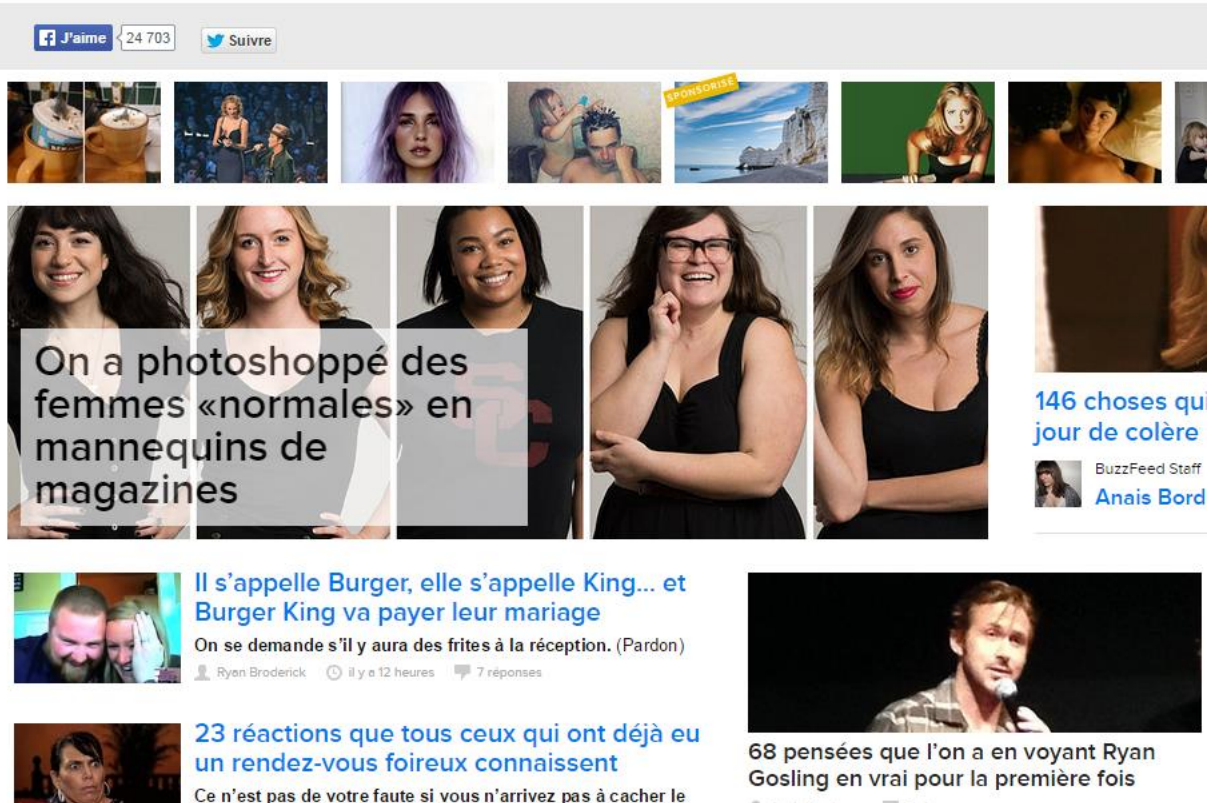
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upworthy.com

BuzzFeed

LOL win omg



buzzfeed.com

However, that is only half the truth

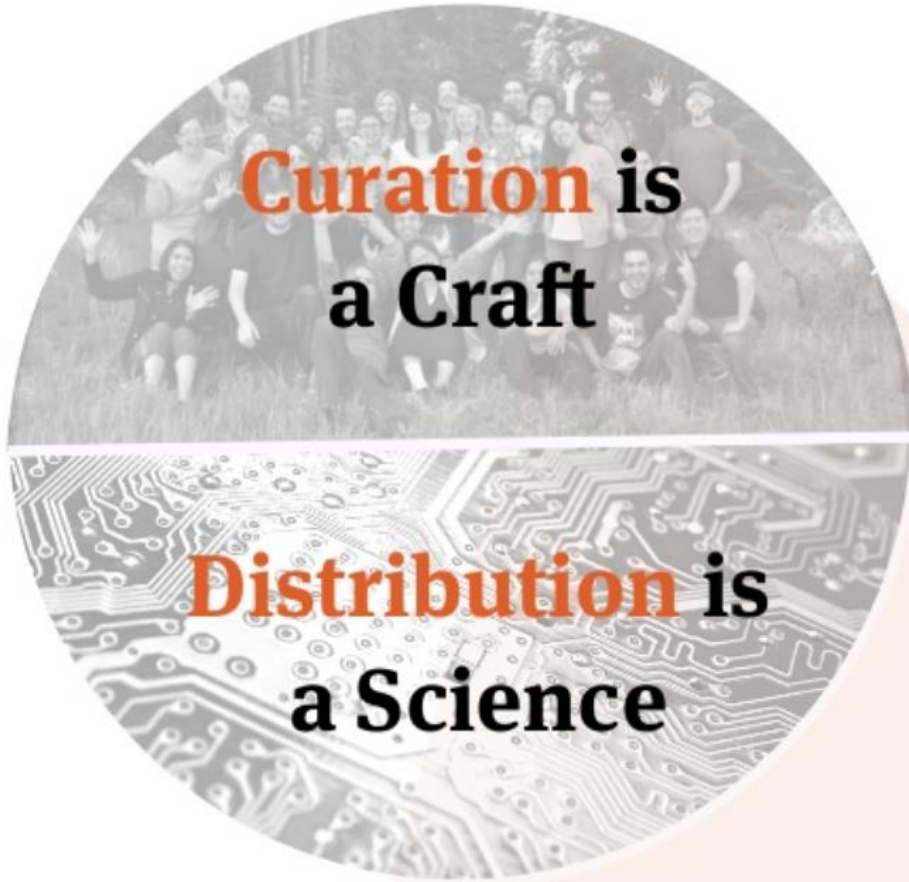
UPWORTHY

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

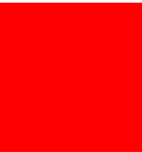


Upworthy's Editorial Process



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.

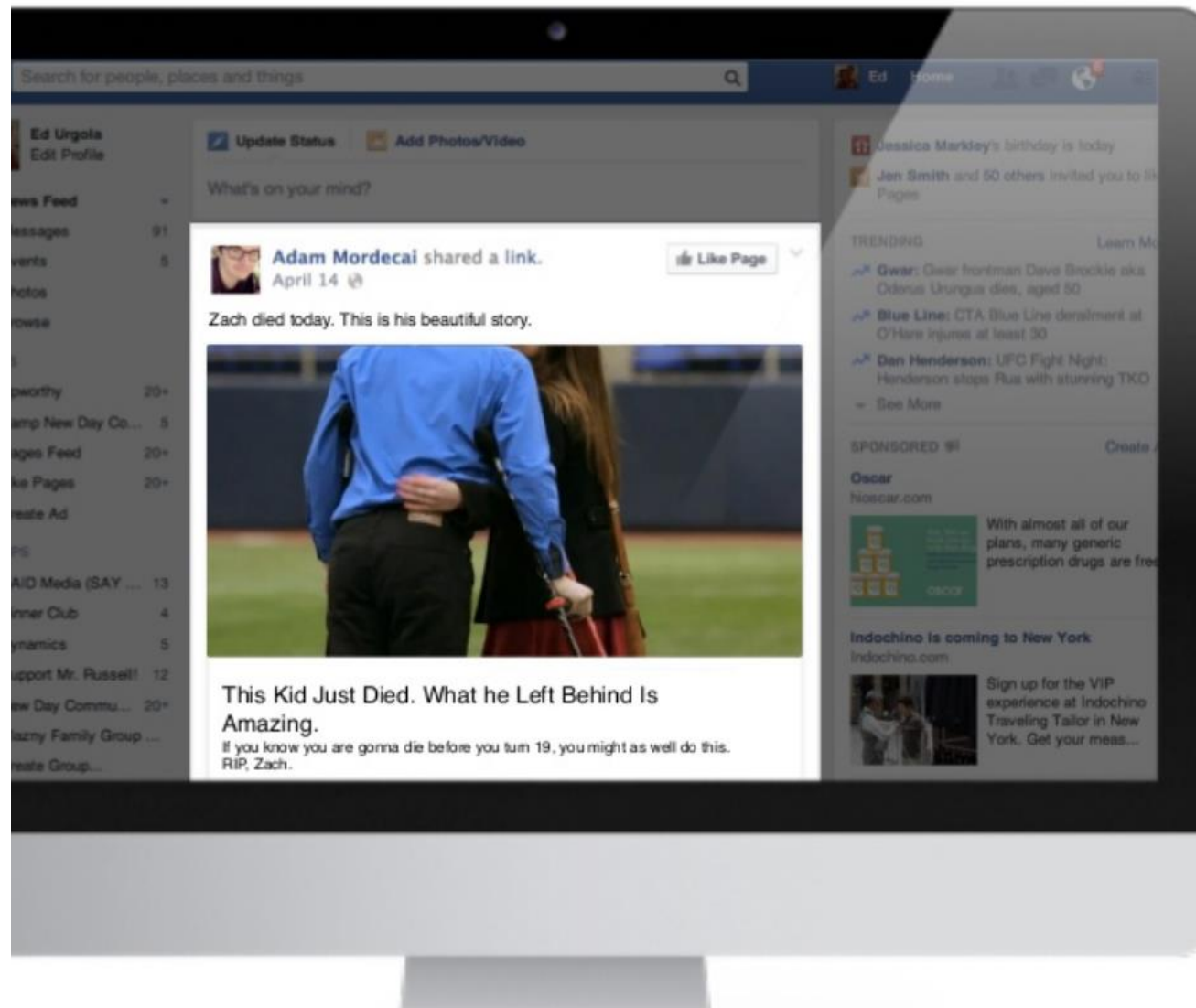
SO PLEASE WRITE 25 HEADLINES

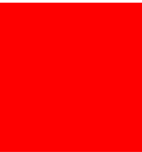


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Optimize everything.

+3%

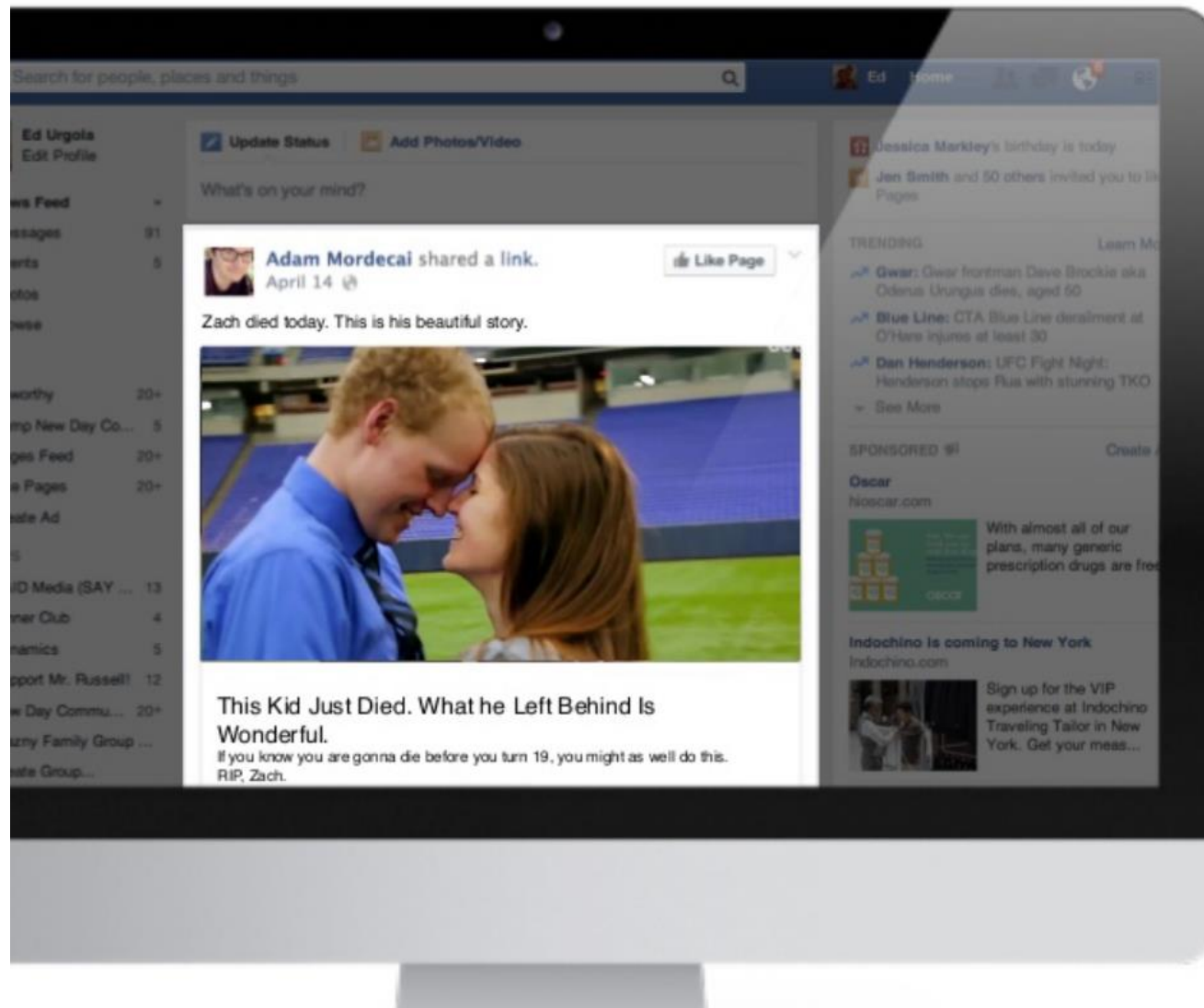


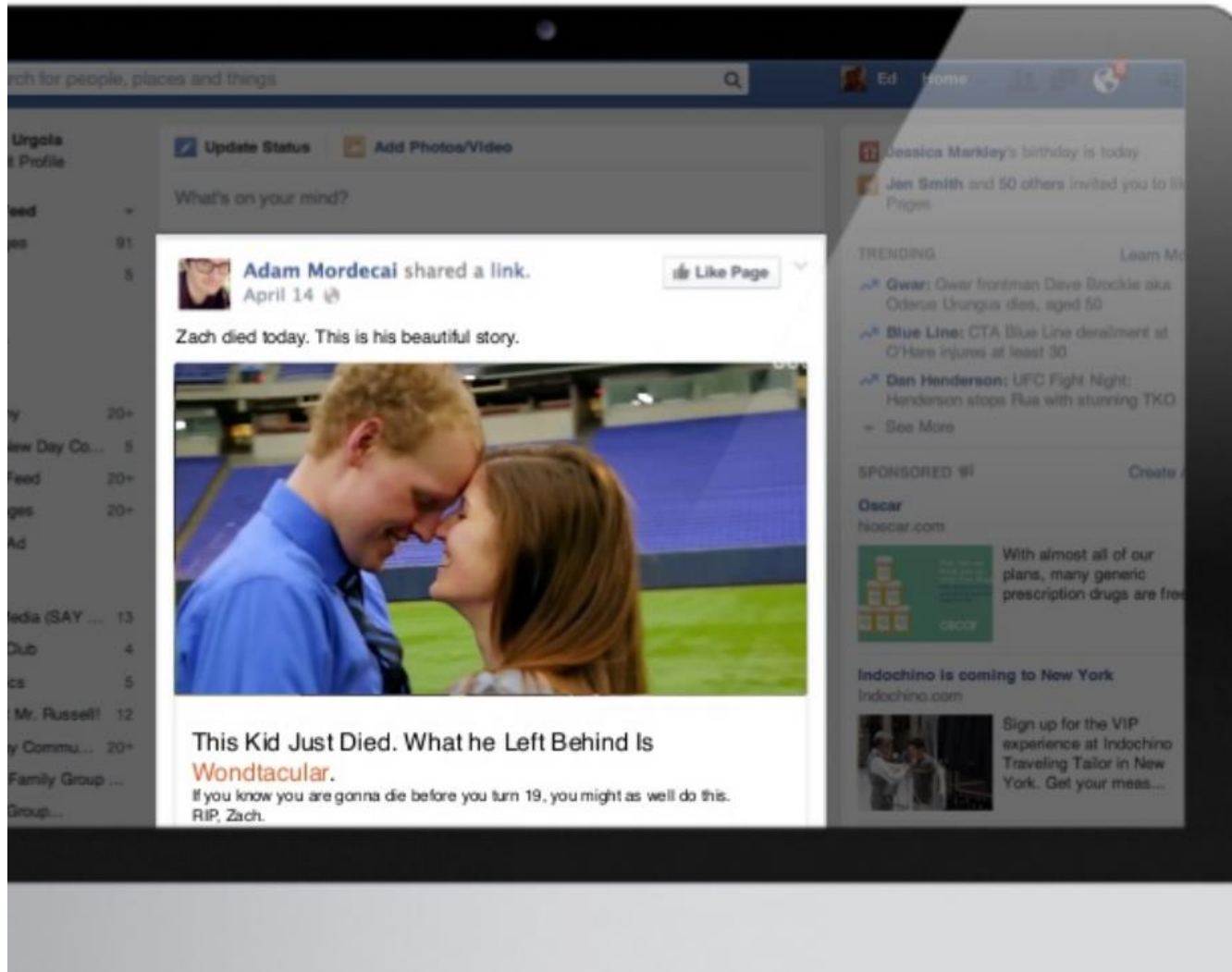


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Optimize everything.

+28%





Optimize everything.

+69%



UPWORTHY

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



facebook

Photo posts
have 3-4 x
the engagement.

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

Reach
200M

Tipping Point



Referral Traffic 2012 - 2013

(source: BuzzFeed)



So, becoming a successful publisher is about

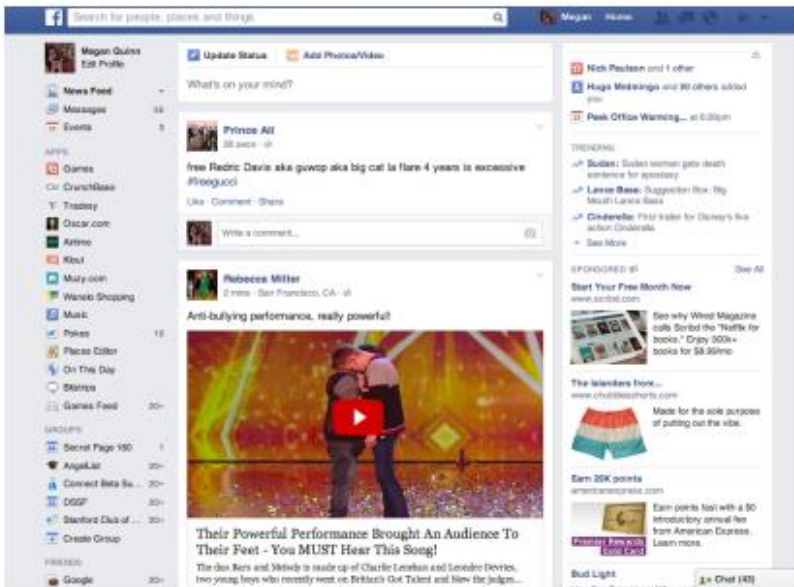
1. great content
2. effective distribution (using the channels that exist)
3. constant testing

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



Internet unbundling requires variations of a product

First, multi-purpose web apps...



...then, multi-purpose mobile apps...



...now, single-purpose = 'there's an app for that...'



**Media companies
need a
sophisticated IT
strategy**

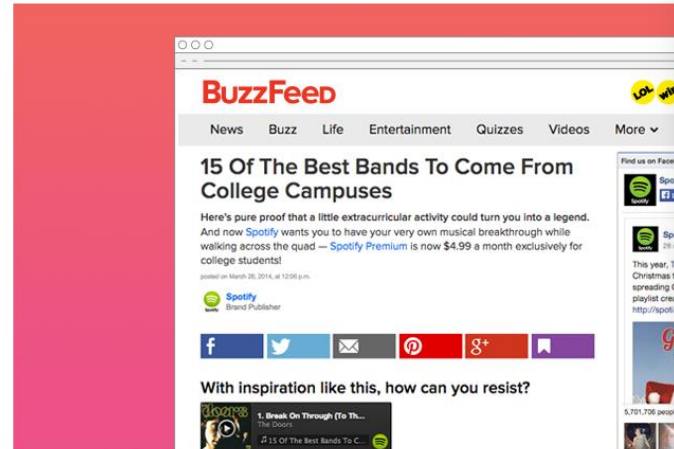
On the long run

Even a media business needs real ,products‘

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BuzzFeed Advertise

Product

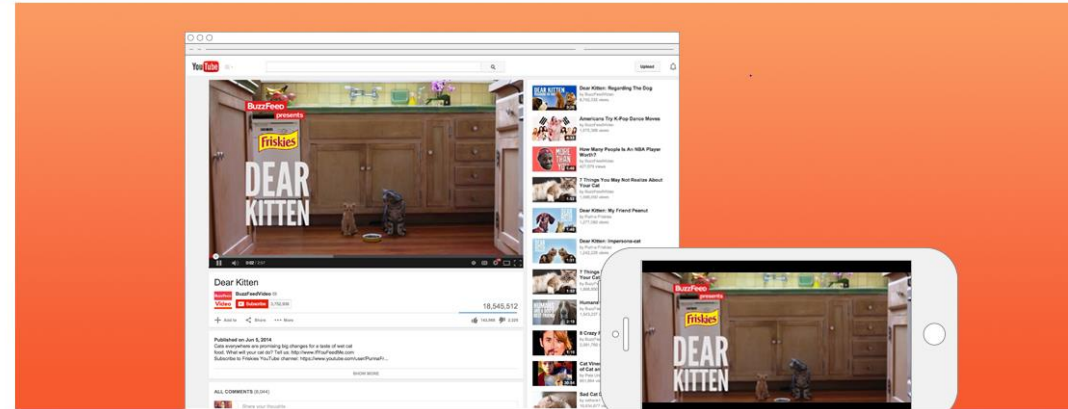


Custom Social Posts

About Products Success Stories Resources Contact

BuzzFeed Advertise

About Products Success Stories Resources Contact



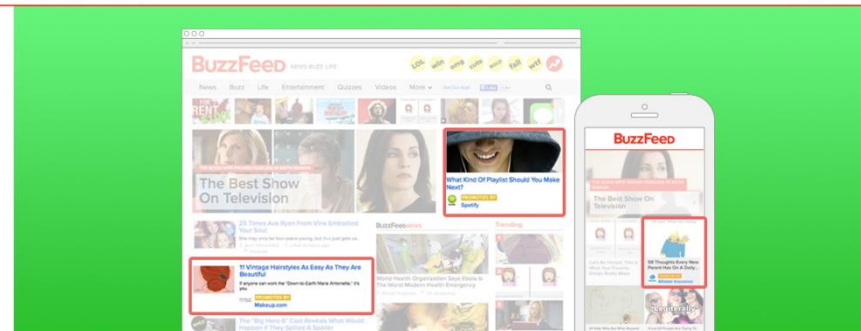
Video

BuzzFeed Motion Pictures produces original video content designed for the social web. With a dedicated staff and production studio based in Los Angeles, BuzzFeed Motion Pictures works with brands to

create instant hits like Friskie's "Dear Kitten" and GE's "Are You A Visual Thinker?" Since launching in 2012, BuzzFeed Motion Pictures has grown to 9+ million subscribers with over 2.5 billion views to date!

BuzzFeed Advertise

About Products Success Stories Resources Contact



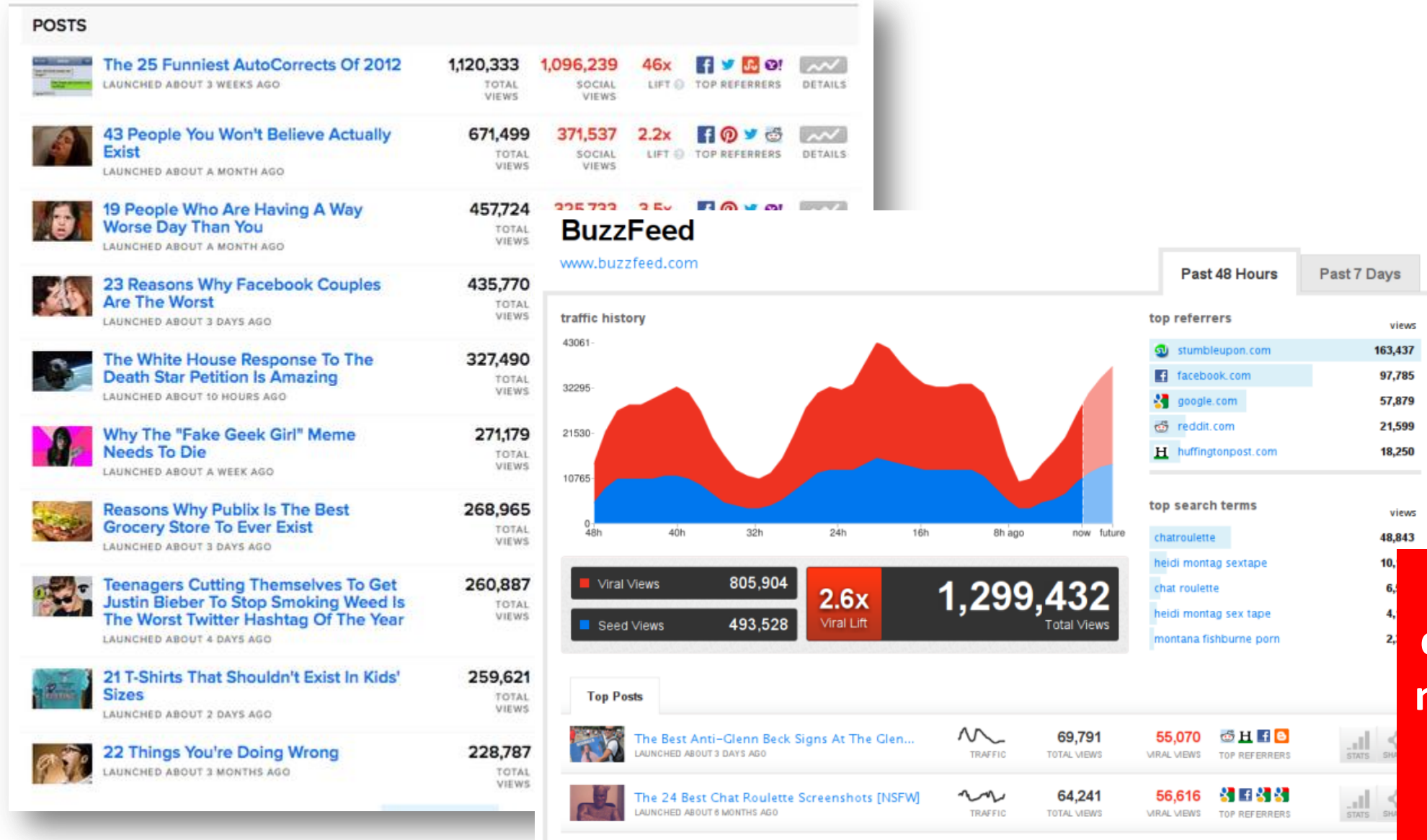
Promotion and Story Units

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

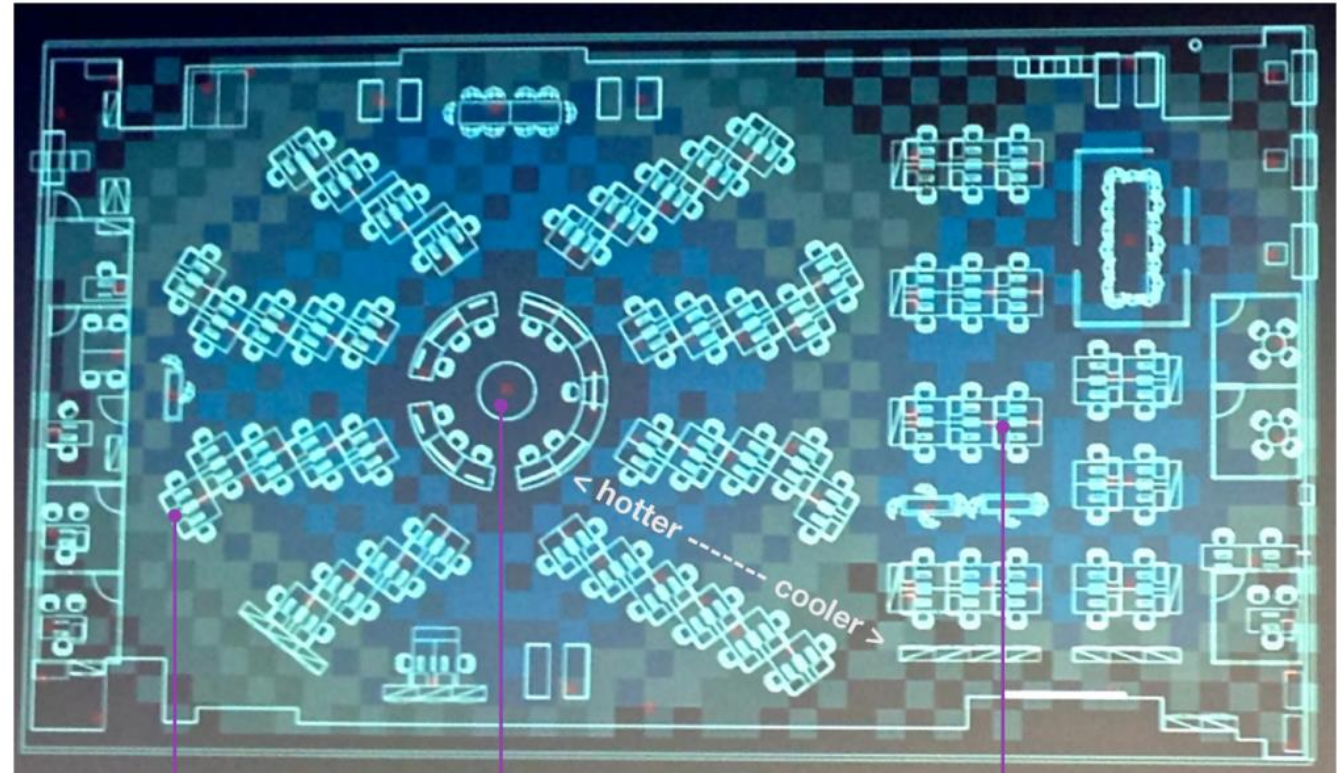
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Beyond great content creators, media companies need creative data engineers

Being successful in (digital) media requires aligning all functions

DIE WELT Die Welt ±150 persons brand new open space



floor plan © Axel Springer

8 editorial desks

(national, foreign, business, opinion...) with dedicated staff for mobile, tablets, web, video, graphics, 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...

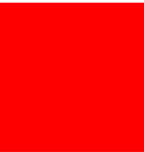
42 persons

Succeeding in media requires constantly challenging the things you do



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



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