

New media business models and diversifying revenue streams

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International Press Institute
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TOPICS

About Daily Maverick

Revenue Problem

Vision & Mission

B2B vs B2C

Revenue Influence

Revenue Types

Membership in news

Launching membership (Case)

Acquisition tactics

Takeaways

DAILY MAVERICK

DEFEND TRUTH

- ❑ Started in 2009 with 5 people
- ❑ Now 100+ people
- ❑ Digital-only (until Sep 2020)
- ❑ 2019 Global Shining Light award for investigative journalism

6m

Website visitors p.m

15m

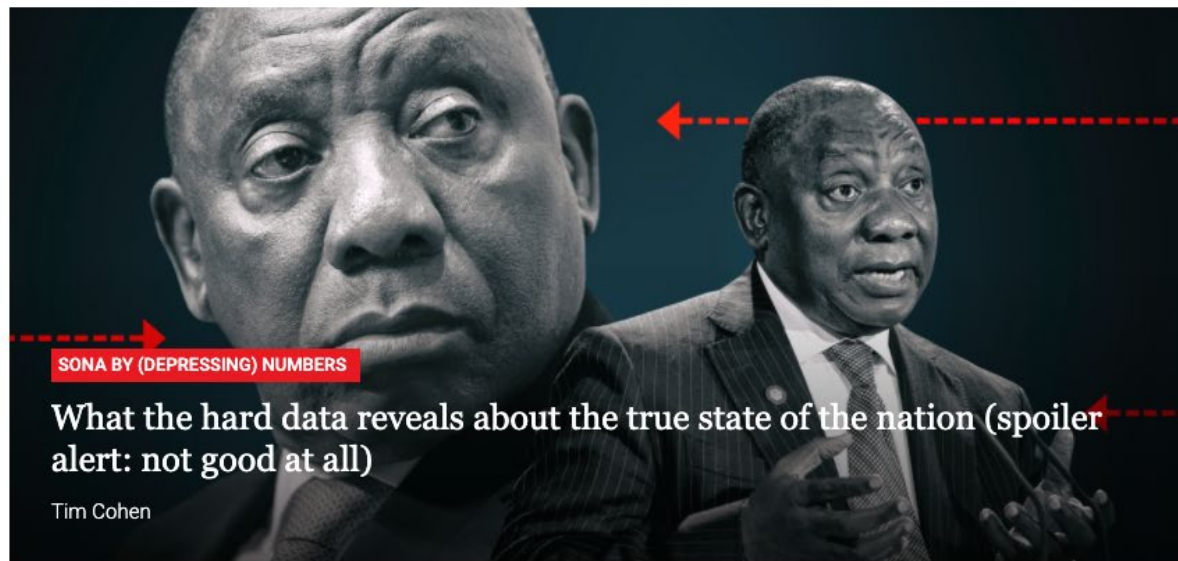
Newsletter sends p.m to 250k
subscribers

17k

Active members

DAILY MAVERICK

DEFEND TRUTH



2022 STATE OF THE NATION ADDRESS

No fanfare, but South Africa finally has a critical skills work visa list

Marianne Merten



GROUNDUP OFF TRACK

Prasa derailed as lawyers walk out ahead of billion-rand corruption deal appeal

James Stent for GroundUp



CHIEF JUSTICE JSC INTERVIEWS OP-ED

Please watch your back, Judge Maya – the dogs that didn't bark may well come back to bite you

Pierre de Vos





About me

- ❑ Reformed accountant
- ❑ Co-founded Daily Maverick

- ❑ Sales, finance, fundraising,
- ❑ written articles, launched newsletters,
- ❑ managed product and technology rollouts, and
- ❑ launched membership programme and newspaper



The Revenue Problem

- 1 Sustainability is the **biggest issue** facing media today
- 2 The old way of cookie-cutter revenue model **is dead**
- 3 Requires a **bespoke** solution and entrepreneurial mindset
- 4 **New skills and knowledge** are required

The Revenue Solution

- 1 Clear business vision
- 2 Align with editorial vision and audience needs
- 3 Strategy + Framework to execute vision
- 4 Product thinking to test and iterate

What is your business **vision**?

“Where are we going” = Vision

Clear, impassioned, short, realistic, no measurements

“How will we get there?” = Business Plan

Detailed, lengthy, practical

Example vision statements

- ❑ 'There will be a personal computer on **every desk** running Microsoft software.' (Microsoft's original vision statement)
- ❑ 'Our vision is to be earth's most **customer centric company**; to build a place where people can come to find and discover anything they might want to buy online.' (Amazon.com)
- ❑ 'Our salon will change the way you think about a haircut, and **leave you glowing** both inside and out.' (local hairdresser)



What is **strategy**?



Strategy is the answer to the question:

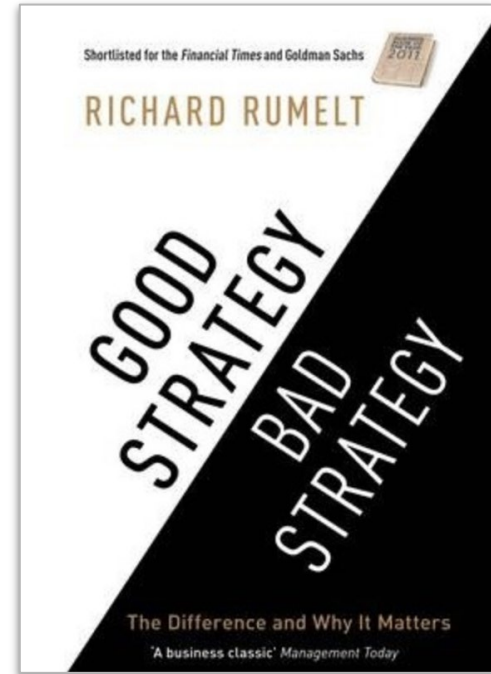
“What can we do that’s really hard?”

(Goals are not a strategy)

Strategy

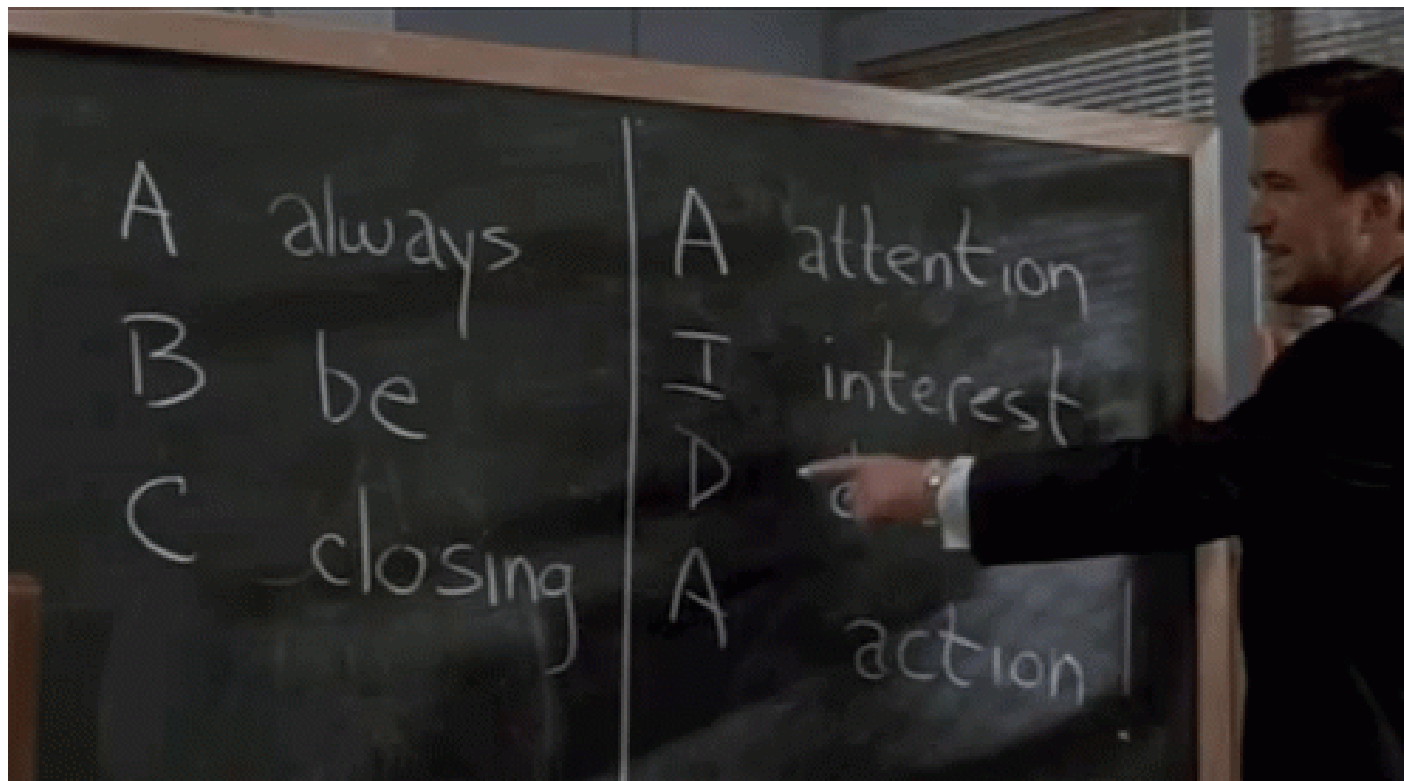
Rumelt's 3-stage approach:

- ❑ Diagnosis (Problem trying to solve)
- ❑ Guiding policy
- ❑ Set of actions



B2B vs B2C

- ❑ Shift to B2C is one of the **biggest challenges** that news media organisations are still grappling with.
- ❑ Reader revenue demands more skills in entrepreneurship, innovation, product and technology.
- ❑ **Understanding audiences** is key to driving reader revenue



If $B2C > B2B$ then you have to **ABC**

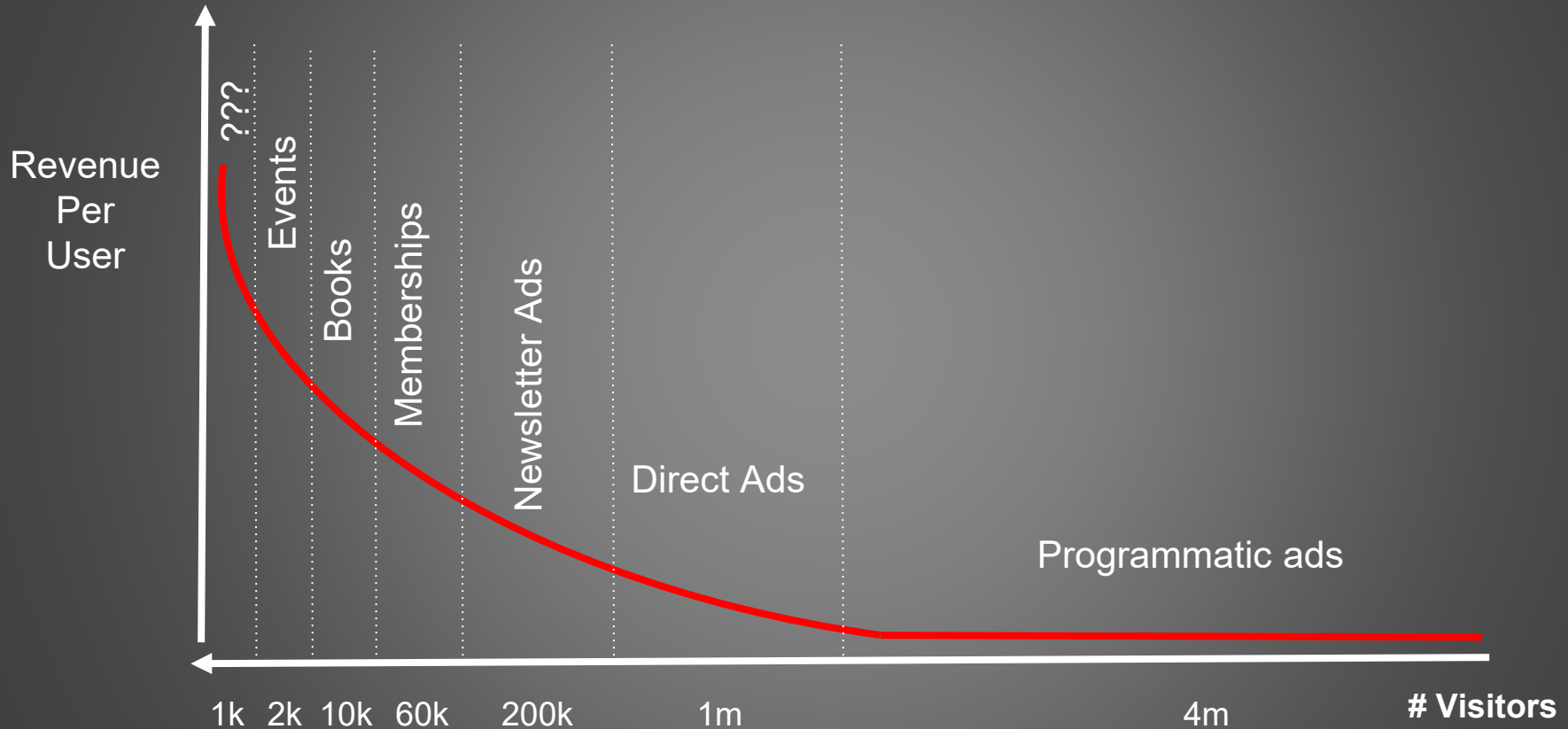


“The original sin of digital publishing was giving away content for **free.**”

Incorrect!

Not having plan to convert readers into more engaged and loyal audiences.

B2C Revenue Curve

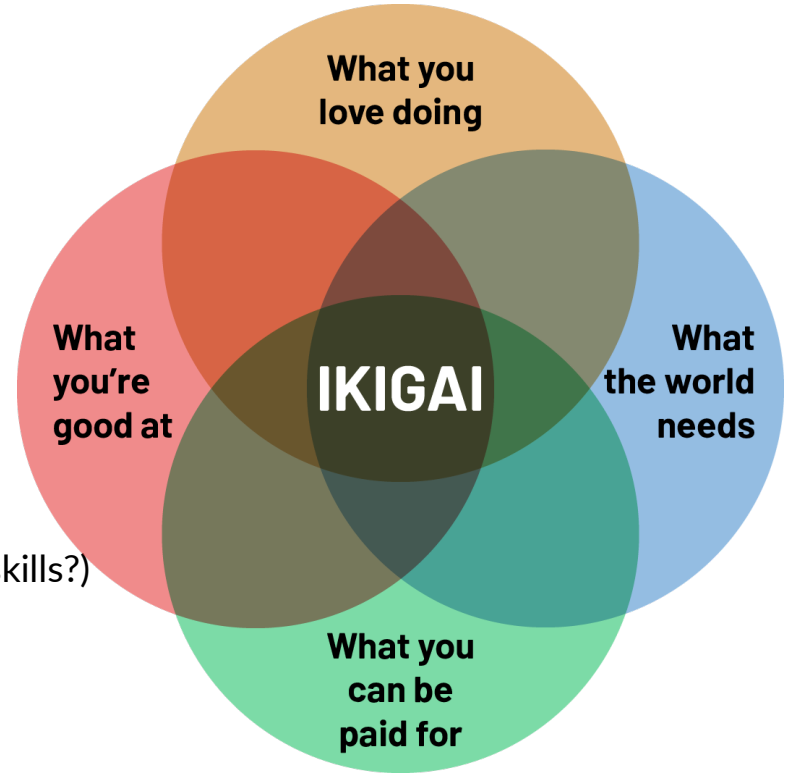


Ikigai

Japanese custom of helping one identify what you should be doing in life. Can be used to help decide on new product/revenue decisions

- 01 | What do we love doing?
- 02 | What does the world/audience need?
- 03 | What are we good at? (Can we acquire skills?)
- 04 | Can it be funded?

BUILD Ikigai products /revenue streams



Influences of revenue strategy

- ❑ Editorial and business vision
- ❑ How you're funded/structured
- ❑ Resources
- ❑ Political environment
- ❑ Economic environment
- ❑ Competitive environment

Commercial (Content)

- ❑ Print & digital advertising (Direct)
- ❑ Programmatic & network
- ❑ Sponsored content
- ❑ Classifieds
- ❑ Physical and digital events
- ❑ Content syndication
- ❑ Documentaries
- ❑ Custom Publishing
- ❑ Book Publishing

Commercial (Other)

- ❑ Affiliate
- ❑ eCommerce & embedded eCommerce
- ❑ Joint Ventures
 - ❑ Property leasing (events space)
 - ❑ Consulting services
 - ❑ Technology licencing

Reader Revenue

- ❑ Print cover prices
- ❑ Donations
- ❑ Memberships
- ❑ Subscriptions
- ❑ Ad-free browsing
- ❑ eEdition subscriptions

Membership in news

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“Subscribers pay their money to get **access**
to a product;

members join a cause and participate
because they believe in it.”

-Membership Puzzle Project

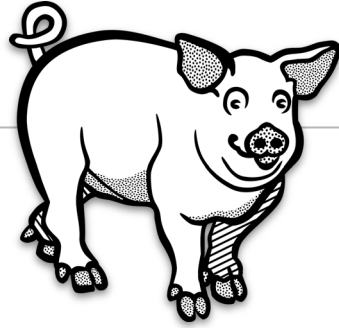
Emotive messaging

DEFEND TRUTH. JOIN THE FIGHT



Why DM turned to membership

- 1 Vision: “Know **More**. Know Better”
- 2 Keep it free for those who can’t afford to pay
- 3 35% unemployment ; 70% youth unemployment
- 4 **Political landscape would be different with a paywall**



**“You can’t put a
paywall on a pig”**

Jessica Lessin, The Information

Launching a Membership programme

Results from a successful MVP

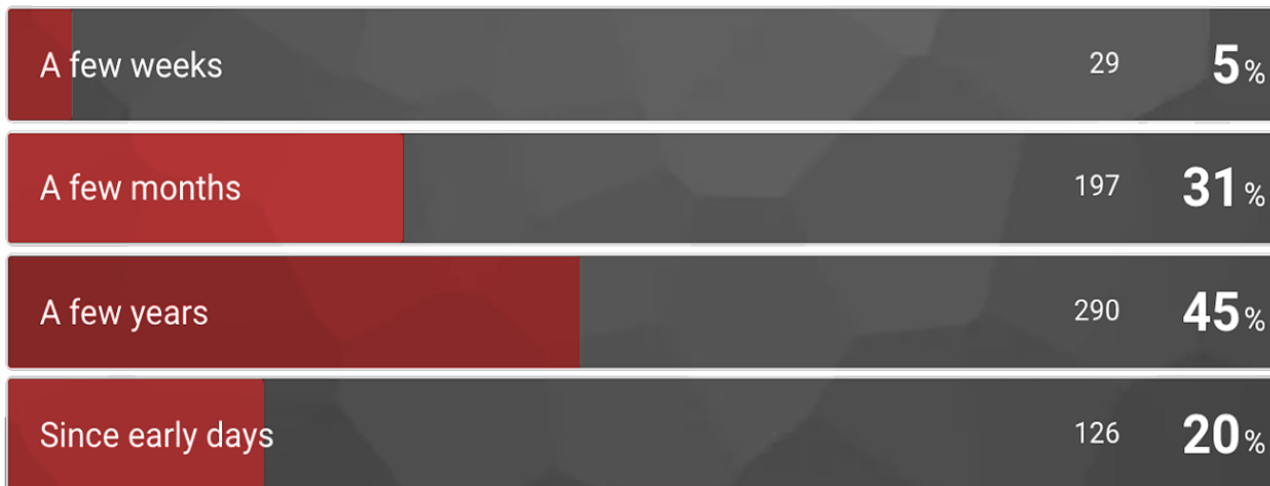
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How **often** do you visit the website?



How **long** did you read Daily Maverick before donating?



Which **benefits** would you value most in membership?

1	The opportunity to engage with DM journalists & analysts	3 avg
2	An ad-free website browsing experience	3.09 avg
3	Members-only newsletter & insights	3.47 avg
4	Members-only ability to comment on articles	3.92 avg
5	Access to members-only events	4.2 avg
6	Special offers & discounts from 3rd parties	5.03 avg
7	A high-value prize draw for members (e.g. a car)	5.29 avg





Influencing choices

- ❑ Slider = freedom choice
- ❑ Colours to draw attention
- ❑ Default landing price
- ❑ Remove friction: cancel any time
- ❑ Incentives for higher tier contributions

MAVERICK INSIDER

Support DAILY MAVERICK

The amount of your contribution is voluntary – you decide how much and how often. Your membership helps keep Daily Maverick free for everyone, including those who would never be able to afford it.

Get something back just for doing good. Sign-up for R150 or more per month and receive R100 back in UBER vouchers – every month until October 2019. See [T&Cs](#) for more details.

MONTHLY **ANNUALLY** **OR DONATE**

You can pause or cancel your subscription at anytime.

R 75 **R 200** R 350 +

UBER OFFER STARTS

Membership Benefits ([View FAQ](#))

R200 / Monthly **SIGN UP**

Benefits

Journalism Experience

Commenting on
Articles

Ad-free browsing

Behind the
scenes newsletter
(50% open rate)

Exclusive
webinars &
screenings

Commerce



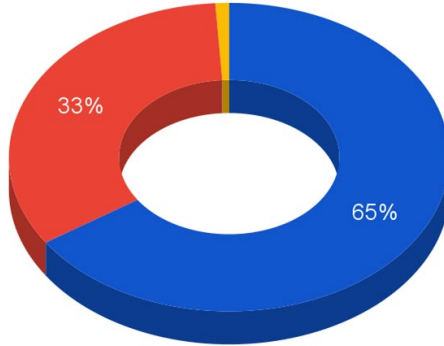
Discounts on
books & merch

- ❑ Surveys
- ❑ Voting on projects
- ❑ Participation in events
- ❑ Choosing Book Covers
- ❑ Crowdsourcing journalism
- ❑ IKEA effect
- ❑ Non-financial ways to help
 - ❑ Superpower database
 - ❑ Volunteering
 - ❑ Skills
 - ❑ Sources

Engagement Opportunities

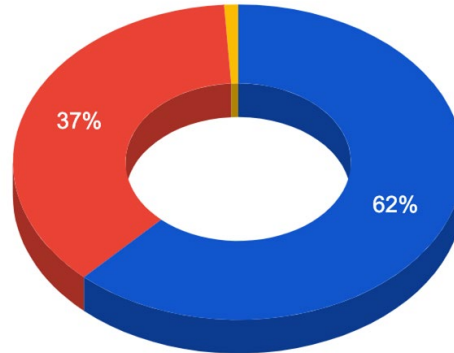
Some other stats

Monthly Membership Tier Split



● R200 Option ● R75 Option ● Other

Annual Membership Tiers



● R2400 Option ● R900 Option ● Other

- ❑ Only 15% redeem Uber vouchers
- ❑ < 10% choose to turn off adverts
- ❑ < 10% comment on articles

Acquisition

Some strategies & tactics

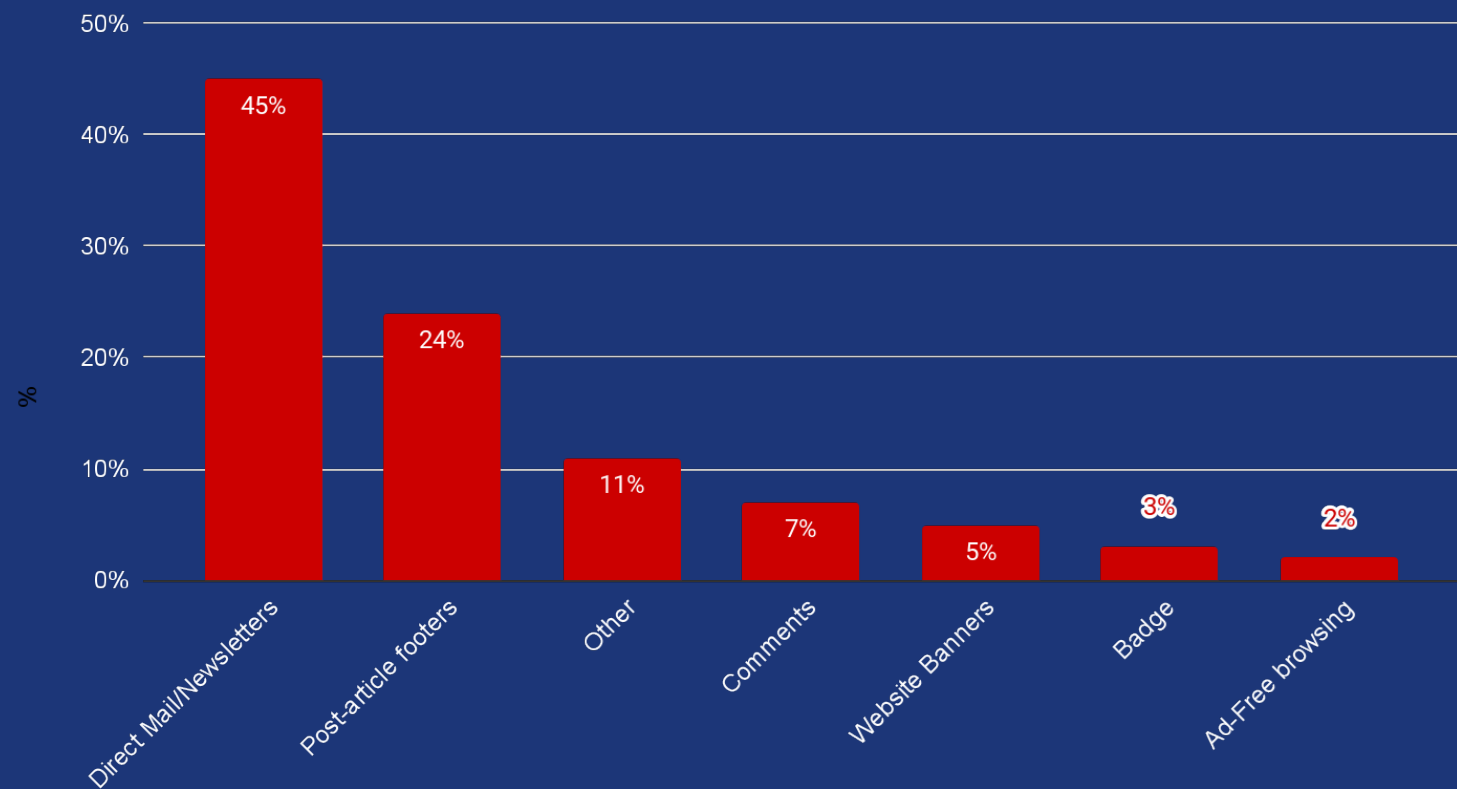
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Acquisition

- ❑ Membership strategy = newsletter strategy
- ❑ Find **most engaged** readers
- ❑ Refine message: speak to your **cause**
- ❑ Test, monitor, iterate
- ❑ Data for better targetingand A.B.C!

Main sources of landing page traffic



Explorer

Event Site Usage E-commerce

Total Events ▼ VS [Select a metric](#)

● Total Events



Measuring success



Key Takeaways

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Takeaways



Have a game plan before choosing revenue

- ☐ Align with vision, mission organisation
 - ☐ Define revenue strategy
 - ☐ Remember Ikigai - congruence
-



Reader Revenue is biggest commercial shift of this era

- ☐ Requires new skills and approaches
 - ☐ Understanding audiences is foundational
 - ☐ Always be closing!
-



Membership in news is viable option to Paywalls

- ☐ Deeper relationship with engaged audiences
- ☐ Can't put a paywall on a pig

Tips for taking action

What stood out the most?

- ☐ List your Top 3

What can you start?

- ☐ tomorrow
- ☐ next week
- ☐ next month

What hypothesis can you test easily?

- ☐ Survey readers