

Making Video Pay Off for News Publishers

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About INMA

The International News Media Association (INMA) is the leading provider of global best practices to grow revenue, audience, and brand for news media companies. With more than 5,000 members in 80+ countries, INMA provides media executives with unparalleled access to ideas and peers to help grow their business in transformational times. For complete information on INMA membership, go to www.inma.org/membership. The 82-year-old INMA has offices in Dallas, Antwerp, and New Delhi.

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INMA Partners in Business



Executive Summary

In establishing priorities for 2013, INMA's board of directors identified video as potentially providing publishers with the year's top revenue growth opportunity. Yet to accomplish this, media companies must aggressively increase their video streams as much as ten-fold.

Video has connected powerfully with users, creating a rich, new opportunity for newspapers. McKinsey & Company identified video as one of the best models for future growth.

Advertisers, looking for new ways to reach audience in the digital space, have warmed to the idea of using video, and a number of different revenue models have emerged as monetising opportunities. From conventional TV-style, pre-roll ads to sponsored content and even advertiser-produced content, video has opened the door for multiple sales-generating methods.

Despite its importance, many publishers still struggle with the “how” of integrating video into their coverage. In producing this report, INMA sought to answer the following questions:

- ▶ How can news publishers best utilise video?
- ▶ How affordable is video?
- ▶ What are the most successful ways for publishers to monetise video?
- ▶ What does video mean for the future of news publishers?

In talking with more than a dozen publishing experts and insiders, INMA draws these conclusions:

1. Video remains, by and large, a format with which publishers are still

experimenting. No single model emerges as the clear-cut path to success, yet different publishers have found success using very different models.

2. Audiences are willing to accept commercial advertisements in return for free, quality content. That opens up new opportunities for news media companies to aggressively monetise video.
3. While the cost of producing video is greater than the cost of creating text-only products, the price is dropping as technology evolves. Meanwhile, the higher cost of content creation can be offset by advertising revenue for those who learn how to successfully grow their video model as the demand for content increases.
4. The video advertising revenue opportunity for publishers depends on the Web site infrastructure. Companies that have well-developed, segmented video channels are in a strong position to capitalise on market shifts today. If video consumption evolves into a paradigm changer, then these first-mover publishers will be the standard for all.
5. As the proliferation of mobile devices continues and new technology such as “smart TVs” brings the online space to the big screen, news media companies will gain greater opportunities for connecting with audiences — and advertisers.

The key to success in the video arena is to know your audience and use video in a way that fits your brand. Through partnerships, sponsorships, and appealing content, today’s news publisher can open the door to a marketplace that is only expected to grow stronger in the future. ▲