

## News agencies in transition

SSMS, Chania, 04.09.2008



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Meinolf Ellers

## News - the end of a monopoly

Historically the business model of news agencies is based on two monopolies:

1. News coverage: run a reliable national and international news network on behalf of media customers
2. Distribution: operate a worldwide real time distribution network - from telex to satellite ("the wire")

In the internet age:

1. Everybody can publish news (freelancers, bloggers, communities)
2. Everybody can distribute news (e.g. mobile citizen journalists)
3. News aggregators undermine the agency concept (e.g. Google)

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Folie 2

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## dpa - the leading German news provider

dpa ...

...is one of the small number of media owned news agencies (17 out of 140)

...has 191 shareholders, 160 newspapers, 31 broadcasters

...has more than 1.100 fulltime employees

...generated 94 Mio € turnover (2007)

...provides services in German, English, Spanish, Arabic

...produces news in text, photo, video, audio, infographic, multimedia

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## Challenge 1: How to deal with the newspaper crisis?

● Media owned agencies strongly rely on printed newspapers

● Aspects of the newspaper crisis:

● circulation of regional subscription newspapers down (GER - 2 % p.a.)

● ad sales down

● classifieds down

● stock quotes down

● image problems in younger generation

● in the USA and western Europe the newspapers are in the middle of a transition process (layoffs, mergers etc)

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## Challenge 2: Web undermines the value of content

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“The perceived economic value of content is approaching zero.”

Drew Lipsher, Greycroft, OnMedia 2008

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## The strategy: From news to service

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- News agencies can support the transition process of newspapers
- ...enlarge their customer base outside the newspaper industry
- ...increase the concrete customer benefit by:
  - ...enabling higher or new revenue sources
  - ...contribute to cost saving
  - ...reduce complexity

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## The dpa service strategy

Agency service = a combination of content, technology and consulting

A three step development path:

- 1.) dpa creates services around dpa news content (e.g. dpa-SportsData)
- 2.) the service is opened to ingest additional partner content
- 3.) the service can be licensed by customers to enhance their own content (e.g. applications, web services)

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## Our scope: Make your content better play!

Successful content generates high reach, relevance, revenue

1. Enrich: e.g. new semantic meta data concepts
2. Visualize: e.g. envisioning information and data (Flash/Flex, MS Silverlight)
3. Publish: e.g. 24/7 multichannel publishing infrastructures for newspapers
4. Measure: e.g. tools to measure real-time content performance

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## MINDS: a mobile platform for publishers

MINDS - Mobile information and news data services (EC funded development project co-ordinated by dpa, 2004/2005, succeeded by MINDS Internation)

MINDS platform launched 2005 as mobile publishing tool for newspapers (SMS, MMS, landline voice for raffles, votings, info services)

Currently 70 customers

2008: launch of MINDS mobile internet portal

Benefit for customers:

- high scalability reduces cost and risk
- instant revenues
- industry network for knowhow exchange
- trusted provider (incl. Service desk)

