

# The pivot to reality for news media

 By [Styli Charalambous](#)

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After a decade of doom, and silver bullets that mostly fired blanks, the news media seems to be adjusting to its pivot to reality and acknowledging the death of the primarily ad-supported funding model for hard news.



Styli Charalambous, publisher and CEO at Daily Maverick.

Nothing spells challenge like having your business model disrupted by global giants while taking on despot and deranged leaders at the same time. Few industries are in the peculiar position of facing off against technology behemoths like Google and Facebook, while simultaneously carrying the responsibility of watching out for the greater good.

As news publishers juggled the demands of reinvention while retrenching, we are finally seeing the emergence of what Digiday editor-in-chief Brian Morrissey calls: the “pivot to reality” – reader revenue.

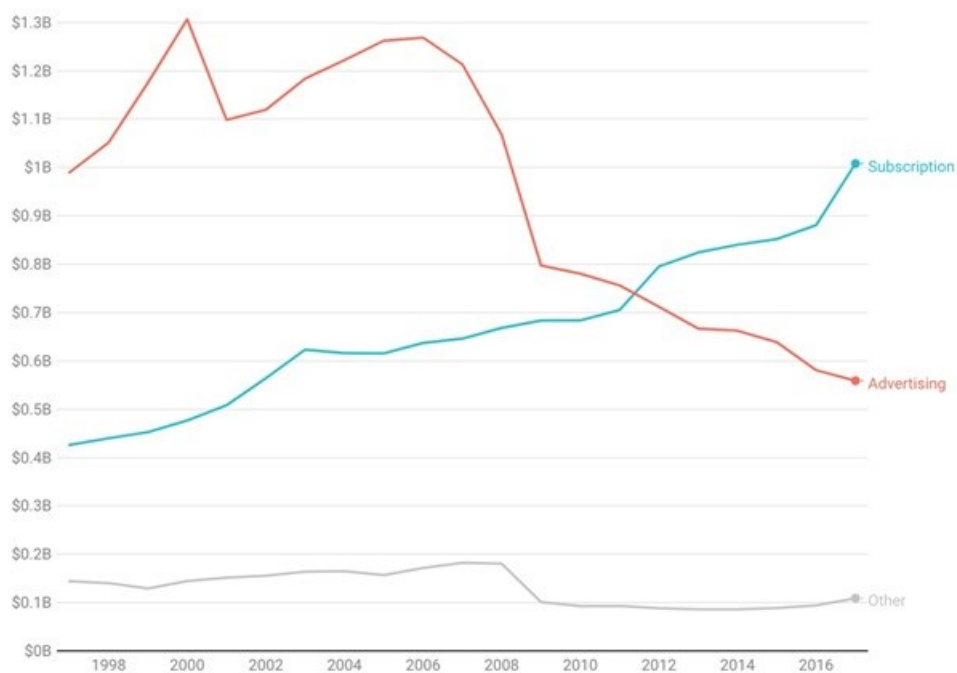
## Hard news funding models

**Reader revenue** comes in a variety of forms, some of which are familiar to South African readers as global consumers of quality news.

Industry titans like *The New York Times* and *Washington Post* are #winning the metred paywall game, routinely tweaking the number of free articles on offer while adjusting the monthly paywall price in an effort at maximising subscription revenues.

[Surging past 3million digital](#) subscribers across news, crosswords and recipes, the future of this hallowed news institution is as exciting now as it was scary just a few short years ago when revenue graphs suffered from the kind of dysfunction no pill could remedy.

**New York Times revenue by segment**



Source: New York Times Company • [Get the data](#) • Created with [Datawrapper](#)

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While **paywalls** work for global giants, language-specific publications (think Scandinavian publishers or *Netverk24*), or financial titles that get to charge corporate expense accounts, smaller national or regional titles will struggle to find the volume to sustain their news operations with a fixed price subscription model that can only leveraged by the multiplier of new sign-ups.

The **donation model** is one successfully employed by many non-profit outlets, from the smaller outfits like amaBhungane to another global publisher like *The Guardian*, where readers donate what they feel comfortable with, recurring or once-off.

Gatekeeping access to content does not feature in this civic-minded approach but rather appeals to reader's sense of fair play to do the right thing. For *The Guardian* this has meant receiving more than 1m payments from readers in some form, over the last five years.

Sitting somewhere in the middle is the **membership model**, more than a donation but not restricting access to normal content. It aims to provide additional benefits to members in the form of events, dedicated newsletters, engagement opportunities with the publisher and staff and special reader features.

At its heart is the notion of community building around the superfans who are off-the-charts willing to support, whether that be financial or otherwise.

## World record journalism crowdfunding campaign

[\*De Correspondent\*](#) started out as a members-only publisher in The Netherlands in 2013 and recently raised a further \$2.5m in pre-funding needed to establish its US operation. In just 30 days, 45,000 members became part of a world record journalism crowdfunding campaign that is redefining how news media operates and finds alternative primary revenue streams.

*Daily Maverick* launched its membership plan in August 2018, designing a programme that needed to speak to the benefits most highly regarded by superfans. Determining these benefits was an exercise in research, surveys and creative brainstorming that now makes *Daily Maverick* an e-commerce operation, although the products remain largely intangible.



### How Daily Maverick is driving community with Maverick Insider

Leigh Andrews 19 Nov 2018



Memberships also have the benefit of putting the members/readers firmly at the centre of almost all operational and strategic decisions.

New product considerations, new benefits and engagement opportunities are just some of the considerations that require the publisher to envisage the reader experience and journey even more than before.

“ It also means standards in editorial will need to remain at the highest levels in order to convert newmembers because it doesn't matter how shiny the benefit is, if it isn't underpinned by quality journalism you'll lose members as quickly as you can sign them up. ”

It's taken some time for reader revenue to find its place in the digital news landscape. The promise of “free everything” and the desire of impact journalism to reach as many people as possible retarded its early adoption, especially amongst the digital natives. But as we draw a straight line between serving the public and the greater good, so too will we need to rely on a core of civically inspired groupies to keep the dream the alive.

## ABOUT STYLI CHARALAMBOUS

Styli Charalambous is the co-founder and CEO of Daily Maverick, South Africa's leading independent news, analysis and investigative publisher.

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