Identifying & Cultivating Revenue Streams

The path to diversified and predictable monetization
Introduction

Independent media publishers have multiple revenue opportunities.

Determining which revenue streams are appropriate for your publication requires understanding the needs of the community you serve.

The following is a primer on multiple revenue streams and how to determine which are appropriate for you.
The nonprofit / independent news model is a reaction to an emerging reality in news.

“There is no general model for newspapers to replace the one the Internet just broke.”

– Clay Shirky
Traits of Successful Publishers
Resource. Execute. Diversify

From the report: Finding a Foothold: How Nonprofit News ventures Seek Sustainability, Knight Foundation, 3/14
Traits of Successful Publishers

Forward-thinking publishers understand that all areas of the business need funding, not just editorial.
What you need to know before you effectively generate revenue

- What is your reach?
  On site, in mobile and via your media partners

- Who are the people that you reach?
  Psychographic, demographic information

- What do they need?
  What do your audience tell you that they need both directly to you and via survey

You have to demonstrate to your funding sources why they should pay
Organizing for Revenue

- Understand your Cost of Goods (COGs)
- Have a well-thought through strategy
- Get the right people (aka Don’t do it all by your self)
Determining your revenue options

Download the Revenue Options Worksheet and use it to determine what is right for you.

<table>
<thead>
<tr>
<th>Revenue options</th>
<th>Notes</th>
<th>Evaluation:</th>
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<td>- Low hanging fruit?</td>
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<td>- Niche?</td>
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<td>- Bang for the buck?</td>
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<td>- Growth potential?</td>
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<td>Third-Party Revenue</td>
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<td>Sponsorships: Events</td>
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<td>Sponsorships: On site</td>
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<td>Advertising: Display</td>
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<td>Advertising: Mobile</td>
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<td>Advertising: CPC Ads</td>
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Third-Party Revenue

When one type of customer pays to reach and impact others
Third-Party Revenue Characteristics

Why foundations, corporations & people pay you money to reach others

- Your news site provides valuable service or products
- You can demonstrate that value
- You provide direct access to a valued group or function
### Sponsorships vs. Advertising

<table>
<thead>
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<th>Sponsorships:</th>
<th>Advertising:</th>
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<tr>
<td>– No promise of performance (although often sold against expectations)</td>
<td>– Commercial call to action</td>
</tr>
<tr>
<td>– Non-commoditized</td>
<td>– Promise of performance</td>
</tr>
<tr>
<td>– Sold against availability</td>
<td>– Easily commoditized</td>
</tr>
<tr>
<td></td>
<td>– Sold against predictable inventory</td>
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Onsite Sponsorship

East Hills food tour promotes local food and businesses

by Liz Studt (lizstudt) on Tuesday Sep 25th, 2012 04:41pm in INNOVATION SPOTLIGHT

Purchasing and eating local food is a lifestyle choice adopted by many. For some individuals, knowing where to start can be the most difficult part. Tasty Adventures Food Tours aims to take the guesswork out of taking the first step.

INNOVATION SPOTLIGHT
underwritten by:

Amway

FOOD BEAT
This article is part of The Rapidian’s FOOD BEAT.
Want to join the food beat?
Got a story you want the food beat to cover?
CONTACT US!
Advertising

To call public attention to especially by emphasizing desirable qualities so as to arouse a desire to buy or patronize.

Case Study: MinnPost

Five days a week, MinnPost.com offers news stories and features of interest to people who care about Minnesota. With dozens of contributing journalists, our aim is to ensure that everything you see at MinnPost.com includes solid reporting, thought-provoking insights and excellent storytelling.

As per their 1/14 rate card, MinnPost has an average of 300,000 monthly unique users delivering an average of 1,000,000 monthly page views.
Types of Advertising

Display advertising – Directly sold
Types of Advertising

Mobile Ads

Screen grab from iMapMyRide app
Types of Advertising

Cost-per-Click (CPC) Ads

Example of Google Ads.
Welcome to the BlogHer Publishing Network

Reaching 50 million women each month, BlogHer is the leading cross-platform media network created by, for and with women social media leaders.*

BlogHer created and leads the marketplace with the most robust economic and networking opportunities for women in social media and brands seeking to influence them. Today BlogHer publishes and syndicates new information, advice, recommendations to and from over 3,000 premium blogs, paying writers via revenue sharing delivers uniquely insightful research on women in social media and curates a daily news service, BlogHer.ca.

If you’re an advertiser, to find out about those campaigns and build your own, please click here. We look forward to hearing from you!

If you’re a blogger, you can find out more about joining our network below. (Or if you are already a member, please click on Profile in the top right corner and then click on BlogHer Publishing Network in your profile menu links to access your account.)

We’re looking for blogs:

- written by women, or with a demonstrated female audience
- with excellent content that engages a community
Types of Advertising

Local advertising networks
Types of Advertising

Classifieds
“Big” Philanthropy
Foundations & Philanthropists

Types of Foundations, 2009–2011

From Forbes: *With Charity for All: Big Philanthropy and the Challenge of Democracy*

“Philanthropy remains vital as a force for change and societal support... Philanthropy is also a force for innovation – the social entrepreneurship movement continues to grow.

“Nonetheless, the number of nonprofits in the United States continues to grow unabated... Yet the total philanthropic pot that nonprofits must target for fundraising hasn’t grown proportionally.”

© 2013 The Foundation Center

Source: Media Impact Funders
Grants to Nonprofit Media (2009-11)

As prepared by the Media Impact Funders

Total Grant Dollars per Year

- 2009: Grant $ 100M, # of Grants 127
- 2010: Grant $ 200M, # of Grants 196
- 2011: Grant $ 300M, # of Grants 194

Map showing distribution of grants across the United States with major concentrations in specific regions.
National Foundations

The primary supporters of nonprofit journalism in the United States

INN promotes sustainability for nonprofit news organizations primarily engaged in investigative & public interest journalism.

National foundations support INN as a means of promoting the nonprofit sector as a whole, and ensuring long-term viability for individual publications.

The national foundations supporting the Investigative News Network as of 4/14
## Grants to Nonprofit Media (2009-11)

As prepared by the Media Impact Funders

### Top Recipients

<table>
<thead>
<tr>
<th>Name</th>
<th>City/State</th>
<th>Number of Grants</th>
<th>Total Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newseum</td>
<td>Washington, DC</td>
<td>12</td>
<td>122,949,939</td>
</tr>
<tr>
<td>THIRTEEN</td>
<td>New York, NY</td>
<td>32</td>
<td>22,938,105</td>
</tr>
<tr>
<td>National Public Radio</td>
<td>Washington, DC</td>
<td>28</td>
<td>16,136,000</td>
</tr>
<tr>
<td>Pro Publica</td>
<td>New York, NY</td>
<td>38</td>
<td>12,595,500</td>
</tr>
<tr>
<td>W E T A-Greater Washington Educational Telecomm...</td>
<td>Arlington, VA</td>
<td>30</td>
<td>11,214,500</td>
</tr>
<tr>
<td>Center for Investigative Reporting</td>
<td>Berkeley, CA</td>
<td>47</td>
<td>9,757,129</td>
</tr>
<tr>
<td>Center for Public Integrity</td>
<td>Washington, DC</td>
<td>55</td>
<td>9,736,288</td>
</tr>
<tr>
<td>Minnesota Public Radio</td>
<td>Saint Paul, MN</td>
<td>17</td>
<td>7,359,452</td>
</tr>
<tr>
<td>Pacific News Service</td>
<td>San Francisco, CA</td>
<td>47</td>
<td>6,198,172</td>
</tr>
<tr>
<td>W GBH Educational Foundation</td>
<td>Boston, MA</td>
<td>12</td>
<td>6,024,999</td>
</tr>
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</table>
Several of the leading nonprofit news organizations within the Investigative News Network received significant start-up funding from wealthy benefactors.

The ability to secure significant “angel”-type funding was instrumental in helping these organizations get off the ground AND hire professional staff.
Community & Place-based Foundations
The foundations focused on fostering and informing healthy communities

Case Study: Knight Community Foundations Program

To date the Knight Foundation has committed to giving at least $140 million to community foundation endowments.

The Knight Community Information Challenge engages community and place-based foundations in playing leading roles in meeting the information needs of their communities.

Source: Knight Foundation
Ancillary Revenue

Revenue that is derived from goods and services other than a publisher’s primary offering
Syndication

To publish simultaneously, or supply for simultaneous publication, in a number of outlets.

Syndication involves the licensing of multiple articles or assets by third-parties generally for re-print or usage in other media.

According to a Knight Foundation post, the Center for Investigative Reporting reported a total revenue from syndication of $403,000 in 2012, up from $47,000 two years earlier.

Image source: unitedconsultingspecialists.biz
Licensing & Archive Monetization

Post-publishing and long-tail monetization for online news publishers.

Many long-lived news organizations are seeking ways to monetize interest in individual stories from their archives.

Principally this occurs via third-party systems that license the content for a media organization, or directly via email/form inquiry.

Pricing often varies depending on the type of customer, length of license term and reuse type.

Source: Editor & Publisher
Distance Learning & Training Programs
To teach and get paid for imparting knowledge

Case Study: New England Center for Investigative Reporting

According to NECIR Executive Director, Joe Bergantino before you start you must first ask yourself whether this fits your mission, what is your niche, and what assets (such as location) do you have to leverage.

NECIR’s revenue from training grew 722% in three years.

Source: New England Center for Investigative Reporting
Services
The monetization of the products and skills within your news organization on a fee basis

Types of services offered by media companies:

• Web Design
• Creative/Advertising Production
• Interactive
• Video
• Data
• Reports
Direct Revenue

Revenue that is derived directly from the community or audience that you serve.
Membership is a **two-way relationship** with your audience in which they get benefits in exchange for their support.

Voice of San Diego, a leading organization in membership development for nonprofits, grew its membership 27% in 2013 to about 1,850 members.

Source: Texas Tribune
Subscriptions

Subscription is a one-way relationship with your audience in which you ask them to pay for access to your news.

Circulation revenue for U.S. newspapers recorded a second consecutive year of growth, rising 3.7% to $10.87 billion in 2013, according to preliminary data compiled by the Newspaper Association of America.

Source: Charlestown Gazette
Crowdfunding

Crowdfunding is a fast-growing sector with many choice of providers including Kickstarter, Indiegogo, Emphas.is, Vourno.com and others.

For more on Crowdfunding journalism, read 13 ways to get your journalism project crowdfunded on Poynter

Source: Kickstarter
In 2011, the largest source of charitable giving in the US came from individuals at $217.79 billion, or 73% of total giving.

Leading online-fundraising processors include Blackbaud, Network for Good and PayPal.

Source: National Philanthropic Trust
Mobile & Apps

Apps vs. web browser for news on smartphones

**Question:** Do you prefer to read news stories on your current smartphone within a mobile app or a web browser? [Note: In 2012, news organizations began utilizing responsive web design to provide a more app-like reading experience within the web browsers used by smartphones and tablets.]

- **Age 18-34:**
  - 35%prefers an app
  - 55%prefers a web browser

- **Age 35-54:**
  - 17%prefers an app
  - 52%prefers a web browser

- **Age 55 or Older:**
  - 28%prefers an app
  - 43%prefers a web browser

Percent of smartphone news consumers* who responded “Yes”.

*News consumers are respondents who said they used a smartphone to read, view or listen to digital content within news websites or news apps in the 7 days prior to taking the survey. Based on a random sampling of 1,134 U.S. adults in Q1 2013.

The Mobile Web is quickly becoming the dominant expression of the Internet.

Publishers traditionally have had to choose between purpose-built apps vs mobile-ready, responsive design sites.

Costs involved in producing an application include the development and cost-of-acquisition of users.
Kindle Singles are “… works of long-form journalism that seek out that sweet spot between magazine articles and hardcover books.

“Amazon offers 70 percent of the royalties to its Singles authors.

“The all-time best-selling Single, a short story titled “Second Son,” by Lee Child... is priced at $1.99 and has sold more than 180,000 copies.”

Source: New York Times
Events

Events are a fast-growing revenue stream for many publishers of all sizes.

Events should be considered both marketing and a revenue stream.

Events are extremely time and cost intensive with low to mid-level margins.

Source: Texas Tribune
Selling products and services – especially those from and for the community you serve – is an authentic revenue stream for news orgs.

Leverage existing infrastructure and services, before taking on inventory management yourself.
Evaluation Criteria

How to determine which revenue streams are right for your organization

- **Applicability**
  How appropriate is the revenue stream as it relates to your mission?

- **Defensibility**
  Why are you the right organization to do this and not others?

- **Revenue Potential**
  What’s going to give you the biggest bang for the buck, and how much is it going to cost you to realize the revenue?
Evaluation Criteria
Framework to help determine which revenue streams are best for your organization

- How much revenue generated?
- What are the anticipated costs?
- How long will it take?
Evaluation Process
Framework to help determine which revenue streams are best for your organization

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<tr>
<th>Revenue options</th>
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<tbody>
<tr>
<td>eBooks</td>
<td>Sell collection of stories as a Kindle single? Have a launch party for it and discuss three issues. Yes, as long as we’re making it already. Probably won’t bring in much revenue, and could be a lot of work.</td>
</tr>
<tr>
<td>Events</td>
<td>Hosting a conversation the way the Texas Tribune does. Bring together San Gabriel Valley leaders to talk about an issue. What is the future of San Gabriel Valley restaurants? What would you like to see happen in to the food scene? And perhaps include grocery stores? We have the connections with food bloggers, and it could create better relationships with local businesses that could lead to sponsorships. Events do take a lot of work and require investment, but this could become our signature event and is something people would actually pay for from other areas potentially.</td>
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<td>Ecommerce</td>
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ALHAMBRA SOURCE
community news and voices • noticias y voces de la comunidad

SCHOOLS CITY GOVERNMENT POLICE/FIRE ARTS FOOD BUSINESS HISTORY REPORTER CORPS
IN THE NEWS COMMENT ROUNDUP BLOG CRIME WATCH SEE HEAR DO RESEARCH

Council approves proposal for Alhambra Place; Placido votes no, citing fears of increased traffic on Garfield
Alfred DiStaso
Alhambra City Council voted to approve the plan for a mixed-use development at Alhambra Plaza.

63-year-old woman arrested with heroin balloons in Alhambra
Kyle Garcia
The Alhambra Police Department arrested Lorie Kell on Thursday, seizing over $1,000 in heroin from her apartment on South Margaerta Ave.

South Pasadena police to join in Click It or Ticket campaign this month; San Marino City Council approves farmers’ market extension
West San Gabriel Valley news from Alhambra, San Gabriel, Rosemead, Monterey Park, South Pasadena, and Pasadena.

Bring back AVID: I’m the first in my family to go to college thanks to a program Alhambra Unified School District cut
Valerie Cabral
My life changed when I started AVID, which stands for Advancement via Individual Determination, a program for students who may not get the best grades, but have the determination to achieve more.

All for band, band for all: Alhambra HS Arts Department celebrates remarkable year
Alfred DiStaso
The Visual and Performing Arts Department at Alhambra High School grows in numbers and recognition due to a tight-knit, family atmosphere, says department chair Mark Truelsen.
Thank you!

Kevin Davis

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