A Future for the News Industry

The decline of the news business is not inevitable, if we connect to our best customers.

The future we see taking shape for the news business differs sharply from the norms of the past two decades. The fragmentation brought about by the digital revolution is not a reversible process, and the advertising revenue-driven business model, while still valid, will never be quite the same. Moreover, the fallout from the financial crisis (in which we include the electoral victories of Trump and Brexit) saw public trust in mainstream media plunge to **historical lows**. The Big Media brands still have meaning for many consumers, but competitors like Breitbart.com and Greenpeace.org are legitimising alternatives and creating their own networks of information and influence.

We call these new competitors stakeholder-driven media (SDM), and our recent e-book **Power Is Everywhere** (available as a free download) describes their ongoing ascendancy and business models. Unlike the mainstream media (MSM), which aspire to provide "all the news that's fit to print" to a general public, SDM work directly with and on behalf of their audiences to advance the issues, causes and interests that matter most to them. Instead of telling people what they should care about or need to know to be informed citizens, SDM address publics who already know what matters and want to do something about it.

On one hand, the focus on a community's concerns means that the potential audience for individual SDM is often smaller than for MSM. Yet, at a time when many legacy publications and platforms are foundering financially, SDM are proving the business case for an advocacy-based, community or audience paradigm.

Let's consider how this shift worked out at two successful SDM, in two countries, published in two languages. Both cases and many others are described in greater detail in *Power is Everywhere*.

Case study: Mediapart

The French news website **Mediapart.fr**, launched in 2008, demonstrates that contemporary news consumers accept a non-neutral editorial stance, on the condition that this stance is transparent, matches their own views and doesn't affect the reliability of information shared. Mediapart clearly represents the views of a particular community – namely, France's critical Left, a significant minority of the population. The core of Mediapart's value proposition to this community resides in muckraking, investigative stories that expose corruption among France's political and financial elites.

At its founding, Mediapart's editorial strategy was to hammer on financial scandals implicating the right-wing party of then-president Nicolas Sarkozy. Co-founder Edwy Plenel, former editor-in-chief of *Le*

Monde, supported the strategy by raiding Paris's newsrooms of leading investigative reporter, and paid their salaries with the savings in printing and distribution costs inherent to online publication. Consequently, Mediapart's investigative abilities distinguish it from the corporate media that dominate the news industry in France, as well as from the relatively independent dailies (*Le Monde* and *Libération*) whose downsized capacity increasingly forces them to rely more on style than substance. The rest of the Paris press reports and comments on events. Mediapart drives them.

The strategy paid off when Mediapart turned its attention to the Socialist government that succeeded Sarkozy's administration. In 2012, the site broke the news that Junior Minister for the Budget Jérôme Cahuzac had, for years, held undeclared offshore bank accounts. The following year, Mediapart announced that it had reached the landmark of 100,000 subscribers. Like its closest competitor, the weekly, print-only *Le Canard Enchaîné*, Mediapart had shown itself to be necessary reading, not only for its first, highly politicised base, but also for the elite it covers.

Mediapart is cheaper than the daily and weekly heritage journals it competes with, and provides better insight in both headline and trend stories. Another way was to create a platform open enough to allow for regular and substantial user-generated content. Mediapart's blog platform, accessible to all subscribers, has hosted high-level French content from actors like former European Parliament deputy and neo-Keynesian economist Liem Hoang-Ngoc, an advisor to French presidential candidate Jean-Luc Mélenchon. The editorial staff selects the best blogs daily and promotes them on the home page.

The chief takeaway of Mediapart's success story is that consumers are ready to pay for good investigative journalism, as long as:

• It cannot be obtained elsewhere for free, and value is added through presentation and access to data (like source documents).
• The price is reasonable and affordable.
• The content defends the users' point of view – not just in tone, but also in substance. Other viewpoints are not excluded, but neither are they defended. (In fact, they may be ridiculed.)
• The media also provides them with a platform for their own views.

From niche to community: Responsible-Investor.com

SDM are hardly restricted to the political arena. For instance, **Responsible-Investor.com** is dedicated to "responsible investing, ESG [environmental, social and governance issues] and sustainable

finance for institutional investors". The site and its readers, in effect, are *de facto* partners in a common enterprise whose goal is two-fold: Succeed in the securities markets, while helping to take socially responsible investment mainstream. Additionally, Responsible-Investor.com helps police an emerging sector, exposing scams that target its users. Meanwhile, it supplies information that professionals can use to explain and justify what they do to colleagues and bosses. These key services are valuable enough to ensure Responsible-investor a profitable subscriber base.

The services are leveraged further through a steady series of conferences, which provide attendees with additional information, as well as the opportunity to widen their networks in the field. Managing Editor Hugh Wheelan calls the conferences "business development that pays", because they also drive subscriptions, open new avenues to content and sources, and reinforce the brand.

Responsible-investor.com suggests part of the answer to the threat of fake news. There are publics who can't afford the luxury of believing in lies or wishful thinking. (You will find others in *Power is Everywhere*.) The clearest path to success for SDM is to provide those publics with essential facts and insight, whether or not the authors or the audience like their meaning. One of the reasons that *The Economist* captured the U.S. audience of *Businessweek* is that *The Economist*, unlike its competitor, foresaw the financial crisis well before 2007.

Food for action, not merely thought

Responsible-Investor.com and Mediapart share a strong sense of mission that unites them with their audiences. Subscribers feel they are active contributors to a community that reflects – and works together to promote – their values. Their connection to the content goes far beyond opening a magazine or clicking on a link to an article. They rely on it to act in a turbulent time.

Only a few years ago, the rise of mission-driven SDM caused shock and disdain among MSM managers. SDM were "biased" or "stupid" or Internet trash. Both the rise of hard-right populism, supported by SDM like Breitbart.com, and the emergence of investigative journalism among NGOs like Greenpeace, have shattered that condescension. *The New York Times* has pivoted from the voice of mainstream consensus to the shield of opposition to Trumpism, and become a defender of facts against alternative facts. It is gaining subscribers by doing so.

This will not be an easy passage for many MSM. If they get it wrong, like France's *Le Figaro*, which

under the ownership of Serge Dassault has become a shrill promoter of the scandal-plagued French right wing, they will continue to lose audience, money and influence. (Breitbart.com, too, will stumble if and when its users perceive that it is misleading them.) But if they get it right – if they learn to protect, promote and prevail for and with their users, without leading them into another disaster like the financial crisis or the Iraq War – they will benefit from the same forces that are building the SDM movement at the expense of MSM.

They will also recapture a mislaid sense of purpose. In a not-so-distant past, news media existed to defend their users, as Pete Hamill observed in **_News is a Verb_** (1999). They lost their customers' trust not through an act of God, as Lou Gerstner once told IBM's people in a time of crisis. News brands worldwide were launched or bought up by financiers and politicians who used them as instruments, or who downsized their properties' resource and skill bases to economise on watchdog work. Audiences are telling us that they want their watchdogs back, enough to pay for their services. If you want to succeed in this environment, ask yourself: "Whom do I want to defend? How will I join with them?" The answers are being invented as we write, and more innovations will come.

This post is based on the book _Power Is Everywhere: How stakeholder-driven media build the future of watchdog news_, _which is available for_ **free download**.

Mark Lee Hunter _is an Adjunct Professor and Senior Research Fellow at INSEAD, and the author of_ **_Story-Based Inquiry: A Manual for Investigative Journalists_** _(UNESCO 2009)._

Luk Van Wassenhove _is Professor of Technology and Operations Management and The Henry Ford Chaired Professor of Manufacturing at INSEAD._

Maria Besiou is Professor of Humanitarian Logistics at Kühne Logistics University.

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