

# The Future of the News in India

DECEMBER 2021

Dalberg

Google



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Unless specified otherwise, all figures are in Indian Rupees (INR).

# Executive summary

**News is at a pivotal point:** In India and globally, a digital-first landscape is emerging for news, presenting an opportunity to change how news is created, distributed and monetized.

**News as a public good:** As a public good in India's democratic system, public interest news and journalism should not only be sustainable, but also accessible, high quality and diverse.

**The promise of digital:** The internet is allowing Indians to access more news in richer and convenient formats, tailored to diverse needs.

- Digital is not just driving greater access (forecast to reach 700m users by 2026), but also increasing the average time citizens spend daily consuming news content (from 44 minutes in 2020 to 49 minutes in 2026). Vernacular (Hindi and regional language) consumers will drive growth, increasing at 6-8x the rate of English language consumers.
- Growth is also being driven by more engaging, diverse and niche content on digital, with the emergence of more consumer-centric channels, such as news aggregators, social media-based use and specialised digital natives.

**The challenge:** The traditional economics of news origination are under pressure, which is leading to disinvestment in news creation.

- Globally, there has been a shift in news consumption from print to digital, causing print revenues to decline. Digital revenue streams for publishers have been slow to grow.
- In India, this dynamic has been more muted to date, although print growth has stagnated, and we expect revenues to drop 20-25% over the next five years.
- English language publishers face the most pressure, and many regional language titles are struggling, though Hindi language markets are likely to be more resilient in the short term, creating a runway to experiment with new digital models.
- Print publishers have traditionally invested heavily in news origination, but this is changing as digital has disrupted business models, leading to reduced investments and increased pressure on journalists. Few alternatives have arisen yet to fill this gap.
- At the same time, India is witnessing declining trust in news and high levels of fake news exposure.

**The future potential:** In this state of flux, we observe several trends which, with the right encouragement, could enhance the sustainability, quality, diversity and accessibility of news in India.

- Many legacy players are evolving their business models. Larger publishers are using their trusted brands to adapt via diversification into multimedia and non-news content to achieve scale and monetize news better. Smaller players and digital natives are operating as islands of excellence funded by subscriptions and some early-stage investors.
- New innovative models will shape the way news is created, distributed and monetized, with early-stage investors already directing capital towards some ventures – the growth of audio-video formats, an increasingly gig-worker economy with freelancers originating more content, the growth of citizen journalism, more win-win partnerships between news aggregators and publishers, and sacheted consumption with the unbundling of news and micropayments.
- However, to develop these models sustainably, monetization, misinformation, freelancer protection, industry collaboration and publisher capabilities need to be improved.

**Interventions to realize potential:** To support these models, the industry can work with partners to adopt tech products for news verification and customer segmentation; develop platforms to innovate on multimedia formats and monetization models; strengthen industry collaboration; and train, upskill and accredit people including the emerging freelancer economy. The government can support these efforts by adopting policies to protect freelancers and encourage greater investment in innovation and emerging news models.

**With the right support, the Internet provides an opportunity for new sustainable models to provide high quality journalism that is accessible to all**

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# 1. Introduction



# Research methodology



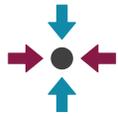
## OBJECTIVE

This report provides various stakeholders in the Indian news industry with a fact-based view of current and potential future impacts of digitalization on the news industry, considering consumption patterns; impacts on quality, access and sustainability; and opportunities, challenges and innovations.



## METHODOLOGY

The findings of this report are based on analysis conducted by Dalberg Advisors based on interviews with over 25 key leaders in the Indian news industry, secondary desk research and analysis based on third-party and proprietary sources. The report considers English, Hindi and regional language print publishers – “vernacular” is used throughout to refer to Hindi and regional language publishers.



## LIMITATIONS

The figures mentioned in this report are calculated estimates and are meant to provide only a directional sense of where the industry could be headed. The report is primarily focused on the print industry given the key role the industry plays in originating news, and the recent slowdown in growth has been most pronounced in this area.



## INTENDED USE

This report is designed to paint a future vision for the industry and serve as a springboard for discussions among industry stakeholders to enable a highly accessible, high quality and sustainable news industry going forward.

# News is a cornerstone of India's democratic system and should be accessible, high quality, diverse and sustainable as a public good

For this analysis, news is defined as recent reporting on a topic that has impact on its audience and is of public interest<sup>1</sup>



## RECENCY

News delivers new information to the audience. This can take the form of reporting a new event or reporting of an older event with hitherto unknown information.<sup>2</sup>



## IMPACT

News reports on issues that are of consequence for its audience, such as elections, budgets, stock market changes, price changes, natural disasters and more.<sup>3</sup>



## PUBLIC INTEREST

News includes topics of public interest. These can include, but are not limited to, stories on people in the public eye like celebrities, sports, entertainment and bizarre occurrences.<sup>3</sup>

The news should be accessible, high quality, diverse and sustainable as a public good in a democracy<sup>4</sup>



## ACCESSIBLE

News should be physically accessible, financially affordable (e.g., high internet coverage, low purchase price), and citizens should be able to consume it easily (e.g., content available in regional language<sup>5</sup>).<sup>6</sup>



## HIGH QUALITY

News should be evidence-based, trustworthy, and journalists able to report without fear of censorship, either by government or corporate pressure.<sup>7</sup>



## DIVERSE

There should be healthy competition and a plurality of voices in the newsroom (e.g., socio-economic, religious, caste) with representation of minorities and marginalised communities.<sup>8</sup>



## SUSTAINABLE

There should be monetizable models to cover daily costs of generating news (e.g., pay for adequate staff) and healthy profit margins that allow for additional investment in investigative reporting and expansion.<sup>9</sup>

**Notes and sources:** (1) News need not include all three defining components. It can have only one component and still be classified as news. News is also defined by proximity of the topic to the audience, but since we are analyzing the industry for both national and international news, we have not drawn the line of proximity. Due to data availability, whenever we are using information that deviates from the given definition of news we have flagged accordingly; (2) M.L. da Fleur, E.E. Dennis, 'Understanding Mass Communication', 1985; (3) Shoemaker, P.L., & Cohen, 'News Around the World', 2006; (4) Research from several sources and surveys indicate the following common areas of convergence when it comes to news; (5) CIRCOM, [The importance of regional public service media](#), 2014; (6) [Reuters Institute Digital News Report](#), 2020; (7) American Press Institute, '[A new understanding' What makes people trust and rely on news](#)', 2016; (8) USAID, [The Role of Media in Democracy: A Strategic Approach](#), 1999; (9) Macnamara, [Remodelling media: The urgent search for new media business models](#), 2010.



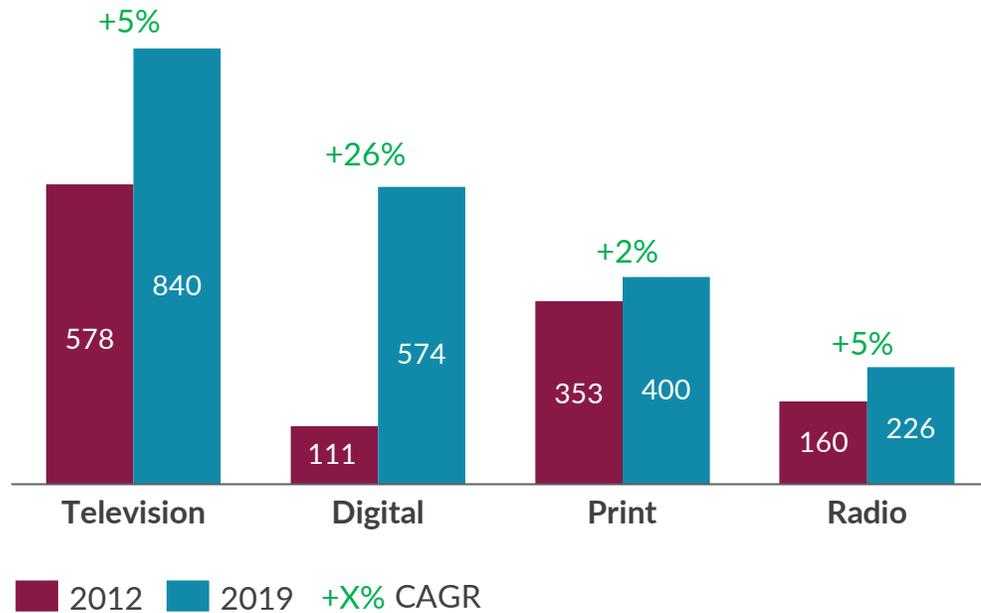
## 2. The promise of digital



# Driven by rapid internet penetration, digital news in India is forecast to reach 700m+ consumers by 2026 and print is forecast to fall by ~20%

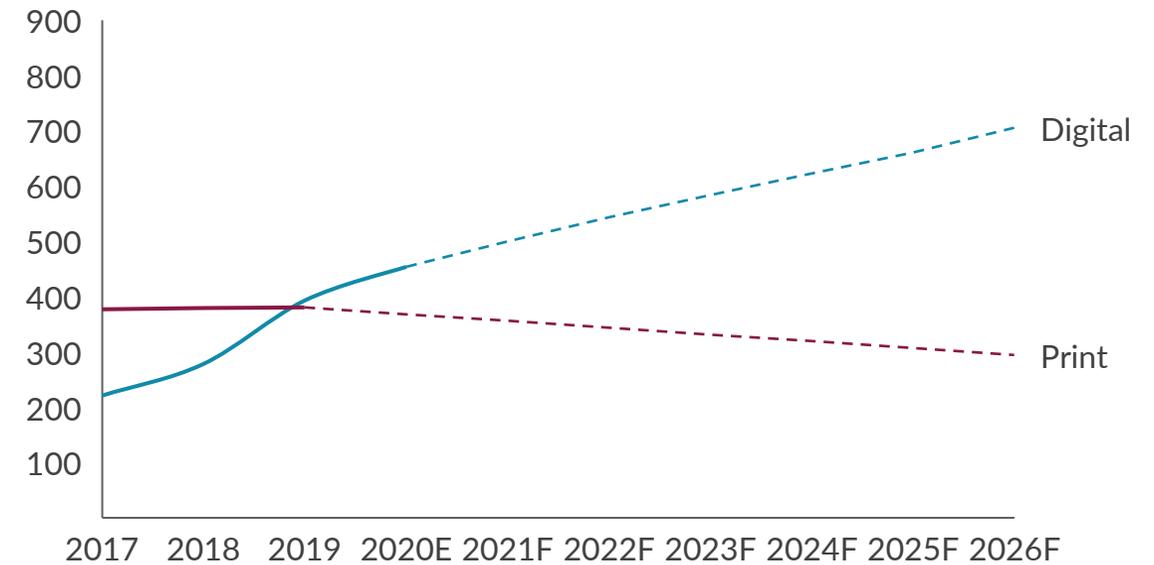
Digital is the fastest growing medium in the Indian market, growing at ~25% CAGR from 2012 to 2019

Number of Indians consuming media per month<sup>1</sup>  
Millions of people (aged 12+)



Online news is forecast to reach 700m+ Indians by 2026, an 80% increase from 2019

Volume of digital and print news consumption in India<sup>2</sup>  
Millions of unique visitor/Millions of readers



Reach of digital news among internet users<sup>3</sup>

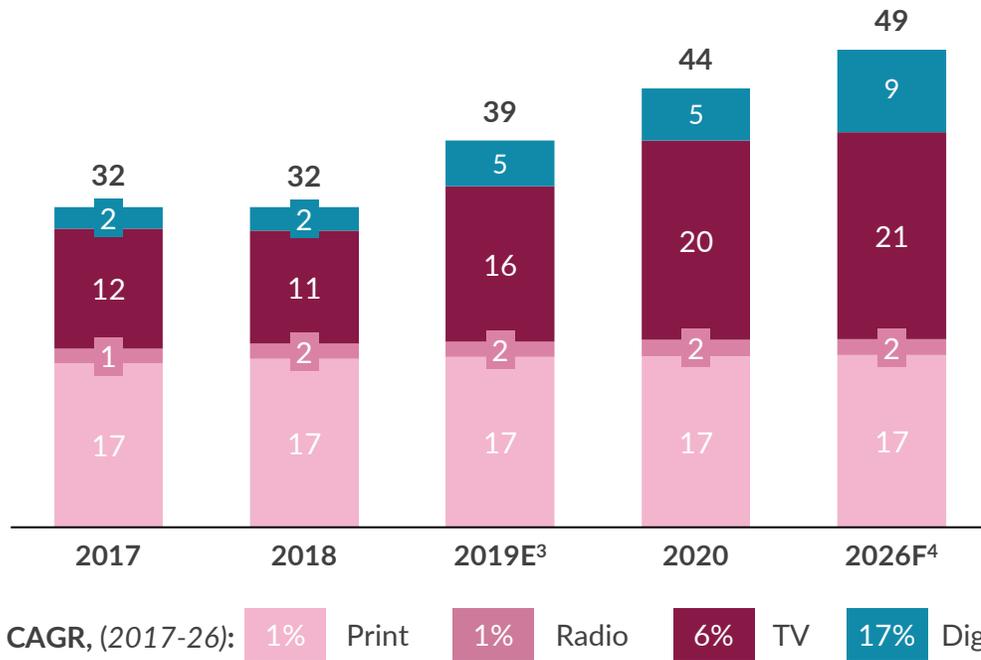


Notes and sources: (1) Television, Print and Radio numbers for population above 12 years of age are from MRUC, [India Readership Survey](#) 2012 Q4 and 2019 Q4; Digital numbers from Kantar, [ICUBE Report](#), 2019; (2) Press Council of India, [Review of the Press](#) in India, 2012; Digital numbers calculated based on 'News and Information' consumption as specified by ComScore MMX; (3) Forecasts for unique digital news viewership based on historical (2017-21) data from ComScore MMX, projected out using estimates for future population growth and internet penetration over time; Print forecast is linearly extrapolated based on substitution effect; 2017 and 2019 numbers are based on penetration rates from IRS; Dalberg analysis based on data obtained from (i) IMF, "World Economic Outlook Database", 2021;(ii) Statista, "Statista Digital Market Outlook", 2020; (iii) ComScore, "Media Trends - News & Information [Unduplicated]", 2021 (iv) MRUC, "Indian Readership Survey 2019 Q4", 2020; (v) Reuters Institute, "Digital News Report 2021", 2021; (vi) World Bank data; (3) Reach of digital news among internet users for 2017-20 calculated by dividing top-line unique viewer figures (ComScore MMX) by total active internet users (Kantar, IAMAI); forecasts for 2021-26 are based on benchmarks for comparable economies.

# Increased digital news access is driving higher time spent on news consumption in India

While time spent with print remains stagnant, the share of digital is growing rapidly...

Time spent per user consuming news through different media<sup>1</sup>  
Minutes of consumption per day for users on each medium<sup>2</sup>



...with plenty of opportunities for future growth



## INDIAN MEDIA CONSUMPTION LAGS DEVELOPED MARKETS

Current overall media consumption at ~6 hours per person per day is lower in India than global economies, e.g., ~7.3 hours in China, ~10 hours in Germany and UK<sup>5</sup>



## DIGITAL IS THE ENGINE FOR GROWTH

Increasing Indian news consumption will be driven by digital, due to rising mobile and internet penetration, especially in rural India which has already grown at 30% CAGR from 2017-2020<sup>6</sup>



## PRINT STAGNATES

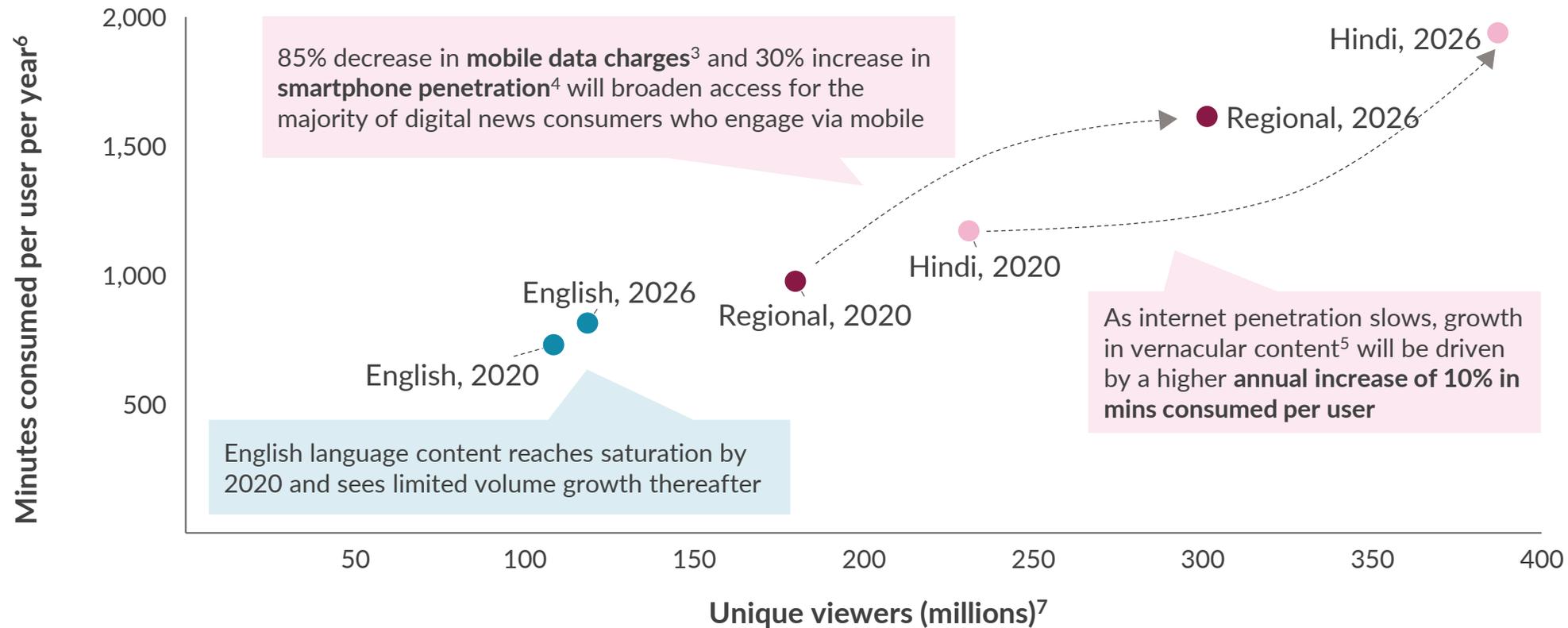
As digital has grown, some Indians have started shifting away from print, with this 'substitution effect' mirroring other more developed markets<sup>7</sup> – especially in the more saturated English language market.

**Notes and sources:** (1) Dalberg analysis; ComScore, "eMarketer, "India Time Spent with Media 2019", 2019; ComScore, "Media Trends – News & Information", 2021; Prasar Bharati, [Schedule of daily news bulletins from Delhi](#); [BARC India Yearbook](#), 2020; BARC India Yearbook, 2018; (2) Time share of different media formats calculated from eMarketer data, assuming news constitutes 100% of newspaper engagement; 10% of radio engagement based on amount of radio airtime dedicated to news averaged across Hindi and English language content; the weekly viewing minutes reported by BARC from 2017-20 (in the range of 7-10.4%) and the mean projected forward of 8.8%; and digital news engagement calculated by applying proportion of minutes spent on news and information sites in ComScore MMX data to eMarketer time estimate on digital – this therefore does not include time spent consuming news on other platforms such as search, social media and YouTube; (3) 2019 figures modelled based on Q1 and Q4 of 2019 to offset skew introduced by a sharp spike in consumption from April-August 2019, likely due to the 2019 General Election; (4) Figures for 2026 are projected forward using growth rates from eMarketer, held constant after 2023; (5) Dalberg analysis of eMarketer, [Time Spent with Media Overview, 2021](#); (6) Dalberg analysis, Kantar & IAMAI, ["Internet Adoption in India - ICUBE 2020"](#), 2021; (7) Dalberg analysis shows r=-0.33 based on a sample of 17 peer economies with GDP PPP per capita of \$4k - \$36k, where each available year is a datapoint, using data from Reuters Institute, "Digital News Report 2020" and World Bank GDP and internet penetration data.

# This growth is being driven by vernacular content, which is expected to grow 6-8x more than English language news in both news viewers and time spent

## Current and projected volume of digital news and information consumption<sup>1</sup>

2020 actuals vs. 2026 forecast<sup>2</sup>



**Notes and sources:** (1) Dalberg analysis based on IMF, "World Economic Outlook Database", 2021; Kantar & IAMAI, "Internet Adoption in India - ICUBE 2020", 2021; Statista, "Statista Digital Market Outlook", 2020; ComScore MMX, "Media Trends - News & Information", 2021; ComScore, "Trends in Online News Consumption", 2019; eMarketer, "Time Spent with Media 2021, India", 2021; (2) Growth in minutes consumed per user modelled based on 2022-23 consumption forecasts from eMarketer, projected out at a constant growth rate through 2026; (3) Telecom Regulatory Authority of India; (4) Goldman Sachs, "India internet: a closer look into the future", 2020; (5) "Vernacular" is used to refer to Hindi and regional language news; (6) "Minutes per user" includes only time spent on news and information websites, and not time spent engaging with news content published on third-party platforms (e.g. YouTube) and therefore underestimates the total time spent consuming news; (7) the number of unique viewers across languages includes duplication across language segments, i.e. consumers engaging with digital news in two or more of English, Hindi, and regional languages.

# Recent growth is also driven by more engaging and relevant content and convenient channels of access...

## RICH FORMATS

- **Video consumption is growing** with 95% of content in vernacular languages<sup>1</sup>
- Podcasts cater to **smaller audiences** but are seeing **promising growth**

**75%+ CAGR** Growth in consumption across seven top video players ('18-'20)<sup>2</sup>

**30%+ CAGR** Growth in active listeners to podcasts (all categories)<sup>3</sup>

*“From a business perspective, video is growing over text. Consumers prefer video content over text because it is easier to engage with.”*

- COO, Broadcaster

## SHORT CONTENT

- Consumption is increasingly happening via **snippets and short-form videos**

**~4x** Growth in users over 4 years of a leading aggregator that distributes news in snippets<sup>2</sup>

**180m** Short-video consumers (all categories) in 2020, a ~9x jump from 2016<sup>4</sup>

*“Publishers will need to solve between two extremes – (i) Larger numbers in shorter, snacky content, and (ii) Smaller but paying numbers in long-form content.”*<sup>7</sup>

- Vice President, Publisher

## NICHE TOPICS

- It is easier to publish niche and specialised digital content that is relevant to different audiences with **lower barriers to entry**

**100%** Annual subscriber growth of The Ken – niche news player covering tech, science, health and business<sup>5</sup>

**166m** Total YouTube views of Khabar Lahariya, a women-run brand of digital-first rural news<sup>6</sup>

*“While newspapers were rewarded for more information, digital is all about specialisation, given that the time of users is scarce.”*<sup>8</sup>

- Digital Head, Publisher

# ...which is leading to growth of innovative, consumer-centric news models and different ways to access news

## NICHE DIGITAL NATIVES

Digital natives and other small publishers are **providing niche content offerings** (e.g., long form, investigative, hyper-local) and aiming to monetize **via subscriptions**, - in 2020, 2% of all time spent on digital news was via digital natives.<sup>2</sup>



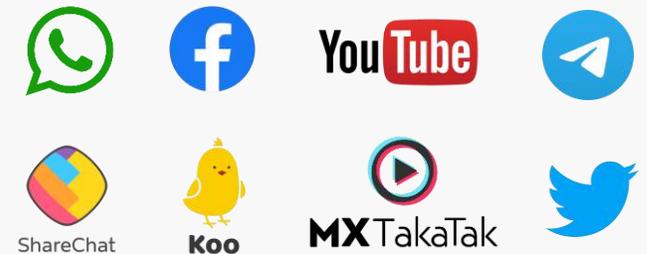
## NEWS AGGREGATORS<sup>1</sup>

News aggregators are **licensing content from multiple publishers** and re-packaging, **synthesizing, and recommending content** for readers, mostly for free - in 2019, 9% of English language consumers listed this as their main source of online news.<sup>3</sup>



## SOCIAL MEDIA AND SEARCH

Indian readers are **accessing** more news on social media platforms (24%<sup>3</sup>). A similar trend is seen on search (32%<sup>3</sup>), before consumers are redirected to news sites (41% of all traffic directed to news sites is referred via search<sup>4</sup>).



**Notes and sources:** (1) An online news aggregator is a website that provides news or links to news content from multiple sources in a consolidated format. There are different forms of aggregators, including those that act as referral mechanisms to original sites and those that keep traffic on their native site. Financial arrangements also vary, with some aggregators compensating via revenue sharing or lump sum payments and others via increased traffic flows. (2) Dalberg analysis based on time-spent on top 100 News Players from ComScore MMX; (3) Proportion of respondents using channel as main way to come across news in 2019. The survey sample for this finding is reflective of the English-speaking population in India that has access to the internet. As a result, it is skewed towards male, affluent, and educated respondents. From Reuters Institute, [India Digital News Report](#), 2019; (4) SimilarWeb data, from July 2020 to June 2021.

# At the same time, digitalization is improving diversity, in terms of newsroom staff and content being covered

## Marginalised communities are better represented in newsrooms of digital-only news outlets than print



Women are better represented in newsrooms of digital outlets. 35% of writers in digital media are women compared to only 17% for Hindi language newspapers and 25% for English language newspapers.<sup>1</sup>



Marginalised castes are better represented in digital newsrooms' leadership. 5% of the leadership team of digital natives identified as OBC, while no one revealed if they belong to a marginalised caste in English and Hindi language print.<sup>2</sup>

## The easy accessibility of the Internet has enabled under-served communities to engage with news



Dalit issues, which have been omitted from mainstream traditional media, have found a voice online. 97% of Dalit online news readers believe that traditional media is biased, and 73% of them access the internet as an alternative to be able to read about Dalit issues.<sup>3</sup>



Digital news reaches people who face barriers in accessing traditional media such as illiteracy and discrimination. Khabar Lahariya (which focuses on women's issues in rural areas) only had 1% women in their print reader-base, but 15-20% women visitors on online platforms.<sup>4</sup>



Internet expands the reach of regional/local news and makes it available to all those interested (e.g., migrants). News sites such as The News Minute and East Mojo<sup>5</sup> are focusing on local and regional coverage but achieve reach at a national and international scale.<sup>6</sup>



*“Digital revolution has increased diversity. In addition to having many more players online – independent journalists, digital natives, bloggers – that give you plurality of voices, internet has enabled publishers to diversify and focus on new languages/regions for e.g., BBC Hindi.”*

- Former Digital Head, Hindi language publisher

A young man with dark hair, wearing a white button-down shirt and a colorful patterned scarf, is looking down at a smartphone he is holding in his right hand. He is standing in a dry, brown, textured field under a clear sky. A horizontal maroon band is overlaid across the middle of the image, containing the text '3. The challenges'.

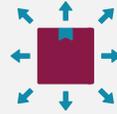
### 3. The challenges

# Traditionally, print publishers controlled the full print news value chain...



## 1. CREATION

- Print publishers have traditionally had large newsrooms (~300-1k people)<sup>1</sup> scattered around the country that produce most written news content.
- Print publishers provided both breadth of reporting, with different beats in varied locations, and more in-depth, specialised reporting.
- Our analysis suggests from 2015-19, ~75-80% of news revenue was concentrated in print, with ~10-15% in television, <5% in digital and <1% in radio; with the shares in television trending upwards over time.<sup>2</sup>



## 2. DISTRIBUTION

- Print publishers had large physical distribution networks, reaching 400m+ readers in 2017.<sup>2</sup>
- 75% of English and Hindi language print audiences were concentrated among 3-4 large players in each markets.<sup>3</sup>
- Regional language markets were largely duopolies.<sup>4</sup>



## 3. MONETIZATION

- Direct relationships with advertisers enabled print publishers to command large margins on print-ad spends.<sup>1</sup>
- Relative to the share of time-spent, print media commanded a large premium (~5x) on ad-spend in 2013.<sup>5</sup>
- Large advertising revenues enabled publishers to charge low cover prices on newspapers and drive circulation.

**Notes and sources:** (1) Industry discussions and publicly available information on size of print newsrooms of print publishers; (2) Dalberg analysis based on industry level data obtained from (i) KPMG M&E Report 2018 (ii) KPMG M&E Report 2019, (iii) [EY-FICCI M&E Report](#), 2020, (iv) [EY-FICCI M&E Report](#), 2021, and (v) [Pitch Madison Advertising Report 2020](#); (vi) [World Bank Consumer Price inflation](#); (3) Media Ownership Monitor India, 2019; (4) Reporters Without Borders, [Media Ownership Monitor: Who owns the media in India?](#) 2019;(5) Dalberg analysis based on information obtained from: eMarketer, 2020, [India Time Spent with Media 2020](#); eMarketer, 2018, [In India, Media Use Shows No Signs of Levelling Off](#); ABP, 2015, [Pitch Madison Advertising Report 2015](#), ABP, 2021, [Pitch Madison Advertising Report 2020](#).

# ... but digital has made the news ecosystem more competitive and broken the control of legacy print publishers



## 1. CREATION

### Broadcasters compete with publishers

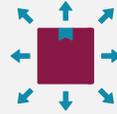
Broadcasters and legacy print publishers are competing to produce video news content to capture digital audiences.

### Niche digital natives emerge

Niche digital natives with small newsrooms (<20 people<sup>1</sup>) are leading the creation of specialised and niche content online.

### Freelancers increase their voice in the platform economy

Freelancers are independently engaging in additional analysis and research and are increasingly relying on the emerging platform economy to share content, with YouTube being the most established platform.



## 2. DISTRIBUTION

### Publishers using platforms for audience engagement

Publishers get ~50% of traffic on their sites via tech platforms,<sup>2</sup> with publishers customising content to fit the different and changing algorithms deployed.

### Aggregators engaging in re-distribution

Aggregators redistribute news in more consumer-friendly formats, and only some aggregators share digital revenues they generate with publishers.

### Distribution on tech platforms

Over half of English-speaking online users are consuming news on social media and communication sites, with 48% sharing stories via social media, messaging or email.<sup>3</sup>



## 3. MONETIZATION

### Shrinking print ad revenues

The print ad market has started contracting as advertisers are following consumers from print to digital and also prefer the enhanced targeting capabilities online.

### Low digital ad revenue for publishers

Digital ad revenue for publishers is minimal relative to print and even lower for freelancers and digital natives due to smaller audiences.<sup>4</sup>

### Nascent uptake of subscriptions

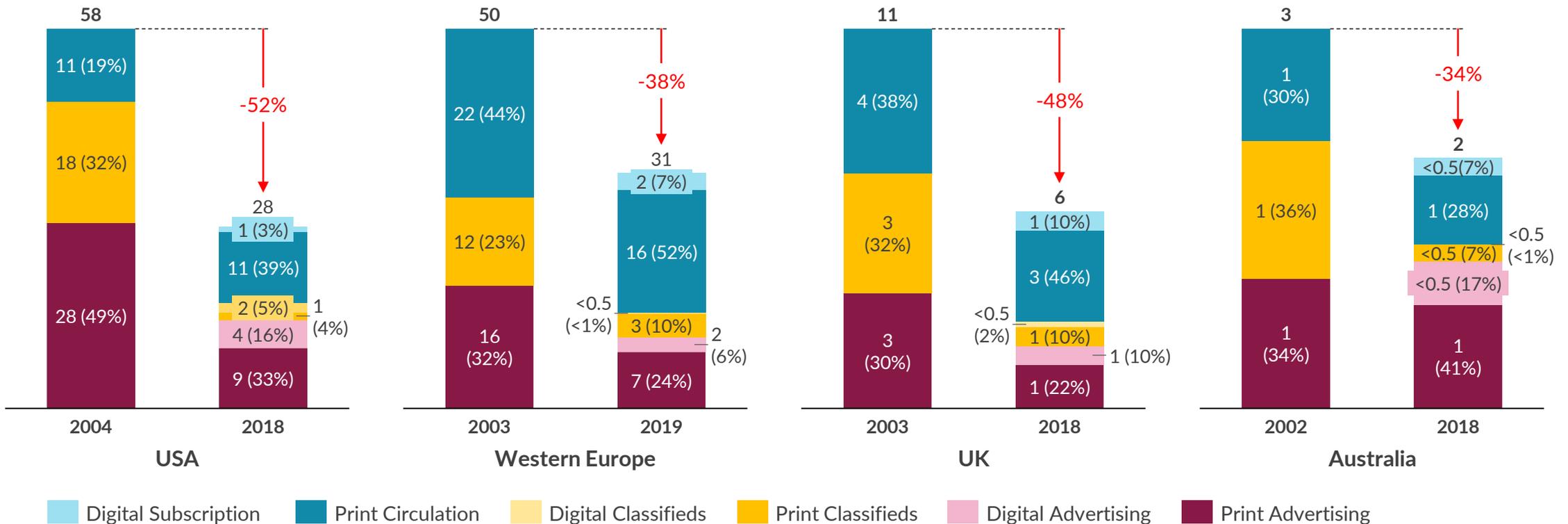
Most news content is distributed for free with minimal uptake of subscriptions (<1% consumers paying vs. 11% globally).<sup>5</sup>

**Notes and sources:** (1) Industry discussions and publicly available information on size of print newsrooms of digital natives; (2) Search and social media platforms; Dalberg analysis of SimilarWeb 2021 data; (3) The survey sample for this finding is reflective of the English-speaking population in India that has access to the internet. As a result, it is skewed towards male, affluent, and educated respondents. Reuters Institute, [Digital News Report](#), 2021; (4) Industry discussions and Dalberg analysis of publicly available information; (5) The survey sample for this finding is reflective of the English-speaking population in India that has access to the internet. As a result, it is skewed towards male, affluent, and educated respondents. Reuters Institute, [India Digital News Report](#), 2019.

# Globally, the ad-funded model of news has been disrupted

## Revenues for the news industry over time, by revenue stream and geography<sup>1</sup>

USD Billions, % share of total



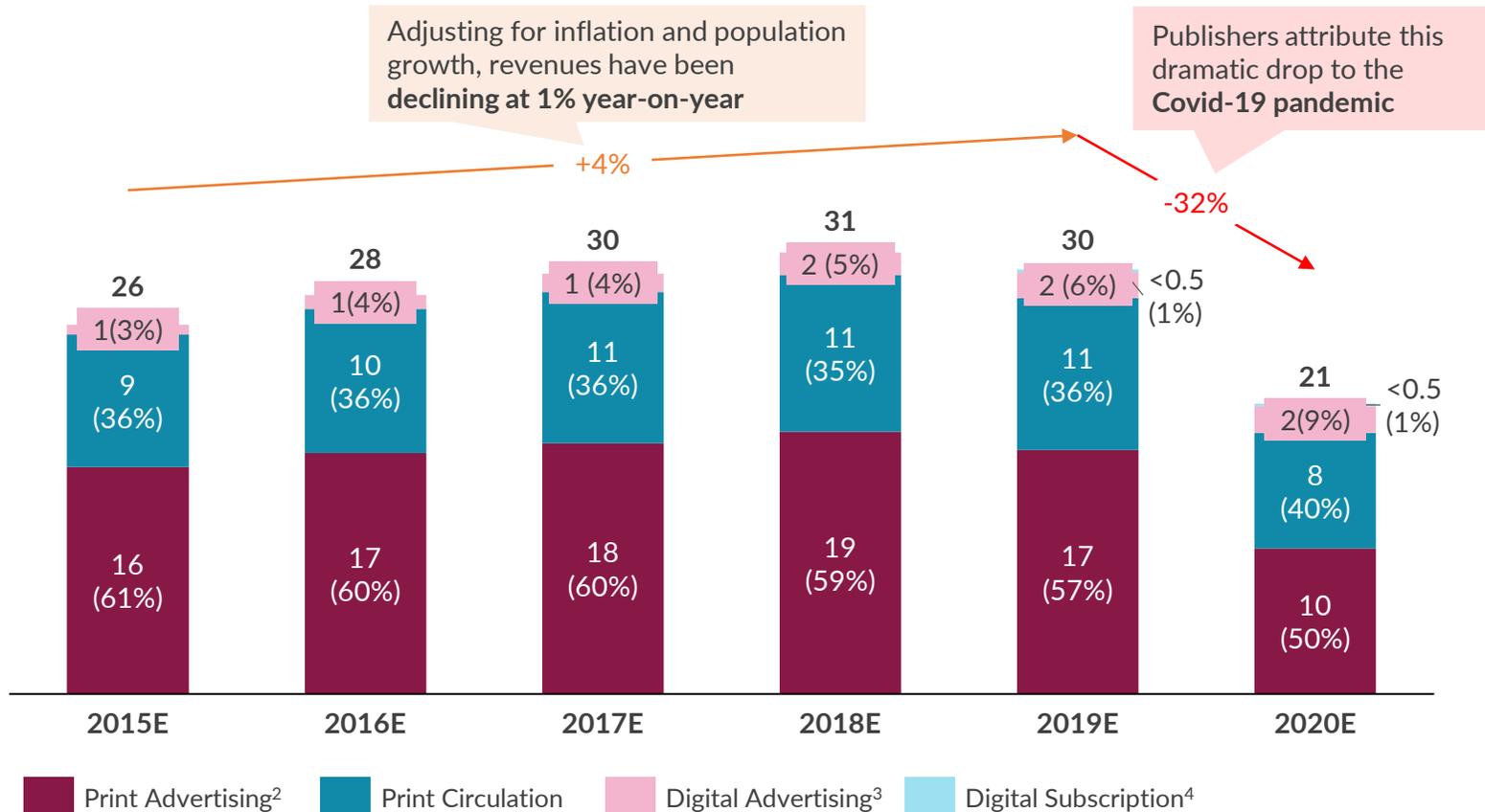
The revenue model of publishers has been disrupted globally and India is currently observing a similar trend at a smaller magnitude

Notes and sources: (1) Dalberg analysis based on data obtained from (i) AlphaBeta, [Australia Media Landscape Trends](#), 2020, (ii) Accenture, [UK Media Landscape Trends](#), 2021 (iii) Accenture, [USA News Media Landscape Trends](#), 2021, (iv) Accenture, [Western Europe Media Landscape Trends](#), 2021.

# In India, this revenue dynamic has been muted so far, but the transition has begun with print revenues stagnating

## Nominal revenues for publishers across the entire news industry, by revenue stream<sup>1</sup>

INR Thousand Crores



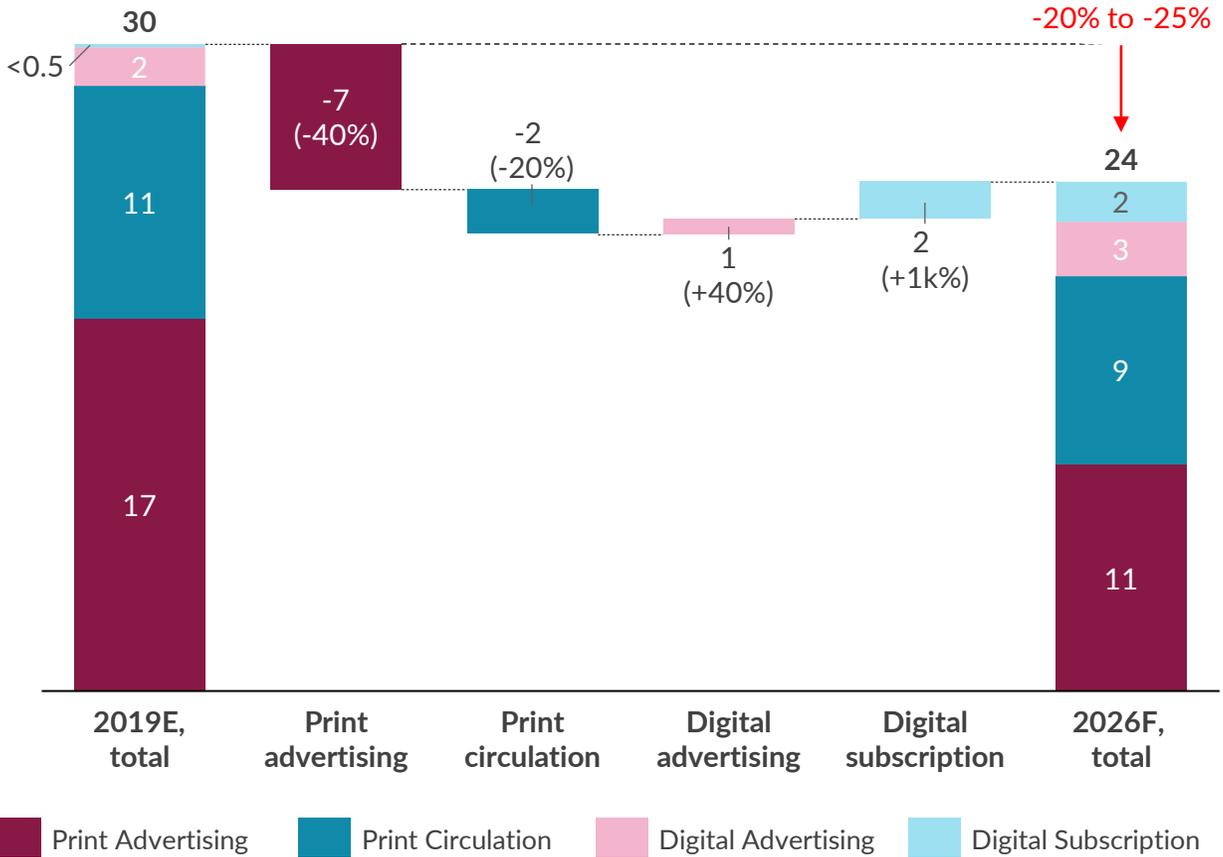
Revenue Stream	CAGR 2015-2019
<b>Print advertising:</b> Revenues from ads on physical newspaper copies, excluding share to agencies	+2%
<b>Print circulation:</b> Revenues from the sale of physical copies of newspapers	+4%
<b>Digital advertising:</b> Revenues from ads on digital news products, including display and video ads, excluding share to agencies	+25%
<b>Digital subscription:</b> Revenues from paid subscriptions to publishers	N/A

**Notes and sources:** (1) Dalberg analysis based on industry-level data obtained from (i) [KPMG M&E Report](#), 2019, (ii) [KPMG M&E Report](#), 2020, (iii) [EY-FICCI M&E Report](#), 2020, (iv) [EY-FICCI M&E Report](#), 2021, (v) publicly available financial data on digital ad revenues of leading news publishers, (vi) Dalberg expert interviews and industry discussions; (2) Print ad revenues are estimated as 85% of total print ad spend, given that agencies typically receive 15% of print ad spend; (3) Digital ad revenues for 2020 reflect digital ad revenues of legacy print publishers and digital natives, and are estimated assuming that the top ~15 publishers control 70% of the market for display news and 90% of the market for video news; revenues for remaining years are estimated based on changes in ad rates and consumer traffic compared to 2020; (4) Digital subscriptions are estimated assuming a subscriber base of 1.5m in 2019 and 2m in 2020, with the average subscriber paying INR 1,000 per year, based on industry discussions.

# Without a change in status quo, we expect the trend to continue over the next five years, with digital not covering the gap from falling print revenues

## Forecast change in revenues for news publishers across the entire news industry by revenue stream<sup>1</sup>

INR Thousand Crores



Advertisers and consumers substituting print for digital will drive the drops in **print ad revenue** - vernacular language ad revenue will be more resilient due to less steep drops in print readership and lower maturity of digital ad markets



**Print circulation** revenues will drop slower than circulation volumes as prices increase



Most publishers have struggled to capitalise on the **digital advertising** opportunity, with lost print advertising revenues not being replaced online



The **digital subscription** market is currently very nascent (<1% readers paying) and will remain small in the next few years

Notes and sources: (1) Dalberg analysis based on data obtained from (i) [KPMG M&E Report](#), 2019, (ii) [KPMG M&E Report](#), 2020, (iii) [EY-FICCI M&E Report](#), 2020, (iv) [EY-FICCI M&E Report](#), 2021, (v) ComScore, (vi) Industry discussions, (vii) GroupM, [This Year Next Year - Worldwide Media Forecasts](#), 2019, (viii) Internet Penetration, World Bank, (ix) Statista, (x) Nordicom Media Research (x) Publicly available financial data on digital ad revenues of leading news publishers (xi) Dalberg expert interviews and industry discussions.

# Vernacular language publishers will be more resilient in the short term with lower internet penetration and ad market maturity, and higher print readership loyalty



## PRINT ADVERTISING

Will continue falling, as circulation will drop more rapidly and digital ad-market are already more mature, leading to advertisers shifting to digital faster

-₹3k Cr (-50%)<sup>1</sup>



## PRINT CIRCULATION

With higher internet penetration among consumers, circulation revenues will drop faster as more consumers will switch to digital

-₹1k Cr (-30%)



## DIGITAL ADVERTISING

English content currently commands 70%+ of the digital ad-market for news but revenue will grow slowly, as consumption saturates and ad rates drop

<₹0.1k Cr (5%)



## DIGITAL SUBSCRIPTIONS

English content currently commands 75% of the market; specialised content will drive 10% of consumers to subscribe (lower end of the range of global peers)

₹1k Cr (1.2k%)

ENGLISH  
LANGUAGE  
CONTENT

VERNACULAR  
LANGUAGE  
CONTENT

Will see post-pandemic recovery through to 2022, dropping slower than English, due to less steep drops in circulation and lower digital ad market maturity

-₹4k Cr (-35%)

Will drop slower due to lower internet penetration among consumers and higher levels of reader loyalty to vernacular language print

-₹1k Cr (-15%)

Despite surges in consumption volume, ad rates will drop due to over-supply of inventory relative to demand and broken ad-funnels, limiting revenue growth

₹1k Cr (120%)

Expected to remain small (<1% consumers paying), driving experimentation with other forms of monetization (e.g., micro-payments)

<₹0.5k Cr (900%)



*“Vernacular print newspapers are here to stay for at least 5-10 years. English may be different because of a higher preference for digital but this is not the case for Hindi and regional papers where people still prefer print.”*

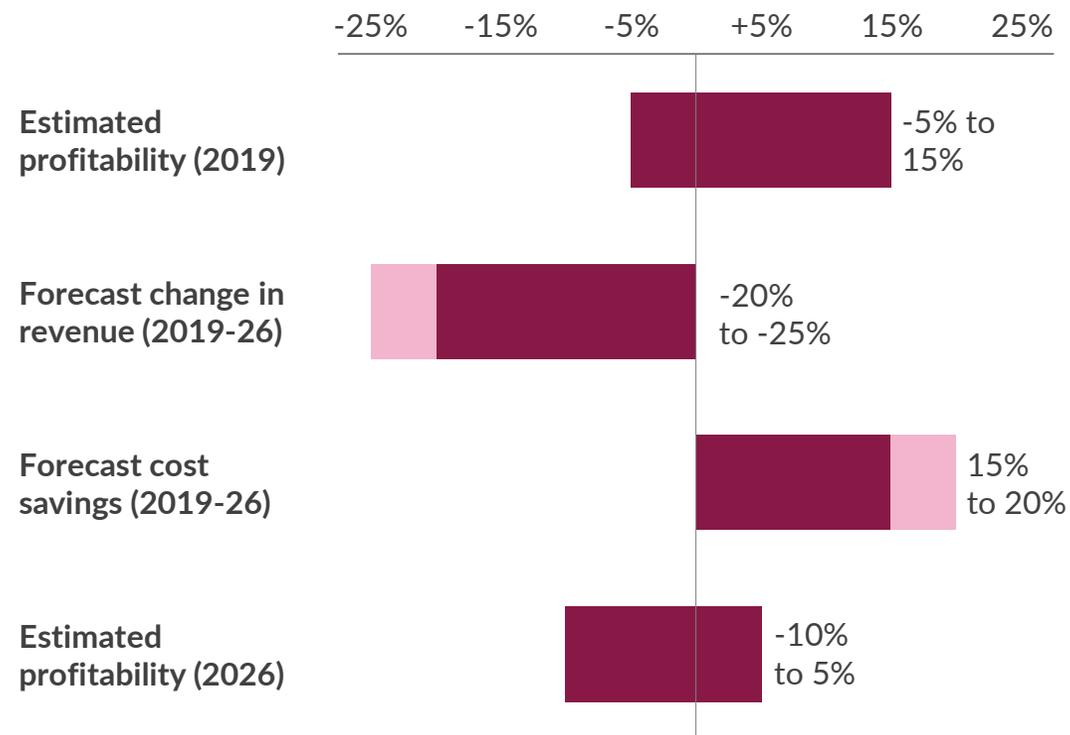
-Senior Executive, Regional language publisher

Notes and sources: (1) Figures displayed as absolute change in revenues between 2019 and 2026 (% change in revenues); Dalberg analysis based on data obtained from (i) KPMG M&E Report 2019, (ii) KPMG M&E Report 2020, (iii) [EY-FICCI M&E Report](#), 2020, (iv) [EY-FICCI M&E Report](#), 2021, (v) ComScore, (vi) Dalberg expert interviews and industry discussions. (vii) GroupM, [This Year Next Year - Worldwide Media Forecasts](#), 2019, (viii) Internet Penetration, World Bank, (ix) Statista, (x) Nordicom Media Research, and (x) Publicly available financial data on digital ad revenues of leading news publishers

# Many print publishers, especially in English and regional languages, will struggle to achieve profitability in the next 5 years, even after cost efficiencies

## Unit economic impacts for large news publishers<sup>1</sup>

Key unit economics metrics, 2019-26



Publishers will see **cost savings across production and distribution** due to lower circulation; there is likely **limited scope for cost cutting across fixed cost heads** which were already cut significantly in the pandemic.

Publishers will also seek to **invest in digital** operations across tech and staff, with many Hindi and regional language publishers investing more to catch up.

Large **Hindi language publishers will likely remain profitable** (albeit with lower margins) while the economic **pressure will be higher for English language publishers** (where revenues were already dropping more sharply) and some **regional language publishers** (given smaller circulation to spread fixed costs over).

**Larger publishers will likely stop producing smaller titles** e.g. closure of Mumbai Mirror<sup>2</sup>, Kolkata and Bengaluru editions of Deccan Chronicle<sup>3</sup>. A leading publisher halved the number of editions in last 18 months, with most newsroom cuts in smaller towns.<sup>4</sup>

**Notes and sources:** (1) Dalberg analysis based on publicly available financial data on English, Hindi, and regional language publishers and industry discussions; costs for 2026 have been estimated based on the reductions seen in various cost heads of publishers during the Covid-19 pandemic and industry discussions; we have assumed that the industry sees conservative annual increases (0-1%) to unit costs; (2) [The Wire](#), 2020; (3) [The Print](#), 2020; (4) Dalberg expert interviews and industry discussions.

# These pressures result from a mix of factors – advertiser preferences, changing consumption behaviour and inter-linkages with ad-tech platforms

## 1

### Advertiser are following consumers from print to digital and prefer the enhanced targeting capabilities online

- Digital has increased from 18% of time spent on media consumption in 2013 to 26% in 2019.<sup>1</sup>
- News constitutes just ~7% of total time spent online<sup>2</sup>, and is thus unable to attract as much ad-spend online.
- Advertisers prefer the lower cost and better targeting, sales conversion and performance tracking of digital ads.
- Digital ad market growth is driven by rapidly growing spends from digital-first industries (e.g., e-commerce) and print cash cows (e.g., FMCG).<sup>3</sup>

## 2

### The advertising value chain is being shared due to inter-linkages with specialised players for ad-tech capabilities<sup>4</sup>

- Capabilities to monetize online traffic via digital ads lie with a few specialised players that have developed ad-tech to increase the efficiency of delivering digital ads.
- Most publishers lack the technical or financial capacity to invest in digital ad-tech and need to work closely with ad-tech developed by these players to get a slice of the fast-growing programmatic ad market
- While ad-tech helps more small and medium businesses to advertise online and boosts overall economic performance,<sup>5</sup> there is an opportunity to further strengthen partnerships with publishers and increase transparency.<sup>6</sup>

**Notes and sources:** (1) eMarketer, 2020, [India Time Spent with Media](#) 2020; eMarketer, 2018, 'In India, Media Use Shows No Signs of Levelling Off'; ABP, 2015, [Pitch Madison Advertising Report](#) 2015, ABP, 2021, [Pitch Madison Advertising Report](#) 2020 (2) [EY-FICCI M&E Report](#) 2020 (3) Dalberg analysis based on Dentsu Digital Advertising in India Reports, 2017-2021, Pitch Madison Advertising Reports, 2017-2021, and EY-FICCI M&E Report 2020-2021.(4) Dalberg expert interviews.and industry discussions; (5) PWC, [Examination of the value created by the advertising technology industry in Australia](#), 2021; (6) Current estimates suggest that ~50% or lower of programmatic ad spend reaches publishers, with various ad-tech intermediaries (such as media agencies, DSPs, SSPs, DMPs) commanding a share on margins. These estimates are based on data obtained from (i) ISBA, [Programmatic Value Chain Study](#), 2020, (ii) Forbes, [Marketers And Publishers Are Making More Money By Using Less Adtech](#), 2020, (iii) Indian Express, [News publishers should get 85% of ad revenue from Google, other tech giants: Indian Newspaper Society official](#), 2021, (iv) Similar Web 2021, and (v) Dalberg expert interviews and industry discussions.

# These economic pressures have lowered investment in news origination and mounted pressure on journalists

Legacy print publishers, who also occupy 64%<sup>1</sup> of online news, are reducing investments in origination

2%

CAGR at which **employee costs** per circulated copy for leading legacy print publishers fell between 2015-19<sup>2</sup>, indicating lower investments in editorial and technological talent which threatens quality.

78%

Fall in **employment in the media and publishing industry** between September 2016 and August 2021, with the major drop occurring through 2018.<sup>3</sup>

10-30%

**Reductions** in employee costs of leading legacy print publishers seen during the Covid-19 pandemic,<sup>4</sup> which are expected to be permanent going forward.

This has pressured the newsrooms and impacted the quality of journalistic output

There is a notable increase in pressure on journalists in the digital age. A survey based in the USA noted that 68% of journalists feel their job is harder than it was five years ago despite technological advancements.<sup>5</sup>



*“Investment [in newsrooms] is an important element of achieving quality... journalists have more time to do and review their work, the possibilities of beat expertise rise, making it more likely to produce content that is better able to serve the community.”*

- Rutgers School of Communication<sup>6</sup>



*“British print journalists produced three times as much copy [in 2008] as they did 20 years previously... An increase of this size was shown to have an impact on information quality: journalists leave their offices less, have a limited time in which to check their sources and rely increasingly on press releases.”*

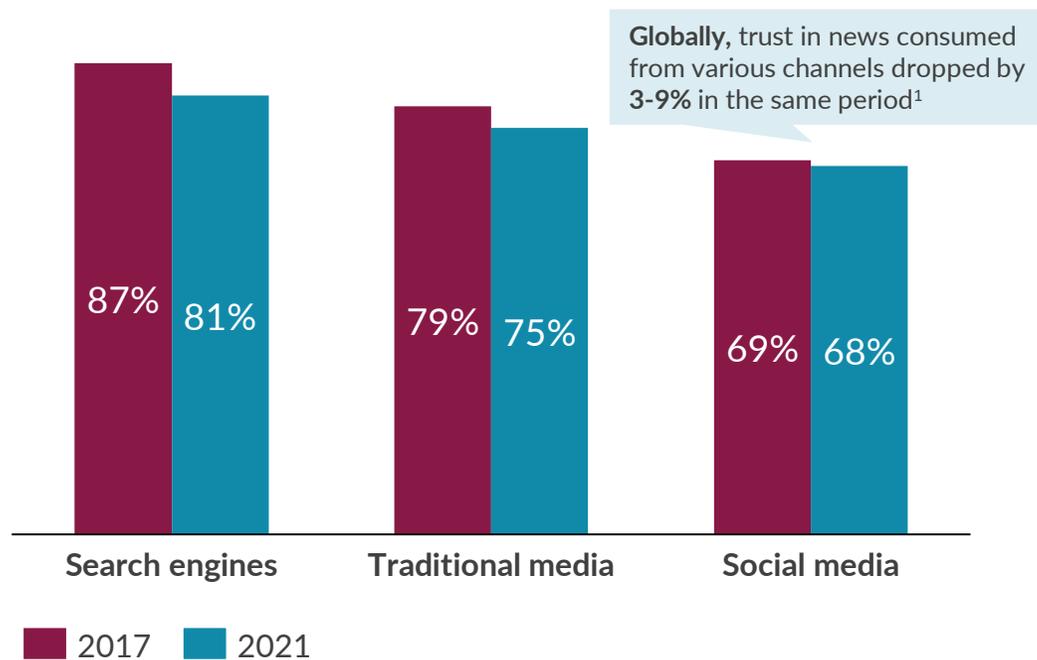
- Cardiff University<sup>7</sup>

**Notes and sources:** (1) The remaining 36% share is taken by aggregators (18%), broadcast players (16%) and digital natives (2%). Dalberg analysis based on time-spent on top 100 news players (ComScore MMX). Players were classified based on their dominant medium and there may be some overlaps. (2) Print players were selected from the top 20 circulated newspapers in 2019 H1 (Audit Bureau of Circulation) and the top-most players were analysed based on availability of data on employee costs (from financial statements). The basket comprises of 9 leading publishers representing 45% of 2019's total audited circulation. Employee costs are adjusted for inflation; wherever data was unavailable for the specified years, available data was taken from previous year. (3) National Herald, [Almost 78 per cent jobs lost in media and publishing industry in 5 years: CMIE survey](#), 2021. (4) Dalberg analysis based on publicly available financial information of cost-cutting measures implemented by leading legacy print publishers during the pandemic; (5) PR Newswire, [Survey Reports Majority of Reporters Unhappy with Press Materials and Lack of Quality Content for Stories](#), 2015; (6) Rutgers, [Defining and Measuring Quality Journalism](#), 2015; (7) Hesamag, [Burnout among journalists, a symptom of discontent in newsrooms](#), 2017.

# Trust in news in India has also fallen in line with global trends; and there has been a rise in advertorial/promotional content and fake news

## Trust in news has dropped over time, with social media being the least trustworthy channel

Trust in news consumed from various sources in India over time<sup>1</sup>  
% of total respondents to a survey



## Authenticity of news is also at risk due to an increase in amount of advertorial content and fake news online

Consumers seeking news are often flooded with **advertorials and promotional content that looks like news**. In 2019, readers surveyed by Reuters listed stories made up for commercial and political reasons as the most prominent driver of fake news.<sup>2</sup>

“There is an active demand for advertorials as banner ads have become less effective. It has been one of the fastest growing revenue streams.”

- Former Digital Head, Hindi language publisher

**Verification of news** is lower on digital, with 64% of Indians said to be exposed to fake news online compared to the 57% global average.<sup>3</sup> This may be attributed, in part, to the way speed is valued online, and the increased pressure on newsrooms.

“Legacy print players have the time and processes for fact checking. With digital and to some extent TV, speed is everything, so standards have fallen.”

- Digital Head, English language publisher

Notes and sources: (1) Dalberg analysis based on Edelman [Trust Barometer India](#), 2021, and Edelman [Trust Barometer](#), 2021. The survey sample is reflective of the population in India that has access to the internet. As a result, it is skewed towards male, affluent, and educated respondents. The Reuters Digital News Report 2021 suggests that some countries (including India) have seen an increase in trust during the pandemic. However, it is unclear if this will sustain in the long run as the pandemic recedes; (2) Reuters Institute, [India Digital News Report](#), 2019; (3) Microsoft, [Civility, Safety & Interaction Online: India](#), 2019.



## 4. The future potential



# We observe several trends which, with the right encouragement, could enhance news sustainability, quality and access

A

Existing news players will evolve their business models to sustain quality news creation



## DIVERSIFICATION

Large players will diversify to become media houses, establishing brands as trusted sources of accurate information



## DIGITAL SUBSCRIPTION

Smaller players and digital natives will need to focus on unique content, establish paywalls and target specific audiences

B

Five digital-first trends will emerge to reshape how news is created, distributed and monetized



## AUDIO AND VIDEO FORMATS

Increasingly immersive engagement



## GIG-WORKER DOMINATED NEWS INDUSTRY

More freelancers and direct-to-consumer relationships



## CITIZEN JOURNALISM

Growth of user-generated content platforms for news



## NEWS AGGREGATOR MODELS

More sustainable partnerships between publishers and aggregators



## UNBUNDLING AND MICRO-PAYMENTS

Segmentation of customers and targeting of sacheted content

# Existing news players will need to evolve– large publishers will diversify, and niche models focused on digital subscriptions will grow



## DIVERSIFICATION

Large publishers diversify into non-news content

Successful large news publishers will diversify into **non-news content verticals and non-news digital businesses** becoming media houses, enabling **costs of news creation to be cross-subsidised** by other media verticals.

**TIMES  
INTERNET**

**manoramaONLINE**  
BEST DIGITAL MEDIA PRODUCT

**HT**  
HT MEDIA GROUP

**Positive impact:** News will remain highly accessible.

**Considerations:** Low profitability in news creation may disincentivise investment relative to other content and businesses. Maintaining accurate news will also be important to preserving overall brand value for large media houses.



## DIGITAL SUBSCRIPTION

Smaller niche content models grow

Smaller publishers **that run lean newsrooms** and focus on **niche content offerings** (e.g., long form, investigative, hyper-local content) will monetize via **digital subscriptions** and via **partnerships with aggregators**, setting up paywalls for content and **islands of excellence**.

**THE  
KEN**

**THE  
MORNING  
CONTEXT**

**moneycontrol**

**Positive impact:** Investments in news creation are incentivised to persuade consumers to pay for unique content

**Considerations:** To monetize unique content, many publishers are likely to introduce different forms of paywalls, limiting the accessibility of news

# Larger national and regional print players can diversify and earn ad revenue by attracting mass audiences and investing in better targeting

## PRODUCT

- Diversify into new businesses related to content creation (tourism, classifieds, advertising), growing inorganically to achieve scale.
- Introduce non-news content (horoscopes, games) to increase audience engagement and stickiness, and monetize via non-news subscriptions.

*News Corp*

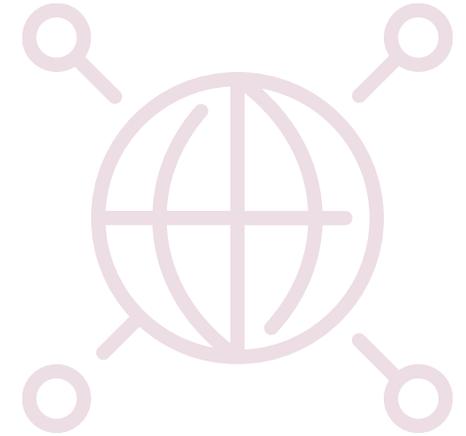
News Corp is diversified into pay TV, real estate and book publishing.<sup>1</sup>

## CONTENT

- Generate mass-market, easy-to-consume content that is trusted as accurate to attract audiences.
- Build stickiness via popular formats like short videos and podcasts.
- Expand portfolio to include multiple news titles with significant online presence to cater to broader and larger audiences.

**TRIBUNE**  
PUBLISHING

Tribune is the 2<sup>nd</sup> largest newspaper chain in USA<sup>2</sup> with many regional print and digital holdings like Chicago Tribune & The Baltimore Sun.<sup>3</sup>



## MONETIZATION

- By diversifying, media orgs can reach 200-400m monthly unique viewers<sup>4</sup>, creating a large customer base for advertiser targeting.
- Bundled memberships to OTT platforms<sup>5</sup>, dining services, news can be an additional revenue source for diversified players.

**TIMES**  
**INTERNET**

Revenue is distributed across non-news streams like entertainment (~30%), marketplaces (~22%), fintech (~4%).<sup>6</sup>

## DATA

- Use data to develop customer personas to nudge visitors towards the right properties and generate better targeting for advertisers (and higher CPMs).
- Collect behavioural data to personalise news feeds and focus on issues that target readers care about.

**NETFLIX**

Netflix collects behavioural data and uses it to make recommendations, improve user engagement.<sup>7</sup>

## ORGANISATION

- Appoint leadership that understands how to run a tech vs. content business and can foster a culture of collaboration.<sup>8</sup>
- Hire for cutting-edge digital skills to run a tech firm, e.g., data scientists.

**TIMES**  
**INTERNET**

Times Internet created a direct channel of communication between entrepreneurs, product teams and the top management.<sup>9</sup>

# Smaller publishers and digital natives can focus on niche content and pursue subscriptions to adapt to the digital news market

## PRODUCT

- For local titles, focus on hyper-local products beyond news (e.g., event listings, local cooking recipes) to build customer loyalty.
- Publications should focus on building user engagement and stickiness by engaging across multiple platforms, e.g., daily emails, podcasts, and using multimedia formats.

**EastMojo** EastMojo has used formats such as infographics, interactive applications and audio-visual media to engage readers.<sup>1</sup>

## CONTENT

- Carving out niches from a narrative (e.g., long-form, investigative), genre (e.g., business politics), or format perspective (e.g., podcasts).
- Vernacular language publishers can focus on hyperlocal news consumption that is not available from other sources.

**THE KEN** Publishes one long-form feature per day focused on business, technology, science and health, attracting 25k+ subscribers.<sup>2</sup>



## MONETIZATION

- Pursuing subscriptions from consumers willing to pay and experimenting with pay-per view and location-based pricing.
- Onboarding local businesses or regional brands, typically SMEs, for advertising.

**THE MORNING CONTEXT** The Morning Context publishes stories covering tech and business, monetizes via subscriptions and micropayments.<sup>3</sup>

## DATA

- Use feedback/preference forms to tailor coverage and deepen user engagement.
- Identify frequent, engaged visitors that are most likely to pay and subscribe.

**Local News Initiative** Medill study shows frequency of consuming local news is the biggest predictor of retaining subscribers.<sup>4</sup>

## ORGANISATION

- Run on a shoe-string budget (go digital /reduce print runs for local papers) and increase volunteer/freelance reporter use.
- Use off-the-shelf platforms to lower tech investment costs.

**NewsLaundry** runs a small newsroom (~30 people), and publishes news in multiple formats (i.e., print, audio, video).<sup>5</sup>

# Digital will also enable new models to shape the news value chain in India and preserve high access, quality and sustainability



## CREATION

### 1. AUDIO AND VIDEO FORMATS

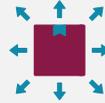
Audio and video are primed for **rapid growth** and drive audience engagement and brand loyalty, but quality of content is variable and **monetization models remain elusive**

### 3. GIG-WORKER DOMINATED NEWS INDUSTRY

The industry is likely to shift towards gig work with **most content** for publishers **produced by freelancers**, who can also **disseminate news directly to consumers** via channels like YouTube, Instagram and **monetize via crowd-funded models** like Substack and Patreon; news diversity and plurality will likely increase, but fake news proliferation is a challenge and freelancers will require financial support and legal protections to thrive

### 5. CITIZEN JOURNALISM

The popularity of user-generated content may help drive **citizen journalism platforms** where users **upload on-location stories** to others, monetized via advertisements and sponsored content; this can ensure **coverage of a range of events** even when media is not present but might impact quality as stories are **hard to verify** in real time



## DISTRIBUTION

### 2. NEWS AGGREGATOR MODELS

Aggregator-publisher partnerships give access for consumers to **diverse news** on multiple topics, but **partnerships** must be **strategic win-wins**, driving traffic and revenue without cannibalizing potential customers

### 4. UNBUNDLING AND MICROPAYMENTS

Using **data to segment customers** will help **drive** new revenue models such as **unbundling** of content (e.g., horoscopes, cricket, articles) and **growth of micropayments**; this can improve quality if ability to **invest in news** improves but can hurt quality if it **cannibalises subscribers**



## MONETIZATION

# These innovative models have the potential to drive a high quality, sustainable news ecosystem...



## AUDIO AND VIDEO FORMATS

- ★ Rich media formats are attracting large audiences and funding, e.g., entertainment-focused short video apps have raised >\$1b and monthly users are forecast to double to 650m by 2025<sup>1</sup>
- ★ Expect many publishers to develop audio and video content in order to drive audience stickiness, e.g., Slate podcasts helped grow a strong membership program<sup>2</sup>



## NEWS AGGREGATOR MODEL

- ★ Expect news aggregators to continue to boom (DailyHunt is fifth most visited news site today<sup>3</sup>), creating more strategic win-win publisher partnerships<sup>4</sup>
- ★ Aggregators are attracting large amounts of external funding with VerSe (parent company of Daily Hunt) valued at ~\$3b<sup>5</sup>



## GIG WORKER-DOMINATED INDUSTRY

- ★ With the boom in social media and YouTube consumption, over 50% of news is currently consumed indirectly and this is expected to grow exponentially<sup>6</sup>
- ★ YouTube channels and handles of news reporters already attract millions of subscribers and followers, whether senior independent journalists or amateurs



## UNBUNDLING & MICROPAYMENTS

- ★ We expect unbundling of content to become prevalent and estimate micropayments may be worth ~INR 400 cr if 1% of page views in 2020 were persuaded to pay ~INR 1<sup>7</sup>
- ★ Lowers cost barrier and allows more people to access content, e.g., sachets make up more than 75% of the total volume sold in the Indian shampoo segment<sup>8</sup>



## CITIZEN JOURNALISM PLATFORM

- ★ There is an emergence of user-generated social networks that provide hyper-local news updates and are securing funding, e.g., Public raised INR 300 cr<sup>9</sup>
- ★ Non-news user-generated platforms have also grown rapidly and are seeing a surge of citizen journalism, e.g., Roposo has >100m users and has seen an uptick in news content<sup>10</sup>

## ...although many are at different stages of evolution in India

INDIAN EXAMPLES



### AUDIO AND VIDEO FORMATS

**Awaaz**, a short video, hyperlocal news app has **>1m downloads**<sup>1</sup>. In 2019, it received venture **capital seed funding of ~\$800k**<sup>2</sup>. Content for Awaaz and similar apps is typically sourced from freelancers for ~INR 50–250 per video.<sup>3</sup>



### NEWS AGGREGATOR MODEL

**Daily Hunt (DH)** is India's **5<sup>th</sup> most visited news site**<sup>5</sup> but some publishers are withdrawing citing **inequitable partnerships**<sup>6</sup>. VerSe, DH's parent company, recorded consolidated **losses of >INR 400 cr in FY 20**.<sup>7</sup>



### GIG WORKER-DOMINATED INDUSTRY

**Tanmay Goswami**, a former journalist with The Correspondent and ET Prime used **Substack** to launch his newsletter and podcast series on mental health; **~20%** of his newsletter subscribers are **paid subscribers**.<sup>10</sup>



### UNBUNDLING & MICROPAYMENTS

**Outlook** launched an article-wise micro-payment option in Feb, which **witnessed 35% conversions** and enabled them to make 20x more than if every page view generated digital ad revenue.<sup>15</sup>



### CITIZEN JOURNALISM PLATFORM

**Public** is a location-based social network that provides hyper-local news updates and event listings. It has **50m users and 50k content creators**. It generates >1m videos per month and secured **INR 300 cr funding**.<sup>17</sup>

GLOBAL EXAMPLES

**Slate's** 25 podcasts **provided half of revenue** in 2019 and contributed heavily to its Slate Plus membership, which has 60k members, by building Slate's "strongest connections" to its audience.<sup>4</sup>

**SmartNews**, a US aggregator **valued at \$1bn**<sup>8</sup>, offers **publishers tiered payouts** based on monthly page views, which range from five to six figures. Publishers can also sell display ads and keep 100% of revenue.<sup>9</sup>

**Philip DeFranco**, a US news commentator has **>1b YouTube views** and >6m subscribers<sup>11</sup>, and >10k supporters on Patreon<sup>13</sup>. He has a net worth of \$12m and is one of the highest paid YouTube stars in the world<sup>14</sup>

**Blendle** sells articles from Netherlands' ~15 top newspapers using micropayments. **Publishers set the price and take 70% of the revenue** but Blendle is pivoting to subscriptions as micropayments were not making a profit.<sup>16</sup>

**Global Voices** is an international, multilingual volunteer community of writers, translators, academics, and activists who verify and translate trending under-reported stories from independent press and social media. It is funded by grants.<sup>18</sup>

**Notes and sources:** (1) [Google Play Store](#); (2) Tracxn Website, Accessed 24th September 2021; (3) Mint, '[What's driving regional language video news apps](#)', 2018; (4) Reuters, '[News podcasts and the opportunities for publishers](#)', 2019; (5) Dalberg Analysis based on Comscore MMX, 2020, (6) 2020; AFAQS, [Malayala Manorama ends association with news aggregator DailyHunt](#), 2017; (7) Exchange4Media, [Daily hunt's parent company widens consolidated loss to Rs 410.2 crore](#), 2021; (8) PR News Wire, [SmartNews becomes a unicorn in the mobile news industry with a \\$1.1 billion valuation](#), 2019; (9) Digiday, '[There's clarity around what you'll make: SmartNews is paying publishers to be on its platform](#)' 2019; (10) Reuters Institute, '[The future of journalism is small, intimate and personal](#)' says Indian journalist who's writing about mental health on Substack, 2021; (11) [Philip DeFranco YouTube Channel](#); (13) The Outline, '[No one makes a living on Patreon](#)', 2017; (14) Celebrity Net Worth, [Philip DeFranco Net Worth](#), 2020; (15) Best Media Info, [How micro-payment is playing out for digital publishers](#) 2021; (16) Nieman Lab, [Micropayments-for-news pioneer Blendle is pivoting from micropayments](#) 2019; (17) Business Insider, [We have over 50 million active users on our platform today, plan to achieve 100% growth this year: Harshil Dhingra, Public app](#) 2021; (18) [Global Voice Website](#).

# Certain challenges must be addressed for these models to be sustainable and drive a high-quality news ecosystem in India



## AUDIO AND VIDEO FORMATS

- Unclear and subscale monetization models in which costs of production typically exceed revenue collected by publishers.



## NEWS AGGREGATOR MODEL

- Focus needs to evolve from scale and traffic towards strategic win-win partnerships driving traffic and/or revenue without cannibalising potential customers.



## GIG-WORKER DOMINATED INDUSTRY

- Limited financial support and legal protections for freelancers
- Risk of fake and/or low-quality news proliferating given lack of standards or checks



## UNBUNDLING & MICROPAYMENTS

- Limited experience unbundling large news products and pricing standalone products because of fears that micropayments will cannibalise digital subscriptions.



## CITIZEN JOURNALISM PLATFORM

- Risk of fake and/or low-quality news proliferating given lack of standards or checks.



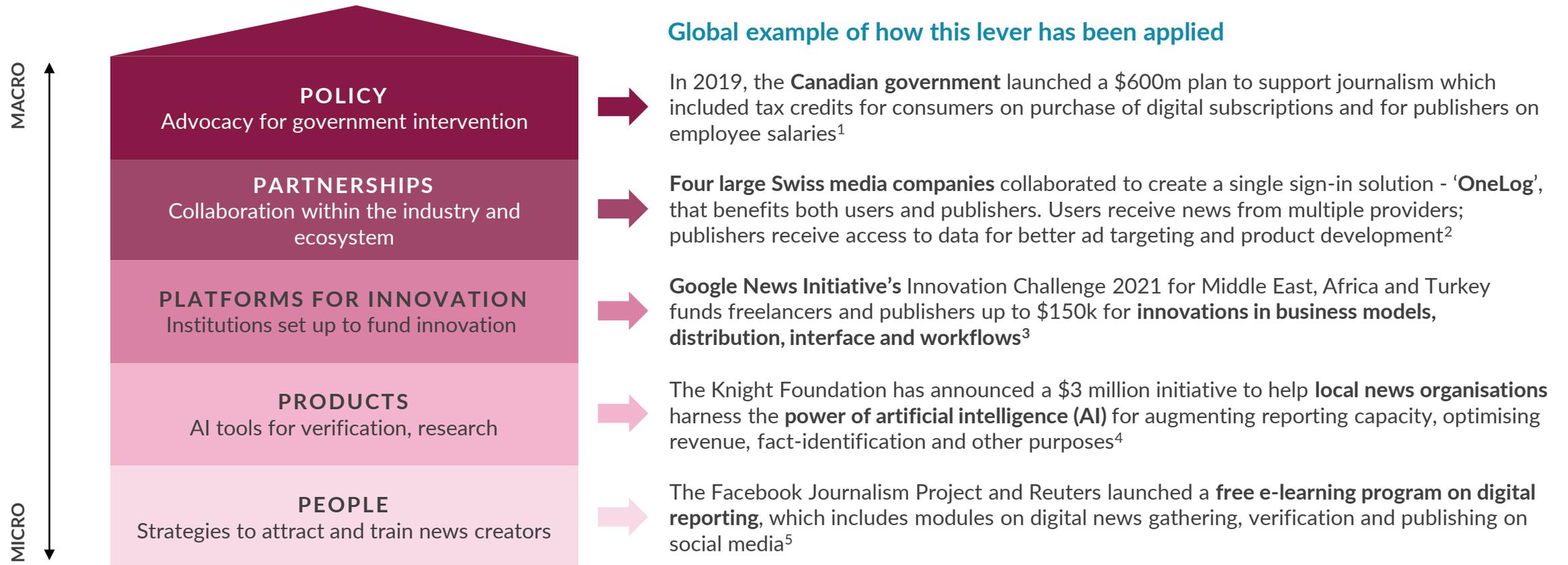
## CROSS-CUTTING INDUSTRY CHALLENGES

- Limited funding for news as the shift to digital negatively impacts publishers' revenues
- Scope to significantly increase industry voice, foster collaboration, build capacity of media players and encourage knowledge sharing
- Need for improved consumer education and media literacy to identify fake news

A man with dark hair and glasses, wearing a dark suit jacket over a light-colored shirt, is looking down at a smartphone he is holding in his hands. The background is a blurred office or public space with warm lighting. A dark red horizontal band is overlaid across the middle of the image, containing white text.

## 5. Investments to realise the potential

# Mature markets have realised the full potential of digital through five levers: policy, partnerships, platforms, products and people



# We have identified 10 interventions across these levers to create a high quality, high access, diverse and sustainable news ecosystem in India

## POLICY

1. Expand existing policies for **special protections** for freelancers, e.g. India's Journalist Welfare Scheme (includes freelancers) which provides a one-time payment to journalists and their families in emergency situations.<sup>1</sup>
2. Encourage **increased flow of capital to emerging digital players**, e.g. reconsider foreign direct investment cap levels for digital players.

## PARTNERSHIPS

3. Increase collaboration across the news industry to develop best practices for **mutually beneficial partnerships** between publishers and aggregators.
4. Strengthen **industry collaboration** through industry associations and build platforms for advocacy, knowledge sharing and capacity building,
5. Strengthen **industry body advocacy** platforms to lobby for public financing of news especially via philanthropies; the estimated media revenue gap of ~ ₹1k cr (~\$150m) in 2026 is just 1.5% of ₹64k cr in philanthropic giving in India in 2020.<sup>2</sup>

## PLATFORMS FOR INNOVATION

6. Build an **Innovation Platform for India** that supports publishers to experiment with cutting-edge multimedia formats and new monetization models, based on examples such as Facebook's Digital Video Accelerator Program.<sup>3</sup>
7. Invest in **freelancer news platforms** (e.g. an Indian version of Substack that supports regional languages) and customize existing platforms to support freelancers by spotlighting their content, providing monetization and discovery tools.

## PRODUCTS

8. Innovate further on **fact-checking tools** such as Logically.ai,<sup>4</sup> and adapt them for Indian markets and increase their adoption.
9. Create more news industry **tools** to help regional and local publishers gather and work with data to **understand and segment customers** and upskill staff to use them, such as Google's News Consumer Insights and Realtime Content Insights tools and associated Labs training.<sup>5</sup>

## PEOPLE

10. **Work with academic partners to expand existing courses for independent journalists** into an accreditation for freelancers, which can give them recognition, enhance protection, and provide training on high-quality monetization.

## There is now an opportunity for the ecosystem to work together to drive towards this future state



- The digital revolution allows citizens to consume more news in richer and more immersive formats; to view news more relevant to their local context; and to even create and distribute news directly.
- However, right now, engaging in the ecosystem has unclear rewards, with the explosion in content enabled by the internet, leading to disinvestment in news creation.
- Solving this will allow for the unlocking of the full potential of digital news, but proactive action is required by different ecosystem actors:
  - Investments in news that reflect not only the privatised gains but also the social benefits, whether via public or philanthropic funding
  - Technological and business innovations that help protect and increase the value of news content creation, including the growing freelancer ecosystem
  - Capacity building of organisations and training of staff to better adapt to the digital ecosystem, promoting competition and protecting public internet journalism

Thank you.

**Dalberg** Google