



breakingviews

Future of financial journalism

By Hugo Dixon
Editor-in-chief and Chairman
breakingviews
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Overview

- Print journalism in inexorable decline
- Newswires commoditised
- But brands continue to be paramount
- The professional market is very different from the consumer market
- Key is quality – but that has to be paid for
- The BV story

Changing reading habits

- Lost generation – under 30 – may never read papers
- Even older generation increasingly adopting emails
- When it was just news, newspapers could retreat into comment
- But growth of internet comment means inexorable hollowing out of influence

Paper brands won't vanish

- Mass readership – audience really matters
- Powerful brands
- Huge efforts by papers to migrate online
- Problem is how to make money out of online journalism
- Savage cutbacks in most newspaper budgets – leading to loss of talent

News wire commoditisation

- Basic news is easy to reproduce
- Three main suppliers: Bloomberg, Thomson Reuters, Dow Jones Newswires
- Lots of free news on internet – Google, Yahoo, BBC, newspaper websites
- How do you defend your revenue base?
- Will they have to cut costs, and see talent erosion?

Professional financial market

- Bombarded with information
- High demand for sophisticated content
- Speed really matters
- Cash rich (even these days) but time poor
- Not prepared to put up with second-rate insights
- Highly mobile

Quality is king

- The reader demands quality
- But quality is expensive to produce
- Not possible unless you can raise significant revenue
- The breakingviews story

Breakingviews story

- Ran FT Lex (1994-1999)
- Hole in the market: online agenda-setting financial insight
- Focused on professional audience
- Mission: lingua franca of global financial elite
- Founded breakingviews December 1999

Chicken and egg problem

- Without access, can't recruit talent
- Without access and talent, don't get good stories
- Without good stories, no customers
- Without customers, no access

Problem solved

- Strong initial launch
- Early partnership with newspapers (starting with WSJE)
- Recruit and develop top talent (largest and best group of commentators in business)
- Eight years of consistent insights (dotcom bubble to credit crunch)
- Breakingviews now strong brand in own right

Value propositions

- Core value: agenda setting insight
- Four components
 - First with the views
 - Value for time
 - Independent
 - Entertaining

How do we produce it?

- Three components:
 - Top journalists (18)
 - Experienced editors (6)
 - Exceptional access
- The breakingviews proprietary editorial method for sifting, analysing, debating and testing ideas
- Combine all this and you get agenda-setting insight in a few hours

Blogs

- Breakingviews is not a blog Financial professionals don't have time to hunt for needles in haystacks
- Blogs don't have consistency of quality
- They don't tend to have good access
- Limited appeal of blogs in the professional market

Revenue models

- Breakingviews believes in charging
- Main focus: team or enterprise subscriptions
- Very sticky: 95% renewal rate H1 2008 (despite credit crunch)
- Other high-quality financial brands are moving our way: WSJ.com/Heard on Street; FT.com/Lex

Three tiers of circulation

- Tier 1: Online subscriptions targeted a global financial elite (15,000 subscribers)
- Tier 2: Readers who we have a direct connection with but who don't buy full online subscription (just starting)
- Tier 3: Readers exposed to our brand but whose names we don't know – mainly newspapers.

Partnerships

- Partnerships play a key role in our model
- Partners receive unique branded content
- 10 newspaper columns on three continents
- In coming weeks, we will announce:
 - new newspaper and magazine columns
 - A deal with a mobile operator
 - Multiple online deals to match

Breakingviews future

- Now five offices: London, NY, Washington, Paris, Madrid
- Opening San Francisco in autumn and Hong Kong next year
- Further development in talent and quality
- Bigger focus on mobile devices

Conclusion