

# 7 Predictions for the Media Industry

A LexisNexis® Media Industry Report

The global Entertainment and Media industry is projected to grow at a rate of roughly 4.4 percent annually over the next five years, according to PwC's *Global Entertainment and Media Outlook for 2016-2020*. This growth trend reflects the increasing diversification of media companies and the impact of emerging technologies on rising consumer demand for new entertainment and media content.



But within that overall growth story, the business forecasts regarding traditional media segments are varied. For example, newspaper publishing is expected to decline at a rate of -2.9 percent annually over the next few years, while B2B media is forecasted to grow 3.1 percent annually, and magazine publishing is projected to be essentially flat. With such a mixed bag of economic forecasts for different components of the industry, it's important to look down the road and try to anticipate the trends that might be around the corner.

According to a sampling of industry experts, here are seven predictions for the media industry in 2017:

1

## "Fake News" Triggers Populist Renaissance in Journalism

Regardless of one's political leanings, one of the disturbing developments of 2016 was the notion that content could be pushed out to readers as "news" even if it had no basis in fact whatsoever.

Since Trump's rise to power, the issue of fake news has prompted countries outside of the US to investigate their own news reporting. In the UK a group of MPs have launched an inquiry into fake news – dubbed a "threat to democracy". In Europe, Germany has started to investigate the spread of fake news, and calls from politicians there have forced Facebook to take action.

"Among other things... in 2017, populist journalism needs to be reinvented," writes Juliette De Maeyer, an assistant professor at the Université de Montréal, and Dominique Trudel, a researcher at CNRS in France.<sup>1</sup> The suggested "disconnect between facts and stories, however, is not necessary". As Lincoln Steffens, the original muckraker, "considered his task to assemble facts into stories that were compelling and challenging for the system".

Perhaps a populist renaissance in journalism, revisiting the muckrakers original objectives, will remind all of us that facts still matter, regardless of the direction they take our news stories and their political implications.

## 2

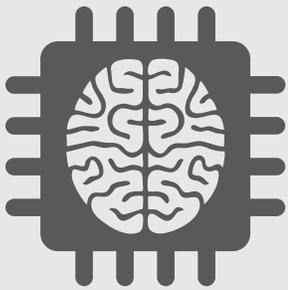
### Artificial Intelligence as a Tool for Sharing the News

Machine learning is already making a significant impact in various industries but has so far been largely absent from the distribution of news content to audiences. This year, journalists and publishers may well be introduced to this futuristic technology and begin to embrace its power to help them with the process of communicating the news to readers.

"2017 is going to provide an interesting opportunity for news organisations, thanks to voice-activated personal home assistants," predicts Ray Soto, design director of emerging technologies at USA Today Network.<sup>2</sup>

"These unassuming small internet-connected devices are powered by evolving machine learning and artificial intelligence algorithms, built to deliver relevant and credible news catered to an individual's preferences. Through audio cues, news will become conversational providing a consumer the opportunity to build a personal relationship with a news organisation: 'Good morning. What's happening in the world today?'"

This exciting breakthrough in technology may well be the next big thing for how consumers identify and ingest news content.



# SMART NEWS

## 3

### Emergence of New Ways to Tell Stories

Publishers will continue exploring new ways to connect with their audiences by leveraging emerging platforms for telling stories. Video is just now being leveraged in a more impactful way and brand-new technologies such as Virtual Reality (VR) offer enormous possibilities for ways to make journalism and other media content come alive for readers. Asian publishers in particular are already pushing this envelope.

"Storytelling through new tools and platforms like video and social content; storytelling through interactions and on-ground engagement with more and more live events; storytelling through new topics and features like sport, health, environment and social issues," said Yves Bougon, president and CEO of Hearst Fujingaho Co., Ltd.<sup>3</sup>

Creatives are becoming more innovative with tools and platforms to promote their services. According to Social Media Examiner and new survey data from Wyzowl "14% of marketers experimented with live videos in 2016, and 43% plan to use interactive video this year." It has rapidly become an everyday feature for millennials.<sup>4</sup>

## 4

### Communication is Key To Building Trust

The value of the UK pound dropped dramatically after the UK Brexit vote, causing damage between household names such as Tesco and Unilever. The breakdown in relationships began as Unilever asked the retailer for a 10% price rise for its brands to account for higher import costs, which they refused.<sup>5</sup>

During challenging times communication is key to building trust and relationships. At the forefront of a brand is the content that is shared with their consumers. When there are "over 150 million blogs online and 500 million tweets per day" according to Moz, the messages consumed are endless - give your audience the right reasons to engage with you.<sup>6</sup>

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## Finding the Balance Between Engagement and Clickbait

"We've known about the business crisis for journalism for years, that's not news," says Charlie Beckett, journalism professor at the London School of Economics.<sup>7</sup> "But what is hitting home is the failure of digital revenue to compensate for the flow of revenues to platforms. This is coming at a time when more investment is needed for adaption to new ways to connect improved content to consumers."

Publishers are learning that they have no choice but to focus on audience development and engagement in order to compete successfully in a world of digital media in which there are so few barriers to entry. In 2017, experts predict that journalists will be challenged like never before to find an increasingly difficult balance between striking an emotional chord with readers that attracts and engages them... without crossing a blurry line into shameless clickbait that devolves into purely sensationalist content.

“ We see the industry changing very fast. How we measure and what [is considered a good] return on investment is totally different from years ago and is continuously evolving...”

**Hind Palmer**

Global Brand Communications & PR Director,  
Claire's

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6

## No More Measurement Mess-ups

In today's pressures it's become apparent that proving a return on investment on digital and social media marketing is vital. But what happens when you can't trust one of the largest content providers out there?

According to Marketing Week columnist Mark Ritson, Facebook "should hang its head in shame for measurement errors" after it overstated how long users watch videos and discovered a number of errors in the way it measures audiences across its products, among other mistakes.<sup>8</sup>

If UK companies begin to doubt the trustworthiness of huge brands such as Facebook, the reasons behind their budgets aren't going suffice, and cuts will have to be made.

To avoid any measurement mess ups in 2017 we can take advice from accessories retailer Claire's global brand communications & PR director, Hind Palmer "We see the industry changing very fast. How we measure and what [is considered a good] return on investment is totally different from few years ago and is continuously evolving."<sup>9</sup>

## 7

## Doses of Real Journalism Vaccine

We live in a challenging time: many readers consider facts to be negotiable things, other readers appear to stand in opposition to the basic tenets of journalism, and most of them don't have a high degree of trust in the media industry in general.

"We need to vaccinate the public with real journalism: explaining in detail how we come to a conclusion, how facts are gathered, what should be considered a fact and why—how journalism works," says Ole Reissmann, founder and managing editor of bento, a publication of Der Spiegel.<sup>10</sup>

It's unrealistic to think that 2017 will be a turnaround year in which audiences suddenly become convinced in the integrity of the media and converted to the principles of objective journalism. But experts predict that major publishers will at least enter the fight, committed to the fundamental idea that journalists—not corporate interests and not government agencies—are uniquely qualified to determine what is newsworthy and what the public needs to know.

## Conclusion

In each of the past dozen years or so, it's been tempting to pronounce a sea change coming in the media industry over the next 12 months.

Certainly, the pace of change has been rapid and the displacement has been vast, as journalism has been redefined. But perhaps the more realistic way to assess the year ahead in the Media Industry is that we should anticipate the sharpening of business models as we learn more about what works and what doesn't work in this brave new world of content distribution.

1. <http://www.niemanlab.org/2016/12/a-rebirth-of-populist-journalism/>
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The content for this post was obtained by conducting research on Nexis, a leading source for business news and information, and was aggregated from data and projections shared by various industry experts. Individual references to cited content will be provided upon request.

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