

A Message To Content Companies...

The Trust Principle: Digital Content Can't Thrive Without Trust

by Jason Kint, CEO of the Online Publishers Association

Digital media has three major stakeholders: consumers, marketers and publishers. None of them are happy. Marketers are frustrated by fraud, a lack of measurability and questionable attribution. Consumers are increasingly distrustful in the face of clickbait, privacy leaks and ethical lapses in journalism. Publishers are faced with piracy, copyright infringement and a world in which brand advertising for content companies has barely grown since 2010.

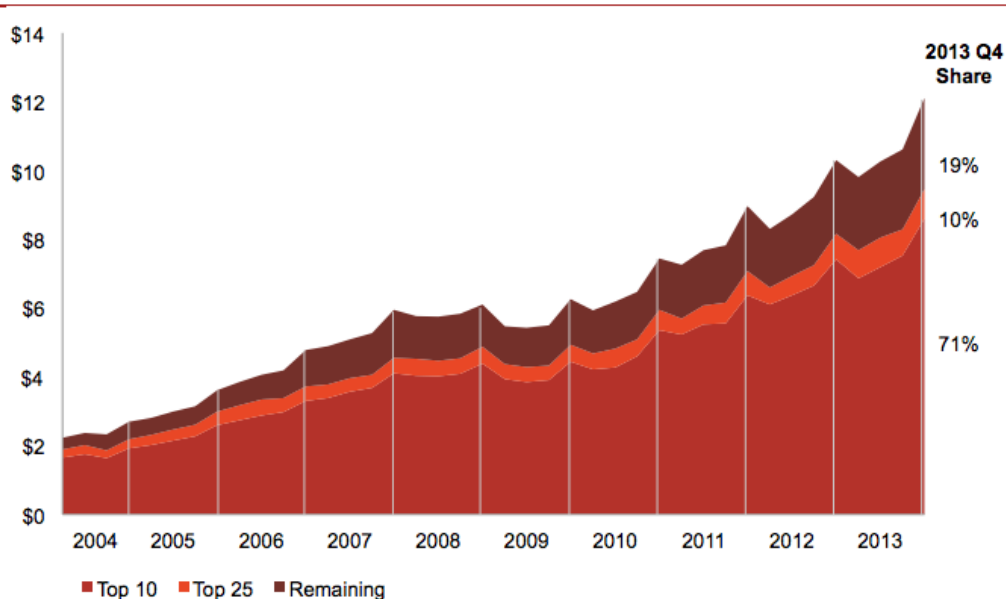
The relationship between these three parties, like all relationships, is built on trust. However, in a world in which innovation and automation are accelerating, the number of ways in which these relationships are being strained is also increasing. Digital content companies cannot stand idle while technologies disrupt and wealth accrues to the companies who benefit from our content while fracturing that trust.

These issues of trust and innovation significantly affect the next stage in the evolution of digital media. It also affects our organization, the only one that exclusively represents digital content companies. That means living by three core operating principles:

It's About Leadership, Not Maintenance

First, we--the original content creators--need to be aggressive and lead rather than working through consensus supporting the status quo. The two charts here clarify the situation quite starkly. Brand advertising and consumer revenue pay for original content yet 71% of the total

% share of total revenues



Source: IAB/PwC Internet Ad Revenue Report, 2013

digital advertising pie is going to the top ten companies (none of which are thought of as “content companies”) and 65% of digital advertising comes from performance media. Other types of revenue that pay for digital content have failed to transpire as expected. Direct consumer revenue has seen limited success with only the most differentiated and exclusive brands.

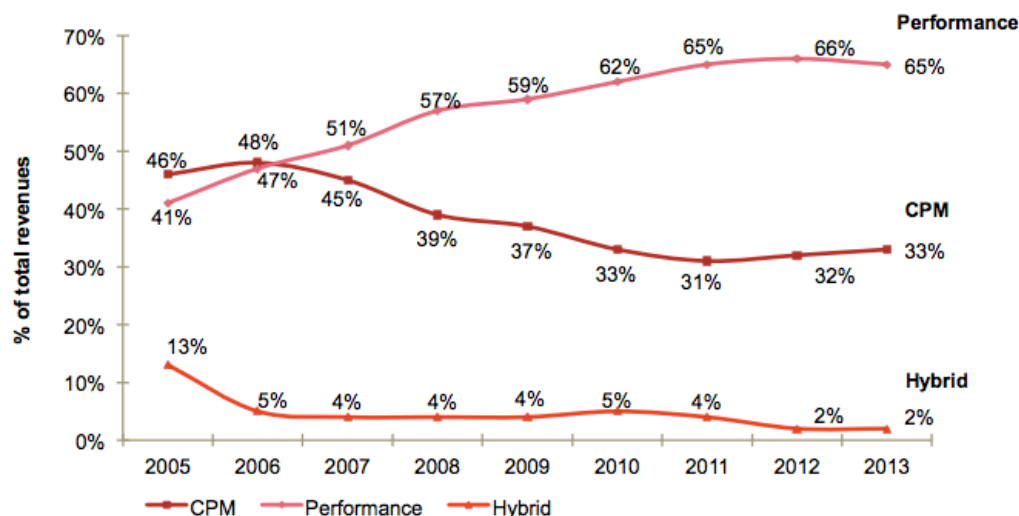
One can quickly see that the economics that pay for original content have been crowded out by a world of commoditized performance-based advertising that requires the industry to chase audience tracking, targeting and clicks at the expense of context and experience. That direction hurts all three stakeholders; no one wins. The measure of great content and brand marketing is earning a share of consumers’ time, attention and emotion -- not in driving clicks. We need a future that reflects that.

If we simply seek to maintain the status quo, we leave the future to others who will build it and benefit from it. We must lead and provide a singular voice. In that regard, we are a resource for press, marketers and policy makers turn who seek the perspective of the content companies.

We Must Recognize Our Part In The Ecosystem

Second, we need to be transparent and build relationships with other associations, influencers and agents of change. We are the only organization that exclusively represents digital content companies.

Internet ad revenues by pricing model*



Source: IAB/PwC Internet Ad Revenue Report, 2013

* Pricing model definitions may have changed over the time period depicted both within the survey process and as interpreted by survey respondents.

We're different than the platforms and distributors -- the Googles, Apples, Yahoos, Facebooks, Twitters. Our core business is the creation of the content that people love, whether it's news, entertainment, financial information or sports.

We're different than the Ad Tech complex that carves up marketers media spend in pursuit of better audience targeting. Our member brands have been built on a foundation of trust and direct relationships with consumers and marketers.

We're even different than the IAB, a well-run and influential organization, which carries the broad responsibility of representing all of the sellers of digital inventory including nearly two hundred ad networks and exchanges. We are the content creators.

We're different. But we succeed or fail by how we work together and understand each other, even when we disagree. When we take a different position, others need to understand it.

Our Research Must Focus On What's Next More Than What Happened

Third, we need to provide research with a forward-looking perspective -- more like a think tank than a reflection pool -- for our members and the industry overall. We must pave the way, not just for the current content companies, but for those of the future that haven't even been imagined yet.

Ultimately, we must make sure that the ecosystem can continue to pay for the creation of high-quality content in the future -- powerful, dependable content that both consumers and marketers trust. We must continue to earn that trust by delivering great content experiences to consumers. We must relentlessly defend the best interests of marketers and shine a light on the falsehoods particularly in ad tech and attribution. We must fight for an open internet in which consumers and marketers can directly consume our content and brands in a fair marketplace.

So as we go forward, I challenge all of us to think more openly about the future of our digital content businesses. Our future is one filled with great innovation and automation that can only come from digital. We should embrace these opportunities while putting systems in place to protect the trust our brands have earned from marketers and consumers.

This moment in time marks a great evolution for the OPA into not merely representing the future of digital content, but influencing its course. As such we felt this was the perfect opportunity to reflect this new attitude and perspective in a name change for our organization from the Online Publishers Association to Digital Content Next: Eyes always on the future, and our feet firmly planted on a foundation of trust.

Digital Content Next
Advancing the Future Of Trusted Content.

