

## White Paper

# Examining the Transformation of Today's Media Landscape

A Review of the Pew Research Journalism Project's 2014 "State of the News Media"

For the past several years, the communications field has been closely following the dramatic shifts taking place in the traditional media space. Persistent layoffs, deep budget cuts and declining subscription rates made its inevitable demise seem like a foregone conclusion.

Behind the scenes, however, pioneers were watching the rapid rise in the acceptance of digital and social media channels as information sources; and were following the content trail to understand how dialogues, opinions and perceptions were being shaped.

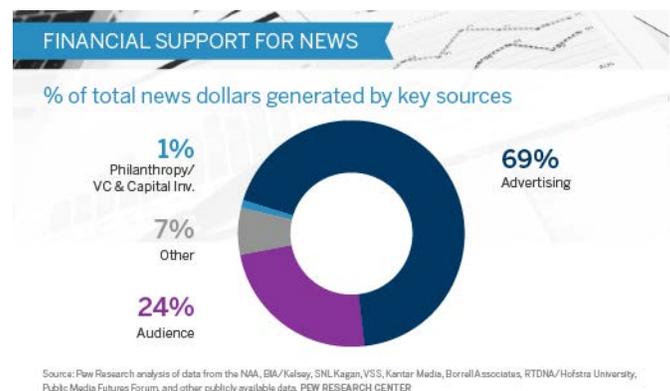
Now, according to the recently released "State of the News Media" report from the Pew Research Center Journalism Project, those efforts are beginning to pay off and pave the way for a news media renaissance. "This is a seminal moment in the evolution of news media," says Brent McGoldrick, managing director and Americas head of the Strategic Communications segment's Strategy Consulting & Research practice at FTI Consulting.

"We've always known that listeners, readers, users and viewers all want content and they want it now. For the longest time though, the challenge was how media channels would be able to constantly update and deliver content in real-time; so they can meet users where they are, and really move dialogue on key issues. Thanks to the rapid influx of capital, entrepreneurial and technology leadership, the news media industry is well on its way to charting its path forward. Now from an employment perspective the most sought after position in the industry may no longer be editor-in-chief, but rather 'chief-content officer.'"

2013 was a turning point in the media industry, as new sources of revenue entered the scene — courtesy of philanthropists, tech entrepreneurs, venture capitalists and other non-media entities that jumped in to invest in existing operations or start new ones. While, these revenue streams amount to only a small piece of the picture, they come at a time when print ad revenue is in rapid

decline, and television advertising faces an increasingly uncertain future as online video becomes more accessible. Unsurprisingly, this revenue mix will continue to shift more towards digital now that news is integrated with social media and easily accessible on mobile devices, reaching more people with news than ever before.

Last year also saw prominent names in journalism follow the content and money trails with Ezra Klein leave The Washington Post to join Vox Media, Pulitzer-prize winner Mark Schoofs join BuzzFeed and former New York Times assistant managing editor, Jim Roberts, join Mashable as its chief content officer.



Meanwhile, the lines between advertising and news are blurring with the rise of "native advertising" — more commonly known as sponsored content — which is content paid for by commercial advertisers, written by on-staff journalists and placed on a news publishers' page.

The fact that this type of content is almost indistinguishable from a news story makes it all the more important for consumers to be in tune with the origination of their news and information sources.

Among the noteworthy trends identified in the Pew Research Center report, the following are key takeaways as identified by the experts at FTI Consulting — Strategic Communications:

- **So far, the impact of new money flowing into the industry may be more about fostering new ways of reporting and reaching audience — than about building a new, sustainable revenue structure.** In keeping with the trend of content development, digital outlets are exploring new technological developments and maintenance efforts to change the ways in which reported content reaches audiences.
- **Social and mobile developments are doing more than bringing consumers into the process — they are also changing the dynamics of the process itself.** Consumers are not only sharing, reposting and discussing news events on social media; but mobile devices are enabling citizens to be news and content generators themselves, which can shift how news functions in these spaces. Now, all kinds of content are being mixed across digital sites, and less of that is coming from actual news sources.
- **New ways of storytelling bring both promise and challenge.** Online news video continued to grow in 2013, and so too did ad revenue from this stream. Audience appeal has slowed considerably though since its rapid rise from 2007–2009, because large distributors — such as YouTube and Facebook — account for a large portion of video watching on the web. Nevertheless, news providers like the Huffington Post will continue to make significant investments in digital video as a portal for news stories.

- **Dramatic changes under way in the makeup of the American population will undoubtedly have an impact on news in the U.S., and in one of the fastest growing demographic groups — Hispanics — there are already clear shifts.** The rapid rise in the Hispanic population in the U.S. led to the proliferation of Hispanic news operations from general market media companies. While these operations are being launched to varying degrees of success, the broader trend is that demographic shifts in the U.S. will continue their impact on the news ecosystem.

Mr. McGoldrick continues: “Companies need to take heed of the fact that traditional media is no longer the gatekeeper of content, and that their reputation and enterprise value are too important to be left up to these channels. In today's fractured media environment, companies' competitors and peers — combined with new-media organizations — are working to be in the content production business, because that generates dialogue and moves opinions. While traditional media will continue to play an important role in the dissemination and consumption of that content, it is only one source.”



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