

**Adapt or die: innovating in what's left
of the South African media industry
by
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The 'Daily Maverick', as the name of the South African digital news site implies, prides itself on its rebellious streak, its tendency to buck the trends and go against the grain. So in early August 2020, when they announced their intention to launch a weekly print newspaper, they fully expected the reaction to be that they were "madder than a bag of snakes". It is, of course, the middle of a pandemic, advertising spending has all but dried up and dozens of long-established South African print titles have permanently shut down over the lockdown months, among a growing list of coronavirus economic casualties.

Though a digital news platform diverging out into print is a surprise move, it is one example of how South African media is adapting, innovating and testing out new revenue and distribution models in an effort to survive, not just through the pandemic, but for the long term.

"Advertising revenue has been our source of survival as an industry. As the lockdown was announced media houses saw advertising revenue all but disappear," noted SA National Editors' Forum chair Mahlatse Mahlase back in May during a journalists' online meeting with President Cyril Ramaphosa. Many media houses introduced salary cuts of as high as 40% just to stay afloat, said Mahlase, while other publications shut down, worsening a layoff trend.

In the same week that the 'Daily Maverick's new print offering was announced, digital news competitor, *News24*, part of the Naspers multinational internet group, introduced their new digital subscription service, where a large proportion of the previously free content will now be behind a paywall.

The News24 digital-only brand was established in 1998, one of the first to offer the public news online and it has dominated the online news arena ever since. Since the coronavirus hit, the audience almost doubled to around 1.5 million unique users per day, and more than 13 million unique users in June alone, according to the [platform](#). However, as the [Reuters Digital News Report 2019](#) noted, though 70% of the English-speaking sample accessed the site at least once a week – one of the highest levels in the global survey, the healthy penetration did not translate into significant digital revenue.

"A sustainable model of quality, digital journalism cannot survive through advertising revenue alone," explained News24's Editor-in-chief Adriaan Basson, "a new model simply has to include some form of reader revenue."

The new subscription service is described as a "freemium paywall", meaning most of the breaking news will stay free-to-read, with premium content, including investigative and in-depth reporting, only accessible to paying subscribers. At R75 a month – a little over US\$4, the fee is nominal. But it's still a gamble to see if readers yet appreciate the value of credible online news enough to pay for it.

The migration to digital has arguably been tougher on legacy media with its inherited high overheads and ill-suited advertising models to try to monetize or cross-subsidise the new services. For lean, upstart digital-only media offerings like 'Daily Maverick', agility has been

the true key to success. The DM business model has adapted and morphed over its ten-year existence settling on what it describes as a hybrid model, relying on a range of endeavours to generate revenue.

The DM philosophy has firmly rejected the idea of putting their content behind a paywall believing that the truth shouldn't be something only for people who can afford it. So, alongside philanthropic grant funding, events, sponsorships and display advertising DM developed a membership model where readers contribute whatever amount they choose each month to be 'Maverick Insiders', with access to additional content, newsletters and perks like Uber vouchers for contributions of R150 or more. In the two years since its launch in August 2018, the membership model has proved relatively successful, with an engaged community of over 13 000 regular contributors, which covers around 30% of staff salaries.

The new 'Daily Maverick' print publication launching in September 2020 will be a weekly narrow broadsheet titled 'Daily Maverick 168' – referring to the number of hours in a week – and is a response to the feedback from their committed community of Maverick Insiders. Surveys indicated that even ardent readers could only consume around five percent of the content produced – up to 250 features a week – so the bold decision was made to package and print the week's best reads for South Africans to indulgently savour over the course of the weekend. A partnership plan with retail heavyweights Pick 'n Pay, means that although the title officially has a R20 cover price, readers can pick up the newspaper for free merely by swiping their store loyalty card.

'Daily Maverick 168's imminent launch comes at a time when print circulations have been in freefall. In 2018 'Mail & Guardian', a highly respected weekly with a 35-year pedigree, saw its circulation sliding by a fifth, Sunday broadsheet, 'City Press' plummeted a hefty 42% and 'The Times', a daily tabloid closed down the previous year after a 25% circulation drop. Even hip new digital brands failed; Huffington Post South Africa threw in the towel in 2018 as well, after a mere 18 months of existence.

The strict coronavirus regulations in South Africa were tragically the last nail in the coffin for many magazine titles. Ironically, as the country went into lockdown, condemned to wait out the pandemic at home, magazines were labelled non-essential items and their sale was forbidden, the new April issues that had just hit the shelves deemed contraband.

As the lockdown months extended, magazine publishers began to fall like skittles, or like print media circulation and ad spend. By the end of April Associated Magazines, publisher of well-loved women's titles like 'Cosmopolitan', 'House & Leisure' and 'Good Housekeeping', announced that it would be permanently closing its doors, ending its 38-year publishing legacy.

Barely a week later one of the major SA media houses, Caxton & CTP Publisher and Printers, announced that it would be closing their magazine division, meaning the end at least 10 magazine titles, most household staples for several decades. And in July Media24, a division of media giant Naspers, announced the closure of at least five magazines and several newspapers, with plans to outsource or reduce the frequency of other titles or – in the case of

'Drum', an iconic title established in the 1950s, and others – to offer digital only editions. Tabloid 'Sunday Sun' and wellness magazines 'Women's Health' and 'Men's Health' are among those that got the chop. Over 500 media jobs were shed – almost a fifth of the Media24 workforce.

There have, however, been a few plucky new arrivals, notably in the digital news space. With very little fanfare, New Frame, which describes itself as a not-for-profit, social justice media publication, began publishing online in August 2018 and it is building a steady following under the promise, "We are chasing quality, not clicks."

And in May 2020, also in the middle of the pandemic, when audiences were glued to their phone screens, Simon Allison, Africa Editor of the 'Mail & Guardian' realized his vision of an Africa-focused publication, launching The Continent in partnership with M&G, as a digital newspaper which is disseminated weekly via WhatsApp. It succeeds in showcasing the best reporting from journalists across Africa and its distribution model is well-suited to its audience though its survival will depend on its ability to monetize these unique traits.

So there are green shoots of hope in the parched winter of the South African media landscape. As the old guard retire with the printing presses and the best journalists migrate to the new lean digital news start-ups, we remain hopeful that the culture of probing journalism will survive to provide the information, checks and balances and grit required to hold the country's powerful to account. The perfect media business model remains elusive, but perhaps the lesson is that there is no single answer, those that survive will be the ones that are agile, that innovate and deliver credible and entertaining content to South Africa's diverse public.