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NEVER MISS A STORY.

RESEARCH

THE VALUE OF SPEED IN NEWS PUBLISHING

Publishers are losing money because they don't know how valuable each minute is when it comes to posting news.

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Challenge

How important is being first?

Publishers are losing money because they don't know how valuable each minute is when it comes to posting news. This white paper goes deeper into looking at the facts and figures behind the performance of news stories on digital, and why putting a dollar value to time is really really difficult.

Breaking news, viral stories and newsworthy events spread across the internet within minutes. Facebook's infamous algorithm dominates what the world reads and the race to publish first has never been so fierce or so important. But how does it measure up in purely financial terms?

Every minute is worth 155€ to 250€

Four reasons why measuring the financial impact accurately is very difficult
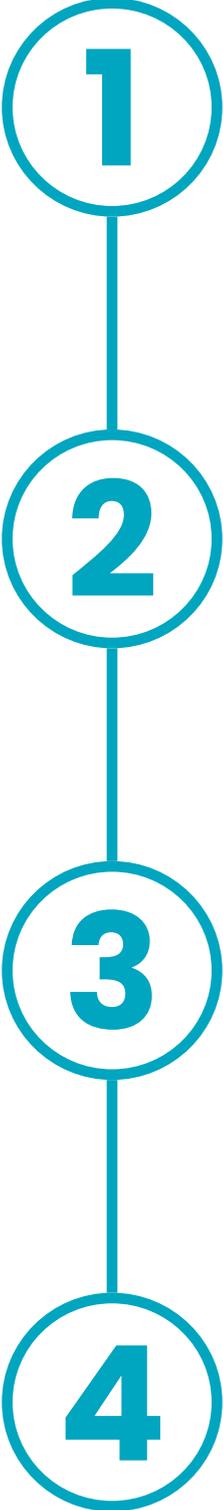
1

Not all publishers post the same content all the time

Publishers and their audiences are not identical. Sports, fashion, celebrity, politics do generate stories that crossover in terms of interest (Olympics, elections etc), but these stories can't be compared equally across a big group of publishers. An entertainment story is going to be worth more to an entertainment based publisher and less to a traditional broadsheet publisher.

2

Comparing the same stories across similar publishers - e.g. tabloids, requires manual work to sort out relevant posts

When comparing the same stories across similar publishers – e.g. tabloids, all of them will in general be racing to cover the same events. It is possible to get a really significant comparison but it is also necessary to manually sort stories, which takes time. Unless you automate it, which also takes time.

3

Fan base size is different across publishers

Even if you post a scoop 20 minutes before Buzzfeed, they will still dwarf you in absolute numbers when they post it. This is undoubtedly true but we can work around by working in percentages normalised by fanbase. This will still tell us whether being fast has a positive effective on traffic relative to your own averages. Not to mention that people are willing to share news regardless of the source. Increasingly, it doesn't matter if breaking news is being served by Buzzfeed, Lad Bible or The Guardian – what matters is people seeing it.

4

We don't know traffic or reach across all publishers

There are usually some kind of widely used estimations out there – TNS Gallup, SoMe Index etc, but we also know that these are not accurate. What we do know is total engagement across Facebook for every publisher, including all engagement taking place on articles but away from the Facebook page of the publisher. This is important engagement because it is the big traffic driver – people are seeing articles on Facebook via their friends. Social media engagement is directly linked to the volume of website traffic. As engagement grows, so does the number of clicks and page views on the website.

Analysis

Case study in sports based on data

At EzyInsights we are working on sorting out a huge set of data that we can use with confidence to give some great insights into the media world.

Given all the challenges of measuring the value of speed in general, we focused our analysis on one particular area - sports.

At the start of the summer 2015, Sweden's U21 Football team won the European Championships. This was **huge** news in Sweden, as it always is when a country with a small population wins against bigger neighbours. It was also a perfect example of a time critical story where every minute counts.

3 major publishers covered the story : SVT, SportExpressen and SportBladet.

SVT's Facebook page is the smallest in terms fanbase with 94k, SportExpressen and SportBladet sit at 185k and 140k respectively.

SVT were the first one to report this story, i.e. sharing a Facebook post that contained a link to the article on their website, not a stand-alone picture celebrating the win. Their story came in at 1.08am. SportExpressen were second at 1.14am and SportBladet left it until 1.25am. A total difference of only 17 minutes.

SVT also won the battle for engagement across Facebook, despite having the smallest fanbase by over 47,000 page likes.

Analysis

The cost of one minute delay is 155 to 250 €

Using our internal equations based on a significant amount of publisher data regarding click throughs, reach and engagement – we can make a reasonably conservative estimate regarding the value of that engagement. We see that by being 17 minutes late, both Sport Expressen and SportBladet lost out on just over €3000 of ad revenue (€3166.67).

Publisher	Time of the post	Delay in min	Clicks	est. CPM	Total revenue	Revenue Loss	Cost per Minute
SVT	01:08		246 474	8	€ 1 971.79		
Sport Expressen	01:14	6	126 425	8	€ 511.12	€1 460.67	€ 243.45
SportBladet	01:25	17	49 617	8	€ 265.81	€1 705.98	€ 155.09

"Wait!" I hear you ask – "can you explain these figures in even more detail?" Sure. We know from looking at a large amount of data over the last couple of years that engagement data and click throughs tend to have a strong correlation. The first thing we do is strip out video and picture engagement – concentrating only on links (articles) posted. On a post by post basis we see quite a wide variation, but looking over a bigger dataset and excluding the extremes gives us a much closer and stronger correlation. We have a click through estimator that is always learning by taking into account real figures for engagement vs clicks.

> In short: being 5 minutes late can cost a publisher a million euros a year (assuming 20 social media posts per day throughout the year). Being consistently the first to publish has a significant revenue potential.

How to lose a million euros in 5 minutes

We will assume a posting rate (again, a reasonably conservative one for this area of the world) of 20 stories a day on Facebook, and we'll imagine that the publisher is 5 minutes late than any single competitor when posting 15 of those stories (again, fairly likely). Over one year (let's call it 360 days, again to be conservative – some days are slow news days), that adds up to a loss of between €837,482.04 and €1,314,605.91, the midpoint of which, is €1,076,043.98 – just over a million euros. We've also used an estimated full page CPM revenue of €8. Is this accurate? We think for the publications chosen it's a reasonably conservative estimate. If you know your real page CPM average is half of that, at €4 – then you can halve the total amount also.

If there's one thing to pick on in the calculations – and please remember these are based off of one story so are really an illustration of what's possible, not what's the norm – it's the multiplier which penalises the bigger pages. This calculation was included as we tend to see that engagement does not increase hand in hand with the number of likes a page has. This is to be expected as bigger pages tend to appeal to wider demographics. These are sports specific pages not football specific ones, so as page fan numbers rise, so do the potential number of fans that will not engage with the story. This multiplier is an educated guess, and if we were to exclude it completely, we would end up with about 800k. Still a significant sum.

One could also argue that we've double counted the potential cost to the 2nd and 3rd publishers. This is true when coming up with the combined cost of €3166.66 – but it's the only way to count the combined loss neatly, which that figure intends to represent. When we make the cost per minute calculations, which are what the final estimated per year figure is based on, we don't double count. In fact we split the difference between both publishers to make fairer.

Of course, since SVT is the public service broadcaster they didn't gain any revenue for being first here. But that traffic and thus revenue was still lost by the commercial publishers. This appears to be an ongoing concern in countries with a strong state broadcaster, for example the UK, Finland and certainly Sweden. When the state broadcaster is taking away potential revenue from commercial publishers it can be a problem. But! Let's leave that battle for the publishers to fight. It certainly doesn't mean that SportExpressen and SportBladet lost any less, lost traffic is lost traffic. On the contrary, the fight to be first is more important for commercial publishers as they are literally fighting for money.

And finally – how about stories that are time sensitive, but not so critical that every minute counts? We have a great example of that from earlier in the year 2015 on our blog *.

The takeaway is that being first still matters a lot!

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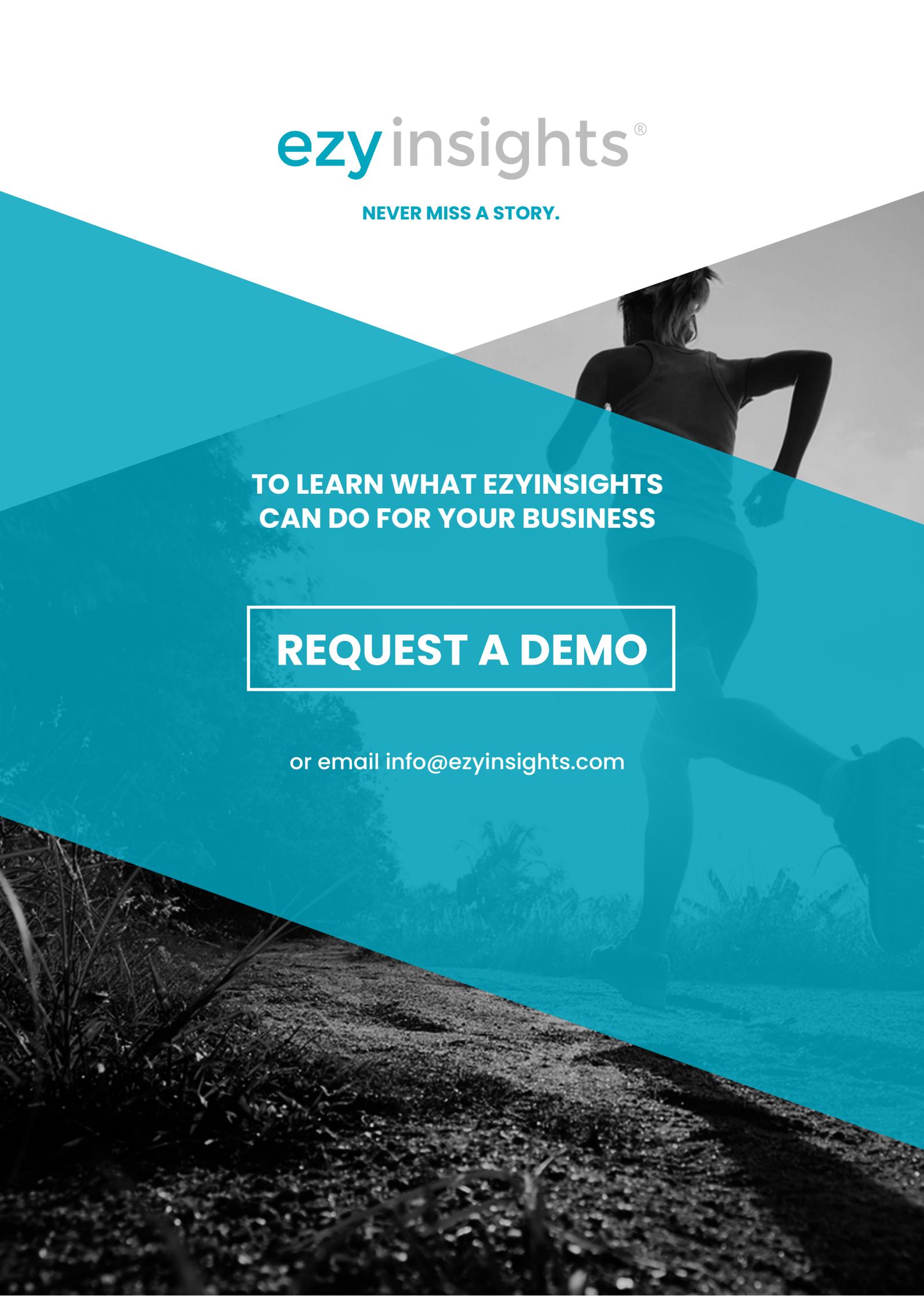
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