

Surviving as a Media Platform in a Niche Sport:

The Case of Pro Cycling

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The Cycling Media

- Consolidating industry
- Over-supply of providers
- Flat or declining participation and demand
- Plus, all the current transformative changes in media/publishing:
 - the “death” of print, and the shift to digital formats
 - the loss of historical advertising revenues and circulation fees
 - the focus on “click bait”
 - the rise of social media as a primary purveyor of news and opinion
 - ever shorter attention spans ... and so on.
 - continuing changes in the way news is gathered, reported, and distributed



Competition

- Today's cycling media consists of ~50 or so significant "cycling media entities" (CMEs) serving different sectors and regions of the international cycling industry
- This includes traditional print magazines, websites, podcasts, video producers, independent bloggers and so on
- There are also several "labor of love" CMEs – entities playing in one or more of the same sectors, but doing so without economic or financial objectives more for "the love of the game"

Competitive Pressures

- Most CMEs today are “for profit” businesses, but not many are actually profitable
- Many have already changed formats, cut back operations, or gone out of business
- Few CMEs have yet established a successful paywall for digital content
- Advertisers have shifted away from print and toward digital
- A significant percentage of historical advertising revenues have been permanently lost
- Advertisers have also increased use of third-party PR firms, or set up their own internal marketing and social media capabilities – going straight to the customer
- Hence, CMEs have naturally tended to become more deferential toward advertisers
- At the same time, the primary *subjects* covered by the media – teams, athletes and events – have also internalized their own branding and messaging, making access more difficult for journalists
- All of these considerations have affected the objectivity and quality of editorial content

Current Challenges

- As print subscription and advertising revenues decline, budgets must be tightened, and editorial content may start to suffer
- As content quality declines, fewer people subscribe
- As fewer people subscribe, advertisers retreat further, causing additional economic stress
- With increasingly tight budgets, editorial talent or free-lance writers may start to exit the industry
- If new models cannot be quickly found, economic survival may be threatened
- And so on.....
- In addition the pro cycling audience is just not a very large market
- Plus, the sport itself is beset with all sorts of structural, financial and existential challenges
- On bad days, it can seem like a race to the bottom

Questions to Ask

- From the individual CME perspective, it seems that future survival reduces down to four critical factors:
 - Can we make our content unique and high-quality enough that we become “necessary” or “indispensable” for a certain audience?
 - Can we present a significant enough value proposition that our audience is willing to pay for that content?
 - Can we then create a large enough audience to be able to attract and monetize the interest of advertisers? and,
 - Does that create a large enough financial base for our survival or profitability?

Factors for Success

- Better “blocking and tackling” – focus on standard survival strategies – generally *doing more with less*
- Conduct a frank self-analysis – what are you good at, and what are you not so good at?
- *Small organizations with limited financial resources in highly competitive markets need to focus on doing what they do best.* Quit trying to do what everyone else is already doing
- “Sponsored content” – brand partnerships or paid editorial content
- Better understand what your audience wants. Remember the 7% rule – a small number of readers drive most of your traffic
- From a strategic perspective, step back and better define your real mission: *what is our real product, and who is our real customer?* Two quite different answers to this question:
 - 1) Our product is good journalistic and editorial content, which we provide to our customers – the readers; or
 - 2) Our product is our readers, the “eyeballs” which we provide to our real customers – the advertisers
- Put more bluntly, is the CME’s primary focus on its readers, or on its advertisers?

Whither the Future?

- The consolidation process will slowly continue
- But no significant strategic consolidator has yet emerged to “roll up” the industry
- The future will increasingly belong to those that can focus in on niche areas for a specific audience. *“Success used to come from being broad-based with a geographic monopoly.... On the internet, though, success comes from being narrow while reaching the whole world. It is the exact opposite.”*
- The good news is there *is* still an audience out there – it may not be a huge audience, but it is *still* there and it *still* demands to be served.
- *The internet has changed a lot of things, but it hasn’t made good journalism free.* The old models are rapidly changing, and readers must increasingly be willing to shoulder their share of the expense of creating that good journalistic content.
- **The media business – primarily the French and Italian newspapers – created the sport of pro cycling in the early 20th century. It is the media that has sustained and helped to popularize the sport for many years – and there will still be a critical role and need for a new and reinvented cycling media in the future.**