

Communications, media and technology sector - 5 steps to survive the pandemic

 By [Rob van Dale](#)

7 Jul 2020

The communications, media and technology industry has been hit by several challenges in recent years and South Africa has certainly not been spared these problems.



Image source: [123RF.com](https://www.123RF.com)

Since the start of 2020, media giants such as Associated Media Publishing closed its doors while Caxton dropped its magazine publishing division. Media24 meanwhile also confirmed sweeping changes to its list of print titles.



BREAKING: Media24 considers closures, reduced frequencies and accelerates digital due to Covid-19

7 Jul 2020



Already tough trading conditions at home have been made worse by the arrival of the coronavirus. But analysts say it will take time and money to change consumer habits and that things are likely to get far more challenging before it gets better

A recent report published by global management consultancy Kearney found that, although publishing has been hit hardest by the rising penetration and falling cost of high-speed broadband, traditional video and audio media companies have also been feeling the pain.

The report also pointed out that radio broadcasters are facing a triple threat from music on-demand, podcasting, and the shift from car ownership to ride-hailing, which is eroding the drive time audience that underpins the radio advertising revenue model.

According to an article in [Wall Street Journal](#) earlier this year; the spike in demand for information will continue to be outweighed by an ongoing decline of advertising spend across TV and print from the top spenders in dining and hospitality, movie studios, financial services, automotive, and retailers.

Here are five moves that can help traditional media companies survive these challenging times and help to better position themselves for the future:

1. Stop serial cost-cutting, and work with shareholders and creditors to reset the cost base and provide a window to restructure

- Buy breathing space to change.
- Take a zero-based view of the operating model.
- Centralise and automate aggressively, e.g. in editorial and content workflows, billing, and the back office.

2. Shed unproductive revenue to build a growth story

- Take a hard look at the content and service portfolio.
- Reorient to markets where you can win.

3. Embrace—but vet—content and data generated outside of the traditional ecosystem to enhance news reporting coverage and speed

- Use the huge volume of data from social networks to extend the reporting reach.
- Stop chasing the narrative of major news bureaus that push more editorial content than news content.
- Fuel the viability of local news by incorporating community-generated data to deliver locally relevant.

4. Build an always-on relationship with customers

- Live and breathe digital - both mobile and in-home.
- Build results-based innovation into advertising models and collaborate with top advertisers on affiliate marketing models.
- Partner for scale on customer engagement, developing joint platforms for both during the pandemic and after. If Apple and Google can partner in a Covid-19 environment, then local media companies should also be willing to approach the table.

5. Use the surge in digital footfall as an opportunity to get to know and connect with customers and shape their habits

- Temporarily drop paywalls but capture more data about your audience.
- Connect with consumers' hearts and minds with benefits, services, and targeted outreach.

However, what the industry didn't anticipate was how Covid-19 would accelerate these trends and throw in a few more - creating a perfect storm for media companies, many of which don't have the economic foundations to withstand the shock. Without a radical overhaul of the business model, many will not survive.

ABOUT ROB VAN DALE

Rob van Dale is the OMT and Digital partner at global management consultancy KEARNEY.
▀ Communications, media and technology sector - 5 steps to survive the pandemic - 7 Jul 2020

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>