

# 2019: The Year Video will Make Editorial More Profitable

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Migrating to the Internet has been very difficult for traditional print publications. Neither the [advertising](#) model nor simple pay walls have proven to generate sufficient revenues. A more sophisticated subscription model that incorporates video streaming offers the promise of increased profitability.

Extending online publications with paid subscription video channels is an obvious improvement. It takes advantage of publishers' knowledge of the subject areas, their contacts with experts, and their ability to describe and organize the subject in a way that speaks to their audience. With the growing problem of fake news, consumers will appreciate that trusted editors have chosen the videos and authenticated them. Editors also add value by improving viewing quality, assigning titles and descriptions, choosing placeholder images for the videos, and making them easy to find.

It's well established that people will pay for an all-you-can eat subscription if they're getting a great value. However, creating such a high value subscription for a low price is challenging when the publisher is faced with large up-front payments and expensive negotiations with content owners. A system for sharing revenues that is transparent and verifiable can substantially reduce the cost of obtaining video content. Such a revenue sharing system can better capitalize on affiliate programs to reduce the cost of acquiring subscribers. Likewise, giving editors a share of subscription revenues reduces fixed editorial expenses.

Integrating videos into well-edited channels and paying everyone based on actual subscriber usage is a good formula for improving publication growth. As video becomes more ubiquitous, its incorporation into news and magazine web sites seems inevitable. With the right model, it could also be highly profitable.

How can newspapers and magazines benefit by incorporating video?

There's a natural fit between topical articles and related videos. Well-chosen videos enhance the reader's experience, and all indications are that people are becoming increasingly interested in video content. A video can bolster a story's believability, demonstrate a difficult concept, or provide much needed comic relief.

For example, a golf magazine might create an associated video channel that combines instructional and competition videos from golf experts. Then, audience members could buy a subscription that revolves around the sport, as opposed to a particular golf pro or tournament. Such a channel would benefit from and reinforce the publication and, at the same time, could stand on its own as a source of revenue.

Publishers are perfectly positioned to perform the essential tasks of aggregation and curation. They can leverage their editorial expertise and strong connections to content experts and their audiences. Thus, publishers can not only enhance their own publications, but also add credibility to the videos they select.

Another benefit of video content is that it can be more easily protected from piracy. By incorporating video, a publication reduces the risk of losing revenue to independent aggregators and social media sites. So, my recommendations to the owners of this hard-to-monetize content are two fold:

## Think about your audience

Who is the potential subscriber (regardless of how hard it is right now to get them to make a purchase)? Then ask, what other content (possibly from owners you might think of as business competitors) would be a good mix with your content in a way that increases the potential channel's attractiveness. Imagine creating or participating in a specialized video channel that is edited by well-known experts in the field, so that it becomes desirable for anyone with the right kind of content to want to be associated.

## Don't give away the store

If all your content is available for free, e.g. on YouTube, then you really can't sell it as part of a paid channel. There's nothing wrong with giving away free "teasers", but you'll gain little by giving it all away. Help is on the way, in the form of services for combining premium content into trustworthy paid video channels that excite their audiences.

At the end of the day, video will continue to grow and publishers and brands must learn how to use it to their benefit.



**About the Author:** Steven Asherman is President and Chief Technology Officer of [Content Galaxy](#), where he designed and led the development of their publishing platform for creating paid subscription video channels. The service is based on a unique model of video content monetization that enables trustworthy revenue sharing.

Steven also provides consulting focused on scaling up commercial web sites. His background is as a senior consultant

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*He has sold and led a half dozen, multi-year, multi-million dollar consulting projects for creating and improving software-as-a-service web sites and database applications for clients that have included Dealer Track, Fidelity Information Systems, Send Word Now, TNS Competitive Media Reporting, Deutsche Bank, and Marsh. His enterprise consulting clients have included Aetna, Citibank, Columbia Pictures, IBM, and The New York Times.*