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.