FEATURE

A second, third or even fourth home

Data and content move beyond reprints to new platforms, emerging markets

BY CHARLOTTE WOOLARD

Publishers have accelerated their licensing businesses, finding new ways to monetize core assets not only by stretching their brands into emerging markets but also by circling back to partners and selling licenses for digital editions. Data products and event content have also helped swell revenue streams.

Forbes Media currently has 21 licensee editions and could announce four new agreements this year, said Mike Federle, COO at Forbes. Those titles include *Forbes Estonia*, which debuted in March, and *Forbes Brazil*, slated to launch in July. "It's a significant business for us," Federle said. "It's something we've been in for a while, but the opportunity to grow now is greater. A lot of these markets—10 years ago—we wouldn't have entertained because they were either under a totalitarian regime or just not business-friendly and not free markets."

The real growth, however, has come via tablet devices, mobile phones and other new technologies, he said. "We are getting into additional agreements with all of the digital products, which we basically will fold right into the print publishing agreement. It's generating new and larger revenue."

International Data Group is charting a similar path. The company has expanded its global footprint through local-language licensee editions and currently focuses on adding smaller markets to its roster. "We're trying to maintain and feed the current portfolio, and expand into new regions," said Jim Sullivan, VP-licensing and operations. "The bigger we get, the harder those markets are to find."

A deal signed in March will license the publisher of Revista IT Now to use the company's CIO brand across print, online and events programs in Central America. The move puts CIO into a handful of markets in the region, underscoring a strategy that pushes IDG brands into areas primed for high-tech growth. "It's really expanded IDG to being not just in the biggest markets, but tier 1, 2 and 3 markets," Sullivan said.

IDG seeks out publishing partners that have exhibited an understanding of the transformation the media business model is undergoing, Sullivan said; but in the past five or six years, the company's own expertise in new publishing platforms has become a draw for licensees. In addition to connecting partners with the brand, content and global ad buys, IDG provides access to its corporate intranet, regional meetings and other resources that support digital publishing initiatives. "Sharing that expertise is good for smaller partners," Sullivan said. "Everyone takes the information back to their own country or region and does what makes sense."

Most b-to-b media companies have found licensing revenue through such third-party partners as content aggregators and reprint companies, which continue to show promise.

"Last year was our biggest year in adding new licensed content from publishers," said Anthony Capon, VP-content at Dow Jones & Co. He works with content aggregator Factiva to put partner content in front of a global audience of consultants, analysts and, increasingly, C-suite executives.

Licensing branded materials, digital media and trade show assets have become the area of fastest growth at Wright's Media, a company that provides clients with services such as traditional reprints and licenses that accommodate integrated marketing campaigns. "It's only by the fact that we've been able to diversify our portfolio that we've been able to retain revenue," said Brian Kolb, exec VP at Wright's.

But sometimes freeing up in-house licensing departments can be the biggest value that the companies that offer such services provide, said Sheila Rice, VP-business development and licensing at Northstar Travel Media. She credits partners such as Copyright Clearance Center with giving her time to concentrate on the big picture.

Northstar's investment in in-house data products has yielded double-digit year-to-date growth of licensing revenue compared with the year-earlier period, Rice said. She advocates for proactive aggregation and segregation of data to meet anticipated market needs. The company currently is developing a safety and security product that will serve corporate travel managers asked to take more responsibility for traveling employees. Market research flagged the area for growth. "We have lots of silos of data," Rice said. "We're building the products."

The company slices and dices its databases to create everything from white-label travel alert services and branded hotel ratings systems to e-reader destination guides. Rice is exploring syndication rights on a small scale to see if the model can be successful for Northstar. And she is also preparing to launch a series of city-based travel apps, developed through a license with a technology partner.

Some new opportunities lead to consumer-facing products, Rice said, and the company has debated applying its brand versus a white label to products, including a series of licensed destination guides developed for the Kindle reader. The company reviews each brand application on a case-by-case basis.

It's a decision many b-to-b media companies face. Prometheus Media embraced a distribution agreement with the Associated Press that in February increased consumer access to content developed by *The Hollywood Reporter* and *Billboard*.

But Neil Stiles, president of Variety Inc., has a different strategy: "Know what you are; focus on what you are; and concentrate on that," he said. "That's our mantra."

Variety has taken steps to secure most of its content for a b-to-b audience and is growing its licenses through international editions as the industry that it covers also becomes more global. *Variety Arabia* came online last year, and *Variety Russia* debuted in March. Conversations are currently under way with potential licensees in Brazil and India.

"There are two reasons to license," Stiles said: "One is cold, hard cash. Second, it's about branding. The film and television industry has become much more global. The industry that we used to see and serve in Los Angeles and New York is now as interested in the world as we are."

Data products such as the recently acquired TVTracker and in-house developed offshoot FlixTracker provide growing revenues, Stiles said. The company also is interested in licensing agreements that would give partners the rights to distribute on-demand video and stream live broadcasts of its portfolio of 31 conferences. Passengers on Cunard Cruise Line, Virgin America and, in June, Virgin Atlantic can access Variety videos.

"We're very much into 'Build it once; use it many times,' Stiles said. "It gets harder and harder to make money. Like all publishers, we face a changing business model. But we're fortunate that we have a powerful and well-known brand, and some opportunities that other publishers don't have." ☐

Avoid cookie-cutter content sales

Rich Kreisman, principal partner-Kreisman Information Consulting and affiliate analyst at Outsell, advises clients on the development of content licensing, syndication and distribution partnerships.

Media Business: *What do publishers need to have in place to build licensing revenue?*

Rich Kreisman: From a systems standpoint, they need to do an audit of their own internal content management systems to make sure third parties can access content and bring that content onto their platforms. Can the content be converted to HTML or HTML5? Many publishers have invested in doing that, but because there have been so many acquisitions and consolidations, they're revisiting that, looking at the various properties and the systems that they are on.

Rich Kreisman
Principal Partner, Kreisman Information Consulting

That's the key: to get content out of your systems and to deliver it in a format that a third party can manipulate, not just in a Word format but something that is more actionable than that. That's the starting point.

On the business side of things, it's having the infrastructure in place, having a business development group that is looking for opportunities in the marketplace in a strategic manner and not just in a reactive manner.

MB: *What factors should publishers weigh when developing prices?*

Kreisman: They need to understand and define very carefully how the content is going to be used. I've seen a lot of (challenging) situations, particularly with start-up companies that come to publishers and want content, (but) are not themselves that clear about how they might ultimately use it. That becomes difficult to price.

Really probe your customer: Is it just going to be used on a website? Is it going to be used on multiple platforms? Understand what their pricing model is, because your content is going to be folded into a cost of goods, into their ultimate cost and price model.

It's very important for a publisher … looking at licensing to be flexible. This is usually additional revenue that is very profitable because the content has already been created. So there usually is leeway to be creative in terms of coming up with a deal that will work well for both parties.

There are a lot of levers, and I'm hesitant to generalize because there are so many variations. Each deal is unique; it's not cookie-cutter selling.

Once a publisher has some experience with licensing, once they get four or five deals under their belt, then pricing norms develop. —*C.W.*