



Association of Independent Publishers (AIP)
Response to Request for Information: Media and Digital Platforms Market
Inquiry - Deadline 28 June 2024

The AIP thanks the Competition Commission for the opportunity to answer the questions sent to us on 31 May 2024.

We would like to put our answers in context. Although we have made every effort to gather the information requested, it has been challenging. Publishers lack the time and capacity to participate in Inquiries given their day-to-day struggles to survive.

As stated at the Commission hearings in March 2024, AIP member publications are distinct from the knock and drops owned by the corporate media groups such as Caxton. Our publishers are generally smaller and more vulnerable. Our members are small, medium and micro enterprises (SMMEs) with the majority being micro businesses with a turnover of R250 000 per annum (see Kruger, 2023 attached). Publications often survive through publishers relying on volunteers and not drawing a salary.

Question 1

What number of publications have closed over the past decade, and how are those areas covered now? Have there been new publications established to take their place?

<u>AIP - National Stats – January 2024</u>	
Collective Print For the Month (National)	2 527 233,33
Publications	178
Publishers	147
Female publishers	38
Male publishers	109
Websites	104
Facebook	112

Twitter	52
Language English only	69
Language Diverse	109

In 2016 AIP did a comprehensive overhaul of its membership database (See Skinner, 2022).¹ At that point AIP had 204 publications (in January 2024 we had 178). In 2016 there were 164 publishers - now we have 147. The overall print runs were significantly higher in 2016 - 7.5m copies monthly (now we have 2.5m). We thus have a 5m drop in monthly printed copies over an 8-year period.

Further, we believe that present print figures are in fact lower than stated above. Publications print when they have funding (e.g. advertising support) and then stop printing when they don't. We believe that a number of our publications are not printing at present (June 2024). This is given the very difficult economic environment they find themselves in - particularly in small towns and rural areas. It is difficult to assess who is printing and who is not as members are often unwilling to share these details. However, the statistics AIP has gathered in the last week (24 to 28 June 2024) point to possibly 50% of our publishers not printing. This does not mean that they have permanently closed but that they are waiting for their economic position to improve so that they have funds for print costs.

The majority of our publications stopped printing over Covid - however accurate figures are difficult to obtain. Post Covid a number of publishers started printing again but they often printed less frequently (from weekly to monthly) and they printed fewer copies (10 000 reduced to 5000).

New online publications have been created but these have not covered the gaps that have opened up. (In 2016 no statistics were gathered for online only publications. In 2024 we have 11 online-only publications.) The fact that there are so few online only publications also points to the fact that this is a difficult business model to make money from.

Due to struggles with advertising revenue online, some of our online publications are considering bringing out a print edition for sustainability purposes e.g. Slindile Khanyile's publication "[Umbele](#)".

However, despite the challenges new publications are being launched – both print and online. The need for strong local news continues to attract enthusiastic, socially minded news entrepreneurs. However, these new publications face the same challenges in terms of financial sustainability as some of the older titles (see Kruger, 2023).

AIP has not gathered statistics on the number of new publications that have been launched annually but will do so in future.

¹ Skinner, K. (2022) Green Shoots in Community Print Media in *State of the Newsroom 2021* published by the Wits Centre for Journalism, 2022. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://journalism.co.za/wp-content/uploads/2022/11/SON_Final_for-circulation_November_2022.pdf (accessed 28 June 2024)

Question 2

Out of the 104 association member websites, how many generate revenue online, and what are their main revenue streams?

Kruger's (2023) study on local media business models looks at online income and states that this includes: programmatic, direct sales, sales through agents and paywalls. He states that most experimentation has been around online adverts bundled with traditional print adverts which are treated as "value add". He states however that online income remains very small at around 3%. He states that the platform giants "earn the lion's share" of revenue.

In addition, it is important to point out that online advertising models are generally based on CPMs that are particularly unfavourable to small independent publishers and are constantly reducing in value. It is very hard for local publishers to argue for a premium CPM rate over and above the few rands offered by programmatic adverts.

Some AIP publishers have experimented with allowing programmatic advertising on their sites. In general, they have stated that it was, "a waste of time and money".

In terms of making money online via subscriptions, we know that some of our members are experimenting with this. However, we are only aware of one of our members, [Overstrand Herald](#), that has made a success out of this.

An independent ad agency, [Mother Tongue Media](#) (MTM), run by Andrew Dabbs, handles ad placement on several AIP members' websites. The sites all run content in vernacular languages, and the adverts are also in these languages. Based on the statistics provided by MTM, the average monthly income for 21 publishers was R531,30.

Publisher B, which on average offered 159,890 page impressions per month, earned on average R3,305,43 per month. The rate applied was R100/1,000, which is considered well above the market rate.

To be able to deliver hundreds of thousands of page views per month takes a lot of work from a dedicated team of editorial specialists, which means it is an expensive exercise.

PUBLISHER	AVAILABLE IMPRESSIONS	VIEWABLE	AVERAGE VISIBILITY TIME (SEC.)	Potential Revenue (Google) All ad spots	Actual Revenue (MTM)	% of ad space used	Average monthly (impressions)	Viewable (month)	Income per month
Publisher A	3,023,765	135,015	10.21	R45,356.48	R13,501.50	4%	251,980	11,251	R1,125.13
Publisher B	1,918,678	396,652	18.59	R28,780.17	R39,665.20	21%	159,890	33,054	R3,305.43
Publisher C	1,594,461	276,211	42.05	R23,916.92	R27,621.10	17%	132,872	23,018	R2,301.76
Publisher D	918,932	210,549	17.00	R13,783.98	R21,054.90	23%	76,578	17,546	R1,754.58
Publisher E	370,700	61,108	15.00	R5,560.50	R6,110.80	16%	30,892	5,092	R509.23
Publisher F	330,961	89,784	39.06	R4,964.42	R8,978.40	27%	27,580	7,482	R748.20
Publisher G	188,743	22,778	18.76	R2,831.15	R2,277.80	12%	15,729	1,898	R189.82
Publisher H	169,288	26,587	53.32	R2,539.32	R2,658.70	16%	14,107	2,216	R221.56
Publisher I	160,255	26,684	40.39	R2,403.83	R2,668.40	17%	13,355	2,224	R222.37
Publisher J	80,836	24,393	24.59	R1,212.54	R2,439.30	30%	6,736	2,033	R203.28
Publisher K	53,960	3,402	29.21	R809.40	R340.20	6%	4,497	284	R28.35
Publisher L	28,873	7,407	38.02	R433.10	R740.70	26%	2,406	617	R61.73
Publisher M	19,084	738	28.41	R286.26	R73.80	4%	1,590	62	R6.15
Publisher N	17,157	2,051	28.67	R257.36	R205.10	12%	1,430	171	R17.09
Publisher O	14,249	2,375	24.07	R213.74	R237.50	17%	1,187	198	R19.79
Publisher P	10,799	2,270	23.99	R161.99	R227.00	21%	900	189	R18.92
Publisher Q	8,327	873	31.84	R124.91	R87.30	10%	694	73	R7.28
Publisher R	8,072	2,315	46.13	R121.08	R231.50	29%	673	193	R19.29
Publisher S	7,727	1,050	27.78	R115.91	R105.00	14%	644	88	R8.75
Publisher T	4,142	1,094	25.46	R62.13	R109.40	26%	345	91	R9.12
Publisher U	2,321	173	40.53	R34.82	R17.30	7%	193	14	R1.44
TOTAL	8,931,330	1,293,509	25.25	R133,969.95	R129,350.90	17%	35,442	5,133	R513.30

Question 3

How many of your members have Facebook pages for their publications?

A hundred and twelve members indicated that they have Facebook pages. More of our members have Facebook pages than websites. (A hundred and four of our members have websites.)

Question 4

Can members generate revenue such as ad revenue on the Facebook page (i.e. before being redirected to their website)? Please elaborate.

A few members stated that they were making money by organising individual deals with advertisers. They give individual advertisers exposure on their Facebook pages.

Overstrand Herald is a good example of such a practice. The publisher offers a package deal to, for example, a local supermarket. The print edition carries adverts and news, such as competitions or promotions. The news content, often advertorials, is then published on social media platforms.

However, to use Facebook as a standalone revenue generator, is problematic, because it is near impossible to make good on promises to advertisers. (Just because a page has 60 000 followers does not mean 60 000 people will see a sponsored piece.) Facebook's algorithm determines how much exposure a post will receive, and the perception is that the algorithm will try and suppress any attempt to bypass Facebook's own advertising mechanisms.

Indeed, when a Facebook post does get widely shared and picked up by the algorithm for organic promotion, our publishers find that the resulting audience is far removed from one that represents their online readership.

Question 5

What is the revenue split between printed and other advertising sources?

The vast majority of advertising funding is still earned from members' print editions.

The bulk of AIP publishers produce freely distributed newspapers. Only a very small portion produce newspapers with a cover price.

Whereas newspapers without a cover price rely solely on advertising income, those with a cover price can collect around 10% of their income via this route.

Up until Covid, publishers generally covered their costs - although there was, as stated above, a great reliance on volunteer work or founders who did not draw salaries from these revenues.

Traditionally there have been three major sources of advertising in local print:

1. Large supermarkets or local businesses place display advertisements or inserts (leaflets) into printed products
2. Government (mostly local municipalities) placing mandatory public notices.
3. The placement of legal advertisements or notices, with some classified advertisements. Very few AIP publishers, however, receive such notices as they are normally placed in the products of the bigger publishing groups.

All of these are in decline and are unlikely to recover and they do not translate to online opportunities. Local government, on the whole, does not see publishing notices online as part of its public consultation mandate. Classifieds for everyone have been in freefall since the advent of online small adverts.

The statistics that Prof Franz Kruger makes available in his 2023 study include the following: audience (cover price, subscriptions, volunteers) - 6%, commercial (advertising and sponsorships) - 49%, donors - 6%, government (advertising and sponsorships) - 39%.

Question 6

How supportive are local advertisers to community media?

Anecdotal evidence is that very little funding is being generated in terms of local advertisers.

This problem has many reasons, starting off with the dramatic rise in the cost of printing and distribution. In the period during and after Covid-19, print costs more than doubled. This was initially a supply problem, with transport costs for paper, plates and chemicals from Europe and the USA skyrocketing. Even though print publishers tried to absorb increases, it was impossible, which meant advertising in a newspaper became very expensive for small businesses.

While this was happening, players such as Facebook (Meta) and Google aggressively moved into the markets, offering “boosts” and effectively dumping in all markets, including very small markets. Businesses experimented and invested both time and resources in trying to reach audiences online. Many local businesses appointed “social media managers”, with instructions to do a certain amount of posts per day and to pay Meta and others to “boost” posts.

Even the types of advertising that helped sustain newspapers for many decades, started dwindling. Local government advertising has long been an important source of income for community newspapers through the placement of mandatory public notices in print. However, this revenue is in decline, and most importantly is not available online, where the government is reluctant to spend. This leaves publishers in a catch 22 - continue to publish print editions that barely break even in order to maintain this revenue or attempt product innovation in a business environment that is very different to their experience.

Many members are looking at new revenue streams based on local advertising, such as business directories or events sponsored by local partners, but these are again skill sets in sales which take time to develop and have yet to bear fruit.

Question 7

Are you aware of news deserts in areas previously served by AIP members?

Several newspapers stopped publishing after 2020 (Covid period) and many others reverted to publishing only when there was sufficient advertising support to cover printing and some other costs. So yes, news deserts are forming. In order to assess where these are, AIP needs to do more research and on an ongoing basis. (As soon as time and funding is available, AIP is committed to doing this research.)

Also, it is important to note that in assessing “news deserts”, it is necessary to look at the function performed by local media. In some cases, the role of the print journalist can be performed by other people i.e. a journalist working for a local community radio station or an online publication. However, the reality is that this is generally not happening.

Traditionally the reporter from the community newspaper visits the courts to find out who has found themselves on the wrong side of the law. It is the same reporter who attends the Council meetings and reports on budgets, Integrated Development Plans (IDP's) and perhaps adverse AG findings. This is also the reporter who goes around to the schools to report on the joy of the U/13 netball team that has just won the regional finals. The same reporter is also the one who visits the family who has just lost a child in an accident, to do an obituary.

The issue is that none of these tasks are performed by search engines or social media. The type of news that maintains these delicate threads that tie a community together, is in danger of disappearing.

We mention the above to illustrate that news deserts should not be measured in terms of whether a media platform proclaims to be present or not. It is all about the role that the local journalist performs. There are numerous online services that proclaim to be offering "a voice to the voiceless", but very often these are remote controlled news aggregators with very little focus on reflecting what is really happening in a community.

Question 8

What is the value proposition of community news i.e. what is lost when community newspapers do not serve communities?

Community print and online media play a distinct, critical role in society. The sector is important because:

- It builds communities from the bottom up.
- It has the closest and most intimate relationship with its audiences.
- It reflects the diversity of our country in terms of language, culture, religion etc.
- It covers areas of the country that no other media cover.
- It has a unique ability to effectively counter mis- and dis-information in communities because it is trusted by those communities.
- It gathers and archives information on local history and culture.
- It develops and celebrates local languages.
- It holds local power brokers to account (government, business and civil society organisations) in areas where corruption and malfeasance often go unseen.
- It is critical to South African democracy because it ensures that we know what is happening in our country – not just what is happening in the suburbs and major metropolises. Local print and online media such as the [Limpopo Mirror](#), [Zoutspansberger](#) and [Lliso LaBantu News](#) have built strong ties with publications such as GroundUp (also an AIP member) to distribute local stories with national significance.
- It has unique access to local stories. Members report that they are able to interview people during protests, for example, in situations where mainstream journalists are not welcome.

- As the mainstream media falters with more and more retrenchments and closures (e.g. retrenchments at Media24 in June 2024) independent community media is filling the gap to play a more central, mainstream media role.

Despite very few resources community publications have performed exceptionally - winning local and international awards. For instance, AIP members won the full sweep of media awards at the SANEF Nat Nakasa Courageous Journalism Awards in 2023. The winners included GroundUp and the Limpopo Mirror. At the same awards ceremony our Limpopo Board member, Dunisani Ntsanwisi won the Steven Wrottesley Award for outstanding service and dedication to the media industry. In particular, he was congratulated for championing the building of African language media. Also, in 2023 he won the Brave Journalism and Media Award sponsored by Adcock-Ingram.

Further to this, AIP member, Food for Mzansi, won an award in the global WAN-IFRA Digital Media awards for “Best Podcast” for 2024 for their innovative, targeted story-telling in [Farmers Inside Track](#).

Finally, 5 out of the 12 winners in the Amplify South Africa project (June 2024), funded by the Media Development Investment Fund (MDIF), were AIP members. They were selected from over 100 applications to participate in this prestigious, capacity strengthening programme.

In a nutshell if community media ceased to exist this diversity, creativity, energy and resilience would be lost.

Question 9

As part of the Inquiry process, the Inquiry must make (legally binding) remedial actions and provide recommendations. Suggest any remedies or recommendations (which can include recommendations to legislators, organs of state, etc.) that can potentially address your members' concerns, improve their competitiveness, and promote the sustainability and diversity of your members.

AIP endorses the proposals put forward to the Competition Commission by the South African National Editors' Forum (Sanef). In addition, we want to emphasise the importance of the following remedies:

We believe that creating a Big Tech-funded fund to promote sustainability particularly targeted at small, local media is critical. We believe the fund should be managed by an independent body appointed by AIP. The fund should focus on individual and collective sustainability projects including:

- Establishing a collective advertising hub for small publishers.
- Experimenting with online micropayment models.
- Experimenting with new “partnership” advertising models (native advertising) e.g. those used by publications such as The [Better India](#)

- Creating partnerships with corporates that can supply hardware and software at significantly reduced prices.

Other solutions include that the Competition Commission should:

- undertake rigorous research into the value of news on Facebook, Google and other relevant tech platforms to look at fair ways to compensate news organisations.
- enforce “must carry” provisions – these are obligations on the big tech platforms that they publish and promote credible news content (from Press Council members) and that they compensate SA news producers for this content.
- Push for the unbundling of Adtech products and services to avoid conflicts of interest between the big tech players operating a marketplace and being a potential beneficiary of advertisement placement.
- Call on the Telecommunication operators to zero-rate news sites that are members of the Press Council and signed up to the Press Council’s ethics code.
- Call on the big tech platforms to put measures in place to protect journalists and publishers – particularly female journalists and publishers – that are subjected to harassment.
- Call on the big tech platforms to invest in automated and human-driven fact-checking and content moderation by local South Africa staff who understand the South African context to counteract mis- and disinformation.
- Call on the big tech platforms to compliment their global standards with country specific provisions aligned to our domestic legislative frameworks.
- Call on AI platforms to compensate news publishers for fair use of their content in the development of Large Language Models (LLMs)

Question 10

What percentage of your membership is online only, and those who both print and are online?

We have 11 on-line only publications out of 178 publications. More than 50% of our publications have a print and online presence.

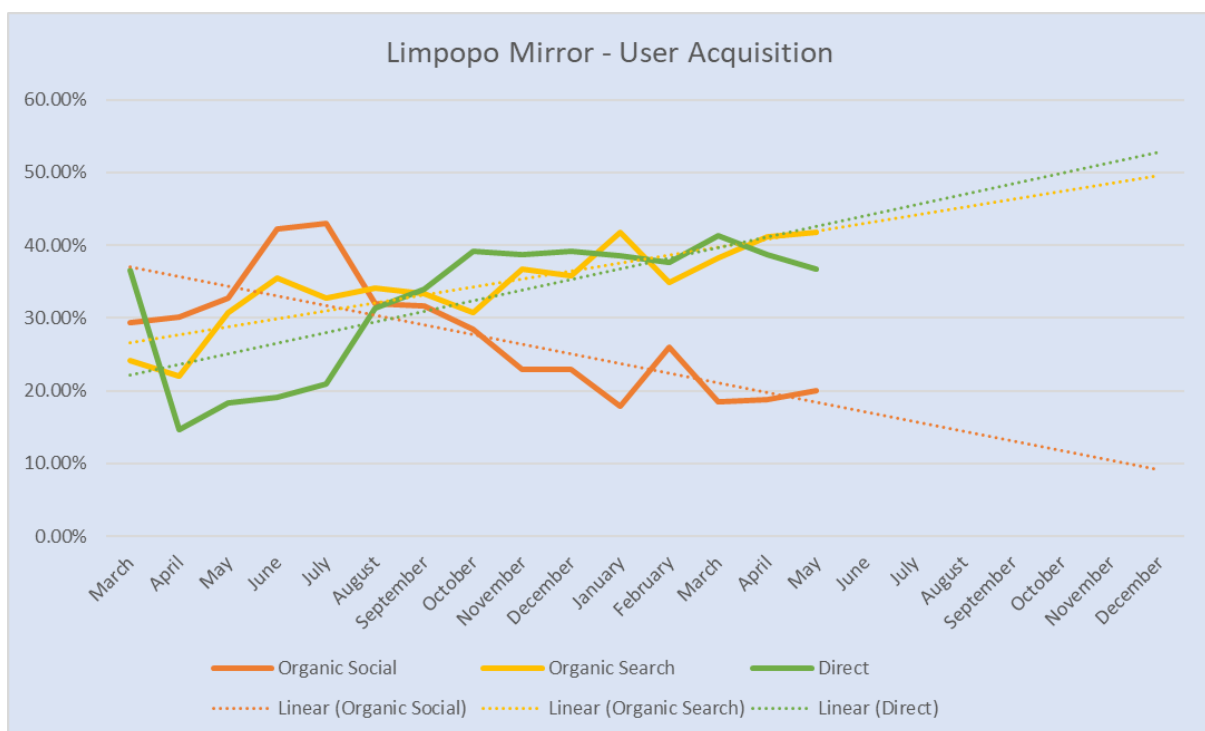
Question 11

How are your members using social media to distribute their publications and generate revenues (by social media platform)? Have your members been successful in their ability to monetise these platforms?

Generally, members have *not* been successful in being able to monetise their Facebook pages and YouTube channels. Some of our members (e.g. the Overstrand Herald) have been signing up individual corporates / businesses. See above.

Publishers have found it difficult to use social media platforms to increase traffic on their websites. Facebook is notorious for adapting its algorithm almost in a way of “punishing” publishers. Feedback received from publishers also point to a disturbing trend where Facebook seems to deliberately downplay news content, and in some cases, even actively suppress important information.

One example is that of the Limpopo Mirror. The following graphs indicate how referrals from Facebook declined the past year, whereas direct user acquisition and referrals from search engines increased. The example shows that in June and July 2023 Facebook referrals accounted for more than 40% of traffic on the publisher’s website. The Limpopo Mirror Facebook page has over 62,000 followers, with the expectation that these people indicated that they would like to be notified and see whenever news items are posted. The Facebook reach has gone down dramatically and on average for the past two months dropped to as low as 8%. The publisher has no control over this and has no say in the choice of content that gets offered to followers.





What is perhaps even more disconcerting, is that certain topics have a distinct lower “reach” than others on Facebook. Below is another example from the Limpopo Mirror. Prior to the national elections in May, the publisher compiled an article discussing the trends in the specific region the past couple of years. The article was purely based on statistics as supplied by the IEC and Stats SA. Most of the information came from the dashboard set up by SANEF to assist small publishers with its election coverage.

The article appeared in both the Limpopo Mirror and Zoutpansberger newspapers’ printed editions. It was one of the most-read articles on the publisher’s websites. Yet, Facebook suppressed the post and it was shown to only 563 of the Limpopo Mirror’s 61,718 followers (at end of May 2024). The post had zero engagement, which was extremely strange.


This is an important example of how social media platforms, either deliberately or inadvertently, manage to distort the reality and attack the mechanisms that endeavour to keep a fragile democracy intact. The original article produced by Limpopo Mirror was informative and added to healthy debate about election choices. These types of articles are suppressed by social media platforms such as Facebook, but at the same time half-truths and false news are allowed to spread uncontrollably.

Post insights ✕







 In Vhembe, the African National Congress (ANC) has thus far dominated proceedings. In 2019, the ANC collected...
Published by Andries Van Zyl · 25 May at 10:30 · 


Post impressions ?	Post reach ?	Engagement ?
599	563	0


Distribution ?

 **-4.1x** less impressions than your other posts within 5 days and 12 hours of publishing. [Learn more](#)

Interactions ?

					
0	0	0	0	0	0

 Reactions 0

 Comments 0

Boost post

Question 12

Are any of your members paying to promote their content? Please elaborate.

Yes. Some of our members are boosting their content on Facebook with the hope that this will increase their audience figures and eventually lead them to be more sustainable.

Question 13

How visible are they on these platforms (i.e. what visibility concerns are there)?

There are significant visibility concerns.

The key issue is that independent publishers don't have the means to invest in all that is required to boost search engine optimisation (SEO). The other reality is that most AIP publishers publish in indigenous languages and that creates a problem with things such as keywords, which are critical to SEO.

However, it's not just SEO skills that we need to focus on. It's the full gamut of digital publishing skills, from technical management of a website to registering for Google Publisher Centre and more. What makes digital content compelling to an audience is different to print and these skills are in scarce supply in the independent community media sector.

Ends/