

Innovate or Renovate?



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The innovator's dilemma

Is the publisher ready for sudden change?

There are companies, if not entire industries, that have an intrinsic ability to make disruptive innovation the core of their businesses and a key factor of their success.

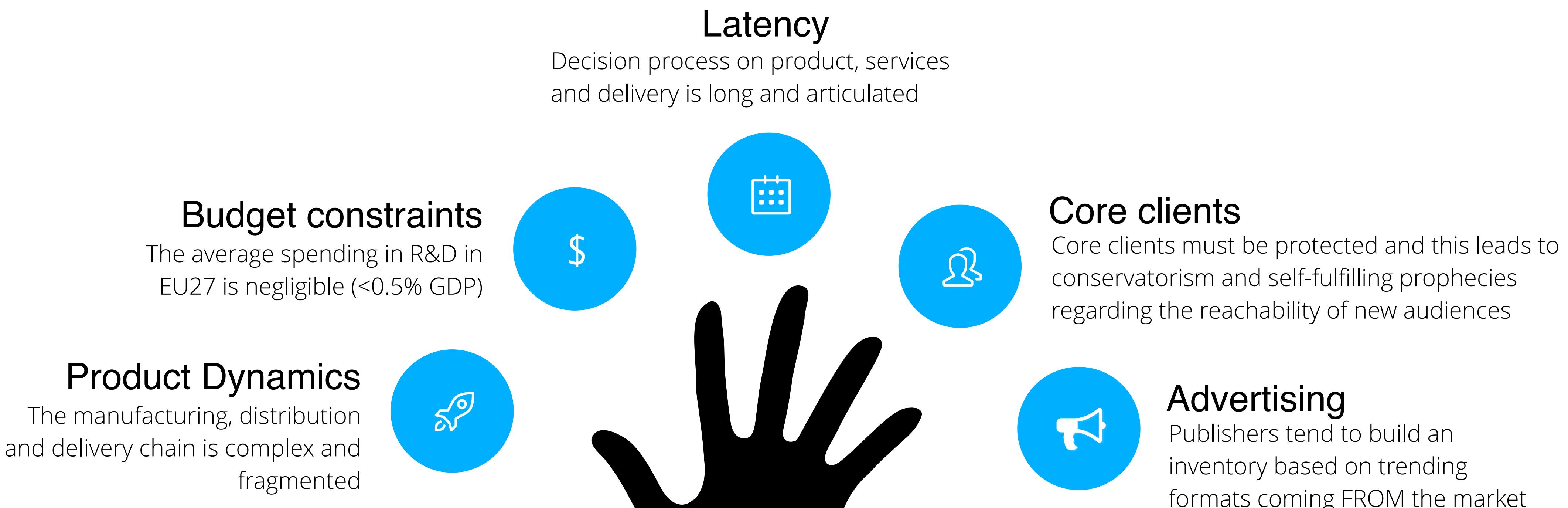
They set a clear “tick-tock” innovation/re-novation model that defines the organization, roles and product lifecycle, investments and how the money flows between day-by-day operations and product design and delivery.

This let them proactively drive market changes and quickly react to changes introduced by long time competitors and newcomers.

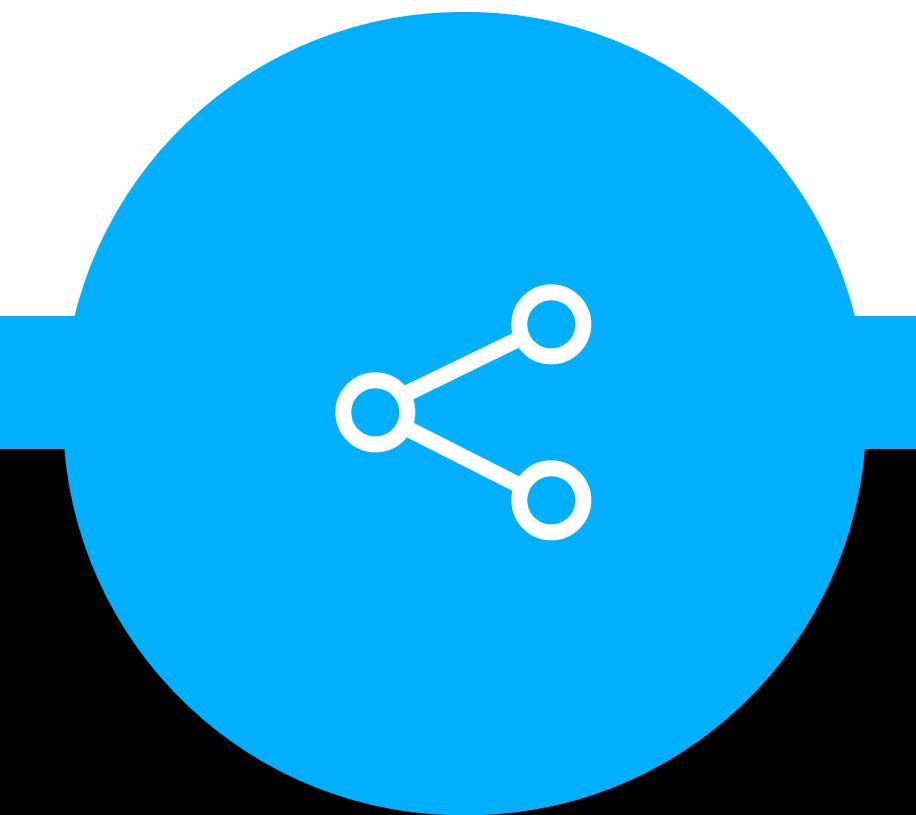
Question is: **has the publishing industry an innovator's mindset? Is it ready or apt to respond to sudden changes?**

Opposing factors

There are many contrasting factors to innovation in our industry



What to do?



What RCS planned to do...
... and what ended up to do.



It's a long road to establish innovation practices

Innovate!

A Research Lab is constituted with the mission to lead **product innovation**, **product design** and new ADV formats

- Forget publisher's short term needs
- Look at the emerging tech trends
- Define a viable scenario and products
- Find a partner
- Deliver!
- Embark the publisher

2013

E2013

2014

2015



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- We approached a broad scenario (details later) and delivered
 - the prototype of a ante-litteram "beacon" device in the form of a custom pendrive PC to be connected to TV sets in cafés and pubs across Italy and Spain
 - a new advertisement format blending the traditional display ad with a one-click, impulse buying eCommerce platform.
 - a "funnel" process to involve other employees in contributing ideas



It's a long road to establish innovation practices

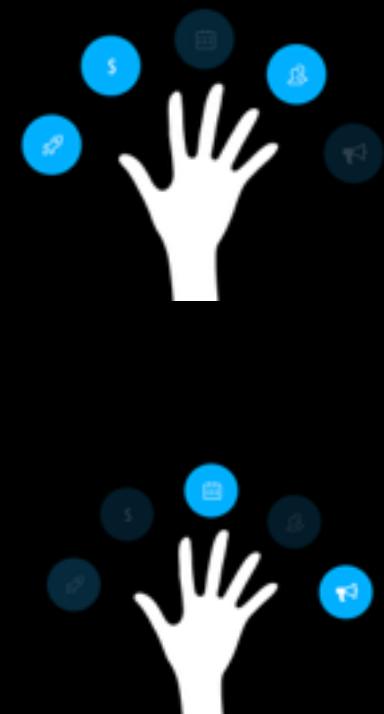
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Clash of Titans

Renovate!

Our publishers felt the R&D was not functional to their needs and asked for an “active team” responding to their requirement.

- Get involved by the marketing manager
- Look at year’s product plan
- Analyze current product design
- Put in the context of emerging trends
- Propose evolution
- Deliver!

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By the end of 2013, de facto the R&D department was closed both in Italy and Spain and was converted into a delivery team for the day by day product development lead by the marketing departments.

In the attempt to reduce friction and smooth the internal contrast factors, we transformed into a “Digital Product Design” unit to serve as a marketing-driven innovation team providing the publisher with user experience design, sw architecture and data analysis skills.

We delivered a complete overhaul of the huge historical archive of Corriere della Sera and countless micro-sites...



Inception: innovating the innovation

- Look at publishing industry needs and pits
- Look at the emerging tech trends
- Define a viable scenario and products (B2C and B2B)
- Find a partner
- Deliver!
- **Sell.**

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E2013

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Re-innovate

By the end of 2014 the R&D department has been re-activated with the mission to lead **product innovation, product design** and new ADV formats ready to be launched **independently from other RCS product lines and brands**



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We defined an innovation plan, agreed with all the stakeholders, and setup a new team of **12 professionals in three functional areas:**

- user experience design (2)
- engineering (7)
- data science & consumer analytics (3)



A better positioning allows for better performances

2015 is being the first full year of “free” innovation at RCS, opening up the path to operate by means of collaborations with both industrial partners and academia.

Having a mixed goal of pure innovation and proper products with a P&L, we work in the company as a benchmark for new product and services that could be absorbed at their tick-tock pace in a more “evolutionary” way while preserving a faster clock for “revolutionary” initiatives.

Perform

In 2015 the R&D department we delivered several new technologies and products that entered the publisher’s own pipeline

2012

2013

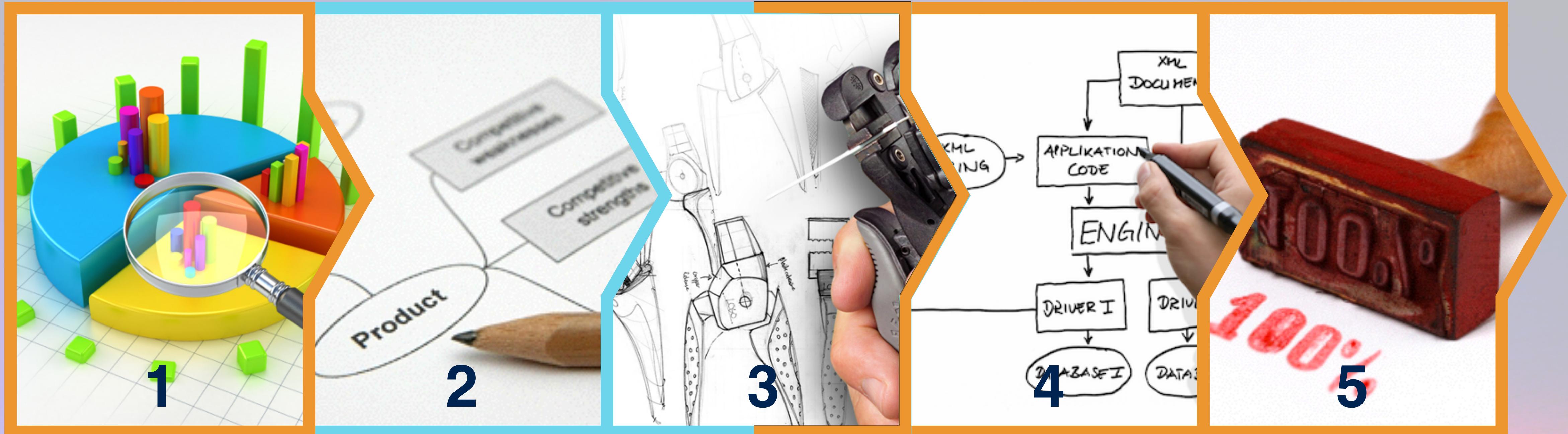
2014

2015

- In one year we introduced or near to introduce
 - an advanced hybrid digital reader and publishing process for our properties
 - an iBeacon platform driving all of our initiatives in proximity reading/marketing
 - a beacon based physical/digital advertising network prototype
 - a connected-vehicle publishing and advertising platform
 - a mobile video product set to be launched in 2016
 - technical demos of immersive stories and “inhabited storytelling”



Typical duties and workflow



Market analysis

- Competition analysis
- Market trends
- Tech trends
- Methodologies

Product Definition

- Functional design
- Tech scoping
- Paper Prototyping
- Functional & Tech KPIs

Product Design

- Information Architecture
- Interaction Design
- UX Design
- User Testing

Pd Architecture Design

- Technical Solution Design
- SW Architecture design
- Sourcing
- Project Management

Continuous Quality Improvement

- Delivery
- Service Quality Data Feeds (KPI UX/UI)
- Refactoring

Our innovation vision

As innovators, we have to radically change the questions we ask and leave the common pathways in order to expand the scope of our maps of the business scenario

1 The Role Challenge Who is a publisher?

2 The Time Challenge When are we relevant?

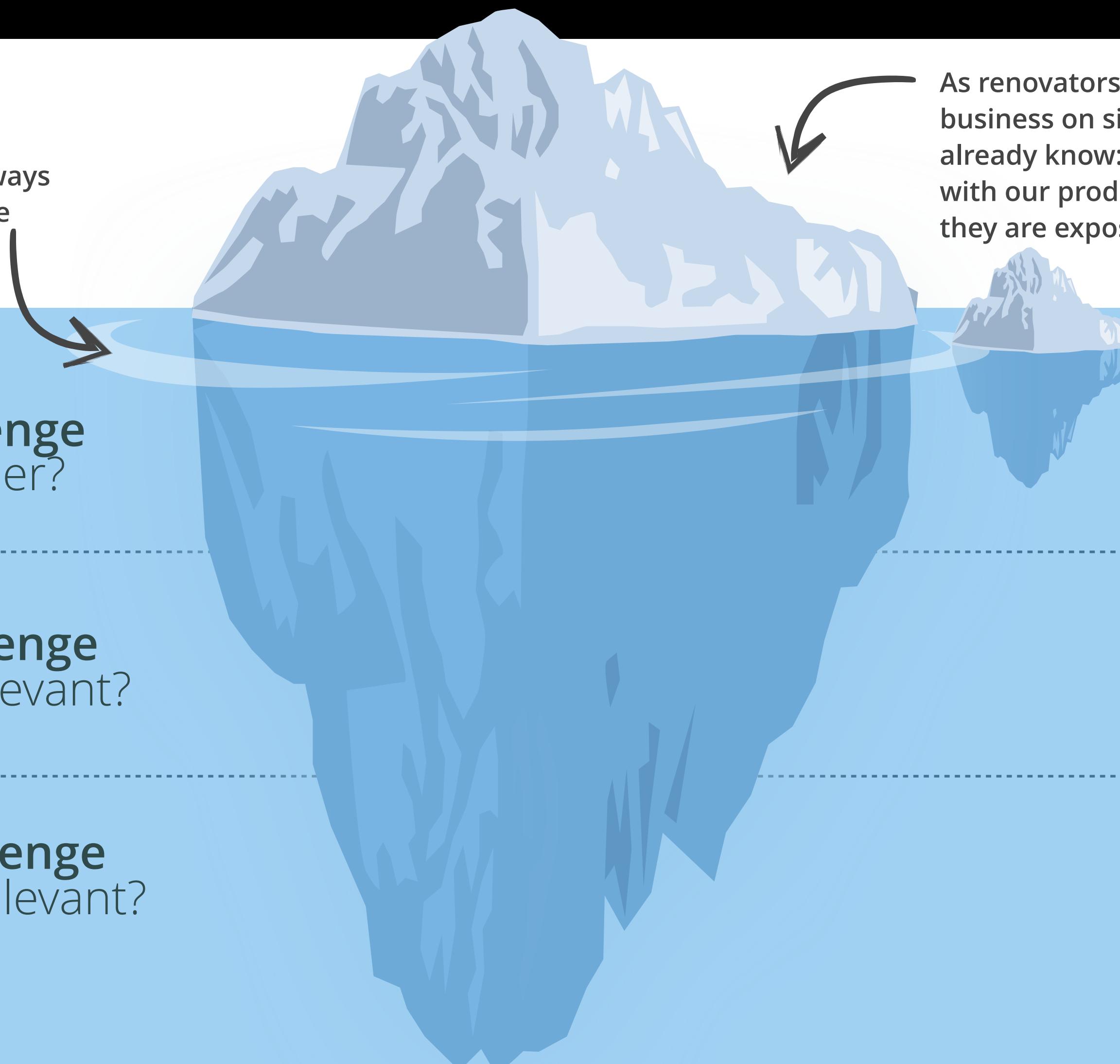
3 The Place Challenge Where are we relevant?

As renovators, we focus on the need of the business on simpler problems in contexts that we already know: where do our customers get in touch with our products? How can we extend the time they are exposed to them?

With millions of content producers and cross-validation sources the question is not philosophical anymore: can we extend our sourcing to embrace new providers and opportunities?

Many see the smartphone as the new Heaven. Millions of users have one and use it for several hours a day e we fight to get some real estate on the tiny screen. But really we're fighting for time share, not for real estate.

News publishers are used to a few personas (or use cases): we read while having breakfast at home, while commuting, maybe sipping a coffee in a café, ... Mobility and data ubiquity, convenience technologies re-shaping our daily routines are opening a wide spectrum of new "places" that we never considered as mainstream



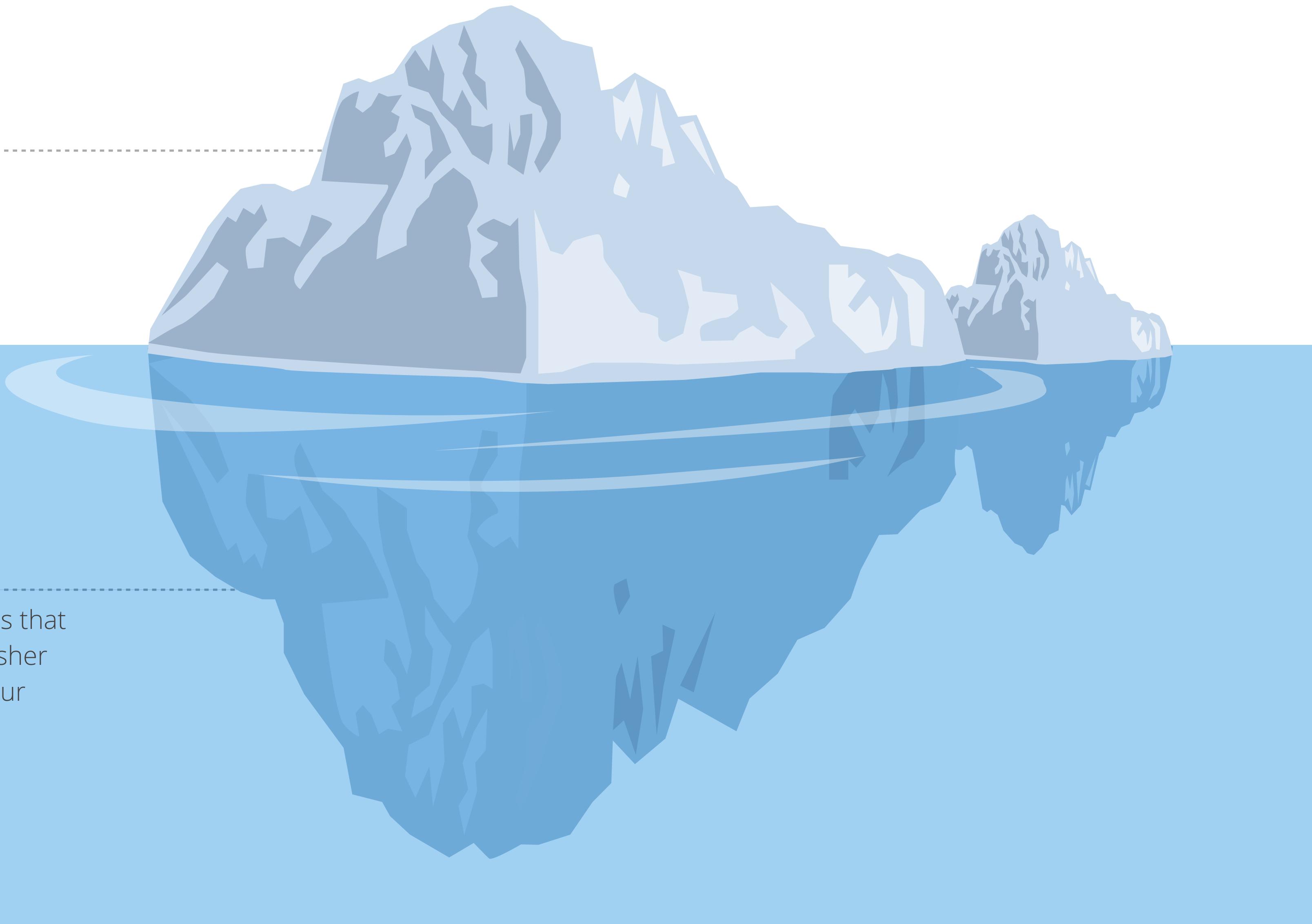
Our innovation vision

Spaces for Innovation

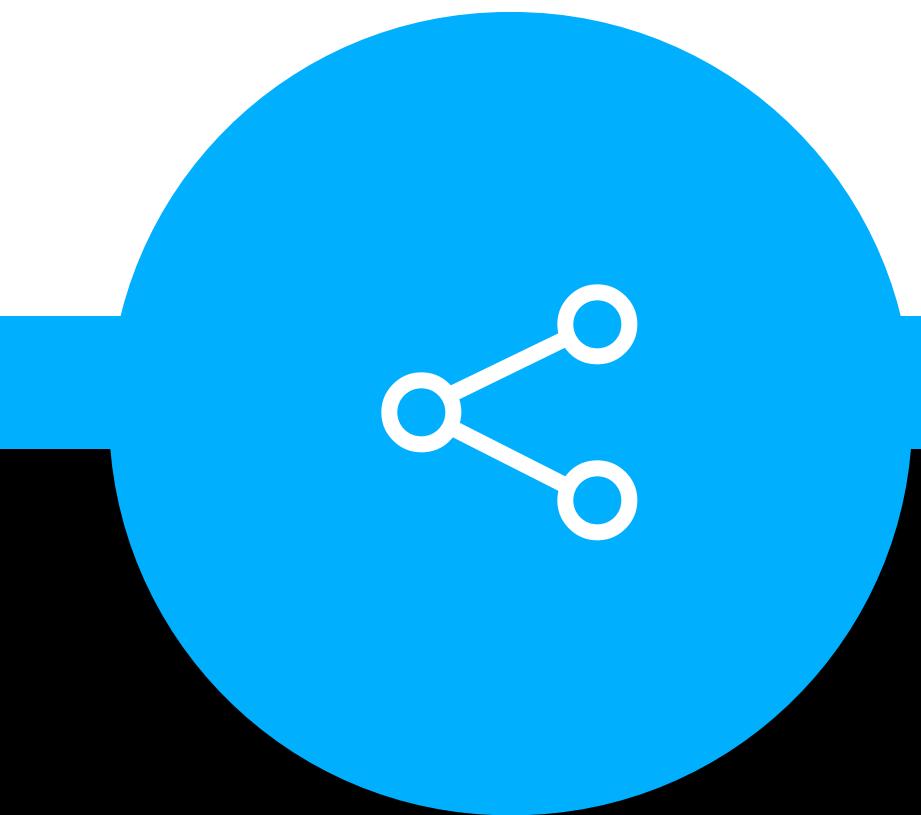
There is a world of spaces where we are already in touch with our clients that are transformational and can be discussed with the business side with a common frame of reference

Innovation spaces

There is a larger, almost invisible world, of new spaces that are not currently in the scope of visibility of the publisher and yet have the potential to be the new stages for our contents to show up.



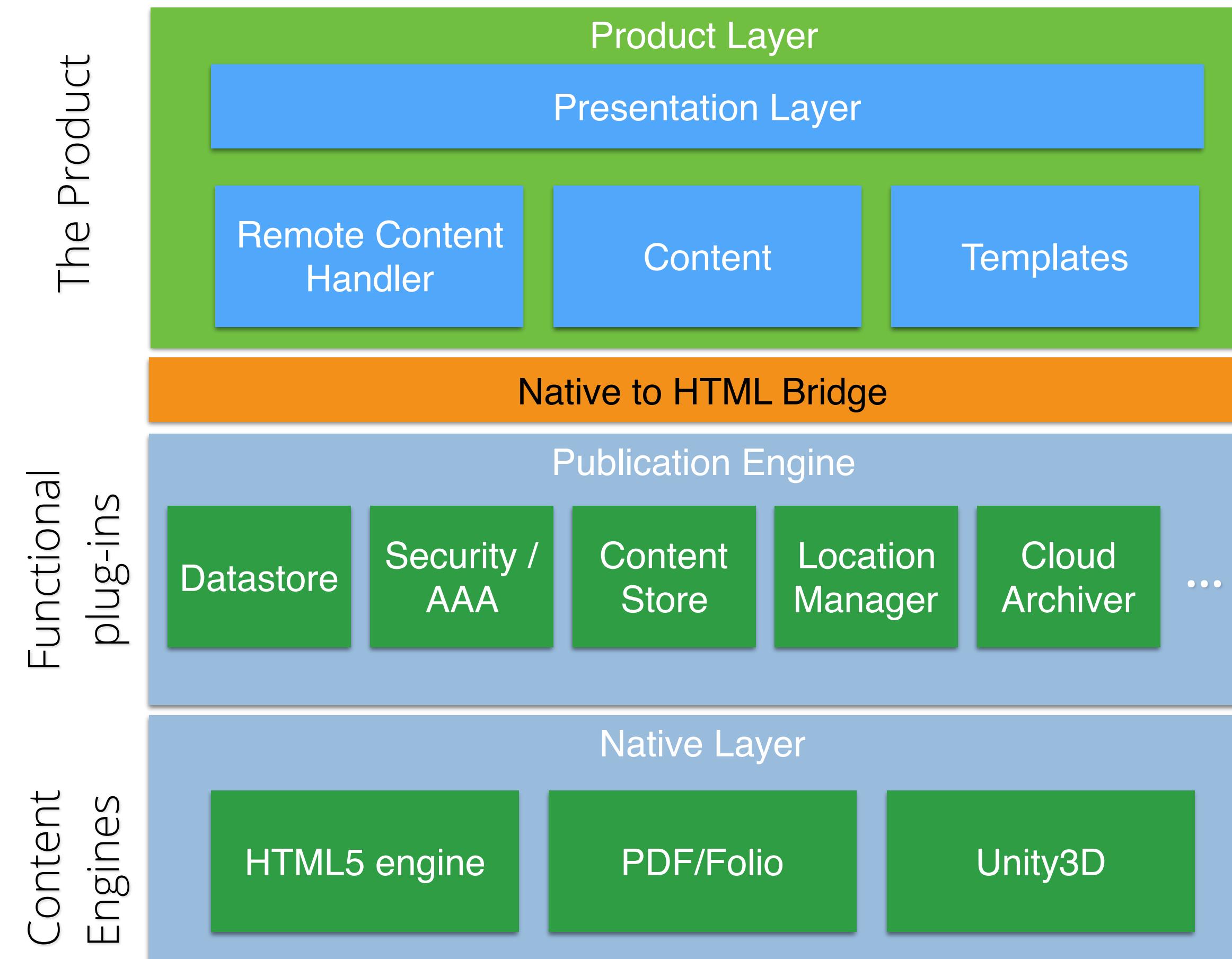
Our journey



Something we have in the pipeline

Renovating our mobile platforms

Shallow water: fulfilling a need while shaping a new foundation



As many publishers, we have tons of digital publications each and every with its own publishing workflow, its own code-base, tracking system and ups and downs and sunday morning emergency calls.

We were spending most of our mobile budget in maintaining this mess of products sharing no part.

The Product Labs respondend to a need from one of our news directors to renovate the digital edition of our sports newspaper to define and introduce a new generalized, hybrid platform that could serve with minimum adaptation all of the other properties and work as a foundation for quickly incorporating future technologies.

It proved to be philosophically similar to the newest Apple' News App but more flexible as far as it concerns mixing multiple presentation technologies.

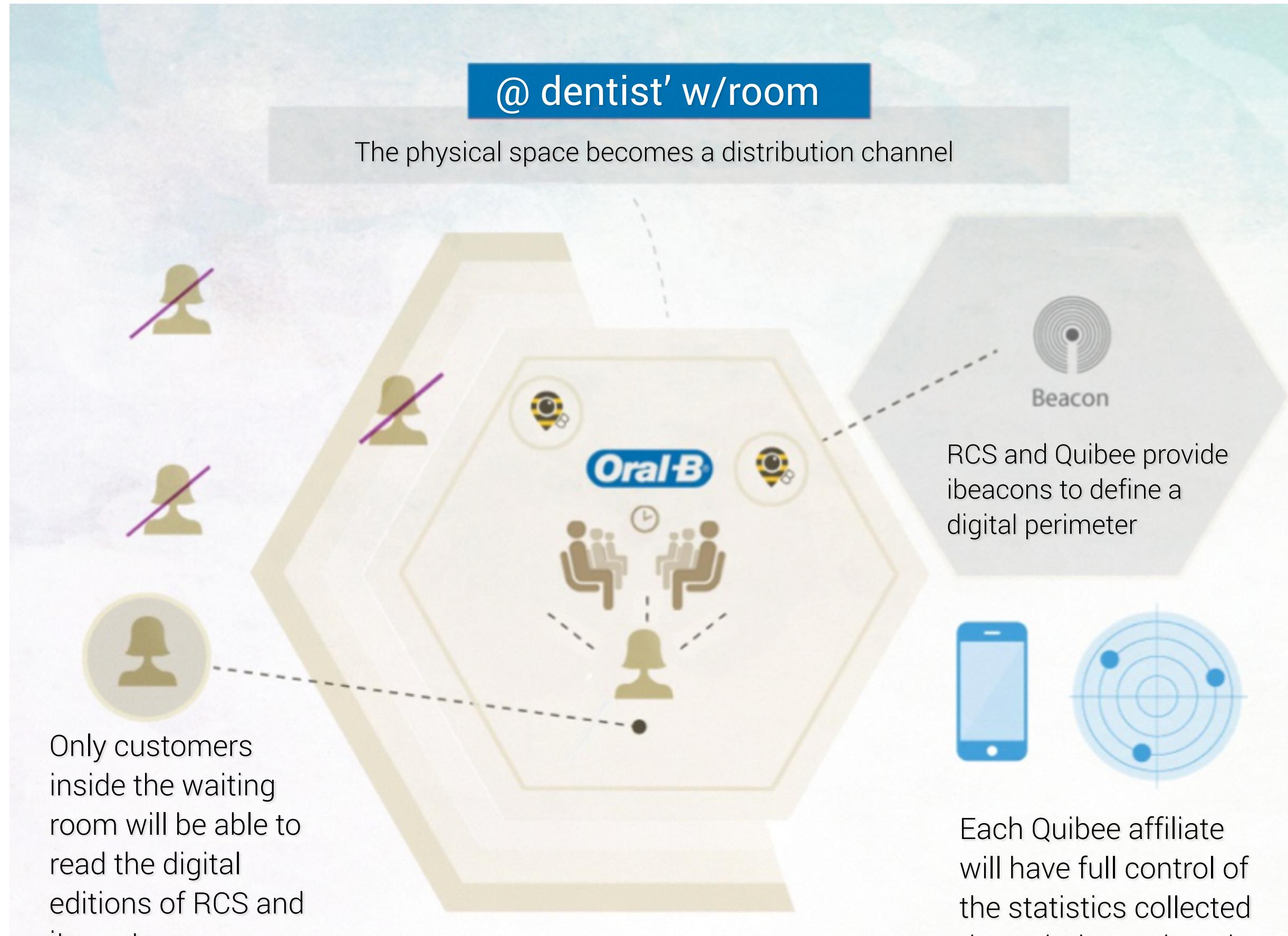
Renovating our mobile platforms

Where are we using it?



Empowering our mobile platforms

Deeper waters: Eggs and iBeacons



Since the design of the new mobile platform, we had a feeling that an opportunity was arising for our old pendrive TV enabled “wifi hotspot” idea could help in creating new reading spaces.

That was when Apple introduced the “iBeacons”, a very simple technology providing a radio beacon for mobile apps to sense. Based on the distance from this beacon, developers can trigger different app behaviors and functionalities from welcoming a customer to driving her to a specific product on the shelf.

We reduced the scope of our original project and embraced the technology to deliver “reading areas” in physical spaces wherever we saw a hot spot for our customers: waiting rooms in stations, medical centers, bars, cruise ships, beaches, underground trains... any place where we can effectively win some quality time of our users.

This enhancement to the mobile platform has been consolidated in a newco named Quibee, providing services to publishers and content providers beyond RCS across a wide selection of locations in Italy and very soon in Spain, too.

Looking ahead...

Open Ocean: “Shapeshifter”, a beacon based mobile ad network



As we introduced a platform that is capable of delivering our contents changing its face and scope by means of over-the-air configurations, hosts a framework to talk with our beacons allowing us to enable or disable features and contents based on a specific location, we decided to push the technology to the limits.

We designed a software infrastructure to implement a mobile advertising network based on beacons.

We're going to open our framework to general developers for them to integrate in their apps. Whenever a user with an enabled app on its smartphone triggers a beacon of the network, the app will check with our servers the availability of a campaign and solicit the user by means of a targeted push notification.

Should the user react, the original app will open but our framework will manage to present a completely different user interface which mimics an app from the investor.

... far ahead

Mariana Trench: Data-driven In-vehicle Infoservices

We found that

86%

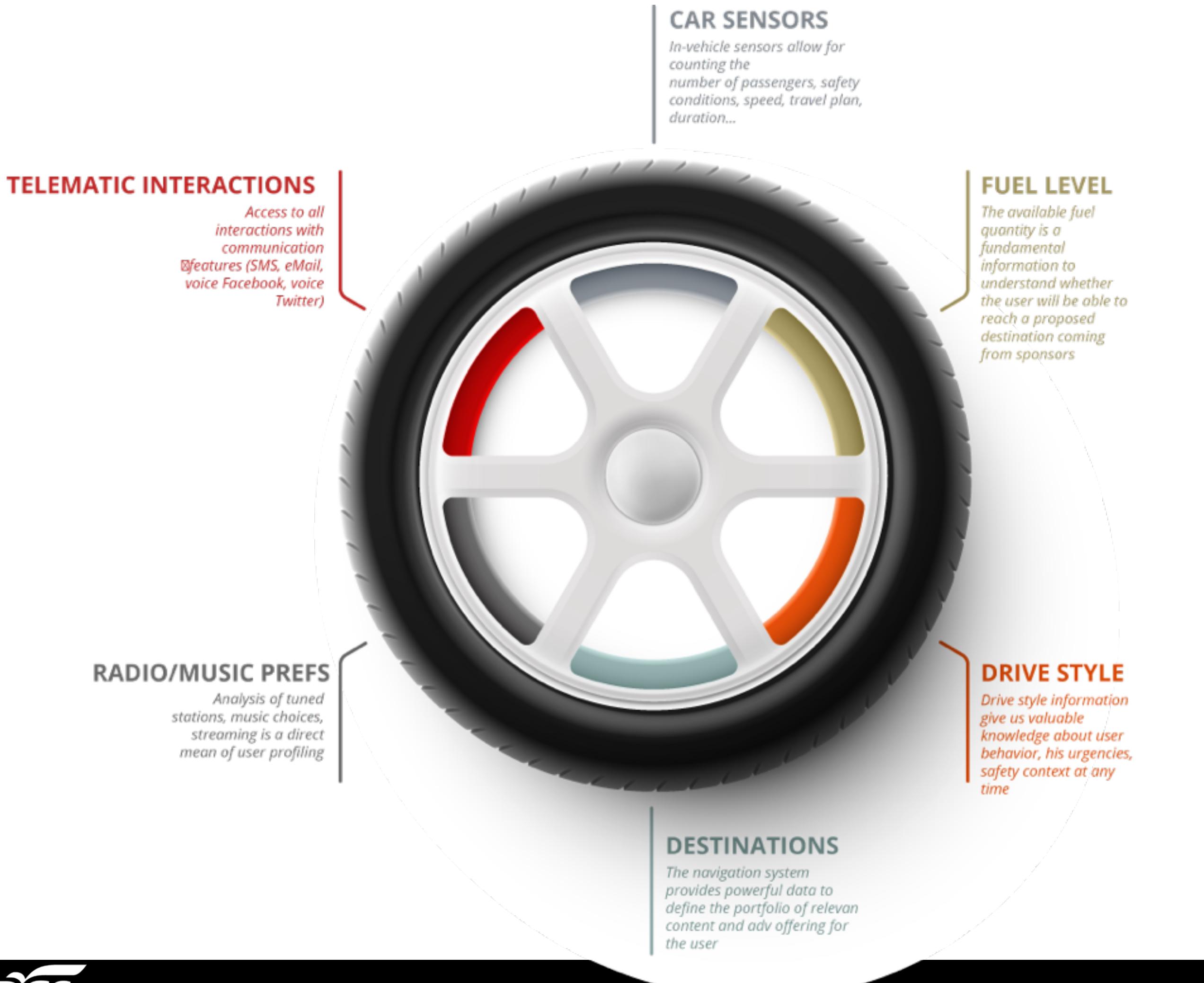
of interactions in the vehicle are about selecting contents, functions or destinations and build up a massive quantity of information regarding user tastes and habits. Integrating with the existing infotainment connected systems of modern cars allows an appropriate data model to further collect a direct and indirect mass of data that have been ignored for decades while could define a user profile in a very precise way. We compared the behavioral data a car could provide with respect to those available to the top social networks:

 60%

 30%

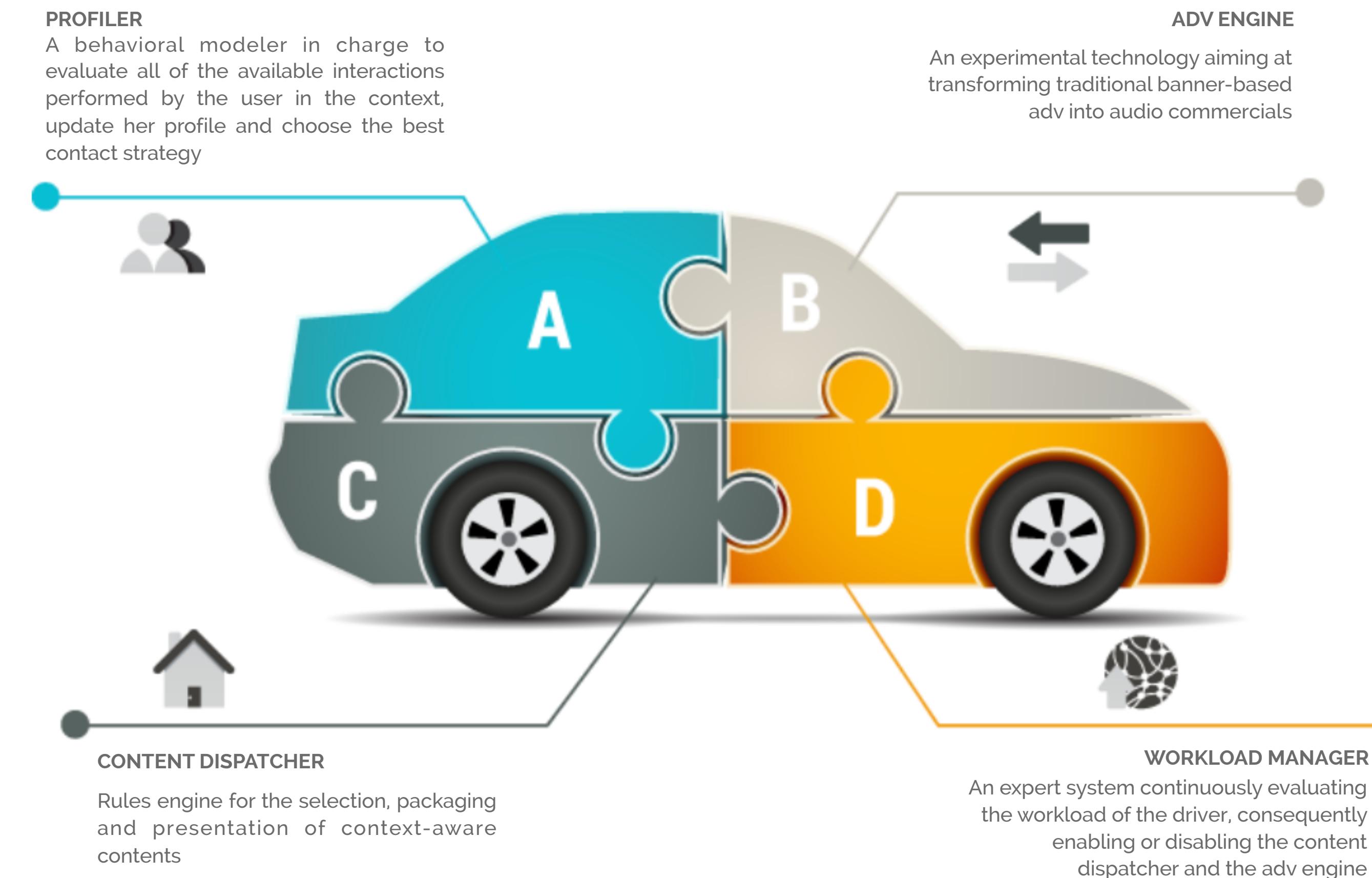
 40%

% of behavioral data available in the vehicle vs data available to social networks
(music & news)



... far ahead

The capabilities being developed



... far far ahead

Competing for quality time and context

We partnered with a premium software integration firm and a world-class automaker to design and deliver a prototype to be installed in 50 cars by Q2 2016 for a year long test drive.

The resulting platform will move from our mobile platform, born as a mere evolution of the existing technologies, to create a brand new platform fully integrated with the IVI-system provided by the car maker and capable to select the best contents, commercial offering and advertisement based on the context and the workload of the driver (to determine the form of the message that has the lesser impact on driver distraction).

The platform is designed to read the **driving context** (e.g.:understand that the user is driving since two hours without stopping along a planned course and there are two other people in the car), the **dynamic context** (e.g.: sense that the fuel is low), the **imminent context** (e.g.: the driver is about to stop by an X Brand gas station), elaborate on these info and **propose a deal** on behalf of a commercial partner (e.g.: invite the user to continue for one km, stop by a Brand Y gas station to get 5% more discount, 15 loyalty points and three free coffees).





Thanks for your attention

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