DIGITAL REVOLUTION

DIGITAL ADVERTISING & PUBLISHING TRENDS

The Croatian Association of Digital Publishers (HUDI) has prepared a study that provides the key insights obtained from interviews with relevant experts from the digital advertising and publishing industry, all of whom are HUDI members, and which will have a significant impact on shaping the future digital landscape. The study addresses the following three main subjects:

1. **Digital subscription**
2. **Advertising and new technologies**
3. **Digital content and formats**

Research methodology: For the purposes of this study, qualitative research was carried out using the method of in-depth interviews with relevant experts in the field of digital advertising and publishing. Each expert contributed from their particular area of expertise during these interviews, creating a comprehensive picture of the challenges, objectives, plans, and expectations of those who will significantly shape digital media and advertising in the future. This research provides a better understanding of the key factors that will influence the evolution of the digital media space.

INTRODUCTION

The digital transformation, which has been in full swing for several years, is constantly altering the way we access information, consume content, and interact with brands. In this context, digital subscriptions, smart advertising, new technologies, and digital content and formats are among the key topics shaping the future of digital publishing in Croatia. **This report is the result of in-depth interviews with leading experts in the field of digital publishing in Croatia, and its goal is to understand how digital publishing trends will develop, as well as how global trends will affect the Croatian market.**

Digital subscriptions have grown in importance as a source of funding for many digital media platforms. High-quality content and boosting reader engagement are the default goals of digital subscriptions, which also have the potential to bring publishers recurring revenue. The evolution of digital subscriptions in Croatia is also examined in this report, along with the main challenges and possibilities that lie ahead, as well as how subscriptions will influence the media landscape going forward. It is interesting to see how other Croatian media players, such as those who did not launch digital subscriptions, but are

nonetheless frequent users or observers, perceive this business model in comparison to the publishers that introduced it two years ago. **Is digital subscription a successful business model? This is just one of the questions answered by the experts during the interview.**

Smart advertising, enabled by technological and data advancements, enables targeted advertising that increases efficiency and provides a better user experience. The report also discusses how smart advertising is being integrated into the Croatian media industry, as well as how advertising strategies will evolve in light of digital transformation. This primarily refers to the changes that will be implemented in the near future in terms of phasing out third-party cookies. How will publishers cope with these changes, new law regulations, and adjustments? **Will the success and effectiveness of advertising be gauged by new metrics? In the near future, will everyone involved in the digital media landscape need to adjust and continuously learn new things?**

Furthermore, the potential emergence of new metrics to measure advertising performance and effectiveness has been investigated, as well as the ways in which the near future will require all stakeholders in the digital media scene to adapt their strategies. What is also looked at is **how to**

deal with challenges, such as competition with Big Tech like Facebook and Google, that attract a sizable portion of advertising budgets.

For publishers and marketers, emerging technologies such as augmented reality (AR), virtual reality (VR), 5G networks and AI (artificial intelligence) bring both new opportunities and challenges. The unavoidable topics refer to how new technologies are applied in Croatian digital publishing and what impact they will have on the media industry's future.

Content remains at the heart of digital media, and the quality and relevance of content are critical to attracting and retaining audiences. How are Croatian publishers adapting to changes and reader needs; how do they intend to create appealing and relevant digital content that will first attract and then hold users' attention, which is a prerequisite for monetization either via advertising or subscription.

Against a backdrop of rapidly advancing technology and worldwide changes in the media landscape, this report provides in-depth insights into the current state of affairs and prospects for digital publishing in Croatia. It has been examined through

interviews with top industry experts how the digital media landscape will develop over the next several years and how global trends will influence local strategy development.

Tatjana Rajković, Consumer Insight Lead, Kabinet 3C, HUDI member

KEY INSIGHT:

THE PROFESSION AGREES - QUALITY GROWTH REQUIRED IN ALL SEGMENTS

In the world of media, publishing, and advertising, it is necessary to go back to the core values such as achieving high quality in all segments as well as to return to the fundamental values of informing and creating content that include verified information and a relevant source. Quality is both an old and new buzzword.

Experts in media and publishing believe that improving quality at all levels is critical for growth and development for several reasons:

Increased user awareness: Users are becoming more aware of the value of trustworthy and high-quality information. They are looking for sources that provide them with relevant and verified information, given the vast amount of information available on the internet. This means

that high-quality content becomes a decisive factor for attracting and retaining an audience.

Lack of time: In today's fast-paced world, users frequently lack the time to search multiple sources and verify information. As a result, they will turn to brands and sources that they perceive to be trustworthy, saving them time by providing high-quality content.

Trust as a key component: Trust between the brand and the user becomes critical. Users will prefer brands that are transparent, ethically responsible, and provide high-quality content. Trust cannot be built through sensationalism and clickable headlines, but rather through the consistent delivery of valuable and useful information.

Relevance and personalization: Users expect content that is tailored to their specific interests and needs. These preferences will be taken into consideration in high-quality content, which will personalize the information to be pertinent to each user.

Professional ethics: Media experts understand that sensationalism and clickbait headlines can harm a brand's reputation and the media's standing, as well as erode users' trust in the long run.

WHAT IS
QUALITY?

QUALITY IS REALLY DETERMINED BY QUALITY PERCEPTION, OR HOW USERS PERCEIVE IT AND EXPERIENCE ITS EFFECTS, RATHER THAN JUST BY WHAT WE DEFINE OR DESCRIBE AS QUALITY.

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TRENDS IN THE DIGITAL PUBLISHING AND MEDIA SCENE IN CROATIA

QUALITY: The fundamental pillar for the continued development of all segments of digital publishing, media, and advertising

RETURN TO THE CORE VALUES OF ORIGINAL JOURNALISM, which include relevant, high-quality and verified information

A GENUINE DESIRE AND NEED TO UNDERSTAND ONE'S OWN USERS and adapt to their needs and the manner in which they consume content, all while providing a high-quality user experience

FURTHER DEVELOPMENT OF FORMAT: FORMAT EVOLUTION

- **DIGITAL SUBSCRIPTION** as a form of high-quality and personalized content
- **VIDEO FORMATS:** from short to long format while adapting to technological advances and target users' preferred manner of content consumption
- **FROM VIDEO PODCASTS TO AUDIO PODCASTS:** Hybrid formats that adapt to the user, particularly the younger generation (Gen Z)
- **NATIVE:** better, higher quality, more relevant

ARTIFICIAL INTELLIGENCE (AI): "GAME CHANGER" - a tool, not a replacement

SMART ADVERTISING – focus on transparency and authenticity so that each advertiser can find their own voice and connect with their target audience

COOPERATION OF PROFESSIONAL EXPERTS WITH A UNIQUE GOAL - Fragmentation reduction and collaboration have become essential.

MEDIA TRANSFORMATION IN CROATIA: NAVIGATING GLOBAL TRENDS

Globally, the media faces multiple challenges, including how to retain its aging existing audience while also capturing the attention and engagement of younger generations of viewers, listeners, and readers. The media in Croatia faces similar challenges in terms of retaining loyal users and attracting new audiences.

Global indicators show that some Big Tech platforms, like Facebook and Twitter, are also having trouble retaining users. At the same time, Tik Tok is rapidly expanding and, like Instagram, it caters to a younger demographic. It is evident that younger generations consume news in a fundamentally different way than older generations do, and this is also true for news consumption.

Last to perish is hope!
There is a sense of optimism in the Croatian digital media market, based on the belief that young people will recognize the value of the "classic" way of informing in the next stage of their lives. They are expected to seek out authentic, verified, and high-quality news portals as a source of regular information.

Even though young people are currently drawn to quick and superficial information sources like social media and quick news, as they get older and realize the value of high-quality information, they might develop a preference for a more in-depth, comprehensive source of information.

Expectations from "classic" news portals

It is anticipated that young people will gravitate toward consuming content that provides verified information and high-quality journalistic research in the next stage of their lives. "Classic" news portals can gain appeal due to their relevance, credibility, and ability to present an overall picture since they prioritize thorough research and professional standards.

Access to high-quality content

News portals will need to modify their approach in order to attract younger audiences. Apart from offering authenticated information, it will be crucial to deliver content in a manner that satisfies the requirements of contemporary users. This includes creative approaches to news presentation, interactive features, visual stories, and a format that is easily accessed and adjusted for the digital environment.

Overcoming challenges

Despite hopes of switching to "classic" news portals, there are certain challenges. There is still competition, information overload, and the struggle for attention. It is difficult for "classic" news portals to stand out due to the continued dominance of digital media and quick informing.

"Articles and images will never vanish. Reading becomes more appealing to young people as they mature. For them, we produce engaging digital audiovisual formats, podcasts, and audiovisual works that are catered to their preferences for content consumption. There's no reason for us to have both free and paid content in that segment."

Zoran Turković
CEO @ 24sata

"Highly complex concepts cannot be explained in an extremely simple manner; sometimes extra effort is required. However, just as you must read a book to understand something, a quick glance at the book summary isn't going to cut it. I believe that as they get older, they'll eventually alter their habits, start consuming media, and seek out more information."

Stipe Grubišić
Chief Digital Officer @ HANZA MEDIA d.o.o.

"The consumption of news and portals will not cease; rather, consumption will shift to different platforms. We now have our own Tik Tok channel, and we were initially sceptical that young people would be interested in the news and what was going on. But it's a big hit for us, with millions of views. The manner in which we present the news and the selection of news via a specific platform where they are active is critical. I believe that when
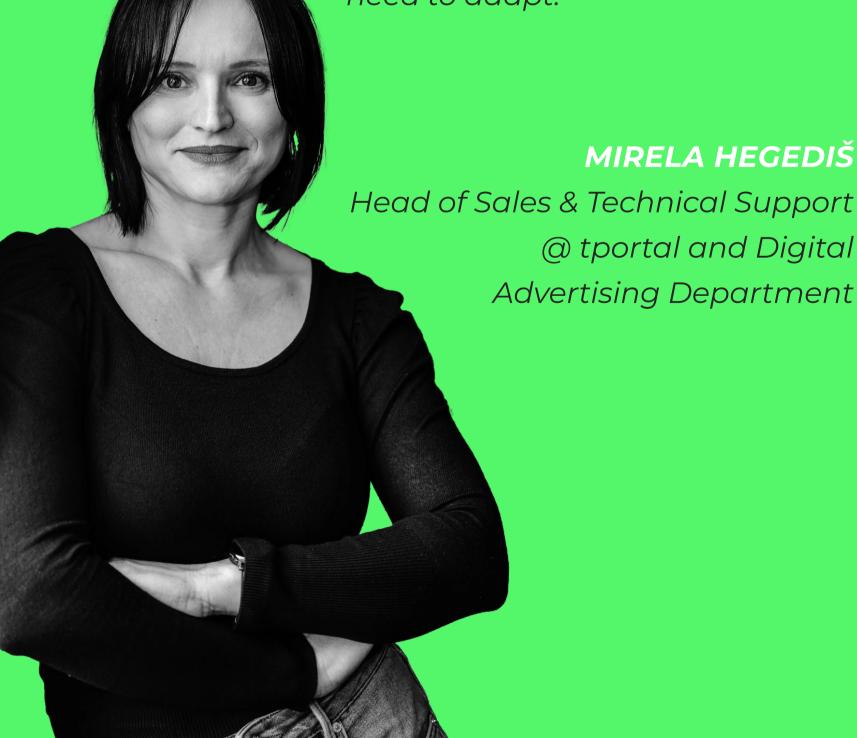
young people reach a mature age, in about ten years, they will read and follow the news. It is unclear whether it will be through a portal or some new platforms, but the essence of content consumption, searching for information, will remain unchanged. The only thing that will change is the manner in which the content is consumed."

Andrea Kučiš
Head of Digital Marketing @ Nova TV

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I am optimistic because I believe that the vast amount of knowledge and access to information available to us will encourage future generations to also adopt and question it, as well as develop critical thinking skills. Today's generations are constantly "plugged in" throughout the day, which has advantages and disadvantages. They must exercise extreme caution to avoid falling prey to questionable sources. Nonetheless, I believe the New York Times serves as a model for those seeking to become legitimate, full-fledged members of the media. It's all about image, and that's the direction I want it to go. I hope the things you take in, read and share will have significance. There will always be a critical mass of readers for whom quality will be the deciding factor, but we in the media will also need to adapt.

MIRELA HEGEDIŠ
Head of Sales & Technical Support @ tportal and Digital Advertising Department

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The New York Times has been a convincing market winner in America for 120 years, both in terms of readership and advertising. Of course, they have changed a lot, and they are now the winners in media digitalization, both in America and globally. Of course, the methods and channels for reaching people are changing, but the notion that the media can attract younger people under the age of 25, 20 is completely false. I believe it is far more important for the media to be ready and relevant when these generations reach the age when our content will be important to them.

MIRAN PAVIĆ
Founder & CEO
@ Telegram
Media Group

WITH ALL OF OUR BEST WISHES, IS IT FEASIBLE TO ACHIEVE HIGH QUALITY IN MASS MEDIA IN OUR MARKET?

The aim is to achieve high-quality content. However, the question is whether there are adequate capacities among experts in the mass media who are capable of producing this level of quality. Or high quality is reserved for niche media only or for the content that is specific and narrowly focused. It is reasonable to question who is currently impeding the mass media to produce high-quality output. Despite good intentions, it remains challenging to determine whether an exceptional level of quality can truly be attained in our mass media market. And whether it can be done on an ongoing basis.

This raises the question: Is the business model or the pressure of rapid publication and competition for user attention within mass media actually an obstacle to authentic journalistic research and producing top-notch content?

"First and foremost, the method by which the portal's success is assessed. About ten years ago, portals competed to come up with a better clickbait title for the same topic. Experience has taught us that an entry does not always equate to a quality click, and being a loyal user is still a long way off, which should be our ultimate goal. To achieve the desired growth of the portal, we have all resorted to tricks, sometimes sacrificing quality. Today, it is critical to measure quality, which includes the amount of time users spend on your platforms and how many times they return to your portal that day. We follow them to determine the degree of trust they placed in us."

Matej Lončarić
Chief Digital Officer @ CME Adria

"Having high-quality content for a wide audience is a prerequisite for continuously maintaining the majority of users' perception of high-quality, which I believe is very difficult to achieve in a small market like the Republic of Croatia given the necessary resources and the situation with human resources. We do not currently have such a combination that meets the perception of high quality within the mainstream framework of the market, but some smaller, niche media appear to have a slightly higher quality perception. However, in the era of mass production, maintaining a high level of quality is extremely difficult, and today's media must frequently choose between consolidation and mainstream, accepting all of the risks that each of

these strategies entails. This holds true not only for the Republic of Croatia, but also for other markets, particularly those with language barriers. I believe it is critical to strategically determine the position in which the media wishes to be, because this changes the quality parameters, which are not the same if we compare a small blog from Lika to a large national mainstream media. Once you have determined which position you want to hold, all you have to do is pay attention to what that specific audience wants ."

Ivan Pleše
Co-Founder @ Adtech Lab

"In my opinion, the effectiveness of advertising determines its quality. Advertising that positively affects a brand, in terms of sales, interest, or perception is considered to be of high quality. Digital advertising offers several comparative advantages that can be used to achieve these objectives.These mainly relate to the ability of advertising to be tailored to the preferences and behaviour of specific consumers or consumer groups, a wide range of creative possibilities, the ability to communicate with customers when they are actively in need of a good or service, the ability to provide prompt feedback on the efficiency of communication, and the potential for easy adaptation."

Ante Šalinović
Director of Media and
Advertising Research @ Ipsos

"We need more investigative journalists who can create unique content, but investigative journalism is expensive. More resources are freed up to invest in investigative journalism when the business model is well-organized. A good investigative story can take two weeks, if not a month. Time, knowledge, and experience are required when working on a story that will have an impact on society. If publishers cannot afford to assign one person to work on a single story for a month, there will be no such thing as unique content."

Zoran Turković
CEO @ 24sata

CHALLENGES ASSOCIATED WITH A LACK OF USER ATTENTION IN DIGITAL MEDIA: THE STRUGGLE FOR AN ENGAGED USER

Digital media has become the main platform for communication, entertainment and information. However, the media is facing the challenge of growing lack of audience attention. All participants in the digital scene - from users, advertisers to content creators - are competing for the users' valuable attention. Despite the promises of high-quality content, we are faced with a growing amount of information and an increasingly fast-paced lifestyle, which puts pressure on user engagement.

Increased competition and human attention limitations

In the digital space, increased competition leads to information overload. Users are bombarded with options and content, and their attention is constantly tested. Human attention limitations become a clear impediment, as even the best

Digital media has become the main platform for communication, entertainment and information. However, the media is facing the challenge of growing lack of audience attention. All participants in the digital scene - from users, advertisers to content creators - are competing for the users' valuable attention. Despite the promises of high-quality content, we are faced with a growing amount of information and an increasingly fast-paced lifestyle, which puts pressure on user engagement.

Dispersion of advertising and lack of focus

Advertisers and brands often turn to "capturing" users across all possible channels, rather than directing them to specific platforms where high-quality content could stand out. This dispersion leads to fragmentation of the users' attention and makes it difficult to focus on relevant content.

Promises of high-quality content

Although the profession frequently makes reference to the assurance of high-quality content as a means of winning users' hearts and minds, there is a lack of clear strategy on how to achieve this goal. There is a lack of understanding of how high-quality content alone may suffice, when the user experience is cluttered by information from various platforms. The challenge is to define quality in the eyes of users across various formats,

products, and services.

Lack of a clear strategy and solution
There is currently a lack of a clear strategy for effectively addressing the challenges of decline in attention spans in digital media. In a competitive environment, promises of high-quality content are insufficient if there are no specific guidelines for what that content is and how it will reach the target audience.

"When it comes to attention, whatever achieves some kind of cognitive and emotional connection with the consumer wins."

Miran Pavić
Founder & CEO @ Telegram Media Group

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The level of superficiality will rise. On the internet, there is far too much of everything. It is now up to each individual to decide what they want, and it is our responsibility as media to provide them with the highest quality and most relevant content. Users are the most important because without them, there would be no us, Google, Meta, and so on. And we, as publishers and media companies, create content for users. And this is the most significant distinction: we are not only a platform, but also a content generator. In the end, we are all part of a symbiotic relationship. We do, however, constantly seek new solutions and make adjustments. More user-specific adaptation is expected.

ANDREA KUČIŠ
*Head of Digital Marketing
@ Nova TV*

DIGITAL SUBSCRIPTION IN CROATIA: TWO YEARS LATER!

The development of digital subscription models is still being invested in. Publishers that use the digital subscription model as a supplementary revenue stream are content with what has been achieved and are unanimous in their assessment that it is a successful business model with plenty of room for growth and that they intend to pursue it further.

A detailed evaluation of subscription business model's performance provides clear indications of the satisfaction of those publishers that made the decision to start with subscriptions to their content a little over two years ago. With this business decision, they promised their subscribers to provide them with extremely high-quality content on a daily basis. They promised a unique experience, personalized content, and that their content would be worth the investment.

"We value digital subscriptions both strategically and financially. Subscriptions are increasing, but converting readers into subscribers is a long-term struggle. I believe Telegram is heading in the right direction because we create premium content that must be paid for. Some steps in developing a digital subscription business model are difficult to avoid. It is necessary to test, and even to fail several times, collect high-quality data, try again, and change models in order to accommodate the reader. In many ways, digital subscription is e-commerce. The readers themselves are diverse, with various reasons for visiting the portal, and it is our responsibility to adapt to each of them and facilitate the path from reader to subscriber, including numerous technical steps, all the way to the content that is crucial. Lastly, we are talking about the user experience, which encompasses design, UX, the cover, column layout, images, etc. Thus, we have a slight obsession with it."

Miran Pavić
Founder & CEO @ Telegram Media Group

Although the development of subscription model is still ongoing, publishers see it as a potential additional revenue stream for funding investigative journalism - a time-consuming, costly and resource-intensive endeavour. It seems that the publishers will stick to their

subscription business policies based on the premise that content should and must be paid for, even though at first they were cautious in their plans and did not have high expectations in terms of the number of subscribers.

However, a growing number of platforms in the business environment charge for their content. These are mostly platforms that provide entertainment content, like Netflix, HBO, Apple TV, Apple Music, Spotify, and so on.
It is true that users have realized that the services of various platforms are charged, but the question remains as to whom they are willing to allocate their own funds, and, on the other hand, if they are able to devote their attention, time, and even money to various media content.
It is clear that user attention spans are shrinking, that there is less time to gain attention, and as a result, subscription models encounter an increasing number of challenges in their path.

According to the statements of the leaders of digital publishers, high-quality content that is tailored to the needs and preferences of their users is a key component of their subscription models. However, whether their subscribers recognize this value, whether they intend to renew their subscriptions, and how frequently they use the subscription service to gauge their perception of value for money remain open questions.

"We saw the digital subscription as an additional source of income rather than a primary source of funding for our activity. At the same time, we see it as an opportunity to improve the quality and attract users who might not have been attracted otherwise."

Stipe Grubišić
Chief Digital Officer @ HANZA MEDIA d.o.o.

"Digital subscription is still a challenging area. On the publisher's side, there is a lot of work going on behind the scenes that the end user does not see or is unaware of the necessary investment. We must all continue to invest in our platform, our content, and our relationships with customers, because I believe we have a competitive advantage as media because we bring content from people's real lives. Additional work awaits us on the user experience front, as users' expectations are rising, and the starting point is large technological platforms. So it is critical to invest more, spend more time, and change the entire mindset so that users understand that the content is not free. On the other hand, we must not take our users for granted and instead provide them with a high-quality experience in addition to the content."

Vanja Prahić
Director of Digital Performance
and Development @ 24sata

In terms of digital subscriptions to 24sata, we now have approximately 6,000 subscribers. All of the other publishers, I believe, are around those figures. We have 5,000-10,000 subscribers after less than two years, and we expect to have 8,000-9,000 by the end of this year. However, the trend is evident, the market is progressively growing accustomed to it, users are aware that content cannot be provided for free, and people are willing to pay for the content they find interesting. Therefore, we think that in Croatia, it will become the standard.

ZORAN TURKOVIĆ
CEO @ 24sata

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We introduced digital subscriptions two years ago, and we keep a close eye on what users read to target content to particular audiences with interests in particular subjects. Not everything is meant for everyone anymore. In the past, we used to be preoccupied with page views, clicks, and chasing users in the industry, but these days, our top priorities are our subscribers' happiness and satisfaction, and that they follow the content that interests them while consuming our news. Both subscription and AI will provide an opportunity to return to the basics of journalism, which is a serious analysis of some topics and a serious introduction of the population to some topics in which they are not even aware they are interested.

Croatia is a very interesting digital market that refuses to acknowledge it. We have the largest digital market in the Balkans (geographically) in relation to population.

STIPE GRUBIŠIĆ
Chief Digital Officer
@ HANZA MEDIA d.o.o.

Publishers that offer digital subscriptions have stated that they are confident in the model's success and anticipate an increase in the number of subscribers. The key question, however, is what the plans for this growth are based on. Is it user-centric content, high-quality content, columns, analytics, or the introduction of bundled services that are seen as future growth opportunities? Regardless of the strategy chosen, it is evident that today a "customer centric" approach is used in its purest form, and that the main problem going forward will be figuring out what makes each publisher special and what the customer is willing to pay for.

Opinions on the success of the digital subscription model are divided!

Other actors in the media industry are more sceptical of the digital subscription model. Their impression differs; they believe that publishers expected higher subscriber numbers. The current state of the "news" portal market is marked by fragmentation since users frequently visit multiple portals, causing audiences to overlap. Furthermore, the digital subscription has become an expression of brand support and loyalty. The question of the maximum number of subscribers that each digital portal can have arises, given the previously mentioned user overlap (users read and follow a greater number of portals). Users do, however, have

multiple subscriptions to various contents active at the same time. Considering economic uncertainty and inflation, users may find themselves in a situation where they must cut costs and decide which subscriptions to keep and which to cancel. In this context, there is some concern that when it comes to personal consumption, the decision will favour subscriptions to entertainment rather than subscriptions to news portals.

Key factors that may influence subscription decisions in the future include:

Differentiation: Users will be enticed to subscribe if the content provides something special and unique.

High quality: Subscribers will seek high-quality content that is cost-effective.

Carefully selected content: Subscribers will value carefully selected information or materials tailored to their specific interests.

Exclusivity: Subscribers will be more interested in offers that provide them with exclusive access to information or content.

A strong brand: Attracting subscribers is largely dependent on their perception of the brand's quality, reliability, and positive user experience.

ADVERTISING AND NEW TECHNOLOGIES

What happens after third-party cookies are disabled? Those who did not begin preparing for the changes sooner are already far behind, as the elimination of third-party cookies will present numerous challenges to traditional digital media.

The days of using a single click to choose the desired target and segment the market on the platforms are coming to an end. Everyone is aware that the accuracy of advertising campaigns is decreasing. Big Tech companies, such as Google, Facebook, and Amazon, have an advantage because they already have large user bases and can be precise even without third-party cookies. And as a result, all of this may influence an even larger overflow of advertising funds in their direction.

In our region, there is a pronounced emphasis on Google and Facebook, but Amazon is frequently overlooked. However, recent announcements from Amazon suggest that they have grand ambitions to dominate the European advertising market.

"We can expect an earthquake if cookies are phased out, but digital advertising will not disappear. What will happen is that advertisers or the ecosystem will no longer be able to target a user based on what that user did in a previous step, a practise known as "retargeting". Retargeting is the foundation for smarter user targeting and the foundation upon which other things are now being built. There is no precise retargeting if "cookies" are not present."

Petar Pavić
Strategic Consultant for Digital Media
and Co-Founder @ S.T.A.R. Digital Group

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"The initial effect of the third-party cookie elimination is the inability to synchronise advertiser and publisher data with the current display of ads on some individual portal, implying a reduction in campaign effectiveness. It is natural to expect advertisers to be less willing to pay for campaigns as campaign effectiveness declines. We need to figure out how to bridge it."

Mario Ivić
Co-Founder and Director @ Midas Network

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It is critical to build your own ecosystem and strengthen first-party data!

In order to keep their relevance and competitiveness

in the new environment, the media will need to be creative and proactive.

Building one's own ecosystem and strengthening first-party data, as well as diversifying sources of income through new business models, can be critical to the media's financial stability.

"DMP platforms are critical components wherein publishers must deal with their first-party data and store, sort, and segment it in order to work directly for their advertiser and achieve the best campaign results for them."

Mario Ivić
Co-Founder and Director @ Midas Network

"After the cookies are disabled, it will be important where you are in the value chain. If you are an advertiser, you gradually realise that your previous targeting may be less effective, but that data will remain important in any case, and that you will have to invest significantly more in the use and collection of your data on potential or existing users. That is the definition of "first-party data."

Petar Pavić
Strategic Consultant for Digital Media
and Co-Founder @ S.T.A.R. Digital Group

"Publishers who choose not to use data management platforms may see a large decline in revenue. Financial losses in both direct sales and programmatic advertising. Nonetheless, I would assert that the majority of Croatian publishers either use DMP (Data Management Platform) already or plan to do so by the end of the year. By using DMP, "first-party cookies" data on segments and users are obtained, which is then used to improve campaign results, allowing publishers to keep their current income while also creating conditions for future income growth."

Zoran Turković
CEO @ 24sata

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Through interactive communication, media can gain deeper insights about their users and use this information to create personalized campaigns. The media should be prepared to adapt to new market realities and carve out a place for themselves in the expanding field of digital media.
Traditional approaches to advertising and monetization must rapidly adapt to new challenges. With the right tools, strategies, and collaborations, media organizations can survive and thrive in the fast-paced digital landscape rather than just being passive bystanders to change.

AND WHAT ARE THE POSSIBLE SURVIVAL STRATEGIES?

"Commerce media" appears to be an industry trend in which publishers connect with e-commerce, and this is then a fusion, i.e. first-party data on the basis of which further sales and targeting e-commerce are made. In international markets, this is already a noticeable trend. The term "retail media" refers to retailers' efforts to offer ads to third-party advertisers in addition to their products, whereas "commerce media" refers to publishers adding an offer to their inventory, which becomes "e-commerce." This is a trend, and there was plenty of talk about it at this year's DMEXCO event. Publishers now have information on user purchase intent based on first-party data in addition to sales, something they did not previously have. That explains why the industry has been so stirred by it. According to estimates, "commerce media" will account for roughly 25% of publisher revenue in the upcoming years. First-party data will undoubtedly win, but enrichment through the fusion with e-commerce might be required."

Mario Ivić
Co-Founder and Director @ Midas Network

"If the cookies vanish and no substitute appears, that may not be such bad news. Because data, i.e. personal data of users, will be used less in advertising and more emphasis will be placed on media, i.e. contextual advertising."
"In our country, some media have been working on managing their user data for a number of years, offering it to the market, advertisers, etc. Furthermore, a few of these models are better than others. Positive trends are evident, and our media—even more so than advertisers—has begun to move in that direction."

Petar Pavić
Strategic Consultant for Digital Media
and Co-Founder @ S.T.A.R. Digital Group

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In terms of metrics, there is a misconception that everything can be measured because it is digital. The truth is that there is a lot of data, but whether or not it is accurate is up for debate. This frequently boils down to whether or not someone clicked on something and purchased it. And we all know that marketing isn't that easy. In addition to all of this, metrics are evolving; many in the industry believe we are entering the era of so-called "attention metrics".

PETAR PAVIĆ
Strategic Consultant for Digital Media and Co-Founder @ S.T.A.R. Digital Group

" Metrics are already distinguishable from other forms of media. Less emphasis is placed on the message's reach and number of repetitions, and more emphasis is placed on its direct effect and measuring the attention it elicits. These metrics are much more in line with the criteria of advertising efficiency and message personalization. I believe they will evolve further.

ANTE ŠALINOVIĆ

Director of Media
and Advertising
Research @ Ipsos

AdTech – Smart advertising

Smart advertising, often referred to as AdTech (advertising technology), is the use of technological innovation, data, and automation to improve the effectiveness, targeting, and optimization of advertising on digital platforms.

AdTech refers to a wide range of technological tools, platforms, and strategies that assist marketers in better understanding audiences, monitoring advertising performance, and optimizing campaigns to achieve desired results.

It is AdTech, or smart advertising, that has the potential to play a significant role in the transformation of advertising by enabling marketers to make better use of digital channels and adapt to changing market and audience demands. AdTech enables more efficient and relevant advertising in the digital environment by combining technology, data, and marketing knowledge.

It seems that advertisers themselves, as well as media professionals and digital publishers, need to learn more about this field. In light of the upcoming changes in the advertising market and methods of targeting users, it is likely that methods of measuring the effectiveness of advertising, as well as planning strategies and targeting end users, will be adjusted.

WHAT IS SMART ADVERTISING?

"It's something that most modern clients don't do in digital. I believe that the best order for digital/premium portal advertising is as follows: the majority of the budget should be spent on display, followed by pre-roll advertising (to raise awareness), and a little less on special projects (native). Everyone seems to have changed the way they think these days; they leave a lot of money on the internet and fail to communicate the story of their brand's values in digital."

Matej Lončarić
Chief Digital Officer @ CME Adria

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"When it comes to the media, much more care will have to be taken in the future about who the ads are shown to and what effect this has primarily on the brand. Not even so much in terms of performance. When it comes to native content marketing, we pay close attention to the viewtime on the article. It is not difficult to increase the number of article openings by using an appealing title, but if the article does not meet expectations, the user will leave quickly. The time spent on the article and specific engagement are important metrics for our advertisers."

Miran Pavić
Founder & CEO @ Telegram Media Group

Relationship with Big Tech platforms

For a number of years, there has been a competition with Big Tech platforms for users' attention and engagement. As a result, Big Tech platforms have kept a portion of marketing budgets and have not distributed them to other stakeholders in the information ecosystem, such as publishers. This situation may have a negative impact on the production of high-quality journalistic content, implying that the diversity and quality of reporting may decline.

We are running late with our negotiations. vs. It is never too late.

Considering the passage of time, it is widely believed that negotiations with Big Tech companies like Google and Facebook ought to have begun ten years ago in order to gain a stronger negotiating position and create some order and tax discipline for all market participants. There are differing perspectives among professionals regarding the ongoing negotiations.

One school of thought is sceptical, believing that they may be left with "crumbs from the table" and that it is too late to regulate the market. On the other hand, some in the profession see the current negotiations as a chance to finally regulate the market situation. This viewpoint

holds that publishers and media should join forces and collaborate to overcome fragmentation and achieve a common goal. The profession defines a common goal as better and more equitable legislative and tax policy, which necessitates regulation and transparency.

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"It seemed to me that when we first made the AdEx data public, some stakeholders in the advertising sector were taken aback by the size of a piece of the pie that goes to tech platforms. Now, the industry, particularly publishers, is taking the fight against Big Tech more seriously and is now acknowledging that they need to pull together a little bit. And that, among other things, is HUDI's role."

Mia Biberović
Editor in Chief & Director @ Netokracija,
Editor in Chief @ ShiftMag and Global Developer Content Team Leader @ Infobip

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"The positions in the digital market are very clear; the major players are well-known (if we don't know, Facebook and Google do), as are the games being played - all of this is known. The media creates content, creatives create content, and we are the ones that develop the industry. We are the ones that employ thousands of people while also funding platforms that are not called media but are in fact media. Because content is their primary business.

This is where it gets tough. Creating and enforcing regulations that ensure the money stays with us, jobs are maintained, and our market keeps expanding is our responsibility. Alongside with Google, Facebook, and others yet to come."

Matej Lončarić
Chief Digital Officer @ CME Adria

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"It's never too late to make a change in life if you're willing to try. I am confident that some things can be changed, but unfortunately we did not react quickly enough and recognise most technologies as a synergistic integration for business, instead allowing technology to control our business models today. If we had recognised in time programmatic advertising, smarter technologies for personalised communication with users and measuring its success, utilisation of user data in business development, and so on, we would be at least a little closer to the West, which uses this technology much more efficiently to control the narrative of industry development in a synergy model. The same thing is in store for us now with AI. Everyone is aware of what is coming, but the real question is whether we will remain unprepared and allow the companies in charge of these technologies to profit from our inertia once more. I bet we will."

Ivan Pleše
Co-Founder @ Adtech Lab

"The fact that we are a member of the European Union and have legal instruments is a good thing. One of the most recent is the Act on Copyright and Related Rights, which was enacted in compliance with the EU Directive on Copyright and Related Rights in the Single Digital Market.

Thanks to the EU Directive and the peculiarities of Croatian legislation that allows for the collective collection of fees, publishers, journalists, and all other digital content copyright holders will finally be able to receive at least some share of the pie from digital platforms such as Facebook, Google, and others that use that content. Because, after all, what were these technological platforms built on if not other people's content?*

MIA BIBEROVIĆ

Editor in Chief & Director @ Netokracija, Editor in Chief @ ShiftMag and Global Developer Content Team Leader @ Infobip

EVOLUTION OF DIGITAL FORMATS: TRENDS SHAPING MEDIA COMMUNICATION

Digital transformation has revolutionized the way we communicate through media. We have seen the format evolve and adapt over time to meet the needs and demands of the audience. Even though we might not be discussing entirely new formats, we can discuss enhanced and evolved formats that are shaping how we perceive media content.

Format flexibility is one of the key trends. Content formats are becoming more adaptable to the requirements of various platforms and devices. Although video remains the most popular format, changes in video formats, such as short formats for mobile devices or interactive video content, are becoming more common. **With the popularity of podcasts and audiobooks growing, audio formats are also experiencing a boom,** allowing users to consume content while engaging in other activities.

Personalization is also a crucial factor. The

customization of content to users is becoming increasingly precise as technology advances. From content recommendations to dynamic information display, **AI and algorithms evaluate user behaviour data to provide a personalized experience.**

The increasing popularity of formatting for mobile devices is another noteworthy trend. Since mobile devices are becoming more popular, formats are focusing on adapting to small screens and providing quick access. In order to draw and hold users' attention, story formats, short video clips, vertical videos, and other various formats are optimized for mobile devices.

Simultaneously, the significance of interactivity is growing. Since the audience desires interaction with content, interactive formats like quizzes, surveys, live streaming, and AR experiences are gaining traction.

New formats will continue to take shape as a result of accelerated technological advancements, setting the foundation for media communication in the future.

VIDEO - INFORMATION AND EMOTION

The greatest number of variations are anticipated in video formats, which will include the entire range from short and long versions.

PODCAST - Revolutionizing content consumption for the next generation

In order to cater to the younger demographic, audio podcasts derived from videos will be introduced as a hybrid format.

NATIVE – AUTHENTIC EXPERIENCE

While "native" is not a brand new format, it is precisely this format that can guarantee a superior user experience. It is also a format that allows publishers to demonstrate their authenticity. It is the best, but also the most difficult way to present the feel, look, and style of each and every digital publisher.

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I believe that today's young audience is predominately drawn to video. And this is something that all global trends demonstrate. Today, information processing is so much faster than in the past, and video is the fastest way to transmit information. It has a lot of content; you can get a context by watching 15 or 30 seconds of the video, whereas when it comes to an article, it takes 5-10 minutes. Attention has long been the only true currency in the media world, but there is a noticeable trend towards its fragmentation among younger audiences. Although our brain's ability to process data declines as we age, I suppose this is something that most traditional media still rely on.

IVAN PLEŠE
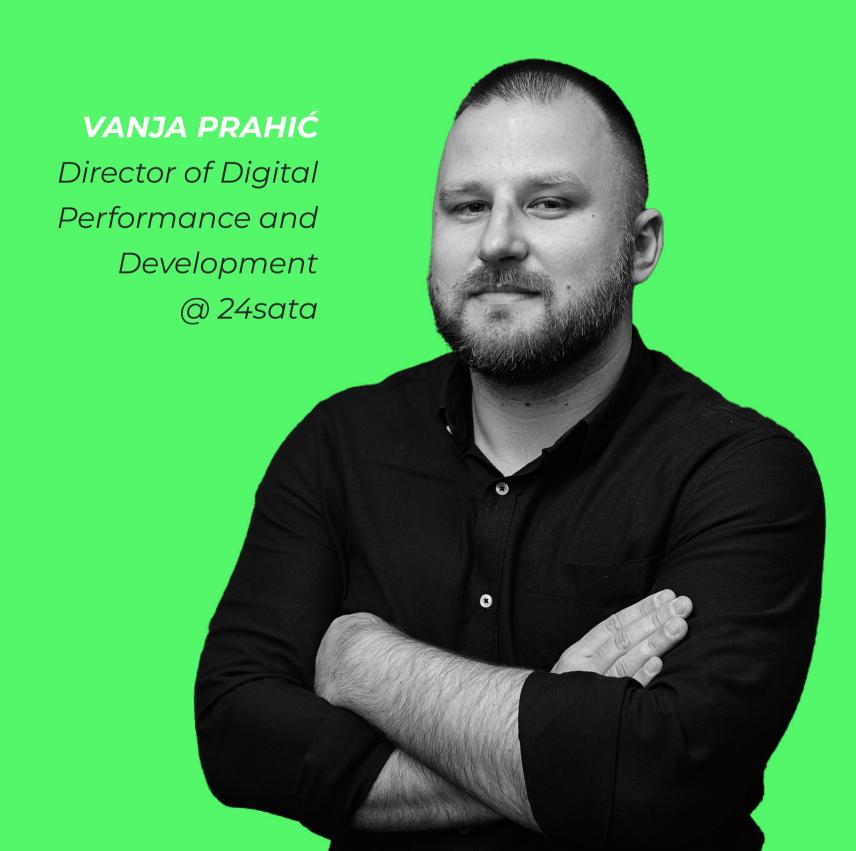*Co-Founder @ Adtech Lab*

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I believe that video will continue to dominate and grow in digital. The explanation is very simple: video always evokes an emotion in the viewer, both an immediate one and those that remain in memory, i.e. those that can be discussed, thought about, and relived later... We have been fed up with short formats for years and I would even say that we are addicted to them. They have grown in popularity as a result of social media. Long form videos, on the other hand, appear to be kicking off a revolution. Up until now, we have mostly watched them on linear televisions, in cinema format, but the trend is increasingly moving towards creating long formats primarily for digital platforms to serve as the primary display channel.

MATEJ LONČARIĆ
Chief Digital Officer
@ CME Adria

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Whether it is a vertical video posted on Instagram reels, stories, or Tik Tok, the short video has overtaken other video formats as of right now. With the help of fast internet—mainly the development of 5G technology - all technology has evolved to mirror this exact storytelling style and is now optimised for the screens of our smartphones. The real question is how to monetize the massive amount of attention and time people devote to such formats. It will be interesting to see how publishers adapt to the new social media trend and whether they can find a monetization formula.

VANJA PRAHIĆ

Director of Digital Performance and Development @ 24sata

THE FUTURE OF MEDIA AND PRODUCTION: AI AS AN ALLY, BUT WITH CAUTION

The media and production industries have never been stagnant. Technology has continuously changed this industry over the years, affecting how we work and how we consume information. In today's digital age, there is a new revolutionary step that we frequently encounter - artificial intelligence (AI). While many industry insiders recognize AI's potential to speed up and facilitate certain processes, there is some concern that AI will result in fewer people working in newsrooms and content production.

AI as an optimisation tool rather than a replacement tool

According to industry perception, there is currently a shortage of human resources in media and production, and AI will not necessarily replace these people, but will be used to speed up and optimize certain processes. Artificial intelligence is expected to take over repetitive tasks, freeing up time and resources for more creative and high-quality output. The ability to use AI tools and

quickly adjust to new technologies will be crucial. AI already plays a significant role in the background of many digital solutions today. New directions, however, point to a broader application of AI in media and production, which will significantly accelerate the processes. Experts in the field agree that artificial intelligence (AI) is a total "game changer" for how we work and live, bringing about changes we might not even be aware of right now.

"I don 't think of it as AI versus humans." Quite the opposite. The fact is that newsrooms are already understaffed; by newsrooms, I mean the entire content production process - not just for primary editions but also for social media, video, and so on. Production is under a lot of pressure to be faster, more creative, to have what others don't have, to be at the source. I believe that high-quality AI application would speed up numerous processes, such as research, and even relieve pressure on newsrooms, allowing for a greater focus on creativity."

Mirela Hegediš
Head of Sales & Technical Support
@ tportal and Digital Advertising Department

"I'm not worried about less work - just more of it. All new ventures require a new set of experts and some new transformations, as well as an additional group of people whose knowledge will be required to support the transformation process. It is a process that takes time and does not end today. Learning and applying new technologies requires perseverance, as does teaching clients, including publishers, how to use them for better business outcomes."

Matej Lončarić
Chief Digital Officer @ CME Adria

Fears and challenges

Despite its potential, AI raises some concerns in the media and advertising industries. One of the most serious concerns is the spread of "fake news" and portals that already exist to attract audiences through unverified content, and thus a portion of the advertising budget.
Fake news and poor production quality have become a source of concern, as a certain segment of content and advertising will be out of control.

Adaptation and education

The key to overcoming these challenges is proper adaptation and education. Learning how to properly use AI tools will become an essential

component of success in the media and production industries. In order to address the "fake news" issue, the profession will need to acquire the skills required for information analysis and verification. Furthermore, in order to maintain media integrity, regulation and quality standards may become even more crucial.

"Some roles will undoubtedly become less important in the future than they are now, but this is completely normal with the advancement of technology in any industry. I'm not too concerned about this. I would not limit it to journalists alone, but to the entire media production sector, which is under threat from generative AI, as well as to development teams. For example, developing a simple web widget no longer necessitates 80 man-hours from a mid-level developer, but rather a couple of hours from a senior and chatGPT. People who learn to use these tools to be faster and more efficient in repetitive and simple tasks that take a long time will advance. Likewise, people and businesses that do not use them and embrace the changes will quickly feel the effects on their P&L account."

Ivan Pleše
Co-Founder @ Adtech Lab

AI opens up exciting possibilities for the future of media and advertising. The key is to remain proactive, adapt to a rapidly changing environment, and ensure that AI is used to improve quality and speed rather than as a threat to media content's integrity and authenticity. Maintaining relevance and trust in this new era of artificial intelligence requires acting responsibly and with knowledge.

"I see AI as a tool that will help me be faster and more efficient in my work. It's challenging to watch things change in digital. We are always able to adapt. And it's fantastic that the Croatian market is keeping up with the global market. We work hard to introduce new things and to always provide the user with something new and different."

Andrea Kučiš
Head of Digital Marketing @ Nova TV

"Although AI in the media industry is not yet mature, all signs point to exponential growth and a "train" that we must board if we are to be successful in the long run. All the more so, when you consider the advantage that comes with the publisher being a part of the industry that deals with digitization, which means we have the potential of thinking strategically. If the future of media necessitates integration with data and social networks, I see opportunities for us. Although it's hard to say where it will go from here, Tportal is definitely present within the digitization framework—a trend that affects every industry because of its distinct position at the source."

Mirela Hegediš
Head of Sales & Technical Support
@ tportal and Digital Advertising Department

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I believe artificial intelligence will have a significant impact on the labour market. It may be difficult for some people at first, but in the long run, AI will result in people having more free time because AI will handle all of the exhausting tasks.

MARIO IVIĆ
*Co-Founder and Director
@ Midas Network*

TO CONCLUDE...

The rise of an empowered consumer is a result of the advancement of social media and information access, which has given consumers more power than ever before. With just a few taps on their smartphones, they can now research products, read reviews and compare prices. This newfound power has tipped the scales in favour of consumers, forcing media, advertisers, and marketers to adapt and come up with new strategies to connect with audiences.

According to everything we have heard, the pace at which digital technologies are adopted in the years to come will not be as important as how we transform and adapt our digital content to our users' dynamic and ever-changing expectations.

The efforts will be directed toward adapting to the needs of contemporary users. This will entail continuous evolution of content access, learning from user interaction, and developing strategies that enable personalization and relevance in order to attract new users and retain the existing ones. **The ability to transform will become essential for success in the digital sphere.**

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