Advocate for Quality Original Digital Content

Digital Publishing: Meeting the Future

Survey 2022

The Digital Publishing: Meeting the Future survey was carried out by the Association of Online Publishers [AOP], the UK industry body representing digital publishing companies.

The digital publishing and advertising sector has always been a fast-changing industry, as new technologies and regulatory challenges drive change and innovation. Over the past two years, the impact of Covid-19 and the resulting restrictions on how we all live and work has accelerated that change in many areas: it's impacted on audiences, it's put the spotlight on societal and policy-maker concerns around disinformation and the equitable inclusion of diverse voices and talent, and it's challenged employers and employees alike to work differently.

Our intention with this survey was to provide a snapshot of how digital publishing companies across the UK are continuing to respond to the challenge to change. We wanted to understand business priorities and the readiness of the industry to meet the future – a world without third party cookies where first party data will provide control; a world where online safety and privacy concerns are taken increasingly seriously; a world where consumers are wondering which sources of information to trust; and a world where businesses are having to focus on attracting and retaining diverse talent.

What emerges is a picture of digital publishing companies that understand the bigger picture challenges, have identified the opportunities, but are perhaps still working through what will be the right tactics and strategies to provide an effective response and a proactive competitive lead.

About the AOP

Founded in 2002, the Association of Online Publishers [AOP] is a UK industry body representing digital publishing companies. We champion the interests of media owners from diverse backgrounds including newspaper and magazine publishing, TV and radio broadcasting, and pure online media. Our missions is to support these organisations in their continued commitment to the creation and distribution of high-quality original content, for the benefit of the consumer.

www.ukaop.org

Organisational priorities

We wanted to understand how publishers are prioritising challenges and opportunities within their businesses. Across all types of publishers – those targeting B2B, consumer, or a combination of both – the highest rated priority is perhaps not surprisingly developing new revenue streams through product innovation, with the need to ensure data privacy compliance and transparency coming in second. Interestingly, recruiting and retaining talent, and ensuring a diverse and inclusive workplace, are rated higher [in joint third place with "developing new first party data strategies"] than the tech focused challenges you might expect the digital publishing sector to rate a highly important, such as internal development of proprietary tech solutions to support business objectives. The organisational priority ranked as the least important is reviewing trading platforms.

Thinking about your strategic decisions, how important are the following organisational priorities to your business?
[0 = least important, 5 = most important] [All publishers]

	B2B	Consumer	Both consumer and B2B	Average: All publishers
Developing new revenue streams through product innovation	4.2	4.2	4.4	4.3
Data privacy compliance and transparency	3.9	4.6	4.2	4.3
Recruiting and retaining new talent	4.1	4.3	4.1	4.2
Ensuring a diverse and inclusive workplace	4.1	4.3	4.2	4.2
Developing new first party data strategies	3.8	4.4	4.1	4.2
Reviewing your tech stack to make sure that it supports your business objectives	3.8	4.1	4.1	4.0
Promoting sustainable practice within your organisations	3.8	4.1	3.4	3.8
Internal development of proprietary tech solutions to support your business objectives	3.3	3.4	3.6	3.4
Tackling misinformation and disinformation	3.1	3.2	3.2	3.2
Auditing or sense-checking the vendors that you work with across your business	2.6	3.5	3.1	3.2
Reviewing trading platforms you work with	2.2	3.5	3.5	3.1

Organisational priorities

Additional priorities described by our publisher respondents suggest a strong focus on audience and subscriber development; refining business models; building the right eco-system of commercial, data, and tech partnerships; and leadership training.

"Fully integrating tech and departmental services"

"Developing commercial and tech partnerships that achieve our strategic aims"

"Migrating to registration and paywalls across brands, with the purpose of developing our reader engagement"

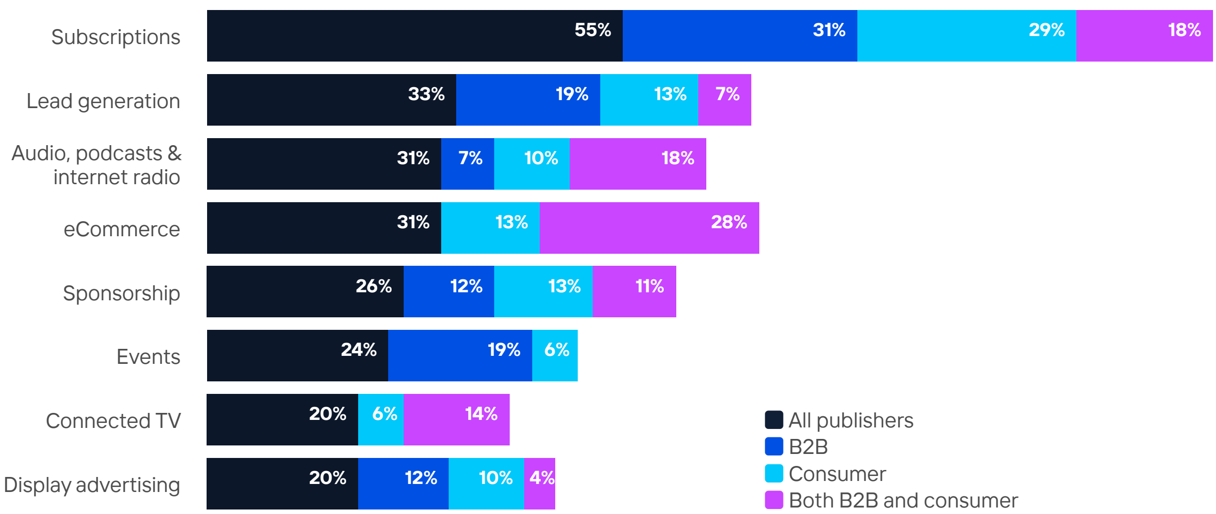
"Developing new content verticals"

"Global expansion"

Opportunities for growth

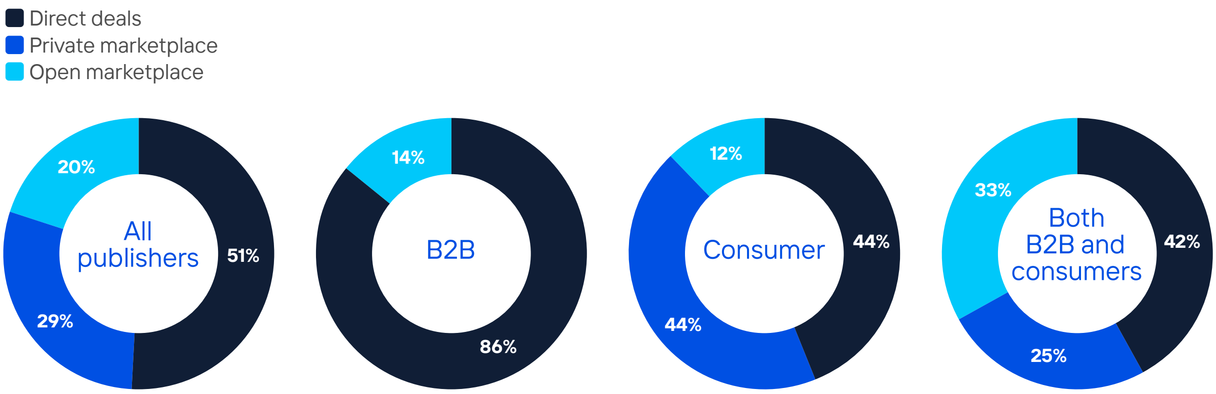
We asked our publisher respondents where they see the most opportunity for growth over the next three years. With subscriptions and lead generation revenues in first and second place [with 55% and 33% of publishers selecting these options respectively], our survey suggests that publishers are very focused on building direct relationships with their users and leveraging their first party data. This was followed by audio [audio, podcasts, and internet radio] and eCommerce in third place [31%], affirming that all publishers are focused on innovating their revenue models. Breaking this down further into different types of publishers, both B2B and consumer specialist publishers agreed subscriptions have the most potential for growth, whereas publishers targeting both B2B and consumer audiences saw eCommerce as the most promising revenue generator.

Where do you see the most potential for revenue growth in the next three years?
[All publishers]



Focusing on advertising revenues, just over half [51%] of our publishers see direct deals as having the most potential for revenue growth.

Where do you see the biggest potential revenue growth in the next three years?
[All publishers]

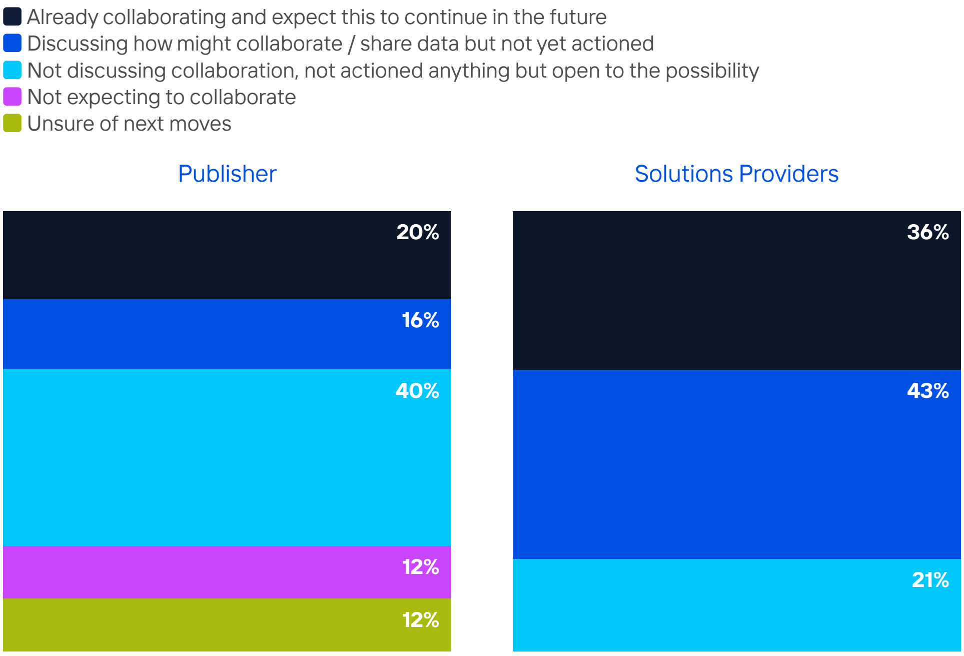


Preparing for the future

One issue dominating discussion in the digital publishing and advertising sector is Google's plans for the deprecation of the cookie. We asked publishers how confident they are in their preparations for this and the average confidence rating was 6.5 out of 10, where 0 is very unconfident and 10 is very confident. Our solutions provider respondents show less confidence in publishers' preparation for this event – with a confidence rating of 4.9 out of 10.

We wanted to know if publishers are planning to collaborate more on data initiatives because of the deprecation of the cookie. Whilst 12% of publisher respondents are unsure of their next moves and 12% do not expect to collaborate, most publishers are either already collaborating [20%], discussing collaborating [16%], or open to the possibility of collaboration [40%]. 20% of our publisher respondents are already collaborating more and expect this to continue.

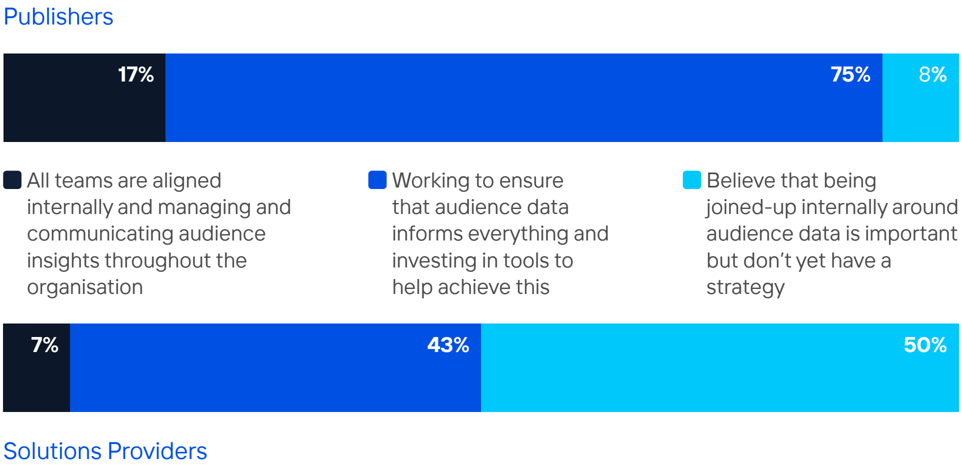
Do you expect to see more collaboration between publishers as a result of the demise of third-party cookies?



Preparing for the future

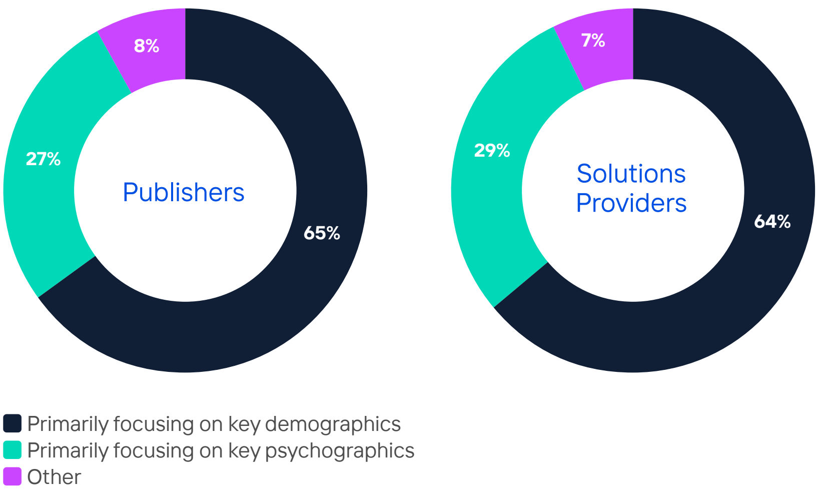
Given the growing emphasis on the importance of first party data, we asked how publishers are leveraging audience data insights throughout their organisation – for example, across editorial, product, and commercial teams. Only 17% of publishers say that all of their teams are aligned internally around their audience data, whilst 75% of publishers say that they are working to ensure that audience data informs everything they do and that they are investing in tools to help achieve this. 50% of our solutions provider respondents suggest that while publishers understand being joined up internally around audience data is important, they believe many publishers don't yet have a strategy in place to achieve this.

Which of these phrases best describes how your organisation is leveraging available data insights/Which of these phrases do you feel best describes how the majority of publishers that you currently work with are leveraging available data insights?



We also wanted to know whether publishers are still focusing on demographics when identifying and segmenting audiences, or if they were changing their approach to focus on psychographics. Publishers and solutions provider respondents are aligned on their response to this question and the majority focus on key demographics.

How are you / your clients primarily leveraging first party data to identify and segment your audiences?

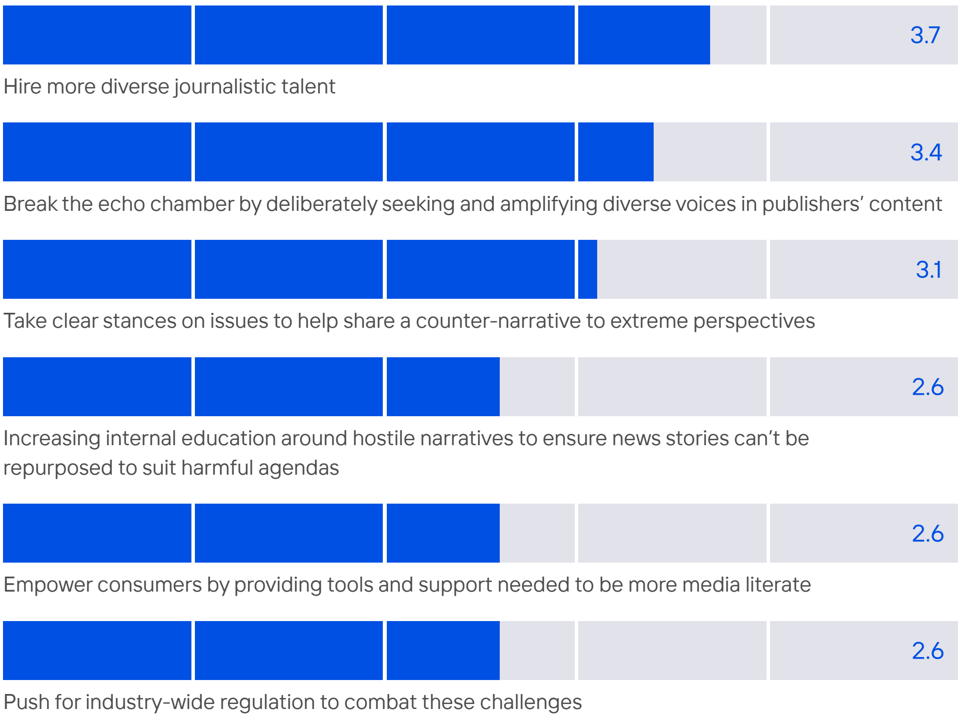


Publishing responsibility

The AOP has been leading industry discussion of publishers' responsibility across topics of wider societal concern, including the rise in misinformation and disinformation. We asked publishers what they believe they can best do to tackle the growth of misinformation and disinformation online. The responses suggest that publishers believe the most effective way to respond to this challenge is to hire more diverse journalistic talent, with this receiving an average rating of 3.7 out of 5, where 5 is "of high importance to me". Publishers also believe that they need to break the echo chamber by deliberately seeking and amplifying diverse voices in their content, with this receiving the second highest rating of 3.4.

What do you believe publishers can best do to tackle the growth of misinformation and disinformation online?

Rank the following priorities from 0 [not something I am focused on] to 5 [is of high importance to me] [All publishers]



With the online safety bill making its way through parliament, we asked our respondents how confident they are in their understanding of the impact this will have on digital publishers. On a rating out of 10, where 0 is very unconfident and 10 is very confidence, the average rating is a low 4.5 – and when we asked what they were doing to prepare, the majority of comments were variations of waiting, reviewing, consulting legal teams, or simply "not sure". This suggests that there is a need for more information before publishers feel confident in their preparation for any changes they will need to make.

Talent & workforce development

70% of publishers, and 93% of solutions providers said they are experiencing a shortfall of talent within their organisations. When we asked in which departments, the replies clearly suggested that there is a recruitment challenge across all areas of the digital publishing business, particularly in more technical roles, sales, and journalism.

Talent & workforce development

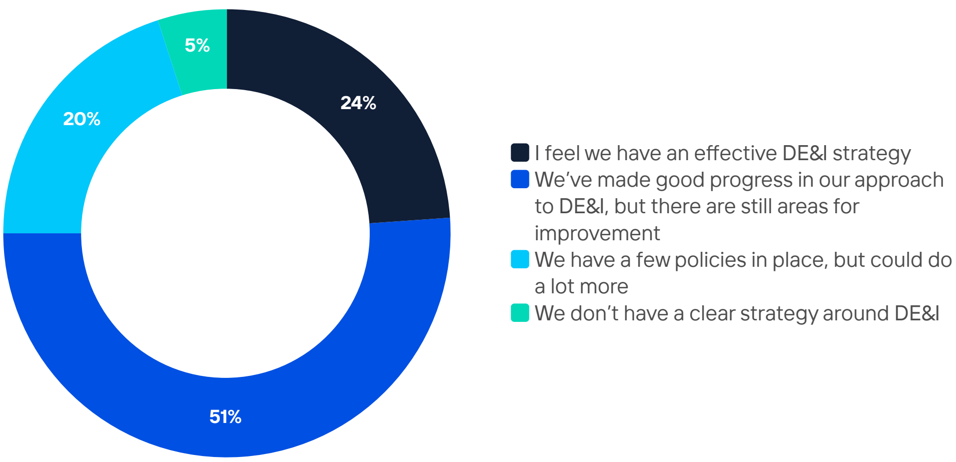
We asked our respondents what their priorities are in terms of recruitment and workforce development. Most respondents [75%] rank “supporting and retaining current employees” as the most important priority. The lowest priority, with 61% ranking this fourth in the list, is “adapting the offering to appeal to those returning to the industry after a period of absence”.

Workforce development priorities
[All respondents, based on average ranking]

- **1st** Supporting and retaining current employees
- **2nd** Adapting your offering to appeal to new talent entering the industry
- **3rd** Ensuring that the recruitment process eliminates biases and supports underrepresented individuals entering the industry
- **4th** Adapting the offering to appeal to those returning to the industry after a period of absence

Whilst putting in place recruitment processes that eliminate bias and support the development of a more diverse workforce is ranked third here, when asked how they would describe their organisation’s diversity, equity & inclusion [DE&I] strategy, our respondents suggest confidence in their progress on this challenge. 51% believe they have made good progress with areas for continued improvement, and 24% believe they have an effective DE&I strategy. Only 5% of respondents don’t believe they have a clear strategy on DE&I.

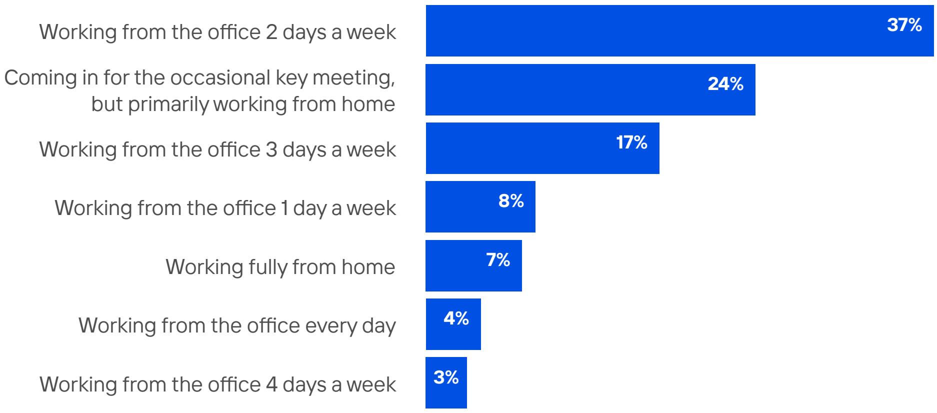
How would you describe your organisation’s DE&I strategy?



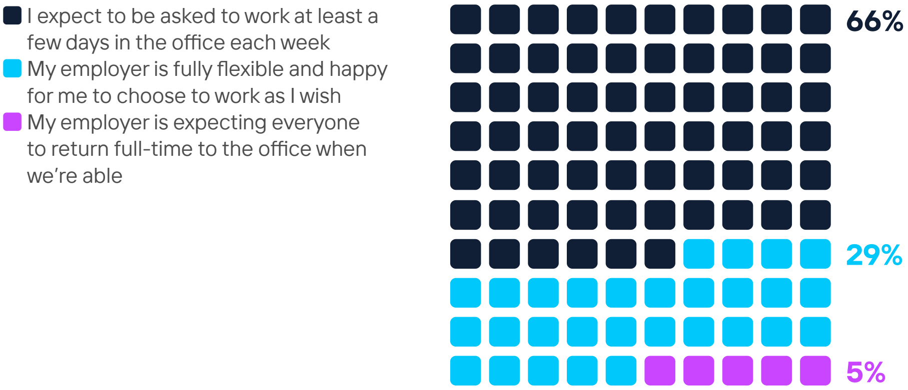
Work culture post-Covid

As a sector, digital publishers have shown resilience and innovation in managing the impact of the Covid pandemic. For many, the pandemic has also afforded opportunities to grow audiences and develop new products to respond to changing consumer needs and interests – all whilst teams were restricted to working from home. Now that the UK government is ending restrictions, will the working culture for digital publishing companies return to what it was: office-based, with in-person meetings and networking? This survey suggests otherwise with 37% of our respondents saying their ideal working pattern would be to work from the office two days a week and 24% saying that they would be happy to come in for the occasional key meeting, but primarily work from home. 30% of respondents expect their employers to be fully flexible and happy for them to choose to work as they wish, whilst 66% believe they will be asked to work at least a few days in the office each week. 71% of respondents expect to attend in-person events in 2022.

What would be your ideal working pattern?
[All respondents]

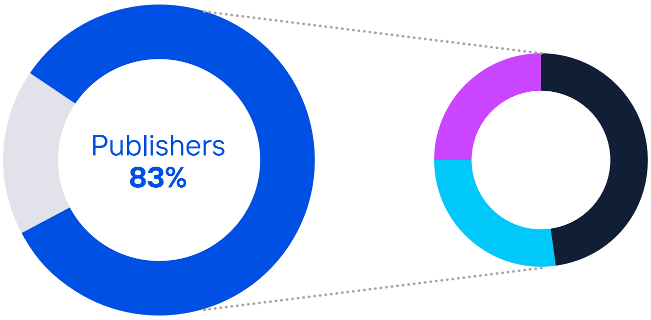


How confident are you that you will be allowed to work as you wish in the future?
[All respondents]

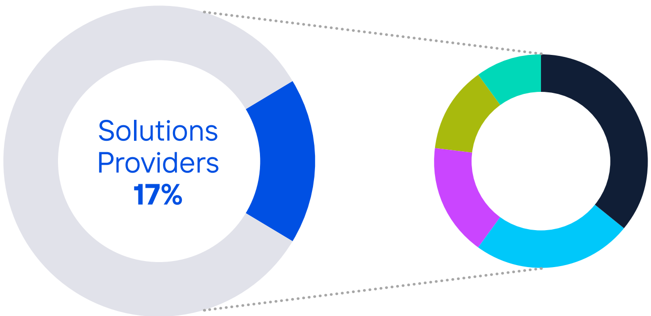


Our respondents

The Survey was carried out between 5th January and 9th February. We received 111 responses, 83% of which were from publishers and 17% from organisations providing solutions to the publishing sector. Nearly half [48%] of our publisher respondents work on publishing brands targeting a consumer audience. A quarter [25%] work on brands targeting a B2B audience and the rest [27%] work on brands across both consumer and B2B audiences. 58% of our solutions provider respondents provide advertising tools, and 37% provide data management solutions.



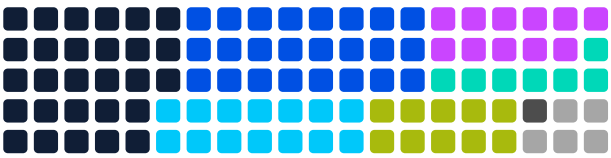
Consumer	48%
Consumer & B2B	27%
B2B	25%



Which area[s] of focus does your business have? [Select all that apply]

Advertising tools	58%
Data management	39%
Identity solutions	27%
Business management	21%
Brand safety protection	16%

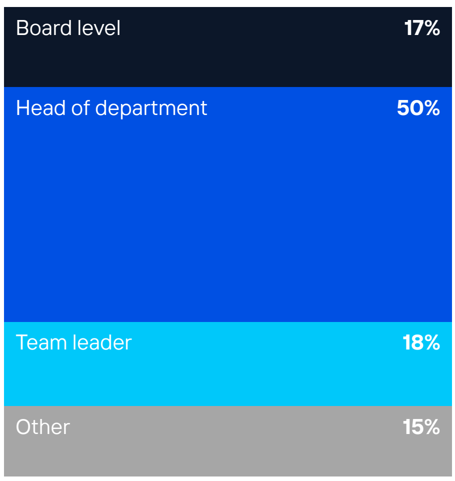
In terms of their experience and job role within their business, our publisher respondents represent all departments and skills sets.



[All publishers]

Commercial	28%
Journalism / content production	24%
Advertising operations	14%
Audience development	11%
Product development	10%
Research / data & insights	7%
HR	1%
Other	5%

Half of our respondents head up their department, whilst 17% work at Board level and 18% are team leaders.



If you are interested to learn
more about the AOP,
please contact us at

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