

Digital Publishing: Outlook and Priorities for 2023

Survey 2023



This is the second year that the AOP has surveyed the digital publishing industry – inviting publishers and solutions providers to share their organisational priorities and expectations for the future.

Responses to the survey were gathered from both members and non-members of the AOP, providing a broad snapshot of the important areas of focus for B2B and consumer publishers in the UK.

Following a year when the term “permacrisis” was recognised as the word of 2022, it’s reassuring that on a scale of 0 to 10, where 0 is very unconfident and 10 is very confident, across both publishers and solutions providers the confidence rating in the face of negative forecasts for the UK economy is 7.2. Publishers feel that they are well-positioned to adapt and thrive in a recessive economy. They are less sure of how to respond to the Online Safety Bill with a strong sense that the government’s current plans do not impact publishing businesses producing quality content, particularly those targeting B2B audiences.

The survey responses suggest progress in terms of preparing for the deprecation of the third-party cookie with publishers focused on their first-party data. Survey responses show that whilst 23% are focused on improving the engagement funnel, there is also a range of strategies being pursued by publishers to leverage the value of first-party data and their knowledge of their audiences – including shifting to engagement and attention metrics, and seller-defined audiences. 79% of our publisher respondents claim to be fully aligned as an organisation to ensuring that their audience data drives strategy across their business, or to be investing in tools to enable them to do this.

79%

of our publisher respondents claim to be either fully aligned as an organisation or investing in tools to ensure that audience data informs the whole business.

Growing revenues is a clear priority, but not to the detriment of a clear strategic focus on the people that drive the success of digital publishing. Where 0 = not a focus at all and 5 = a very strong focus, ensuring a diverse and inclusive workforce was the highest strategic priority with a 3.8 rating across all publishers.

Consumer publishers see subscriptions as offering the greatest potential for revenue growth, whilst B2B publishers [with an established heritage of subscription revenues] see lead generation, sponsorship and events as offering the greatest opportunities. There is a consistent indication that building stronger direct relationships with advertisers and agencies is the key to revenue growth – with 42% of all publishers predicting a growth in the importance of non-programmatic revenues over the next 3 years. 44% of all publishers also predict a growth in the importance of private marketplaces.

80% of publishers either have a strategy in place to meet ESG [Environmental Social Governance] goals or are putting in place plans to do so over the next few months. The motivation for this focus is placed equally on believing that it is central to their organisational values and important for their employees – with 67% of respondents citing both of these reasons. In terms of what publishing companies are doing to meet ESG goals, 75% state that they are focused on reducing the carbon footprint of their organisation as a whole.

80%

of publishers either have a strategy in place to meet ESG [Environmental Social Governance] goals or are putting in place plans to do so over the next few months.

Understanding publisher confidence

At a time when news coverage is focused on the cost-of-living crisis and the Bank of England is providing negative forecasts for the UK economy, publishers and solutions providers expressed a strong degree of confidence for their own businesses. Asked how confident they are that their company is well-positioned to manage the challenge and/or adapt and thrive in a recessive economy, where 0 is very unconfident and 10 is very confident, the average confidence rating for both publishers and solutions providers is 7.2.

Focusing on other external pressures and legislative challenges, we first asked publishers how confident they are that they understand the impact that the Online Safety Bill will have on their organisation. The confidence rating of publishers, based on the same scale from 0 to 10, is 5.6. This is higher than the 4.5 score provided last year when the same question was asked, but still suggests that publishers are unsure of the impact of this flagship piece of government legislation. Solutions providers agreed, providing a confidence score of 5.3 in their understanding of the impact this will have on their publishing clients. We asked publishers and their solutions providers to list the steps their organisation is taking to ensure compliance with the Online Safety Bill. The majority of responses suggested many are not taking specific steps – either replying “none”, “don’t know”, or “not applicable”. There was a strong sense that as publishers of quality content not targeting children, or of content specifically targeting a business audience, the Bill would not have an impact on their business. Where steps are being taken, these included consulting with legal teams, having a strong editorial policy, and relying on browser options.



We also asked how confident publishers were that they are prepared for Google’s deprecation of third-party cookies. Where 0 is unconfident and 10 is very confident, publishers’ confidence rating is at 6.5, which is exactly the same as when asked this question in last year’s survey. Solutions providers were less confident that publishers are prepared, suggesting a confidence rating of 4.8.

Publishers



Solutions Providers

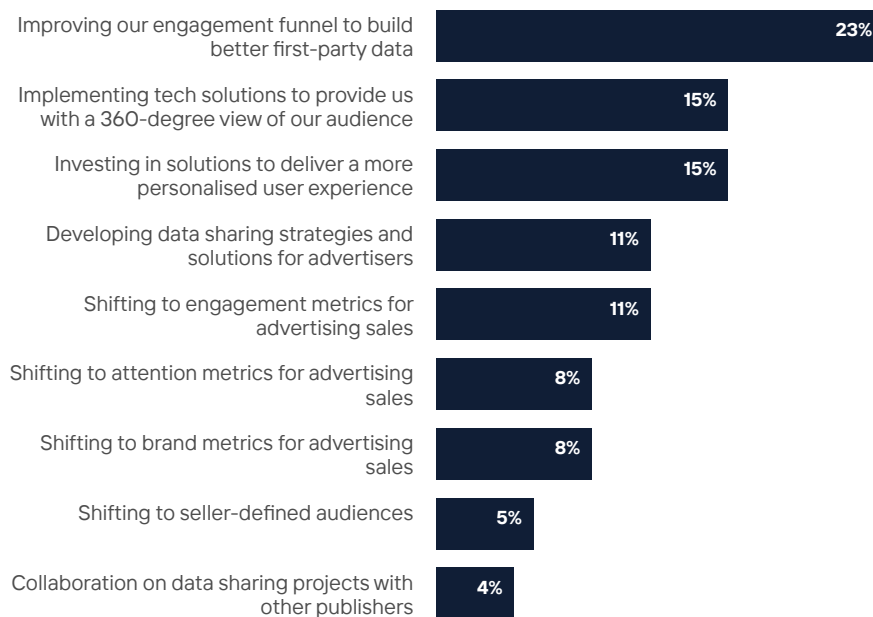
Strategic business priorities

We asked publishers what actions they are taking to prepare for the deprecation of cookies and the forecast growth in the value of first-party data. 23% of publishers said that they were focused on improving the engagement funnel to build better first-party data – the most frequently cited area of focus. Only 4% of publishers said that they were collaborating on data sharing projects with other publishers, compared to 20% of publishers when asked the same question last year.

What are you focused on to prepare for the deprecation of third-party cookies and the forecast growth in the value of first-party data?

Select up to five of the highest priority areas for you

All Publishers



We wanted to understand how digital publishing companies are leveraging this increased focus on first-party data. 21% of publishers say that their teams are aligned internally and that audience insights are being communicated throughout the organisation. This compares to 17% of publishers saying this in last year's survey. However, the same number, 21% of publishers, say that whilst they believe that being joined-up internally around audience data is important, they don't yet have a strategy in place. This compares to 4% of publishers describing their position in this way last year.

None of our solutions provider respondents expressed belief that their publishing clients were fully aligned internally to leverage their available data.

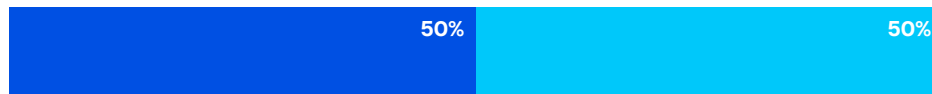
Publishers: Which of these phrases best describes how your organisation is leveraging available data insights?

Solutions providers: Which phrase best describes how the majority of publishers that you work with are leveraging available data insights?

Publishers



Solutions Providers



- All our teams are aligned internally & we're managing and communicating audience insights throughout the organisation
- We are working to ensure that audience data informs everything we do and are investing in tools to help us to achieve this
- We believe that being joined-up internally around audience data is important, but we don't have a strategy in place

Our publisher respondents demonstrated that they are strongly focused on their employees. Asked to rate how important different organisational priorities are [where 0 is not a focus at all and 5 is a very strong focus], B2B publishers ranked recruiting and retaining new talent as the most important priority, with a score of 4.1. Consumer publishers ranked ensuring a diverse and inclusive workplace as the most important priority, at 3.9. Publishers with brands targeting both business and consumer audiences ranked developing new revenue streams through product innovation as the highest priority at 3.9. Perhaps unsurprisingly solutions provider respondents suggested that reviewing tech stacks to make sure they support business objectives should be an important priority for publishers with a ranking of 4, with developing new first party identity strategies and data privacy compliance and transparency a close second at 3.8.

Publishers: Thinking about your strategic decisions, how important are the following organisational priorities to your business?
Solutions providers: How important do you see the following organisational priorities for publishers?

0 = not a focus at all, 5 is a very strong focus

	B2B	Consumer	Both consumer and B2B	Average: All publishers	Solutions providers
Ensuring a diverse and inclusive workplace	3.7	3.9	3.7	3.8	3.2
Developing new revenue streams through product innovation	3.6	3.7	3.9	3.7	3.6
Recruiting and retaining new talent	4.1	3.5	3.7	3.7	3.5
Data privacy compliance and transparency	3.5	3.7	3.7	3.7	3.8
Developing new first party identity strategies	3.2	3.7	3.7	3.5	3.8
Promoting sustainable practice within your organisation	3.6	3.6	3.2	3.5	3.0
Reviewing your tech stack to make sure that it supports your business objectives	3.5	3.4	3.4	3.4	4.0
Tackling misinformation & disinformation	2.8	2.9	2.8	2.8	3.6
Internal development of proprietary tech solutions to support your business	2.7	2.9	2.6	2.8	2.8
Auditing or sense-checking the vendors you work with across your business	2.3	2.7	3.1	2.7	3.3
Reviewing trading platforms you work with in your supply chain	1.8	2.5	2.7	2.3	3.3

Other priorities mentioned by publishers included: retaining existing talent, improving sales ROI, improving client and vendor engagement, and using existing features and functionality to create new streams of revenue for sites that don't currently use this functionality.

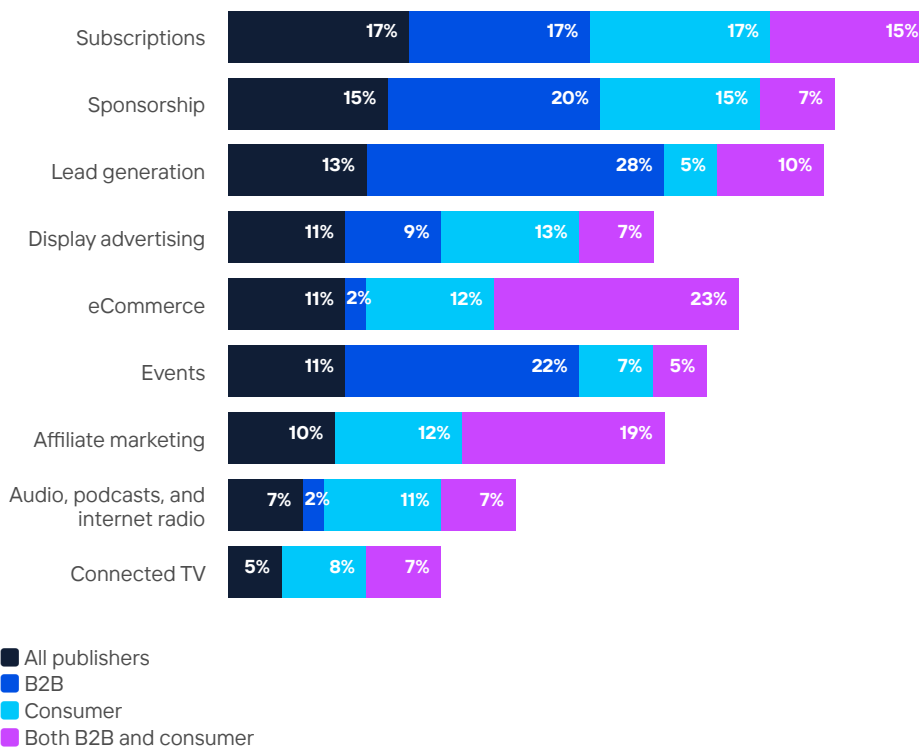
Other priorities mentioned by solutions providers included: compliance, managing legislative changes, automation of workflows and UX [including page hygiene, page speed and viewability, and site stickiness].

Growing revenues

With growing revenues a clear priority for all publishers, where do they see the most potential for growth? Averaged across all publishers, subscriptions are seen as offering the most potential, with 17% of all publishers selecting this option. However, the responses show that B2B publishers now see the most opportunity for growth in lead generation, sponsorship, and events. Publishers with B2B and consumer targeted brands in their portfolio see eCommerce as offering the most potential. This might suggest that B2B publishing brands have a heritage of established subscriptions revenues and so are now looking to new areas for growth. Other sources of revenue growth mentioned include: marketing services, data analytics, content marketing, membership beyond subs, white labelling content, video, and mergers.

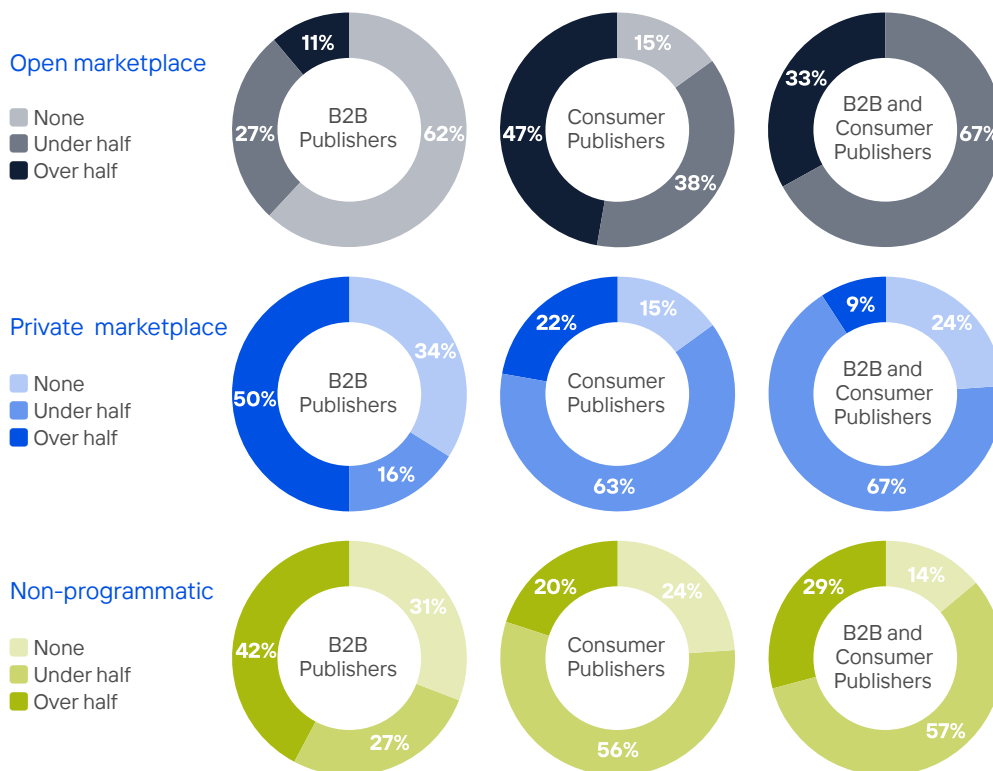
Where do you see the most potential for growth in the next three years?

Select up to 3 options

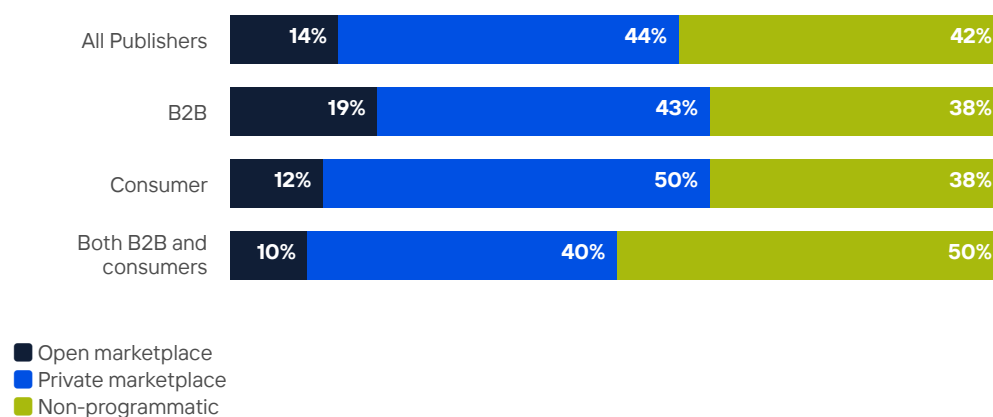


Focusing on advertising revenues, we wanted to understand where publishers are trading and if they forecast changes in the way that they will trade. Currently, publishers targeting consumer audiences are more reliant on the open marketplace whilst B2B and publishers with brands targeting both B2B and Consumer audiences have a more balanced reliance on open and private marketplaces and non-programmatic trading. More noticeable is the shift that all publishers expect to see in the next three years – 44% of all publishers expect to see growth in revenues from private marketplaces and 42% expect to see growth in non-programmatic revenues.

As a rough estimate, where do most of your advertising deals come from?



Where do you see the biggest potential revenue growth in the next three years?

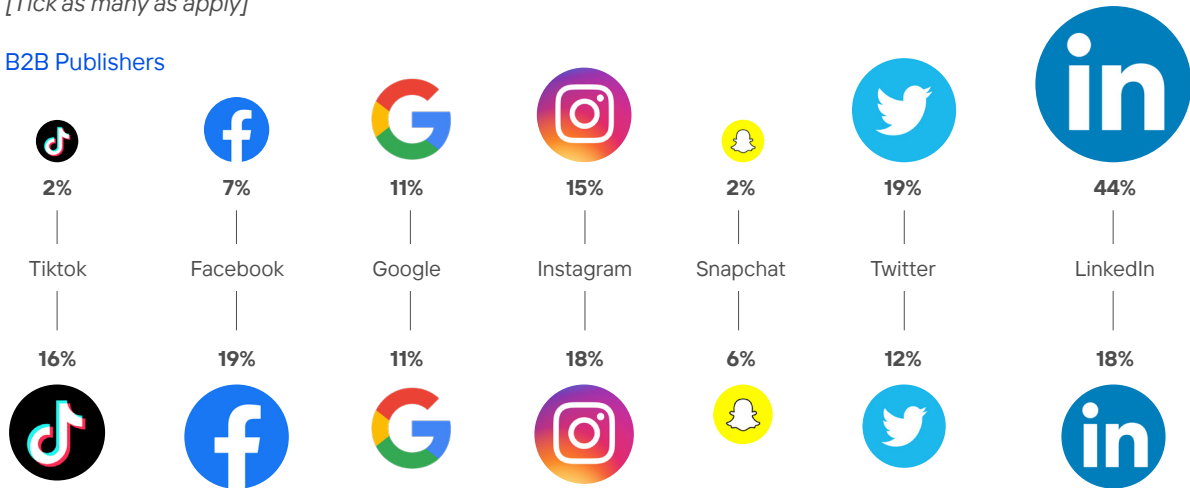


Revenue growth is dependent on audience growth and so we wanted to understand where publishers were investing off-platform to drive content discovery. Unsurprisingly, B2B publishers are dependent on LinkedIn, with 44% investing here to promote content. Consumer publishers are investing across multiple off-platforms to drive content discovery.

Which off-platforms are you investing in to drive content discovery?

[Tick as many as apply]

B2B Publishers



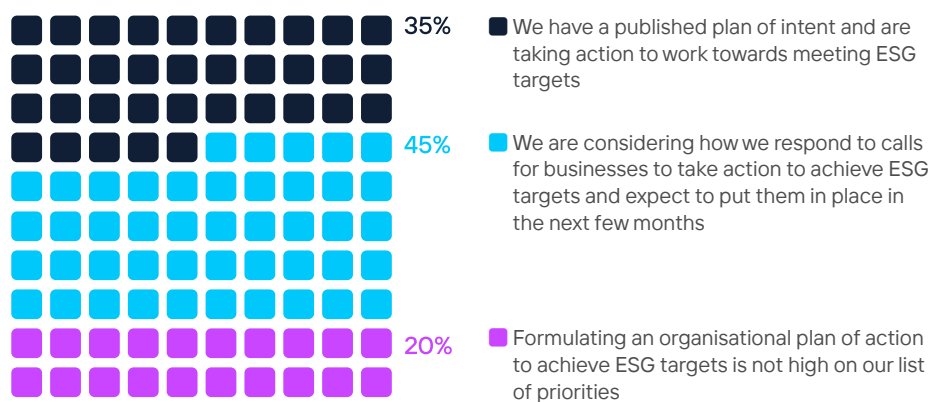
All Publishers

Other platforms mentioned include Bombora and Radiate B2B, Apple News, newsletter strategies and non-organic search.

Responsible publishing

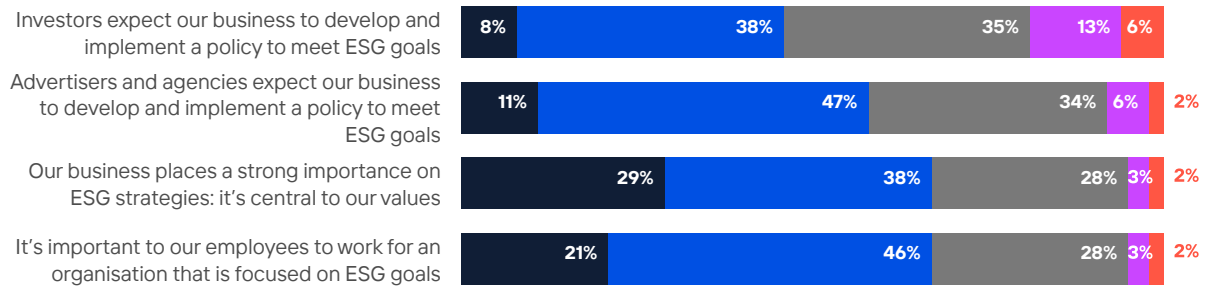
We wanted to understand how the digital publishing sector is changing the way that it does business to respond to global challenges. 80% of respondents to this survey stated that they either have a published plan of intent and are taking action to work towards meeting ESG [Environmental, Social, Governance] targets or are planning to put actions in place in the next few months.

Which of the following statements best sums up how your business is taking action to address global challenges?

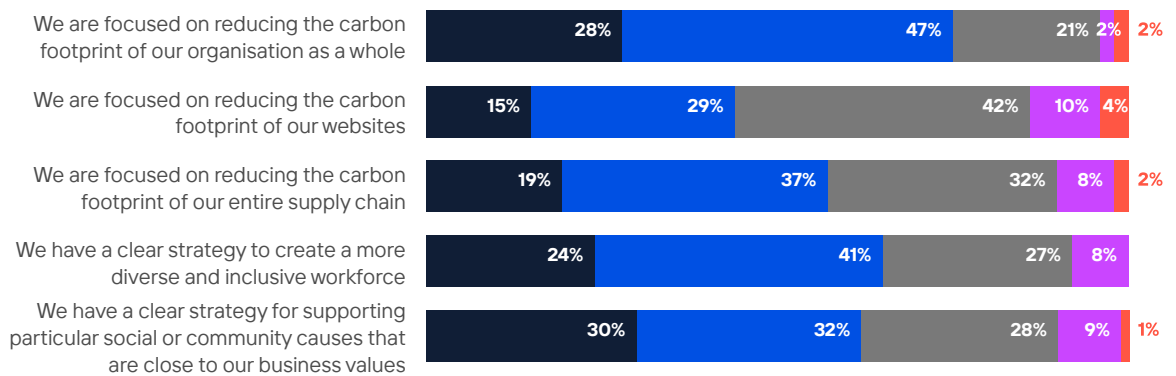


Our respondents state that their motivation for placing a strong importance on ESG goals is equally based on their values as an organisation, and the expectations of their employees. 58% agree that advertisers and agencies expect them to be developing and implementing a policy to meet ESG goals. The digital publishing sector also accepts that change is needed at an organisational level – 75% of respondents stated that they were focused on reducing the carbon footprint of their organisation as a whole.

In terms of what is driving your organisation to deliver a plan to meet ESG goals...



In terms of what your organisation is currently focused on....

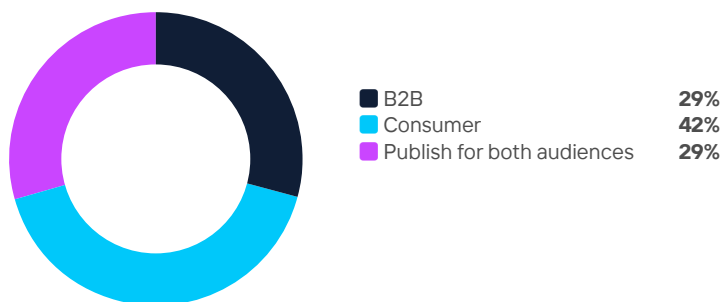


- Strongly agree
- Agree
- Neither agree or disagree
- Disagree
- Strongly disagree

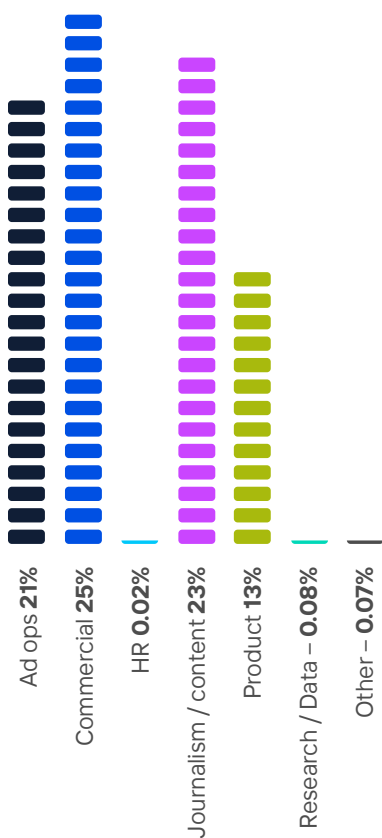
Our respondents

This survey was carried out through January 2023. We received 108 responses, of which 92 were from publishers and 16 from solutions providers. 26% of respondents were at board level within their organisation and 51% were heads of department.

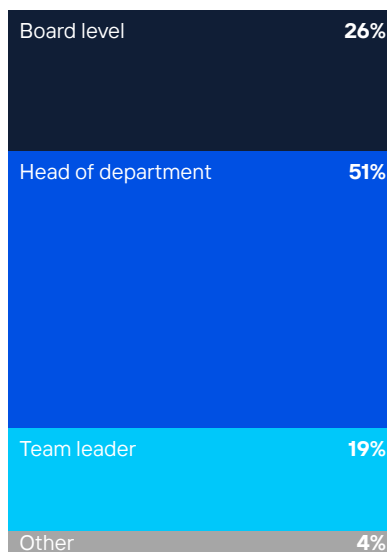
Split of publishers:



Job roles / focus of publisher respondents:



Seniority of publisher respondents:



Formed 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 background including newspaper and magazine publishing, TV and radio broadcasting, and pure online media. Our mission 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



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

info@ukaop.org