



LATEST WORLD PRESS TRENDS REPORT ON THE STATE OF THE GLOBAL MEDIA INDUSTRY



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World Press Trends 2023-24

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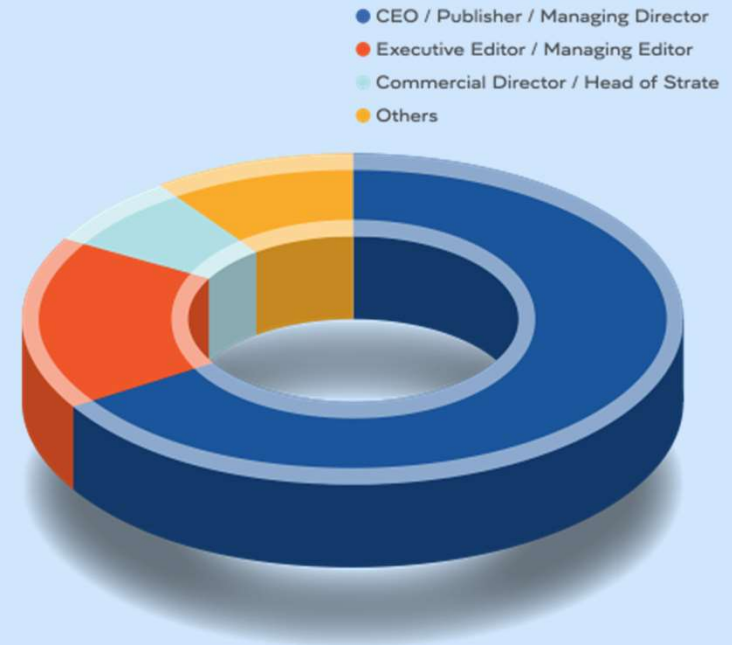
Insights

25 September 2023

About the survey

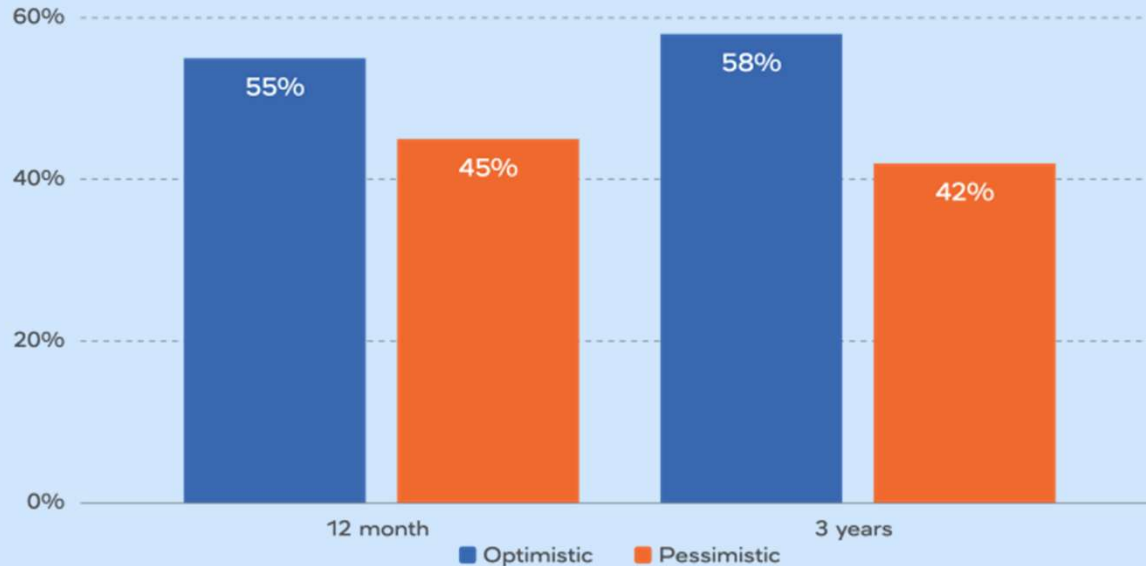
- 175 news executives
- 60 countries
- A third of respondents (66%) are C-Suite (CEO's, Publishers, MDs)
- Market context:
58% are operating in advanced economies,
42% are in developing economies*.
- Data collected July-Sept 2023.

** According to World Bank criteria*



Publishers optimistic heading into 2024

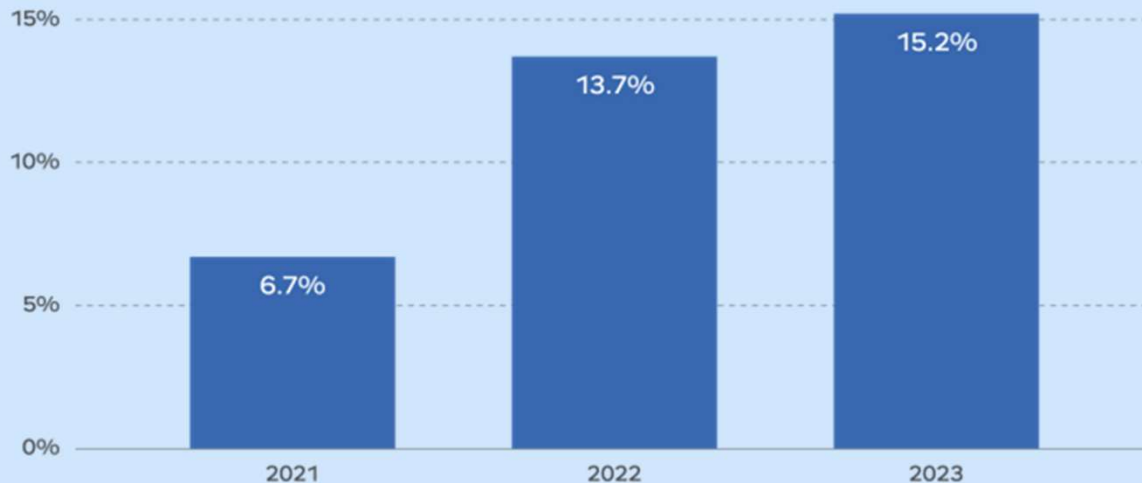
How do you feel about your company's business prospects: For the next 12 months, the next 3 years?



- Despite all the challenges and ongoing uncertainty, publishers are more upbeat heading into 2024, especially compared to this time last year when there was a lot of concern.
- They are even more optimistic for the long-term.

'23 Revenue expectations reflect optimism

What are your overall revenue expectations for 2023 compared to 2022?

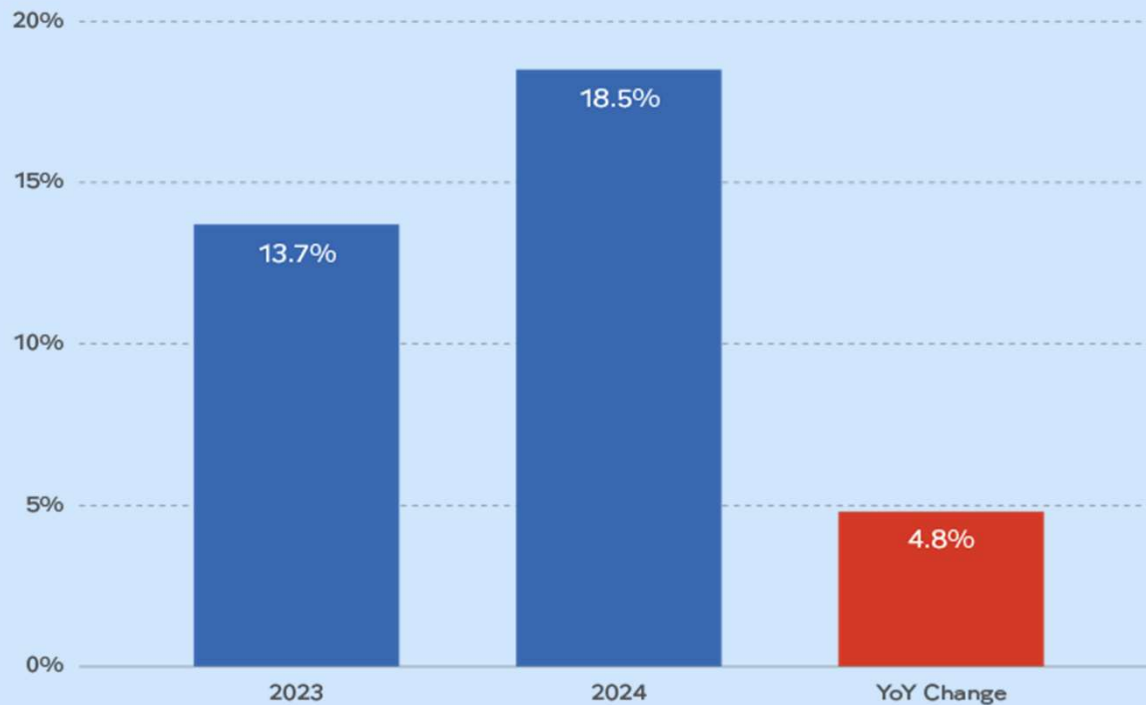


- Globally, publishers expect revenues to grow by 15% this year compared to 2022.
- As we will show later, print is still the prominent revenue stream despite the ongoing transition to digital. Reader revenue continues to grow but digital advertising is challenging to say the least.



Revenue expectations still high for 2024

What are your overall revenue expectations for 2024 compared to 2023?

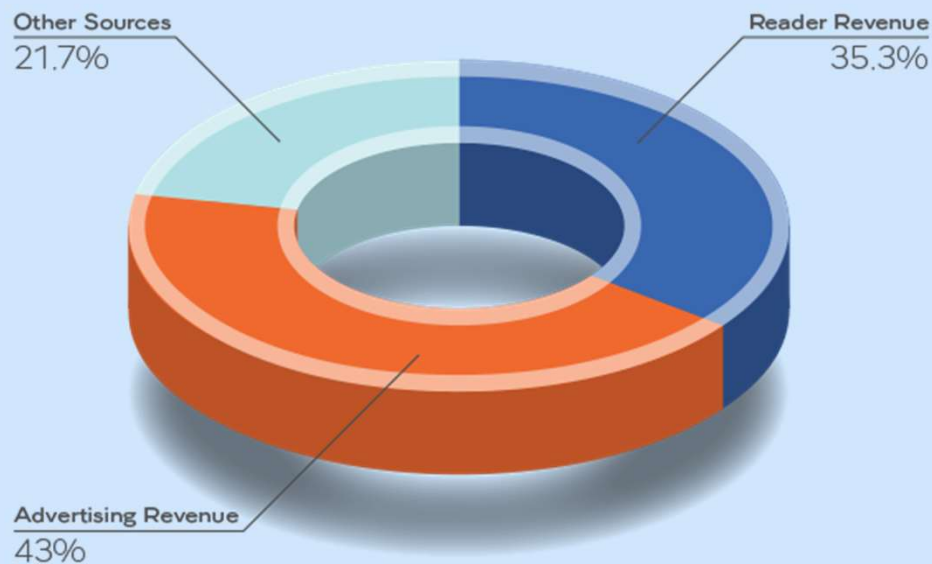


- Publishers are actually expecting a banner year in terms of revenue in 2024 as they continue (and expect) to focus on new revenue streams, a growing part of the business.
- There are a number of elections in 2024 that will definitely have a positive impact on revenues and engagement with audiences.



Advertising still paying the bills...

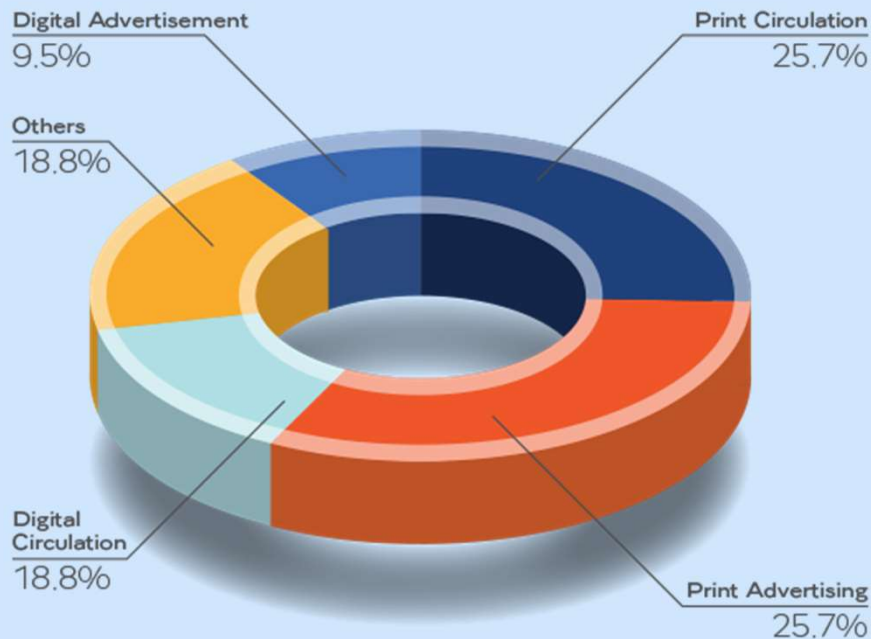
Over the next 12 months, what percentage of your overall revenue will come from the following sources?



- While the push to focus on digital subscription and other forms of reader revenue continues, advertising is still paying most of the bills for publishers.
- But as digital subscriptions start to plateau, for example, publishers are leaning into diversifying their business more than ever as they expect more than 20% of their revenues to come from revenue streams outside of reader revenue and advertising.

And print still driving most revenue

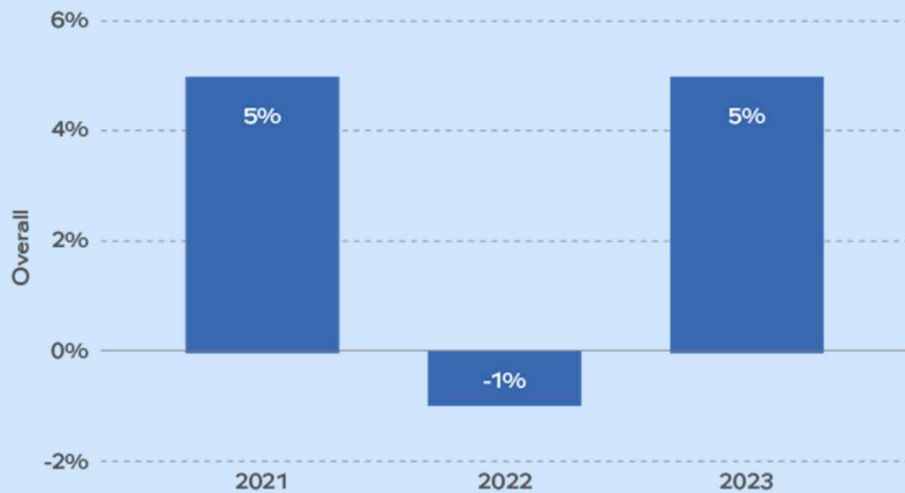
What percentage of your total revenue comes from the following sources?



- Overall, print revenues continue to account for more than half of all income (57%). That is actually higher than last year!
- While there has been modest rise in digital circulation revenues (2%), digital advertising has slumped by 11%.

In the black: profits on par

Overall profit change over the past 12 months?

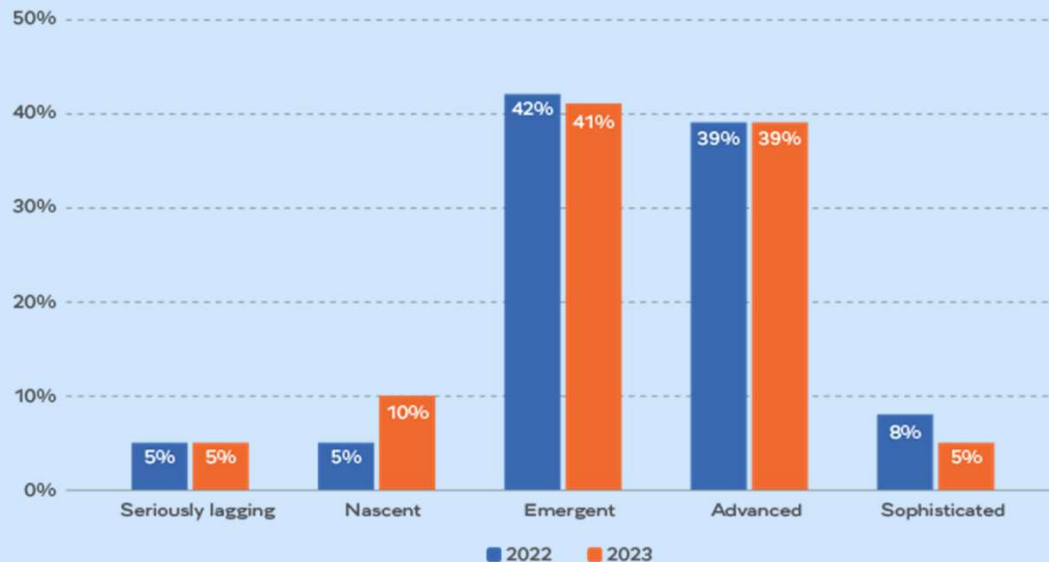


- Even though 2023 was forecasted to be a difficult year, and some of the results we have seen from some groups seem to be down, most publishers told us their profits improved off a tough 2022.
- Margins might not be as high the glory days of the '80s and '90s but there is some foundational health there. But of course, always room to grow.



There's no end game for transformation

At what stage would you say your news organization is in comparison to your market or region?

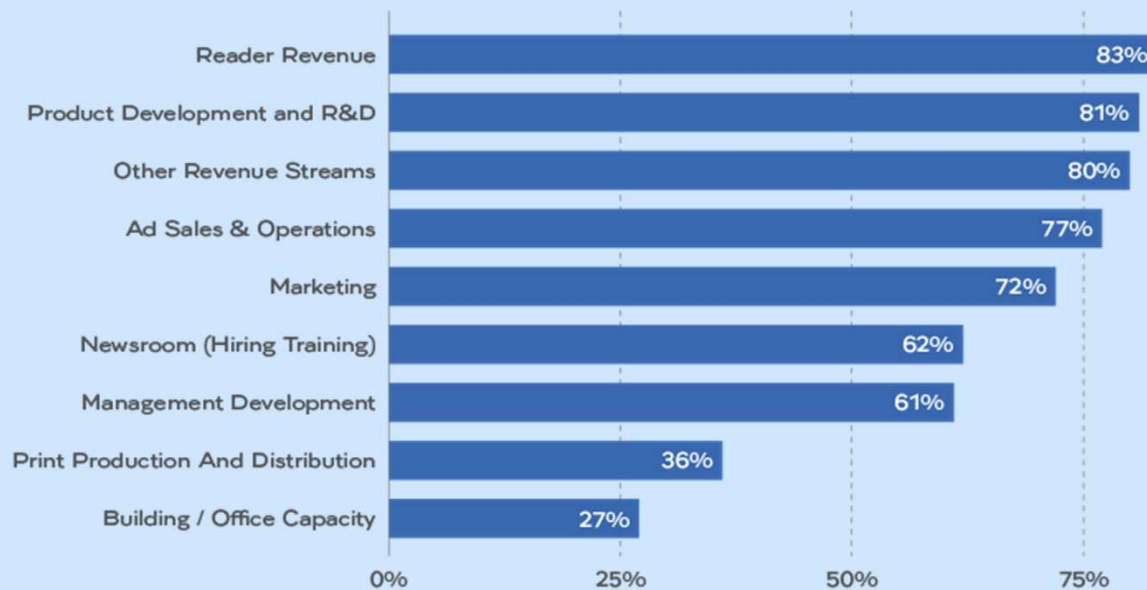


- It appears that not much has changed from last year, other than a bit of an uptick in those really getting started.
- Defining and adapting those North Star metrics is an ongoing challenge.
- And measuring progress looks different from company to company.



Planned investment priorities: Reader revenue

What are the priority areas for your company to invest in the next 12 months?

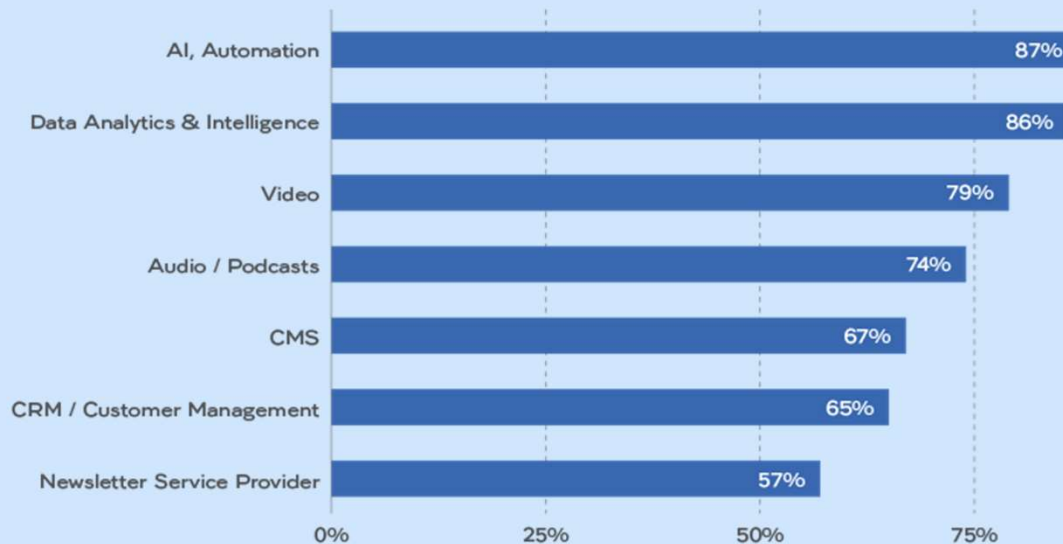


- In much of the world, reader revenue has taken precedent as a strategy and revenue stream vs. relying on advertising.
- And with that comes Product Dev, Marketing and more.
- Yet, compared to last year, there appears to be more investment in ad sales. The ad business is not dead despite all the seemingly obstacles.



Top tech investments: AI and data

What are the priority technologies / products for your company to invest in over the next 12 months?

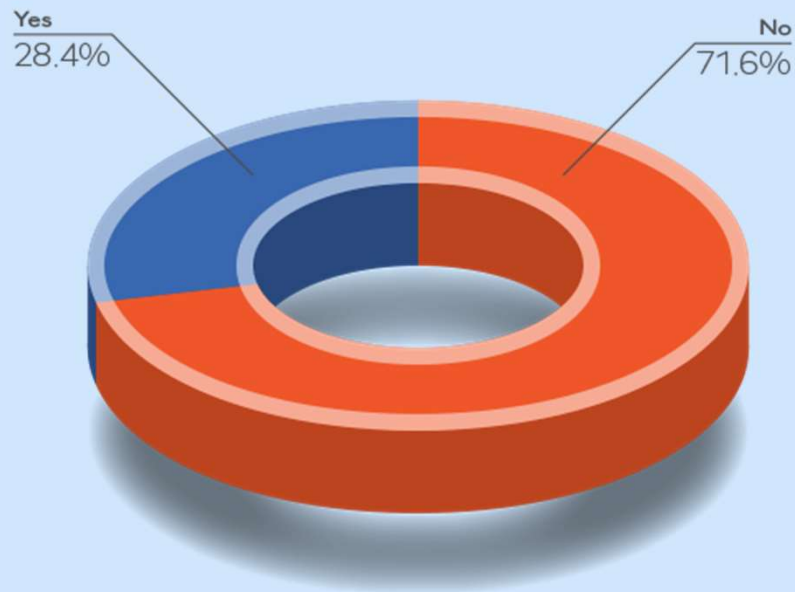


- Not a big surprise here that AI is considered a top priority for investment, along with data.
- For the second straight year, video comes in as a big focus.
- And CMS and CRM carry even great importance with editorial and commercial getting more synced up, particularly around audiences, engagement, and reader revenue.



Most missing the AI Roadmap

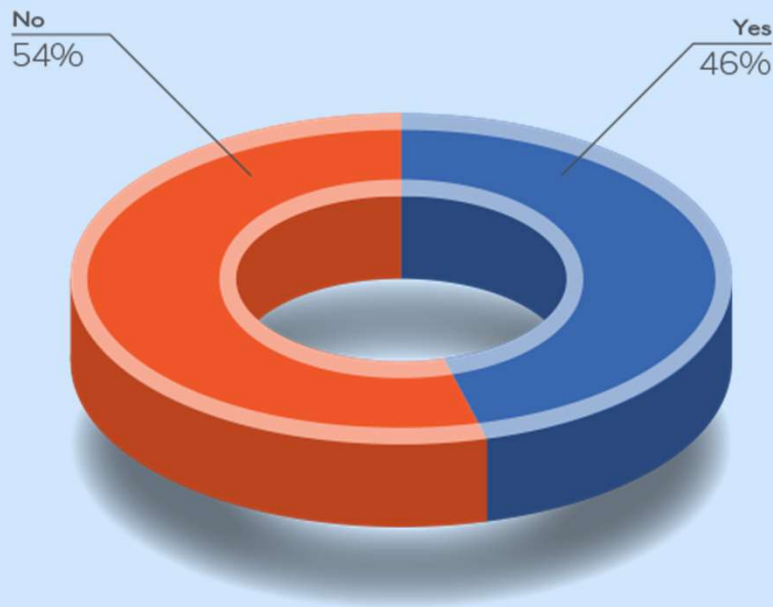
Does your company have a clear framework for AI adoption and implementation?



- This much could be said for a number of business and industries.
- Even the most advanced publishers have told us recently that they are still formulating policy and framework.
- Not to mention much of the uncertainty that GAI has brought.

Over half not chatting up ChatGPT, etc.

Is your company actively working with Generative AI tools like ChatGPT?

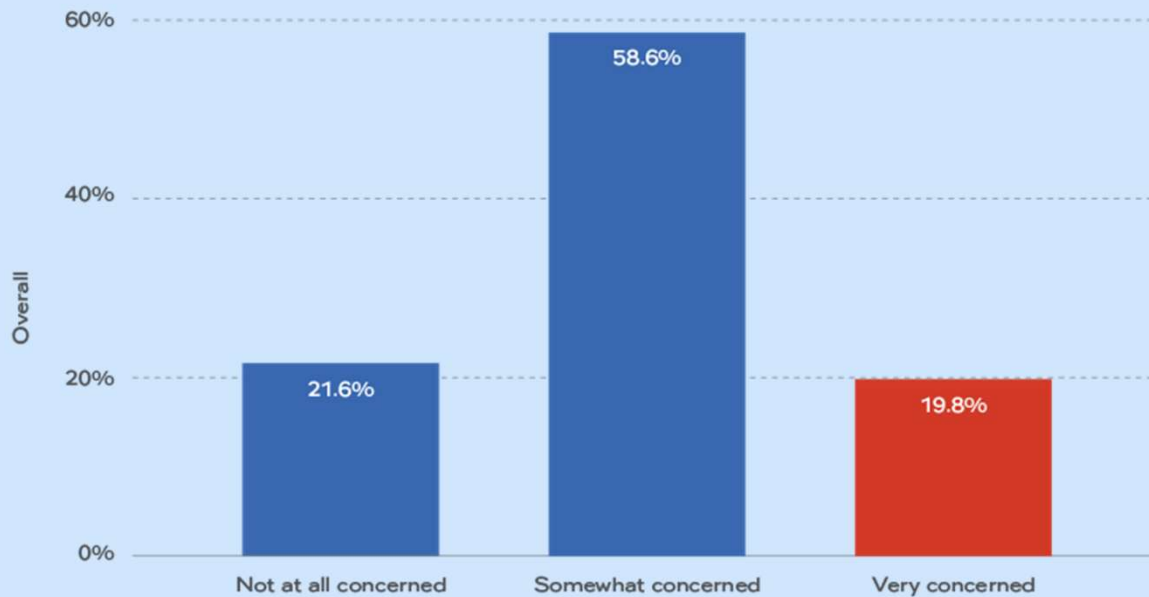


- More than half of publishers said they are not working with ChatGPT, similar to what they told us 5-6 months ago.
- Yet we are seeing new use cases popping up daily...
- Reluctance likely centres around the uncertainties of accuracy, ongoing/upcoming regulation, and the usual wait-and-see approach.

Is GenAI threat real?

Execs think so, but...

Considering the current state of GenAI, how concerned are you that it will be a threat to your business?

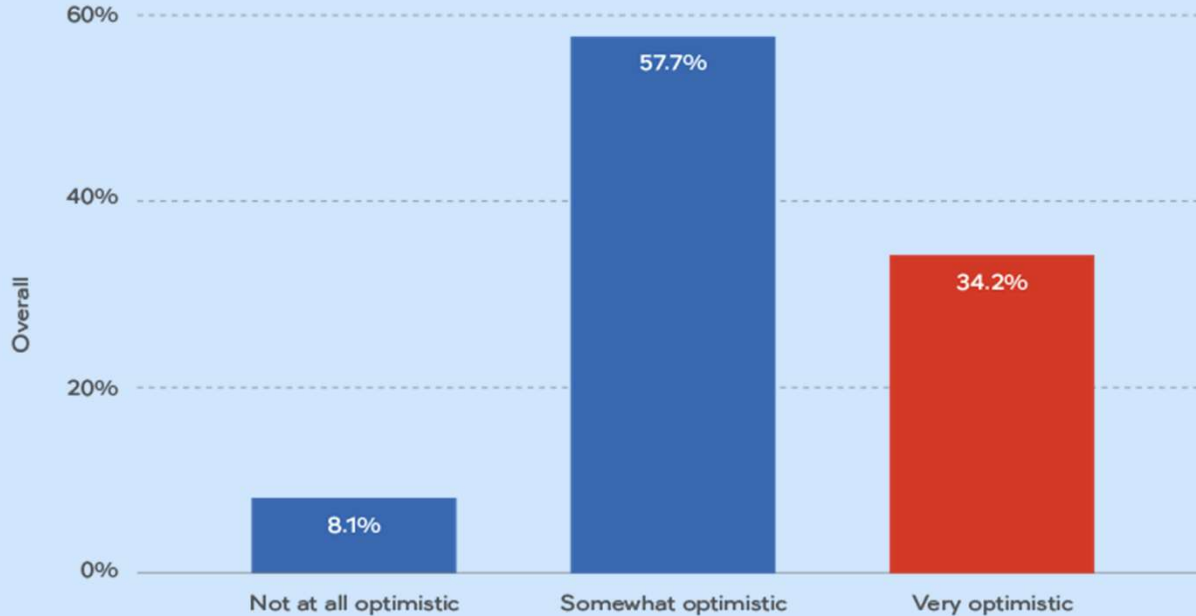


- Most publishers see Generative AI as a threat to their business. Why?
- Primarily the remuneration / compensation for learning on their content, or lack thereof (so far).
- And another source of content that pulls away from their content and their models.
- And, naturally, the possibilities of misinformation / inaccuracies.



...They also see GenAI's potential

Considering the current state of GenAI, how optimistic are you that GenAI will represent opportunities to your business?

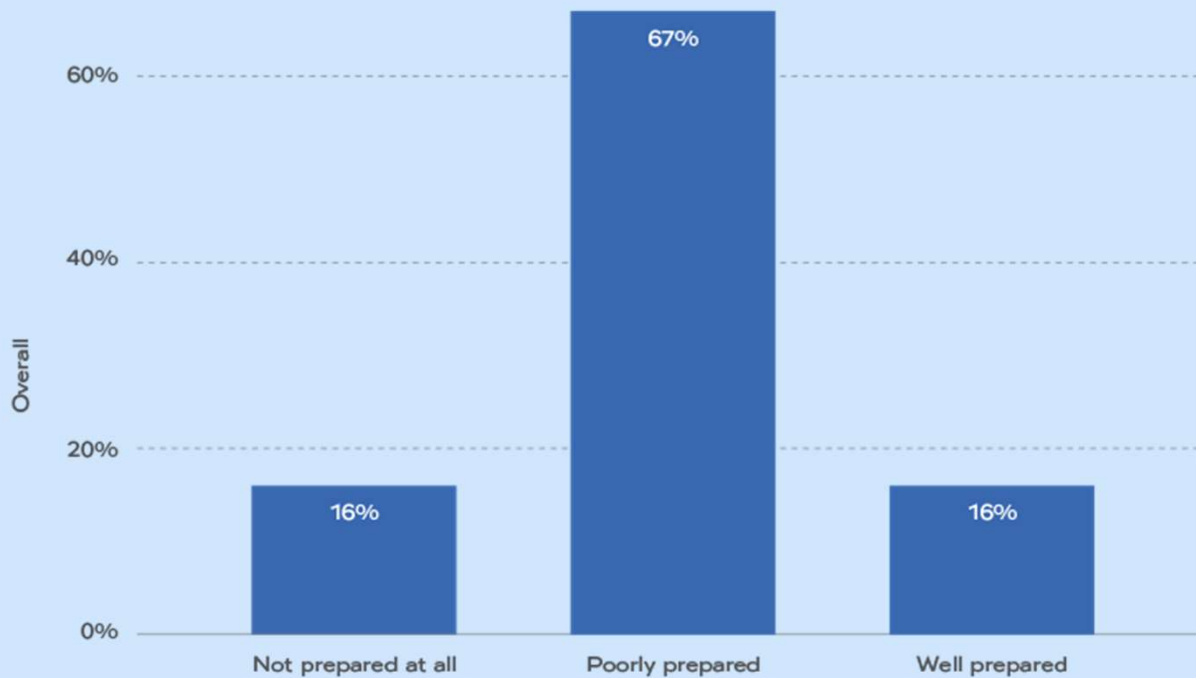


- But just like the advent of the Internet and social media, publishers see huge potential to improve their business.
- Has potential to drive efficiencies in workflows, cut costs, automate marketing and content.



AI readiness...

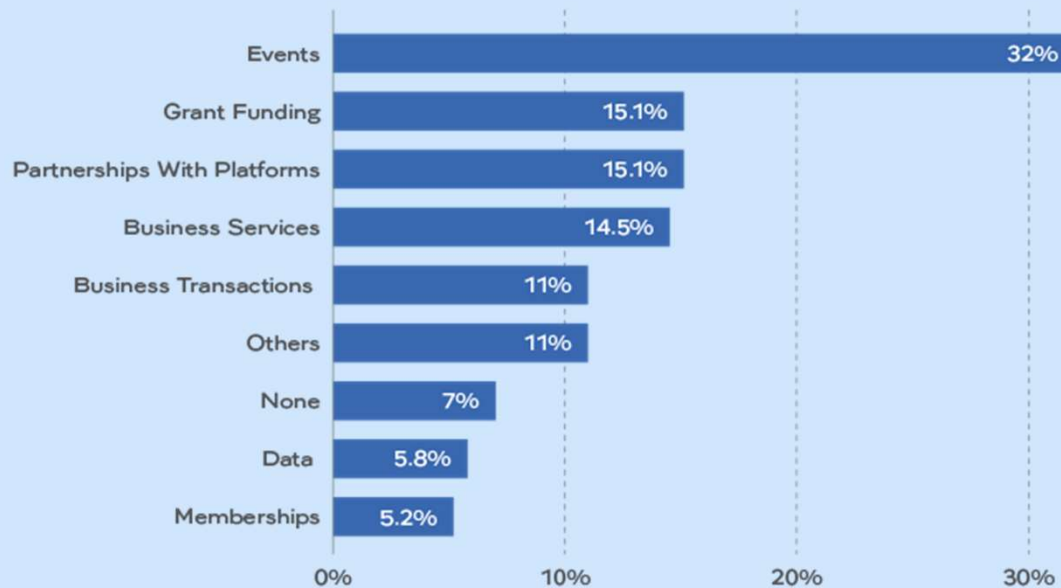
In terms of skills and competences, how prepared do you think your company will be to take advantage of Generative AI in the next 12 months?



- And most admit that they are not prepared to take full advantage of GenAI over the next year.
- In terms of know-how, faster adoption, experimentation. Generally, acceptance.
- But it does require special skill sets to drive the innovation necessary, beyond simple use cases.

Revenue diversification emerging

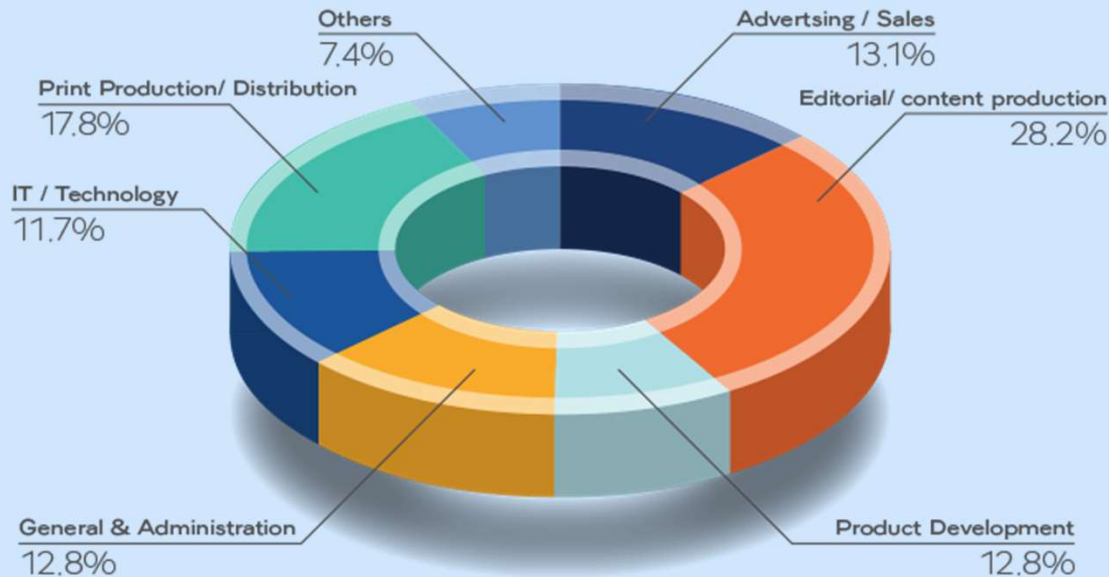
Apart from advertising and reader revenue, which of the following are your most important revenue sources in 2023?



- As we learned, publishers are globally expecting about 20% of their revenues to come from revenue streams outside of the classical reader revenue and ad streams.
- Events continues to be a focus for publishers looking to diversify their business.
- And many are still counting on getting considerable revenue from platforms in the form of special initiatives, remuneration and other deals.

Costs centred on newsroom, IT/tech, and product dev

What are your current costs allocations (%) across the following functions?



- While newsroom hiring appears to be down, it still takes up much of a publisher's spending, and that has the knock-on effects of Product Dev and IT/Tech/Data teams.
- As publishers continue to transition to a more digitally-focused business, the large cost footprint that once was in print is steadily decreasing.

Where does Big Tech relationship stand?

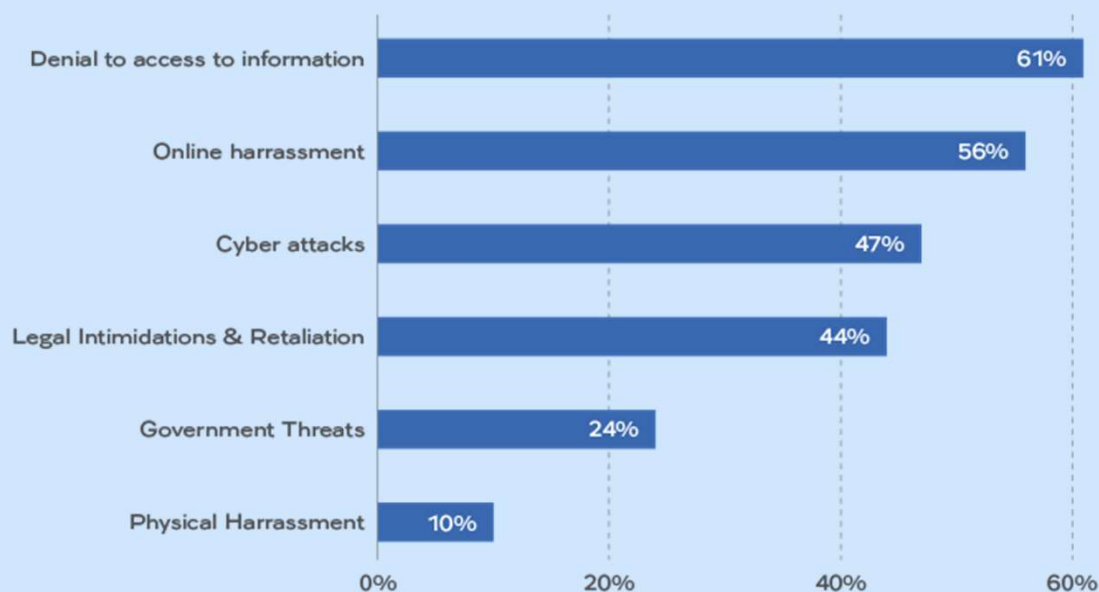
Have relations with tech platforms got better or worse in the past year?



- There are not massive changes here compared when we asked this question last year, but it is flawed question: “We don’t really know what “No Change” means for publishers.
- On one hand, as we saw earlier, publishers are still “banking on” funding from platforms in some form, but legislation, litigation and regulation is ongoing and heating up in different parts of the world.

Press freedom under siege...

Has your organisation or its staff experienced any of the following?



- Increasingly, publishers all over the world are facing daunting challenges regarding press freedom.
- Denied access to information, a core tenant of reporting is on the rise, again, GLOBALLY.
- And we have seen numerous cases of cyber attacks that can cripple a publisher's operation for days and weeks.

Four key takeaways

1

Publishers are bullish on 2024 despite the challenging media landscape – both externally and internally

2

Despite the advances in many companies and markets with their transformation efforts, most publishers are still relying on print to drive most revenue and bridge the gap to a more digital future.

3

Generative AI has brought more disruption – and opportunities – to publishers. Sitting on the sidelines doesn't seem an option.

4

Publishers appear to be doubling down on reader revenue, data, product development – all positive signs of moving in the right direction.



Thank you

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World Association
of News Publishers