

Media Futures Leadership Study

The State of the Magazine
Publishing & Media Industry

FOLIO:TM

Developed with Wessenden
Marketing and Flashes & Flames

**INSIGHTS
ANALYSIS
BENCHMARKS**

2020

SURVEY OF MEDIA & PUBLISHING LEADERS



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INTRODUCTION

The Media Futures Leadership Study: The pulse of leading magazine publishing and media executives on the top issues, priorities and strategic shifts impacting the industry

Welcome to *The Media Futures Leadership Study*, developed by *Folio* in collaboration with Wessenden Marketing and Flashes & Flames. Our organizations conducted a global survey of magazine and media CEOs and senior-level executives to learn their key issues, where they see significant opportunities, and how they are allocating their resources.

This unique study analyzes how leading magazine and media companies, in both business-to-business media and consumer-facing markets, are approaching today's pressing challenges, issues and opportunities. The goal of this analysis is to track how the media and magazine industry is transforming, and provide unique benchmarks with a focus on digital revenue, business streamlining, change and innovation.

The report includes insights and analysis covering:

- » Industry growth outlook
- » Current and projected revenue sources
- » Digital revenue growth and outlook
- » Top digital priorities and IT capabilities
- » How top magazine and media companies are driving change and innovation
- » Business streamlining
- » Key content formats
- » Challenges and opportunities, and the outlook for the future

The report provides a mix of quantitative survey data as well as many write-in comments in response to open-ended questions. The analysis is based on survey responses from more than 150 companies representing a wide cross-section of all segments of the industry. The information in this report will help executives make more informed decisions and improve strategies and tactics during this challenging time. Note, throughout the report some of the data tables may not add to 100% due to rounding or multiple-choice answer options.

Folio and Wessenden Marketing and Flashes & Flames thank all of the respondents for their invaluable contributions to the study.

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EXECUTIVE SUMMARY

The magazine publishing industry has been undergoing major changes and transitions for many years. In fact, the last two decades have been transformative, driven by major technological advancements and audience shifts to digital media consumption. As this study shows, print remains an important revenue area for many magazine publishers, and it is still attracting both advertiser and subscriber spending. Yet the print advertising market remains to shrink at a significant rate.

While these shifts, technological changes, challenges and opportunities remain, magazine publishers and media companies have also been significantly impacted by the pandemic, particularly by, as one survey respondent put it, “fractured media budgets.”

Live in-person events which have been growing steadily and also providing a profitable strategy for both business-to-business and consumer magazine publishers are still essentially completely on hold in the U.S. with many unknowns about reactivation schedules and new requirements for operational health and safety protocols. Clearly, a return of in-person events will be helpful to magazine publishers’ top and bottom lines.

One of the most positive trends for the industry is that audiences have been shifting to consume significantly more content, news and video on digital devices and platforms. As a result of the pandemic, shelter-in-place orders and restrictions have accelerated these wider shifts in society. Also, one of the dominant themes to emerge from the pandemic has been an acceleration of trends that were already underway before the outbreak – especially trends related to consumer and business technology usage, ecommerce and media consumption habits.

These are challenging times for many sectors of the economy worldwide and for nearly all segments of the media industry. As noted in the two key insights highlighted on the next page, a majority of magazine publishers are seeing revenue declines this year, but there is an optimistic outlook. Consider that half of the magazine publishers that responded to the survey expect to see their total revenue increase over the next 12 months. This is an important increase compared to the 61% that are experiencing gross revenue declines this year.

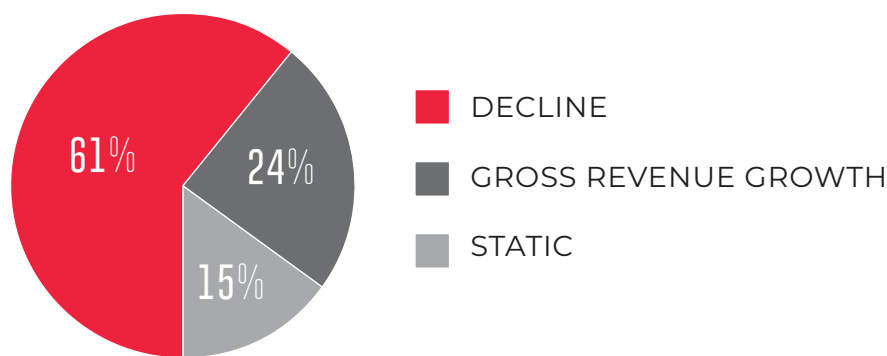
The post-outbreak recovery period – and how the industry responds to new trends and consumer needs, as well as how brands and advertisers respond to publishers’ new content strategies and digital services – will shape the magazine publishing ecosystem well into this new decade.

Below are some of the key insights from the new research.

KEY INSIGHT #1 **Sixty-one percent of magazine publishers, overall in both business and consumer markets, have experienced revenue declines this year**

As of the summer, the majority of magazine publishers – including both business-to-business media companies and consumer magazine publishers – have seen their total revenue decline in 2020 compared to the same period in 2019. Fifteen percent say their revenue is flat and 24% indicate they have seen their total revenue grow so far this year. **The survey question was: To date, what is your year-over-year percentage gross revenue change?**

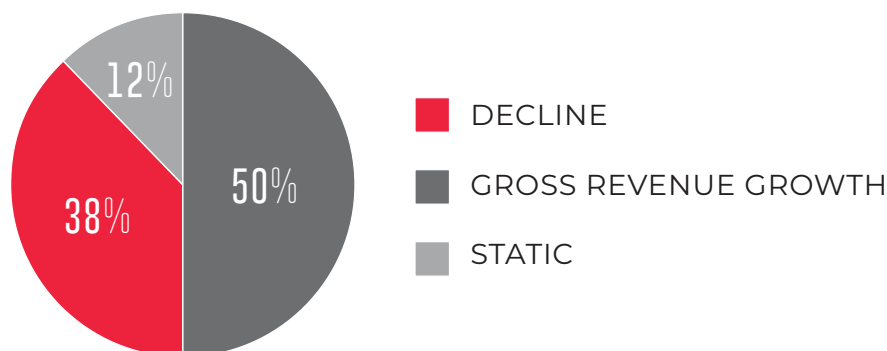
Magazine Publishers' Year-Over-Year Total Gross Revenue Growth - Percentage of the Industry



KEY INSIGHT #2 **Over the next year, 50% of magazine publishers expect to see their top-line revenue grow again**

Exactly half of magazine publishers expect to see their total revenue increase over the next 12 months. This is an important increase, and an important mark of optimism, compared to the 61% experiencing revenue declines this year. Still, 38% expect to see revenue decline over the next 12 months.

Expectation for Total Gross Revenue Percentage Change Over Next 12 Months



KEY INSIGHT #3 **Print is still important as the largest single revenue stream for most magazine publishing businesses, but is expected to decline to represent 31% of total revenue by 2022, down from 39% today**

Print advertising is still the largest single revenue source for the typical magazine publisher, accounting for 39% of total revenue today. But in two years, by 2022, the survey respondents expect print to decline to represent 31% of total revenue on average. The revenue shift will continue to digital, as well as to both online and in-person events. Modest shifts to custom publishing programs and marketing services are also expected.

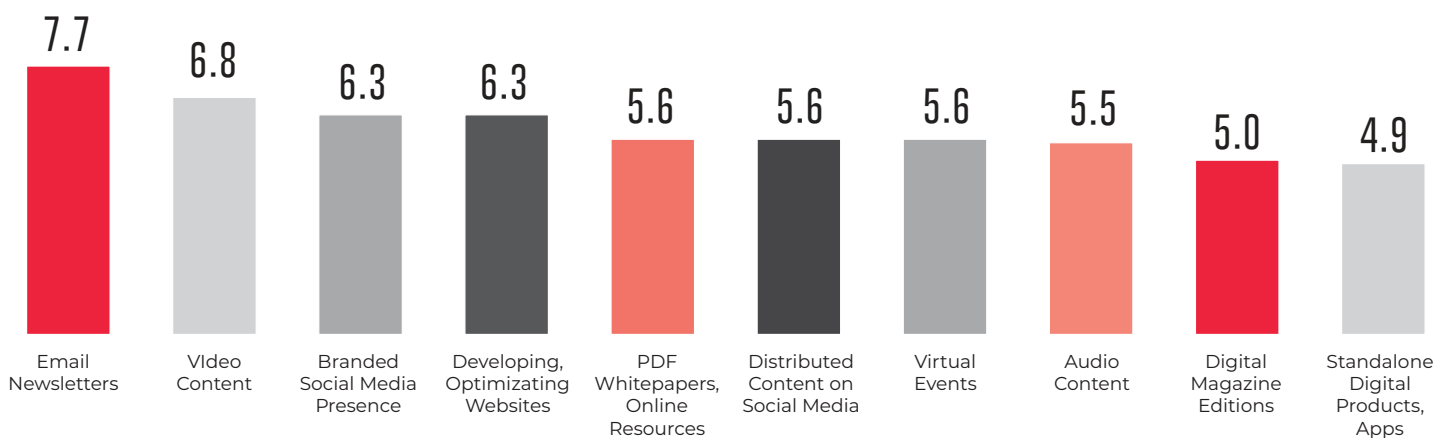
Magazine Publishers' Revenue Sources in 2020 and Expected by 2022

	ALL % 2020	ALL % 2022 EXPECTATION	CHANGE
PRINT ADVERTISING/SPONSORSHIPS	39%	31%	-8%
ONLINE/DIGITAL ADVERTISING OR SPONSORED/BRANDED CONTENT	20%	24%	+4%
EVENTS/CONFERENCES/EXHIBITIONS	9%	12%	+3%
PRINT SUBSCRIPTIONS OR SINGLE-COPY SALES	8%	7%	-1%
CUSTOMER/CUSTOM PUBLISHING	6%	7%	+1%
MARKETING SERVICES OTHER THAN ADVERTISING	4%	5%	+1%
DIGITAL SUBSCRIPTIONS/MEMBERSHIPS	3%	4%	+1%
E-COMMERCE/SALES OF OTHER PRODUCTS	2%	3%	+1%
AWARDS PROGRAMS/LICENSING	1%	0.4%	-0.6%
AFFILIATE MARKETING	1%	1%	--
OTHER	7%	7%	--

KEY INSIGHT #4 Email newsletters and video content are the top two content formats receiving the most investment and resources focus

The primary digital content formats expected to be the focus of publishers over the next year are email newsletters and video content, followed by branded social media, and developing and optimizing websites. Most of these top areas, with the acceptance of branded social media presence, are slightly more important to consumer publishers compared to business-to-business media companies. The survey question asked magazine publishers to rate these on a 10-point scale.

Top Ten Content Formats Receiving the Most Investment - Rated on 10-Point Scale



KEY INSIGHT #5 How magazine publishers and media company executives plan to grow sales to brands and advertisers

The survey asked what are the biggest opportunities to grow sales from brand owners and advertisers. Key themes in the write-in responses included improved, special or custom content; providing additional audience and lead data; expanding digital advertising channels and services; and, closer creative collaborations with brands. Select comments from the survey respondents are below.

- » “Continuing an evolution to selling continuous engagement with prospective customers, as opposed to single products (engagement over time vs. 'advertising').”
- » “Custom content and events.”
- » “Demand Gen.”
- » “Digital ad revenue including social ads, native custom content, sponsored webinars/live streaming and expanded print advertorials.”
- » “Ecommerce and affiliate marketing, consumer memberships, and virtual events coupled with live events.”
- » “Events, group sales, custom publishing, consulting.”
- » “Podcasts, video and specialized portals.”
- » “Sponsored content in print. Branded content online. Third-party digital (programmatic and targeted email). Custom publishing.”

ABOUT THE SURVEY RESPONDENTS: The survey respondents represent a diverse cross-section of magazine and media CEOs and senior-level executives. Forty-nine percent are with business-to-business media companies and associations, and a total of 31% are with consumer publishers (including enthusiast/lifestyle, city/regional media and news providers). The other respondents are a mix of custom publishing companies, conference and exhibition organizers, and other specialist publishers. The average gross revenue of all the responding companies in 2019 was over \$28.7 million.

The findings in this Executive Summary provide only a portion of the insights from the study. The next sections provide additional insightful data, analysis and benchmarks, as well as dozens of comments from the respondents on a range of industry opportunities and challenges.

I. COMPANY GROWTH AND STRATEGY

This is the first of four sections analyzing the complete survey results of business-to-business and consumer magazine publishers. Most of the data tables have three columns, one for all of the respondents tabulated together next to the business-to-business media company and consumer publisher breakouts. This section of the report provides a wide-range of data and analysis covering magazine publishing and media company growth metrics and strategies. Also included are findings related to internal technology capabilities, managing change and innovation, and key opportunities and barriers to success.

GROSS REVENUE, MARGINS AND STAFFING

Year-Over-Year Total Gross Revenue Percentage Change

Survey Question: *To date, what is your year-over-year percentage gross revenue change?*

Based on the survey results collected in July and August 2020, only 24% of the respondents say their total year-over-year gross revenue has increased compared to the prior year. Fifteen percent indicate revenue was flat and 61% said revenue declined. Two-thirds of both business media companies and consumer publishers have experienced gross revenue declines, the bulk of which are likely due to the major impact of the pandemic on brand advertising budgets and the loss of live in-person event revenues.

	ALL %	B2B	CONSUMER
MORE THAN +20%	4%	5%	3%
+16 TO 20%	2%	2%	0%
+11 TO 15%	4%	3%	0%
+6 TO 10%	3%	0%	3%
+1 TO 5%	11%	10%	14%
STATIC	15%	14%	14%
-1 TO 5%	12%	8%	17%
-6 TO 10%	6%	7%	8%
-11 TO 15%	16%	24%	8%
-16 TO 20%	8%	7%	14%
MORE THAN -20%	19%	20%	19%

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Expectation for Total Gross Revenue Percentage Change Over Next 12 Months

Survey Question: *Looking forward 12 months, how do you see your annual revenue changing?*

Exactly half of the publishers expect to see their total revenue increase over the next 12 months. Thirty-eight percent expect to see a decline. Consumer publishers are more optimistic about the outlook than those in the business-to-business sector. Forty-four percent of business-to-business media companies expect to see gross revenue start to grow again over the next year compared to 63% of consumer magazine publishers. Consumer markets such as ecommerce, consumer packaged goods and even some travel categories have rebounded much faster than many business-to-business sectors.

	ALL %	B2B	CONSUMER
MORE THAN +20%	8%	5%	11%
+16 TO 20%	5%	7%	0%
+11 TO 15%	7%	3%	9%
+6 TO 10%	14%	12%	20%
+1 TO 5%	16%	17%	23%
STATIC	12%	12%	6%
-1 TO 5%	10%	12%	3%
-6 TO 10%	6%	8%	6%
-11 TO 15%	11%	10%	14%
-16 TO 20%	4%	5%	3%
MORE THAN -20%	7%	10%	6%

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Gross Margin Profitability EBITDA

Survey Question: *Approximately, what is your current level of gross margin profitability (EBITDA as a % of gross revenue)?*

Magazine publishing gross margins vary greatly. Fourteen percent of the entire group of survey respondents across various magazine industry sectors say their margin is over 20%, while 18% said their margin is only between 1% and 5%. Eighteen percent said their business is at break-even and 16% indicated they are currently losing money.

	ALL %	B2B	CONSUMER
MORE THAN +20%	14%	14%	10%
+16 TO 20%	11%	10%	10%
+11 TO 15%	14%	10%	19%
+6 TO 10%	10%	10%	10%
+1 TO 5%	18%	25%	6%
BREAK-EVEN	18%	18%	23%
LOSS-MAKING	16%	14%	23%

Gross Margin Profitability EBITDA Expected in 12 Months

Survey Question: *Looking forward 12 months, what do you expect your level of gross margin profitability to be?*

Looking out a year, publishers are expecting modest margin increases. The wide range of margin percentage ranges suggests a diverse industry serving very different mass and niche markets and audiences, each publisher with varying business models, levels of competition and overall market size and growth in the sectors they serve.

	ALL %	B2B	CONSUMER
MORE THAN +20%	13%	14%	6%
+16 to 20%	12%	12%	13%
+11 to 15%	17%	10%	29%
+6 to 10%	17%	18%	16%
+1 to 5%	15%	18%	10%
Break-even	16%	16%	13%
Loss-making	10%	10%	13%

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How the Number of Staff Will Change Over the Next 12 Months

Survey Question: *Over the next 12 months, how do you see your total staff numbers changing?*

One-quarter of the total respondent base of publishers and media executives say their total staff headcount will increase over the next 12 months, to the middle to late 2021. Consumer publishers are more upbeat about increasing headcount than business-to-business media companies, with 34% expecting their total staffing numbers to increase compared to only 15% of business-to-business media companies.

	ALL %	B2B	CONSUMER
INCREASING	25%	15%	34%
REMAINING STEADY	63%	73%	54%
REDUCING	12%	12%	12%



CHANGE AND INNOVATION

The Level of Change Underway

Survey Question: *Thinking about the process of change within your own organization, what best describes the amount of change that is currently taking place (organizational structure, staff churn, processes and procedures, etc.)? Rate on a scale of 1 to 10, where 1 = very little change and 10 = massive change.*

One-quarter of the respondents rate their organizational level of change either an “8,” “9” or “10 = massive change” on a ten-point scale. Interestingly, a large percentage of the magazine publishing industry, during a time of major technological change and major challenges around the world due to the pandemic, are saying their companies are only seeing a moderate amount of change. Essentially, most magazine publishing changes continue to relate to, and are being driven by, the shift to digital which has been underway for decades.

	ALL %	B2B	CONSUMER
1 = VERY LITTLE CHANGE	5%	4%	0%
2	3%	0%	13%
3	13%	22%	0%
4	5%	9%	0%
5	16%	22%	13%
6	10%	9%	0%
7	15%	13%	13%
8	18%	9%	38%
9	10%	13%	0%
10 = MASSIVE CHANGE	5%	0%	25%

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Change and Innovation Statement Agree/Disagree Ratings

Survey Question: *To what extent do you agree/disagree with the following statements about driving change and innovation?*

The change and innovation related statements the respondents most often agree with are, in order:

1. We have a clear vision of the kind of company we need to be
2. Our company culture encourages change and innovation
3. Our company structure encourages change and innovation
4. We are bringing new skills into the company
5. We have the required staff resources (knowledge, experience, skills) to drive change

	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	DISAGREE STRONGLY
WE HAVE A CLEAR VISION OF THE KIND OF COMPANY WE NEED TO BE	38%	54%	8%	0%	0%
OUR COMPANY CULTURE ENCOURAGES CHANGE AND INNOVATION	33%	41%	18%	3%	5%
OUR COMPANY STRUCTURE ENCOURAGES CHANGE AND INNOVATION	28%	44%	18%	8%	3%
WE ARE RETRAINING OUR EXISTING STAFF	19%	32%	27%	11%	11%
WE HAVE THE REQUIRED STAFF RESOURCES (HEADCOUNT) TO DRIVE CHANGE	15%	31%	23%	21%	10%
WE ARE BRINGING NEW SKILLS INTO THE COMPANY	13%	49%	26%	8%	5%
WE HAVE THE REQUIRED STAFF RESOURCES (KNOWLEDGE, EXPERIENCE, SKILLS) TO DRIVE CHANGE	13%	41%	13%	21%	13%
WE ARE USING EXTERNAL SERVICE COMPANIES MORE TO FILL IN OUR GAPS IN KNOWLEDGE AND/OR RESOURCES	13%	33%	21%	21%	13%
RECRUITING NEW STAFF IS DIFFICULT/CHALLENGING	13%	13%	49%	23%	3%
WE ARE PARTNERING WITH OTHER COMPANIES TO ACCELERATE OUR DEVELOPMENT	11%	35%	19%	19%	16%
WE HAVE THE REQUIRED IT RESOURCES AND PLATFORMS TO DRIVE CHANGE	8%	39%	26%	18%	8%
WE HAVE THE REQUIRED FINANCIAL RESOURCES TO DRIVE CHANGE	8%	36%	18%	18%	21%
RETAINING EXISTING STAFF IS DIFFICULT/CHALLENGING	5%	18%	32%	26%	18%

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B2B Publishers: Change and Innovation Statement Agree/Disagree Ratings

Survey Question: (B2B Publishers Breakout) To what extent do you agree/disagree with the following statements about driving change and innovation?

The key areas for business-to-business media companies, based on a total of those selecting “strongly agree” and “agree” in response to this question, say they have a clear strategic vision as well as a company culture and structure that encourages change and innovation.

B2B ONLY	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	DISAGREE STRONGLY
WE HAVE A CLEAR VISION OF THE KIND OF COMPANY WE NEED TO BE	30%	57%	13%	0%	0%
WE ARE RETRAINING OUR EXISTING STAFF	24%	29%	29%	14%	5%
OUR COMPANY CULTURE ENCOURAGES CHANGE AND INNOVATION	22%	43%	26%	4%	4%
OUR COMPANY STRUCTURE ENCOURAGES CHANGE AND INNOVATION	22%	43%	22%	13%	0%
RECRUITING NEW STAFF IS DIFFICULT/ CHALLENGING	22%	9%	48%	22%	0%
WE ARE USING EXTERNAL SERVICE COMPANIES MORE TO FILL IN OUR GAPS IN KNOWLEDGE AND/OR RESOURCES	17%	22%	30%	22%	9%
WE ARE BRINGING NEW SKILLS INTO THE COMPANY	13%	48%	30%	9%	0%
WE HAVE THE REQUIRED STAFF RESOURCES (HEADCOUNT) TO DRIVE CHANGE	13%	30%	26%	22%	9%
WE ARE PARTNERING WITH OTHER COMPANIES TO ACCELERATE OUR DEVELOPMENT	10%	29%	19%	19%	24%
WE HAVE THE REQUIRED STAFF RESOURCES (KNOWLEDGE, EXPERIENCE, SKILLS) TO DRIVE CHANGE	9%	43%	13%	22%	13%
WE HAVE THE REQUIRED FINANCIAL RESOURCES TO DRIVE CHANGE	9%	35%	22%	17%	17%
WE HAVE THE REQUIRED IT RESOURCES AND PLATFORMS TO DRIVE CHANGE	5%	36%	23%	27%	9%
RETAINING EXISTING STAFF IS DIFFICULT/ CHALLENGING	0%	13%	35%	35%	17%

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Consumer Publishers: Change and Innovation Statement Agree/Disagree Ratings

Survey Question: (Consumer Publishers Breakout) To what extent do you agree/disagree with the following statements about driving change and innovation?

The most important change and innovation drivers for consumer publishers are the same for those in business-to-business markets: having a clear strategic vision along with a company culture and structure that encourages change and innovation.

CONSUMER ONLY	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	DISAGREE STRONGLY
WE HAVE A CLEAR VISION OF THE KIND OF COMPANY WE NEED TO BE	57%	43%	0%	0%	0%
OUR COMPANY CULTURE ENCOURAGES CHANGE AND INNOVATION	57%	29%	14%	0%	0%
OUR COMPANY STRUCTURE ENCOURAGES CHANGE AND INNOVATION	29%	57%	14%	0%	0%
WE ARE BRINGING NEW SKILLS INTO THE COMPANY	29%	29%	14%	14%	14%
WE HAVE THE REQUIRED IT RESOURCES AND PLATFORMS TO DRIVE CHANGE	14%	43%	14%	14%	14%
WE ARE RETRAINING OUR EXISTING STAFF	14%	43%	14%	14%	14%
RETAINING EXISTING STAFF IS DIFFICULT CHALLENGING	14%	43%	29%	0%	14%
WE ARE PARTNERING WITH OTHER COMPANIES TO ACCELERATE OUR DEVELOPMENT	14%	43%	43%	0%	0%
WE ARE USING EXTERNAL SERVICE COMPANIES MORE TO FILL IN OUR GAPS IN KNOWLEDGE AND/OR RESOURCES	0%	71%	0%	14%	14%
WE HAVE THE REQUIRED STAFF RESOURCES (KNOWLEDGE, EXPERIENCE, SKILLS) TO DRIVE CHANGE	0%	57%	14%	14%	14%
WE HAVE THE REQUIRED STAFF RESOURCES (HEADCOUNT) TO DRIVE CHANGE	0%	43%	14%	14%	29%
WE HAVE THE REQUIRED FINANCIAL RESOURCES TO DRIVE CHANGE	0%	29%	0%	29%	43%
RECRUITING NEW STAFF IS DIFFICULT/ CHALLENGING	0%	14%	57%	14%	14%

Assets Used to Drive Change and Innovation

Survey Question: *What are the biggest assets that you have when driving change and innovation in your company?*

This was an open-ended question. Key themes in the responses include:

- » Strength of staff and teams
- » Strong leadership
- » Company culture of innovation
- » Engaged audiences and databases
- » Technology

Select comments:

- » “Culture, processes and technology, personnel.”
- » “Employees that are willing to learn and experiment.”
- » “Great product, niche market publication.”
- » “Great team.”
- » “Intelligence and knowledge.”
- » “Our ability to develop and adapt superior content.”
- » “Our people, particularly the leadership team.”
- » “People and technology.”
- » “Quality content and reputation.”
- » “Simplicity of vision and persistence.”
- » “The creativity of our team and strength of our leadership.”
- » “The digital and social team is up to the challenge and understands the vision and opportunity as a multi-platform omnichannel publisher.”
- » “We are small and nimble. That is a big advantage.”
- » “We have a creative, innovative team.”

Biggest Challenges Impacting Change and Innovation Efforts

Survey Question: *What are the biggest challenges/barriers that you have when driving change and innovation in your company?*

Key themes in the write-in responses:

- » Health of the economy
- » Investment capital or cash flow
- » Limited resources
- » Resistance to change
- » Finding the best opportunities

Select comments:

- » "Capital for investment."
- » "Cash flow."
- » "Changing present mindset that we've always done it this way."
- » "Economic uncertainty."
- » "Financials and people."
- » "Finding new ideas to boost revenue."
- » "Focus and communication of progress."
- » "Lack of time and resources."
- » "Sales skills, legacy thinking."
- » "Seeing creative opportunities."
- » "The balancing act of driving new products and services while maintaining legacy products and staff discomfort with constant change."
- » "The print staff is silo focused. They are resistant and challenged to a multi-platform publishing model. The company is stuck in holding onto an old publishing model that is not as relevant in today's publishing model. Disruption and risk aversion are holding back the company from transformation."

BUSINESS STREAMLINING

How Magazine Publishers are Streamlining Their Business

Survey Question: *How are you responding in terms of Business Streamlining to the current economic and business conditions? What do you see as the critical action areas where you need to focus most attention and resource at the moment? Please rate on a scale of 1 to 10, where 1 = not at all important and 10 = very important.*

The top three areas of business streamlining focus are improving internal process efficiency, having staff work from home, and cost cuts and overhead reductions (besides layoffs). Investing in IT and technical infrastructure is only rated an average of 6.3 on a ten-point scale suggesting that magazine publishers are not sharply increasing their technology spend with an eye towards business streamlining.

10-POINT SCALE / 10 = VERY IMPORTANT	ALL %	B2B	CONSUMER
IMPROVING THE EFFICIENCY OF INTERNAL PROCESSES AND PRACTICES	7.9	7.7	7.7
MORE HOME WORKING / OUT-OF-OFFICE WORKING	7.3	8.0	5.6
CUTTING OTHER COSTS AND OVERHEADS	6.9	6.9	7.1
INVESTING IN IT AND TECHNICAL INFRASTRUCTURE	6.3	6.2	5.0
CHANGING INTERNAL COMPANY CULTURE AND ATTITUDES	5.8	5.4	5.6
INVESTING IN TRAINING EXISTING STAFF	5.5	5.4	5.9
INVESTING IN BRINGING IN NEW STAFF WITH NEW SKILLS AND EXPERIENCE	5.2	5.0	4.9
CUTTING HEADCOUNT	3.8	3.9	3.9

MARKETING

Marketing Budget Percentage of Annual Revenue

Survey Question: *Looking at your total marketing budgets (advertising to customers, promotions, customer research, etc.), what is the budget as a percentage of your annual revenue?*

The largest percentage of the total respondent group have marketing budgets that are between 3% to 5% of total revenue. Eighteen percent spend 2% or less.

	ALL %	B2B	CONSUMER
LESS THAN 1%	5%	4%	13%
1 TO 2%	13%	13%	13%
3 TO 5%	38%	43%	25%
6 TO 10%	21%	13%	38%
11 TO 15%	13%	13%	13%
16 TO 20%	8%	9%	0%
21 TO 30%	0%	0%	0%
MORE THAN 30%	3%	4%	0%

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How Marketing Budgets are Expected to Change Over the Next 12 Months

Survey Question: *How do you see your marketing budgets changing over the next 12 months?*

More than half of publishers expect their marketing budget to remain the same over the next 12 months. Only 7% expect to see a reduction. Three-quarters of the consumer publisher respondents say their marketing budgets are expected to increase over the next year. This compares to 29% of business publishers and media companies that expect their marketing budgets to rise.

	ALL %	B2B	CONSUMER
INCREASING	40%	29%	75%
REMAINING STEADY	53%	58%	25%
REDUCING	7%	13%	0%



M&A ACTIVITY

Percentage Expecting to Engage in M&A Over Next Two Years

Survey Question: *Do you expect to be involved in some kind of M&A activity over the next two years?*

Over the next two years 42% of the respondents expect their company to be involved with some type of M&A activity. In total, the results can be read to find that sixty-two percent of consumer publishers expect to engage in some type of M&A activity, while only 36% of business-to-business media companies are planning for M&A.

	ALL %	B2B	CONSUMER
YES, TO ACQUIRE ANOTHER COMPANY	24%	18%	25%
YES, TO MERGE WITH ANOTHER COMPANY	8%	9%	0%
YES, TO SELL TO ANOTHER COMPANY	21%	18%	50%
NO	58%	64%	38%

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Recent M&A Transaction Success Ratings

Survey Question: *If you have been involved in a recent merger or acquisition, how successful has that been on a scale of 1 to 10, where 1 = extremely unsuccessful and 10 = extremely successful?*

Most of the respondents that have been involved with M&A activity feel their companies have been moderately to highly successful with these transactions.

	ALL %	B2B	CONSUMER
1 = EXTREMELY UNSUCCESSFUL	8%	13%	0%
2	0%	0%	0%
3	0%	0%	0%
4	8%	0%	50%
5	15%	25%	0%
6	8%	13%	0%
7	8%	0%	0%
8	23%	25%	0%
9	8%	13%	0%
10 = EXTREMELY SUCCESSFUL	23%	13%	50%

Magazine Publishing and Media Executives Explain Their M&A Strategies

Survey Question: *Please briefly explain your M&A strategy?*

Select comments:

- » “Augment content offering, grow subscribers gain new insights on growth areas.”
- » “Filling gaps in our platform, expansion into relevant spaces to our core audience.”
- » “Finding something that fits our niches.”
- » “Lately buying assets opportunistically that fit with our existing markets or buying assets that help us diversify our revenue streams and capabilities.”
- » “Looking for more collateral businesses to acquire.”
- » “Targeting companies that fit our strategy globally.”
- » “We acquire small brands that tuck into our existing markets or fill gaps between our existing brands, and that will benefit from our scale, resources and experienced support staff and managers.”

II. REVENUE STREAMS

Covered in this section is a detailed analysis of existing and new revenue streams. It also covers advertising services and technology, digital products and services, paid content, events, and ways publishers are working to drive sales to brands and advertisers.

MAGAZINE PUBLISHING REVENUE SOURCES

2020 Revenue Sources Breakout

Survey Question: *Currently, on a percentage basis, what are the sources of your company's total annual gross revenue?*

Print advertising is still the largest single revenue source for the typical magazine publisher, although on average print accounts for only 39% of total revenue. Business-to-business media companies receive a larger share of their total revenues from digital than consumer magazine publishers.

	ALL %	B2B	CONSUMER
PRINT ADVERTISING/SPONSORSHIPS	39%	41%	46%
ONLINE/DIGITAL ADVERTISING OR SPONSORED/BRANDED CONTENT	20%	29%	14%
EVENTS/CONFERENCES/EXHIBITIONS (ATTENDEE OR EXHIBITOR/SPONSOR)	9%	9%	4%
PRINT SUBSCRIPTIONS OR SINGLE-COPY SALES	8%	3%	16%
CUSTOMER/CUSTOM PUBLISHING	6%	2%	8%
MARKETING SERVICES OTHER THAN ADVERTISING	4%	4%	4%
DIGITAL SUBSCRIPTIONS/MEMBERSHIPS	3%	2%	7%
E-COMMERCE/SALES OF OTHER PRODUCTS	2%	1%	1%
AWARDS PROGRAMS/LICENSING	1%	1%	5%
AFFILIATE MARKETING	1%	1%	0.4%
OTHER	7%	7%	0%

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Revenue Sources are Expected to Change by 2022

Survey Question: *Looking ahead two years to 2022, on a percentage basis, please forecast how these sources will contribute to your company's total annual gross revenue.*

By 2022, publishers expect print to account for 31% of total gross revenue down from 39% today. The biggest shifts expected over the next two years are essentially a continuation of longer-term trends: print moving to digital and, even in the middle of a pandemic, a continued shift to events is still expected.

	ALL %	B2B	CONSUMER
PRINT ADVERTISING/SPONSORSHIPS	31%	34%	37%
ONLINE/DIGITAL ADVERTISING OR SPONSORED/BRANDED CONTENT	24%	34%	15%
EVENTS/CONFERENCES/EXHIBITIONS (ATTENDEE OR EXHIBITOR/SPONSOR)	12%	12%	14%
PRINT SUBSCRIPTIONS OR SINGLE-COPY SALES	7%	1%	14%
CUSTOMER/CUSTOM PUBLISHING	7%	2%	5%
MARKETING SERVICES OTHER THAN ADVERTISING	5%	4%	4%
DIGITAL SUBSCRIPTIONS/MEMBERSHIPS	4%	2%	9%
E-COMMERCE/SALES OF OTHER PRODUCTS	3%	3%	0.4%
AFFILIATE MARKETING	1%	1%	0.4%
AWARDS PROGRAMS/LICENSING	0.4%	0.4%	0.3%
OTHER	7%	5%	1.6%

As seen in the two data tables above, print is still important as the largest single revenue stream for most magazine publishing businesses. But it's expected to decline to represent 31% of total revenue by 2022, down from 39% today. The revenue lost from print will shift to digital, as well as both online and in-person events, along with modest shifts to custom publishing programs and marketing services.

EXISTING AND NEW REVENUE STREAMS

How Media Companies and Publishers are Developing and Protecting Existing Revenues

Survey Question: *How are you responding in terms of Developing Existing Revenues to the current economic and business conditions? What do you see as the critical action areas where you need to focus most attention and resource at the moment? Please rate on a scale of 1 to 10, where 1 = not at all important and 10 = very important.*

Strategies to grow and protect existing revenue streams are mainly concerned with improving existing digital products and services for end-users, developing more creative advertising packages across multiple platforms, and improving existing print products and services for end-users. Consumer publishers in particular are focused on developing more creative advertising packages across platforms, and they are also more concerned with improving existing print products and services for end-users compared to business-to-business media companies.

10-POINT SCALE / 10 = VERY IMPORTANT	All	B2B	Consumer
IMPROVING EXISTING DIGITAL PRODUCTS AND SERVICES FOR END-USERS	8.2	8.6	8.9
DEVELOPING MORE CREATIVE ADVERTISING PACKAGES ACROSS MULTIPLE PLATFORMS	7.5	7.6	9.3
IMPROVING EXISTING PRINT PRODUCTS AND SERVICES FOR END-USERS	5.9	5.5	7.9
IMPROVING EXISTING LIVE EVENT ACTIVITIES	5.0	5.8	5.1
GROWING THROUGH DEVELOPING INTERNATIONAL OPPORTUNITIES	4.2	4.0	4.9

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How Media Companies and Publishers are Developing New Revenues

Survey Question: *How are you responding in terms of Developing New Revenues to the current economic and business conditions? What do you see as the critical action areas where you need to focus most attention and resources at the moment? Please rate on a scale of 1 to 10, where 1 = not at all important and 10 = very important.*

Publishers' primary new revenue strategies include launching new digital products and services for end-users, launching completely new revenue streams, and new live event activities. These are all comparatively more important to consumer publishers than business-to-business publishers.

10-POINT SCALE / 10 = VERY IMPORTANT	ALL	B2B	CONSUMER
LAUNCHING NEW DIGITAL PRODUCTS AND SERVICES FOR END-USERS	8.1	8.0	10.0
LAUNCHING COMPLETELY NEW REVENUE STREAMS	7.0	6.9	9.0
LAUNCHING NEW LIVE EVENT ACTIVITIES	5.0	5.5	5.7
LAUNCHING NEW PRINT PRODUCTS AND SERVICES FOR END-USERS	4.4	4.8	3.4
GROWING THROUGH ACQUISITION	3.7	3.7	3.3



ADVERTISING SERVICES AND TECHNOLOGY

Digital Activity Related to Advertising Services and Technology

Survey Question: *Looking at the main areas of digital activity related to Advertising Services and Technology and Revenue Streams over the coming 12 months how much focus will you be giving to each area in terms of investment (time and/or money)? (Rate on a scale of 1 to 10 with 1 = very little focus and 10 = a great deal of focus.)*

The key digital activities related to advertising services and revenue are sponsored/native advertising, lead generation, and display ad revenue. Consumer publishers are more focused on driving sponsored/native advertising, while business-to-business media companies are focused on providing lead generation for their advertisers.

10-POINT SCALE / 10 = GREAT DEAL OF FOCUS	ALL	B2B	CONSUMER
ADVERTISER REVENUES: SPONSORED/NATIVE ADVERTISING	7.0	7.0	8.9
LEAD GENERATION	6.9	8.0	5.5
ADVERTISER REVENUES: DISPLAY	6.7	7.1	7.9
GROWING PAID-CONTENT REVENUES	6.4	6.5	7.1
ADVERTISER REVENUES: PROGRAMMATIC ADVERTISING	5.3	5.6	6.1
GROWING ECOMMERCE REVENUES (SELLING RELATED PRODUCTS & SERVICES)	5.0	4.9	5.4
CREATING MORE FLEXIBLE PAYMENT OPTIONS FOR END-USERS (E.G. PAY-AS-YOU-GO, PAYPAL, ETC.)	3.9	3.4	4.5

DIGITAL PRODUCTS AND SERVICES REVENUE

Percentage of Total Revenue from Digital Products and Services

Survey Question: *What percentage of your company's total annual revenue comes from Digital Products and Services?*

Today, digital products and services represent 37% of total revenues. In two years, the percentage is expected to be 43%. By 2022, business-to-business media companies expect over half of their revenue to source from digital. Digital provides a much higher percentage of gross revenue for business-to-business media companies compared to consumer magazine publishers.

	ALL %	B2B	CONSUMER
DIGITAL PRODUCTS AND SERVICES REVENUES NOW	37%	45%	32%
DIGITAL PRODUCTS AND SERVICES REVENUES IN 2022	43%	52%	35%

Digital Products and Services Revenue Breakout

Survey Question: *Currently, what percentage of your company's total annual Digital Revenues currently comes from the following sources?*

For the industry overall, 62% of total digital revenues are driven by advertising or branded/sponsored content.

	ALL %	B2B	CONSUMER
ADVERTISING OR BRANDED/SPONSORED CONTENT	62%	68%	78%
CONTENT OR PRODUCTS PAID FOR BY USERS	21%	18%	22%
ECOMMERCE COMMISSIONS ON SALES	1%	1%	0%
OTHER	8%	13%	0.3%

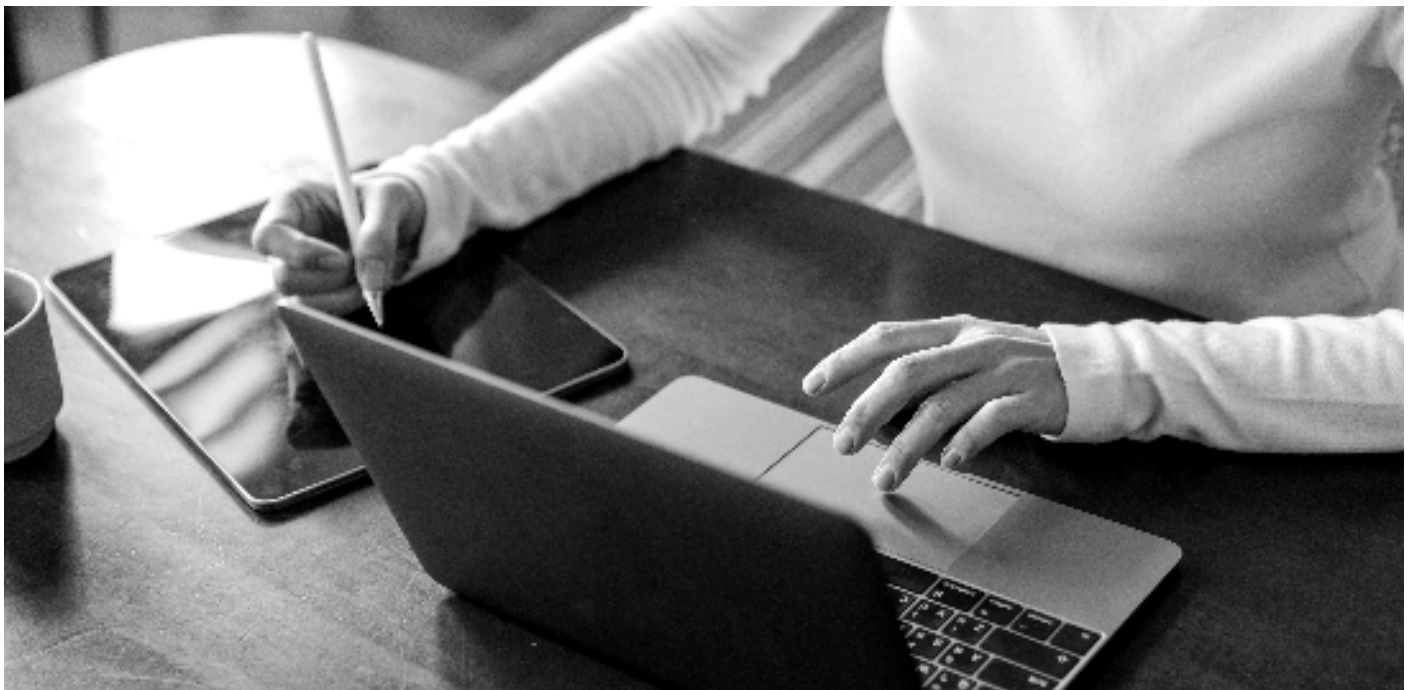
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Digital Products and Services Revenue Breakout Expected by 2022

Survey Question: *Looking ahead two years to 2022, please forecast the percentage of your company's total annual Digital Revenues that you expect from the following sources?*

Looking out to 2022, advertising or branded/sponsored content is expected to provide 57% of total digital revenue, according to the survey findings. Content or products paid for by users is expected to provide 27%.

	ALL %	B2B	CONSUMER
ADVERTISING OR BRANDED/SPONSORED CONTENT	57%	62%	66%
CONTENT OR PRODUCTS PAID FOR BY USERS	27%	23%	30%
ECOMMERCE COMMISSIONS ON SALES	2%	2%	2%
OTHER	8%	13%	1%



Biggest Opportunities to Grow Digital/Online Activities

Survey Question: *What are the biggest opportunities for your company in growing your digital/online activity?*

Key themes in the write-in comments include:

- » Audience online media consumption and behavioral changes
- » Ability to reach wider audiences
- » Better audience data and analysis
- » Improved databases
- » Video
- » New content formats such as podcasts and webinars
- » Improved lead generation services
- » Personalized communications and marketing automation

Select comments:

- » “Acceleration of digital consumption now that people aren’t in offices.”
- » “Archived content.”
- » “Audience development and revenue from online forums.”
- » “Continued focus on the sales skills. Implementing data driven solutions.”
- » “Converting users to subscribers.”
- » “Custom content.”
- » “Digital Hubs.”
- » “Getting agencies and their brands interested.”
- » “Growth in our vertical audience, acquisitions, and continued focus on creating engaging content.”
- » “More sophisticated lead gen and marketing automation, podcasts and webinars for education, data base enhancements.”
- » “Paid social media.”
- » “Personalized, localized, timely email alerts.”
- » “Products based on behavioral data, podcasts, short video sponsorships, webinars we create that have sponsorship opportunities built in.”
- » “Superior content.”
- » “The integration of our product set and building customer journeys that continuously engage and educate a reader while also providing insight to our advertisers with regard to those readers’ maturity as prospective customers.”
- » “Video, short form and long form distributed via social platforms. TikTok is a new priority to scale up audience to monetize with clients.”
- » “YouTube.”

Barriers to Growing Digital/Online Activities

Survey Question: *What are the biggest barriers/threats for your company in growing your digital/online activity?*

Based on the responses, key barriers include:

- » Generating brand and agency interest
- » Sales team challenges
- » Crowded marketplace for online content
- » Technology investment costs

Comments include:

- » "Access to relevant data streams."
- » "Capital investment."
- » "Cash flow."
- » "Client understanding."
- » "Competing free content."
- » "Creating enough highly coveted digital offerings."
- » "Fractured media budgets."
- » "Getting agencies and their brands interested."
- » "Investment of dollars to scale up digital capacity to produce and distribute client driven content, and at the same time, keeping costs affordable to clients. Providing deep dive data and metric analysis on digital campaigns is challenging, taxing to infrastructure and costly."
- » "Lack of an integrated toolset."
- » "Lack of resources."
- » "Proliferation of online content creating a lot of noise in the marketplace making it difficult to gain share of mind."
- » "Resistance to pay for premium content."
- » "Sponsors tending to develop their own content for marketing purposes."
- » "The big three (Google, Facebook and soon Amazon), skilled sales staff."
- » "Transition to more cutting-edge platforms."

PAID CONTENT

Percentage of Media Companies and Publishers with Paid Content Revenue

Survey Question: *Do you have any revenues from sales of Paid Content?*

Fifty-eight percent of magazine publishers realize revenue from paid content sales. Business-to-business media companies consider paid content to be more focused on paid subscriptions or data and information services, while consumer publishers consider this to be client sponsored sales tied to content.

	ALL %	B2B	CONSUMER
YES, SUBSCRIPTION SALES	25%	30%	21%
YES, RETAIL SALES	10%	6%	21%
YES, CLIENT SPONSORED SALES	33%	18%	63%
NO	42%	45%	26%

Biggest Opportunities to Grow Paid Content Sales

Survey Question: *What are the biggest opportunities for your company in growing your Paid Content sales?*

Key themes in the write-in responses:

- » Premium content
- » Bundling and pricing strategies
- » Selling membership programs
- » New content areas, i.e., online events, webinars and podcasts

Select comments:

- » "Audience growth, engagement and new products."
- » "Bundling premium content in the form of memberships."
- » "Digital and print partner content is growing."
- » "Digital blogs."
- » "Events, webinars and podcasts."
- » "Facebook/Instagram Live, Facebook lead-gen campaigns, media buying on behalf of client leveraging our social reach, Mark-up on boosted social posts, streaming webinars."
- » "More digital sponsored content creation/distribution."
- » "New products."
- » "Quality content."
- » "Specialized reports."
- » "Sponsored and branded content."
- » "Unique content."
- » "Video interviews, reaching new verticals."

Biggest Barriers to Growing Paid Content Sales

Survey Question: *What are the biggest barriers/threats for your company in growing your Paid Content sales?*

The biggest challenges to growing paid content include:

- » Competition with other publishers and also large online and technology companies
- » Brands own content creation strategies
- » Pricing and driving sales
- » Quality content development and staff time

Select comments:

- » “A very strict church/state separation between editorial and marketing. Our editorial leadership does not at all entertain the idea of crossing the streams.”
- » “Being co-opted by major platforms. Google, Apple News, Facebook.”
- » “Clients advertising directly with social platforms eliminating need to execute campaigns with trade publications. Not delivering enough campaign data and conversion metrics to the client. Advertisers shifting business model from b-to-b to b-to-c and making professional trades less important for ad spend.”
- » “Clients developing more in-house capability in content creation and distribution.”
- » “Continued proliferation and access to free, high quality content.”
- » “Converting free to paid, delivering new content readers will pay for.”
- » “Convincing the audience to pay for content.”
- » “Finding new customers to replace churn.”
- » “Getting the right content creators.”
- » “Limited interested audience. Competitors that give it away for free.”
- » “Need a sales force with different skills.”
- » “Specialized personnel to administer these pieces.”
- » “Subscription fatigue from the proliferation of paid sub channels.”
- » “Training.”

EVENTS

Event Revenue from Exhibitors and Sponsors

Survey Question: *What percentage of your company's event revenue comes from exhibitors/sponsors as opposed to tickets/visitors/attendee registrants?*

On average, advertiser/exhibitor/sponsor revenues account for 61% of total event revenue. This is expected to decrease to 55% in two years.

	ALL %	B2B	CONSUMER
ADVERTISER/EXHIBITOR/SPONSOR REVENUES NOW	61%	63%	69%
ADVERTISER/EXHIBITOR/SPONSOR REVENUES IN 2022	55%	57%	65%

In a matter of a few months, the world changed dramatically for the event and meetings industry. The live in-person event industry is still essentially on hold as nearly all business events, conferences and exhibitions, and corporate meetings in the U.S. and many parts of the world have been cancelled, postponed or shifted to online only. Few people are travelling outside of their local area for business. Although it is difficult to forecast when the live events industry – holding major conferences, exhibitions, and corporate meetings and experiences – will begin to be revived, there will be a live in-person event industry again.

Event Marketer magazine's surveys of leading event producers and brands conducted in the Spring and Summer of 2020 suggest the first half of 2021 is when the recovery will start, but many of the respondents – a large segment of which control event budgets in the tens of millions of dollars or more – admit they're speculating. There are many pandemic-related unknowns, and the lack of clarity is likely to continue for months or possibly years. Events are critical parts of the fabric of most industries. The desire to gather face-to-face in groups is innate to humans. But the specific path forward, and especially the timeline, once large gathering restrictions are lifted is still difficult to plot.

BRANDS AND ADVERTISERS

Biggest Opportunities to Grow Sales to Brands and Advertisers

Survey Question: *What are the biggest opportunities for your company in growing your sales from brand owners/advertisers (online and offline)?*

Key themes:

- » Improved, special or custom content
- » Providing additional audience and lead data
- » Expanded digital advertising channels and services
- » Closer creative collaborations with brands

Select comments from the respondents:

- » "Audience data."
- » "Continuing an evolution to selling continuous engagement with prospective customers, as opposed to single products (engagement over time vs. 'advertising')."
- » "Custom content and events."
- » "Custom publishing and merchandise."
- » "Demand Gen."
- » "Demise of trade shows."
- » "Digital ad revenue including social ads, native custom content, sponsored webinars/live streaming and expanded print advertorials. Sales affiliate revenue sharing opportunities with advertisers may gain traction."
- » "Digital asset syndication."
- » "Digital content sponsorship including our digital content studio video capabilities."
- » "Digital storytelling."
- » "Ecommerce and affiliate marketing, consumer memberships, and virtual events coupled with live events."
- » "Events (post-vaccine); virtual events (now and going forward), content marketing, lead gen."
- » "Events, group sales, custom publishing, consulting."
- » "YouTube subscribers. Website optimization."

Select comments from the respondents: (CONT)

- » “Long-term sponsorship deals.”
- » “Marketing services.”
- » “New digital products and memberships.”
- » “New launches, webinars, continued digital growth.”
- » “New offerings, paid subs.”
- » “Packages of events, print, social.”
- » “Podcasts, video and specialized portals.”
- » “Reestablishing our live events.”
- » “Sponsored content in print. Branded content online. Third-party digital (programmatic and targeted email). Custom publishing.”
- » “Superior content.”
- » “The fact that many shows in the industry were cancelled may actually work in our favor as marketing dollars are freed up and redirected.”
- » “Virtual events and training.”

Biggest Barriers to Growing Brand and Advertiser Sales

Survey Question: *What are the biggest barriers/threats for your company in growing your sales from brand owners/advertisers (online and offline)?*

The biggest barriers are often:

- » Competition from other publishers
- » Competition from online and technology companies
- » Declining brand interest in print advertising
- » Economic challenges
- » Impact of pandemic especially on live events

Select comments:

- » “Advertisers DIY.”
- » “Bad economy.”
- » “Biggest threat is avoiding trade advertising all together by targeting our audience through hyper-targeted direct advertising by advertisers with Facebook, Instagram, Google and Amazon.”
- » “Change in advertising rules, use of cookies, first party data.”
- » “Competition, capacity, capital investment, market uncertainty.”
- » “Competition; recession.”
- » “Continued attrition to performance marketing, programmatic, and largest digital platforms.”
- » “Decline in print advertising and perception it isn't effective.”
- » “DIY marketing efforts.”
- » “Economic downturn, lack of capital required to make transitions/changes.”
- » “Events.”
- » “Lack of capital.”
- » “Limited resources.”
- » “Limits on live events for now, skilled sales staff, ongoing decline in print spend.”
- » “Marketers continuing to move to digital platforms and performance marketing platforms.”
- » “Not being able to survive without events.”
- » “Not having access or needed resources and opportunities to reach those we can provide our expert-level services.”
- » “Pandemic and hangover, prolonged recession, increased in-house capabilities of clients to produce and distribute their own content.”
- » “Privacy rules.”
- » “Sales skills.”
- » “Shift by advertisers to generate their own content.”
- » “Small budgets.”
- » “The print publishing industry and its various vendor sources diminishing.”

III. CONTENT FORMATS AND TECHNOLOGY

Included in this section are benchmarks and analysis of content formats, productivity tools and automation, digital/online activity, social media, and data and measurement.

CONTENT FORMATS

Content Formats Receiving Most Investment

Survey Question: *Looking at the main areas of digital activity related to Content Formats over the coming 12 months how much focus will you be giving to each area in terms of investment (time and/or money)? (Rate on a scale of 1 to 10 with 1 = very little focus and 10 = a great deal of focus.)*

The primary digital content formats expected to be the focus of publishers over the next year are email newsletters, video content, branded social media presence, and developing and optimizing their own websites. Most of these top areas, with the exception of branded social media presence, are slightly more important to consumer publishers than to business-to-business media companies.

10-POINT SCALE / 10 = GREAT DEAL OF FOCUS	ALL %	B2B	CONSUMER
EMAIL NEWSLETTERS	7.7	8.0	8.0
VIDEO CONTENT	6.8	6.9	7.2
BRANDED SOCIAL MEDIA PRESENCE	6.3	6.7	6.0
DEVELOPING YOUR OWN WEBSITES (INCLUDING MOBILE OPTIMIZATION)	6.3	6.1	6.4
PDF WHITEPAPERS / DOWNLOADABLE RESOURCES	5.6	6.3	4.6
DISTRIBUTED CONTENT ON SOCIAL MEDIA / OFF- PLATFORM PUBLISHING	5.6	6.0	6.4
VIRTUAL EVENTS	5.6	5.6	6.2
AUDIO CONTENT	5.5	5.9	4.7
DIGITAL EDITIONS (ISSUE-BASED "MAGAZINE" FORMAT)	5.0	5.8	3.4
STANDALONE DIGITAL PRODUCTS/APPS	4.9	5.3	4.8
DIGITIZED ARCHIVE MATERIAL	4.4	4.8	3.9
AUGMENTED REALITY	2.3	1.9	2.7
VIRTUAL REALITY	2.2	1.9	1.8

PRODUCTIVITY TOOLS AND AUTOMATION

Digital Activity Related to Productivity Tools and Automation

Survey Question: *Looking at the main areas of digital activity related to Productivity Tools and Automation over the coming 12 months how much focus will you be giving to each area in terms of investment (time and/or money)? (Rate on a scale of 1 to 10 with 1 = very little focus and 10 = a great deal of focus.)*

The top digital productivity tools used by publishers are SEO, workflow tools for data products and services, and automated marketing communications.

10-POINT SCALE / 10 = GREAT DEAL OF FOCUS	ALL %	B2B	CONSUMER
SEARCH ENGINE OPTIMIZATION (SEO)	6.8	7.1	6.4
WORKFLOW TOOLS / DATA PRODUCTS AND SERVICES	6.0	6.1	4.3
AI: AUTOMATED MARKETING COMMUNICATION WITH END-USERS	4.9	5.0	5.3
AI: AUTOMATED CONTENT DELIVERY	4.7	5.0	4.1
AI: AUTOMATED STREAMLINING OF INTERNAL PROCESSES	4.4	4.4	4.8
VOICE ACTIVATED ASSISTANTS (E.G. SIRI, CORTANA, ALEXA)	2.3	2.0	1.9

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SOCIAL MEDIA

Social Media Channels in Focus

Survey Question: *Which of the following social media channels will you be focusing on over the next 12 months? Please rate on a scale of 1 to 10, where 1 = low priority and 10 = high priority.*

For the entire set of respondents in all segments of the magazine publishing industry, the primary social media channels are LinkedIn, Twitter and Facebook. There are meaningful, and not surprising differences between business-to-business media companies and consumer magazine publishers. LinkedIn is more important to business sectors and Instagram is becoming very important to consumer publishers.

10-POINT SCALE / 10 = HIGH PRIORITY	ALL %	B2B	CONSUMER
LINKEDIN	6.4	7.1	3.8
TWITTER	5.8	6.5	5.3
FACEBOOK	5.6	6.0	6.5
INSTAGRAM	5.4	5.0	8.5
YOUTUBE	5.1	5.8	4.8
PINTEREST	2.7	2.2	4.6
SNAPCHAT	2.2	2.2	1.4
REDDIT	2.1	1.9	2.3
TIKTOK	2.0	2.0	1.5
FLIPBOARD	2.0	2.0	1.5
OTHER	2.8	2.3	1.8

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Social Media Strategies: Relative Importance of Social Media Channels

Survey Question: *What is the relative importance of each of the following areas in your general social media activity? Rate on a scale of 1 to 10, where 1 = low importance and 10 = high importance.*

The most important social media strategies are clear and straightforward: 1. attracting new customers; 2. building engagement with existing customers; and, 3. driving website traffic.

10-POINT SCALE / 10 = HIGH IMPORTANCE	ALL %	B2B	CONSUMER
ATTRACTING NEW CUSTOMERS	8.7	8.3	10.0
BUILDING ENGAGEMENT WITH EXISTING CUSTOMERS	8.5	8.4	8.7
DRIVING TRAFFIC TO YOUR WEBSITES	8.1	7.7	9.6
GENERATING CUSTOMER INSIGHT	6.7	6.7	6.9
DELIVERING CONTENT SPECIFIC TO THE SOCIAL PLATFORM'S USER PROFILE	6.1	6.3	7.6
GENERATING ADVERTISING / SPONSORSHIP REVENUE	6.0	6.4	6.3
MARKETING LIVE EVENTS	5.5	6.2	5.1
SELLING SUBSCRIPTIONS	4.5	4.5	5.4
SELLING OTHER GOODS AND SERVICES	3.8	3.8	3.3
OTHER	4.2	4.6	3.7

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DATA AND MEASUREMENT

Digital Activity Related to Data and Measurement

Survey Question: *Looking at the main areas of digital activity related to Data and Measurement over the coming 12 months how much focus will you be giving to each area in terms of investment (time and/or money)? (Rate on a scale of 1 to 10 with 1 = very little focus and 10 = a great deal of focus.)*

Building your database of end-users is the biggest data and measurement focus of magazine publishers, followed by accessing more audience insight through analytical data.

10-POINT SCALE / 10 = GREAT DEAL OF FOCUS	ALL %	B2B	CONSUMER
BUILDING YOUR DATABASE OF END-USERS	8.3	8.2	8.6
BUILDING MORE AUDIENCE INSIGHT THROUGH ANALYTICAL DATA	7.5	7.7	7.4
PAID-FOR TRAFFIC (E.G. PPC)	3.5	4.0	2.6

INTERNAL IT AND TECHNOLOGY CAPABILITIES

Internal IT and Technology Capabilities

Survey Question: *Looking at your company's IT / Technology Capability, how competent is the organization in the following areas? Rate on a scale of 1 to 10, where 1 = very low competence and 10 = very high competence.*

By far, the top two IT and technology capabilities are delivering content to end-users and interfacing with external partners.

10-POINT SCALE / 10 = VERY HIGH COMPETENCE	ALL %	B2B	CONSUMER
DELIVERING CONTENT TO END-USERS	7.7	7.8	8.4
INTERFACING WITH EXTERNAL PARTNERS	6.8	7.3	6.4
AUTOMATING MARKETING COMMUNICATIONS AND PROCESSES WITH END-USERS	6.2	6.1	6.6
AUTOMATING INTERNAL PROCESSES	6.1	5.7	6.1
DATA ANALYSIS OF END-USER TRANSACTIONS AND BEHAVIORS	5.9	5.7	6.3
OFFERING A WIDE AND FLEXIBLE RANGE OF PAYMENT OPTIONS TO END-USERS	5.3	5.6	4.6

IV. OUTLOOK CONFIDENCE LEVEL

Magazine publishers are moderately confident about the business outlook for the next two years.

Financial Performance Confidence Level

Survey Question: *How confident do you feel about the financial success of your company over the next two years out to 2022? Rate on a scale of 1 to 10, where 1 = not at all confident and 10 = very confident.*

Looking out two years to 2022, overall, publishers are moderately confident. On a ten-point scale, a total of 68% rated their confidence level between “6” and “8.” Only 10% selected “very confident.”

	ALL %	B2B	CONSUMER
1 = NOT AT ALL CONFIDENT	8%	8%	13%
2	3%	0%	13%
3	0%	0%	0%
4	5%	8%	0%
5	3%	4%	0%
6	13%	17%	0%
7	30%	29%	25%
8	25%	21%	38%
9	5%	4%	13%
10 = VERY CONFIDENT	10%	8%	0%

Media Futures Leadership Study

Confidence Level Compared to Outlook in 2019

Survey Question: *How does your current level of confidence about the future compare to how you felt a year ago?*

Over half of the magazine publishing industry is less confident about the future business outlook than they were in 2019. Business-to-business media companies in particular are much less confident compared to consumer publishers. This is heavily influenced by the still cloudy outlook for the reactivation of live in-person events.

	ALL %	B2B	CONSUMER
MORE CONFIDENT THAN LAST YEAR	18%	16%	14%
ABOUT THE SAME AS LAST YEAR	25%	12%	29%
LESS CONFIDENT THAN LAST YEAR	58%	72%	57%

Media Futures Leadership Study

Methodology and About the Respondents

In July and August 2020, *Folio* conducted a survey of a wide cross-section of leading executives throughout the magazine publishing and media industry. The survey received 154 responses.

Company Type

	ALL %
B2B/ASSOCIATION	49%
CONSUMER ENTHUSIAST/LIFESTYLE	18%
CITY/REGIONAL MEDIA	10%
CUSTOM PUBLISHING	5%
CONSUMER NEWS	3%
EVENTS, CONFERENCES AND EXHIBITIONS	2%
OTHER	13%

Total Gross Revenue in 2019

	ALL %	B2B	CONSUMER
AVERAGE	\$28,722,213	\$33,920,408	\$29,780,692
HIGH	\$680,000,000	\$680,000,000	\$120,000,000
LOW	\$100,000	\$200,000	\$100,000

Number of Full Time Employees Currently

	ALL %	B2B	CONSUMER
AVERAGE	198	176	249
HIGH	5,000	5,000	5,000
LOW	2	2	2

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SURVEY OF MEDIA & PUBLISHING LEADERS