Newspaper Trends and AI

World Printers Forum presentation for EDILAND

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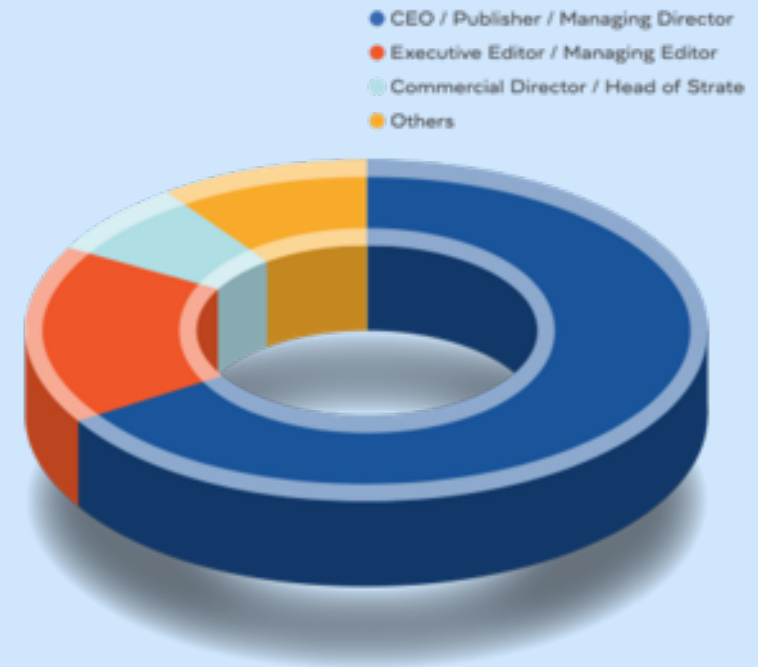
About the survey

- 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

● CEO / Publisher / Managing Director
● Executive Editor / Managing Editor
● Commercial Director / Head of Strate
● Others

Publishers optimistic heading into 2024

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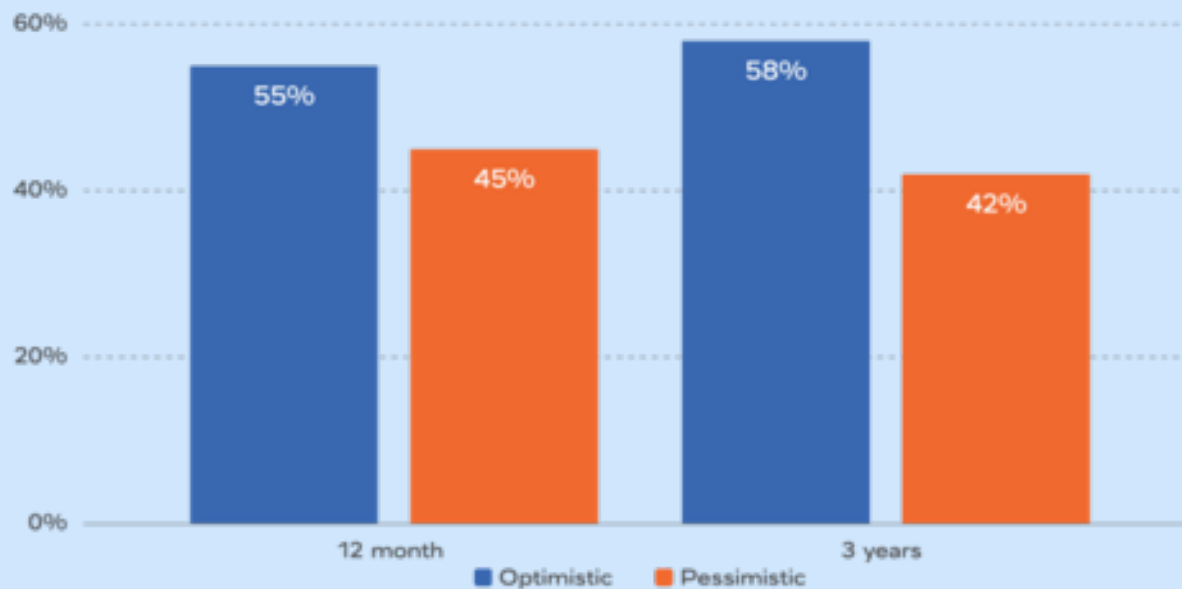

- Despite all the challenges and ongoing uncertainty, publishers are more upbeat heading into 2024, especially compared to this time last year when there was a lot of concern.

- They are even more optimistic for the long-term.

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'23 Revenue expectations reflect optimism

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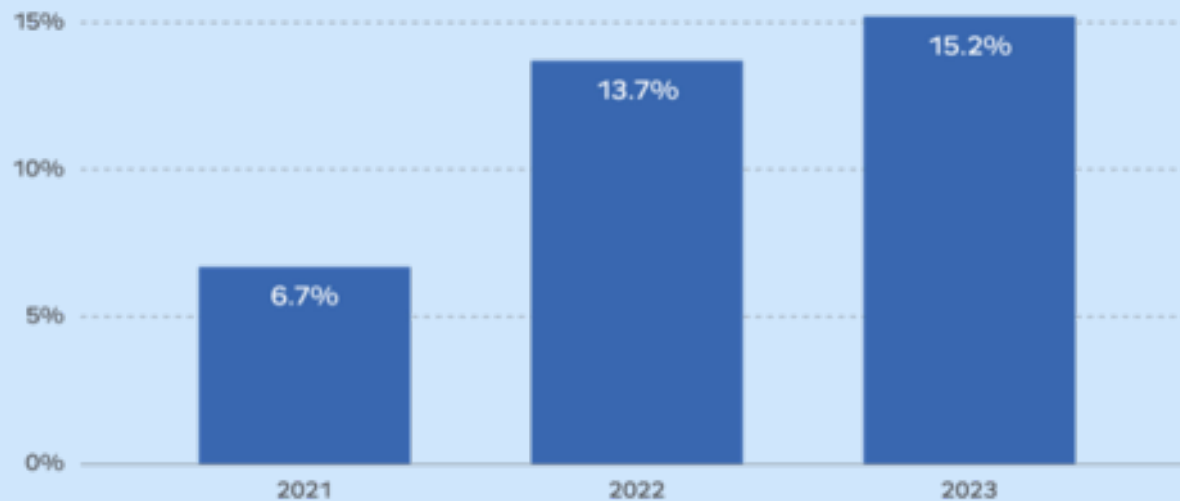

- Globally, publishers expect revenues to grow by 15% this year compared to 2022.

- 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?
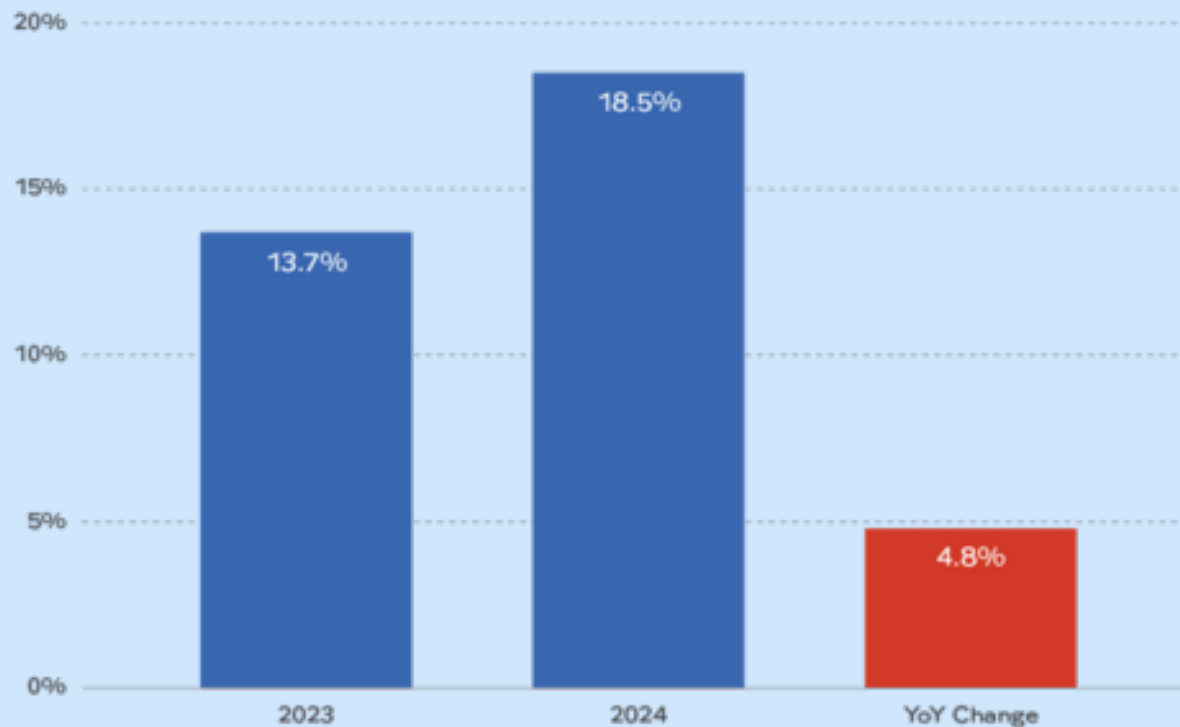

- Publishers are actually expecting a banner year in terms of revenue in 2024 as they continue (and expect) to focus on new revenue streams, a growing part of the business.

- There are a number of elections in 2024 that are likely to have a positive impact on revenues and engagement with audiences.
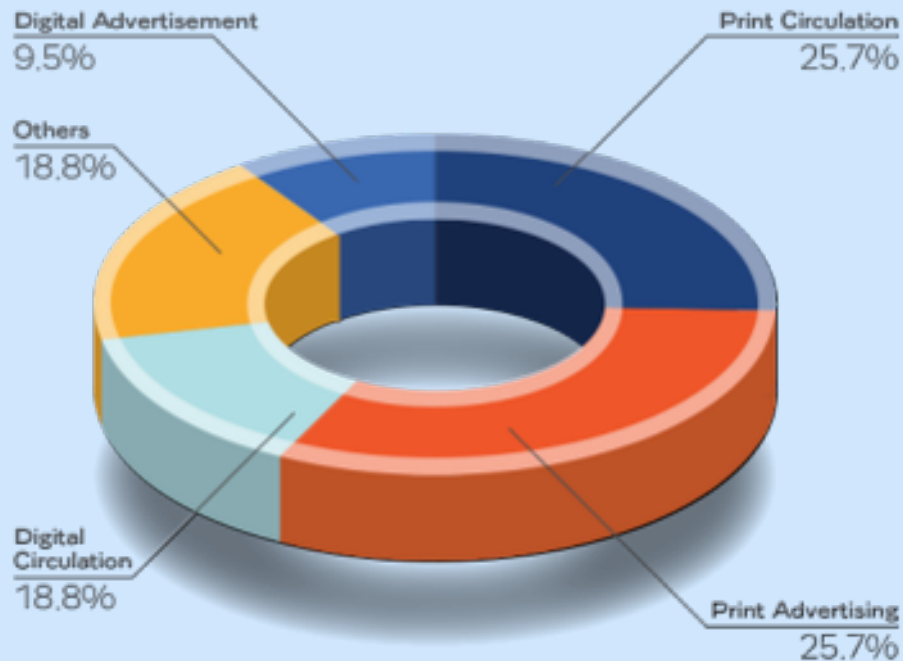
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Advertising still paying the bills…

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

Other Sources
21.7%

Reader Revenue
35.3%

Advertising Revenue
43%
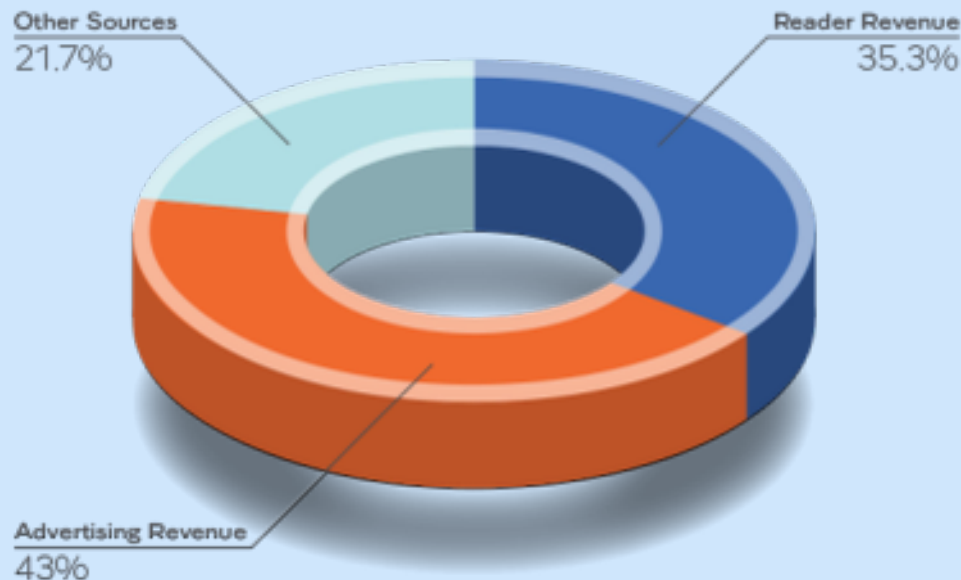
- While the push to focus on digital subscription and other forms of reader revenue continues, advertising is still paying most of the bills for publishers.

- 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?

Digital Advertisement
9.5%

Others
18.8%

Digital
Circulation
18.8%

Print Circulation
25.7%

Print Advertising
25.7%

- 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?
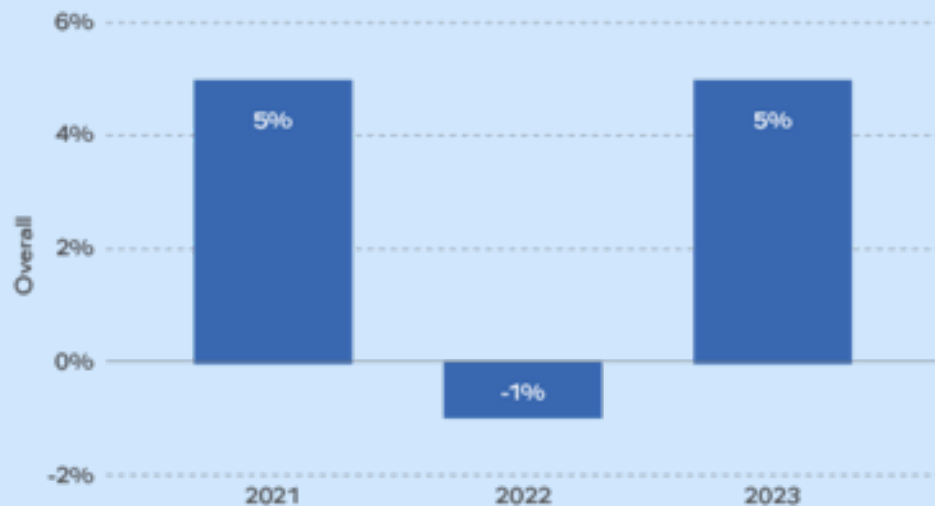
- Even though 2023 was forecasted to be a difficult year, and some of the results we have seen from some groups seem to be down, most publishers told us their profits improved off a tough 2022.

- Margins might not be as high as during the glory days of the '80s and '90s but there is some foundational health there. But of course, always room to grow.

Planned investment priorities: Reader revenue

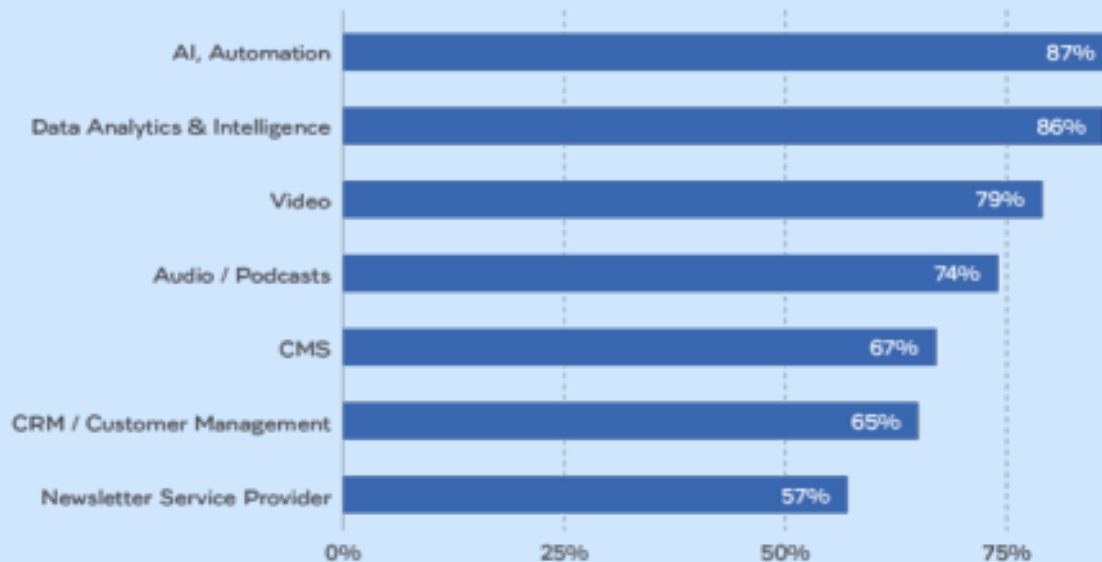*What are the priority areas for you company to invest in the next 12 months?*

- 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 apparent obstacles.

Top tech investments: AI and data

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

| Technology	Percentage
AI, Automation	87%
Data Analytics & Intelligence	86%
Video	79%
Audio / Podcasts	74%
CMS	67%
CRM / Customer Management	65%
Newsletter Service Provider	57%

- Not a big surprise that AI is considered a top priority for investment, along with data.

- For the second year in a row, video comes in as a big focus.

- And CMS and CRM carry even greater importance with editorial and commercial getting more synced up, particularly around audiences, engagement, and reader revenue.

Most missing an AI roadmap

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

Yes
28.4%

No
71.6%
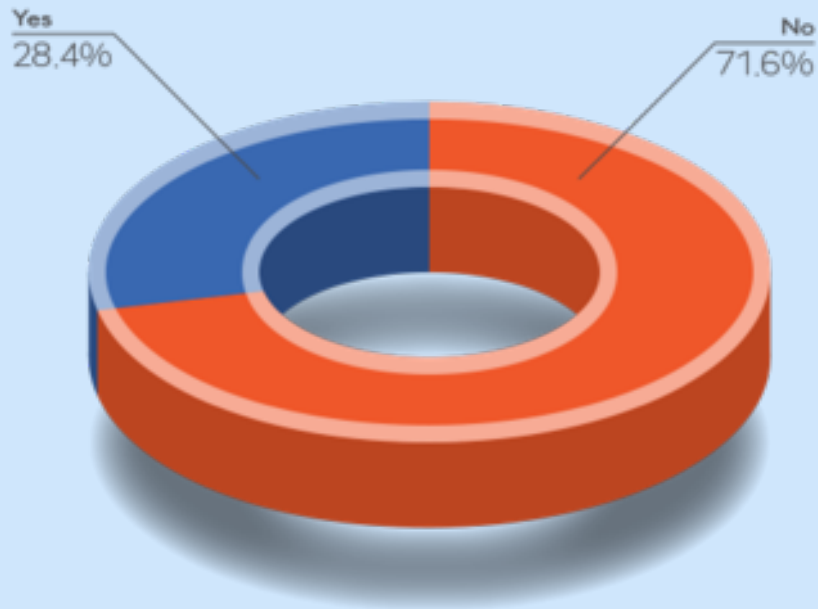
- This much could be said for a number of business and industries.

- 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 GenAI has brought.

Over half not chatting up ChatGPT, etc.

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

No
54%

Yes
46%
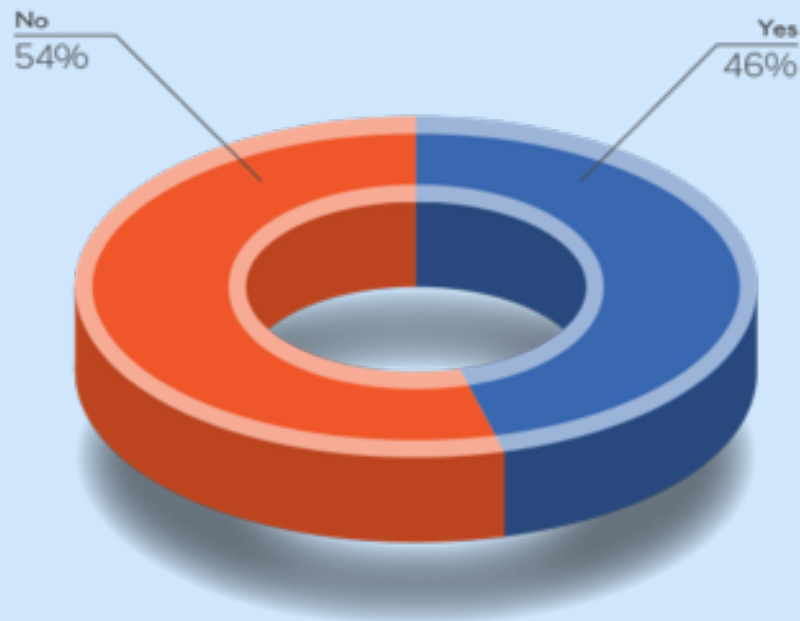
- More than half of publishers said they are not working with ChatGPT, similar to what they told us 5-6 months ago.

- 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.

AI and GenAI
Let´s see what it is?

Generative AI (Gen AI) represents the next step in the evolution of AI. It's a subset of AI focused on creating new and original content. Unlike traditional AI systems, which operate based on pre-existing data and rules, Generative AI generates new data and ideas, from digital art to novel text compositions.

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?
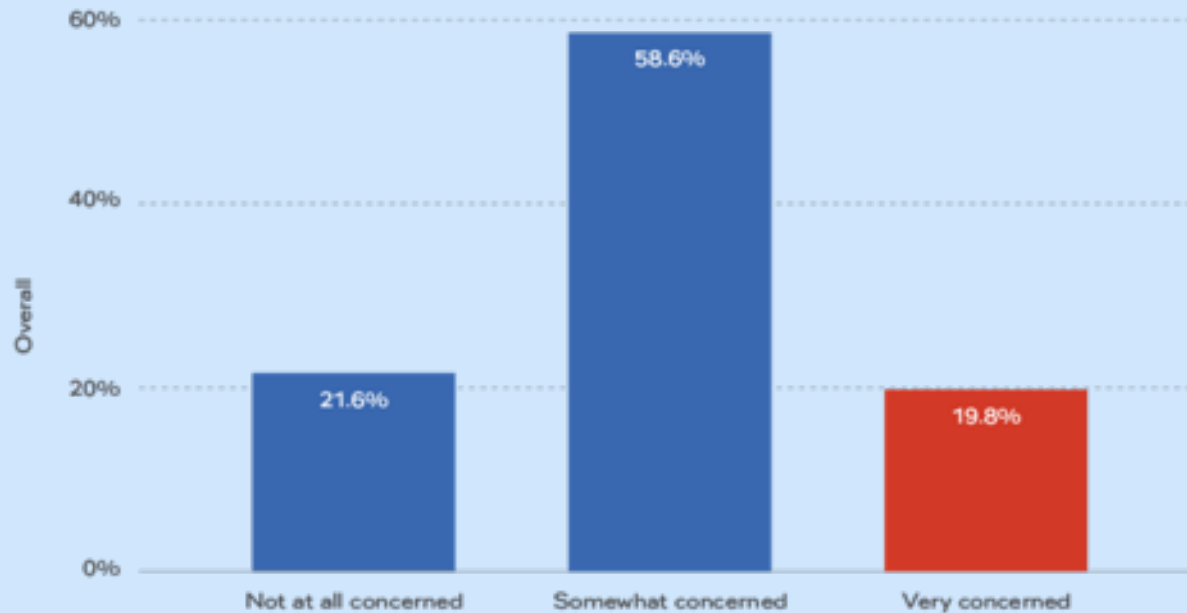

- Most publishers see Generative AI as a threat to their business. Why?

- 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?
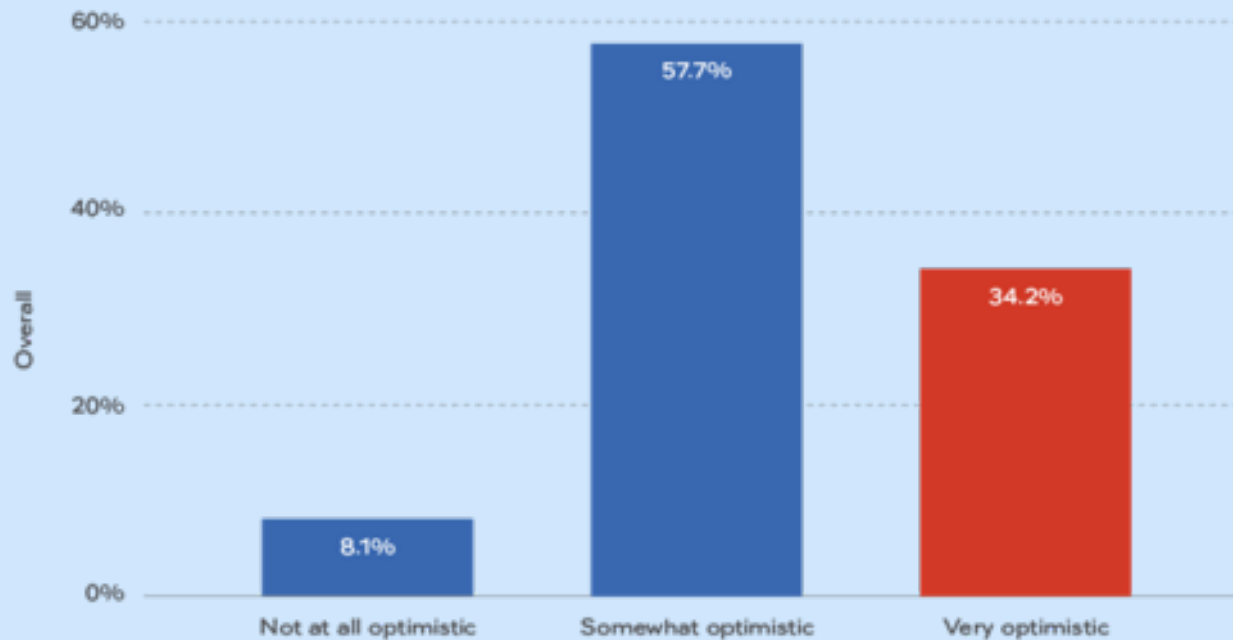

- But just like the advent of the Internet and social media, publishers see huge potential to improve their business.

- Has potential to drive efficiencies in workflows, cut costs, automate marketing and content.

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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?
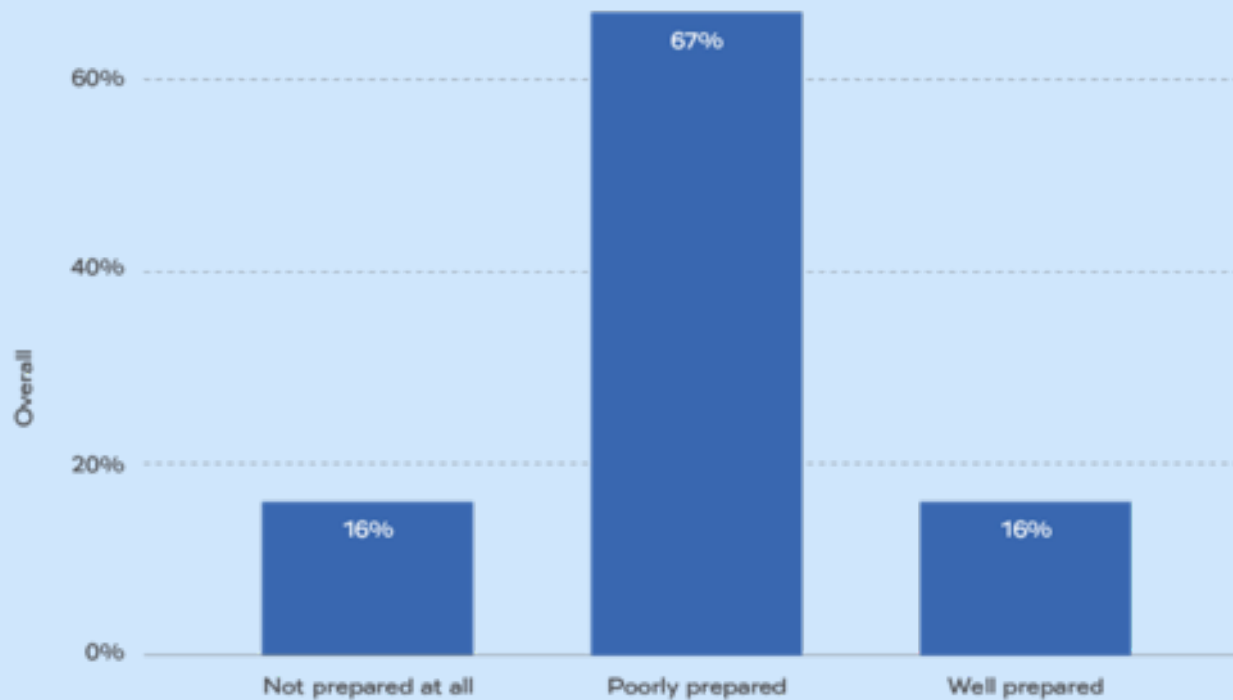
- And most admit that they are not prepared to take full advantage of GenAI over the next year.

- 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.

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AI design tools…

There is a rapid development also in AI design tools. Some of these tools can create images, drawings etc.

- **DALLE-E – from OpenAI,** creates images from text captions for a wide range of concepts expressible in natural language.

- **MIDJOURNEY** – from OpenArt – see image

- Firefly – Adobe, part of the Adobe Creative Suite

- **And many more, go online and have a look**

AI Unlocked – webinars – WAN-IFRA

Revenue diversification emerging

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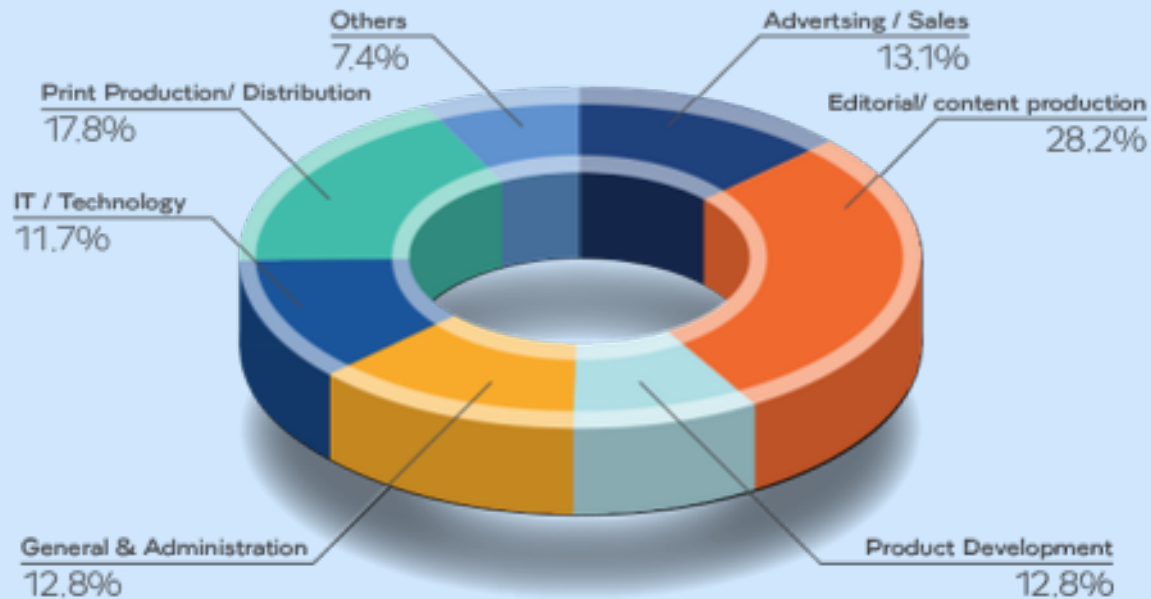

- As we learned, publishers are globally expecting about 20% of their revenues to come from revenue streams outside of the classical reader revenue and ad streams.

- 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?

Others 7.4%
Print Production/ Distribution 17.8%
IT / Technology 11.7%
General & Administration 12.8%
Advertsing / Sales 13.1%
Editorial/ content production 28.2%
Product Development 12.8%

- While newsroom hiring appears to be down, it still takes up much of a publishers' spending, and that has knock-on effects on 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.

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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.

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Keynote speaker Todd Socia, Senior Vice president of production, New York Times

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Indian Printers Summit 2024

Register Your Interest

23 - 26 September 2024   London   UK

UK Study Tour 2024

Mix your revenues: How to reach specific audiences

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14 - 17 October 2024   East Coast   US

US NEWSROOM STUDY TOUR: Managing AI, elections and news avoidance

29 - 31 January 2025   San Francisco, Silicon Valley   USA

AI Study Tour to SF and the Silicon Valley

Inquiry

Good luck tomorrrow

Thank you,

Mail me if you have any questions

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