

FOLIO:

MAGAZINE MEDIA HAS POSITIVE OUTLOOK FOR 2019

A new Folio: reader survey finds plenty of opportunity for growth next year.

Sponsored by

ORACLE[®]
NETSUITE

READY FOR A DEEP DIVE?

Attend the “Modernizing the Publishing Business: How Technology Impacts Operations” session on Wednesday, October 10 from 9:45 - 10:20 AM in the Rendezvous room to hear more.

One might expect recent layoffs, consolidations, frequency reductions, and closures in magazine media would have the industry feeling gloomy about its future, but a new survey of Folio: readers shows the opposite.

Nearly seven in 10 Folio: readers surveyed in the Folio: 2018 Magazine Media Investment and Operations Survey said that they expected revenue to go up next year, with 22 percent saying that they anticipated seeing double-digit increases. Just five percent of those surveyed thought revenue would decline next year.

That rosy outlook reflects overall confidence in the economy, even as publishers continue to shift away from print revenue.

“Publishers are taking advantage of both new and old revenue models,” says Evan Heby, service industry marketing lead with NetSuite.

Digital advertising is the most popular revenue category in which survey respondents expect to see higher revenue in 2019, with 55 percent saying they expected growth in digital ad sales next year. That’s despite the continued challenges posed from the duopoly (Google & Facebook).

Data from eMarketer shows that Facebook and Google will take in a combined 57.1 percent of market share this year. That’s down from 2017, but still leaves relatively little room for magazines publishers.

Events represented the second-most popular revenue growth category, with 54 percent of Folio: readers citing it as a possible growth

driver. A robust economy means that clients have money to spend on events, and publishers see them as an investment in both sales and marketing.

“An event can act like a ‘soft close’ in a deal, where current customers can mingle with potential new customers and help sell the value of your tool or product line,” Heby says. “As publishers and media companies alike build their brands, events can be a fast way for them to get publicity and develop their identity in the competitive media landscape.”

While digital and event sales are on the rise, fewer than a third of Folio: readers had high hopes for growth in print advertising or subscriptions. The survey found that just 29 percent viewed print advertising as a growth catalyst, while 30 percent cited subscriptions as a growth driver.

While print revenue may not be growing, it is still the largest source of revenue for many magazine publishers, and one that remains vital to preserving their brand. The percentage of consumers reading print magazines is falling, but more than 60 percent of consumers still read print magazines, according to the 2018 Mequoda Magazine Consumer Study. Print remains a vital part of a diversified media portfolio, as a branding and marketing tool, necessary to driving growth in other areas.

Folio: readers recognize that they’ll need to invest in the right talent to hit their growth projections for 2019. Hiring employees with new skillsets represented the top investment area for those surveyed. In terms of technology investment, web development represented the number one priority over the next two years,

cited by a third of media executives.

“Without the proper website and web tools, your brand will suffer, so web development is important to both early stage media businesses and later stage businesses, since it is the first impression your customer base or audience gets of you,” Heby says. “Further, the web experience is important because it can be an inbound lead-generation tool—if your website is set up properly, it can be one of your best assets as a company in driving volume for sales.”

The second most popular area for tech investment was unified database and data management. The role of data continues to grow in the magazine industry, as programmatic advertising and account-based marketing offer opportunities to publishers.

Data represents a means of proving the effectiveness of advertisements—both online and in print—and to track users between platforms. Nearly a third of Folio: readers said that they currently have access to on-demand and real-time analytics across their business, while 60 percent said that they had such access in some but not all areas of their business.

“Real-time access to business data and metrics can be a crucial competitive advantage for media companies. That’s why it’s key to set-up your business systems so they can integrate and talk to one another. Media companies that are using a centralized business management platform to aggregate data across

all departments will have better insights into the current health of their business and their future growth trajectories” says Heby.

As publishers continue to add new offerings in the digital and event space, they’re also making changes to the systems and processes that they use to produce them. Thinking about those changes and upgrades will be an ongoing effort. Digital subscription sales, for example, require transactions that are simple and secure.

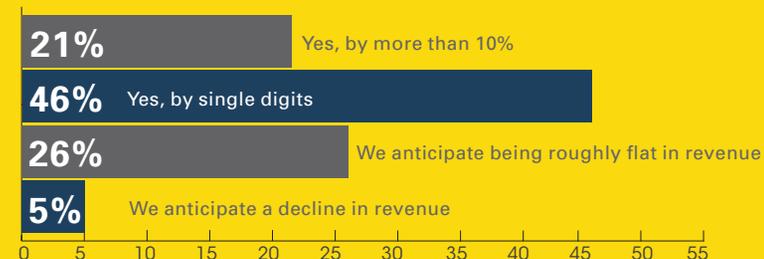
For many of those surveyed, scaling their digital processes remains a challenge. More than half said that their current systems either didn’t currently scale to the level that they needed or wouldn’t scale to the levels that they would need in the future. Another 19 percent were unsure.

“Technology is changing rapidly,” Heby says. “The best tech five years ago may not be the best tech available today. It’s important to regularly monitor the improvements in business software.”

When asked to rate, on a scale of one to 10, how automated their company’s current processes are, Folio: readers gave their current systems an average rating score of just 6.24*. ■

**The survey took place in August and September 2018 and includes a sample of 119 magazine executives from a wide range of sectors, including B2B/trade, association/non-profit, regional, mass and niche consumer, and custom publishers.*

DO YOU ANTICIPATE THAT YOUR REVENUE WILL GROW IN 2018?



WHAT WILL GROW FOR YOU IN 2019? (SELECT ALL THAT APPLY)



WHAT WILL YOUR MOST SIGNIFICANT INVESTMENT BE IN 2019?

