

# Publishing Revenue Trends: A Look At The Data

By Mark McCormick

Founder and President of Mirabel Technologies



# Professional Background:

- Founded Mirabel Technologies which developed Magazine Manager, Newspaper Manager, Mirabel's Marketing Manager (Audience Development Platform), and ChargeBrite (Recurring Revenue Platform)
- Serves 17,000+ newspapers, magazines, websites, and events in 20 different countries



# Former Publisher

- For 20 years, I ran Gulfstream Media Group where I launched close to 50 media products including a dozen magazines, and their associated websites, newsletters, and events.



# The Big Revenue Picture

- Magazines and newspaper media companies are still facing considerable headwinds, but the competitive landscape is changing and there is a change in dynamics on how Magazines and newspapers are being funded.

“According to GroupM, the WPP-owned media buying agency, in 2000, newspapers and magazines attracted half the advertising spending worldwide.

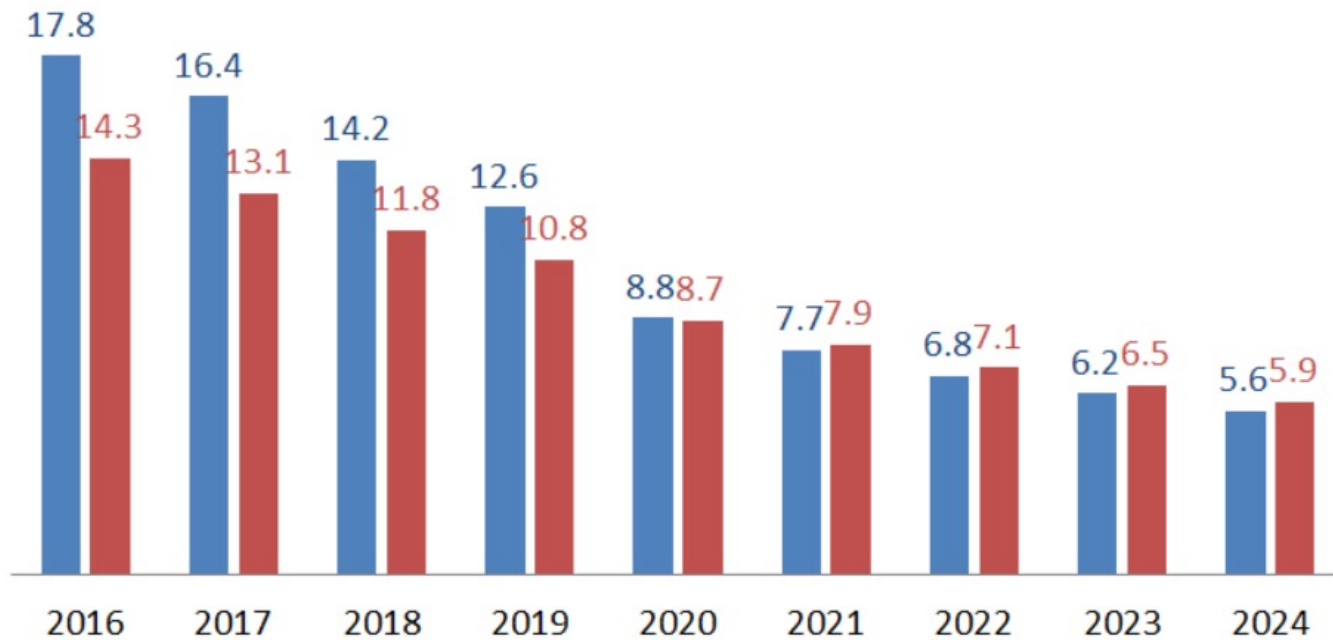
Over the past two decades, their share of the \$530 bn market has dwindled to less than 10%, with Google and Facebook taking away a large chunk of the local and classified advertising.”

Source: [What's New in Publishing](#)

# MEDIA AD REVENUE

In billions\*

■ TOTAL NEWSPAPERS ■ TOTAL MAGAZINES



\*EXCLUDES POLITICAL ADVERTISING

SOURCE: GROUPM

Source: GroupM,  
2020 End-of-Year Forecast

# Breaking Down the Data

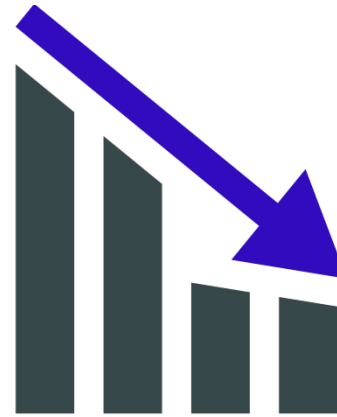
## Good News:

- The demand for publishers' content is not decreasing. It's actually increasing.

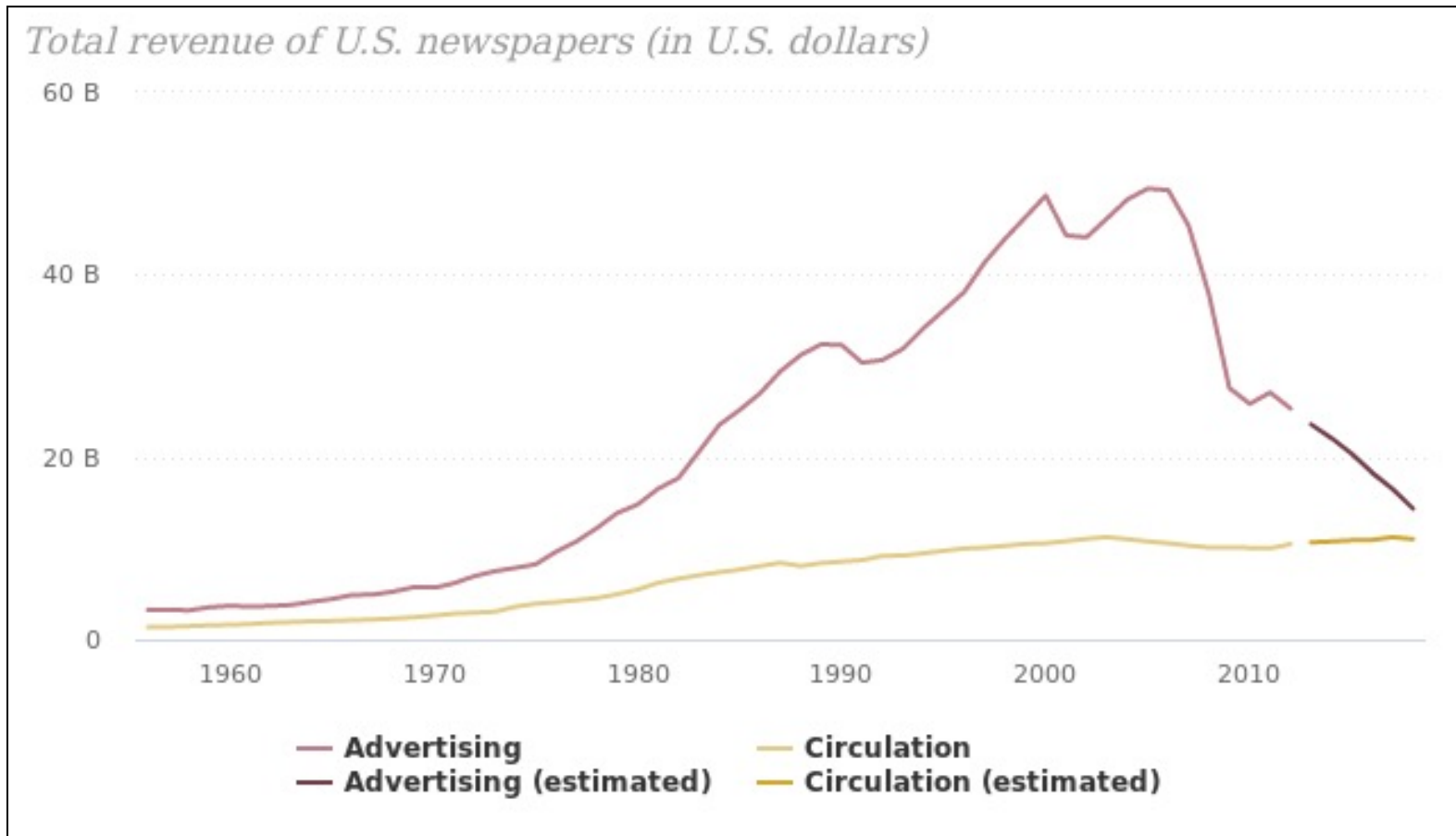


## Bad News:

- Advertisers are rejecting publishers' advertising vehicles.



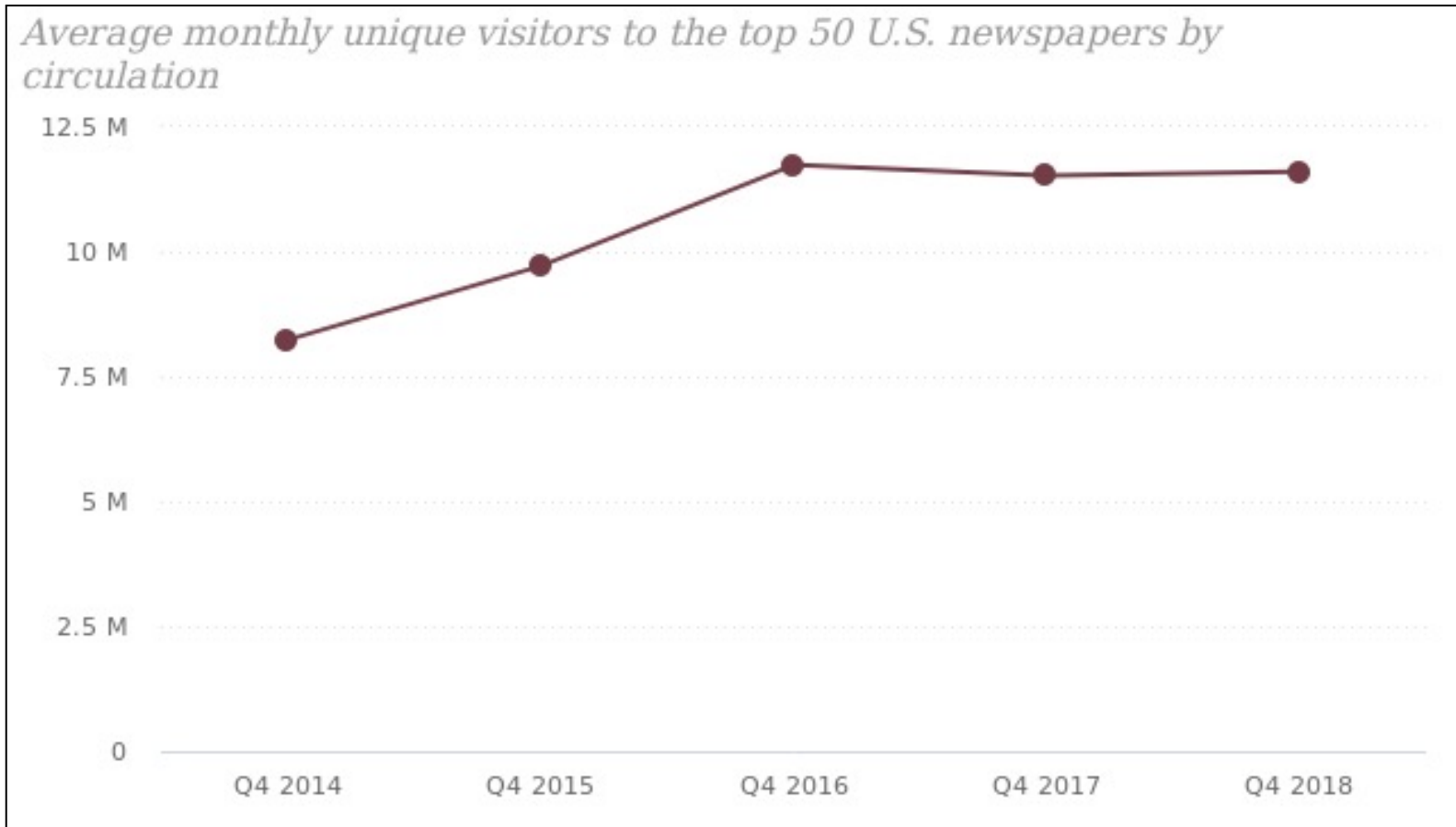
# Estimated Advertising & Circulation Revenue of Newspaper Industry



Source: Pew Research,  
News Media Alliance



# Unique Visitors to Newspaper Websites



Source: Pew Research,  
News Media Alliance

# An Antiquated Ad Delivery System

## **Problem 1: Reliance on Print**

“86% of U.S. adults get their news from digital devices.”

Source: Pew Research  
Center

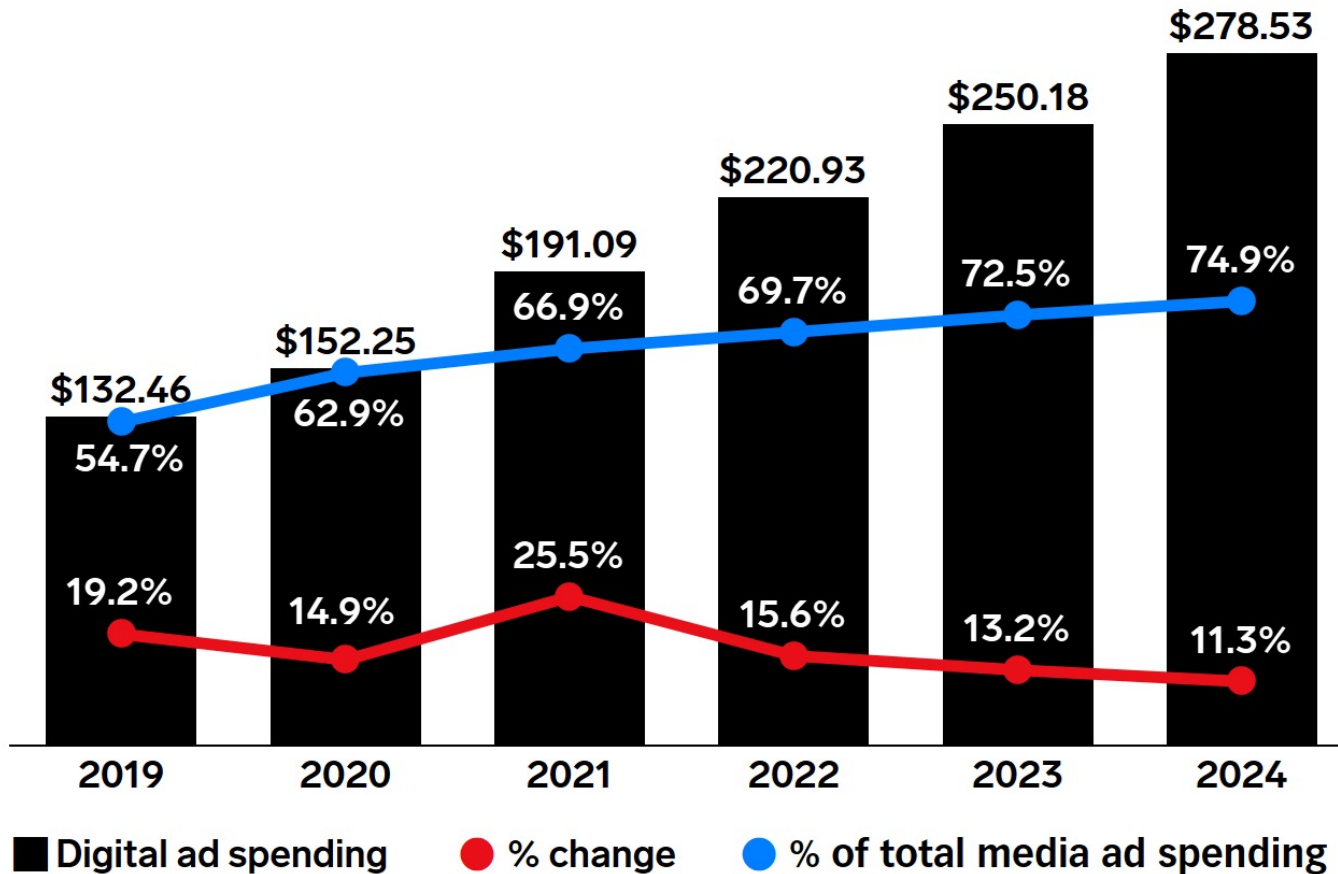
# The Solution Seems Easy

- Use a new advertising vehicle: Website with digital display ads.
- Why? Because the digital ad industry is exploding!



## Digital Ad Spending in the US, 2019-2024

billions, % change, and % of total media ad spending



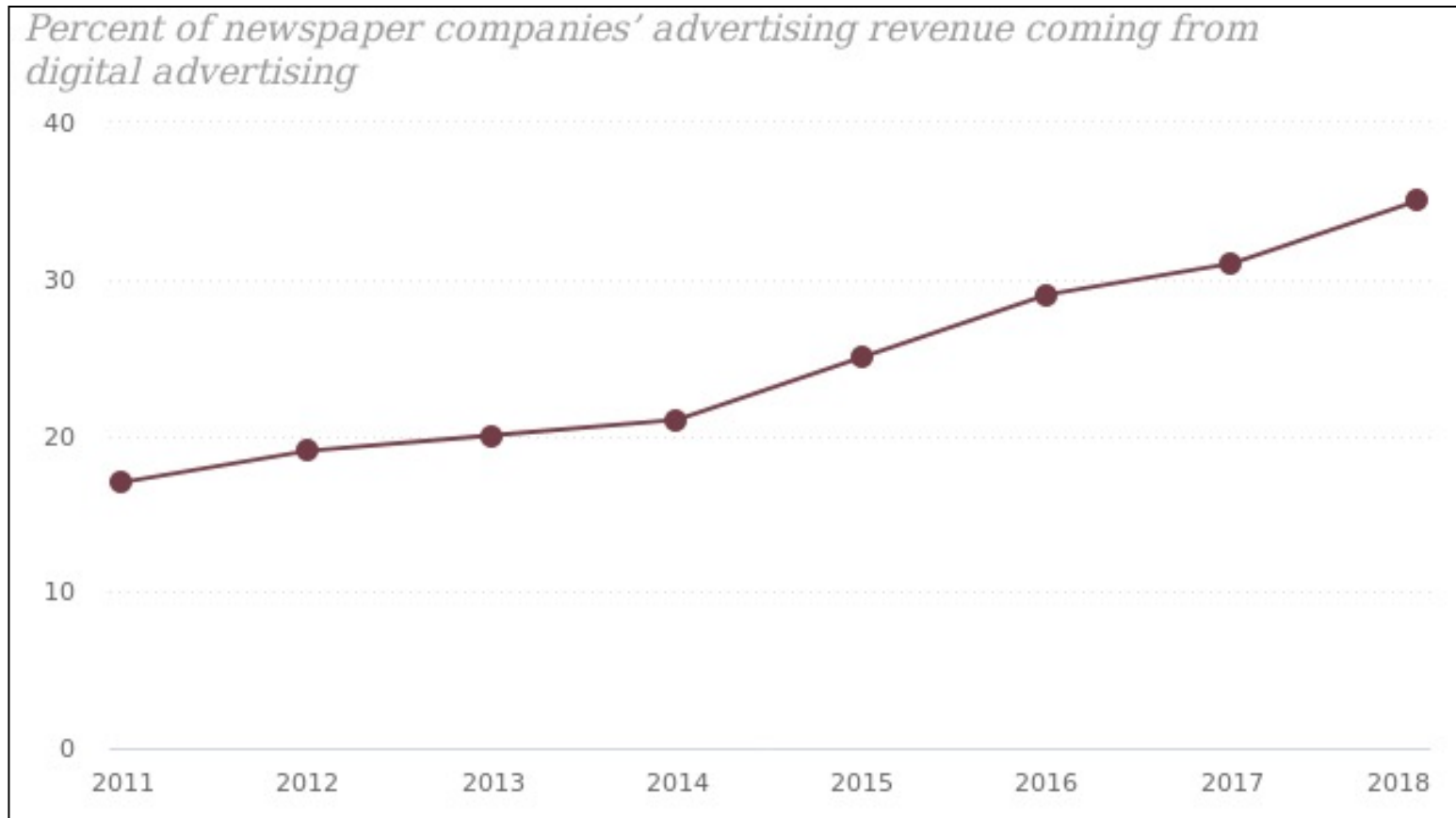
Source: eMarketer

“B2B digital ad spend in the US grew 32.5% last year—and is expected to increase 24.9% this year to nearly \$11 billion.

B2B display ads ‘took up a greater share of US ad spending than ever before in 2020,’ eMarketer said. In 2021, B2B display ad spend is expected to reach \$5.09 billion, a 32.6% year-over-year increase.”

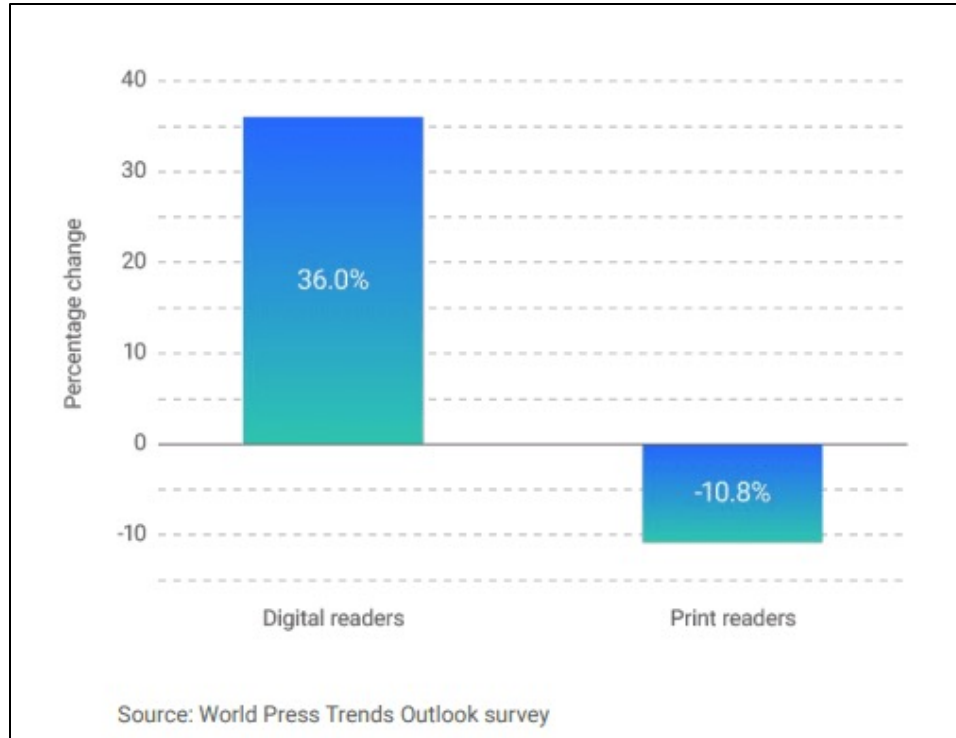
Source: [Morning Brew](#)

# Share of Newspaper Advertising Revenue From Digital Advertising



Source: Pew Research Center

# Pandemic Shift: How Have Audiences Changed in the Last 12 Months?



“This was a result of people seeking out trustworthy information amidst the pandemic, and publishers focusing on digital subscriptions and audiences-first strategies.”

Source: [What's New In Publishing](#)

Ad delivery medium problem solved!  
Not so fast...

**Problem 2: Meet the Triopoly**

Google, Facebook, and Amazon





“The Big Three of digital advertising—Google, Facebook and Amazon—already dominated that sector going into 2020. The pandemic pushed them into command of the entire advertising economy. According to a provisional analysis by ad agency GroupM, the three tech titans for the first time collected the majority of all ad spending in the U.S. last year.

The Triopoly **increased their share of the U.S. digital-ad market** from 80% in 2019 to a range approaching **90%** in 2020, GroupM estimates. It’s a surge that comes as the three face scrutiny and litigation from various agencies at home and abroad over their dominance.”

Source: [The Wall Street Journal](#)

# The Big Picture

- The Triopoly is allowing publishers to absorb all of the cost of producing the content, but are taking the lion's share of the revenue of ads that are being placed on websites.

# Why Are Publishers Struggling to Compete?

- The Triopoly has a huge data advantage.
- The Triopoly has huge scale advantages; they can sell across the entire internet of sites.
- They have technological advantages in segmentation and ease of ad placement.

# Good News: The Triopoly is finally facing some headwinds

- Government interventions?

While the Triopoly is busy trying to preemptively write their own rules, countries like Australia are passing revenue-share laws requiring platforms to pay for their news content.

The Triopoly is being sued by just about every government on the planet for monopoly power abuse.

*Privacy changes: IOS 14 privacy opt-in and the death of the cookie*

# The Privacy Crackdown Repercussions

Facebook advertisers, in particular, have noticed an impact in the last month: Losing this data makes it harder to see which ads are working and to “re-target” people.

Mobile Analyst Eric Seufert estimates:

- If 20% of users agree to be tracked, Facebook is looking at a revenue cut of 7%.
- If 10% of users agree to be tracked, Facebook is looking at a revenue cut of as much as 13.6%.

Source: [Bloomberg](#)

With advertising support being a challenge, there is a changing journalism funding paradigm

Since publishers are having a difficult time selling ads on their websites and the display networks don't pay enough, they only have one other source to fund their journalism:

*The reader.*

# The Rise of Paid Content

From New York Times CEO:

“What we didn’t know in 2012 was how rapidly Netflix and Spotify and others were going to habituate users to pay for premium content and how much easier it was going to be for users on their smartphones, particularly, to subscribe and unsubscribe quickly.

But around the world as a whole, this process of habituation only just begun, and we see more willingness to pay for news.”

Source: Meredith Kopit Levien, CEO  
The New York Times Company



“Despite the ongoing drumbeat of reported doom and gloom for the survival of publishing, a new report on the subscription economy says subscription revenue for digital news and information publications increased by 16% in 2020 even in the face of declining advertising revenues.

Overall, [Zuora’s] study concludes that the subscription economy has grown by nearly 500% in the past decade.”

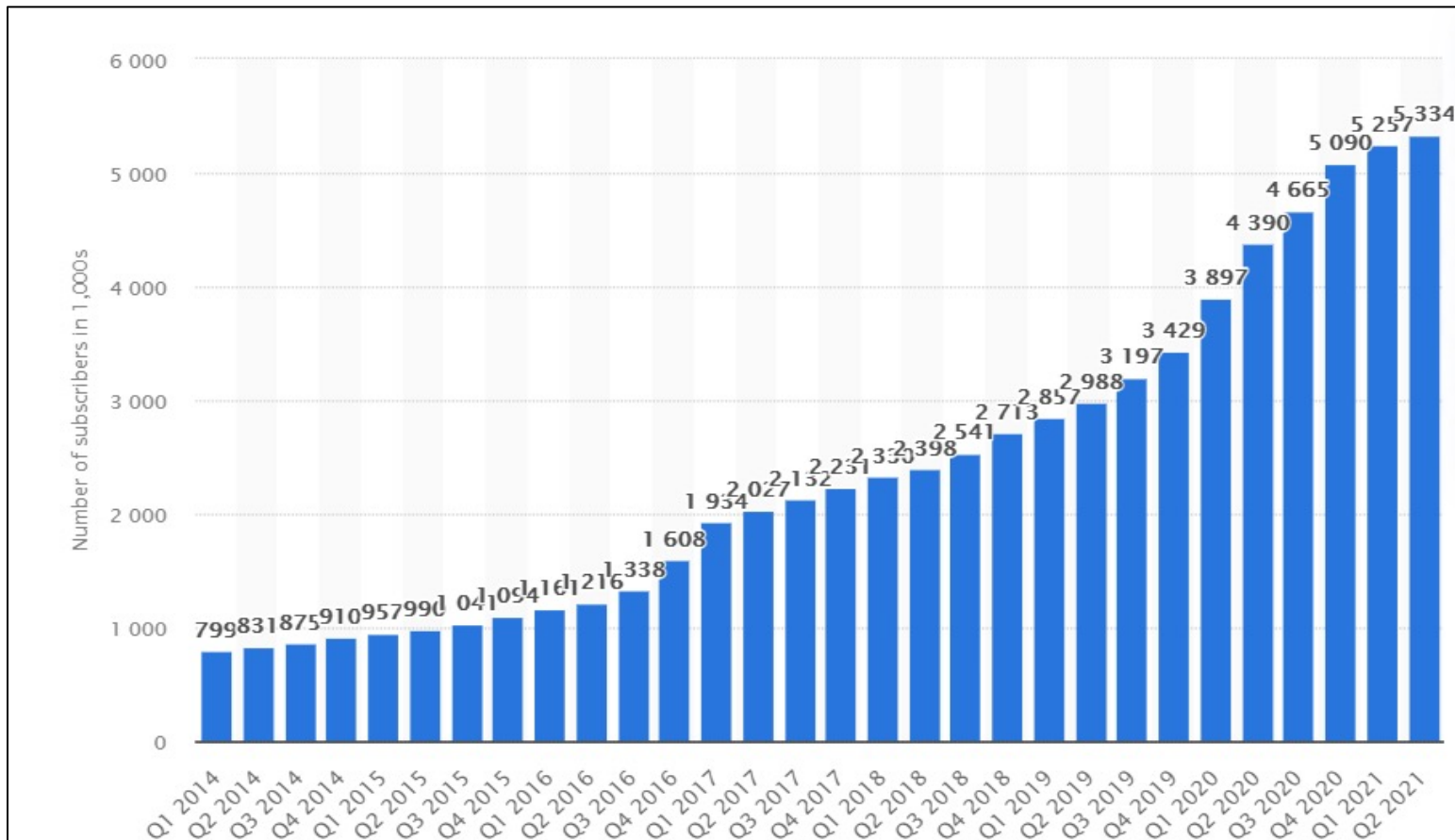
Source: [The Wrap](#)



# The Subscription Surge:

“*The New York Times* is the well-known poster child for digital subscription success, with digital subs now accounting for 77 percent of its revenue. In the two years between 2019 Q1 and 2021 Q1, the paper’s subscription revenue grew by 22 percent.” -Source: [FIPP](#)

The number of paid subscribers to *New York Times Company's* digital-only news product from 1st quarter 2014 to 2nd quarter 2021 (in 1000s):



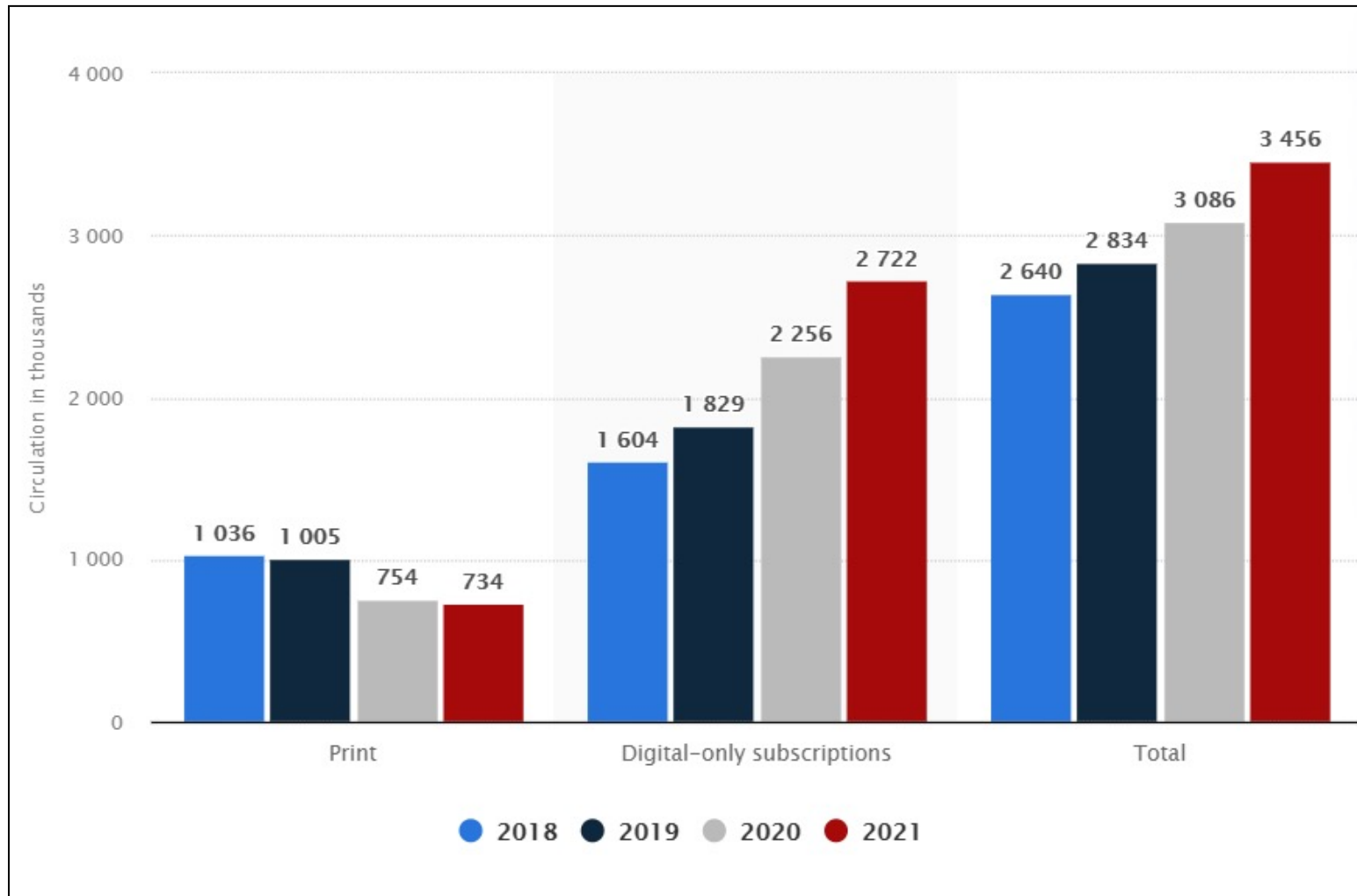
Source: [Statista](#)

# *Washington Post*

- 3 million subscribers in 2020
- 50% YoY growth in subscriptions
- 3x more digital-only subscriptions than in 2016

Source: [Axios](#)

## The Wall Street Journal circulation 2018-2021 (in 1000s)



# *The Atlantic*

- 51% increase in subscribers since the first half of 2020
- 830,000 total print and digital subscribers (280,000 more than in the first half of 2020)

The increase in *The Atlantic's* subscriber base is “just a true testament to their content,” said Melissa Chowning, founder and CEO of audience development and marketing firm Twenty-First Digital.

Source: [Digiday](#)

# *Outside*

*Outside* is one of a dozen lifestyle publications recently purchased by Robin Thurston, who is **bundling digital subscriptions** so members get *Outside*, another magazine of their choosing, and other perks that “really unify the experience for the consumer.”

- *Outside* Magazine: 530,000 subscribers
- Other *Outside* titles: 680,000 subscribers

Source: [Washington Post](#)

# Outside

If, as Thurston estimates, *Outside* can convert 10% of its free site visitors into paying members, the revenue split will invert in three years:

## 2021 Revenue Split

30% Subscriptions  
70% Ad Sales

## 2024 Revenue Split

70% Subscriptions  
30% Ad Sales



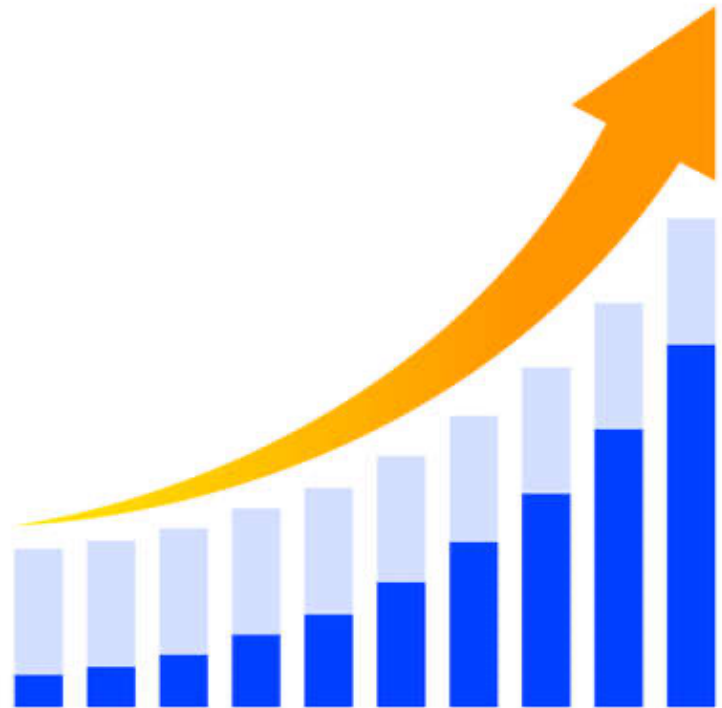
“I do not believe print is dead, I just believe it’s changing. And for the companies that don’t evolve, I believe they’re going to be in trouble.”- Robin Thurston, [Washington Post](#)

# *The Athletic*

- **1,100% increase** in subscribers in the last three years:

2018: 100k subscribers

2021: 1.2 million subscribers



Sources: [Axios](#),  
[Tech Crunch](#)

# The Rise of Paywalls

- With the demise of the third-party cookie, publishers are adopting dynamic paywalls to increase subscribers and collect data.
- An additional revenue stream



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## Ziggy Marley Honors Lee 'Scratch' Perry: 'A Magician, A Philosopher, A Musical Scientist'

"He opened minds with his creativity and his personality," says Bob Marley's son

By **JON BLUSTEIN**



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"He made no apology for being himself and you had to accept that and figure out the deeper meanings to his words and character," Ziggy Marley said of Perry.

Paul Benayon/Redferns/Getty Images

**Ziggy Marley** remembered late reggae and dub great Lee "Scratch" Perry's "genius, uniqueness, courage and freedom," in a tribute following the **musician's death** Sunday, August 29th, at 85.

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Paywalls are going up rapidly in both the magazine industry and the newspaper industry.

# Survey from Reuters Institute: Which digital revenue streams are likely to be most important for your company?

## In 2019

- Display Advertising (81%)
- Subscriptions (74%)
- Native Advertising (67%)

## In 2021

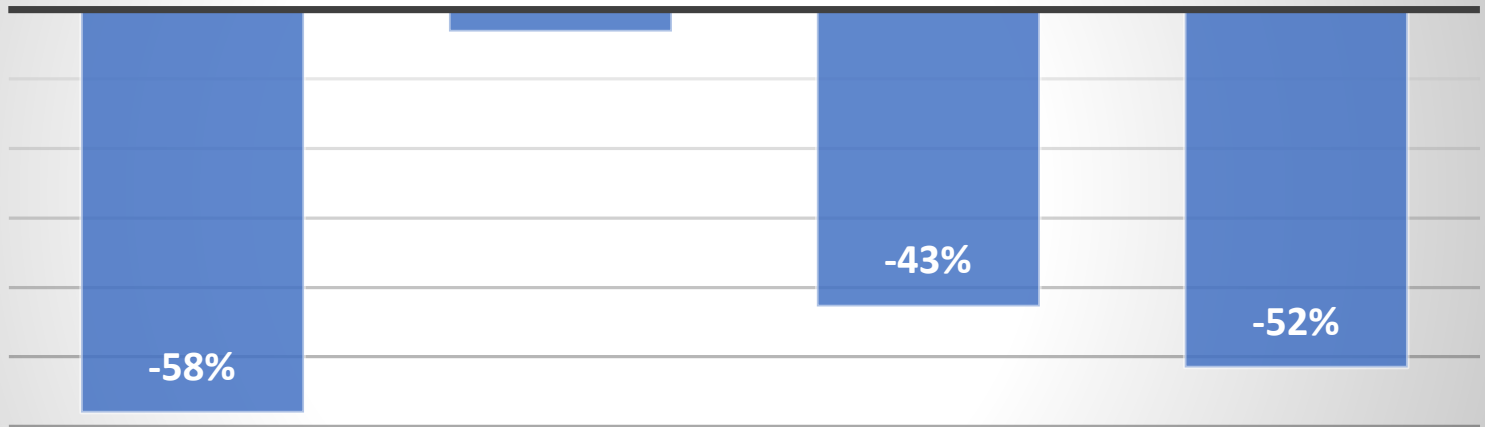
- Subscriptions (76%)
- Display Advertising (66%)
- Native Advertising (61%)

Source: [Reuters Institute](#)

# What Does the Niche Publishing World Look Like?

- Mirabel took the anonymized product data of our customers across **17,000+ different media products** to analyze the impact of the pandemic and where revenue streams are headed post pandemic.

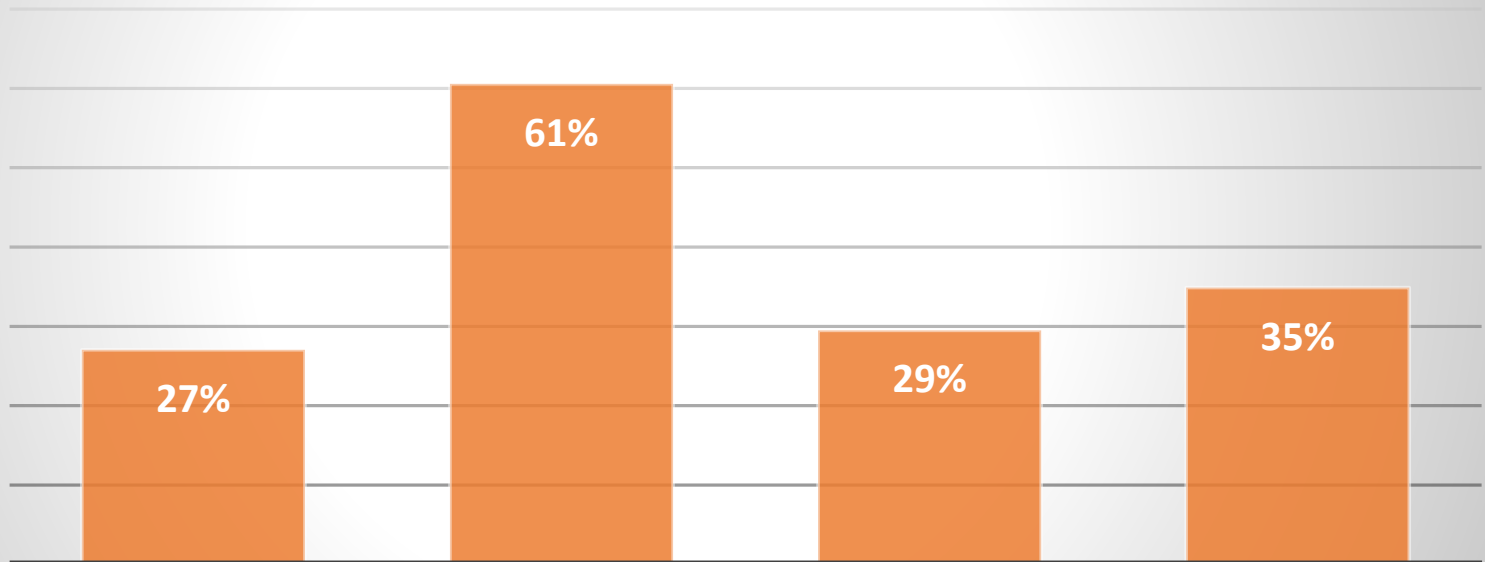
## % Change by Product Type 2020 vs 2019



	Print Total	Digital Total	Event Total	Grand Total
■ 20v19	-58%	-3%	-43%	-52%

Source: Mirabel Technologies

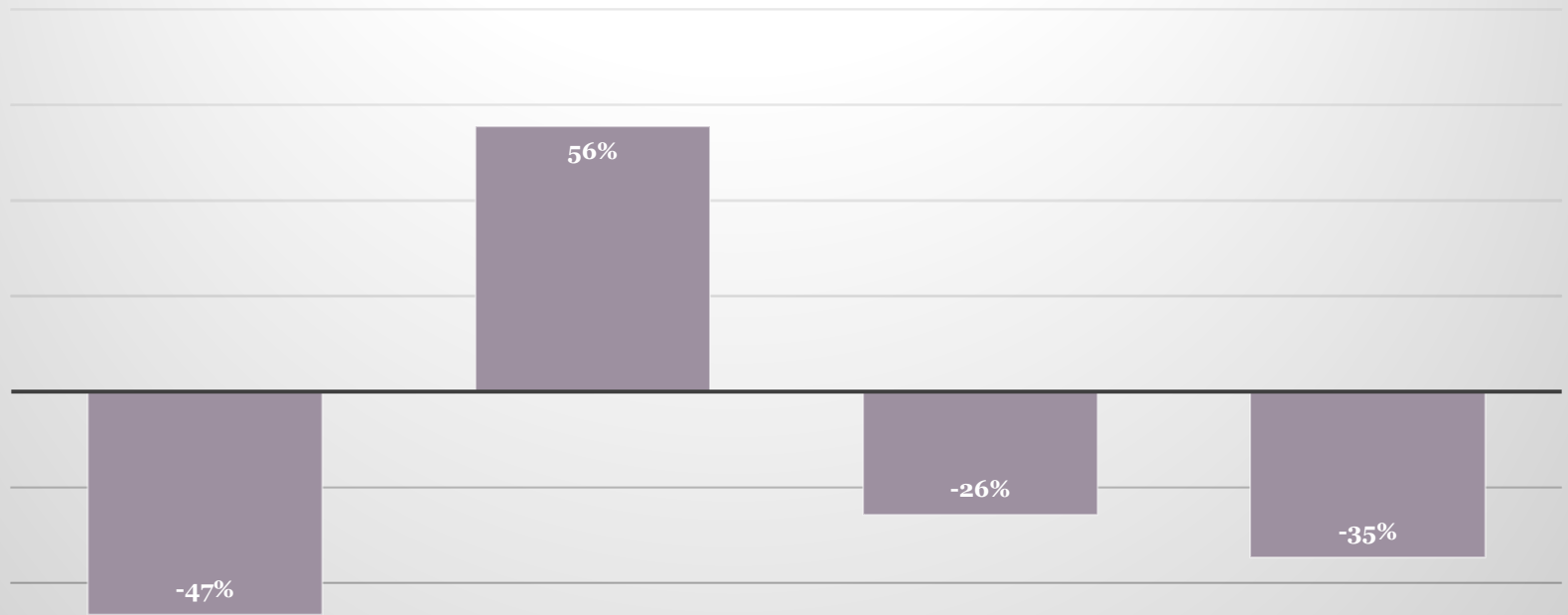
## % Change by Product Type 2021 vs 2020



21v20	27%	61%	29%	35%
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Source: Mirabel Technologies

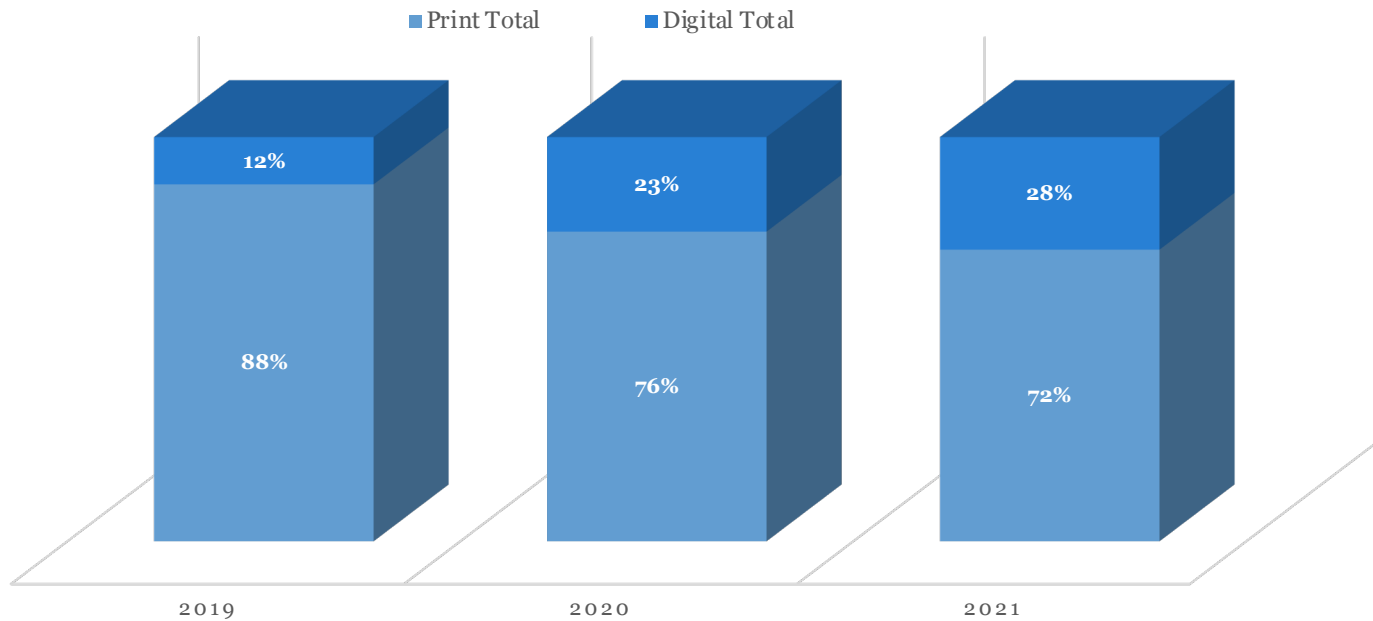
### % Change by Product Type 2021 vs 2019



	Print Total	Digital Total	Event Total	Grand Total
■ 21v19	-47%	56%	-26%	-35%

Source: Mirabel Technologies

## DIGITAL & PRINT REVENUE BREAKDOWN BY YEAR



Source: Mirabel Technologies

Product Type	% Revenue of Annual Total		% Revenue Change YoY
	2019	2021	21v19
Print	87.7%	71.5%	-47%
Website	5.8%	12.2%	38%
Digital- Uncategorized	3.4%	9.7%	85%
Email	1.0%	2.6%	67%
Newsletter	1.1%	2.2%	39%
Event	0.6%	0.7%	-26%
Programmatic	0.2%	0.3%	13%
Podcast	0.0%	0.2%	747%
D-Sponsored Content	0.1%	0.2%	44%
SEO	0.0%	0.1%	213%
P-Sponsored Content	0.1%	0.1%	-27%
SEM	0.0%	0.0%	

Source: Mirabel Technologies



# In Summary

1. **Accelerated shift from print to digital:** Pandemic accelerated a decade long march to digital. Large publishers have passed 50% digital revenue and small publishers are passing 30%
2. **Trend toward Paid Content:** An equally dynamic trend of publishing revenue heading toward a model of the reader being the primary funding source for content. Largest publishers are passing the 50% barrier on paid content versus advertising.

# So What Are We Doing?

- Launched ChargeBrite: A highly flexible recurring revenue platform that automates recurring revenue products with Marketing Automation.
  - Addressing the subscription economy: Print, websites, bundled content, SEO Services, Information Services, Software Services, and even subscriptions to clients products