MEDIA MOMENTS 2021

WHAT'S NEW IN PUBLISHING

Sponsored by sovrn

Researched & written by Media Voices

CONTENTS

INTRODUCTION

"It's definitely a bit Darwinian out there". That quote, sent to us by a leading publishing consultant, sums up 2021 perfectly. To be successful in publishing at a time of huge societal and economic upheaval demands adaptability in spades, as well as the courage to pivot business models and risk all.

Yet for those publishers who are up to the challenge, 2021 has been a successful year. This is borne out by the latest AOP and Deloitte Q2 figures which show that revenues for B2C publishers in the UK grew 24% over the twelve-month period from June 2020 to June 2021. U.S. figures show a similar positive uptrend.

These successful publishers have adopted a mindset of continual, never-ending innovation, as well as an overt curiosity into how their content can be better imagined and distributed. All this amidst a global pandemic. They should feel rightly proud.

The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails. - William Arthur Ward

Finally, everyone at *What's New in Publishing* would like to extend their thanks to Sovrn, the publisher technology platform and this report's sponsor, as well as our friends at Media Voices who have once again written an excellent overview of the year's key publishing events. If you haven't already subscribed to Media Voices' weekly podcast, we recommend you do!

Jeremy Walters
Editor in Chief, *What's New in Publishing*

Jeremy Walters
@wnip

WHAT'S NEW IN PUBLISHING

FROM SOVRN

As we head into 2022, I am encouraged by the resilience of our industry and the people that work in it. Covid has changed us all - we're working differently, accessing goods and services in creative ways, and eager for a return to normal.

Recent events have accelerated digital publishers' needs for revenue diversification by utilising, understanding, and transacting with brands using the core assets at their disposal. At Sovrn, we are seeing publishers innovate by:

- Using data and insights to tailor content and ads to consumer behavior
- Using commerce content to diversify revenue streams and get closer to consumers
- Using technology partners to help find new ways to capture and monetize audiences

In 2021, Sovrn invested in products and services to help publishers capitalize on these opportunities and ultimately earn more revenue. Highlights from the year include:

- Being the first SSP to Support IAB Tech Lab's Seller Defined Audiences Specification in Prebid.org - working to provide publishers a standardized and scalable way to transact their first-party data
- Using our //Signal technology to better measure reader attention and discovering that "Engaged Time" delivers more than twice the attention than viewable time - offering publishers a better way to value their ad inventory
- New //Managed Services offering that is truly differentiated with unique ad technology, unified reporting and a more equitable pricing model - providing opportunities for publishers to generate more revenue and retain a higher percentage of revenue than other providers
- Bringing price and merchant comparison technology to //Commerce customers - allowing them to diversify merchants, improve conversions, and boost revenue.

Publishers are uniquely positioned to acquire, engage, and provide value to consumers and Sovrn is honored to be a partner that helps publishers turn that value into revenue.

Thank you to *What's New in Publishing* and the Media Voices team for looking at the opportunities and challenges publishers are facing going into 2022. Sovrn is honored to sponsor this valuable research—and excited to see the results. Thank you to all of the independent publishers that provide us with the choice to consume the information, commerce, and entertainment we want and need.

Best wishes,

Dominic Perkins
Managing Director, Sovrn

Dominic Perkins

sovrn
is proud to sponsor
Media Moments 2021
@sovrnholdings

FROM THE WRITERS

After the pandemic last year turned the world as we knew it upside down, the only certainty going into 2021 was that we were in for more uncertainty.

In actual fact, things could have been much worse this year. Many publishers seized opportunities during the pandemic and are now reaping rewards. We seem to be learning to live with the uncertainty that the pandemic continues to bring to our everyday lives, but are nonetheless managing to thrive.

That's not to say it's all plain sailing. The industry is still grappling with what the future looks like for digital advertising, and we've been reminded again this year how much of a hold the big tech platforms have over our businesses with Apple's swift and brutal privacy-first moves.

Some of the media moments we saw this year were predictable. The subscriptions surge of 2020 has resulted in many publishers doubling down on the content that keeps them engaged, as well as smart tactics to ensure retention. The eCommerce boom continues to reap rewards for digital publications, and a push on availability of tools and technology has made paid podcasts an exciting new prospect for those in the audio game.

However, there are some things we definitely *didn't* see coming. We never imagined we would be discussing Playboy's launch of over 11,000 'Rabbitar' NFTs, nor did we anticipate Facebook getting in so much trouble that they would have to hastily rebrand to Meta in order to distract from the whole situation. But that makes this annual round-up all the more fun to write.

Thanks to *What's New in Publishing* for being our partners on this report in its fourth year. We're also delighted to have Sovrn as our sponsors again, given the work they do with helping maximise publisher revenues.

If you're interested in keeping up with the latest updates throughout 2022, we write a daily newsletter focusing on the top four stories of the day for publishing and media professionals. We also release a new episode of our podcast every Monday with a news round-up - including a discussion on what these events mean practically for publishers - as well as an interview with a leading industry figure. Just search for 'Media Voices' wherever you listen to podcasts.

The Media Voices team
Esther Kezia Thorpe, Chris Sutcliffe and Peter Houston

Esther Kezia Thorpe
@EstherKeziaT

Chris Sutcliffe
@chrismsutcliffe

Peter Houston
@flipping_pages

Media Voices PODCAST

voices.media
@mediavoicespod

Powerful engagement and revenue drivers, newsletters are at the centre of the fight for influence

Email newsletters have taken a central role in the battle between upstart platforms, individual creators and long-established media brands fighting to secure audience loyalty

Peter Houston
@flipping_pages

The power of email newsletters to drive audience engagement was fully exploited in 2021. Worries of peak newsletter expressed back in 2019[1] evaporated and, as Jack Shafer puts it in Politico[2]: "Traditional media is going to ride this writers' wave for all it's worth".

The endgame for publishers is wrapped up in a belief in the email newsletter's superpower: building direct relationships with readers[3]. With platform dreams dead in the dust, publishers are leveraging the intimacy of the inbox to connect with individuals, build media habits, drive traffic and in some instances monetise relationships.

New life for an old format

The Swiss Army knife of the publishers' toolbox, newsletters are also seen as a major driver for revenue diversification and insights from first-party data[4]. The one wrinkle in what could have been a dream scenario for established publishing brands has been the rise of the newsletter branch of the creator economy.

Powered initially by Substack's distribution and payment infrastructure[5], leading names like the Verge's Casey Newton have been building their upstart newsletter businesses through 2021. Casey himself chronicled his success in growing his original free subscriber list from 24,000 to more than 49,000 just a year after he quit the 'best job he ever had'[6].

On the audience side, as with many digital media trends, the pandemic has only cemented audience engagement with newsletters. And seeing that appetite, media has doubled down. The Industry Pulse survey[7] of 200 senior marketing and publishing executives showed 87% of publishers and marketers actively investing in email and 94% scaling their email programs in 2021.

A fight for writing talent

The closing months of 2021 have seen brands fighting back against the newsletter newcomers, as well as refining their existing newsletter strategies to optimise against their chosen business models.

Watching journalists depart for the greener grass of self employment has galvanised leading publishers into taking action to beef up their own newsletter offerings or bring individual creators a place under their brand umbrellas.

Axios Local's newsletters now publish in

cities across the U.S.

Your ultimate guide to newsletters

What's New in Publishing will be releasing a report in early 2021 dedicated entirely to newsletters, from how to use newsletters to grow your publishing business to keeping long-time fans engaged. Subscribe to our newsletter to be alerted when it's released.

Reacting negatively to the idea of its staff writers producing newsletters on other platforms[8], management instead encouraged staffers to add their own voices to the NYT's 70-newsletter portfolio. The paper has also brought independent newsletter creators on staff.

Ploughing a slightly different furrow, The Atlantic has initiated a newsletter programme[9] that will let newsletter creators bring their audiences on to the Atlantic's books. Supporting newsletter producers with a salary and a share of new subscriptions, the Atlantic has positioned itself well to hoover up leading talent. For its part it will get what Nick Thomson calls more pithy content and a boost to paying subscriber numbers.

Elsewhere publishers are refining their newsletter strategies to support their chosen revenue models, from paywall to tip jar. The Telegraph is trimming its newsletter menu in a move to increase its subscriber conversion rates. The paper believes offering readers a more targeted list to choose from will deepen engagement and build loyalty in the long term.

News provider Axios is expanding its local news coverage with local newsletter launches backed by a city-specific membership programme that seeks voluntary contributions. Membership payments are voluntary, with suggested annual contributions ranging from $50 to $500, and are positioned as supporting the work of local newsrooms.

Paid newsletters are establishing a presence from the growing number of subscriber-only newsletters at the New York Times[10], to newsletter driven subscription programmes at Quartz[11] and the newsletter only local news sites like the Manchester Mill[12].

What can we expect next year?

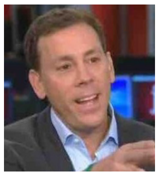
A proliferation in newsletter platforms will continue to fuel the creation of newsletters by individuals. Although Facebook[13] and Google[14] are planning to give the newsletter sector a good go, Twitter's Revue with it's timeline subscription integration looks well positioned to win among the social networks[15].

Apple's changes to email privacy settings[16] threatened to play havoc with newsletter metrics, and maybe monetisation, but have largely gone unremarked. Long-term, the focus that the changes brought to email tracking may simply strengthen premium personalisation plays in newsletter development.

The recovery in the advertising market will undoubtedly see newsletters develop as advertising vehicles, with Simon Owens calling[17] early in the year to ads appearing on the ad-free Substack platform.

But the biggest revenue driver in the newsletter sector will continue to be in subscriber products as both brands and individuals look to monetise the communities building up around their offerings.

The New York Times' The Morning newsletter is sent to



"If we can do in other cities what Williams did in Charlotte, we will grow a huge, profitable division and help revitalize local coverage."

Jim VandeHei, Axios CEO[18]

Newsletter platform Substack

is valued at

$650 million

CASE STUDY

Less is more for The Telegraph

The Telegraph grew its paid digital subscriber base by 30% in 2021, reaching the half a million milestone in October[19]. An extensive newsletter portfolio has been a central plank of its digital growth strategy, with newsletters the number one source of registered users that convert to paid. Subscribers originating with newsletter registrations have 30% better retention at three months and over 50% better retention at 12 months compared to the average subscriber.

The paper gained more than 1 million newsletter sign-ups in 2021, an increase of 29% compared to 2020. But rather than add more email options to attract new subscribers, the Telegraph's newsletter team is cutting back its output[20], believing that fewer, more focused newsletters will actually grow subscription numbers faster. Those with lower engagement rates will be culled; others, showing significant audience overlap, will be consolidated.

Dan Silver, The Telegraph's director of email and newsroom innovation told Digiday: "Newsletters can have a shelf life. We have a very fluid attitude to these editorial properties."

The Telegraph uses an internal scoring system to measure newsletter effectiveness. Introduced in 2019, Newsletter-STARS (or N*), is the "default metric" for evaluating content for the Telegraph's newsroom, and measures the role content plays in acquiring and retaining subscribers. Three key metrics are considered: subscriber conversion rate, onsite retention (what drives a reader to content) and inbox engagement (how many times a reader opens a newsletter).

Beyond subscriber conversions, The Telegraph's newsletters are also delivering advertising revenue, up 81% in the year to October. Advertising rates are set individually to reflect open rates with sponsorship opportunities available weekly, fortnightly or monthly depending on the frequency of the newsletter.

All change, please: Facebook fights fires while Google placates publishers with cash payouts

To say that it's been a bad year for Facebook would be an understatement. But the overall relationship between publishers and platforms has shifted dramatically over the course of the year - and not necessarily for the better

Chris Sutcliffe
@chrismsutcliffe

It won't surprise you to learn that the working relationship between platforms and publishers was strained coming into 2021. The aftermath of various disputes around metric misrepresentation and de-prioritisation of publisher content in feeds cast a long shadow over any conversations.

So as 2021 began with an attempted coup in the US that was facilitated by Facebook tools and the Murdoch media leaning on the Australian government around payment for content, the overall landscape was poised for a major shake-up.

A difficult year for Facebook

It's impossible to talk about 2021 without discussing The Facebook Files[1]. A vast dump of internal comms and documents, followed hot on its heels by further damaging leaks and allegations from the whistleblower Frances Haugen, has potentially done irreparable damage to the Facebook brand. The harm was enough that it spilled over into discussions of regulation[2] in the UK government's mooted Online Safety Bill, and ultimately led to a rebrand of the Facebook parent company as 'Meta' in late October[3].

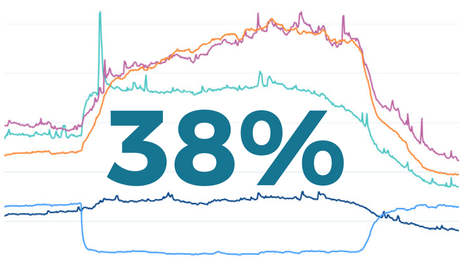
The revelations are numerous and well-documented elsewhere[4], from the potential harm Instagram inflicts on the mental wellbeing of young women to Facebook's late implementation of safety measures around the January 6 riots in the Capitol. Most catchy of all was the implication that Facebook prioritised growth over all else, including public safety[5].

Sensing blood in the water, newspapers swarmed. A conglomerate of publishers (controversially mostly English speaking) collaborated on examining and disseminating the information, piling pressure onto Facebook and its owner Mark Zuckerberg.

This was despite Facebook making consistent overtures to publishers over the course of the year. In a lull in October it announced it was introducing new products to its curated News Tab[6], which apparently drives more traffic to publishers than the standard News Feed (though as ever the question of payments rears its head). It also announced the first payments to newsletter creators via its push into local news provision[7].

Unfortunately for Facebook, a 6-hour company-wide outage in October also led to increased traffic across news sites, sparking conversations about its impact on publishers' reach[8].

Net traffic to pages across the web went up by

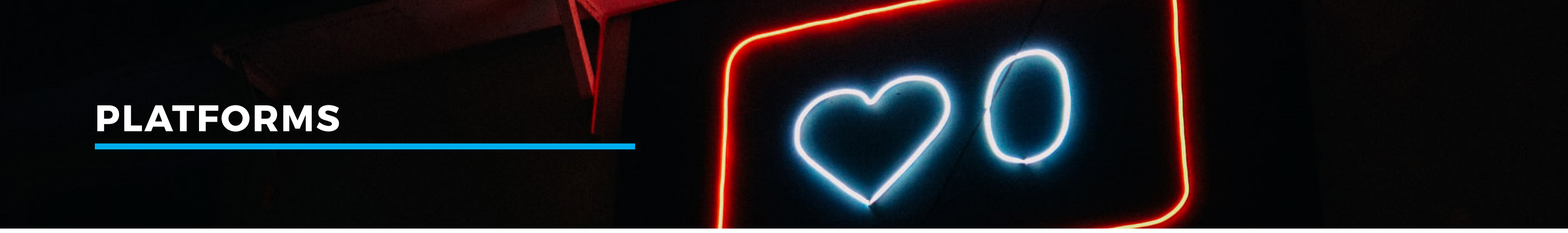


during Facebook's 6-hour outage in October

Chart via Charbeat

The Facebook Files

The Wall Street Journal's investigation into Facebook was released in a series of articles called The Facebook Files. From Instagram's effect on teen girls to weak responses to human traffickers, the files paint a troubling picture.



Payment pressure for Google

Speaking of payments, a long-running disaster reached a new phase as Google and Facebook agreed to pay Australian publishers for news in February[9]. This was immediately heralded by the usual suspects as being a victory for all publishers, when the reality is that it has only benefited the biggest players at the expense of new publications, fundamentally and wilfully misunderstands the value chain of the internet, and raises questions about those publishers' objectivity. Worse still it has set a dangerous precedent for similar deals around the world - with France reaching a similar deal with Facebook later in the year[10].

In early November Google also announced a return of its News product to Spain[11] after the country changed its copyright law in accordance with EU legislation. The search and advertising company was then accused by right-wing publishers in the UK of burying their search results[12], though since the tabloids used the word 'woke' to describe Google their complaints can be safely discounted.

In other platform news

Outside of the Duopoly, Apple has gradually become a more hospitable place for publishers. News apps can now send would-be subscribers outside the app store to pay[13], which provides them a greater share of the overall revenue and better user data. Apple News+, despite a botched and confusing rollout, now sends a significant amount of traffic to US magazine publishers[14].

That said, Apple was also instrumental in helping shift the world of podcasting away from its open and democratic origins to a more tightly controlled model - to the disappointment of publishers looking to avoid exactly that scenario again - though the launch was marred by problems[15]. Partly in response to that attempted shift, the New York Times launched a beta version of its own Audio product, which collates all its podcasts and other audio in an environment it controls in its entirety[16].

Looking forward

Given that Facebook is now seen - despite its best efforts - as a platform for old people, expect to see publishers make much more[17] of their experiments on other platforms like TikTok and Snapchat in addition to the metaverse (see our chapter on NFTs and other opportunities). At the same time the reprioritisation of owned and operated platforms will mean that direct relationships via publishers' own sites and apps should reduce the reliance on other platforms somewhat.

As for the fallout from the Facebook Files, a pall is cast across the newly rebranded Meta. It is difficult to see how, in the light of increased pressure following the leaks, it can avoid making at least a few token gestures towards external oversight and regulation. It - and Google - will also likely inch towards further direct payments to publishers, though we believe this is a bad idea in the long run.

The reported value of a three-year deal between Google and Murdoch's News Corp to include content in Google News Showcase

"Facebook is unquestionably making hate worse. The company's leadership knows how to make Facebook and Instagram safer, but won't make the necessary changes because they put their astronomical profits before people."

Frances Haugen, Data engineer & scientist, Facebook whistleblower

publishers from the US collaborated to release the details of The Facebook Papers

CASE STUDY

Facebook and local news

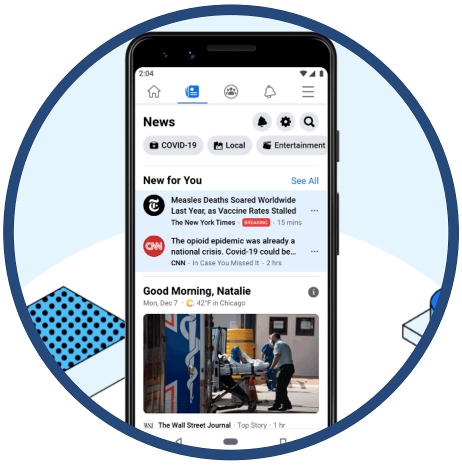
Facebook this year has pushed local news higher up its priorities list, with direct payments to the providers of local newsletters via its newsletter platform Bulletin. Early indicators are that many of those providers are cautiously optimistic - though some will also have to maintain part-time roles in order to make ends meet.

It builds upon Facebook's launch of a dedicated local news section in April this year. At the time Sarah Brown, Facebook's head of news partnerships for Northern Europe, said of the new local news feature: "Connecting people to local news has never been so important and many people have come to rely on local outlets for the latest information throughout the pandemic."[18]

However, a study from two researchers at the University of Minnesota's Hubbard School of Journalism and Mass Communication found that Facebook itself is uniquely unsuited for the dissemination of local news[19].

Rather than directly benefiting the local news publishers, the sort of news that typically gets shared is of national importance, even when created by local publishers. One researcher said, "Even local organizations get more bang for their buck when they post about non-local subjects". It therefore creates a disincentive to create local stories - and effectively guarantees that larger organisations can do that kind of content better anyway.

New products such as the one offered by Bulletin, then, seem designed to offer cut-through and discovery, which has traditionally been tricky outside of those larger platforms. Given that Facebook has yet to make a firm public commitment on the length or terms of the payments to local news creators, it's tough to see how this will play out in publishers' favour in the long term.



WHAT'S NEW IN PUBLISHING

Platforms and publishers benefit from steady growth in consumers paying for content

Last year saw many publishers enjoy Covid-induced waves of new subscribers. But as life slowly returns to normal, attention is now turning to clever retention tactics.

Esther Kezia Thorpe
@EstherKeziaT

As global lockdowns forced many people to turn to reliable news sources for crucial information, publishers with subscription businesses saw an unexpected boom in people signing up. Magazines also got a subscriber boost, as people doubled down on their leisure interests, from gardening to gaming.

This year, as many countries have begun the long road to recovery, subscriber retention has been the primary focus. What do publishers have to do to ensure consumers stick around as the rhythm of normal life resumes?

Retention, retention, retention

Early figures show promise, for magazines at least. In the US, the largest magazines retained 95% of their circulation[1] through the crisis. Strong print subscription bases and increasing digital issue readership helped titles like Vanity Fair, Vogue, and the New Yorker grow over the past twelve months. For the top 50 magazine brands, print subscriptions have fallen by 7%, but digital subscriptions are up a massive 70% over the last two years.

However, for print newspapers, the picture is less rosy. America's top 25 largest newspapers have lost 20% of their weekday print circulation since the Covid-19 crisis began[2]. Although these figures have been trending downwards for a while, lockdowns have significantly accelerated the rate of decline.

Savvy digital news publishers are telling a different story, with some publications continuing to add subscribers, albeit more slowly than this time last year. The Atlantic's paid readership jumped by more than 280,000 in the twelve months to August 2021[3], meaning that the publisher now reports a total circulation of 833,410 - more than at any time in its 164 year history.

CEO Nicholas Thompson noted that the jump of paid readers came without discounting: "We've been strategically moving readers away from low introductory offers to prices that reflect the true worth of our journalism. The average value of each subscription has grown a stunning 45% since the first half of 2019, right before we launched our paywall."

Next in The Atlantic's sights are newsletter writers as a way to boost their subscriber numbers. In late 2021, the publisher contracted nine well-known writers[4] to a new programme, including Charlie Warzel, Molly Jong-Fast and Nicole Chung. "Our hope is that the number of subscribers from their work and potential ad

The 100k Club

Press Gazette has produced a ranking of news publishers and publications who have passed the 100,000 subscriber mark. By the end of 2021, at least 30 English-language news publishers had more than 100k subscribers.

revenue — the amount of money comes in exceeds the amount we're paying them," Thompson said.

The Economist has continued its seemingly endless growth, reaching 1.12 million subscribers over the summer[5]. The addition of 90,000 new subscribers meant it hit its largest ever increase in a single year. The majority of these new subscribers are digital-only.

However, although steady increases spell good news for publishers, these gains don't always meet expectations. Bloomberg is one publisher that has fallen short of targets, with CEO Justin B Smith saying[7] that this is the one area of the business that has fallen victim to a 'Trump slump'. In February, Bloomberg Media expected to hit 400,000 subscriptions by the end of 2021[8]. But Smith admits this is going to fall short:

"The reason for that in fact is that we've seen, post the Trump era and post the January 6 insurrection, there's been a significant downturn in the news cycle. So we've seen flatter traffic across this year than we've historically seen."

Platforms double down on subscriptions

We can't talk about subscriptions without mentioning the platforms. Twitter launched its subscription product Twitter Blue[9] in the US, offering users the ability to undo tweets, see 'Top Stories' and ad-free articles for $2.99 a month. A portion of that subscriber revenue will go towards supporting partner publications.

Newsletter platform Substack hit 1 million paid subscribers in November[10]. Although it could be argued they're more a collection of smaller publishers, the milestone is nonetheless significant for demonstrating the willingness of audiences to pay for content directly from their favourite writers.

Not to be outdone, Facebook launched[11] its own newsletter subscription product, Bulletin, which allows writers to take payment from subscribers. This was also the year Apple decided to launch paid podcast subscriptions[12]; see our Audio chapter for more.

Where next

The majority of publishers who rely on subscriptions are now turning their attention to data to get smarter about increasing conversion rates and learning more about their existing subscribers. Figuring out how to convert 'casual, infrequent and picky' readers will be key to continuing sustainable growth[13].

Engagement will also be a key battleground. Recent analysis[14] suggests nearly half of local news outlets' digital subscribers are 'zombie' readers who visit the website less than once a month. Zombie subscribers may be a decent revenue stream for publishers, but they are a weak foundation to build a future on.

We have yet to see much evidence of subscription fatigue. In fact for some outlets, there is a growing trend[15] of readers choosing to support via a patronage model, regardless of whether or not content is paywalled. Substack writer Judd Legum actually removed his paywall last year but took no noticeable hit to his subscriber numbers. Instead, the focus is now turning to community-building tools and exclusive extras for subscribers.

"We cannot always rely on the repeat of this year's news agenda, which helped deliver record growth in subscriber numbers, nor this year's significant reductions in costs. That makes it all the more important that we continue to focus on top-line growth that is truly sustainable in the long term."

Lara Boro, Chief Executive, The Economist[16]

After one year,

of post-pandemic subscriptions have been retained. The average before Covid was 40%.[6]

CASE STUDY

The Athletic struggles to maintain growth

The Athletic has been seen as a poster child for the subscription-first model. But cut price deals and bundling designed to maintain growth during the pandemic has come round to bite it in 2021.

Between September 2019 and September 2020, the publisher went from 600,000 to 1 million subscribers. But reported numbers since then[17] show The Athletic struggling to break past 1.2 million subscribers, with that being both their reported number in May 2021, and what they're telling investors they are expecting to finish the year on. It is looking likely that growth has slowed considerably, and the company is now battling high churn rates.

Slow growth isn't a problem in and of itself. To go from 1 million to 1.2 million over 16 months is still a growth rate of 20% - not quite the meteoric rates the publication enjoyed earlier on, but still steady. But the churn is a problem.

One promotion that ran over summer 2020 saw T-Mobile offering free one-year subscriptions to The Athletic. The publisher is still running a third off plans on its own site, offering new subscribers a whole year's access for just over $50.

On top of discounting, The Athletic also announced price hikes in July. Subscribers looking to renew will now face a $71.99 cost, rather than the previous full rate of $59.99, although the monthly access cost of $7.99 will remain the same.

This combination means an inevitable struggle to convince subscribers to renew. As a result, The Athletic is looking to strengthen its other revenue streams. According to The Information[18], The Athletic has a small ad sales business driven by its podcasting business and sponsorships, which brought in $3 million last year. The company has told investors it expects its ad business to grow to $8 million this year, and then to reach $31 million in revenue in 2023.

The company now has a limited amount of time to either raise more money, or find a way to make those million subscribers profitable. "Building a scale media company is hard, especially when you're trying to do it quickly," media commentator Jacob Donnelly concluded. "The Athletic is going to have to figure out a way to double its revenue to reach a point of profitability when it only has eight months of runway remaining. These next few months are critical."

WHAT'S NEW IN PUBLISHING

Strong advertising recovery sees subscription-only publishers reconsider 'all ads are bad' mantra

With the ad market roaring back after the pandemic, advertising's reputation has been somewhat rehabilitated as part of the revenue mix. But, platform domination continues to limit growth.

Peter Houston
@flipping_pages

For a couple of years now, we've been talking about how subscription revenue is more stable than advertising revenue and chronicling the rush to reader-pays models. Startups in particular have tried to distance themselves from a digital advertising market dominated by the Triopoly and decimated by Covid-19 for most of 2020.

So why are we doing a dedicated Media Moments advertising chapter this year? Well, the scale of the 2021 ad recovery has been pretty remarkable. Growth after the Covid crisis crushed 2020 ad sales was to be expected - the only way was up. But the numbers are impressive.

An unprecedented recovery

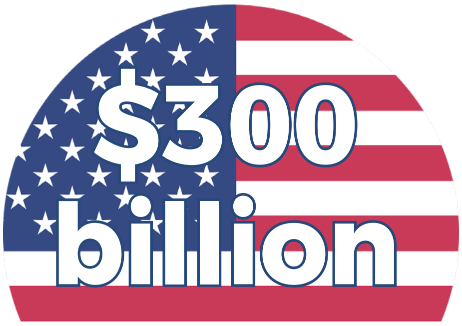
Press Gazette reported in October that magazine websites led the way in the UK ad recovery[1] with spending in 2021 set to beat pre-pandemic levels. Online advertising at magazine brands in the UK saw a 156% bounce back in the second quarter of 2021 compared to second quarter 2020, the country's first Covid-19 lockdown.

Comparing January to June 2020 with the same period this year, digital ad spend at magazine brands was up 78% – the biggest half-year recovery of any major media sector. Total ad spend at magazine brands, including print and online, grew by 92% in the second quarter and 28% for the first half of the year. Annual growth is likely to be 22% across the board and 42% online.

More broadly, the October Advertising Association/WARC Expenditure Report[2] forecasts total UK ad spend will grow by 25% this year, reaching a total of £29.3 billion. This beats July projections of 18% growth for the year and represents the biggest annual rise on record.

Worldwide, media intelligence firm Magna predicts[3] advertising spending will grow by $78 billion in 2021, up by 14% to $657 billion, a new all-time high. This is in stark contrast to the 2.5% decline recorded for 2020. Growth is expected to continue through 2022, with a 7% increase forecast.

All 70 ad markets Magna monitors will expand this year with China and the UK expected to post the largest gains, 16% and 17% respectively. The US market isn't far behind; with growth of 15%, it is enjoying the strongest increase in 40 years.



The 2025 forecast for total US digital ad spend

Ad spend forecasts

Keep up to date with advertising expenditure and forecasts with eMarketer's latest forecasts and analysis. For the UK ad market, the IAB also has a comprehensive set of charts, reports and tools over on its ad spend page.

At the same time as the ad market is looking buoyant, the post-pandemic reality of reader revenue plays, from acquisition costs to subscriber churn, have started to bite. So much so that some 'all ads are bad' start ups have added advertising-sponsorship to their playbooks.

A platform-dominated future

The truth is advertising never really dropped off publishing's bottom line. Despite the reader-revenue hype and hoopla, ads have remained a major revenue source for the vast majority of publishers. But while publishers rightly celebrate a return to growth, there's no escaping the fact that digital platforms Google, Facebook and Amazon will continue to take the biggest share of spending.

In the US, where digital ad spending will top $200 billion this year[5], the Triopoly will claim 64% of that spend. Looking ahead to 2023, eMarketer expects Google to lose share, Facebook to hold steady, and Amazon's share to grow steadily, from 7.8% in 2019 to 14.6% in 2023.

Amazon is not the only online service company making money from advertising; Adage is reporting[6] that every two or three months a new retail ad network is established. According to Forrester[7], brands looking to boost their share of customer spending at the digital point of sale are estimated to have spent $5 billion in 2020.

US retail media ad spend will hit $31.49 billion in 2021, up 53.4% over 2020. By 2023, this figure will pass $50 billion[8], with the vast majority of retail media ad spend coming from ecommerce channels.

Worldwide, advertising sold programmatically was worth $129 billion in 2020, and is expected to grow to $155 billion in 2021[9]. Next year, it is expected that more than 90% of digital display ad spending in the US will be transacted using some form of automation.

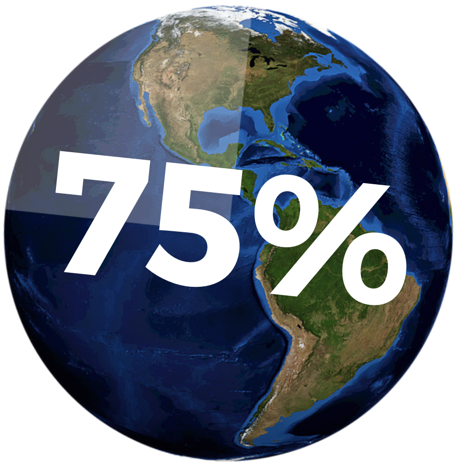
Publishers developing first-party data around audience preferences are in a strong position to create targeting solutions that serve up consumer interest and intent. Advertisers on the hunt for post-cookie targeting alternatives will be looking closely at first-party data solutions, particularly those that will support contextual advertising solutions[10] that select and serve ads according to content relevancy.

According to Research and Markets, the global print advertising market is expected to decline 1.4% in 2021[11], falling to $32.05 billion. By 2025, the market is expected to have contracted to $26.45 billion, down 4.7%.

"It has been very exciting to see young media companies - those that got their launch during the heavy subscription-only days of 2020 - realising that there is money to be made in advertising."

Jacob Donnelly, A Media Operator newsletter[4]

North America accounts for nearly



of total programmatic ad spend worldwide

CASE STUDY

Shock, horror: Punchbowl media makes money selling ads

Punchbowl, a media company launched earlier this year by former Politico staff members, has been making the headlines for its stellar subscriber growth. Less than a year old it has 100,000 subscribers and is on track to generate $10 million in revenue this year.

With no real detail on the company's business model, readers of a recent article from the WSJ could be forgiven for thinking the bulk of that revenue came from subscriptions. Punchbowl certainly positions itself as a "membership-based news community."

But a November article in Defector[12] looked closer at what percentage is actually made up of reader revenue after an Axios briefing said that just $1 million comes from paid subscriptions.

The angle on the Defector story is interesting. Rather than celebrate the fact that a start-up has sold $1 million in subscriptions and made $9 million through advertising and events, it almost seems to see the $9 million is non-subscriber revenue as a betrayal of the subscriber model.

"People who are just doing the same old shit are adopting the key buzzwords and poses born out of recent trends in an effort to make it look like they too are doing something innovative," writes Laura Wagner for Defector.

I get the frustration at the disingenuous presentation of the business as primarily reader funded,and agree there's a lot of buzzy BS around reader revenues. But any media business that is managing to establish a healthy mix of advertising, reader and events revenues is setting themselves up for long-term success. Publishers slavishly following a single revenue stream, less so.

As Jacob Donelly says, "Ads aren't bad. Bad ads are bad. Good ads can actually be helpful."

Video still an area of active investment for publishers, but it's now substance over style

Despite the lack of industry-wide excitement, video continues to be a focus of investment for publishers. There are still benefits to using video well, particularly when tailored to the audiences that are primed for it.

Chris Sutcliffe
@chrismsutcliffe

It would be tempting to say that we'd finally put the long shadows of the pivot to video behind us. However, over the course of 2021 even more information emerged that demonstrated why the overextension into video was such a mistake. The Facebook Files showed that Facebook itself was potentially harmed by the pivot, with users leaving in part due to an overabundance of video on the platform[1].

Having had their fingers burned, publishers' video ambitions were scaled back - or at least less visible. Despite that, short form video continued to perform well among audiences, and the platforms that specialised in it have continued to rise in prominence. The year began with media companies tentatively dipping their toes back in the water, this time with a better plan in mind than 'let Facebook take care of it'.

A question of ownership

The watchword for publications looking to succeed in video seems to be 'control'; control over creation or distribution specifically. In February The Big Issue, launched The Big Issue TV to host its suite of documentaries. It notably focuses primarily on its own SVOD platform rather than distribution via platforms like YouTube or smart TVs.

At the time group CEO Paul Cheal said[2]: "Great specialist media brands have always acted as trusted curators for highly targeted audiences. As content consumption continues to diversify across new platforms, it is those brands which are well placed to take advantage of opportunities such as SVOD (Subscription Video On Demand), offering their audience a new and complementary experience while also deepening overall engagement."

Patreon, too, sees value in having control of its own video product. In November its CEO confirmed that it is launching its own native player for its creators' videos[3], rather than relying on external players. And Spotify, while still primarily audio-focused[4], is set to expand its video features for podcasters[5], driven by the large proportion of podcast content already consumed on rivals like YouTube. It's all an attempt to take back control of the environments in which video is consumed - and monetised.

Over the course of the year, boosted by early successes, The Independent accelerated its own video ambitions - this time with a wider commercial imperative in mind. While its video content is free-to-access across platforms like YouTube and Facebook,

Smart TV penetration in a number of markets for the first time in 2021

Optimising videos

Digital Content Next has written a handy guide for publishers looking to optimise their videos across different platforms. It covers different types of stories, content authenticity, and examples from publishers.

the newspaper has invested significant time and resources into ensuring its own platform is the most effective way to keep people on-site and watching the next video. MD Christian Broughton said that rather than adopting an 'if you build it they will come mentality', monetisation is built into the product right from the start with sponsors approached early in the process[6].

While those and other publishers focus on creating and monetising distinct video content, much of the growth in terms of viewership was happening around social video. Short form video content on Snap, TikTok and Instagram saw continued growth - and consequently investment from brands and publishers too.

The Washington Post's Head of Editorial Video Micah Gelman told Insider[7] it sees social video as the lure by which a viewer can be pulled into the wider newsbrand's ecosystem: "Most video consumption happens off platform, whether that's YouTube, Facebook, Instagram, TikTok, and so it's very much about reaching people who may not be familiar with the Post at the start but will come to sample other types of our journalism."

It's a similar approach to that employed by Harvard Business Review, which uses its presence across TikTok and YouTube not just to boost the profile of individual presenters, but as the antenna that draws the viewer onto the rest of its content[8]. HBR, however, is very open about the fact that it sees younger audiences as the primary target of its efforts in video.

While some publishers have been concentrating on the creation and distribution of premium long form video on their owned-and-operated channels, platforms still have a huge role to play in reinventing video formats and - most crucially of all - leading younger audiences back towards publishers' brands.

Experimentation, and blurred lines

Social video is in many ways becoming indivisible from AR and XR. Users create videos using platforms' filters or lenses, which act as the link in a chain between viewers and ultimately brands. Expect to see a blurring of the lines between video creation and that of the metaverse, as resources that might have been put to the one instead move across to the other[9].

There will also be further launches of publisher-specific SVOD services like that of The Big Issue, particularly among lifestyle titles. Many magazines have a cache of high-quality video content that is yet to be monetised or repackaged to bolster other subscription offerings. Health and lifestyle content has potentially the best opportunity for this - but other consumer brands that focus on high-value items can also take advantage.

The lion's share of the video market, however, will still belong to platforms. The fact that those channels now exist alongside SVOD and other services[10] on smart TVs and mobile devices means that they are still the effective default choices, both for viewers and for the brands looking to reach huge audiences habituated to the creation of video.

Above all, though, expect publishers to continue experimenting with video - especially when there's sponsor money already on the table.

One billion

The number of monthly active users on TikTok

"Our intention with these series isn't necessarily to drive traffic. We're playing to our strengths by combining our high-quality content and deep health storytelling with the social conversations that are trending in the moment."

Carrie Moore, Head of Beauty, Health & Wellness, Condé Nast

YouTube made

$7.2 billion

in Q3 of 2021 alone

CASE STUDY

Condé Nast Health goes all-in on Twitter video

Over-reliance on any one platform aside, there are benefits to tailoring your video content to one service specifically. For one, it allows you to create the content in a form that its users are already primed to consume. For another, it enables publications to carefully consider commissioning based on audience demographics rather than splurging on a generic audience.

In May Condé Nast announced[11] the rollout of its Health X series of videos, which are optimised for Twitter. Built in part around existing editorial products like Glamour's 'In 2 Minutes' series, the videos were designed to interrupt the infinite scroll of the platform and allow viewers to interact with the Health team in a way that influenced the commissioning of future series.

Carrie Moore, Head of Beauty, Health & Wellness for Condé Nast Health, told FIPP that the series was designed to take advantage of Twitter's unique features - specifically that ability to interact. She said: "It's informed by Twitter insights and leverages some of our most successful content formats. We're playing to our strengths by combining our high-quality content and deep health storytelling with the social conversations that are trending in the moment."

Consequently Condé Nast's pitch to advertisers looking to get involved in the partnership was that it was building upon already successful content, in such a way that allowed its partners to leap on the zeitgeist and trending topics. It takes advantage of the short form nature of video on Twitter - which despite its best efforts is still not seen as a video platform - in order to deepen engagement between advertiser and audience.

As platforms roll out paid podcast infrastructure, audio subscriptions become a reality for publishers

Paid podcast subscriptions add another layer of complexity to an already cluttered landscape. But with the platforms resolved to simplify the experience, the promise of subscriber revenue from audio is now very real.

Esther Kezia Thorpe
@EstherKeziaT

2021 was the year the word 'subscribe' took on a different meaning in podcasting. Many of the larger apps, anticipating the release of paid podcasts, changed their wording to invite listeners to 'Follow' podcasts rather than 'Subscribe'[1]. The latter has been used for many years to mean 'automatically download for free', but has been seen as incredibly confusing by users who expect a subscription to cost money.

This seemingly small change laid the groundwork for what has been a big year. The list of publishers launching or expanding their podcast offerings continues to grow. But where the real excitement lies is in the potential for paid podcasts.

Show me the money

Although a YouGov survey[2] found that 83% of podcast listeners said they were 'not very' or 'not at all' likely to pay in some way to access podcasts, this hasn't stopped publishers experimenting.

A big limiter in previous years has been the complexity involved in offering paid podcasts. But with Apple launching Apple Podcasts Subscriptions over the summer, the game has changed again. Although the launch was plagued[3] with bugs and design flaws, the platform - which is currently the most popular way for people to listen to podcasts - now offers publishers the ability to include extra perks[4] like ad-free and bonus content, and early access. As well as a $19.99 access fee, Apple will also take 30% of revenue for the first year, and 15% for the years following.

NPR, in partnership with PRX, announced that they would offer an ad-free version of their podcasts to paying subscribers via Apple. Listeners can support a single show and buy ad-free access for a monthly fee, or can become a member of their local NPR station and get access to all NPR podcasts ad-free.

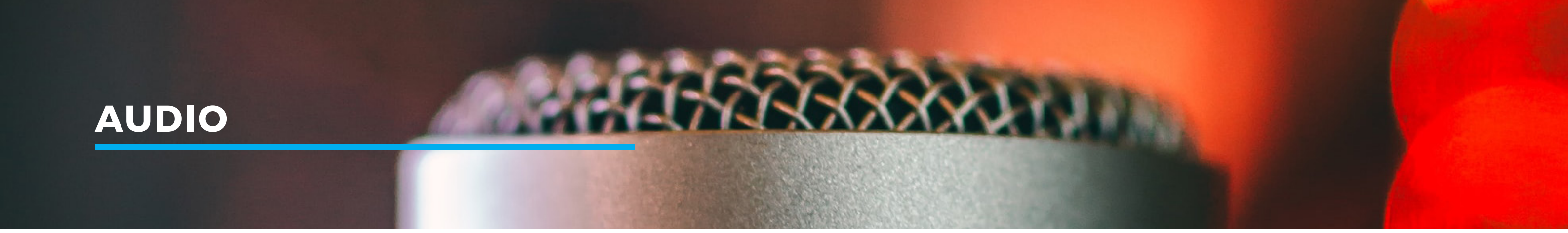
"We feel very strongly that the content we produced should be freely available," NPR's Joel Sucherman told Hot Pod[5]. "We continue to believe in the RSS standard and the open podcast economy. But we feel this is an opportunity for the super fans who really love particular shows to support them at the show level."

German national weekly publisher Die Zeit took the opportunity to put a paywall around their podcasts on Apple over the summer. They added audio articles, and offered access to their 19 shows via the platform for €5.99 a month.

of the 1,120 channels in Apple Podcasts are paid subscription channels[18]

Starting a podcast

Thinking of getting started in podcasting? *What's New in Publishing* have written a dedicated guide just for publishers on how to plan, produce and launch your own podcast: **The Publisher's Guide to Podcasting**



In other platform news

Hot on Apple's heels, Spotify released a suite of paid podcast tools in November[6]. It is also working on rolling out its Open Access technology[7], which will pair with existing subscription platforms like Supporting Cast, Acast, Supercast and Memberful to make publishing in one place possible.

2021 also saw the meteoric rise, and even faster fall of social audio app Clubhouse. It peaked at 10 million weekly active users in February, but its failure to prioritise release of an Android app excluded the vast majority of users outside the US. Sensing an opportunity, Twitter released its own social audio feature named Spaces in May. Having learned from Clubhouse's mistakes, the feature is much better developed. As a result, Twitter has managed to poach Clubhouse's exclusive NFL deal with 20 official NFL Spaces scheduled over the season[8].

To say Facebook is late to the audio game is an understatement. But 2021 is the year it chose to finally wake up to the potential of audio. It began rolling out its podcast product in June[9], allowing hosts to link their shows' RSS feed up to a Page, which then automatically generates News Feed posts for new episodes.

Substack announced in July that it was funding the launch of a new podcast network called Booksmart Studios, with the option of subscriber-only podcasts. A number of creators have been given six-figure advances in order to launch shows. "With the subscription model, you don't need millions of listeners to make a podcast sustainable," Substack's Hamish McKenzie said[10].

YouTube continues to be popular for podcasts, especially in the US. The pandemic has accelerated this, given the number of podcasters turning to tools like Zoom to create and distribute video podcasts. "If YouTube isn't already part of your audio distribution strategy, then data from the Digital News Report suggests that it really should be," commented Damian Radcliffe[11].

Other audio opportunities

Text-to-speech and audio articles have continued reaping rewards for publishers. In spring, The Washington Post rolled out Amazon Polly[12], a service to transform text into lifelike speech, across its articles. McClatchy is testing ways to monetise audio articles, running campaigns with pre-roll and mid-roll spots. The pre-rolls had a completion rate of over 99%, and the mid-rolls 75%, with click-through rates of 1-5%; a promising start.

One potentially game-changing development comes from the New York Times, which revealed an experimental app in October called New York Times Audio. As well as hosting NYT podcasts and read-aloud journalism, this will also feature audio articles from a curated set of publishers including BuzzFeed News, New York Magazine and Rolling Stone. "If The Times builds a standalone audio product that succeeds in attracting repeat listeners, it could mark a new era in the audio industry," noted Medialyte's Mark Stenberg[13]. The reticence of publishers to rely so much on third party platforms and the overwhelming choice of podcasts make this a very interesting product to watch if they can offer audiences an owned, carefully curated selection of audio.

"A big focus of ours is going to be to extend the convenience of the features. So not just being able to listen to an individual article, but being able to create playlists of articles, or listen to your saved articles, or listen to all the articles from the front page of the newspaper or from our magazine."

Kat Downs Mulder, Chief Product Officer, The Washington Post[14]

80 million

Americans listen to podcasts on a weekly basis. But the US podcast advertising market is worth less than $1 billion.

That's just

$14

per listener[19]

CASE STUDY

Der Spiegel experiments with audio bundles

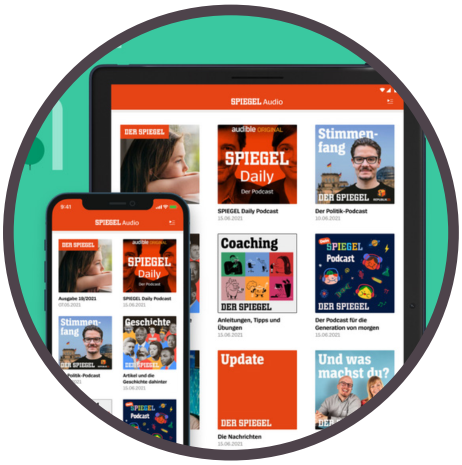
In Germany, Der Spiegel is one of just two publishers trialling paid podcasts. But rather than offering a subscription for a single podcast, it has instead put together an audio package, hoping to appeal to the 25% of Germans who listen to podcasts each month[15].

Der Spiegel introduced Audio+, its exclusive audio subscription, in June 2021[16]. The bundle includes an audio version of the weekly magazine with added music, a daily news podcast, a fortnightly history podcast set to music, a podcast called SPIEGEL Coaching with work-life balance tips and topics on mindfulness, and Dein Spiegel Podcast for families.

Audio+ is available for €14.99 a month, or as a joint subscription with digital access to the website for €19.99. At the time of launch, Audio+ was offered for free for 12 months to all existing SPIEGEL+ subscribers.

The publisher has their own app, which has a dedicated audio library hosting all the free and paid SPIEGEL podcasts. But it's also making use of the platforms' new tools. According to a report by the Otto Brenner Foundation, Der Spiegel has a partnership with Amazon's Audible, which last year expanded to include podcasts. It also offers paid podcasts using Apple's subscriber podcast tools.

Although Der Spiegel hasn't released any numbers around take-up of the audio bundle, paid podcasts are seen by the publication as a very important component of their U30 strategy, according to The Fix. This is a special effort by the paper to grow the number of under 30's who pay for digital subscriptions[17].



WHAT'S NEW IN PUBLISHING

Finally some good news from the pandemic: publishers have regained some public trust

Covid-19 afforded an opportunity to prove that the media was on the public's side. Organisations have been able to capitalise on the moment and win back some public support, everywhere except America.

Peter Houston
@flipping_pages

Trust in the media has been falling[1] since before we started writing our Media Moments reports in 2018, but the pandemic seems to have brought some respite. In almost all of the 46 countries examined in this year's Digital News Report from the Reuters Institute[2], trust in the news media was up. It might be up because people needed news more during the pandemic, or maybe because the facts were easier to see, but it's up.

Geographical differences

The proportion of people in the UK who said they trusted the news rose from 28% to 36% in a year[3]. Although still nowhere near the 50% trust ratings recorded before the Brexit referendum broke Britain, that's a big single-year increase.

The one place trust in the media stayed low was America. Only 29% of Americans claim to "trust most news most of the time"[4]; the lowest trust rating of the 46 countries studied. This is hardly surprising given America's fractious political landscape. Political divisions factor heavily in whether people trust the media[5]; more than half of people who consider themselves left-leaning believe the media "cover people with their political views fairly", compared with just 16% on the right.

There are many reasons for falling public trust in the media, not least untrustworthy media. But increasing government attacks on the press, seen across the world, don't help. Inspired, or at least egged on by the press-baiting antics of Donald Trump, governments across the world have set themselves against journalism.

In Britain, the Conservative government wants to bring the BBC to heel[6]. Beijing effectively closed a pro-democracy Hong Kong newspaper[7]. A Belarussian blogger was pulled from a plane forced to land by fighter jets[8]. And that's only the Bs.

Time to rebuild

Chronicling the causes of the declining trust in world media has become a full time job. From politically motivated slurs of 'Fake News' to the proliferation of misinformation peddled by bad actors, untrustworthy information is more visible than ever.

Figuring out how to rebuild trust is also a full time job, with discussions about what to do raging across journalism schools, think tanks and newsrooms all around the world.

The number of people in the UK who trust the news media rose from 28% to

in a year

Keep up with trust

Every summer, the Reuters Institute for the Study of Journalism releases its Digital News Report looking at trust, news access, paid business models and other country trends from the previous year. 2021's survey involved over 92,000 online news consumers in 46 markets.

For some, it's all about a return to the facts. According to the Digital News Report, 66% of respondents want their news media to remain neutral and 74% believe reporting should highlight a range of views, rather than taking a position.

For others it's about transparency. Following the BLM protests in 2020, a Bloomberg employee is said to have remarked: 'Reporters are meant to be objective, but to many the distinction between right and wrong now seems obvious.'[9]

A significant minority - 24% - want what they see as a 'facade of neutrality' dropped, believing there are news topics where, "it makes no sense to try to be neutral". Thinking of the reporting covering Covid-19 and increasingly the Climate Crisis, this makes sense.

The INMA report, How News Brands Are Rebuilding Trust[10], suggests that data from public surveys shows it is possible to rebuild trust, but that action is needed immediately. The report's author is Sally Lehrman, founder of The Trust Project[11], an international consortium of news organisations building standards of transparency and working with tech platforms to amplify journalism's commitment to transparency, accuracy, inclusion, and fairness.

At the core of the Trust project's work are eight trust indicators[12] that help determine the trustworthiness of a story. Lehrman believes that the pandemic has alerted more people to the value of accurate news and their own role in choosing it. She writes, "The news industry must connect even more deeply to the principles of social responsibility at journalism's heart and become the people's trusted, responsible, and responsive ally. We must do so not just for philosophical reasons, but for our very survival."

This survival sentiment is more than just an existential cry in support of ethical journalism; a line can be drawn directly between trust and monetisation. A Knight Foundation study[13] into how age impacts how Americans view the media shows that while older readers display brand loyalty, younger readers are more interested in accuracy and transparency.

While 68% of the 18 - 35 year olds surveyed said the news media is "critical" to democracy, only 32% agreed a news organization's brand is very important. Consequently, they are more likely to look at other sources or independent fact-checking sites when they feel uncertain about facts in a news story.

The report sums up the prospects for future news providers perfectly: "Young Americans are responding to the changes in today's media environment with efforts to be more discerning news consumers."

The bottom line is, publishers that can't prove their trustworthiness through establishing the provenance of their content and the processes through which it is created will face an uphill battle connecting with future audiences.

24%

of Americans want the news media to drop their 'facade of neutrality'

"In many countries we see audiences turning to trusted brands – in addition to ascribing a greater confidence in the media in general."

Nic Newman, 2021 Digital News Report

Trust in information sources is at record lows, with just **35%** of people trusting social media

WHAT'S NEW IN PUBLISHING

CASE STUDY

Mandatory media literacy lessons introduced in some US schools

Maybe America is not entirely a lost cause in the world media-trust stakes. The state of Illinois is set to introduce mandatory news literacy courses[14].

Under the curriculum, to be introduced in the 2022 - 2023 school year, Illinois students will examine news content across platforms, with the lessons developed in partnership with Stanford University. Joel Breakstone, who heads the Stanford History Education Group, spent a year working with ninth-graders at a suburban Chicago high school, integrating news literacy into subjects like geography and biology.

One study the group conducted saw just three of 3,000 high school students spotted a video alleging voter fraud was a fake. Breakstone told NPR: "There's a widespread misconception that because young people are adept at using digital devices, that they are also skilled at making sense of the information that those devices provide."

The most useful tactic for helping students identify misinformation is called lateral reading, which can be as simple as opening a new tab and leaving the post to find more about the source of information.

While this appears to be effective and students reportedly got better at spotting questionable sources, there are still issues to overcome. Students often didn't see how a company writing about climate change but funded by the fossil fuel industry might 'skew the story'. Others also equate the size of an influencer's follower count with how trustworthy they are.

The challenge for teachers is to make students feel comfortable talking about political issues, while pushing back against baseless conspiracy theories. Teachers worried about creating lesson plans and appearing partisan are encouraged to look to the News Literacy Project for support[15], which trains teachers, provides lesson plans and sometimes brings them into newsrooms to show the reporting process.

As tech giants shake up the ad industry, publishers lay foundations for their own strategies

Chrome's cookie delay has been a welcome respite for an industry under pressure. But with no viable replacements on the horizon, publishers have wasted no time doubling down on their first-party data plans.

Esther Kezia Thorpe
@EstherKeziaT

It's almost certain that we'll look back over the past few years as some of the most transformative in the advertising industry. Between increasingly tough privacy regulations and action from seemingly concerned platforms, it feels like the end is finally in sight for invasive tracking methods. Advertisers are being forced to seriously reassess how they use data; publishers claim to be building that better world.

Platforms flex their muscles

Firstly, let's touch on a somewhat polarising move from Apple. The tech giant, apparently concerned for the privacy of its users, introduced a handful of features to give users greater control over how their data is used in its September iOS 15 rollout. One policy in particular, launched in April, made each app on an iPhone ask a user if they were okay with being tracked across apps for ad-targeting purposes.

Just 4% of users are agreeing[1]. The move tripled the market share of Apple's advertising business in the six months since its launch, and cost Facebook, YouTube, Twitter and Snap nearly $10 billion in ad revenue[2]. The company is now projected to make $5 billion from digital advertising in 2021, and $20 billion a year within three years, propelling Apple to the fourth biggest ad business in the world. Whoever said privacy couldn't be profitable...

Apple isn't the only platform shaking things up. Google's third-party cookie phasing out had originally been planned for early 2022, meaning that this year would have been spent undergoing frantic preparations. However, given the lack of agreement over alternatives, the tech giant announced in June[3] that it was delaying its plans to block third-party cookies until 2023.

"It's become clear that time is needed across the ecosystem in order to get this right," Privacy Engineering Director Vinay Goel wrote. This respite has been welcomed by advertisers, but has somewhat dampened the urgency.

FLoC, Google's current alternative to third-party cookies, is a more privacy-centric approach which groups users together in cohorts based on similar behaviours, without needing to use personally identifiable information. Google argues that FLoC will provide greater individual-level privacy without sacrificing much of the effectiveness of third-party cookies. In early tests[4], it saw 95% of the conversions per dollar spent on cookie-based advertising. But in May, DuckDuckGo, Firefox and GitHub vowed to

of iOS users are opting in to ad tracking

Demystifying privacy

Digiday have put together a Privacy Glossary, defining and demystifying a number of the key terms around the coming privacy changes with Chrome and iOS. Now you can talk about deterministic identifiers, Conversion Measurement APIs and SDK spoofing with confidence.

block Google's FLoC API[5]. Google is continuing to develop alternative technologies via its Privacy Sandbox, but getting industry consensus on any alternative seems like an impossible task.

Build it yourself

Caught between warring tech giants, publishers have wasted no time shoring up their own efforts. An ever-growing list of first-party data plays have been announced this year. News UK's Nucleus, Vox Media's Forte, Forbes' ForbesOne, Penske Media's Atlas Data Studio, Livingly's IRIS, BuzzFeed's Lighthouse, Future PLC's Aperture, to name just a few.

Ad tech may not be able to agree on Google's FLoC model, but that hasn't stopped publishers developing cohort models of their own as part of their first-party data strategies. Late last year, Insider Inc. launched SÁGA, an audience-data platform which uses behavioural data of readers on their sites to build audience segments, without the need for personally identifiable information. As a result, they have been able to grow their revenue on first-party data by 200% this year, with 19 out of their top 20 advertisers renewing. "It works, it really does." commented Jana Meron, Senior VP of Programmatic and Data Strategy[6]. "It just takes a lot of education and patience."

Education on the agenda

Publishers will need patience in buckets, come the eventual demise of third-party cookies. As with other changes like GDPR, many in the ad world are leaving it until the last minute to find alternatives, and publishers are having to do a lot of educating about the value of their own environments.

Vox Media has been offering Forte, its own first-party data solution, as a trial. "There were some clients who were resistant," said CRO Ryan Pauley[7]. "For those clients, we said, 'Let's run a side-by-side comparison at no cost'".

But it's not just agencies in need of education. Forbes hopes its first-party data solution ForbesOne will help not just shield it from potential revenue losses, but will also help staff understand how audiences interact across the brand. A product manager might use interactions with a virtual event to improve future experiences, or editors might use content consumption patterns to inform future coverage. "This is not to replace our existing products, but to build something better," said CRO Jessica Sibley[8].

The benefits of first-party data, the effectiveness of contextual advertising and the loyalty of publisher audiences are nothing new. It's still staggering that executives are shocked when a company selling bikes sees results from advertising in a cycling publication with an audience passionate about...wait for it... cycling. But if these huge industry shifts are going to knock some common sense back into us, this can only be a good thing for publishers in the long run.

Google has seen **95%** of conversions per dollar with FLoC tests compared to cookie-based advertising

"We see a world where publisher data replaces third-party data to a large extent, particularly at the premium end where we would typically operate with other larger publisher brands looking to drive mid to upper-funnel impacts for marketers."

Ben Walmsley, Commercial Director for Publishing, News U.K

CASE STUDY

Apple puts privacy first in its email app

One of Apple's announcements from its WWDC conference in June threw email marketers into disarray. "In the Mail app, Mail Privacy Protection stops senders from using invisible pixels to collect information about the user," they said[9]. "The new feature helps users prevent senders from knowing when they open an email, and masks their IP address so it can't be linked to other online activity or used to determine their location."

The opt-in update, which rolled out in the autumn, essentially means that open rate tracking won't be possible to measure for people using Apple Mail. This could affect around 30% of readers on the average email list, and even higher for those in the US where Apple Mail on Mac desktops is responsible for 58.4% of all email opens[10].

This move sparked debate in the industry about our obsession with tracking. But open rates are a pillar of understanding user engagement, even for newsletters which don't rely on advertising. Being blind on open rates also affects those who like to keep their email lists clear of users who don't open emails after a certain length of time.

Of course, all this is great for building Apple's image as a company that really cares about the privacy of its users. But as with the app tracking update which propelled its ad business to be a major player this year, there are economic benefits for the tech giant too.

"Looking at Apple's privacy moves this week, I'm mostly willing to take them at face value — as a necessary counter-balance to the inexorable rise of tracking technologies around the web," commented Platformer's Casey Newton in his analysis of the announcement[11]. "But it also seems clear that the value to Apple goes far beyond customer satisfaction — and as its revenues from ads and in-app purchases grow, we'd do well to keep an eye on how its policies are gradually reshaping the economy."

Print decline continues for newspapers, but it's more complicated for magazines

While most people have lost the habit of buying a daily newspaper, preferring the immediacy of digital news, sales in the lean-back magazine market have been holding up...mostly.

Peter Houston
@flipping_pages

Listening to people talk about the print publishing market is a bit like listening to people describe Rorschach inkblots - they see what they want to see. Some people view every newspaper or magazine closure as yet another coffin nail for the print sector. Others use every launch as an excuse to shout about a new Golden Age of print.

The reality is much less black and white.

A complicated picture

There's no disputing that mass market print is suffering, and for news suffering an inexorable decline. That's why the biggest UK newspapers have abandoned the ABC circulation audit's 'negative narrative of decline'[1]. And why even the Guardian with its "long-standing commitment to print" made its print circulation figures private this year[2].

For those UK national newsbrands still publicly audited, double digit circulation drops are more common than not[3].

The pandemic got some of the blame for newsprint's woes last year, but it was just accelerating trends that go way back to the 1960s. Bo Sacks recently resurfaced a 2009 graph[4] that shows US newspaper circulation in free fall through the previous five decades and it's a fairly safe bet that nothing changed in the 10 years since.

Looking at fresh data on news consumption, Americans now overwhelmingly prefer their news to be digital. In a recent Pew survey[5] on news consumption across platforms, 65% of respondents said they rarely or never get their news from print. Commenting for MediaPost, Tony Silber said[6]: "If further proof is needed of the eclipse of print media, for news, I'm not sure what it might be."

Mass market magazines are doing better. Not amazing, but better.

Analysis by Press Gazette of Alliance for Audited Media (AAM) figures[7] underlines the fact that US magazines outperformed newspapers through the pandemic - the largest retained 95% of sales through Covid-19. But subscription and single-copy sales are still down. Print subscription circulations have fallen by 7% over the past two years, from 125 million overall to 116 million, while single-copy sales are down 11%, from 3.2 million in the first half of 2019 to 2.8 million in the first half of this year.

America's largest magazine titles retained

of sales through Covid-19

Magazine launch monitor

Samir 'Mr Magazine' Husni has kept a record of all the new print magazine launches for almost ten years. His Launch Monitor has found 47 new titles arriving on US newsstands in the six months between April and September 2021 alone.

And there have been the inevitable closures: Marie Claire print went in the US in September[8].

Specialist titles have seen the most success in 2021. From Future taking on print-focused The Week as part of its £300-million Dennis acquisition, to the Spectator's pandemic profits boost and Private Eye's 60th birthday, UK print news weeklies did well.

Cloudy, but with silver linings

The future for daily news in print looks decidedly bleak, and it's difficult not to feel like I've said this all before.

The one bright spot, in the UK at least, are community papers like those produced by Social Spider. We spoke to MD David Floyd in September[9] and he was bullish about the future for newsprint at the level of the London boroughs that Social Spider works. But he was very clear that the focus has to be on information from and for local communities rather than national or international news.

For magazines… Did I mention niche print?

The one area print publications seem to be thriving is where quirk, character and community are valued over immediacy. Samir Husni's Launch Monitor[10] website lists 81 US launches for the year through September. There are some bigger newsstand debuts, Bauer's 'Drew' collaboration with Drew Barrymore, for example. But most hone in on tightly defined areas of interest from Black Cannabis[11] - vital marijuana information for people of color - to PickleBall - the Vogue of Pickleball[12].

More likely to survive past issue two are the UK relaunch of Rolling Stone after a 50-year hiatus[13] and specialist B2B launches like Consumer Electronics Test & Development and Electric & Hybrid Rail Technology launched by Mark Allen Group. At launch Operations director Katina Toumba told Press Gazette[14] the publisher had decided to launch in print because the popularity of its print publications had grown since the start of the pandemic.

"People need less screen time; a break from PCs and mobile devices," she said.

One other area worth watching is the print-technology mashup emerging in ecommerce[15]. Following stellar eCommerce growth through and beyond the pandemic, Bauer has looked to its print portfolio to fill the eCommerce funnel. Booth Grazia and Heat are incorporating images that, when scanned, take readers directly to a storefront where they can get information on products and purchase options.

"Our original intention was to be digital-only, but we had such a strong response from our early popup print editions, that we built out a weekly print newspaper as well."

Gavin Thompson, Editor, The National

print magazines were launched in the US in 2021

CASE STUDY

Unique identity keeps promotional print alive longer than intended

Newsquest announced[16] in November that it would be closing the print edition of its weekly newspaper for Wales, The National. The weekly launched online March 1st, with the launch supported by two promotional print editions in April.

The print project was initially seen as a way to build awareness of The National online, but demand for the print editions was strong enough for Newsquest to keep publishing. Editor Gavin Thompson told Press Gazette: "Our original intention was to be digital-only, but we had such a strong response from our early popup print editions, that we built out a weekly print newspaper as well."

Before November's closure, Newsquest published 33 weekly editions of the Saturday paper. Rather than seeing the end of the print edition as a failure, the publisher is viewing it as a success in promoting The National's digital presence as a news service for all of Wales.

Thompson told readers that print is still "part of the future of The National" with special one-off print editions planned for next year. But the title's digital focus is clear. "With the digital audience going from strength to strength, we feel now is the time to focus only on the digital opportunity for The National."

The return to a digital focus was underlined with the launch of an app, ad-free for subscribers, and a series of new email newsletters with one planned for Saturday mornings in place of the newspaper.

The National's success, in print and online, is due in no small part to its unique identity as a news service 'For all of Wales' with the brand positioned as different from Welsh news coming from national outlets based in England. "There's a strong interest in news that others might not cover and anything that speaks to a sense of identity," Thomson said.

Media companies riding the eCommerce wave seek to consolidate their successes

Last year supercharged eCommerce, with lockdowns ensuring that both the total number of online shoppers and frequency of purchases increased fivefold. So which publishers are taking advantage of that?

Chris Sutcliffe
@chrismsutcliffe

Ecommerce retailers were busy counting their money when January rolled around. After the non-stop promotion of online deals around Black Friday and (sigh) Cyber Monday for the previous years, audiences across Europe and the US were well-placed to ride the wave of lockdown Christmas spending. At £18,626 million, that total increased by 56.2% more than in the same period in 2019 in the UK alone[1].

While many of the beneficiaries of that were the old-school retail giants and supermarket chains that had quickly pivoted, that spend was also a boon for the publishers with strong pre-existing eCommerce and affiliate capabilities. While nothing quite matched the growth seen during the first few months of the pandemic - in which, for example, Hearst UK's eCommerce revenue grew 322% during the second quarter of 2020 alone[2] - publishers' eCommerce ambitions continued to expand.

A year of expansion

At the beginning of the year the companies that had ridden the ecommerce wave sought to restructure or consolidate their successes. After a difficult year in terms of monetisation, in March, Dennis Publishing's owner Exponent spun off its big-ticket automotive portfolio - and the eCommerce business it had built around it - into its own company[3].

Autovia was an attempt to draw a line around the car content and eCommerce division that had previously served the company so well, and to control every part of the buying process from ideation to creation to recommendations. At the time, chairman Peter Plumb noted that the need to own the entire ecosystem lay at the heart of a successful publisher ecommerce strategy:

"The investment pouring into online car sales over the last two years has jump-started a sector-wide 'race to digital', opening up opportunities for those with the broadest and most engaged reach, the richest audience data and the most trusted brands & content."

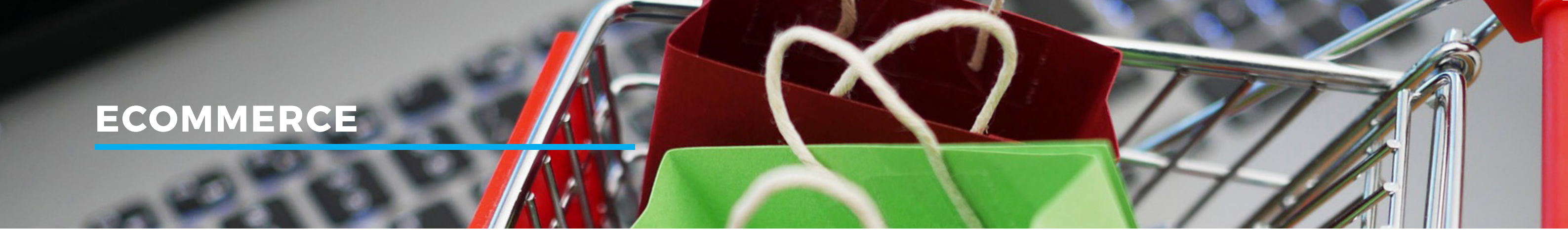
Nor was that strategy confined to automotive and tech. In Sweden, Aller Media acquired wedding-based provider and platform My Perfect Day in May. It based the purchase on a study of its audience habits[4] - in part the significant opportunity to control that lucrative ecommerce space from even before the initial proposal. Fredrik Blomqvist, head of eCommerce at Aller, said: "They are spending more time on self care and spending more

80%

of Future's traffic is from first-time visitors searching for the 'best' products to buy

Your eCommerce guide

For more on how publishers from BuzzFeed to POPSUGAR are taking advantage of the opportunities eCommerce offers, *What's New in Publishing* has a special free-to-download report; The Publisher's Guide to eCommerce.



money shopping online. While they are spending time at home they want to be inspired and find joy. They want to try out new recipes, purchase new products."

By contrast, some brands resorted to simply slapping branding on clothing and announcing it had an eCommerce strategy, as Forbes attempted back in July[5].

Other publishers, meanwhile, saw advancements in tech as the means to insert their valuable print products into the ecommerce funnel. In May both Grazia and Heat began incorporating scannable images – without the need for QR codes or watermarks, which took readers directly to a storefront for more information and purchase options[6]. It, and similar experiments around the globe, are an attempt to widen the opening of the purchase funnel still further.

That expansion was driven in part by the boom in tech solutions for eCommerce enabled by third parties and other platforms. Virtual try-ons, always-open virtual stores and a number of dedicated filters and lenses across platforms like Instagram and Snap provided publishers and brands alike with the opportunity to sell directly to consumers using AR and XR[7].

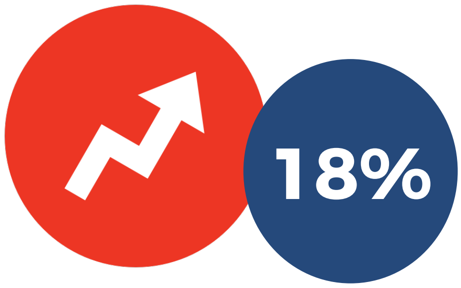
It would be impossible to discuss eCommerce in 2021 without discussing Future PLC. After announcing over $1 billion in eCommerce and affiliate revenue in 2020, the publisher made a number of acquisitions to bolster that success still further. Analyst Colin Morrison noted[8] "[The Dennis acquisition] creates the opportunity for Future to grow further and faster in the US and also in financial media. It is also expected to apply its successful eCommerce affiliate marketing skills to the new portfolio."

Opportunities for profit, but clouds gathering

There is huge benefit to being the biggest player in any given vertical when launching an eCommerce strategy. As a result we should expect to see much M&A activity dedicated to both removing potential competition for affiliate revenue and from those cash-rich publishers seeking to expand into new markets entirely. However, the lingering impacts of the pandemic[9] on trade and supply lines will put the brakes on some of those goals.

The long-held eCommerce ambitions of digital natives like BuzzFeed will continue to accelerate: in its September results the company noted that - while still unprofitable - it saw significant headroom in its commerce plays. "The acceleration of growth across our business in the first half of this year, combined with the ongoing shift in our revenue mix to the higher-margin revenue lines of advertising and commerce, drove significant margin improvement and a swing to positive Adjusted EBITDA in H1", said BuzzFeed CFO Felicia DellaFortuna[10].

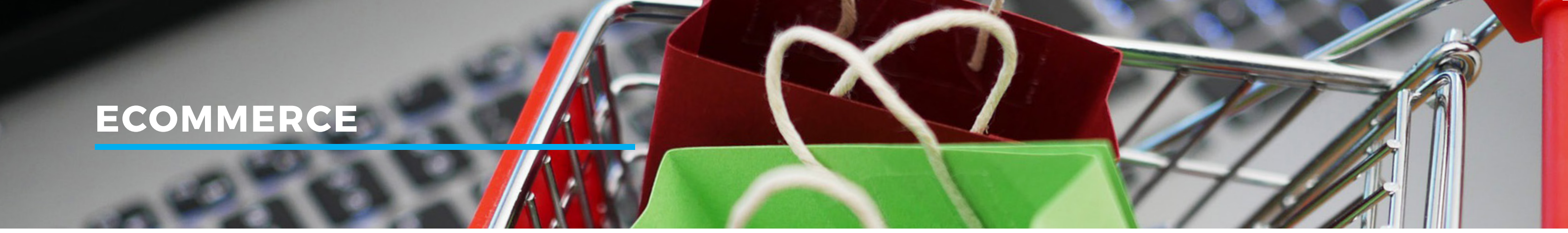
As ever, the jostling for position among tech providers and publishers will continue. Shoppable commerce on platforms like Snap still outpaces that of publishers when it comes to XR, while propensity to buy on those platforms continues to grow. It is incumbent upon the traditional publishers to ensure they do not become over reliant on those platforms for eCommerce and affiliate revenue as they once did for advertising revenue.



of BuzzFeed's revenue this year is expected to come from eCommerce

"We couldn't run any physical events, so we had some headwinds in that regard. But on the converse, there was a lot more people using the internet and buying more, so the eCommerce affiliate part of our business performed exceptionally well."

Zillah Byng-Thorne, CEO, Future PLC



CASE STUDY

Meredith bucks the received wisdom about affiliate content

Much of the received wisdom around affiliate content is that it has a deleterious impact on the other sources of revenue attached to that content. It seems to be based on the worry that audiences will typically be unwelcoming to advertising or pushes for subscriptions around the same article or list that is attempting to sell them something already.

In the US, however, Meredith is demonstrating that the opposite can be true - provided it is done well. The publisher earned $27.7 million from its eCommerce operations, a 26% year- over-year increase from the same quarter the year before, in its second quarter revenue ending in December last year[11].

Andy Wilson, Meredith's SVP of Consumer Revenue, eCommerce and Consumer Paid Product, said that while it is not ignoring "hybrid advertising and commerce deals", its primary focus this year is to continue producing affiliate-based content. He added that - despite other publishers reporting a chilling effect on other sources of revenue, this type of content typically fetches the higher end for commission rates.

It is a reminder that publishers should not lose sight of the wood for the trees and - provided they don't bombard their audiences with constant demands for money and attention - it is possible to have their cake and eat it too.

WNP WHAT'S NEW IN PUBLISHING

Billion dollar valuations and ambitious projections shaped M&A in 2021. But will the hype last?

For an industry frequently cited as struggling, the sale figures of some of this year's headline media acquisitions have painted quite a different picture. But some of the acquired companies have a grim fate in store.

Esther Kezia Thorpe
@EstherKeziaT

Unsurprisingly, 2021 was a rollercoaster ride of post-pandemic mergers and acquisitions. Organisations took the opportunity to snap up rival brands as the dust settled, while others attempted to make themselves look more attractive to potential buyers...with somewhat mixed results.

The deals

The year kicked off with the completion of BuzzFeed's acquisition of HuffPost from Verizon Media. Just weeks after signing on the dotted line in February, BuzzFeed CEO Jonah Peretti cut almost 50 jobs in the US newsroom[1], shut the Canadian version of HuffPost, and culled over half of its UK news team. He said the rapid restructuring was necessary "in order to break even this year and fast-track the path to profitability."[2]

Just months later BuzzFeed announced it had agreed to acquire Complex Networks for $300m[3]. The acquisition is expected to complete in early December, at the same time as BuzzFeed plans to go public by merging with a special-purpose acquisition company (SPAC). The SPAC values BuzzFeed at around $1.5 billion - some 3 times estimated 2021 revenue - and this is expected to go up once the company starts publicly trading[4].

The valuation and revenue forecasts have certainly raised eyebrows[5]. BuzzFeed has benefitted from the post-pandemic advertising boom, seeing year-on-year growth of 39%, as well as strong eCommerce growth. But does this meet their ambitions?

On the topic of slightly insane valuations, in August, German publishing giant Axel Springer acquired Politico in a deal that valued the US political news site at over $1 billion. Axel Springer launched Politico Europe as a joint venture in 2015, and as part of the deal, has bought the remaining 50%. The acquisition is expected to close by the end of this year[6].

Also in August, Future PLC announced that it was acquiring UK-based Dennis Publishing in a £300m deal[7]. A few titles such as Cyclist, Viz and the newly spun-out motoring portfolio Autovia would remain with private equity firm Exponent. But the rest, from flagship news brand The Week to niche tech titles IT Pro and PC Pro, have been added to Future's 200+ brands.

As well as making it the second biggest consumer magazine publisher in the UK, the move will strengthen Future's position in the States as 56% of Dennis' revenues come from the US. The newly-acquired brands will fit nicely in Future's current eCommerce

The amount Axel Springer reportedly paid for Politico

Media consolidation in a nutshell

Simon Owens has done an overview of seven media companies that have been particularly active in the M&A space over the past few years. Activity in digital media properties backed by investor money demonstrate investment in media is still healthy.

WHAT'S NEW IN PUBLISHING

and affiliate portfolio. But Future will also benefit from Dennis' strong subscriptions performance[8].

Future's recent acquisitions have been incredibly bullish. Aside from Dennis, it also acquired Marie Claire US, money comparison site Mozo and GoCompare owner GoCo this year, despite having only finalised the acquisition of TI Media in 2020. It also doesn't plan to close any brands, and isn't intending to make cost-savings on the editorial side. CEO Zillah Byng-Thorne commented[9]: "Certainly over the next 12-18 months I would be surprised if you didn't see more M&A as we continue to execute on our strategy."

In contrast to Future's intent to nurture its new brands, Alden Global Capital has been busy in the US. In February, it announced it was acquiring Tribune Publishing for $630 million in an all-cash deal. Alden has a 'history of deep cost-cutting at its other newspaper properties'[10]. One estimate suggests that more than 10% of the Chicago Tribune's staff was cut within six weeks of Alden's purchase of the paper, while other Tribune newsrooms have since lost upwards of 20% of staff[11].

Just weeks ago, Alden offered to buy Lee Enterprises for $141 million[19]. Alden was hoping to push the sale through before the new year, but Lee's board approved a 'poison pill' shareholder rights plan at the end of November that would prevent Alden from acquiring more than 10% of the company for the next year, while the publisher considers its next move[20].

In other M&A deals this year:

- Group Nine went public via a SPAC[13] at the start of the year, and is actively looking for digital businesses to buy and merge with. Vice Media was in talks with them just last month[14], but is now in advanced talks with another SPAC;
- IAC's Dotdash proposed a takeover of Meredith in a deal which values the publisher at $2.7 billion. The transaction is expected to close by the end of 2021, and would see the two companies combining to be called Dotdash Meredith;
- Vox Media made a series of acquisitions including Cafe Studios, Hot Pod, and Punch, an award-winning spirits and cocktail publisher;
- CRM software company Hubspot signed an agreement to acquire daily business newsletter The Hustle. The deal was valued at around $27 million[15].

The no deals

In May, Axel Springer was in talks to merge with Axios, but the talks came to an end without a deal over the summer[16] due to 'sneaky dealings', shortly before Springer's Politico purchase.

Axios was also in merger talks with The Athletic[17]. The latter has spent much of the year trying to find a buyer; after talks with Axios ended, it approached the New York Times. But it has been unable to agree a price with either publisher[18]. Millennial women's publisher TheSkimm also has yet to find a buyer, despite hiring a banking company in May to help it.

It's inevitable that we'll see more M&A activity in 2022. Whether that's a good or bad thing depends on whether it's an Alden or an Axel Springer eyeing you up.

Future PLC's acquisition of Dennis makes it the

2nd

biggest consumer publisher in the UK

"They call Alden a vulture hedge fund, and I think that's honestly a misnomer. A vulture doesn't hold a wounded animal's head underwater. This is predatory."

Charlie Johnson, Former Chicago Tribune Reporter[12]

CASE STUDY

MEL Magazine gets picky about its buyers

Men's health and culture publication MEL Magazine has had a ride this year. It was founded six years ago by the Dollar Shave Club, but the partnership - and funding - came to an abrupt end in March. MEL's almost two-dozen staff were left without jobs and the publication went dormant.

MEL Editor in Chief Josh Schollmeyer told Nieman Lab[21] he was looking for a buyer, but was emphatic that it had to be the right one. "I'd rather leave at the top of our game than die by a thousand paper cuts," he said. "I think the right party is out there. I think there are people who do want us to be us, and see value in us. But it's paramount that we don't come back as like, a new sneakerhead website or something. I just can't do that."

Just a few months and over fifty investor inquiries later, the publication announced it had found the right buyer[22]. Venture-equity-backed Recurrent Ventures, formerly known as North Equity, acquired MEL for an undisclosed amount, adding the brand to its portfolio of titles which also includes ex-Meredith title The Drive, ex-Condé Nast company Domino Media Group, and ex-Bonnier sites Popular Science, Popular Photography and Saveur.

"I think Recurrent is a really good match in terms of really helping us build a business for the first time in a really compelling way that really fits what we wanted to do from a brand standpoint," Schollmeyer said.

MEL relaunched in August. Schollmeyer was keen to emphasise that - editorially at least - the publication would look 'virtually the same'. It would just be much freer to look at other methods of monetisation like advertising, affiliate marketing, and potentially subscriptions.

Any port in a storm: publishers experiment with untested new revenue sources

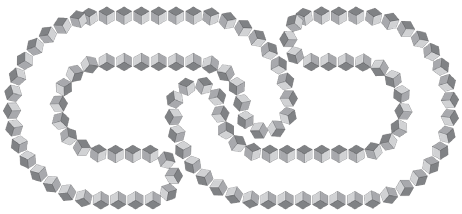
As the cryptocurrency market matures, publishers have leapt feet-first into the world of NFTs. But is there any sustainable revenue to be found in these shiny new opportunities?

Chris Sutcliffe
@chrismsutcliffe

After the last eighteen months publishers need any new source of revenue they can get their hands on. As cryptocurrency gains a foothold, some brave publishers have jumped feet-first into the world of NFTs and the metaverse.

Publishers have kept an eye on the world of the blockchain for a while, from behind-the-black use to ensure the accuracy and authenticity of their information to investment in cryptocurrencies for payment of subscriptions. The Associated Press famously used the blockchain to help call the results of the 2020 US presidential election[1], and made a big splash about it being inviolable proof of its legitimacy.

2021, however, has been characterised by the speed with which trends around cryptocurrencies and NFTs have developed. The total value of NFTs held online was worth just $340m last year, while by August the total value of NFTs held on the Ethereum blockchain was in the region of $14bn[2].



$14 billion

The estimated total value of NFTs held on the Ethereum blockchain in August 2021

NFTs: a profitable opportunity?

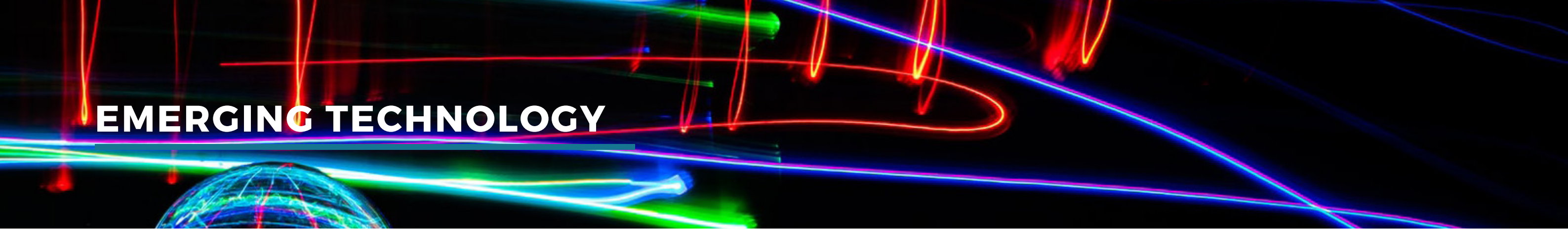
The speed with which NFTs (non-fungible tokens, for those of you not paying attention) shot up publishers' priority lists was astounding. At the start of 2021 they were still largely the preserve of artists looking for independent sources of funding. By the tail end of the year more established players had come in to ruin the space for independent artists - as is tradition - with brands including Gucci and Glenfiddich selling their own NFTs[3].

By March, though, some of the more experimental news publishers were also dipping their toes in the water. Quartz listed one of its articles for sale in NFT form, claiming that it was the first column to be sold as such[4]. It ended up selling for one ether, around $1800 at the time, and Quartz staked the first claim (albeit a small one) to the uncharted land of NFTs for publishers[5].

Later in March, however, the New York Times minted an NFT of one of its own columns, subtly and delicately headlined 'Buy This Column on the Blockchain!'. After putting the image up for auction, the paper ultimately took in 350 ether[6] (roughly equivalent to $560,000 at the time) and declared the experiment to be a great success. As with other examples in this section the proceeds were donated to an NYT-affiliated charity, the Neediest Causes Fund.

Keep up with 2022

What's New in Publishing is committed to keeping you updated with all the most important news and analysis in publishing. We also do a weekly newsletter, just **visit the site** to sign up.



Time, too, got in on the action, auctioning off three tokens based on one of its most famous covers[7]. It ultimately raised over $1.5 million by doing so, and immediately set about establishing a 14-person team to examine how exactly NFTs intersected with its other priorities. Its president Keith Grossman said[8]: "What we are primarily focusing on at Time is how NFTs relate to subscriptions, memberships, and access to unique experiences, which would allow us to drive recurring revenue streams, rather than one-time payments."

Following that initial experiment from one of the world's foremost newspapers, other outlets quickly jumped on board. To put it in perspective, it took less than five months since that first Quartz experiment to Gannett's CEO Mike Reed stating[9] that NFTs represent "a new business opportunity for Gannett as we see how this space continues to develop and how our incredible archives could be monetised in new marketplaces."

Profit, not altruism, became the watchword for many publishers interested in the NFT space. Playboy, for instance, never shy about licensing its IP out for revenue[10], minted a range of almost 1200 'Rabbitars', taking advantage of the trend towards using NFTs as unique avatars online, though they also confer some subscriber-like exclusive benefits.

However, not every experiment into NFTs was a success. The Atlantic was a rare miss, with two of its NFTs failing to reach the minimum listing price during an auction and ultimately not selling as a result[11].

The rapid rise of the NFT for media companies intersects with their experiments with blockchain and the metaverse. As of the time of writing the metaverse as a concept is still untapped by most businesses in the space, with few progressing beyond extending their IPs into the space[12]. Hearst took it a step further by demonstrating how its partners can brand within the virtual spaces[13], but for now the potential around NFTs in publisher' metaverses is yet to be explored.

New revenue streams on the horizon

There will undoubtedly be a rise in the number of publishers launching crypto- and metaverse-related verticals. That's buoyed by a growing proportion of the population that have at least some crypto holdings, and the willingness of media companies to cater to them. Substack, for example, is gradually rolling out the ability to pay for its subscriptions in cryptocurrency[14]. That will be pushed through faster by the likes of Amazon also investing in the blockchain and crypto payments[15]. Given the widespread nature of AWS and its use by publishers, it won't be long before many newspapers give their users the ability to pay via crypto.

We also hope that media companies take the opportunity to address the issues surrounding NFTs and cryptocurrency, namely the environmental cost of crypto mining and trading. There is enough awareness now that currencies like Bitcoin are 'dirty currencies'[16] - it is incumbent upon publishers taking advantage of them for revenue to ensure that they aren't just greenwashing but genuinely offsetting its carbon cost.

"You have to go to where the audiences are. They're spending more time on their phone, they're spending more time gaming, they're spending more time just doing other things. And we need to make sure our IP and our presence is in those places."

Dan Colton, Group Strategy and Transformation Director, ITV, on its investment in the metaverse

The Economist's NFT cover raised 99.9 ether for charity, the equivalent* to

$422,000

**at the time!*

CASE STUDY

Publishers' NFTs about NFTs

While Quartz can make the claim that it was the first publisher to sell one of its columns as an NFT the Associated Press had in fact pipped them to the post when it comes to selling NFTs in general, starting a general trend of publishers introducing the public to NFTs by... selling them NFTs.

The snappily titled 'The Associated Press calls the 2020 Presidential Election on Blockchain - A View from Outer Space' was sold for $180,000 of cryptocurrency[17]. It was, effectively, the first rolling stone that caused the avalanche of NFT auctions at publishers over the rest of the year. Dwayne Desaulniers, the AP's director of blockchain and data licensing, told Vanity Fair, said: "When the auction closed, there was a lot of eye-blinking and head-shaking."

And in September the current affairs magazine The Economist dedicated an issue to exploring what it termed the 'rabbit hole' of digital currencies and rights management[18]. As you'd expect, the front cover referenced Alice in Wonderland and, never one to let an opportunity pass it by, decided to auction its cover off as an NFT. The winning bidder - who had been collecting NFTs for three months prior to the sale - stated that the purchase was motivated in part by the 'aptness' of the metaphor of the white rabbit.

The sale ultimately raised $422,000 which, after fees, transaction costs and potential tax liabilities, was donated to the charity The Economist Educational Foundation. Of the sale, The Economist made it clear that it was just the beginning of its exploration of NFTs, both journalistically within its pages and commercially as part of its strategy. We wonder if there will be head-shaking like that at the AP this time next year if the bubble bursts...

Created by AP / Marko Stanojevic.
Owned by 888THEVAULT

APPENDIX

NEWSLETTERS

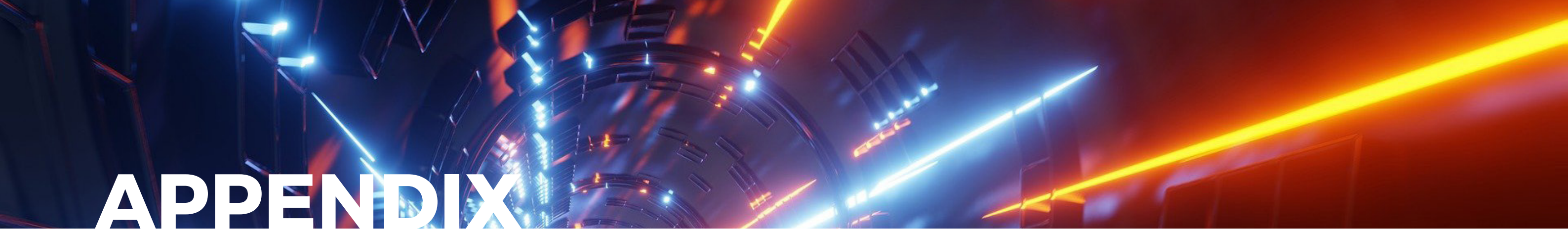
1. We're at peak newsletter, and I feel fine, Vanity Fair
2. We haven't reached 'Peak Newsletter'. Not by a long shot., Politico
3. The newsletter boom: capitalizing on the intimacy of the inbox, Digital Content Next
4. All the ways publishers are using newsletters to grow paying members, The Fix
5. What Substack is really doing to the media, Slate
6. What I learned from a year on Substack, Platformer
7. Industry Pulse Survey: The role of email in identity post third-party cookies, LiveIntent
8. The New York Times is readying a big newsletter push as Substack tries to poach its top writers with advances worth hundreds of thousands, Insider
9. 1 big thing: The Atlantic's newsletter push, Axios
10. NYT doubles down on subscription newsletters, Axios
11. Quartz bets on newsletters to drive reader revenue, journalism.co.uk
12. Founder of the Manchester Mill Joshi Herrmann on why local news must rediscover its pride, Media Voices
13. Why Facebook is getting in the newsletter game, The Verge
14. Google's R&D division experiments with newsletters powered by Google Drive, TechCrunch
15. Revue now lets you subscribe to newsletters directly on your Twitter timeline, TechCrunch
16. Will Apple end the newsletter boom?, The Verge
17. Will Substack ever embrace advertising?, Simon Owens's Media Newsletter
18. Ted Williams proved local news can be profitable. Now, he'll try to replicate the success for Axios., Nieman Lab
19. The Telegraph passes half-million digital subscriber milestone, Newsworks
20. Why The Telegraph thinks retiring some newsletters will actually help grow subscriptions, Digiday

PLATFORMS

1. The Facebook Files, The Wall Street Journal
2. 'Unquestionably it's making hate worse': Frances Haugen's testimony on Facebook, The Drum
3. Real-time industry reactions to Meta, Facebook's big rebrand, The Drum
4. In the ocean's worth of new Facebook revelations out today, here are some of the most important drops, Nieman Lab
5. The key takeaways from Frances Haugen's Facebook allegations, The Drum
6. Facebook doubling down on curated News Tab, Axios
7. "Facebook has always been where my audience was": Meet some of the local journalists writing the first paid newsletters at Facebook, Nieman Lab
8. When Facebook went down this week, traffic to news sites went up, Nieman Lab
9. Facebook and Google news law passed in Australia, BBC
10. France hails victory as Facebook agrees to pay newspapers for content, The Guardian
11. Google News to relaunch in Spain after mandatory payments to newspapers scrapped, The Verge
12. The Sun and Mail Online believe they aren't getting fair share of Google search traffic, Press Gazette
13. More good news from Apple: News apps can now direct users to subscribe outside the App Store, Nieman Lab
14. Apple News+ adds 1.25m to US magazine circulations: Full breakdown, Press Gazette
15. Apple's attempt at podcast subscriptions is off to a messy start, The Verge
16. A New App for Audio Journalism and Storytelling. The New York Times
17. Forget Facebook: four publishers share tips on growing audiences on other social platforms, journalism.co.uk
18. Facebook News enters local news market in UK, City A.M.
19. Media consolidation and algorithms make Facebook a bad place for sharing local news, study finds, Nieman Lab

SUBSCRIPTIONS

1. US magazine circulations: America's largest titles retained 95% of sales through Covid-19, Press Gazette
2. Top 25 US newspapers by circulation: America's largest titles have lost 20% of print sales since Covid-19 hit, Press Gazette
3. Atlantic adds 280,000 subscribers in a year, FIPP
4. The Atlantic adds 9 writers to new newsletter platform, Axios
5. The Economist grows subscribers by 9% to 1.1m in 2020/21 and pays back furlough cash, Press Gazette
6. Media subscription trends report: After the Covid-19 boom, how can publishers persuade readers to continue paying for news?, Press Gazette
7. CEO interview: Business booms for Bloomberg Media thanks to ad 'windfall' and 350,000 subs, Press Gazette



APPENDIX

8. *Bloomberg Media expects 9-figure consumer subscription biz*, Axios
9. *Twitter's subscription product, Twitter Blue, launches in the U.S., and yes, it lets you undo tweets*. Nieman Lab
10. *Substack says it has more than 1 million paid subscriptions*, Axios
11. *Facebook announces Bulletin, its Substack newsletter competitor*, The Verge
12. *Apple's attempt at podcast subscriptions is off to a messy start*, The Verge
13. *How news publishers are turning casual, infrequent readers into paying subscribers*, Nieman Lab
14. *Nearly Half of Digital Subscribers Are 'Zombies,' Medill Analysis Finds*, Local News Initiative
15. *Do your subscribers actually want paywalled content?*, Simon Owens
16. *Annual Report*, The Economist Group
17. *Is The Athletic Running Out of Time?*, A Media Operator
18. *The Athletic Burned Through $95 Million Between 2019 and 2020*, The Information

ADVERTISING

1. *Magazine websites lead the way as UK ad-spend for 2021 set to beat pre-pandemic level*, Press Gazette
2. *UK advertising industry poised for strong recovery*, ResearchLive
3. *Magna Global Advertising Forecasts* - June 2021, Magna
4. *Could free content be more lucrative?*, A Media Operator
5. *Google, Facebook, and Amazon to account for 64% of US digital ad spending this year*, Insider Intelligence
6. *Why more retailers have media networks and what the rise means for agencies*, AdAge
7. *Third-party retailers want in on the retail media boom*, Forrester
8. *US retail media ad spend will pass $30 billion for the first time this year*, Insider Intelligence
9. *Why our forecast of 2021 US Programmatic Digital Display Ad Spending is now $15 billion higher*, Insider Intelligence
10. *Contextual advertising could replace and improve on behavioural targeting*, Spiny Trends
11. *Global Print Advertising Market Report (2021 to 2030) - COVID-19 Impact and Recovery*, Cision
12. *This Is Just The Same Old Shit*, Defector

VIDEO

1. *Facebook's pivot to video didn't just burn publishers. It didn't even work for Facebook*, Nieman Lab
2. *The Big Issue launches subscription video-on-demand service*, What's New in Publishing
3. *Patreon's building native video hosting for creators to sidestep YouTube*, The Verge
4. *Spotify's Netflix hub includes some exclusive audio extras*, The Verge
5. *Spotify opens access to video podcast publishing to Anchor creators*, Tech Crunch
6. *'Full-on TV': why The Independent is taking its video content OTT*, The Drum
7. *The Washington Post is beefing up its TikTok team and plans to expand into new formats like live video*, Insider
8. *"I Feel Seen": How HBR connects with Gen Z through video*, Digital Content Next
9. *ITV bundles TV and metaverse innovations within Adlabs*, The Drum
10. *More marketers believe TV is now more than just traditional linear*, The Drum
11. *Condé Nast unveils Health X Twitter video series*, FIPP

AUDIO

1. *'Follow our podcast': Apple Podcasts to stop using 'subscribe'*, PodNews
2. *Most podcast listeners still lukewarm on paying for podcasts, data suggests*, Variety
3. *Apple's attempt at podcast subscriptions is off to a messy start*, The Verge
4. *Apple wants you (and it) to get paid for your premium podcasts*, Nieman Lab
5. *Unpacking NPR's Subscription Plans*, Hot Pod
6. *Spotify's new Podcast Subscriptions expand to global markets*, Tech Crunch
7. *Spotify makes paid shows from Slate, Acast, and more playable from its app*, The Verge
8. *NFL, Twitter Expand Partnership to Include 20-Plus Twitter Spaces Live-Audio Chats Next Season*, Variety
9. *Podcasts start coming to Facebook next week*, The Verge
10. *Exclusive: Substack makes first major podcast investment*, Axios
11. *What the Digital News Report 2021 means for your audio strategy*, RJI Online
12. *Playlists and front page readings: The Washington Post has big plans for audio articles as it begins Amazon Polly roll-out*, Press Gazette
13. *How New York Times Audio could spur a realignment of the podcasting landscape*, Medialyte

APPENDIX

14. [Playlists and front page readings: The Washington Post has big plans for audio articles as it begins Amazon Polly roll-out], *Press Gazette*
15. [Germany, Digital News Report 2021], *Reuters Institute*
16. [European publishers are making paid podcasts work. Examples from France, Germany, UK, Sweden and Poland,] *The Fix*
17. [Forschung, Strategie, Umsetzung: Wie sich der SPIEGEL für junge Leser*innen verändert], *Dev Spiegel*
18. [Apple Podcasts Channels], *PodNews*
19. [Platform profile: How Acast is helping publishers make money from podcasts (featuring interview with CEO Ross Adams)], *Press Gazette*

TRUST

1. [The impact of declining trust in the media], *Ipsos MORI*
2. [Digital News Report 2021], *Retuers Institute*
3. [Trust in UK news media boosted since pandemic but still lower than pre EU referendum], *Press Gazette*
4. [US ranks last among 46 countries in trust in media, Reuters Institute report finds], *Poynter*
5. [Trust in the media has increased in the past year], *The Economist*
6. [Hardline Tories could try to 'destroy' BBC for political motives, say opposition parties,] *The Guardian*
7. [Why Beijing shut down Hong Kong's leading pro-democracy newspaper], *The New Yorker*
8. [Roman Protasevich: Belarus dissident seized from Ryanair plane], *BBC*
9. [How objectivity in journalism became a matter of opinion,] *The Economist*
10. [New INMA report delves into how news media can rebuild trust,] *INMA*
11. [The Trust Project]
12. [New INMA report delves into how news media can rebuild trust,] *INMA*
13. ["Trust—a vital lifeline in a commercially turbulent world for news publishers": Insights from Knight Foundation report], *What's New in Publishing*
14. [Illinois Is The First State To Have High Schools Teach News Literacy], *NPR*
15. [The News Literacy Project]

DATA & PRIVACY

1. [Only 4% of iOS users in US are opting in to ad tracking, report says], *Apple Insider*
2. [Apple's iPhone privacy upgrade cost Facebook, YouTube, Twitter, and Snap nearly $10 billion in ad revenue, report says], *Insider*
3. [Google tracking cookies ban delayed until 2023], *BBC*
4. [What the f**k is FLoC? Google opens up on post-cookie roadmap], *The Drum*
5. [DuckDuckGo, Firefox & GitHub say 'no FLoCing way' to Google's privacy updates,] *The Drum*
6. [The Great Privacy Reset: Insider Inc, Future plc and Permutive discuss the challenges and opportunities for publishers,] *Media Voices*
7. [With Forte, Vox Media looks to drive a majority of display revenue with its first party data,] *Digiday*
8. [After 18 months in the oven, Forbes's first party data play hits the market], *Digiday*
9. [Apple closes down open rate tracking], *One Man & His Blog*
10. [Email Client Market Share in May 2021: The Recovery of Mobile and More,] *Litmus*
11. [Will Apple Mail threaten the newsletter boom?], *Platformer*

PRINT

1. [Alarm bells ring as Daily Telegraph pulls out of ABC audits,] *Mediatel News*
2. [Guardian joins News UK and Telegraph in making declining print circulation secret], *Press Gazette*
3. [National press ABCs: FT circulation up a third since October 2020 with return of bulks], *Press Gazette*
4. [US newspaper circulation per household,] *BoSacks*
5. [News Platform Fact Sheet], *Pew Research Center*
6. [New Research Charts How Digital News Consumption Eclipsed Traditional Channels,] *MediaPost*
7. [US magazine circulations: America's largest titles retained 95% of sales through Covid-19,] *Press Gazette*
8. [Marie Claire quietly ends US print edition after 27 years], *New York Post*
9. [Social Spider MD David Floyd on finding a better way to fund local news,] *Media Voices*
10. [47 New Titles Arrive On The Nation's Newsstands In The Last Six Months (April – September 2021)...], *Mr Magazine Launch Monitor*

11. Black Cannabis Magazine
12. Pickleball magazine
13. Rolling Stone magazine goes British 50 years after Mick Jagger left it to 'hippies', iNews
14. 'People need less screen time': Why fast-growing B2B publisher Mark Allen is investing in print, Press Gazette
15. Bauer's bet on making print a major part of the e-commerce funnel, The Drum
16. Newsquest closes weekly print newspaper for Wales to focus on digital subscribers, Press Gazette

ECOMMERCE

1. Christmas Shopping In A Time Of Plague, Centre for Retail Research
2. How Hearst UK's e-commerce revenue grew 322% during the second quarter, Digiday
3. Dennis Publishing launches standalone content and ecommerce business, Autovia, What's New in Publishing
4. Perfect match: How Aller media is riding the e-commerce wave, FIPP
5. 'You cannot solely rely on a large audience': Why Forbes believes readers will pay to wear its brand, Press Gazette
6. Bauer's bet on making print a major part of the e-commerce funnel, The Drum
7. How Snap uses AR to drive purchase intent for brands, The Drum
8. Future plc buys Dennis Publishing for £300m, What's New in Publishing
9. Global supply crunch expected to hit UK harder, The Drum
10. BuzzFeed Boosts Revenue 51% in Q2 and Narrows Loss, After Getting Slammed by COVID a Year Ago, Yahoo
11. 'We've barely scratched the surface': How publishers are thinking about affiliate commerce in 2021, Digiday

M&A

1. What Is BuzzFeed Doing to HuffPost?, The New Republic
2. Buzzfeed makes Huffpost cuts across US, UK, Canada and Australia three weeks after takeover, Press Gazette
3. BuzzFeed Announces Acquisition of Complex Networks, Joining BuzzFeed, BuzzFeed News, HuffPost, and Tasty, BusinessWire
4. BuzzFeed plans to start publicly trading in early December., The New York Times
5. Five reasons BuzzFeed's $1.5 billion SPAC deal is LOL, Reuters
6. German publisher Axel Springer to acquire U.S. news website Politico for over $1 billion, Reuters
7. Investing for tomorrow: the key acquisitions that reversed publisher Future's fortune, The Drum
8. Future buys The Week publisher Dennis for £300m, Press Gazette
9. 'I try not to have an endgame': Future CEO Zillah Byng-Thorne on Dennis buyout, growth strategy and having a 'global mindset', Press Gazette
10. Alden Global Capital To Acquire Tribune Publishing For $630 Million, MediaPost
11. Alden buyouts have eliminated more than 10% of Tribune Publishing newsroom staffing in just six weeks, Poynter
12. A secretive hedge fund is gutting newsrooms, The Atlantic
13. CNN's Jeff Zucker, Technicolor's Melinda Mount Join Board Of Group Nine Media SPAC, Deadline
14. Vice Media in 'Advanced Talks' to Merge With SPAC and Go Public (Report), The Wrap
15. Scoop: HubSpot is acquiring The Hustle, Axios
16. Secret Plan to Merge Axios and Politico Failed After CEO Jim VandeHei Found Axel Springer 'Sneaky' (Report), The Wrap
17. The Athletic Halts Merger Talks With Axios, Eyes New York Times, The Wall Street Journal
18. The New York Times and The Athletic End Acquisition Talks, The Information
19. Hedge fund Alden bids $140m for Lee Enterprises to expand its US local newspaper empire, Press Gazette
20. Lee Enterprises Enacts Poison Pill to Guard Against Alden Takeover, The Wall Street Journal
21. Mel Magazine reinvented men's media, and now it's hoping for a second act, Nieman Lab
22. Exclusive: MEL Magazine acquired from Dollar Shave Club by Recurrent Ventures, Axios

EMERGING TECHNOLOGIES

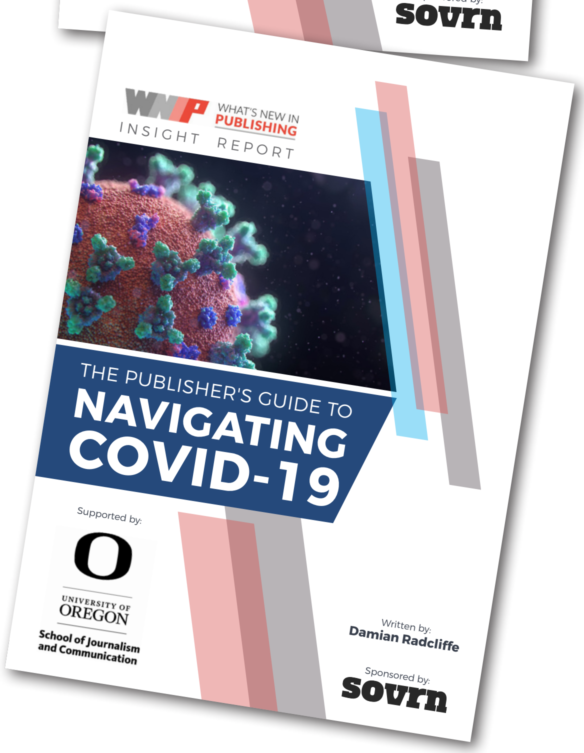
1. Immutable Calls: AP Election 2020 Results Will Be Recorded on a Blockchain, Nasdaq
2. How the auction of our NFT cover went, The Economist
3. Glenfiddich's first NFT is a bet on long-term relationships with luxury consumers, The Drum
4. This article is on sale as an NFT, Quartz

APPENDIX

5. We sold the first-ever NFT news article for $1,800, Quartz
6. Crypto token of New York Times column sells for $560,000., The New York Times
7. TIME Releases 3 Special Edition NFT Magazine Covers for Auction, TIME
8. "Your column is not worth the price of a nice house": With eye-popping auctions, news outlets are jumping on the NFT gravy train, Vanity Fair
9. 'We think there's a large opportunity': What Gannett learned from its first NFT mission, Press Gazette
10. Playboy Debuts New NFTs: Playboy Rabbitars, MediaPost
11. The Atlantic releases two NFTs for auction, The Atlantic
12. 'You can't move audiences': behind ITV's investment in the metaverse and mobile gaming, The Drum
13. Hearst launches blimp in the metaverse in a bid to show advertisers virtual co-branded opportunities, Digiday
14. Publishing platform Substack now accepts Bitcoin payments, Cointelegraph
15. Amazon lining up Bitcoin payments and token, confirms insider, City A.M.
16. Bitcoin's growing energy problem: 'It's a dirty currency', Financial Times
17. The Associated Press auctions its first NFT commemorating AP's historic use of the blockchain for distributing 2020 election data, Cision
18. How the auction of our NFT cover went, The Economist

Also from *What's New in Publishing*:

New:



WHAT'S NEW IN
PUBLISHING

Sponsored by

sovrn

Credits
Authors: Chris Sutcliffe, Peter Houston, Esther Kezia Thorpe
Sponsor: Sovrn
Design: Esther Kezia Thorpe

Images via Pixabay and Unsplash