

WAN-IFRA Report: EXECUTIVE SUMMARY

# World Press Trends Outlook 2022-2023

The annual global survey, analysis and report  
on publishers' business and predictions



World Association  
of News Publishers



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## **World Press Trends Outlook 2022-2023**

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# About the report

Mediahuis is one of the fastest-growing media groups in Europe and recently unveiled its 2022 results. The company's release could serve as an executive summary for our World Press Trends report.

Subscriptions growth levelled off in 2022 but remained robust in the face of the difficult economic environment. Advertising actually grew slightly. The company continued investment in diversification. Rising energy and paper costs and significant distribution problems impacted the group's final result. Yet Mediahuis managed to absorb some of those headwinds and deliver a net result of €65.3 million, an operational result of €155.7 million, and a consolidated turnover of €1.2 billion.

Gert Ysebaert, CEO of Mediahuis, said in the release: "In a year marked by war, energy crisis and inflation, the Mediahuis news brands once again produced reliable and independent journalism and were a guide for our readers in uncertain times. As a group, we showed that we are resilient. The digital transition continues, although at a slower pace than in the Covid years. Our strong journalism and digital news experience are making a difference every day and enabling us to absorb the structural decline in print. A large group of readers remain loyal to the printed newspaper. However, ensuring continuity of delivery is becoming increasingly challenging. Moreover, the media world is transforming at an unprecedented speed, driven by technological innovations such as artificial intelligence, as well as changing consumer behaviour. All this means that, more than ever, we need to anticipate an even more radical digital shift."

Indeed, Mediahuis is quickly becoming synonymous with innovation, forward-thinking, and a media group that seems to have a strategic roadmap, particularly in systematically managing its legacy business while pushing the envelope on digital transition.

But what works for Mediahuis in Belgium, The Netherlands, Ireland or Germany, very possibly won't work for even a similar-sized group in another part of the world. That is indeed one of the key takeaways from this edition of World Press Trends. For example, while many news groups in Europe and North America are focused on digital subscriptions, some news organisations in parts of Latin America are likely to be more focused on digital advertising or new revenue streams.

That doesn't mean that those organisations are not engaging with their audiences to shape their strategies. It is increasingly crystal clear: an audiences-first strategy trumps whatever revenue streams you are pursuing.

## A benchmark buoyed by publisher data

Our report is largely based on the global survey that we send to publishing executives all over the world. We cannot thank enough the nearly 170 publishers who answered our latest survey – a not-so easy survey indeed. Just like they give their best estimates for some of the not-so easy questions we ask around revenue projections, percentages of revenue streams and so on, some of our projections are our best estimates based on historical and collected data. Yet we feel quite confident about these findings and that this report is indeed unique in offering a global barometer or benchmark for our members and the industry.

## Thanks

As always, we owe a huge debt of gratitude to our data partners on this project. For key performance indicators (revenue, circulation and ad spend), WAN-IFRA relies on its historical WPT data, but also works with PricewaterhouseCoopers (PwC) and Zenith. For audience insights, we work with analytics specialist Chartbeat.

Protecmmedia has very generously sponsored World Press Trends for years now. If you are looking for content management solutions, be sure to check out their services and solutions.

And last but not least, a big thanks to our contributors: Damian Radcliffe, longtime industry analyst, journalist and academic, authored most of the report, offering his analysis and context to the survey and emerging trends. Dr. Francois Nel, also a longtime analyst, well-known academic within our industry and longtime contributor to WPT, provided his analysis, contribution and data analysis of all our collected data. WAN-IFRA's Andrew Heslop shared his analysis on our Press Freedom data, and WAN-IFRA's Teemu Henriksson helped to coordinate the project along with Dean Roper.

Look forward to ongoing coverage of the global market from us.

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# Executive Summary

**A**fter the optimism of our 2021-22 report, this year's World Press Trends study makes for a more sobering read. Publishers are contending with issues on multiple fronts. These considerations include high levels of inflation, rising paper and print costs, as well as ongoing changes to advertising markets.

Meanwhile, the impact of layoffs and significant changes at major tech companies, such as Meta and Twitter, may also have a knock-on effect on publisher strategies; most notably in terms of distribution and some potential revenue streams.

At the same time, publishers are continuing to invest in new revenue streams. Many of our survey respondents report that these investments are beginning to bear financial fruit. Publishers are balancing these efforts with the need to maintain their core revenue streams, often centred around print, while also recognising the need to double-down on investments in areas such as product development, R&D (including AI technologies), reader revenue and personnel.

We explore these themes in detail in this report.

Our analysis is based on detailed insights provided to WAN-IFRA last summer. Between July-September 2022, we received responses to an online survey from 167 news executives across 62 different countries. As ever, their observations form the basis of this annual study.

*Here is a summary of some of the most important findings from our new 2022-23 research.*

## Business Outlook

*The COVID bounce reflected in our 2021-22 report has quickly fallen flat.*

**Short-Term Pessimism:** Publishers are concerned about the next 12 months, but a bit more optimistic about where they will be in three years' time. More than half of respondents (55.4%) said they were “pessimistic” about the next 12 months.

**Longer-Term Optimism (for some):** Levels of pessimism dropped to 46.4% (-9%) when survey participants were asked about the prospects for their business in three years' time. At just under half, many respondents

have a negative view of their future. However, almost a third (31%) indicated that they are “very optimistic” about where they will be in three years' time.

**Levels of optimism have dropped considerably since last year:** In 2021, 82% of respondents said they were optimistic for the year ahead. This year, less than half (45%) held this view, a drop of 37%. Similarly, in 2021, 79% of respondents said they were optimistic for the three years ahead. That figure is down 25% to just over half (54%) of our sample in 2022.

## The Big Financial Picture

*Despite a pessimistic outlook, publishers are bullish about revenues for 2022.*

**Revenue expectations are up:** In 2021, coming out of the early stages of the pandemic, survey participants projected revenues to increase by 7.3% year-on-year. For 2022, they anticipate revenues to grow by 16.4% vs. 2021.

**Emerging Markets are leading the way:** Revenue growth is led by developing economies. In 2021, publishers in these markets expected revenues to rise by 8%. That's jumped to 24% year on year for 2022. In contrast, respondents from developed economies said they expected revenues to grow 12% in 2021. This drops to 8% for 2022.

**Profit margins are slim:** Collectively, our sample forecasts profits are up by 3.6% in the past 12 months. However, in developing markets, reflecting their increased revenues, this figure is higher at 5.4% (vs. 2.4% for developed markets).

## Revenue Sources

*The old duopoly of advertising and print continues to dominate, but other income streams are the biggest sources of growth.*

**Growth is led by “other” income streams:** Advertising and reader revenues remain important, but the fastest growing area for publishers is in “other categories.” This catch-all label includes activities such as events, contract publishing and e-commerce.

**Print continues to dominate revenues:** When combined, print advertising and circulation generate more than half (53.5%) of the total income seen by our survey respondents but is down from last year's report when it was at 56.1%.

**Advertising remains the leading source of revenue:** Across our sample, advertising revenue accounts for nearly half (47.7%) of their income. Reader revenue, across print and digital, is expected to bring in just over a third (35.8%) of earnings.

## Investment and Expenditure

*Investment in content and tech is seen as key for today's publishers.*

**Editorial continues to make up a third of all costs:** This is some way ahead of the next biggest area of expenditure for publishers, print production at 20% of outgoings.

**Product development and R&D are the leading areas for investment:** Nearly nine in ten respondents (88%) across our full sample indicated that these areas were important for their organisation to invest in.

**Revenue streams are the next most pressing priority:** Reader revenue, advertising sales, and a focus on other revenue streams, were all identified as important by 84% of our sample. Newsroom hiring was ranked next on our list, with 76% of respondents saying this was an important area for investment.

**Data analytics and Intelligence are priorities for tech investment:** Nine in ten survey participants (90%) told us it was important for their organisation to invest in these fields. This was followed by video (85%) and audio/podcasts (81%) reflecting the growing importance that publishers attribute to these mediums.

## The Move to Digital

*Digital transformation efforts continue, with AI seen as the biggest game changer.*

**AI is seen as the emerging technology that will most impact publishers:** Over two-thirds (69%) told us this will have the biggest impact on their business in the next two to three years. This was followed by 5G (28%) and the Metaverse (16%).

**Organisational transformation efforts see little change:** We saw minimal movement year-on-year

in terms of how participants described digital transformation efforts in their company compared to their peers. Nearly half of our sample (47% vs. 49.1% in 2021) described the level of digital transformation at their company as “sophisticated” (8%) or “advanced” (39%). Just 10% indicated these efforts are “nascent” or “seriously lagging.”

**Transformation efforts are far from complete:** The largest single group, 42% of responses, indicated this activity was “emerging.” This suggests that digital transformation efforts have made progress, but more work is still required.

## Looking Ahead

*Despite diversification efforts, advertising remains important, while press freedom and relationships with platforms are becoming more uneasy.*

**Publishers expect nearly 24% of their overall revenue to come from other sources in the next 12 months.** Events remain the leading focus for non-advertising and reader revenue. About a third of respondents (33.5%) identified this as an important revenue stream for 2022, ahead of grant funding (15.6%).

**Advertising is still projected to be the leading revenue source:** Although we see considerable variances, based on their business model, advertising revenue is expected to account for 47.7% of revenue across our sample.

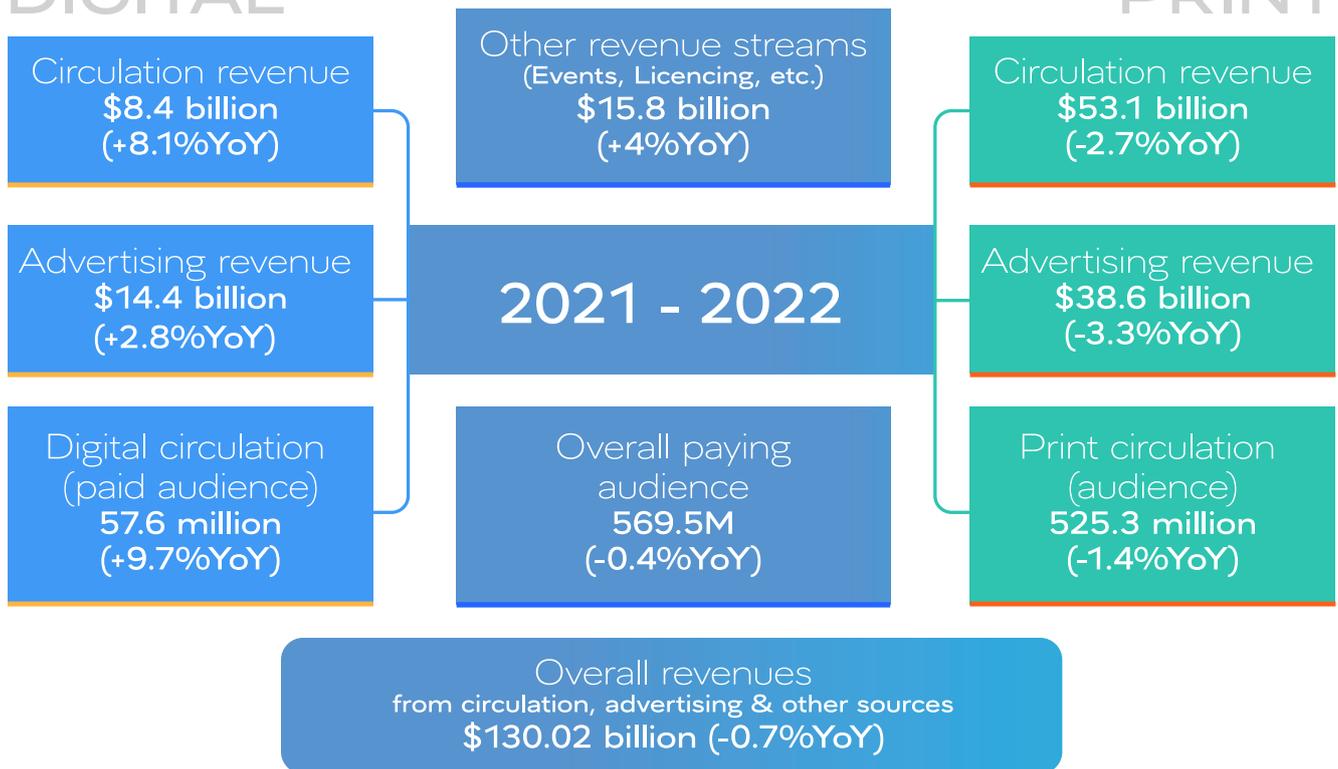
**Relationships with platforms appear to have levelled out:** Just under half of our participants (45.5% vs. 63.4% in 2021-22) said this association had improved over the past 12 months. A third of our sample said that relationships had either stayed the same (30%) or improved (45%). Less than a quarter (24%) said it had gotten worse.

**News outlets continue to face major press freedom challenges:** Six in 10 (60%) of respondents indicated that their employer had been a target of cyber attacks, up from 45.7% in 2021.

**Other tactics targeting journalism are much more acute in developing markets:** Although they are, by no means, limited to them. One in three participants from developing nations said their staff faced physical threats (vs. 5% in developed countries) and more than half (55% vs. 10%) say their own governments have threatened them.

# DIGITAL

# PRINT



Source: WPT analysis of WPT Outlook survey and historical data, informed by Zenith Advertising Expenditure Forecast 2022.  
 \* Figures based on daily and weekly publications.

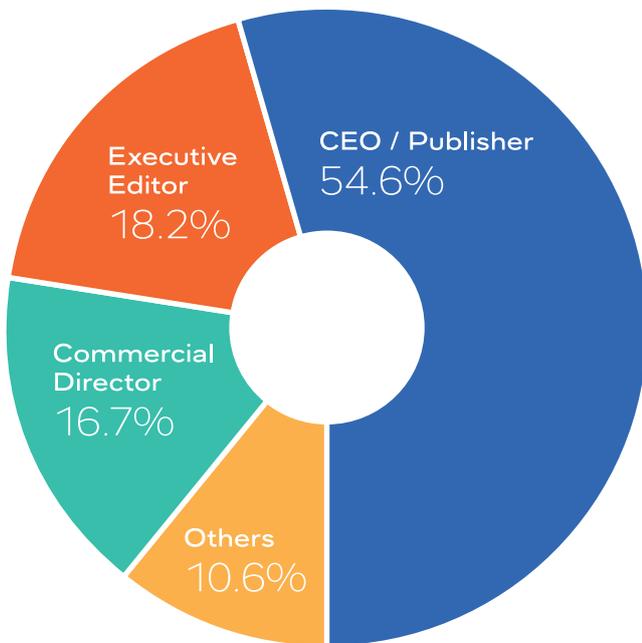
**A** tale of two worlds: When we conducted our survey in September and October of 2022, many publishers were bullish on revenues increasing in 2022, particularly in developing countries. Yet our global snapshot above, which is based on data collected from PwC, our historical data and Zenith (including weekly newspapers as well), weaves a slightly different narrative: contraction. Much of that is due to publishers telling us that their biggest growth area is coming from other, not-so traditional revenue streams. This is where developing countries are really thriving. Those publishers are also banking more on digital advertising as reader revenue hasn't caught on with readers in those regions like they have in others.

It is always interesting to put a figure, a value on the industry: this year US\$ 130 billion. Like much of what publishers tell us in our survey, this is our best estimate. On one hand, though, that figure is not peanuts. On the other hand, it pales in comparison to television, for example, although that is an industry in upheaval over its business model for many of the same reasons the news business is: disruption in technology (streaming), ad declines, changing consumer behaviour... sound familiar? Both mediums face tremendous challenges, but both have opportunities to innovate and bring added value to their audiences – daily. Two industries seemingly in decline – both from an outsider's and insider's perspective – but both still playing a prominent, important role in their local, regional, national and global audiences. Both trying diligently to face those challenges, adapt to today's and tomorrow's realities, and hopefully thrive rather than just survive.

The news publishing industry faces many of the same challenges that television does, but both industries have opportunities to innovate and bring added value to their audiences – daily.

# Methodology and Profile of Respondents

This report is rooted in the findings of an online survey distributed to WAN-IFRA members and other senior media executives during the summer of 2022. The survey was in the field between July and September 2022 and was available in four languages (English, French, Spanish and German).



We received 167 complete responses from 62 nations around the world.

Respondents come from 28 developed economies and 34 developing economies

Survey participants were typically members of the senior team at a newspaper or a newspaper group.

Based on the information provided by our respondents, over half (54.6%) are C-Suite Executives occupying senior roles such as CEO, Publisher and Owner. A further third is either a Commercial Director (16.7%) or Executive Editor (18.2%).

Through the data and insights that they provided, we are able to comprehend the attitudes of today's industry leaders in a variety of business and editorial roles. Their observations, regarding the sector's present and future, can be seen throughout this report.

We received 167 complete responses from 62 nations around the world. Using classifications developed by the World Bank, respondents come from 28 developed economies and 34 developing economies. Our sample also features a wide range of different countries with respondents coming from as far away as Argentina, Canada, Russia, and Indonesia. They also came from some of the world's largest media markets, including Germany, India, the United States, and the United Kingdom. As ever, we want to express our appreciation to everyone who participated in this annual survey. This report would not be possible without their contributions.

# WAN-IFRA Newsletters

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The collage features several newsletters and promotional elements:

- Executive News Service Newsletter:** The most important news of the news publishing industry, in collaboration with our Knowledge Partner, McKinsey & Company.
- Reader Revenue Newsletter:** News about the digital subscription industry with the support of our Knowledge Partner, Protecmedia.
- World Editors Forum Newsletter:** Includes a video thumbnail for "20Twenties: Eve of Destruction" featuring Anneli Kamfer.
- Strategy & Leadership Newsletter:** Delve into the critical issues facing executives at news media companies.
- Table Stakes Europe:** Applications are now open for the fourth edition.
- Table of Contents (Left):**
  - ENGLISH
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  - (by niemanlab)
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