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RESEARCH REPORT

Why Publisher-Platform Partnerships
Aren't Working

Fall 2019

Executive Summary.

- Nearly every publisher posts to digital platforms. Social and news platforms have burned publishers before, but most publishers, reliant on advertising and subscription revenues, still need platforms to drive users to their content. In fact, 92% of publishers — including every large publisher we surveyed — post at least some content to digital platforms. The most popular: Facebook News Feed, Instagram, and Google AMP.
- But platform ROI remains elusive. Publishers may post to digital platforms, but that doesn't mean their efforts generate revenue. Barely half of the publishers who post to platforms say they're happy with any platform partner, and publishers say the ROI on some key platforms is getting worse rather than better. Large publishers, who use digital platforms most aggressively, also reported the lowest platform ROI.
- In 2020, optimize your platform investments. Test different strategies on different platforms to find which combinations work best for you — and which platforms simply aren't worth your time. And don't overlook "tier 2" platforms; some publishers report that small platforms can deliver big results.

“In 2020, optimize your platform investments.”

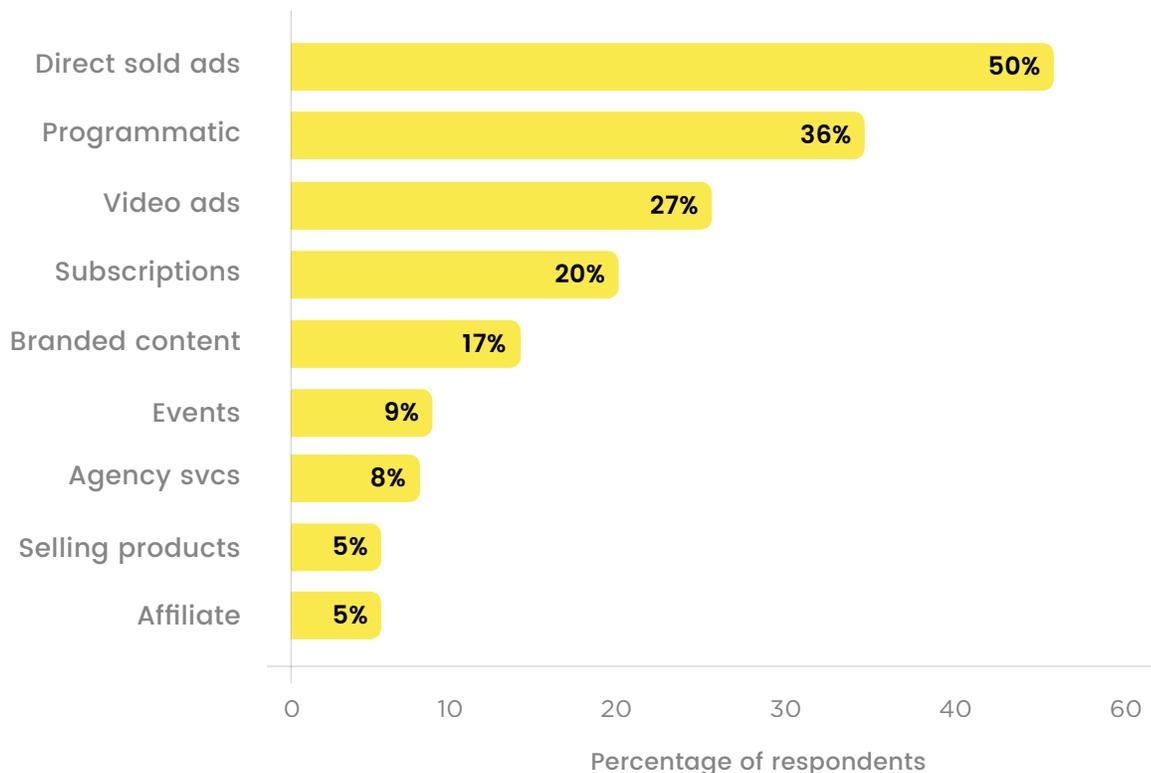
Publishers still need platforms.

For years, digital platforms like Google and Facebook delivered the majority of publishers' online traffic for free and asked for little in return. But when platforms started tweaking their algorithms many publishers suffered and some disappeared entirely.¹

Publishers may no longer trust platforms, but they still need them — because despite their excitement about alternate revenue streams, most publishers still rely on traditional models. Publishers say that ad sales and subscriptions remain both their largest source of revenue today and their biggest strategic focus for the future (see chart 1).

Publishers Still Rely On Traditional Revenue Streams.

How much of your revenue comes from each of the following sources?



Source: 119 publisher executives surveyed by Digiday, September 2019

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¹ Source: <https://digiday.com/media/littlethings-shuts-casualty-facebook-news-feed-change/>

Today, publishers rely on two types of platforms to find the audience they need to drive ad impressions and new subscriptions:

- **News platforms offer ad revenue but control traffic and data.** Google AMP, Facebook Instant Articles, and Apple News promise publishers discoverability, pageviews and direct ad revenue. But because the platforms serve the content, the platforms retain much of the data and most users never hit a publisher's domain.
- **Social platforms deliver visitors under certain conditions.** Algorithmic upheaval on sites like Facebook and Instagram has cost publishers as much as 75% of their traffic.² But some have enough fans that even single-digit organic reach delivers meaningful traffic; others pay for reach and arbitrage the users who land on their pages.

² <https://digiday.com/media/mic-faces-uncertain-future-post-facebook-world/>

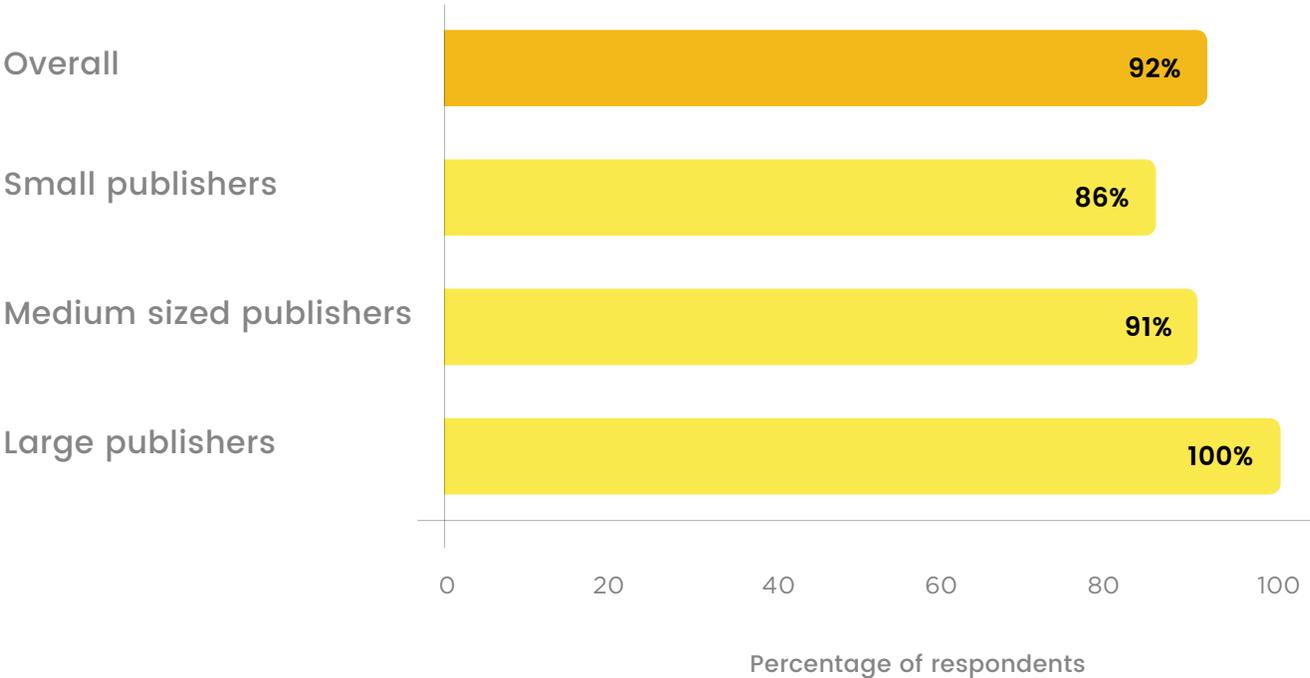
Publishers love platforms.

Digiday surveyed 136 publishers about their use of digital platforms and found that:

- **More than nine out of 10 publish to platforms.**
Our survey revealed 92% of publishers post to platforms, including 100% of large publishers (see chart 2). Sports and entertainment sites are most likely to publish to platforms; business, finance, and technology publishers are least likely to post on platforms.

Every Large Publisher Users' Digital Platforms.

How much of your content do you publish on the following platforms?



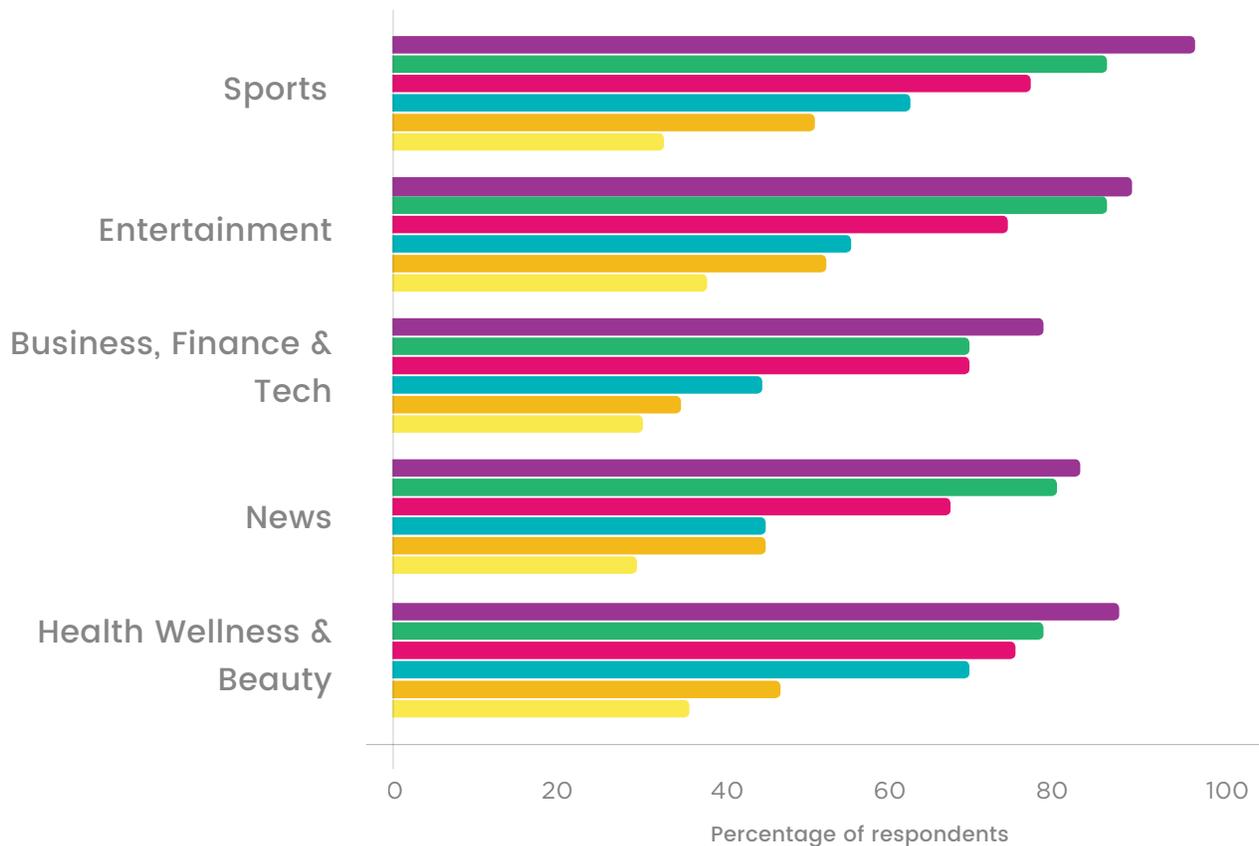
Source: 136 publisher executives surveyed by Digiday, September 2019. Shown are percentage of publishers who push at least some content to at least one platform

• **Publishers flock to social platforms.**

More than 80% of publishers post on both Facebook News Feed and on Instagram (see chart 3). But Miguel Castillo Fernandez of Axel Spring Espana says his titles use each platform differently: “Facebook is an important distribution strategy; we publish 30% to 40% of our stories there. On Instagram, we’re not able to take any of the ad cake, so we created a strategy for brand awareness.” Despite Snapchat’s recent efforts to court publishers, only one-third post there; some publishers say they’ve yet to even have contact one third of them with Snap.

Publishers Prefer News Feed, Instagram, and AMP.

How much of your content do you publish on the following platforms?

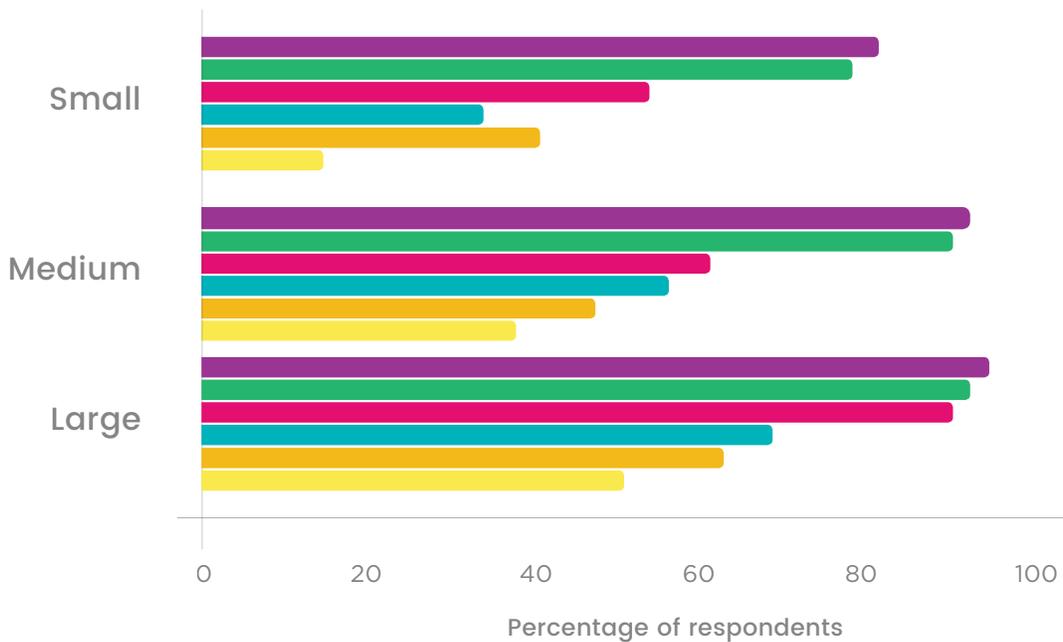
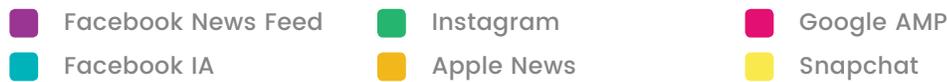


Publishers. n=136. Shown: Percentage of publishers who push at least some content to each platform.

- **Google AMP leads among news platforms.** More than seven out of 10 publishers post to Google AMP. Mark Campbell, CMO of Tribune Publishing, says, “For AMP we’re now publishing everything that’s compatible with the format, 95% plus. Our strategy is to make sure all of our content is available and well-monetized.” Fewer than half of publishers post Facebook Instant Articles or to Apple News. Large publishers use news platforms most aggressively: 90% post to Google AMP and more than 60% to Instant Articles and Apple News (see chart 4).

Large Publishers Aggressively Use News Platforms.

How much of your content do you publish on the following platforms?



Publishers. n=136. Shown: Percentage of publishers who push at least some content to each platform.

But publishers still struggle to find value from them.

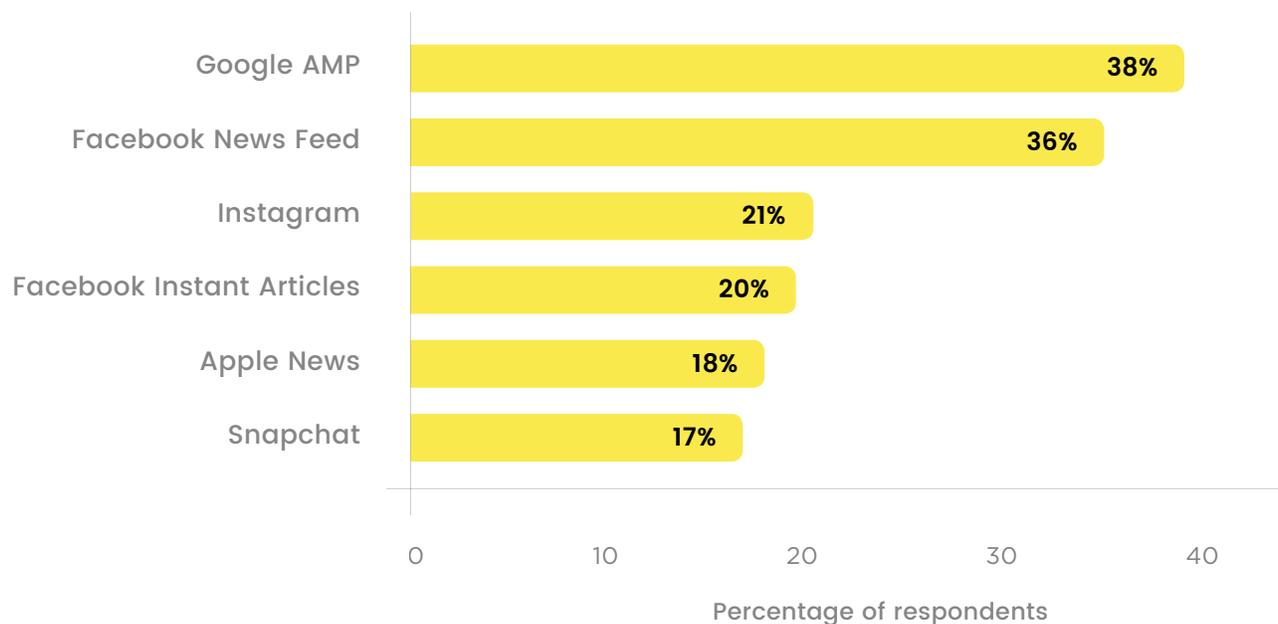
A year ago you'd have guessed platforms couldn't provide publishers any worse return-on-investment: In 2018 we asked publishers to grade platforms' ability to drive revenue, and the average score was just 1.5 out of 5.³ Only Facebook scored higher than 2 out of 5 — but less than half of publishing executives said even Facebook delivered revenue.

Somehow, publishers report that platforms deliver even less value in 2019:

- **Barely half of publishers say platforms create value.** Only 55% of publishers who post to platforms say they're happy with any platform partner. Just 38% say they're satisfied with ROI of Google AMP, and only one-third of publishers who post to Facebook News Feed say they're satisfied (see chart 5). Publisher satisfaction falls to around 20% for the other platforms we surveyed.

Publishers Struggle To Find ROI From Platforms.

How satisfied are you with the ROI of publishing on the following platforms?



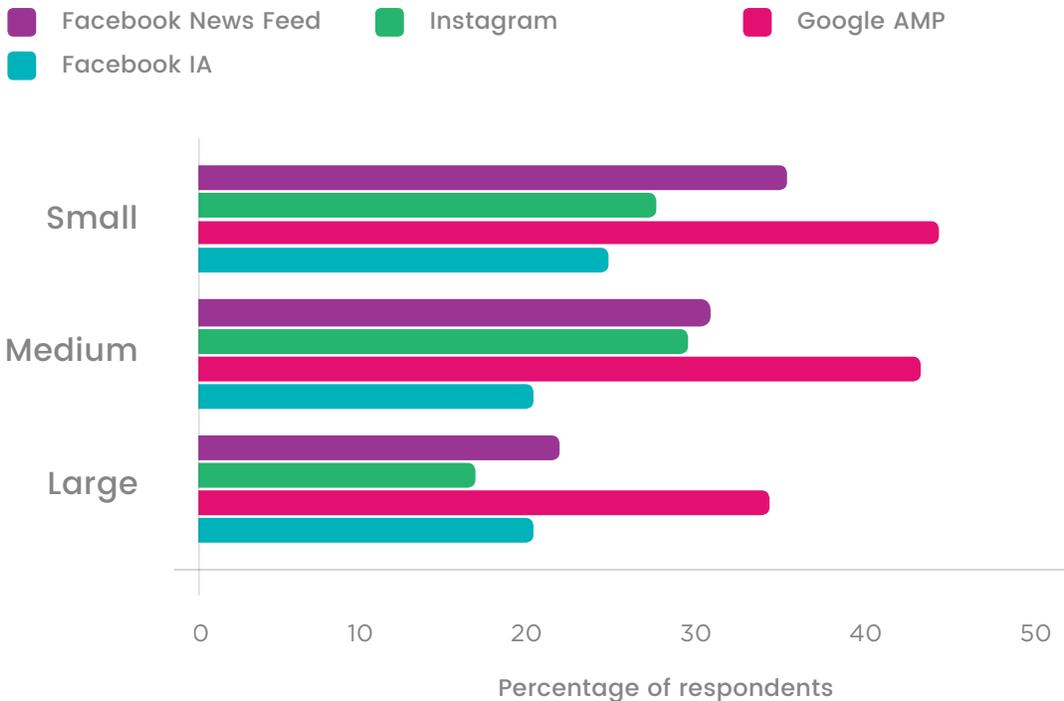
Publishers who post on each platform. n=119. Shown: Percentage of publishers who answered "satisfied" or "very satisfied."

³ <https://digiday.com/media/digiday-research-platforms-publishers-say-monetize-best/>

· **Large publishers are especially dissatisfied with platform partners.** Some large publishers, like Tribune Publishing and Axel Springer España, report success driving revenue from digital platforms. But overall, publishers with more than \$50 million in revenues said they were the least satisfied with most platforms (see chart 6). Why do so many keep using tools that don't deliver value? Nick Flood, managing director for digital at Dennis, says, "It's important to at least have some footprint on all those platforms. Fundamentally as a publisher you need to spread your bets."

Large Publishers Report The Lowest Platform ROI.

How satisfied are you with the ROI of publishing on the following platforms?



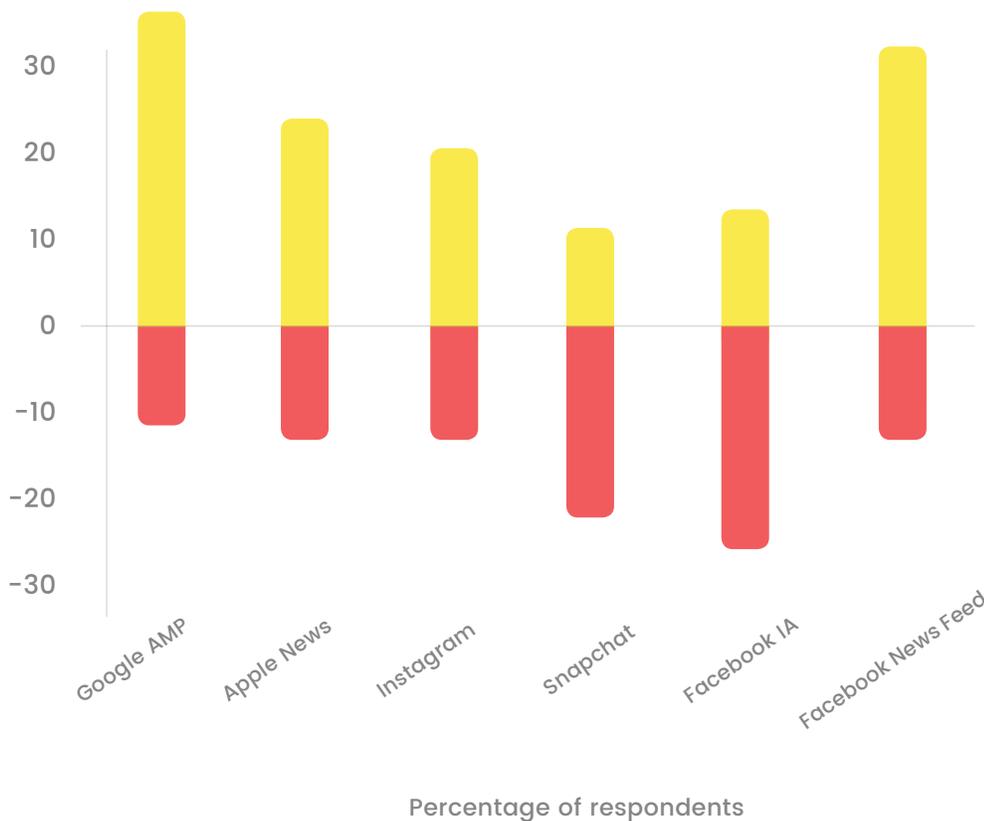
Publishers who post on each platform. n=119. Shown: Percentage of publishers who answered "satisfied" or "very satisfied."

· **Publishers say ROI on key platforms is falling rather than growing.** Publishers who post to Facebook News Feed were 3.5 times more likely to say News Feed's ROI had gone down in the past year than to say it had gone up (see chart 7). Publishers who use Facebook Instant Articles and Snapchat also reported falling ROI. The only platform where publishers were significantly happier this year than last: Google AMP, where publishers say rising CPMs have driven greater ROI.

Chart 7

ROI Continues To Fall On Many Platforms.

How has the ROI of publishing on each platform changed in the past year?



Publishers who post on each platform. n=118. Shown: Percentage of publishers who said ROI had either increased or decreased”

Recommendation: Optimize your platform relationships

Publishers say platform ROI is low, and falling — but still, nearly every publisher posts to platforms. It's time to rethink your platform relationships. In 2020 make sure you:

- **Test, learn and optimize your platform investments.**

Whether you pay social platforms for distribution or dedicate technology and human resources to news platforms, you should experiment to improve your returns. For instance, Axel Springer España learned it generates more traffic by writing unique Facebook teasers for each article, found that strategy didn't pay off on other social platforms. And Dennis learned posting to news platforms drove traffic but its social audience was more receptive to community-building than to content.

- **Don't overlook small platforms with big impact.**

WeatherBug focuses its platform strategy not on Facebook and Google but on tier 2 players. Mike Brooks, SVP of Revenue, says "We talk to the people who talk back to us. When you go outside the top tier, those folks have partnership conversations. I sit in the room with them and say I have these goals. I can get a lot more from them because they understand my business."

“It's important to at least have some footprint on all those platforms. Fundamentally as a publisher you need to spread your bets.”