

Revenue growth flat for digital publishers in Q3 2023, with drops in display and video revenues offset by continued subscription growth

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Multi-platform campaigns continue to be an increasing focus for advertisers

London, UK, 13 December 2023: The latest Digital Publishers' Revenue Index (DPRI) from the Association of Online Publishers ([AOP](#)) and Deloitte reveals 58% of respondents reported growth year-on-year (YoY), though overall digital revenue for Q3 2023 was down by -0.5% from Q3 2022, for a total of £153 million.

After growth of just 0.3% in Q2 2023, digital publisher revenues in Q3 remain flat, indicative of the wider contraction in advertising spend. Notable drops occurred across display formats (-4.2%), video (-14.3%), and sponsorships (-25.9%). These losses were largely compensated by the ongoing growth in subscription revenues (11.7%), a category that has been performing well for more than a year.

Digital audio returned the most significant growth, up by 500% in Q3 2023 versus Q3 2022 though at a total of £3 million, it remains a relatively minor revenue stream. However, based on the increase from the £1.9 million generated by digital audio in Q2 2023, this category is one to watch. The “miscellaneous” category — which includes data monetisation — was also a growth hotspot at 117.1%, up to a total of £8.9 million.

Consistent with trends reported in previous quarters, multi-platform revenues are growing (10.5%) while mobile and desktop-specific revenues contract (-30% and -16.7%). Comparing multi-platform to platform-specific revenues reveals the drop in display revenue was driven entirely by the latter. Display revenues actually grew in the multi-platform category by 3.9%, while mobile and desktop saw falls of -4.7% and -18.1% respectively — the fall in video revenues, however, was consistent across all three. The outlier in video fortunes was the B2B category which, despite overall revenues falling by 5%, saw video revenues increase by 50%.

When asked about future business priorities for the next 12 months, members returned remarkably similar responses as Q3 2022, with new products and services cited as a priority by all respondents (100%), increased cashflow by 75% of respondents, non-advertising revenue by 66%, cost reductions by

50%, and acquisitions by 33%. Only advertising revenue growth diverted as a priority, dropping from 75% of respondents in Q2 2023 to 50% in Q3 2023.

Andy Cowen, lead partner for telecommunications, media and entertainment at Deloitte, said: “Despite a more subdued quarter for digital publishers, with a slight drop in growth year-on-year, there are still positive signs across sectors of the industry. Particularly encouraging are the green shoots of growth across digital audio which, although still a smaller revenue stream, has grown 500% year-on-year. This is a sign of ongoing diversification of revenue across the publishing industry and demonstrates consumer appetite for content across various platforms.”

Richard Reeves, Managing Director at AOP, commented: “Subscription revenues now account for almost a third of total publisher revenues, and by current trends, it could hit this milestone within a couple of quarters. Decoupling revenues from the ups and downs of advertising spend can provide a greater degree of financial security, though this cannot be a solution for all properties.

“Though overall revenues are flat, an increasing proportion of respondents reported year-on-year growth, at 58% in Q3, up from 50% in Q2 and 36% in Q1. This shows us there are extreme gaps in fortunes between individual publishers, and I urge a spirit of collaboration so that we can learn what is working for some and apply their success to the rest.”

Notes to Editor

UK Digital Publisher Revenue (based on revenues for AOP publisher members)

AOP & Deloitte DPRI report

	MAT to Sep 2023 vs. MAT to Sep 2022 (% change)	Q3 2023 vs. Q3 2022 (% change)
Total DPRI revenue	0.8	-0.5
Display advertising	-5.4	-4.2
Subscriptions	17.5	11.7
Online Video	-11.4	-14.3
Sponsorship	-19.7	-25.9
Recruitment	-12.6	-27.5
Other Classified	-2.6	35.7
Miscellaneous	29.5	117.1
Off Platform	16	-63

About the DPRI Report

The Q3 2023 DPRI report — conducted by AOP and Deloitte — is based on a survey of 13 UK digital publishers comprising nine B2C publishers and four B2B publishers. The aim of the report is to provide an overview of revenue levels across multiple channels and platforms — as well as insight into publisher sentiment — and to benchmark these findings against previous quarters.

While the DPRI revenue index records a look-back of data over Q3 2023; the publisher sentiment index considers Board member observations given in Q4 2023 to provide a timelier understanding of current feelings. This is a reporting change implemented in 2019.

The information contained in this press release is correct at the time of going to press.

About Association of Online Publishers

Association of Online Publishers (AOP) is an industry body representing digital publishing companies that create original, branded, quality content. AOP champions the interests of media owners from diverse backgrounds including newspaper and magazine publishing, TV and radio broadcasting, and pure online media. For more information, please visit

www.ukaop.org.

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