

The Challenges Publishers Face in Monetizing Digital Content

Publishers are increasing efforts to create subscription models that boost the bottom line

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eMarketer Editors

Fewer major publishers of premium digital content now believe display advertising on its own can cover the cost of producing quality content, let alone bring a profit.

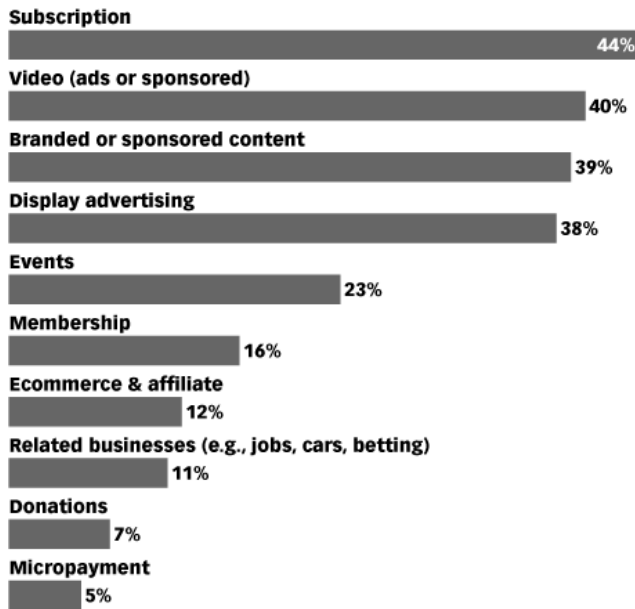
The reality that premium content is expensive to produce, combined with cluttered ad experiences that drive readers away, has forced publishers to develop a less-is-more approach to advertising.

Meanwhile, publishers are increasing efforts to create subscription models that boost the bottom line.

Data from Reuters Institute for the Study of Journalism at the University of Oxford found that publishers are using a number of revenue streams beyond advertising, with subscriptions among the most popular.

Important Digital Revenue Streams for 2018 According to News Publishers Worldwide

% of respondents



Note: n=162; excludes those with noncommercial models
Source: Reuters Institute for the Study of Journalism at the University of Oxford, "Journalism, Media, and Technology Trends and Predictions 2018," Jan 10, 2018

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But even the best content will drive away audiences if it's presented poorly. Users turned off by pop-ups, overlays, autoplay video or just too many ads are likely to head somewhere else. And it's hard to make money from content that's essentially interchangeable with what's found on many other platforms and channels.

"In their quest for viable revenue streams beyond advertising, publishers are beefing up subscriptions and memberships, offering hybrid free or paid models, developing events and testing new platforms," said Patricia Orsini, eMarketer analyst and author of the new report, "The Value of Digital Media: How Advertisers Value Content, and How Publishers Can Make It More Valuable."

(eMarketer PRO subscribers can access the [full report here](#). Nonsubscribers can [learn more here](#).)

Meanwhile, advertisers are working more closely with publishers, searching for those they believe are legitimate and can offer more informed targeting. The value of advertising next to such content

depends on the quality of the readership and the environment in which the content resides.

If a publisher can establish a connection with the consumer, whether through utility or emotion, the consumer is more likely to trust the advertising surrounding the content. Engaging readers is the most valuable currency publishers have in the value exchange with advertisers.

In the latest episode of "Behind the Numbers," Orsini further examines the challenges publishers face in monetizing digital content, and the strategies they are exploring to increase revenue streams while also working to balance the needs of consumers and advertisers.