
MediaFutures 2022-2024

The Collingwood cut

March 2023

Why Collingwood and MediaFutures



At Collingwood Advisory, we're often asked by our clients, "what does good look like?" (and by extension, "what does great look like?"). For growing media businesses, benchmarking performance can provide reassurance that you are on the right track, and help to set meaningful goals for improvement. If you're on the path to exit, finding out early how you measure up against similar firms puts you on the front foot in buyer negotiations (because buyers will certainly be making this assessment in due diligence).

Detailed analysis of how you're doing compared to companies like yours isn't easy. This is why, in late 2022, we partnered with MediaFutures. Run by marketing consultants for the media sector Wessenden Marketing, since 2009 the annual MediaFutures survey has gathered data from media firms of all sizes, across B2B and consumer media, to help them define 'good' performance, respond to industry trends and learn from their peers.

By encouraging the entrepreneurial media businesses in Collingwood's network and the Media Entrepreneur Meetup community to take part in MediaFutures, we increased representation in the data-set from the smaller company and B2B sectors of media, making it easier for our clients to benchmark their performance not only against the larger players but also companies more like theirs.

The MediaFutures survey contains more than 50 questions, covering both 'hard' measures of performance like annual revenue and 'softer' measures like the degree of confidence respondents have in the future financial success of their company. It captures current realities and predictions for the next two years, and spans everything from investment plans to staffing issues, from M&A activity to product development priorities.

Given the wealth of data it provides, only the official MediaFutures report gives the full picture on the state of the media sector, of course. This first Collingwood 'cut' focuses on just one area of MediaFutures data: revenue. As you will see, we have been able to draw rich insights from analyses of just a few MediaFutures survey questions, mainly looking at the data from smaller B2B media firms, to explore what good looks like in terms of revenue per full time employee (FTE) and revenue growth. We've also delved into the comments respondents made about the drivers and barriers to revenue growth in their businesses.

These are early days for Collingwood's benchmarking activity. We'll be digging deeper into MediaFutures data in the months to come as well as starting to generate more data from our clients and contacts to help you benchmark their performance in other areas. We'd love to hear about the KPIs that matter to you. Please drop us a line to share your views.

Piers Bearne, Founder, Collingwood Advisory
insights@collingwood-advisory.com

The respondents

By turnover

55%

Small (<£5m)

20%

Medium (£5m - £10m)

12%

Large (£10m - £50m)

13%

Major (>£50m)

By segment

63%

B2B only

22%

Consumer

9%

Both B2B & consumer

6%

Other (e.g. association)

By business model

35%

Information only

9%

Events only

50%

Mixed model

6%

Other only

The typical MediaFutures firm has turnover of less than £5m, is B2B-only, does both information and events & makes money from both marketing services and users

Business model mix

60%

Of B2B firms do both information and events

40%

Of consumer firms do both information and events

Revenue model mix*

67%

Of firms make money from BOTH marketing services and users

20%

Make money ONLY from marketing services

6%

Make money ONLY from users

The Collingwood cut: where we focused

Smaller, B2B firms

Excluding 15% of the sample that are consumer-only or 'others'*; revenue under £20m only (in part due to exceptional outliers)

Business & revenue models

Comparing information and events businesses; marketing services vs. user revenue

Two key performance indicators

Revenue per FTE, revenue growth

The data behind the comments

Spotting trends to identify common opportunities and challenges to revenue growth

Revenue focus

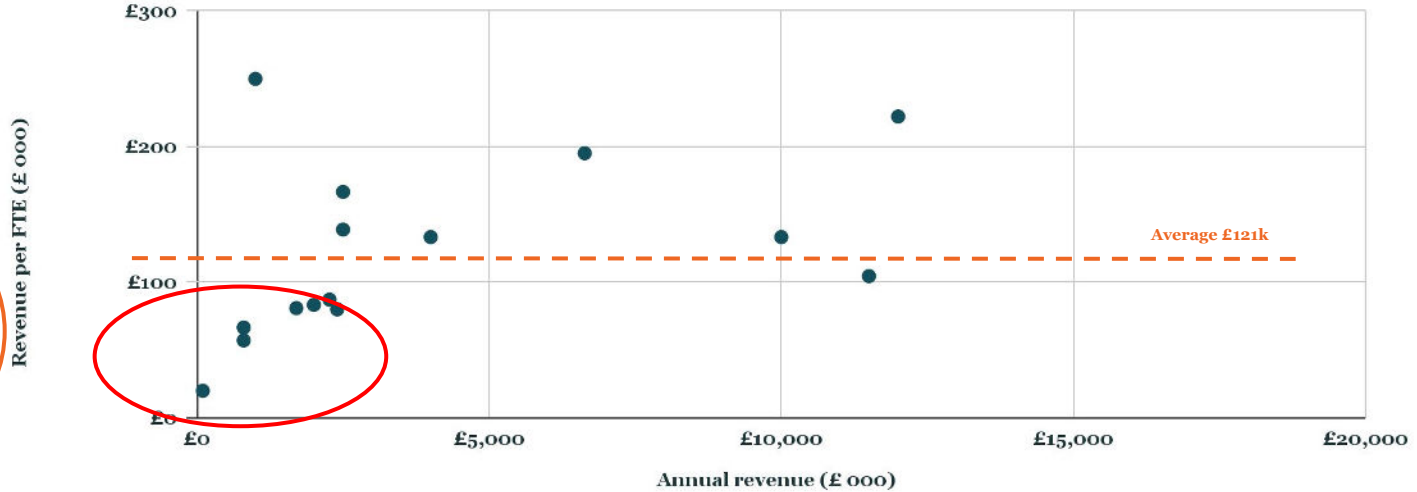
Key performance indicator: Revenue per Full Time Employee (FTE)

In information-only B2B, revenue per FTE is relatively low in smaller-sized businesses

A small sample, but we see a cluster of lower-revenue businesses with low-end revenue per FTE...

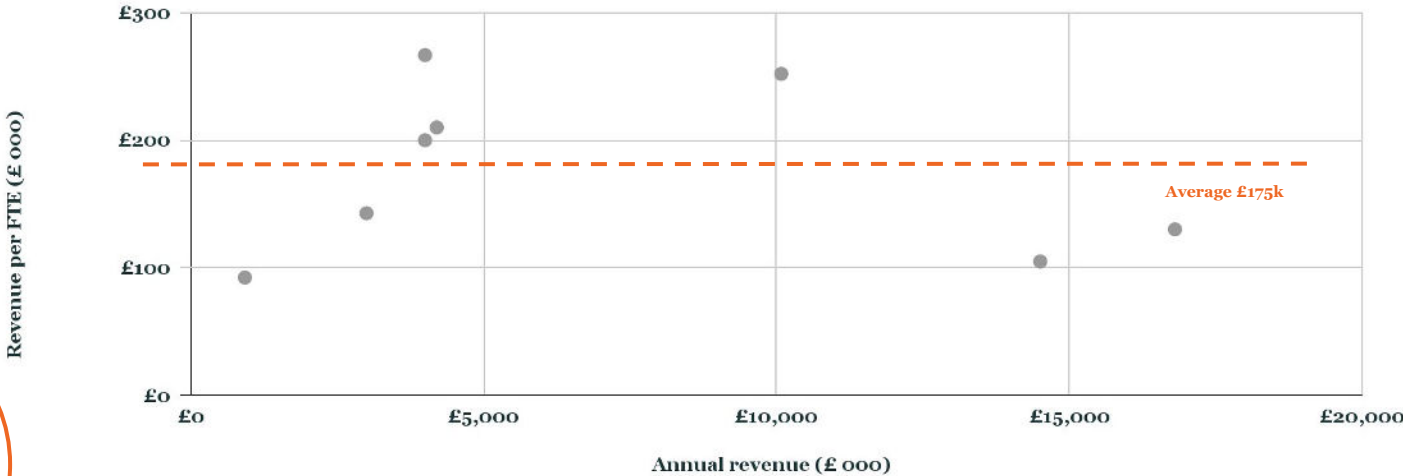
...perhaps due to high levels of initial investment needed to launch user revenue products?

Revenue per Full Time Employee (FTE): B2B information businesses (£20m or less annual revenue)



Whereas similar small B2B events-only businesses deliver higher revenue per FTE

Revenue per Full Time Employee (FTE): B2B events businesses (£20m or less annual revenue)

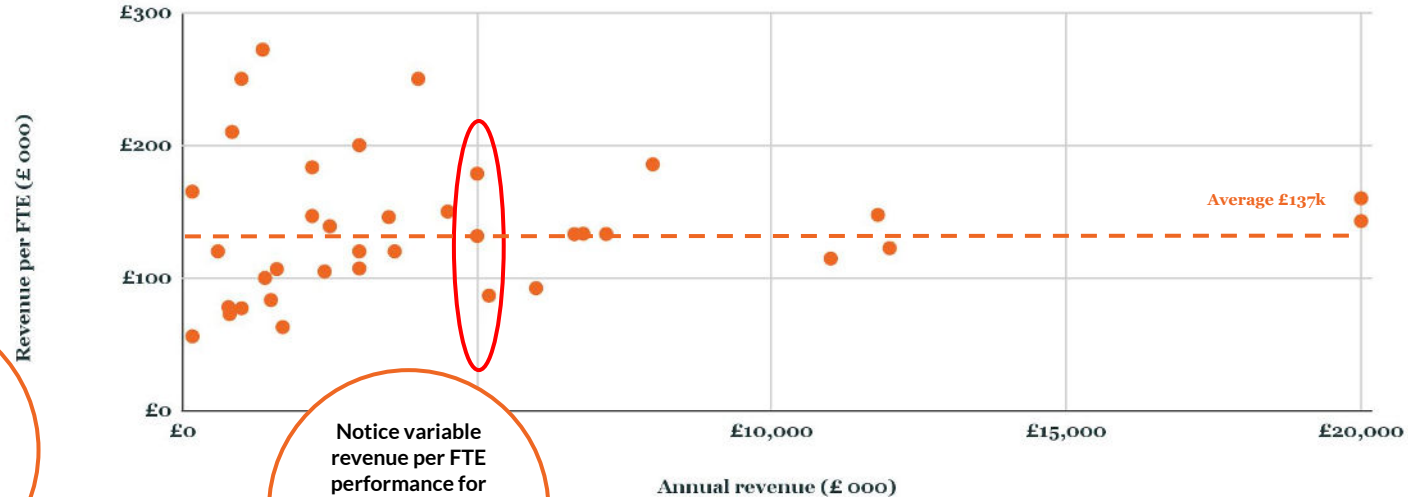


Too small a sample to see a trend...

...but perhaps an indication that events-only businesses are able to deliver higher revenue with fewer people vs. information businesses

Wide variation in performance of mixed-model B2B information and events businesses

Revenue per Full Time Employee (FTE): B2B mixed model business (£20m or less annual revenue)

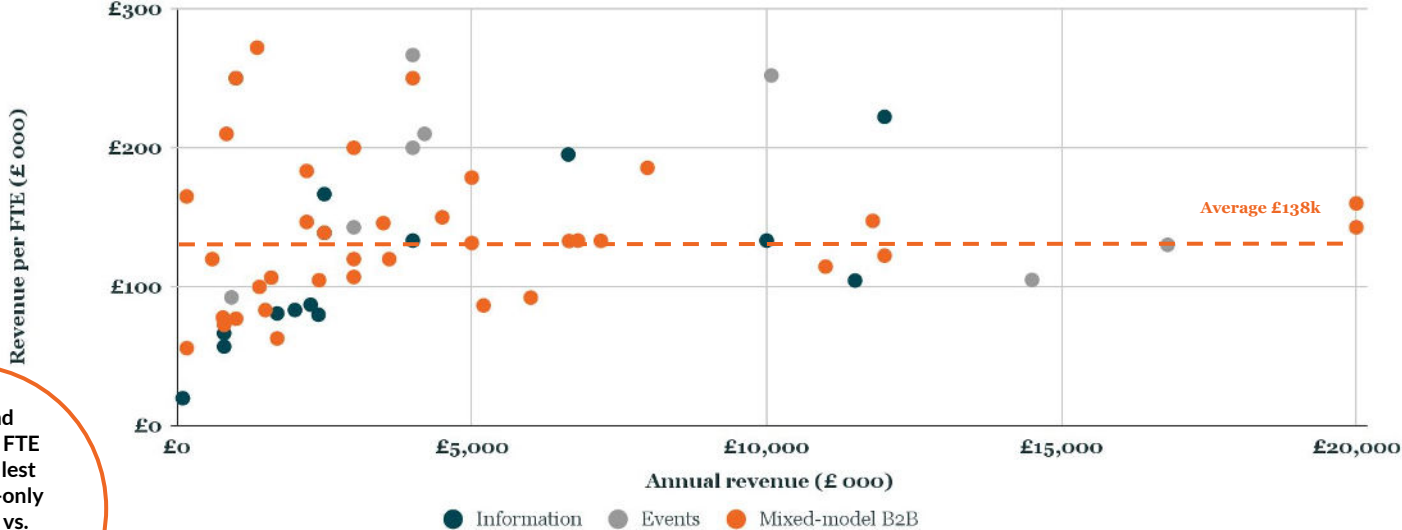


Differences in revenue per FTE for similar sized businesses may look unsubstantial but will hit profit through higher staff costs

Notice variable revenue per FTE performance for three companies with the same revenue (approx. £5m)

Across all types of B2B, higher revenue doesn't necessarily equate to higher revenue per FTE

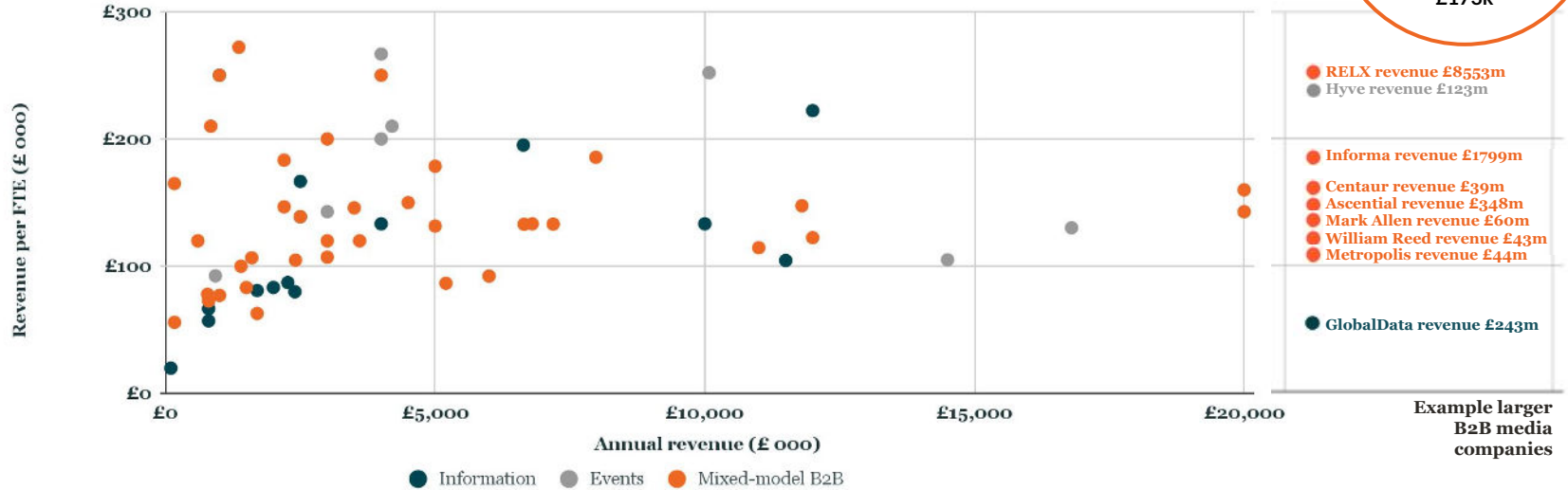
Revenue per Full Time Employee (FTE): B2B businesses (all)



Beyond MediaFutures... even larger B2B players don't outperform on revenue per FTE

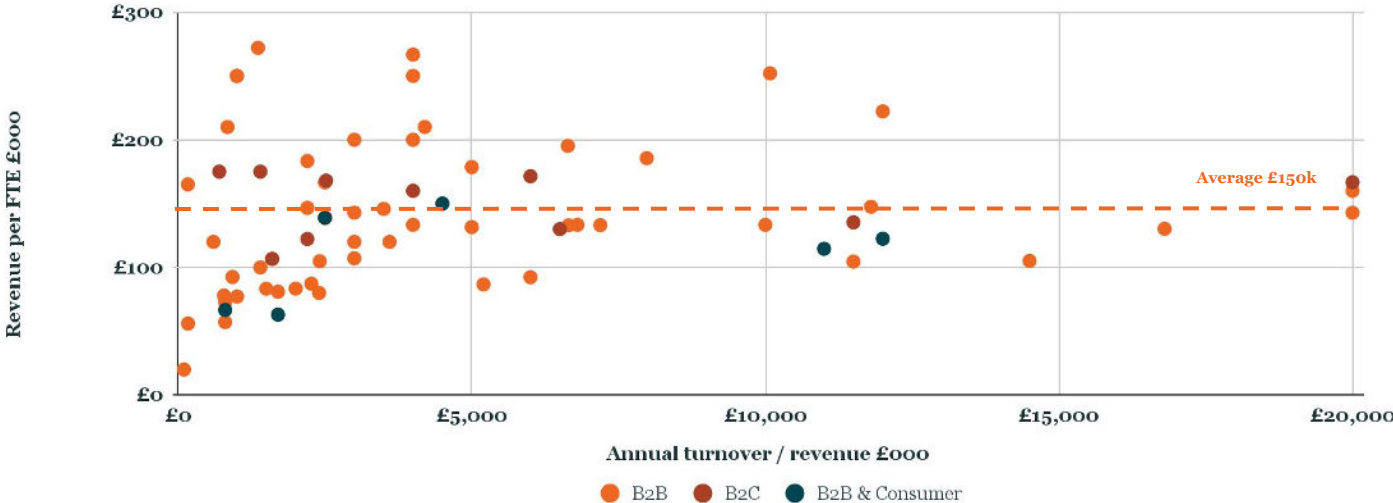
Revenue per FTE for these large players ranges from £67k to £252k, with the average of this group being £173k

Revenue per Full Time Employee (FTE): B2B businesses (all)



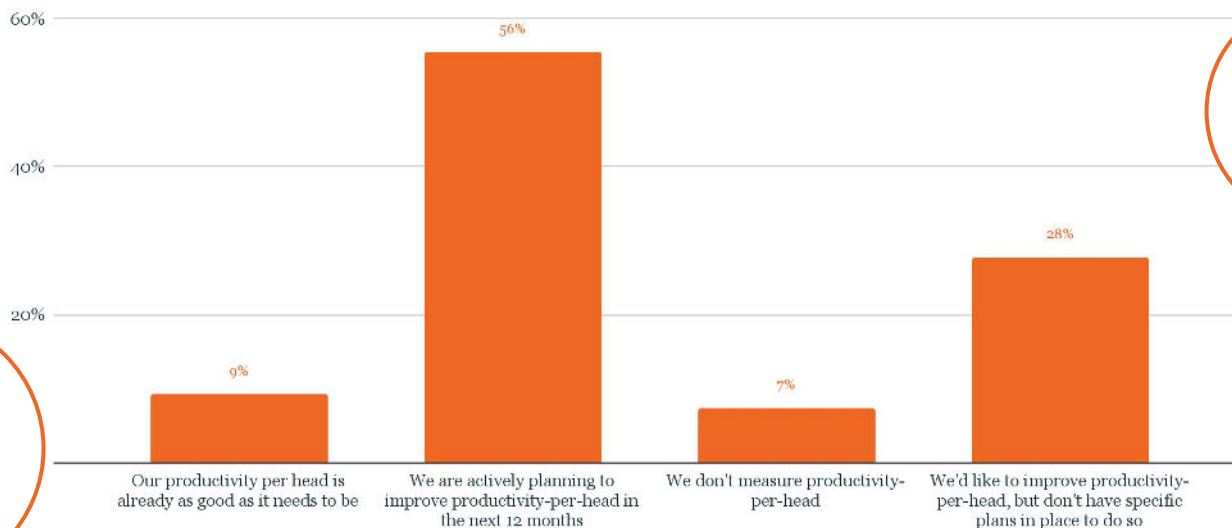
Adding consumer firms to the mix doesn't change the big picture: a figure over £200 / FTE is upper quartile

Revenue per Full Time Employee (FTE): B2B & consumer businesses (£20m or less annual revenue)



Revenue per FTE i.e. staff productivity, recognised as a key value driver: 56% of B2B firms will actively invest in the next year

Extent of investment in staff productivity, in the next 12 months: B2B businesses (all)



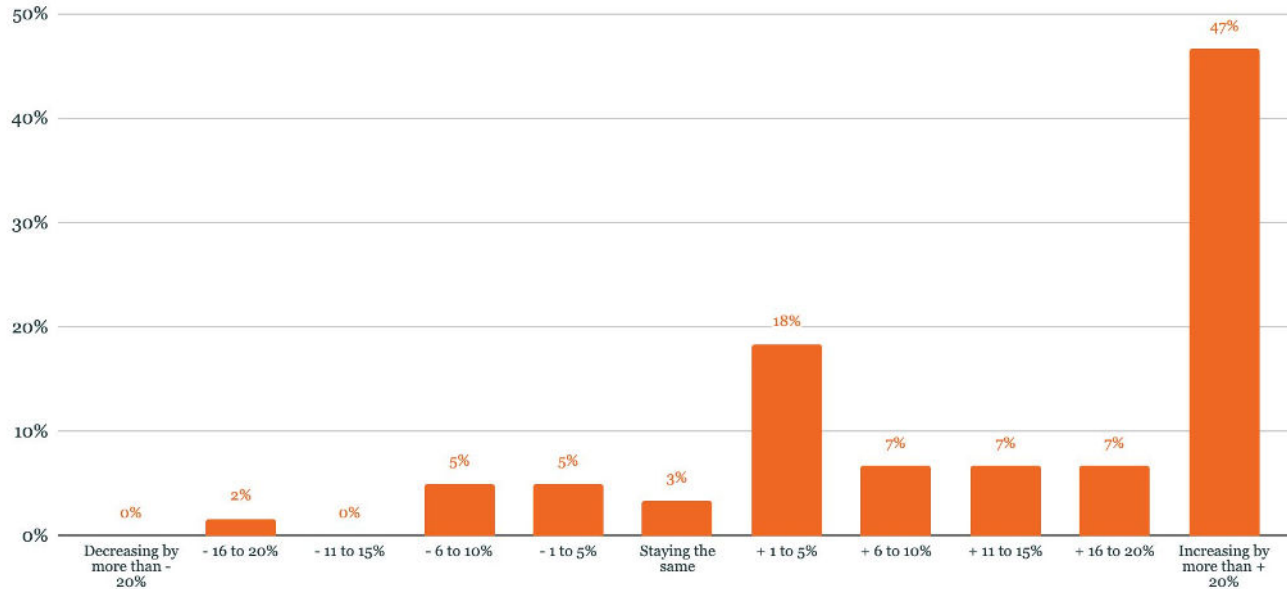
B2B firms no more or less likely to invest than consumer firms

Percentage actively planning drops for B2B firms under £20m revenue but only to 50%

Key performance indicator: revenue growth

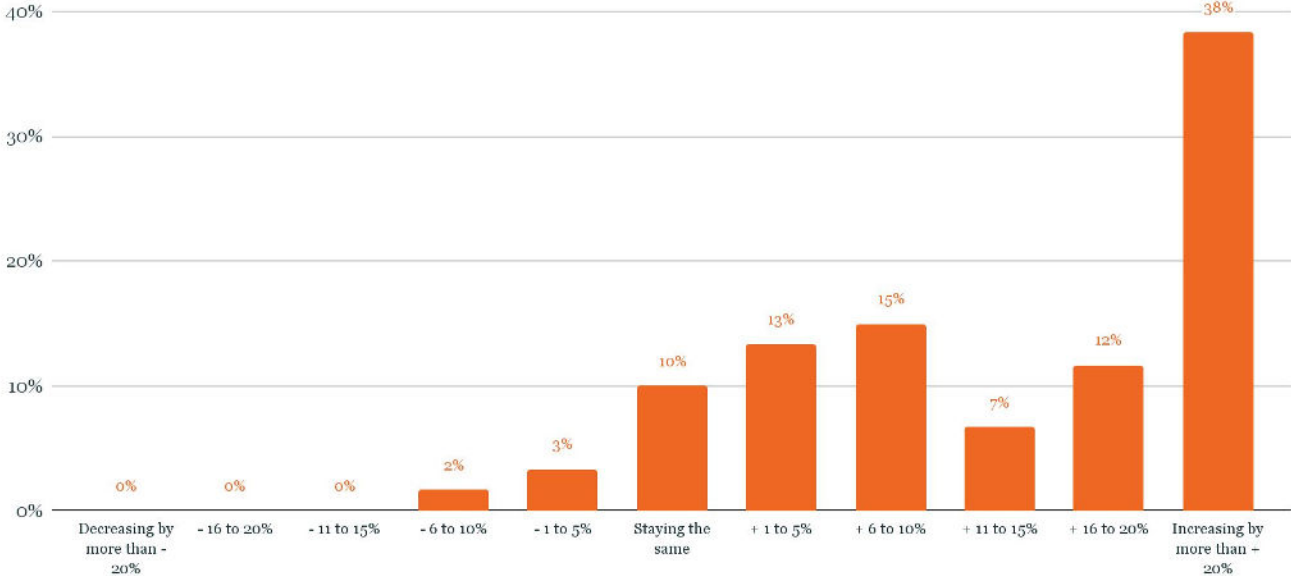
Half of smaller B2B businesses were seeing significant growth in 2022: a post-pandemic bounceback?

Current YoY revenue % change: B2B businesses (£20m or less annual revenue)



Most smaller B2B firms predict growth in 2023; over one-third expect 20%+ growth: a drop, but optimism remains

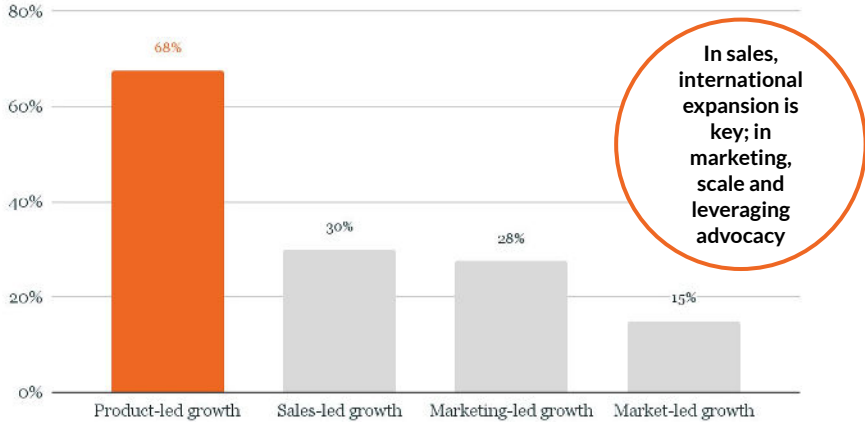
Expected YoY revenue % change: B2B businesses (£20m or less annual revenue)



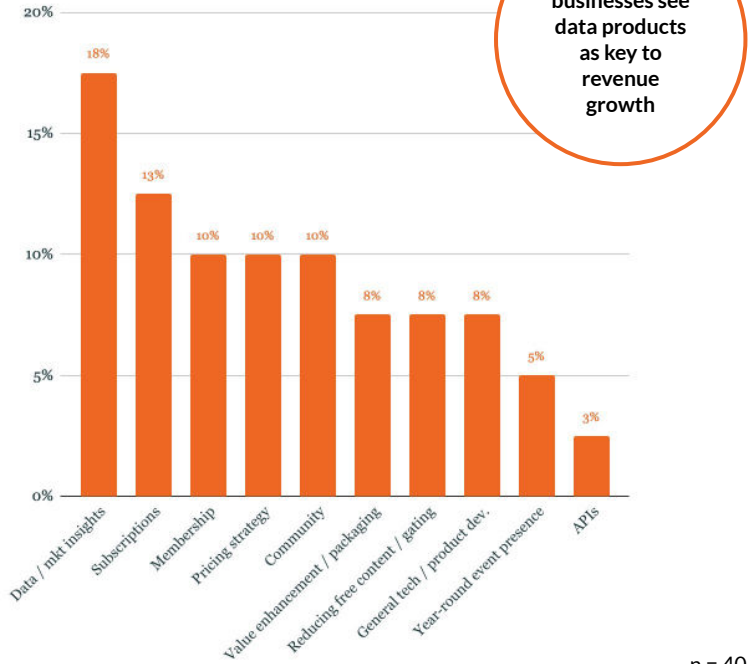
Opportunities and challenges for revenue growth: in respondents' own words

Product development seen as the key to user revenue growth for B2B businesses; data products are most desirable

Drivers of user revenue growth for B2B businesses



Types of product development



Themes in the comments made by B2B businesses in response to the question: "What are the biggest opportunities for you in growing your subscription and membership revenue?"

Multiple strategies are common; brand new products, partners and customer segments are seen as key drivers

Product

“New members hub; increase in market intelligence platform, including surveys and reports.”
Small information & events business

“Investing in product / introducing new product features. Diversifying via packages. Investing in growing member base in the US.”
Large information business

“We already have a subscription analytics service. We have added to this a market survey product that sells per individual download.”
Small information & events business

“Increasing customer value to allow high price increases. Embedding our products into our clients business (APIs etc) meaning cancellation/non-renewal is rare.”
Large Information business

Sales

“Cross sell to event delegates. Due to macroeconomic uncertainties, content 365 subs will be more in demand again - once travel budget gets cut again.”
Medium information & events business

“Expanding sales into out top 100 accounts.”
Medium information business

“Expanding our offering to agencies and vendors.”
Small information & events business

“Selling to more global members and increasing prices.”
Small information & events business

Marketing

“Identification of new populations and communities. Developing our community offering and 365 'event continuation.”
Small information & events business

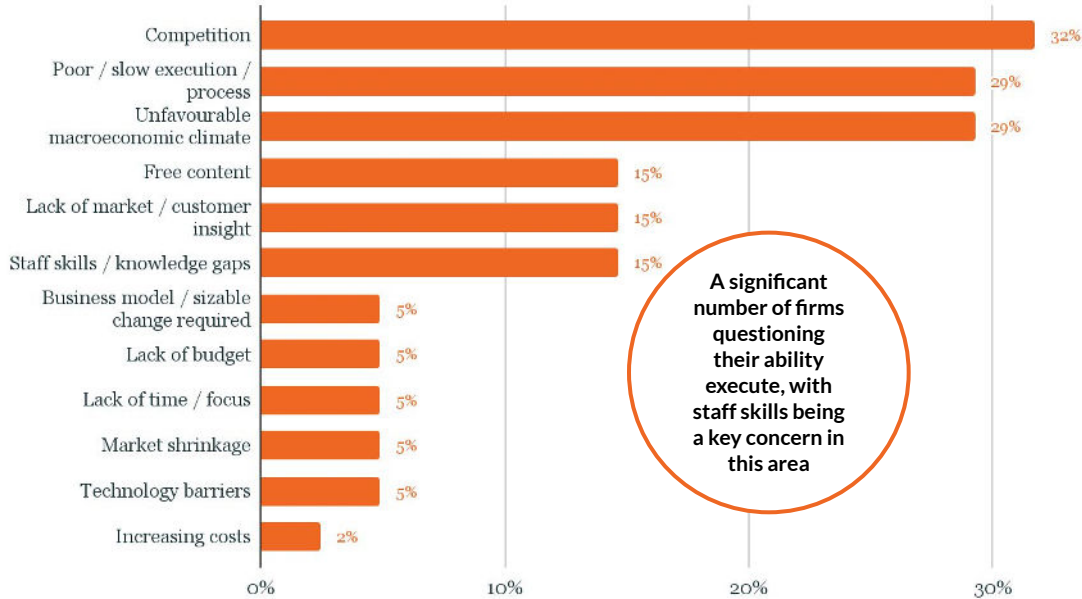
“For the first time, we will be expanding our marketing and sales beyond subscribers who find us on their own.”
Small information business

“Expansion within the niches we serve. [Plus] data sales.”
Small information & events business

“What are the biggest opportunities for you in growing your subscription and membership revenue?”

While the macroeconomic climate is a concern, it's much more of a concern for consumer businesses than B2B

Threats to user revenue growth for B2B businesses



Two-thirds of consumer firms said the macroeconomic climate was their biggest threat to growth

A significant number of firms questioning their ability to execute, with staff skills being a key concern in this area

Technology is also much less of a concern for B2B firms than consumer firms

Themes in the comments made by B2B businesses in response to the question: "What are the biggest barriers / threats for you in growing your subscription and membership revenue?"

While external factors (competition and macroeconomic climate) are significant, overall more internal barriers are cited

Competition

“Our greatest threat is that someone will find us down here in the weeds and choose to compete. While we have always provided ourselves on the quality of our work and customer service, that has resulted in customers who love us. It's not rocket science.”

Small information business

“Reluctance of readers to pay for subscriptions when there are many rivals offering free content.”

Small information business

“NGOs, charities, associations and others using their privileged position to provide content on a non-commercial basis.”

Medium information & events business

Poor / slow execution / process

“Failure to move quickly and nimbly. Inability to differentiate between 'must have' and 'nice to have' content.”

Medium information & events business

“Attitudes of some employees - lack of imagination/creativity. Current internal technology and process - although this is being solved.”

Large information & events business

“Making bad judgement calls; poor execution.”

Small information & events business

“Skill set internally - need product managers for audience research; having the time/capacity to press forward.”

Medium information & events business

Unfavourable macroeconomic climate

“Economic conditions for users who won't pay for subs; not creating value and regular engagement.”

Large information business

“Recession affecting available spend - causing cancellations / non-renewal or reducing the number of licences needed.”

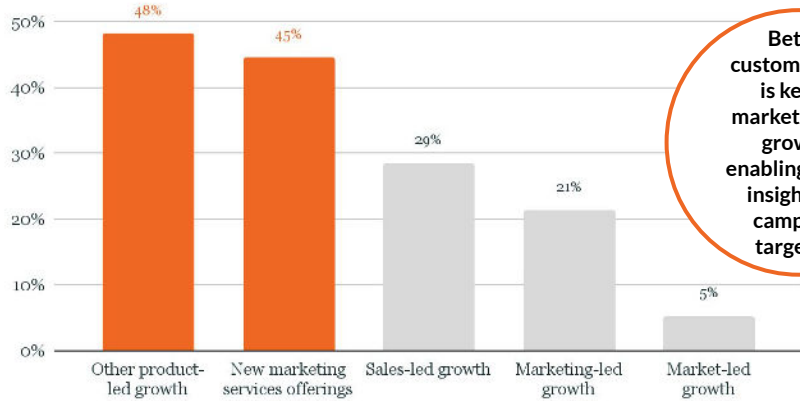
Large information business

“Our errors, laxity and global events - war, famine, plague etc.”

Small information & events business

In driving marketing services revenue, developing both new offerings and underlying products is key to growth

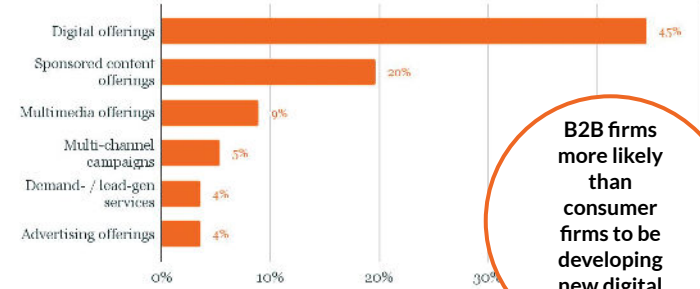
Drivers of marketing services revenue growth for B2B businesses



Better customer data is key to marketing-led growth, enabling better insight and campaign targeting

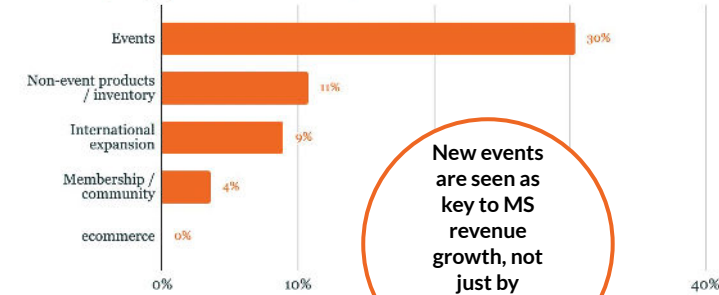
Themes in the comments made by B2B businesses in response to the question: "What are the biggest opportunities for you in growing your revenue from brand owners / sponsors?"

Marketing services offerings development



B2B firms more likely than consumer firms to be developing new digital offerings

Underlying product developments



New events are seen as key to MS revenue growth, not just by pure-play events firms

365 offerings around events and other multi-channel solutions are on the up; customer data and price are key levers

Marketing services offerings

"New content marketing formats - creating bespoke content marketing solutions for key accounts; launch of new publications; investment into data cleansing and enrichment to enable higher-value lead generation offerings to larger accounts."
Small information business

"Providing a full funnel marketing services offering."
Large events business

"Native ads, sponsored editorial themes/supplements, event/cross media packages, first party data v third party data."
Small information business

"Customer publishing and both in-person and online event partnerships/sponsorship."
Small information business

Product

"Geo expansion 365 multi year/multi touch point opportunities. Digital revenue streams."
Small events business

"Extending the product range, using AI to automate some of the process, continue to increase our more expensive bespoke solutions."
Medium information & events business

"Extending our major conferences into confex's. Expanding all of events and marketing services in US."
Small information & events business

"Targeting new sectors within our current markets. Launches & acquisitions into current and new markets."
Large information & events business

Sales & marketing

"General price increase of existing sponsors very easy to push through at the moment because everyone knows inflation is at 10% - as long as you have market leading events."
Medium information & events business

"Growing our online audiences and engagement - to drive volume and price increases from digital display which is our fastest growing ad revenue stream."
Large information business

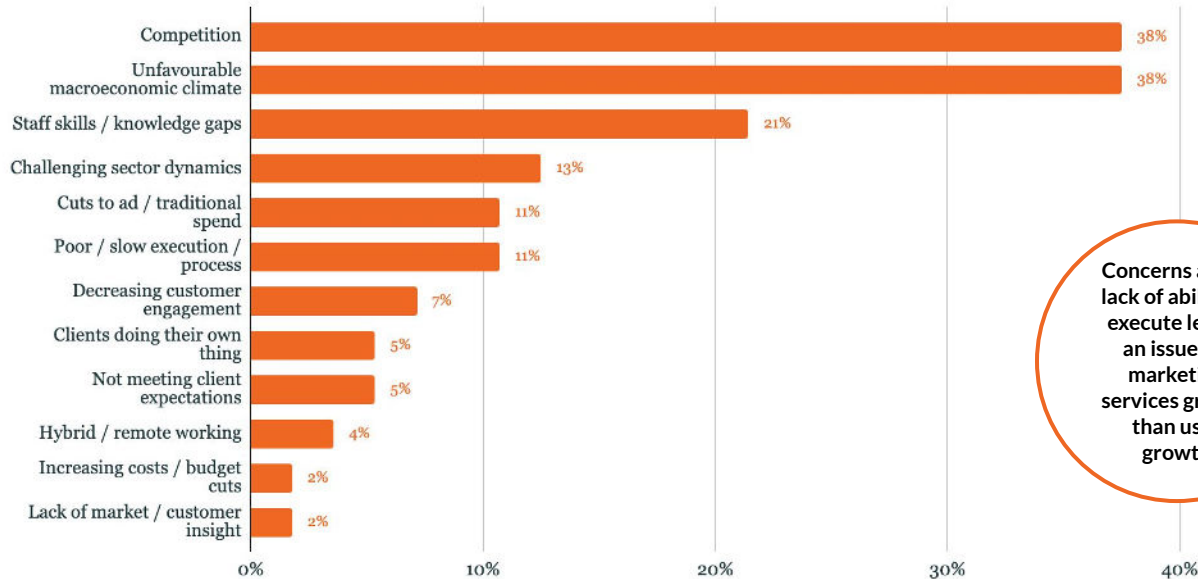
"Data. Deeper audience engagement."
Medium information & events business

"Increasing retention and wallet share - and de-risking launch products."
Small information & events business

As with user revenue, competition is the biggest concern; the economy is seen as a bigger threat to marketing services revenue than to user revenue

B2B firms as likely as consumer firms to see the economy as a threat to their marketing services revenue

Threats to marketing services revenue growth for B2B businesses



Concerns about lack of ability to execute less of an issue for marketing services growth than user growth

Themes in the comments made by B2B businesses in response to the question: "What are the biggest barriers / threats for you in growing your revenue from brand owners / sponsors?"

The most concerning competition isn't direct competition but that from big tech and clients themselves

Competition

"Competition has moved on from just other publishers, so many new ways of reaching audiences from new tech platforms, social media etc lots of noise, even if results are worse there is still noise to cut through."
Small information & events business

"Specialist market customers being blinkered/seduced by Google et al."
Small information & events business

"Continuing trend for brand owners to become publishers of their content and organise their own events."
Small information & events business

"Well-backed competitor entry."
Small information & events business

Unfavourable macroeconomic climate

"1. 'Austerity' Financial weakness of [ur sector]. 2. Large cooperates reluctance to support marketing in 'niche' markets - 'niche' can includes the UK!"
Small information & events business

"General macroeconomic outlook - judgment day is upon us - time to watch *Big Short* again... only this time the crash will be longer and deeper."
Medium information & events business

"Show shrinking in size due to all of the global economic and political issues."
Small events business

Everything else

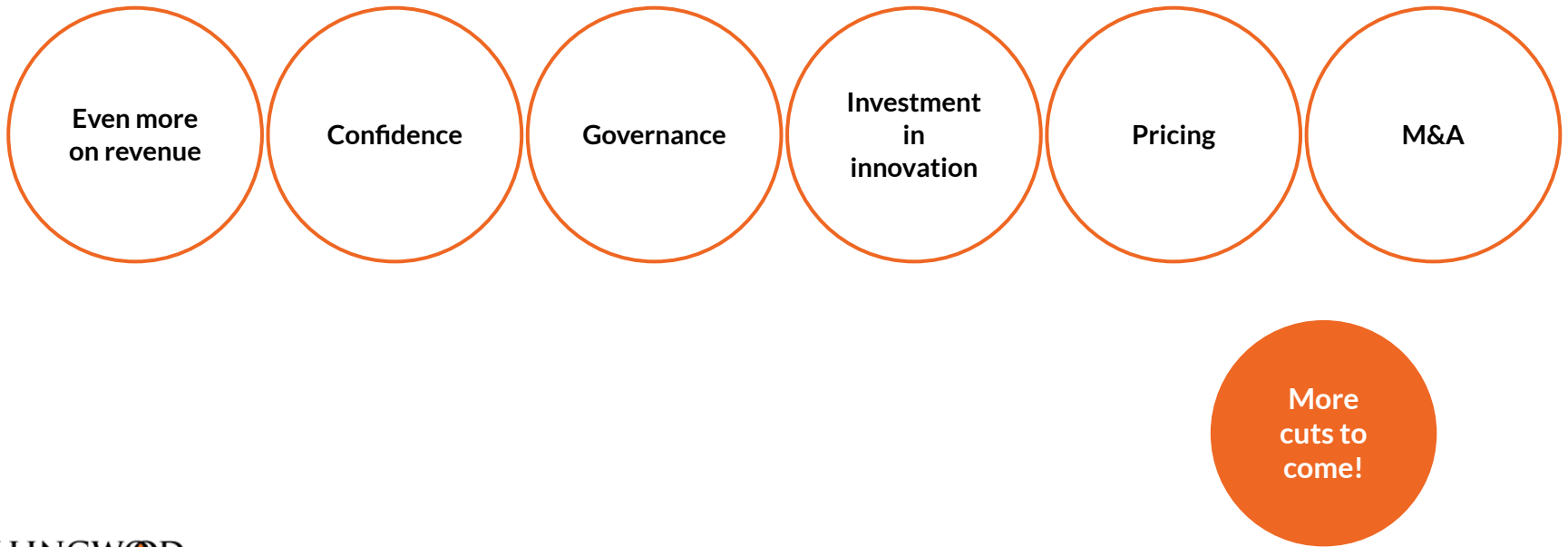
"Remote working means our audience is harder to gather together. Attrition rates for delegate registrations are now 30%-40% compared to 25% pre-pandemic and this challenge is here to stay."
Small information & events business

"Quality of events if we can't maintain the operational excellence piece. Introducing sponsors to the right people. Macroeconomic environment. Hybrid work environment. Differentiating ourselves from competitors (also an opportunity)."
Large events business

"Capacity of handling the business we win; making sure we don't exhaust our audience."
Medium information & events business

More from MediaFutures

Other key MediaFutures areas of interest for Collingwood clients



How to get more from MediaFutures

The **media**futures project generates a mass of data that can be sliced and presented in a number of ways...

- Reports
- Live events and workshops
- Consultancy and project work

Contact info@wessenden.com for more information.

Collingwood customers:
speak to your adviser about
the Collingwood view on your
data

mediafutures 2022 to 2024

	Non-Participating Companies	Participating Media Companies
REPORT Executive Summary	£95	Free
REPORT Results Report	£995	£750
LIVE EVENT mediafuturesLIVE tailored 1-2 hrs (online)	£995	£750
LIVE EVENT mediafuturesLIVE tailored 1-2 hrs (face-to-face / on-site)	£1,250	£995
LIVE EVENT mediafuturesLIVE bespoke Half-day to full-day (online or face-to-face)	Quotation on specification	Quotation on specification
PERFORMANCE ACCELERATOR A diagnostic review of the organisation	Quotation on specification	Quotation on specification