



AOP Census shows paid-for content is on the increase for Online Publishers

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Publishing revenues set to increase with optimistic outlook for broadband and content syndication

PR9.NET May 19, 2005 - The latest membership survey from the UK Association of Online Publishers (AOP) has shown that 63 per cent of AOP member companies, all creators of original, quality, branded content, now charge for content online, compared with 58 per cent in 2004. Paid-for content now provides 19 per cent of overall revenue. The findings reveal a decline in one-off (micro) payments, and an increase in subscription models.

Bill Murray, AOP chairman and managing director for group information strategy at Haymarket, commented: "It's very clear that we are starting to see the end of a general perception from consumers that the web is 'free'. Even clearer is the trust and credence that consumers attached to content, which was delivered by established, traditional brands. The value this adds to content is, for the most part, the key to being able to successfully charge for it. With increased maturity in the online space, AOP members can look forward to developing more ambitious, profitable activity with greater confidence."

The 2005 AOP Census, conducted independently by Fox Insight on behalf of AOP, also indicated that overall revenues are set to increase, with greater optimism and less mention of constraints within the industry than were evident in 2004.

Income

The largest source of revenue for respondents remains display advertising, supplying 47 per cent of all revenue. More than half (58 per cent) of AOP members are now generating more than £1 million annually from advertising alone.

Traffic volumes and numbers of users are up on 2004 for nearly every AOP member organisation. Altogether they attract more than five billion page impressions per month (up from two billion in 2004), and an average of 3.5 million unique users per month, partly influenced by growth in membership. Other sources of revenue include: recruitment classified advertising (14 per cent), content syndication (five per cent), e-commerce, sponsorship, web-design and development, listings, newsletter advertisements, and commission on sales. Comparisons with 2004 indicate a growth in the number of new or alternative revenue streams.

Integration

In total, the AOP companies that were sampled publish as many as 1,152 different products. The majority are published as a combination of 'print and online', though AOP membership has broadened to include a number of TV and radio broadcasters in the past year, with nearly 20 per cent of members also engaged in these areas.

Integration of online and offline teams increased to 79 per cent of companies (from 63 per cent in 2004), suggesting online is seen as more of an integral part of the wider organisation than in previous years.

Opportunities

The findings reveal a greater optimism and less mention of constraints within the industry, than were evident in 2004. The greatest opportunities at present are seen as those provided by new channels or platforms, broadband, communities, and content syndication. The enthusiasm for the roll-out of broadband shown by AOP members in 2004 has been built on in 2005. As many as 55 per cent of respondents now believe that broadband will have a 'very positive' impact on their business, though a small minority (13 per cent) believe that it will have little impact either way or a negative impact. Comments from respondents indicate that some AOP companies have a very active strategic approach to taking advantage of the roll-out of broadband: "Audio and video are an essential part of our future business" and "Greater opportunities for streaming will lead to webinars and other virtual meetings etc. becoming a good source of income."

Threats

The greatest constraints on the online publishing industry were seen as being: distribution and streaming costs, inertia or complacency at publishers and agencies, followed by governmental or legal restrictions.

Murray added: "The increased time that the consumer spent online, coupled with the richer and deeper content opportunities has enabled broadband growth. This means that we can now perceive the digital space as far more of an opportunity and far less of a threat.

"Our market expertise and brand positions mean that established, original content creators are ideally placed to fulfil consumers' changing and growing requirements. The opportunity exists, not only to complement existing businesses, but also to develop significant new profit streams via the massive reach these channels offer."

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About immediate future Limited

immediate future Ltd is an independent public relations (PR) and communications consultancy, specialising in media, creative and digital industries. The team is highly experienced in both corporate and business-to-business PR. We have a proven track record with clients ranging from public and private companies, to 'not for profit' organisations.

The company is founded on three core principles: in-depth industry knowledge, professional standards and accountability. We use these foundations to deliver a holistic approach to reputation management with proactive and creative PR strategies, trusted on- and

off-line media relations, and a vast array of PR tactics. The result is high-quality public relations that makes our clients' lives easier and brings real business benefit.

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