

INSIGHTS • IDEAS • RESULTS

MPAS-OMD Research Study 2014





Agenda

1. Research Design
2. Research Findings
 - Respondent Profile
 - Challenges Faced
 - Impact of Growing Digital Media



1 | Research Design



Research Design

1. Research Objectives:

- Determine the challenges faced by publishers in today's digitalised world, for example in the areas of technology, cost of editorial staff, awareness of the Media Development Authority's (MDA) available schemes, investment, knowledge and barriers to expansion
- Through the findings of this research, MPAS hopes to request for additional funding and resources from MDA to support the Publishing Industry in their efforts to evolve and/or to overcome current challenges. This in turn is also expected to translate to higher recruitment numbers for MPAS

2. Methodology and Approach:

- Telephone survey conducted on MPAS members and non-members, based on a list of contacts provided by the MPAS

3. Achieved Sample Size: N=18



2 | Research Findings



Respondent Profile

1. 94% (17 out of 18) of the respondents interviewed are members of the MPAS
2. Respondents' companies were established between the years 1949 to 2011, with:
 - 11% (2 respondents) established before 1990s
 - 28% (5 respondents) established in the 1990s
 - 61% (11 respondents) established after year 2000
3. In terms of current staff strength, majority of the respondents work in a small- to mid-size company, with:
 - 67% (12 respondents) having less than 50 employees
 - 11% (2 respondents) having between 50 to 100 employees
 - 22% (4 respondents) having more than 100 employees



Respondent Profile

4. On average, the approximate percentage split of staff strength based in Singapore versus overseas was 69% and 31% respectively.

5. In terms of estimated turnover in year 2012:
 - 72% (13 respondents) made less than S\$5 million
 - 11% (2 respondents) made S\$5 million to S\$10 million
 - 11% (2 respondents) made more than S\$10 million
 - 6% (1 respondent) was unsure

6. On average, the approximate percentage split of your revenue from clients from Singapore versus overseas in year 2012 was 61% and 39% respectively.



Challenges Faced

1. 'Finding the right staff' was the main challenges faced by 67% of respondents in terms of business expansion. Other minor challenges include:
 - Increased online competition
 - Disappearing bookstores
 - Finding overseas partners
 - Lack of funding
 - Increasing cost of doing business (e.g. overheads such as rental)
 - Rules and regulations
 - Integrating all data sources onto a single platform



Challenges Faced

2. When respondents were asked if shortage of manpower was a problem they faced:
 - 50% said 'yes', particularly for sales positions
 - 50% said 'no', and mentioned that the problem lies mainly in getting quality staff, rather than a shortage of manpower

3. 67% (12 out of 18) of respondents expressed that they do not face any problems with regards to technology. For the remaining respondents, the main problem lies in keeping up with all the developments and new creative platforms.
 - 89% (16 respondents) have an in-house technology team, while the remaining respondents indicated that funding is not so much an issue but they face difficulties in finding a reliable external vendor



Challenges Faced

4. When asked if rentals costs are a cause for concern, 44% (8 respondents) said 'yes', 50% (9 respondents) said 'no', and 6% (1 respondent) was unsure. Of which,
 - 67% (12 respondents) are currently thinking of relocating or have recently relocated due to reasons such as the need for a bigger space, previous lease had expired, or increased in cost of rental at the old premises
 - 11% (2 respondent) are considering to relocate overseas due to labour cost and quality problems

5. 33% (6 out of 18) of respondents face issues with regards to receivables & cash flow management, especially with overseas clients. They tend to resolve the issues by:
 - Following up closely and having good relationships with clients and agencies
 - Giving vendors incentives to pay on time (i.e. discounts)
 - Sending reminders
 - Going through the legal process if all else fails



Challenges Faced

6. 17% (3 out of 18) of respondents are looking to franchise an editorial title for the Singapore market, but they are unwilling to disclose the titles.

7. When asked if they were looking to expand their brand overseas:
 - 72% (13 respondents) said 'yes', mainly because the Singapore market is too small
 - 28% (5 respondents) said 'no', mostly because they are already in the desired markets and do not see the need for further overseas expansion in the near future



Impact of Growing Digital Media

1. On average, the approximate percentage split of revenue from digital media versus print media was 58% and 42% respectively. Of which,
 - 22% (4 respondents) expressed that 100% of their current revenue is already from digital media
 - 72% (13 respondents) foresee a growing proportion of your revenue being generated from digital media in the next 3 to 5 years
 - The remaining 6% (1 respondent) mentioned that his company was still 100% in print media and do not have plans to move into digital media for the time being.

2. With the rapid growth in digital media, some challenges faced by respondents were:
 - Ensuring compatibility of their products with mobile devices
 - Keeping up with the latest trends in technology, mobile, social media, etc.
 - Declining sales in print media
 - Lack of talent and lack of funds to invest in technology
 - Clients (advertisers) lack of understanding about digital media



Impact of Growing Digital Media

3. To adapt to the growth of digital media, all respondents have implemented/taken some changes/actions, such as:
 - Revamping the company website & having increased online content (e.g. launching e-books, e-magazines, mobile apps, e-newsletter)
 - Having a presence on social media and video content. (e.g. Facebook, Twitter, Instagram, LinkedIn, Pinterest, Tumblr, Google+)
 - Hiring dedicated online/digital staff
 - Investing in advertising and promotional activities to promote the digital media
 - Working with vendors/agencies for search engine optimisation (SEO) for their website
 - Offer trainings on digital media, to train people. And run events and conferences around the business of publishers



Impact of Growing Digital Media

4. 67% (12 out of 18) respondents encountered problems when implementing changes (previous slide), such as:
 - Lack of talent and expertise
 - Lack of funds to implement changes and keep up with latest developments
 - Lack of employees' digital understanding & need for a change in mind-sets
 - Social media is fragmented and difficult to aggregate and increase the number of followers
 - Clients' lack of understanding in digital media
 - Hard to replicate success (e.g. app on iPad was successful, but Android app was less successful)
 - Rapid changes in technology makes it hard to keep up



Impact of Growing Digital Media

5. Other actions that respondents plan to take in the near future to adapt to the growth of digital media include:
 - Produce fresh and relevant online content & adopting new digital media formats and new technology
 - Hire more staff & conduct training
 - Revamp website & increase social media presence
 - Conduct client information sessions to educate clients about digital media
 - Monitor the market and try to offer something different
 - Increase investment in technology

6. When asked if they were looking to develop your own eBook products,
 - 50% (9 respondents) said 'yes', and they were either looking to do so or have already done so
 - 50% (9 respondents) said 'no', mostly because they do not see a future in e-books



Impact of Growing Digital Media

7. In terms of syndicate their digital products (i.e. Making your content available on MSN, Yahoo, Flipboard, Newsloop),
 - 61% (11 respondents) said that they were considering it or have already done so
 - 39% (7 respondents) said they had no intention to do so, mainly because they do not think it is relevant to their companies

8. 83% (15 out of 18) of respondents are looking or have already developed their own mobile applications.
 - For the remaining respondents who do not intend to do so, the reasons provided were mainly because mobile applications were not relevant to them, or because their website is already mobile-friendly and they do not want to dilute their website traffic.