



2023 Report The State of Data-Driven Revenue Growth in Digital Information, Media & Events

Produced in Partnership



INTRODUCTION

Since data is the lifeblood of businesses in the media, information, and event industry and the service providers who support them, we surveyed industry leaders about their challenges and usage of data to drive profitable revenue growth. The study, conducted in April and May 2023, collected data from over 100 company executives covering all facets of B2B and B2C media, information, event, and marketing service providers. We also included in the survey a selection of investors, private equity, and venture capital firms to gain their perspectives and views on this industry. Since not all questions were appropriate for each audience, not all respondents were asked every question. Unless otherwise specified, all results in this study are among leaders at media, information, and event companies.



DIGITAL AND EVENTS DOMINATE THE REVENUE MIX

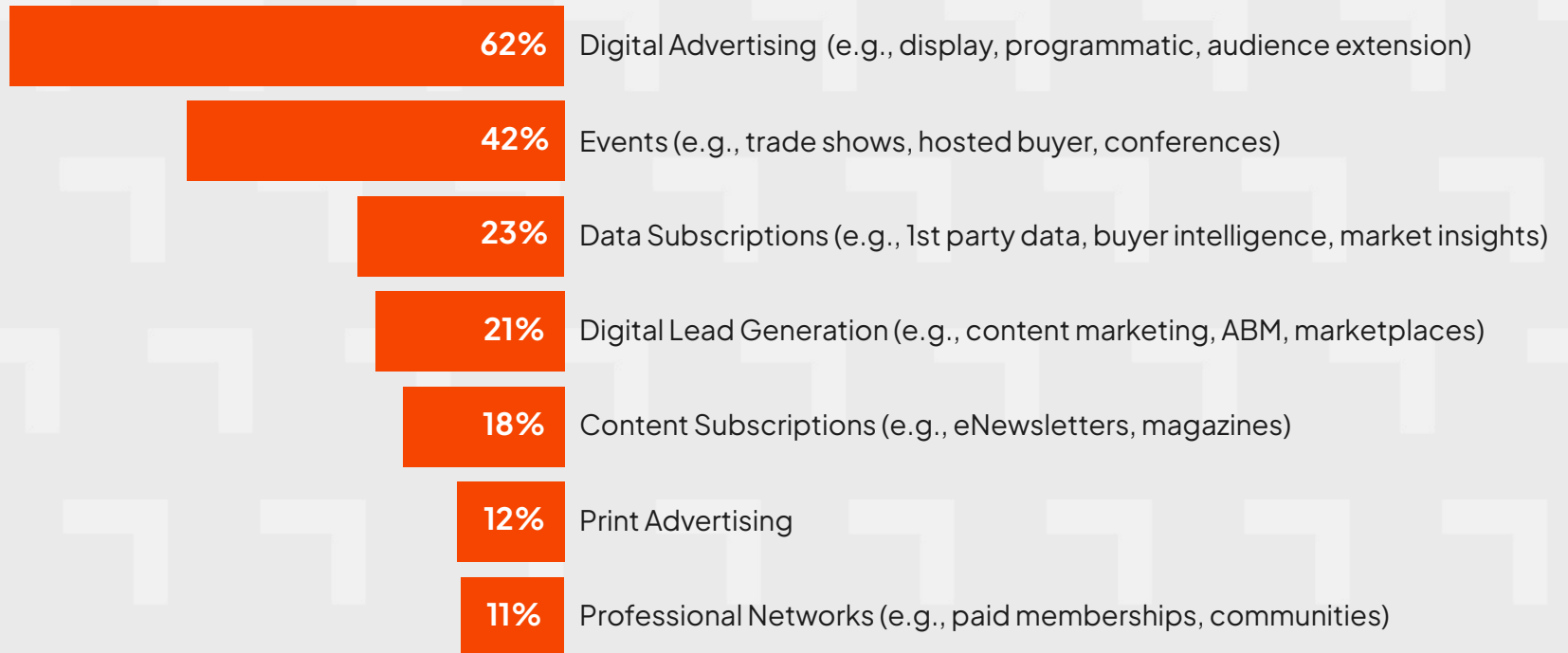
Media, information, and event (operators) companies heavily rely on revenue from digital advertising, a top revenue stream for nearly two-thirds of respondents.

In contrast, only **12%** said that print advertising is a top revenue stream for their organization. Transitioning from print to digital has been a significant goal of many industry players for years, and these findings show that this transition has been made, at least from a revenue mix perspective.

Not surprisingly, events are considered a top revenue stream by a significant percentage of companies (**42%**).



What are the two **BIGGEST REVENUE STREAMS** of your organization?



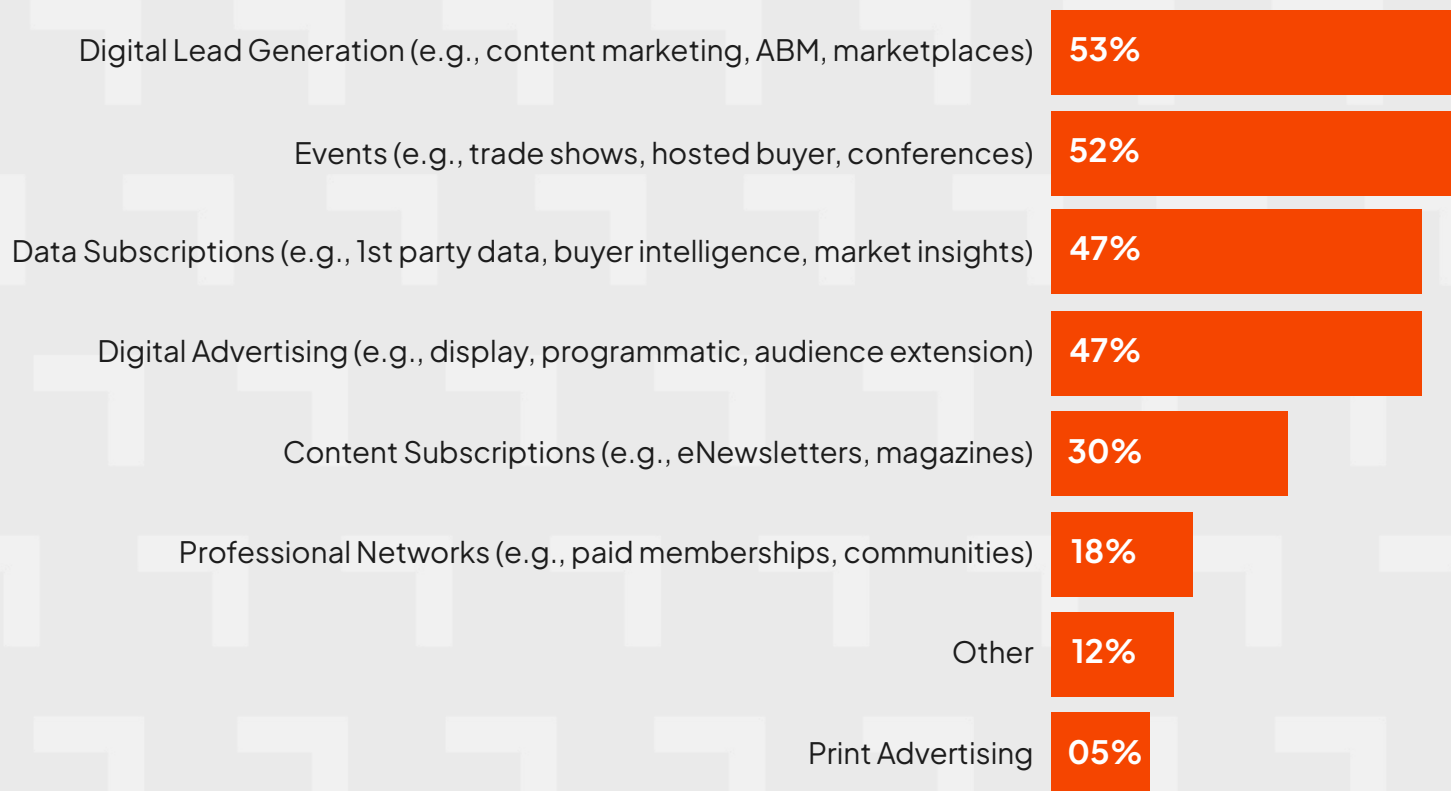
Base: Information, media, and event companies

Digital lead generation and events are the top strategic growth priorities of operators. The latter is due to the need to reinvigorate events businesses as the rebound from the pandemic continues. Over half of the respondents view events as a top strategic growth priority over the next 1–2 years, a sign that while events have nearly fully recovered from their pre-pandemic levels, more growth will be gained. Forty-two percent of respondents said events are a top revenue stream, yet 52% said it was a strategic growth priority.

Interestingly, while less than a quarter of industry leaders said that data subscriptions are a top revenue stream, nearly half cited it as a strategic growth priority for the next 12–24 months.

Which of the following are **STRATEGIC GROWTH PRIORITIES** for your organization over the next 12–24 months?

Strategic Growth Priorities of Industry Executives



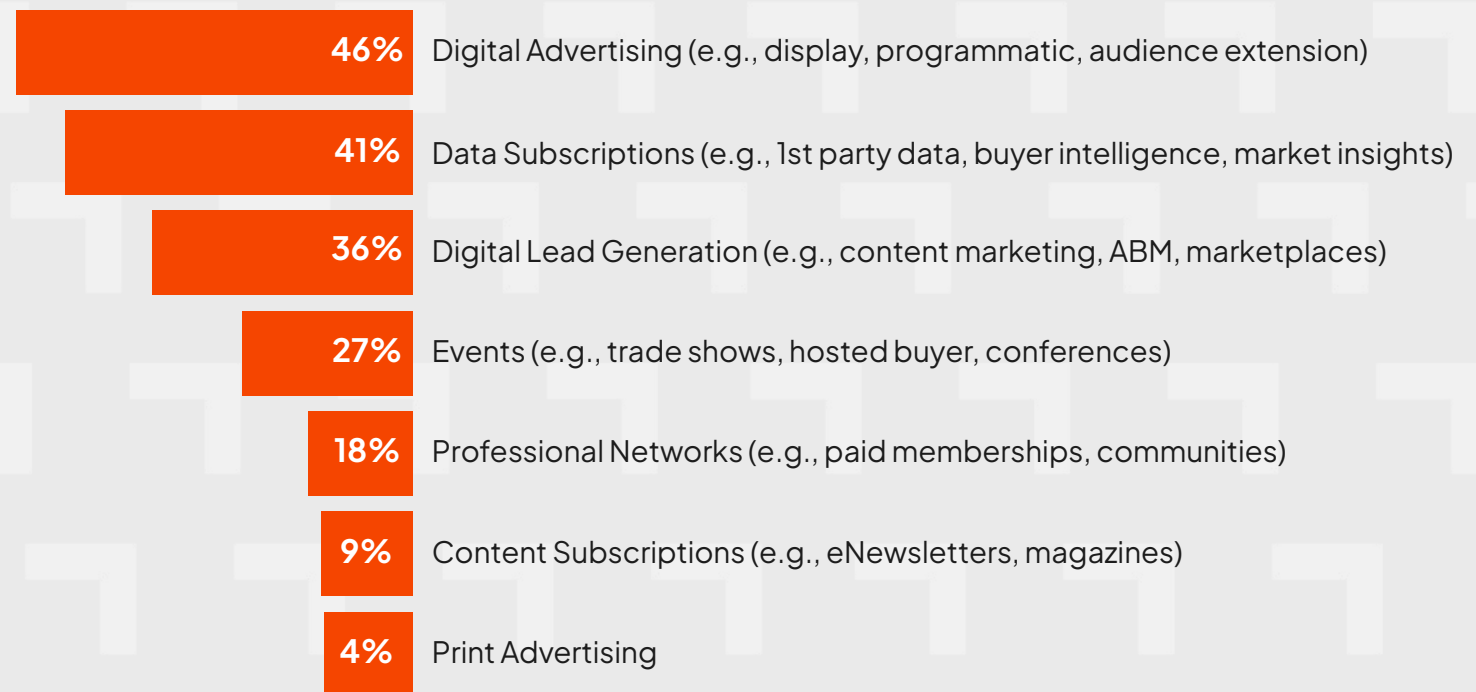
Base: Information, media, and event companies

OPERATORS AND INVESTORS HAVE SOMEWHAT DIFFERENT STRATEGIC PRIORITIES FOR GROWTH

Investors also emphasize the importance of digital revenue streams but have a different perspective about events. Only **27%** of investors with holdings in the media, information, and event industry cited events as a strategic priority for those investments, nearly half the level of operating executives. This disconnect is worth exploring. Operators are challenged with new live/virtual hybrid event models, emerging technologies to manage them, data silos, and attendee preferences that are evolving post-pandemic. They may be closer to the upside potential realized from strong execution than investors (or not as close to valuations of event-driven businesses). The chart below shows strategic priorities for investors in the industry.



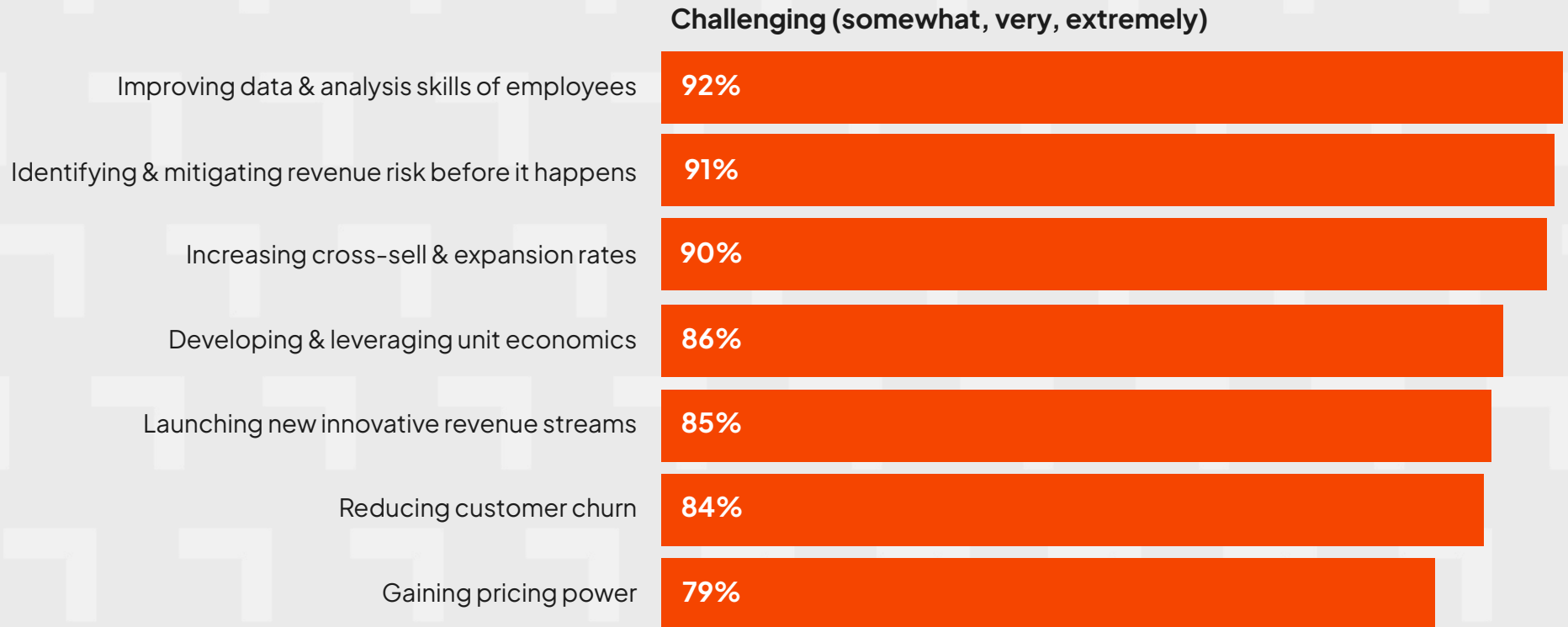
If you invest in media, information, and event organizations, which two revenue streams are the biggest priorities for your portfolio investments?



Base: Private equity and venture capital firms

CHALLENGES FACING THE INDUSTRY

Leaders of information, media, and event companies are facing diverse challenges, and data is critical to them all. Over 8 in 10 report challenges in one-half of areas of their business.



Base: Information, media, and event companies

DATA IS AT THE CENTER OF INDUSTRY CHALLENGES

The chart below highlights the most significant challenges. Improving employees' data and analysis skills is proving particularly difficult, with nearly one-half of respondents saying it is very or extremely challenging for their companies.

Further complicating this skill gap is the need to identify and mitigate revenue risks before they happen, the second most challenging area among industry leaders. If data-driven talent is lacking to manage risks, media, information, and event companies may need to invest in tools, technologies, or processes to meet this need.



Please rate how challenging the following areas have been for your organization over the past two years.

Very or Extremely Challenging



Base: Information, media, and event companies

Marketing service providers rated these areas as significant challenges at similar levels, with customer churn topping the list. Thirty-four percent of marketing service providers reported that churn reduction has been very or extremely challenging in the past two years, presumably due to tighter clients' marketing budgets during a tough economy and more competition in the industry.

GROWTH DRIVERS FOR THE NEXT 12 MONTHS

Given the headwinds of a tough economy, leaders stress the importance of current customer relationships to drive growth. At information, media, and event companies, and marketing service providers, over **80%** of respondents cited cross-sells and client expansion as very or extremely important, followed by launching new innovative revenue streams.

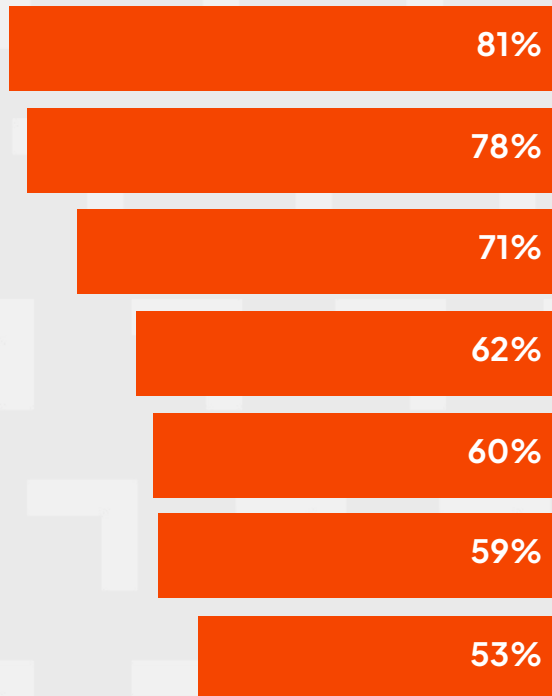
Given risks associated with churn, pricing, and other aspects of their businesses, most leaders feel strongly about the importance of identifying and mitigating revenue risks before they happen.

Interestingly, **81%** of marketing service providers deemed proactive risk mitigation as very or extremely important, while **62%** of the information, media, and event companies, reported that concern. It is striking that proactive management of revenue risks is deemed so important, yet it remains a top challenge for many companies in the industry.



Over the next 12 months, how important will the following factors be in driving profitable revenue growth? (Responses show very/extremely important)

Information, Media, and Event Companies



Increasing cross-sell & expansion rates

Launching new innovative revenue streams

Reducing customer churn

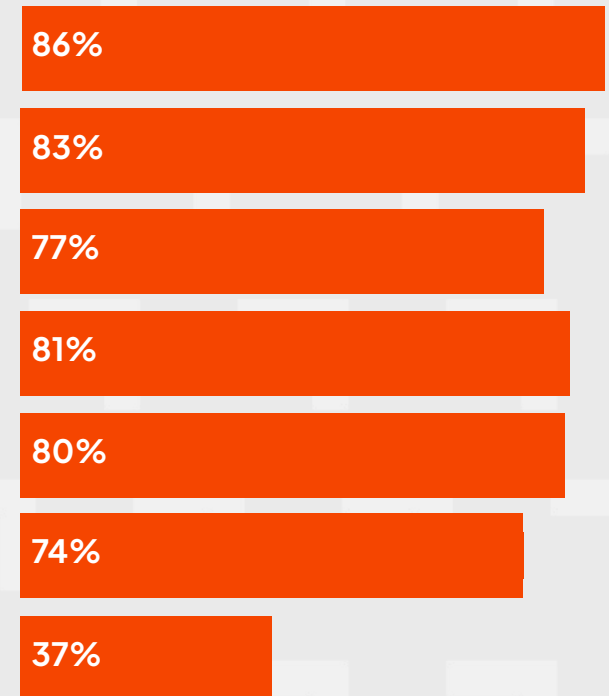
Identifying & mitigating revenue risk before it happens

Gaining pricing power

Improving data & analysis skills of employees

Developing & leveraging unit economics

Marketing Service Providers



86%

83%

77%

81%

80%

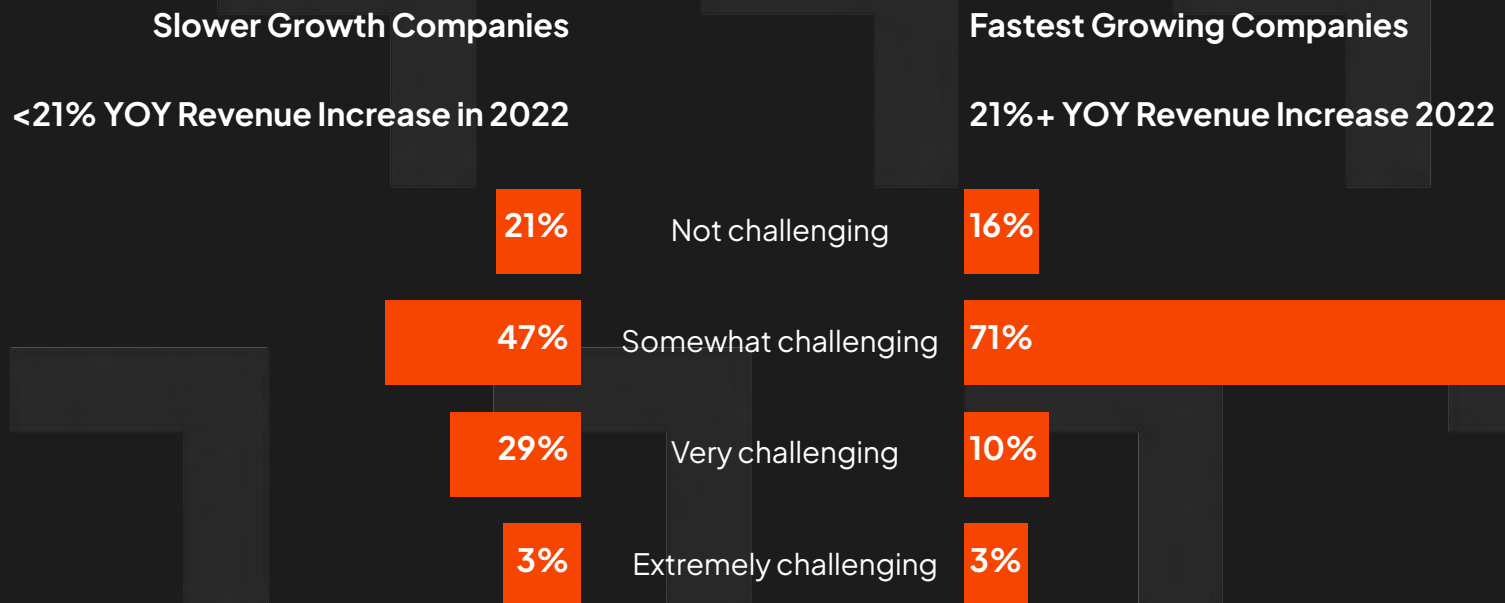
74%

37%

Investors in information, media, and event companies were also asked about growth drivers. Overall, investors agree that the factors above are quite important for their portfolio companies.

However, investors rated reducing customer churn as the number one driver of profitable growth at their investments. It was third among leaders at information, media, and event companies although nearly three-fourths of operators felt it was very or extremely important.

Investor interest in customer churn is supported by our data, which shows that faster-growing companies have fewer challenges with churn. Among the fastest growing companies, only **13%** are very or extremely concerned about customer churn vs. **32%** at slower growth companies.



OBSTACLES TO PROFITABLE GROWTH

Information, media, and event companies have different obstacles to growth than marketing service providers.

Over 8 in 10 leaders in the sector believe that challenges with improving unit economics based on analytics will have a significant or very significant impact on growth.

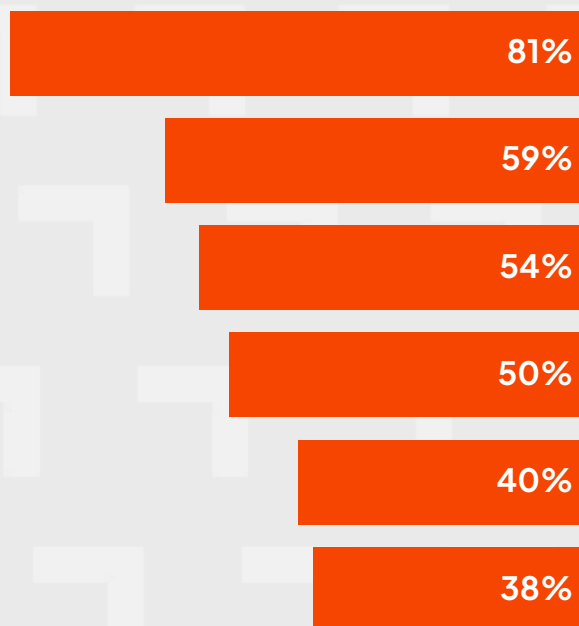
In contrast, only one-quarter of leaders of marketing service providers feel that way. Both groups are quite concerned about using data to create or enhance products, with nearly **60%** of leaders saying it would have a significant or very significant impact.

Half of the leaders at information, media, and event companies expect a significant impact from needing a single source of truth or using predictive data to manage revenue/profit risks and opportunities. Investments in these areas seem probable.

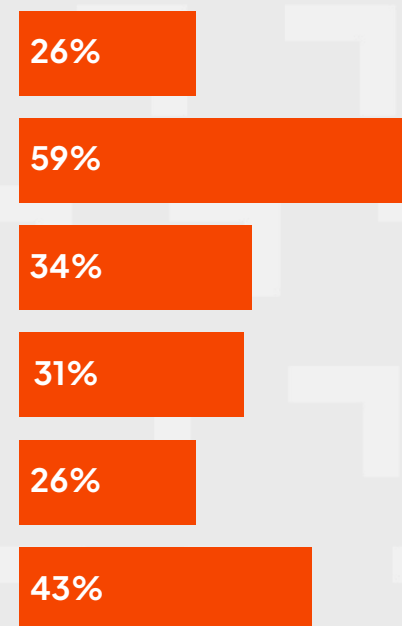
These issues were less concerning among marketing service providers, however.

To what extent do each of the following areas negatively impact your organization's ability to drive profitable revenue growth? (Responses show significant or very significant impact)

Information, Media, and Event Companies



Marketing Service



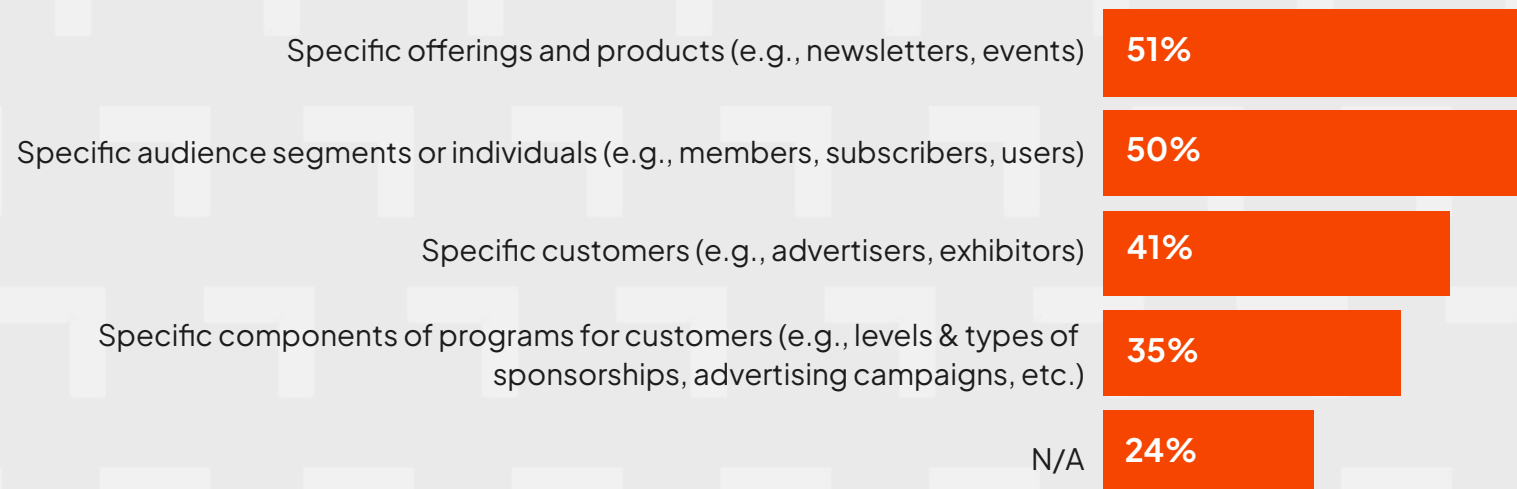
Investors were not asked these detailed operational questions. However, they were asked about the extent to which consistent and profitable revenue growth is a challenge for their investments in the sector. Ninety-five percent feel it is at least "somewhat challenging" for their portfolio companies in the industry.

USING UNIT ECONOMICS TO IMPROVE PROFITABILITY IS AN OPPORTUNITY

Only about half of the leaders at information, media, and event companies report that their organizations use unit economics to improve profitability. Yet, as previously mentioned, the inability to do so is seen as an obstacle to profitable growth by eight out of ten leaders.

Operators who are using unit economics to improve EBITDA tend to be more focused on doing so with their offerings and audiences, as opposed to specific customers (or programs for their customers).

Are you using unit economics to improve profitability in the areas below?



Base: Information, media, and event companies

DATA INTEGRITY IS CONCERNING

Given the ambitions for data-driven growth and importance of data initiatives to information, media and event companies, it is striking that less than half of all senior executives have high confidence in the trustworthiness of their company's data. Over half, **53%**, said their data is somewhat trustworthy. Leaders at marketing service providers are more confident in their data integrity, yet **37%** did say that their data is only somewhat trustworthy.

Information, Media and Event Companies

53%

40%

7%

Somewhat

Very

Extremely

Marketing Service Providers

37%

46%

17%

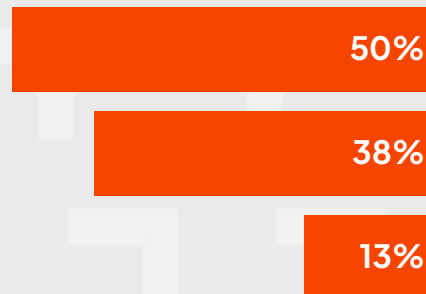
FASTER GROWING COMPANIES HAVE MORE TRUSTWORTHY DATA

We analyzed the combined responses to see if the fastest growing companies had more trust in their data. The answer is that they do, as **60%** of companies whose revenue grew **21%** or more in 2022 feel that their data is very or extremely trustworthy vs. **51%** for companies with slower growth.

How trustworthy is the data in your organization for forecasting and operations?

Slower Growth Companies

<21% YOY Revenue Increase



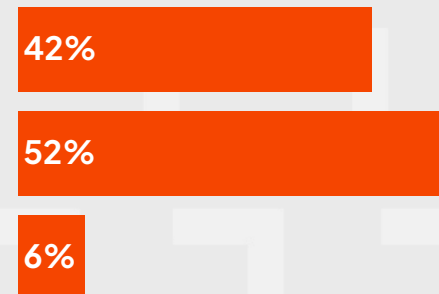
Somewhat

Very

Extremely

Fastest Growing Companies

21%+ YOY Revenue Increase



Base: Information, media, and event companies and marketing service providers

LACK OF DATA INTEGRITY HURTS INVESTOR CONFIDENCE

Investors were asked how confident they are in the financial forecasts of their investments for different time horizons. While three-quarters are highly confident in forecasts that are six months out or sooner, less than one-fifth have high confidence in forecasts beyond six months.

PREDICTIVE ANALYTICS IS BEING UNDERUTILIZED TO MITIGATE REVENUE RISKS

Few information, media, and event companies use predictive analytics effectively to mitigate risks. Less than a quarter of leaders believe their organizations are doing so effectively. From our experience, solid data foundations with trustworthy data are first needed across the enterprise, with a solid data strategy in place, to take full advantage of predictive analytics. That said, predictive analytics can be implemented in phases, making quick wins possible.

How effective is your organization in using predictive analytics to mitigate risks in each of the following areas?

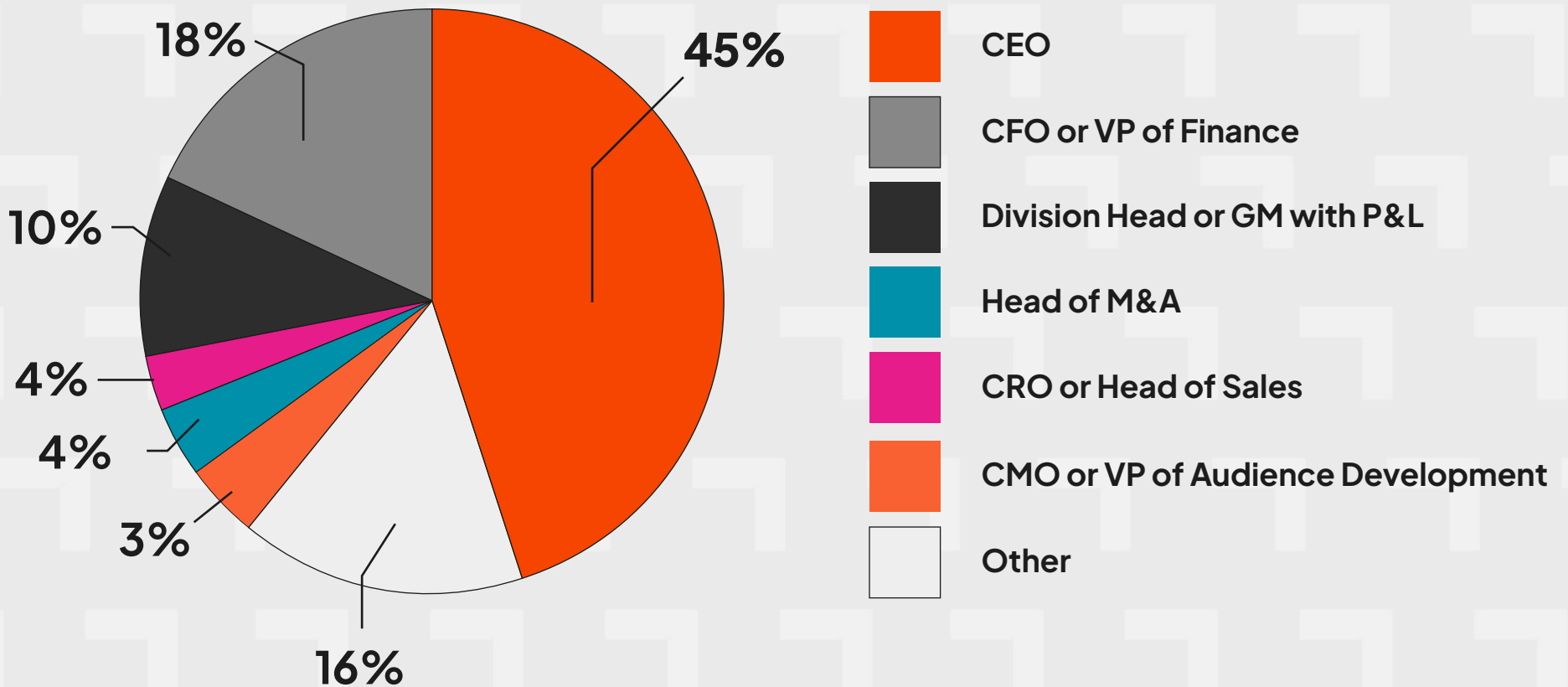
	Not at all	Somewhat effective	Effective	Very Effectively	N/A
Pipeline traction and velocity	34%	38%	21%	0%	7%
Customer churn risk	24%	49%	22%	3%	3%
Contract performance risk	32%	32%	22%	3%	10%
Brand performance risk	31%	35%	22%	3%	9%
Flight risk of sales representatives	35%	37%	12%	1%	15%
Product performance risk	21%	44%	26%	3%	6%

Base: Information, media, and event Companies

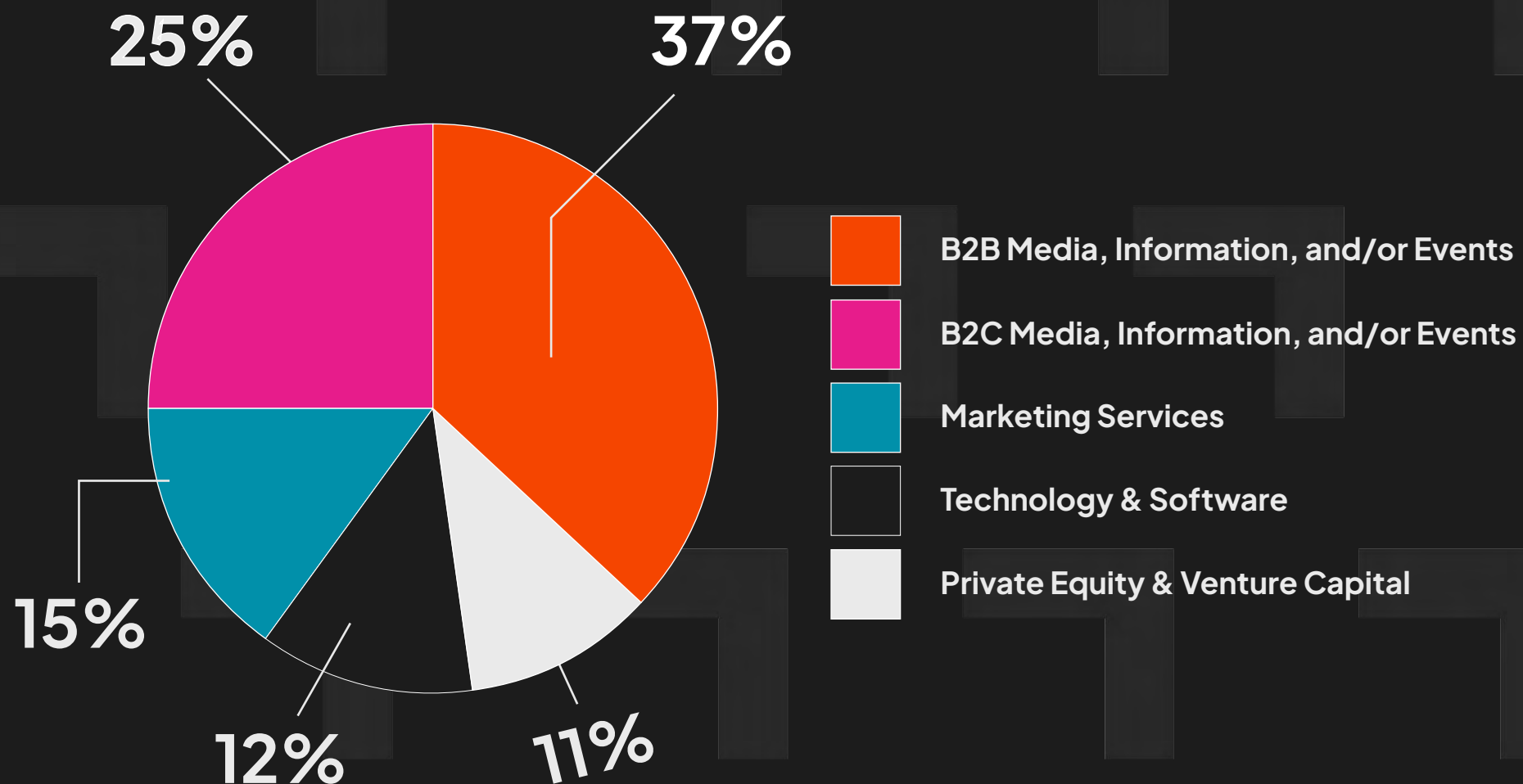
METHODOLOGY AND DEMOGRAPHICS

This study was fielded from April and May 2023, based on an online survey to senior level leaders at information, media, and event companies (Operators), marketing service providers, and investors.

The roles of respondents at information, media, and event companies and marketing service providers were as follows:



The organizational make-up of respondents:



The roles of respondents at investors were as follows:



KEY TAKEAWAYS

These findings have important implications for driving profitable growth. Here are some key considerations:

- Addressing fundamentals such as data strategy and infrastructure will be crucial, given concerns about data integrity and trustworthiness in data-driven businesses.
- Having a single source of truth that unifies your organization's customer data, product/campaign performance data, audience data, and financial data is foundational for effective data-driven growth. Doing so will set the stage to add value through improved unit economics, customer retention, and more (which are very top of mind for industry leaders). EBITDA can be improved with decisions that consider data about your offerings and audiences and going beyond CRM data for specific customers. One of many benefits can be improving your pricing power, which is deemed very or extremely important by the vast majority of industry leaders.
- In a challenging economy, more attention is being paid to current customer relationships. Reducing customer churn is deemed essential to growth by the vast majority of leaders. Customer churn can be broken into three categories: controllable, uncontrollable, and self-imposed, prioritizing the most addressable areas.
- Revenue growth drivers such as cross-sells, account expansion, churn reduction, and new revenue streams are a team sport. Success comes from true organizational alignment with more stakeholders at the revenue table and change management.
- Identifying and mitigating revenue risks before they happen is an untapped opportunity in most organizations. Examples include risks from underperforming contracts, customer churn, and turnover of sales representatives. Managing these risks can be achieved by taking a holistic view of data and gleaning insights from predictive analytics.

Schedule **a call today.**
<https://www.h2klabs.com/consultation>

ABOUT H2K LABS

H2K Labs empowers media, events, and digital information companies to thrive in a rapidly evolving market. With over 30 years of experience, we understand the challenges businesses face in these sectors and have developed a data-first approach to help overcome them. Using AI-powered revenue intelligence, analytics and visualization, and real-world expertise, we unlock new opportunities for growth, scalability, and future-proofing revenues. Our team of experts works closely with revenue, finance, marketing, and product leaders to design winning data strategies, modernize revenue operations, and identify high-growth monetization opportunities.

Schedule **a call today.**

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