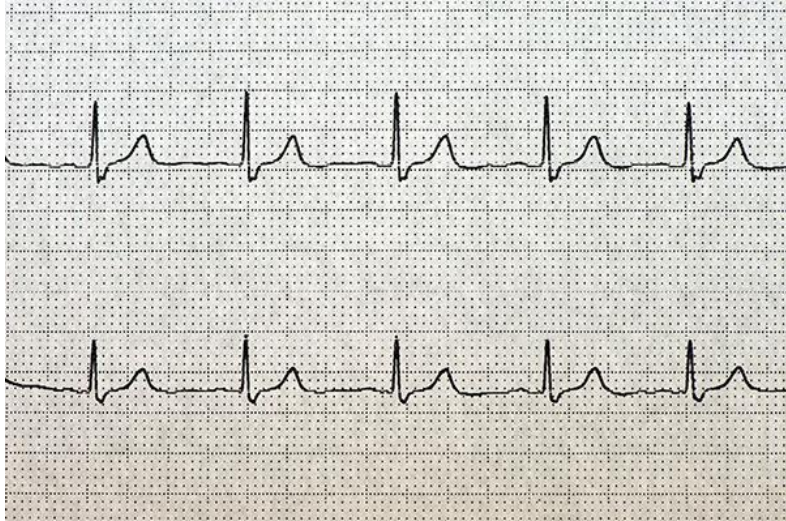


FIBEP



State of the Industry

2017



We worked with an
independent Market
Research & Consulting Firm





FY17/ CY16: Last year

FY18/ CY17: Current year

115 firms were surveyed over the last two months

Category	N	Annual Revenue	Members vs. Non-members	Geographical presence
Very Large	4	>50 MN Euro		
Large	8	16 MN – 50 MN Euro		
Medium	37	1 MN to 15 MN Euro		
Small	32	< 1 MN Euro		
Overall	115	-		

■ Member ■ Non member

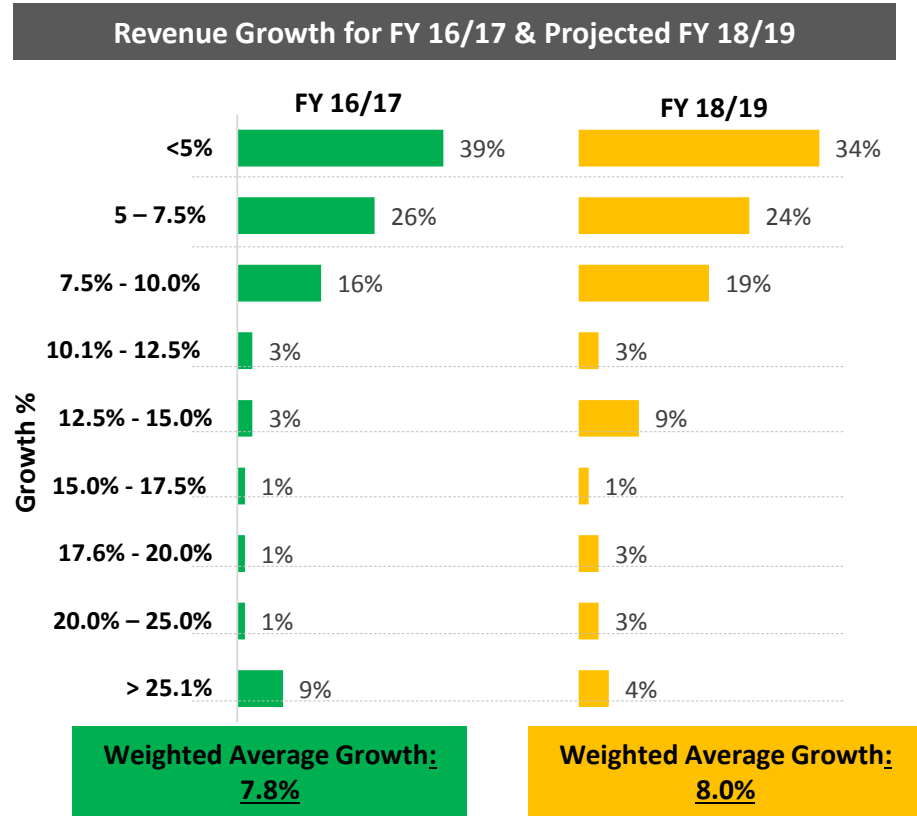
■ Western Europe
 ■ Middle East
 ■ Asia (excluding South East Asia)
 ■ North America
 ■ Africa
 ■ Central & Eastern Europe
 ■ South-East Asia
 ■ Australia & Oceania
 ■ South America

Q. In how many countries does your company operate (including head office)

Q. Could you please select region/regions where you have offices currently operational?

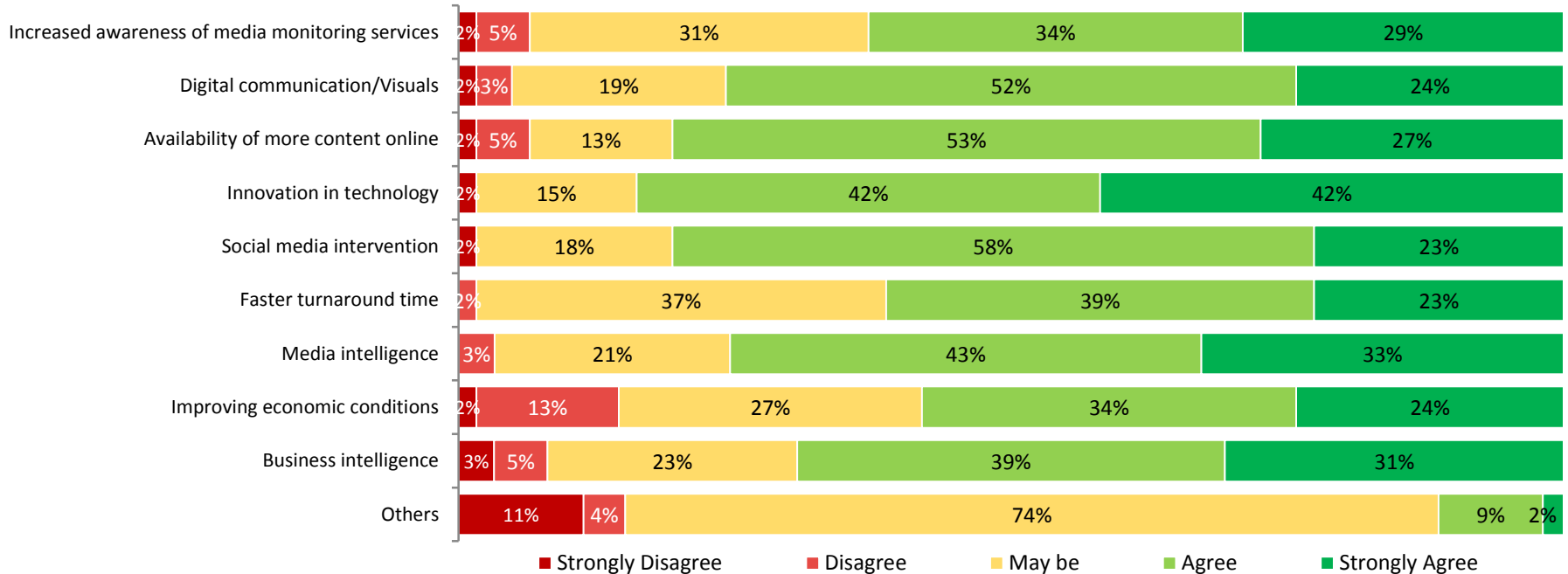
Companies are optimistic about the revenue growth averaging 7.8% for last year and 8% for current year

Q. Could you indicate the rate at which your organization revenue has grown ?



Innovation, Online content and Business Intelligence expected to drive growth

Major Drivers for Revenue Growth



Others include economy, drivers of change, AI etc.

Q. Please indicate which of the below factors, in your opinion, drive growth in the industry.

Mixed outlook by industry on AI impact on the industry

Verbatim

- *“We believe that artificial intelligence will boost our analysis and products in general: more productivity, faster and more precise”*
- *“natural language processing, advanced emotion detection, picture detection are used currently”*
- *“The possibility to gain insights and to make automated prognoses, based on a large number of data settings”*
- *“Will not harm the industry in any which way”*
- ***“Normally the MMO's do not have enough Money to spend for AI”***
- ***“Copyright issue”***
- ***“Quick but inaccurate results”***
- ***“The financially strongest companies will dominate the industry in each region”***

Overall industry outlook

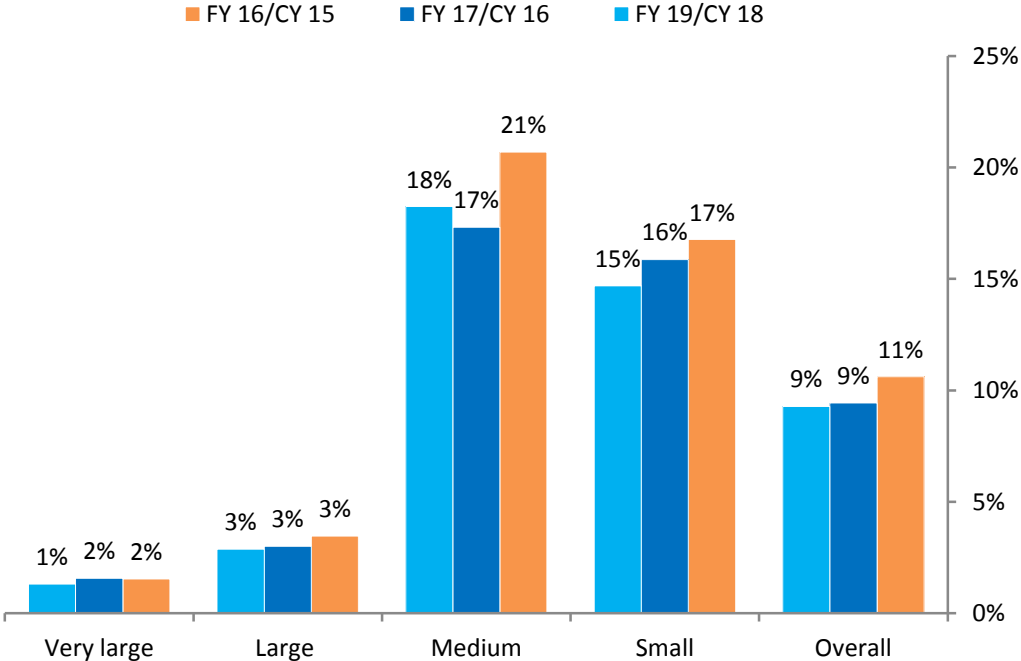
Negative	42%
Neutral	20%
Positive	38%

Q. What are the challenges that you believe will impact the industry in the light of the artificial intelligence revolution?

Q. What in your opinion, are the opportunities that are likely to benefit the industry because of the artificial intelligence revolution?

Smaller organizations invested more (% of revenue) on IT as compared to others

IT spends as a % of revenue by category



Overall about 10% of revenues is spent on IT

Q. Please indicate your approximate money spent on IT as % of revenue? How do you see this changing over the next two years?

Top 5 IT spends by category – Larger companies are investing heavily in Business intelligence, data mining, AI, logo detections compared to others

Rank	Very Large	Large	Medium	Small
*1	<ul style="list-style-type: none"> • Logo detection • Text mining • Image Recognition 	<ul style="list-style-type: none"> • Logo Detection, Image recognition • Journalist/Key influencer management 	<ul style="list-style-type: none"> • Financial & Business Information • Archive 	<ul style="list-style-type: none"> • Risk assessment
2	<ul style="list-style-type: none"> • Content marketing solutions 	<ul style="list-style-type: none"> • Integrated media measurement 	<ul style="list-style-type: none"> • Consulting services 	<ul style="list-style-type: none"> • Social media engagement solutions
3	<ul style="list-style-type: none"> • Web news monitoring • Print media monitoring 	<ul style="list-style-type: none"> • Social media measurement 	<ul style="list-style-type: none"> • Journalist/Key influencer management 	<ul style="list-style-type: none"> • Content marketing solutions
4	<ul style="list-style-type: none"> • Integrated media measurement 	<ul style="list-style-type: none"> • Media measurement 	<ul style="list-style-type: none"> • Content marketing solutions 	<ul style="list-style-type: none"> • Press release distribution
5	<ul style="list-style-type: none"> • Media measurement 	<ul style="list-style-type: none"> • Radio monitoring • Print media monitoring 	<ul style="list-style-type: none"> • Social media engagement solutions 	<ul style="list-style-type: none"> • Others

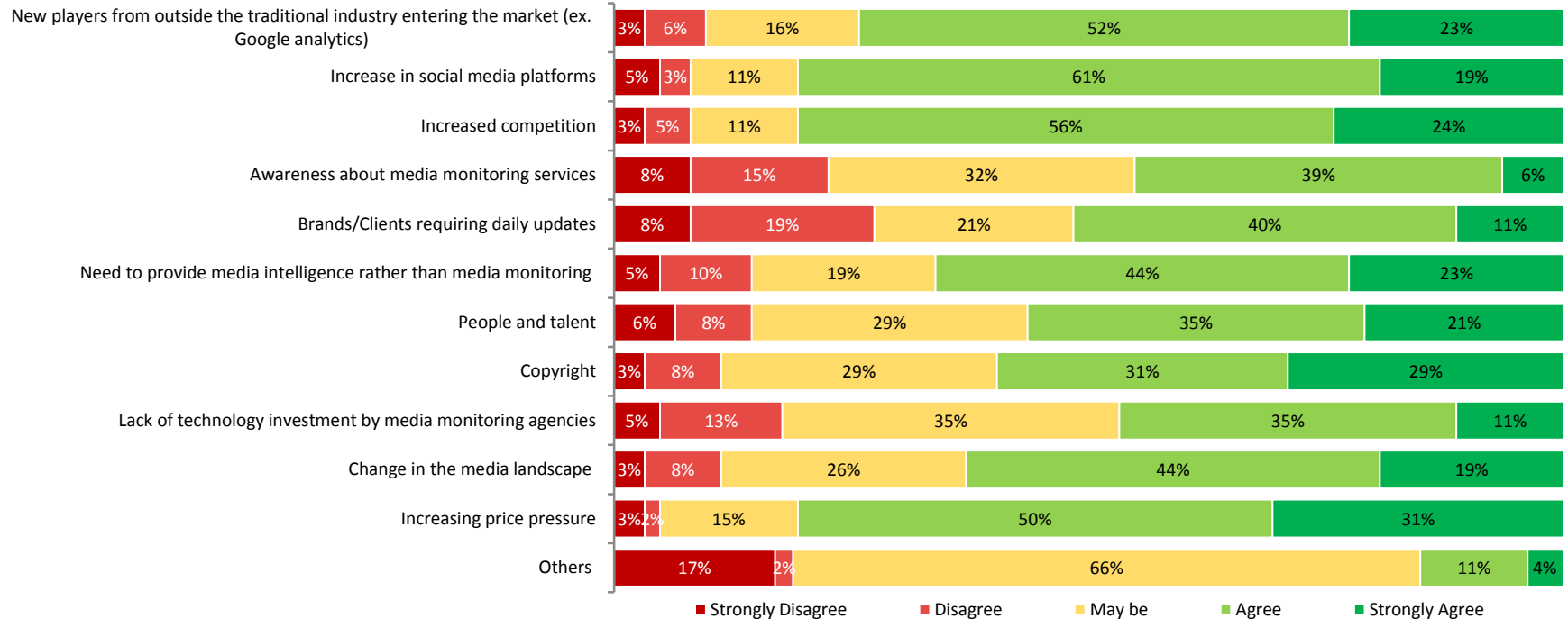
• Other spends include Logo detection, Image recognition, Financial & Business information, Archive and Text Mining

*1 – Highest

Q. Which are the top five areas where IT spends have happened? Please rank them according to the spend.

Price pressures, competition & increase in social media platforms are likely to impact growth

Major Challenges that are likely to impact growth

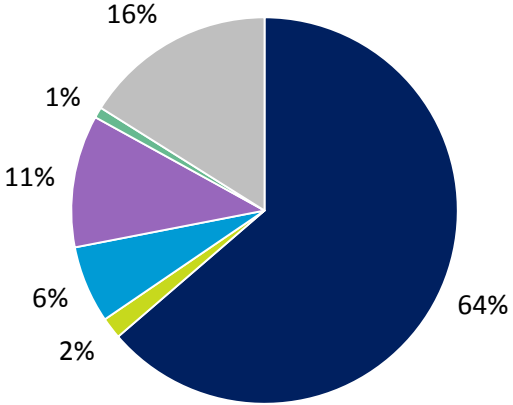


Others include economy, drivers of change, AI etc.

Q. What in your view are likely to be the challenges for future growth (next three years)?

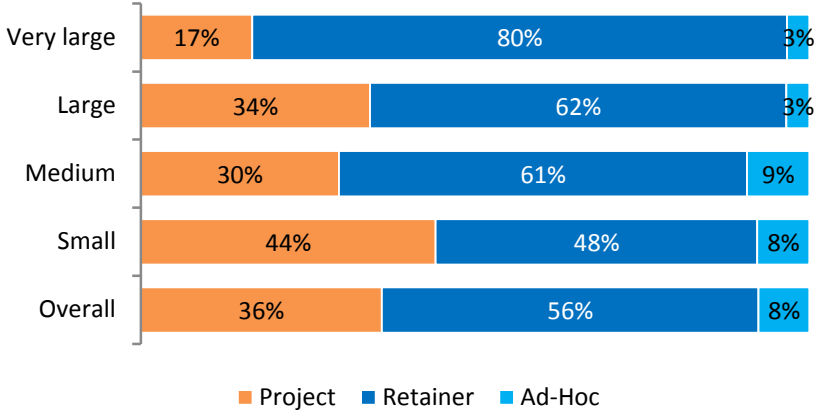
No significant change noticed in revenue contribution by customer segments. Revenue share from retainer business higher for the medium to large firms

FY 18/ CY 17 (current year)



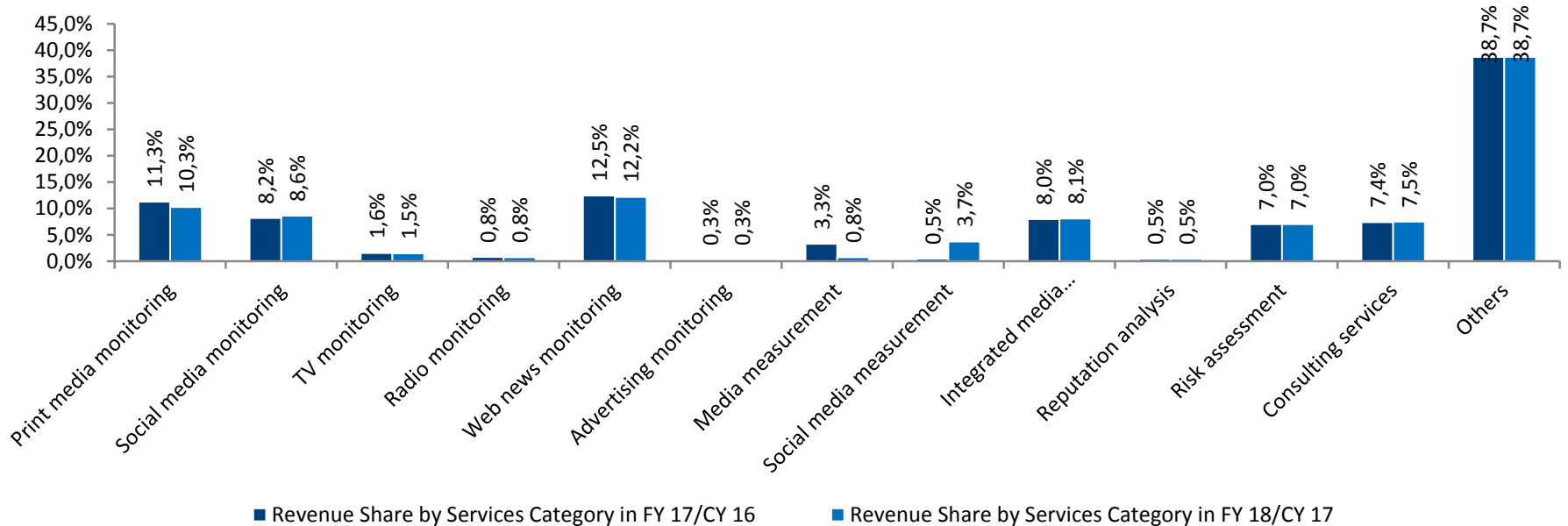
- Corporate clients (private sector companies)
- Cultural institutions and NGOs
- Public relations agencies
- Government or state owned companies (public sector)
- Other media monitoring/analysis companies (FIBEP members/non-members)
- Others - Libraries, Advertising, Sponsoring, Academic Institutions, Religion and Individuals

Revenue Share by Business



Q. Indicate the approximate revenue share (in FY 17/CY 16) by projects vs. retainer that you generate revenue from?
 Q. What is the revenue contribution by your customer segments over the last two years? Kindly indicate the revenue share (in %) in the table below. Do you see this mix changing?

Business Intelligence, Digital services, Customer Insights constitute the “Others” category



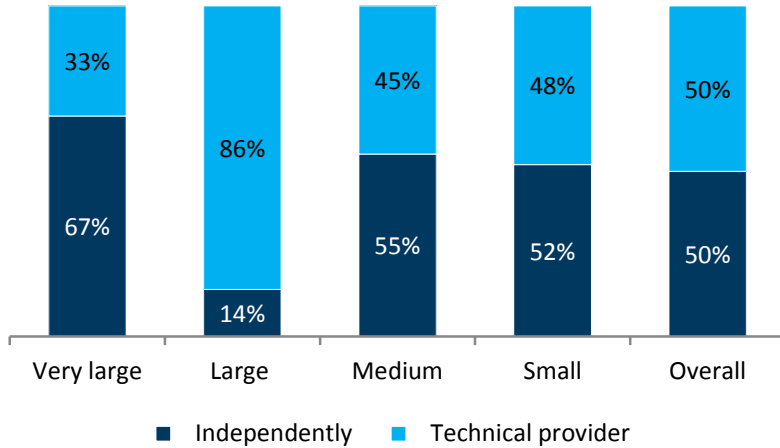
Q. Please indicate the approximate revenue share (in %) by services offered by your organization for the last two years and the projected revenue share for FY 18/CY 17?

'Other services*' a major revenue contributor for large and very large companies

Services	Very large	Large	Medium	Small
Print media monitoring	1%	42%	34%	26%
Social media monitoring	5%	0,4%	0,2%	0,4%
TV monitoring	0,3%	3%	9%	10%
Radio monitoring		2%	5%	9%
Web news monitoring	12%	11%	18%	14%
Advertising monitoring	0,1%		2%	9%
Media measurement	0,2%	2%	3%	1%
Social media measurement	1%	12%	11%	12%
Integrated media measurement	10%	6%	3%	2%
Reputation analysis		0,2%	5%	3%
Risk assessment	10%		1%	0,1%
Consulting services	10%	2%	1%	3%
Journalist / key influencer Mgt.		0,4%	2%	
Social Media engagement solutions			0,3%	
Content marketing solutions			0,2%	0,3%
Press release distribution			1%	1%
Logo detection			0,3%	0,4%
SaaS		2%	5%	2%
Others	49%	18%	0,2%	6%

Q. Please indicate the approximate revenue share (in %) by services offered by your organization for the last two years and the projected revenue share for FY 17/CY 16?

Monitoring Social Media



Large companies are partnering more with technical providers compared to others

- Overall, 62% of the companies monitor Social media by themselves, while the rest chose to hire a technical provider

Q. Do you monitor social media by yourself (independently) or with the help of a technical provider?

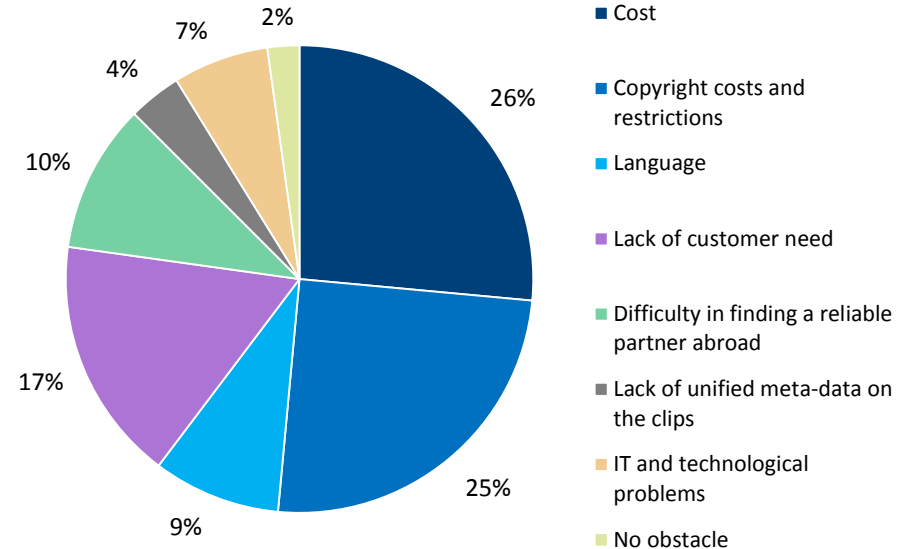
Obstacles in delivery of international media monitoring.

1. Cost

2. Copyright costs/restrictions

3. Language

Obstacles in delivery of International Media Monitoring

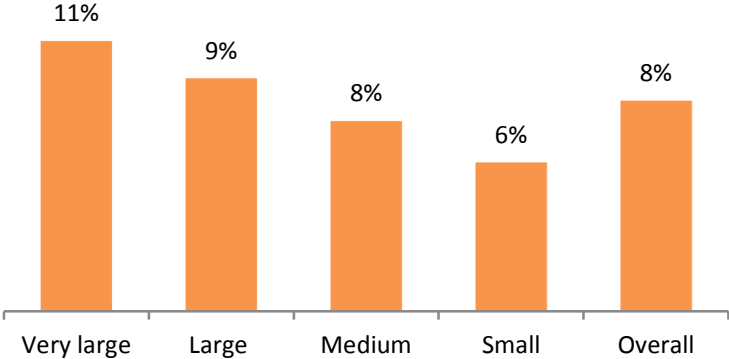


Q. How many international clippings do you deliver in percentage of your total clippings?

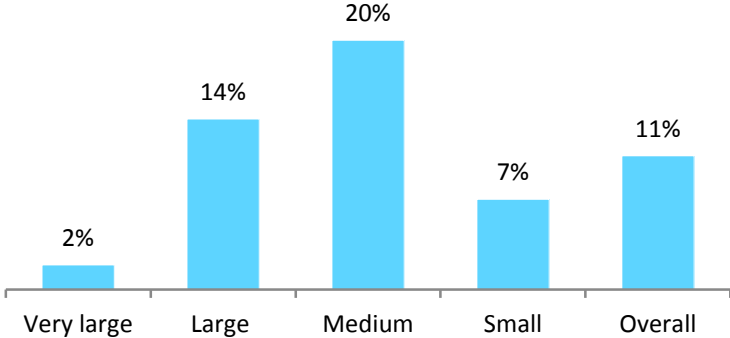
Q. What in your view are the biggest obstacles to increase the sale of international media monitoring?

Overall copyright fee as a % of revenue has remained similar to last year

Copyright Fees as a % of revenues



Average % of increase in fee since 2012

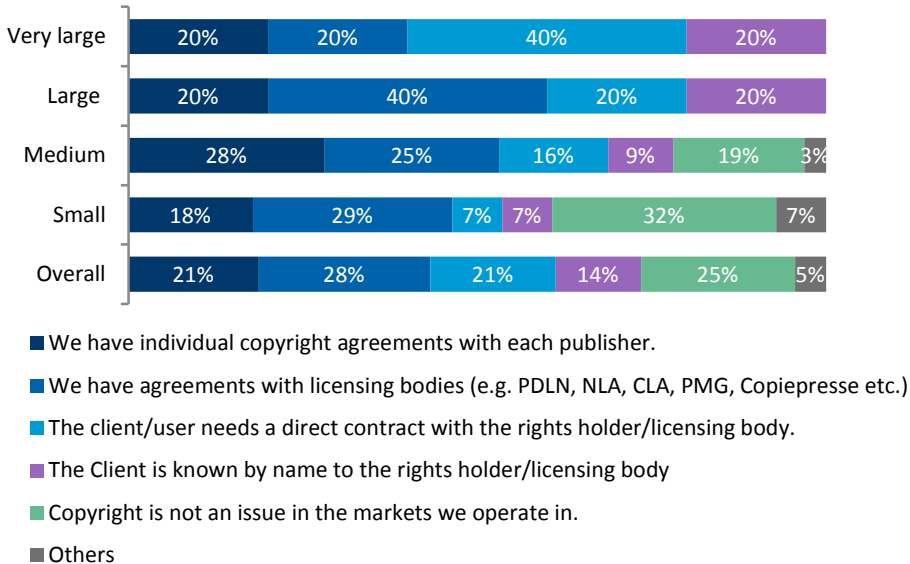


Q. Taking into account the total content licensing/copyright fees, what would these fees be as a percentage(%) of your company's total annual revenue?

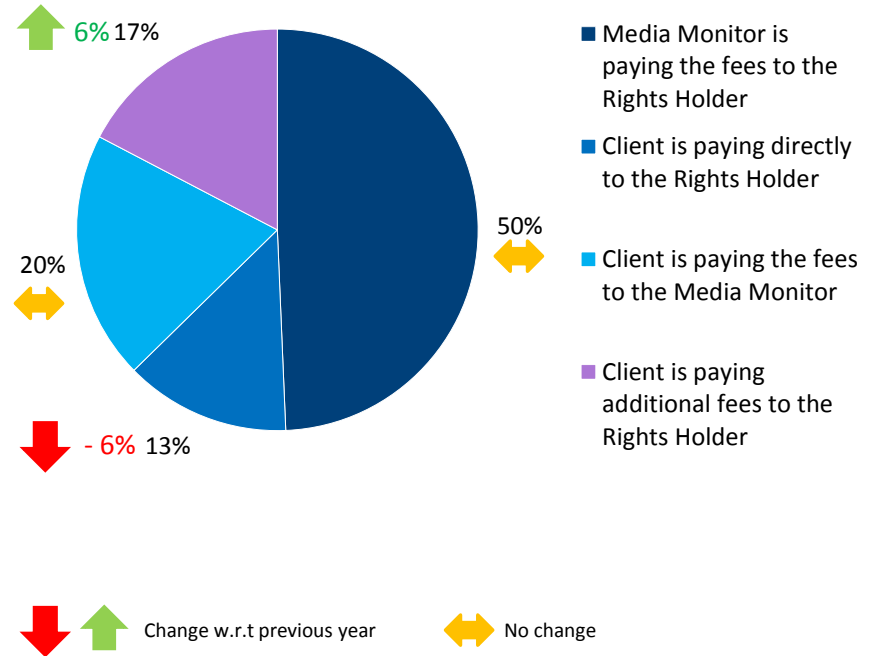
Q. How much has the copyright fees increased since 2012? Please indicate in % terms.

Copyright fee payment from client to the rights holder has increased from last year

Type of agreement



Mode of fee payment

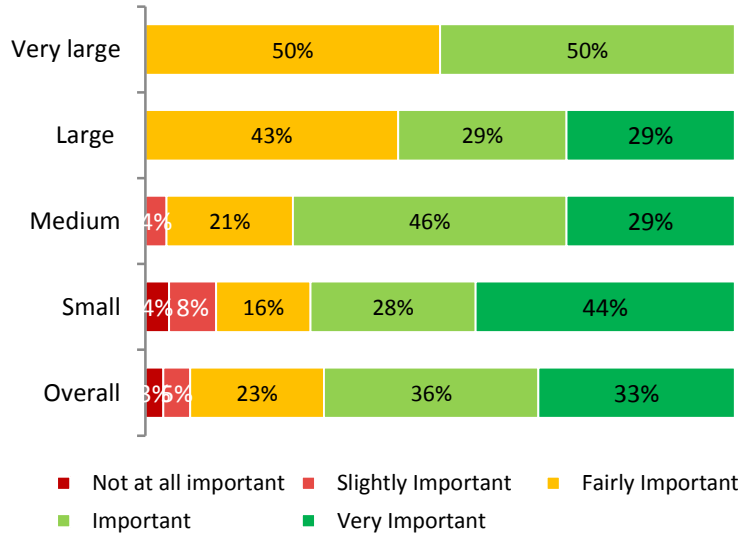


Q. Please indicate which of the following statements best describe the licensing environment for press copying in your major geographical market(s) (by revenue).

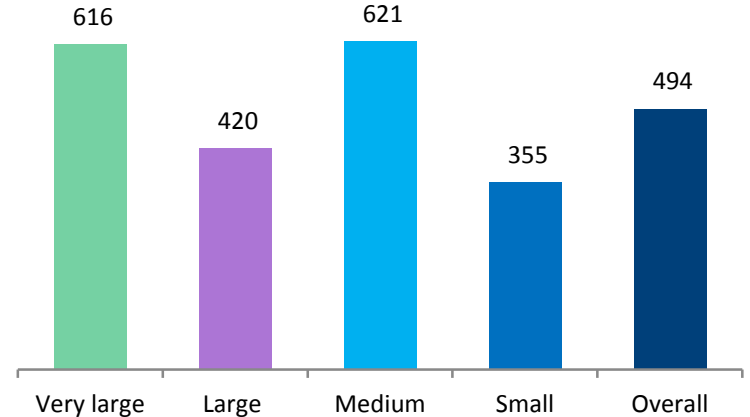
Q. Which of the following statements best describes how copyright fees are being paid?

Training related – Training is critical for mid and small size companies. ~500 € is spent for training per employee

How critical is training in your operations?



Training spend per employee (€)



- **Emphasis on training is higher in Small and Medium firms. New entrants typically spend about 25% of their training spend in fields of digital, analytics and AI**

Q. According to you how critical is training in your operations??

Q. Indicate the approximate spend on training as % of revenue?

Thank you!

Key takeaways

Industry

- Industry projected to grow at 5-6%; Developing markets expected to drive revenue growth
- South East Asian markets has seen increase in revenues, even though not many companies have offices in these locations
- Newer technologies like AI, Machine learning, SaaS, NLP, Sentiment analysis, Text mining, bots, E-paper will impact the industry positively

Customers

- Corporate clients continue to contribute the highest to the revenues of the companies, increased from 62% last year to 64%. This is not likely to change anytime soon in the future
- Retainer business is still considerably higher than projects business

Services

- Print media monitoring is on the decline, social media monitoring is likely to increase.
- Other services have grown in contribution to revenue
- Newer metrics have made its way to the preferred methods of measurements, Companies irrespective of their size are increasingly providing customized measurement services to clients
- Copyright continues to be one of the highest concerns due to the changing landscape in different countries.
-