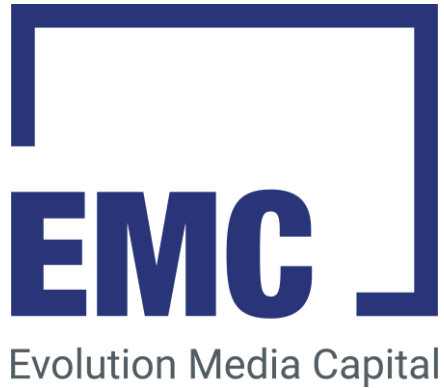




The New York Times Company (NYT) 2019 Q1 Earnings Summary

May 2019

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Key Takeaways

The New York Times Is Building Out A Suite Of Subscription Products That Complement Their News Offering

SUBSCRIBERS

- **Have been focused primarily in English-speaking markets outside the U.S., like Canada, Australia and the U.K.**
 - International now accounts for 16% of total subscriptions, still growing at a rate slightly faster than domestic, but only slightly
- **Generally pleased to see that they are bringing a lot of new people into the mix, and are barely scratching the surface**
 - Seeing over time that the audience and subscription base is becoming younger and more female and more from the center of the country
 - There's real running room there both in bringing in many more new people and also getting them into other products

MARKETING

- **Marketing has been going from total expenditure on direct response to spending across the whole of the funnel**
 - Middle funnel work is getting people to move up in meter count, and engage in behaviors that will ultimately lead to a subscription over time
 - At the top of the funnel, have released a television commercial demonstrating how their content is both different and worth paying for
- **Most important work is getting the product to be a better engine of getting people to form a habit of paying and staying with them**
 - Can spend relatively modest sums of money to drive a lot of marketing energy and demand creation on both products

OTHER CONTENT

- **Excited about the creative potential of podcasts, but also the commercial prospects for advertising and subscriptions**
 - The Daily is now really beginning to drop new people into the subscription funnel for their core news product
 - At 2 million daily listeners, The Daily has more listeners than the weekday paper ever had subscribers
- **Very excited about The Weekly, their new TV program for FX and Hulu, which launches in less than 4 weeks time**
 - Key thing in this first year is proving out their ability to turn journalism into a great TV program in terms of quality and to find an audience for it

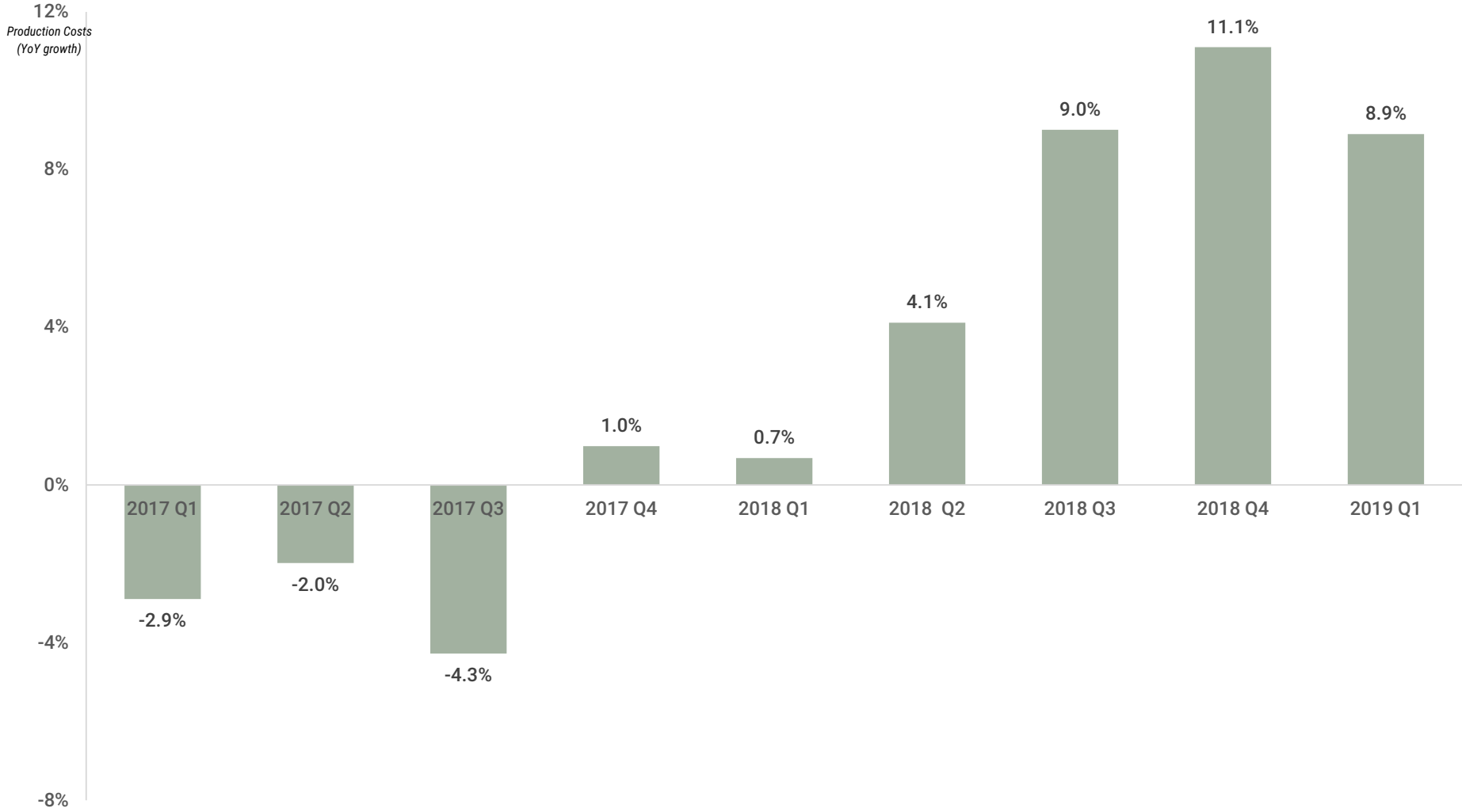
CROSSWORD

- **Strategy is to build a constellation of products, which can both work with each other and also work with the core news product**
 - There are more puzzles and games for the kinds of people who like crosswords, and have a lot of optimism about running them there
- **Crossword product passed the 500,000 total subscription mark, which makes it, in its own right, the fifth largest digital subscription product from a U.S. news provider**
 - Over time will do more around community and collaborative play

Management is appropriately focusing on engagement metrics as it transforms itself into a direct-to-consumer platform

Production Costs

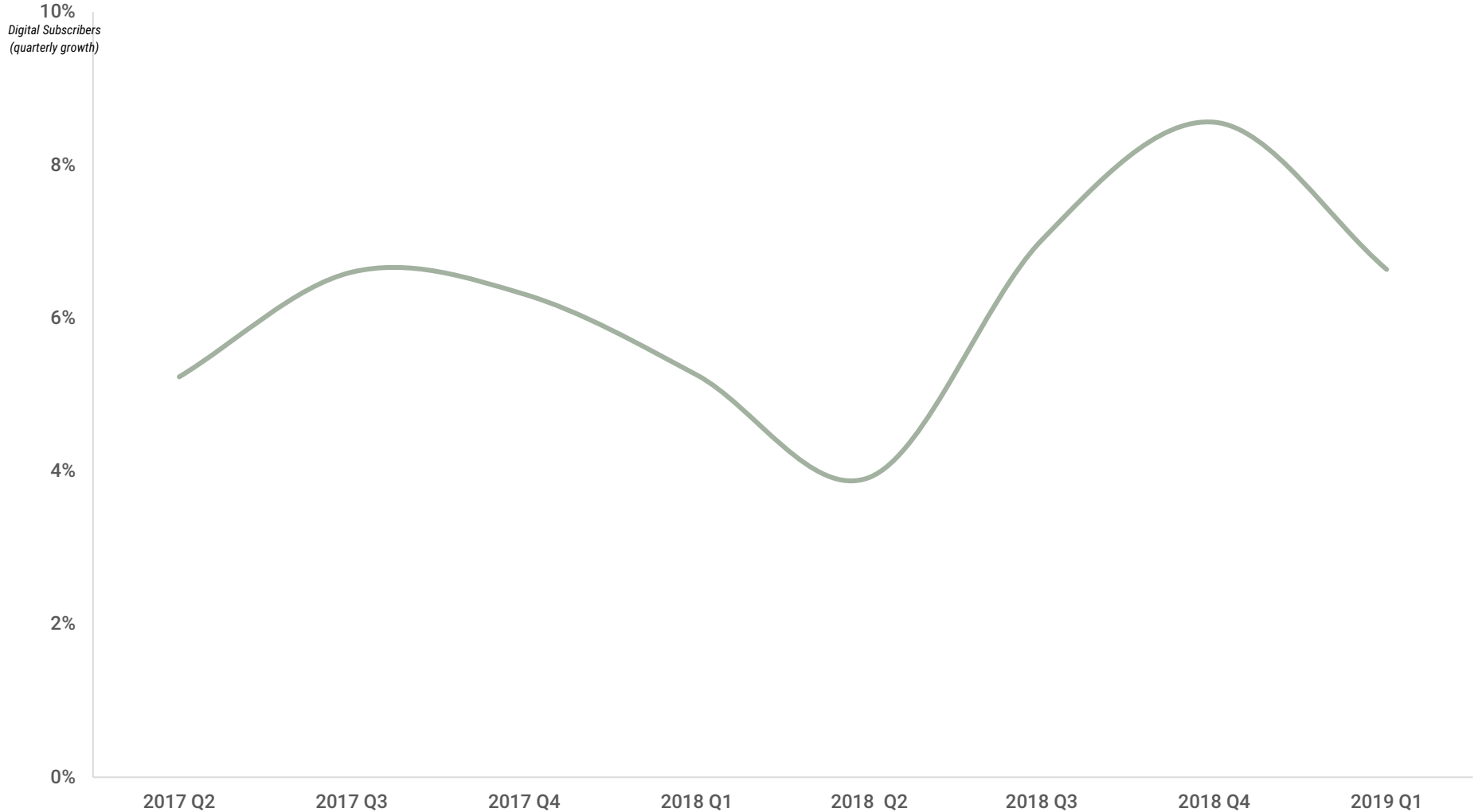
Investigative Journalism Is Expensive, But Has Proven To Be A Key Differentiator Among News Outlets



Expansion into new forms of content can provide marketing for their journalism, while also contributing profit margin

Digital Subscribers

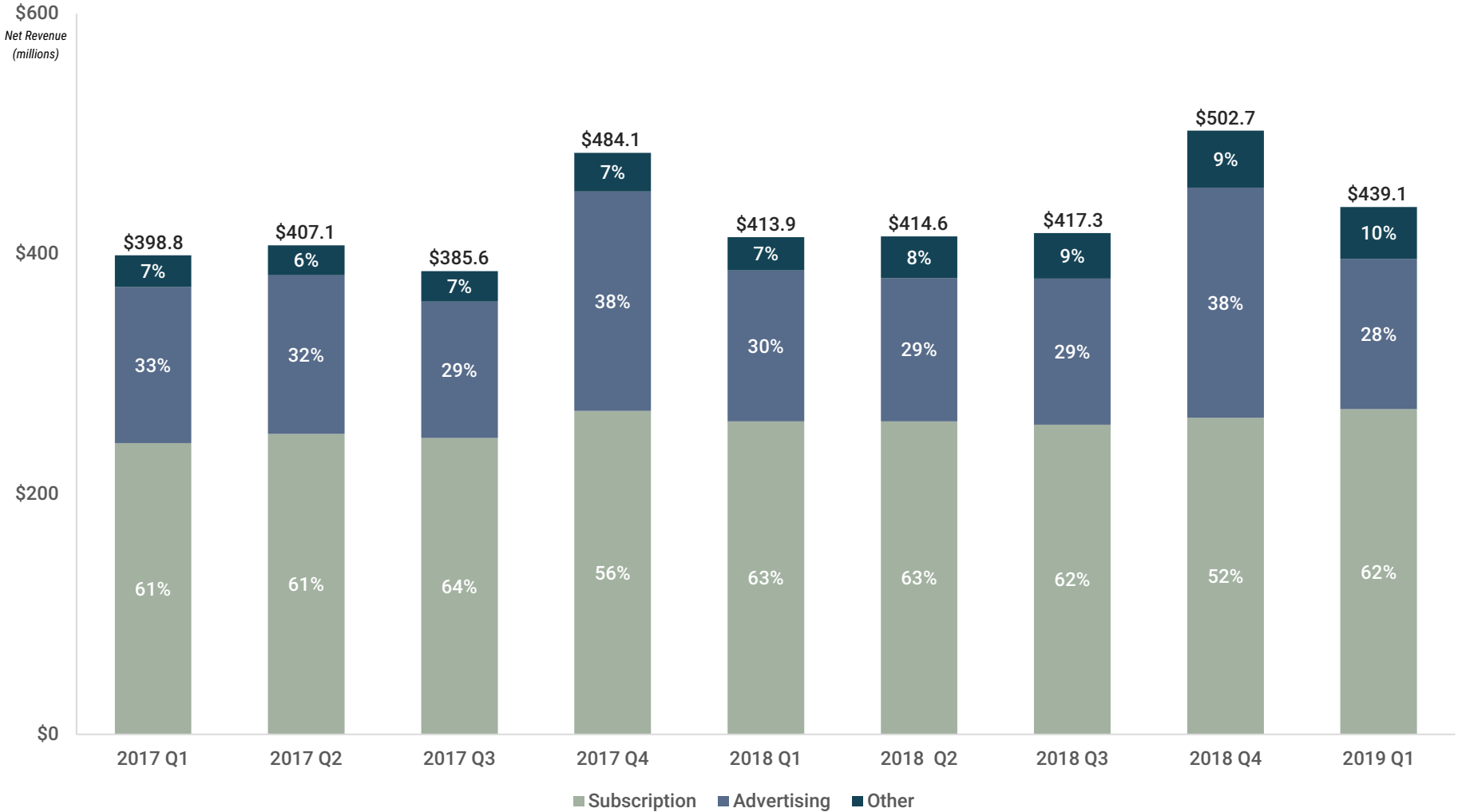
There Are Plans To Introduce New Dynamic Paywall Models That Encourage Sign-Ups With Low Pricing



The strategy is based around providing quality content that helps retain customers and improve lifetime value

Revenue

There Has Been Reluctance To Be A Part Of Apple News+ And Other Digital News Publisher Aggregators



Subscriptions can provide more steady cash flows that allow for continued reinvestment back into their core products