

The New York Times Company (NYT) 2019 Q4 Earnings Summary

February 2020

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# Key Takeaways

## The New York Times Is Raising Prices To A Subset Of Their Digital Subscribers Over The Course Of 2020

### PRICE INCREASE

- **Have begun to phase in the first price increase for many of their more tenured digital new subscriptions**
  - Broader progress with retention gives them confidence that they will be able to execute this effectively
  - Once people are out of their introductory period, the target will be to get as many subscribers as possible to this new pool price
- **Conducted a fairly extensive test last year, and used the results to inform what they should set as the final criteria for tranches**
  - Lessons and tactics developed over many years with the print side were also applying to the digital price rise

### AUDIO

- **Monetizing podcasts quite well today as a high CPM ad business that has an enormous amount of demand**
  - The demand for audio, particularly habit-forming audio, with a great brand in the market is incredibly strong and don't see that abating anytime soon
  - Confident in their ability to use The Daily as a launch pad for other audio shows
- **Podcasts are an extremely cash generative activity to build up a body of engaged loyal users, who will become future subscribers**
  - Running "house ads" in The Daily as a way to draw people into their funnel and don't rule out that they will do that in an even more direct ways

### ADVERTISING

- **Reducing reliance on generic digital display and developing distinctive new offerings in areas like branded content**
  - Successfully forging large-scale partnerships with the world's leading brands and building revenue from audio and other new sources
- **Optimistic that they can have a strong ad business based on scaling direct relationships with deeply engaged subscribers**
  - Launch formal new first-party data based advertising solutions to create new privacy safe ways of reaching their engaged and valuable audience
  - Will take a long time before it becomes a growth driver in the business, but confident that it's a competitive approach for the ad business

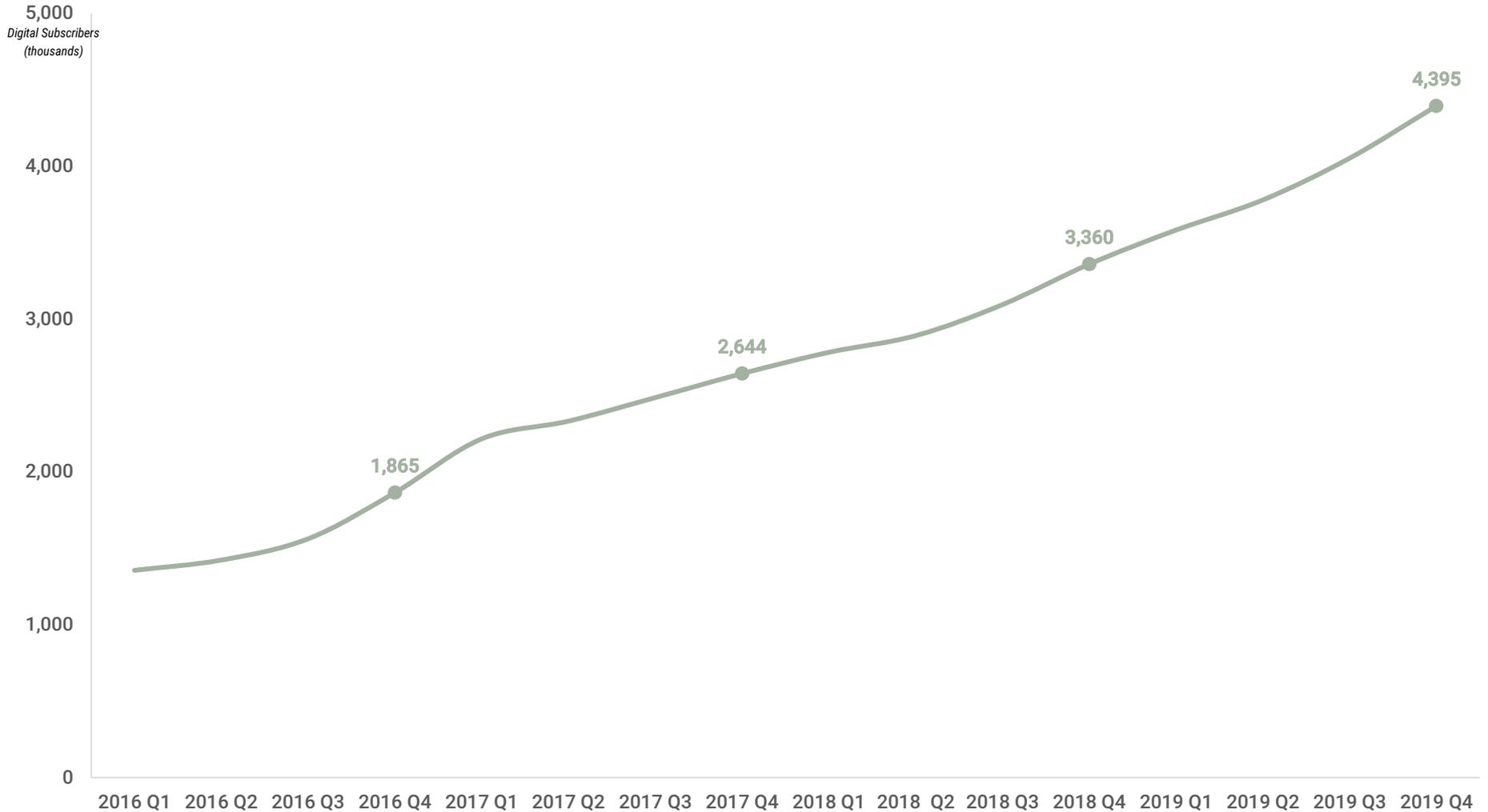
### DISTRIBUTION

- **In the past, there was a sense that platforms were doing a favor by distributing their content, but balance of value has changed**
  - Broad principle is that digital platforms gain real value from having their brand presence in their environments
- **Don't see aggregation, which is almost a commodity out there now in the Internet, as a strategic path forward**
  - Over the coming months, expect to review their relationship with every significant company that is distributing The Times in different forms
  - Focused on a very simple business model of producing the world's best journalism and finding a loyal audience with the willingness to pay for it

*New products will continue to be launched in order to make their way into people's lives and get them to form habits*

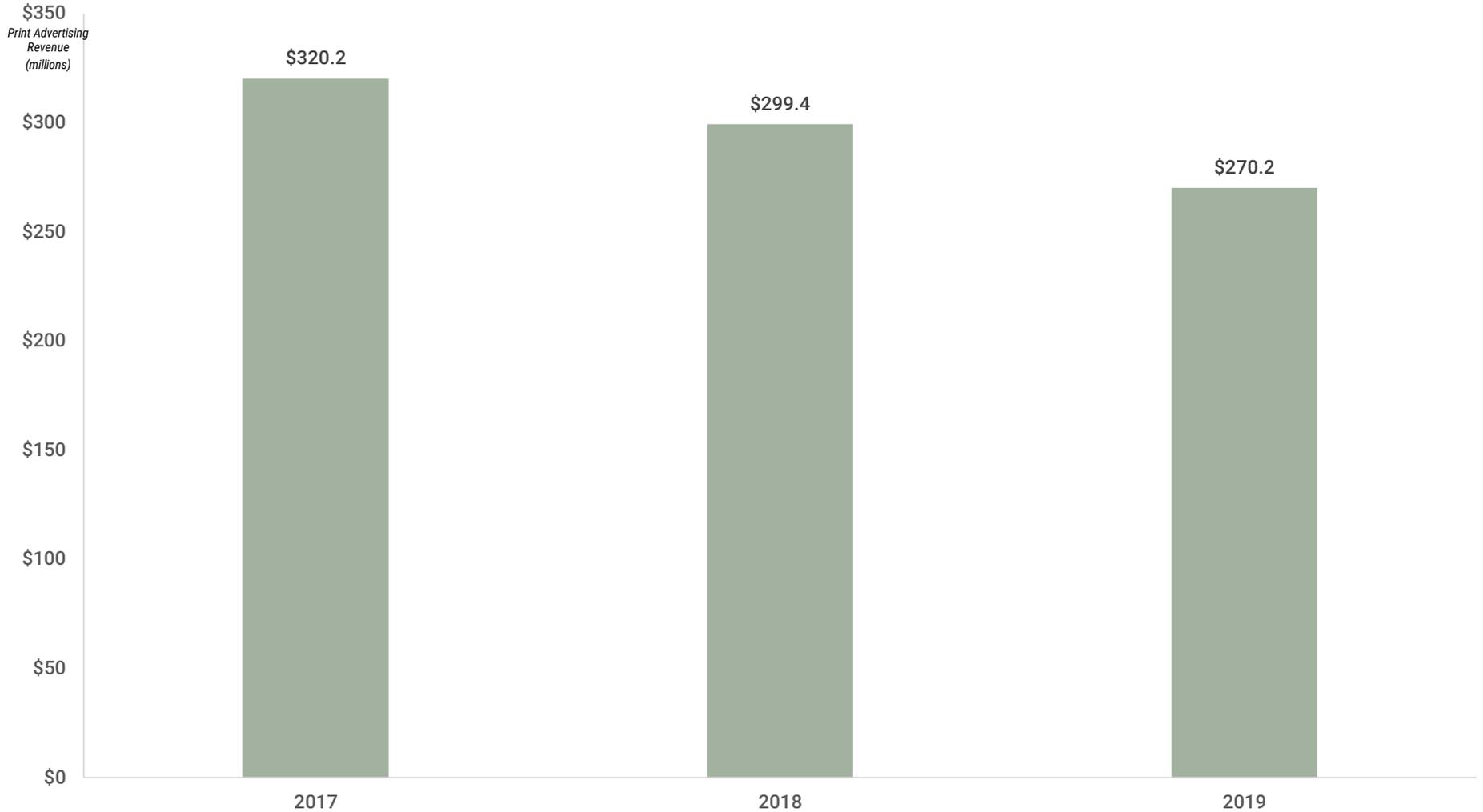
# Digital Subscribers

There Is A Relentless Drive To Use Data Analytics To Optimize All Parts Of The Digital Subscription Business



*Experimenting with locally relevant price points as they get set to accelerate their expansion into international markets*

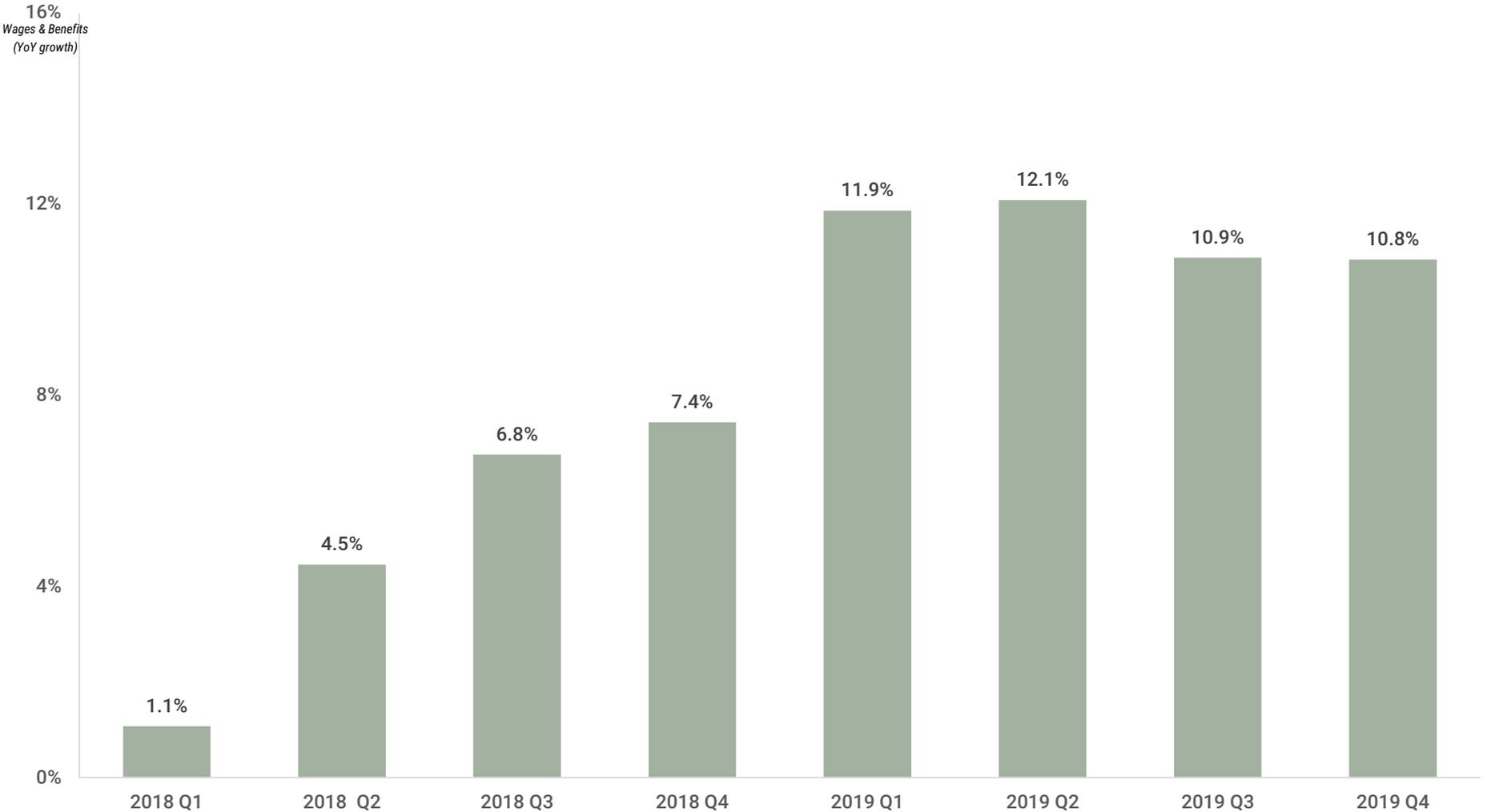
## Print Is Rapidly Declining, But Still Offers Significant Cash Flow To Re-Invest Into The Digital Business



*There is a stronger focus on obtaining new, younger digital subscribers, rather than converting print audiences*

# Wages

Hundreds Of Journalists Have Been Added In Order To Broaden Their Offering And Reach More Subscribers



*Moving away from programmatic advertising will create a better product for the user, but requires a larger sales force*