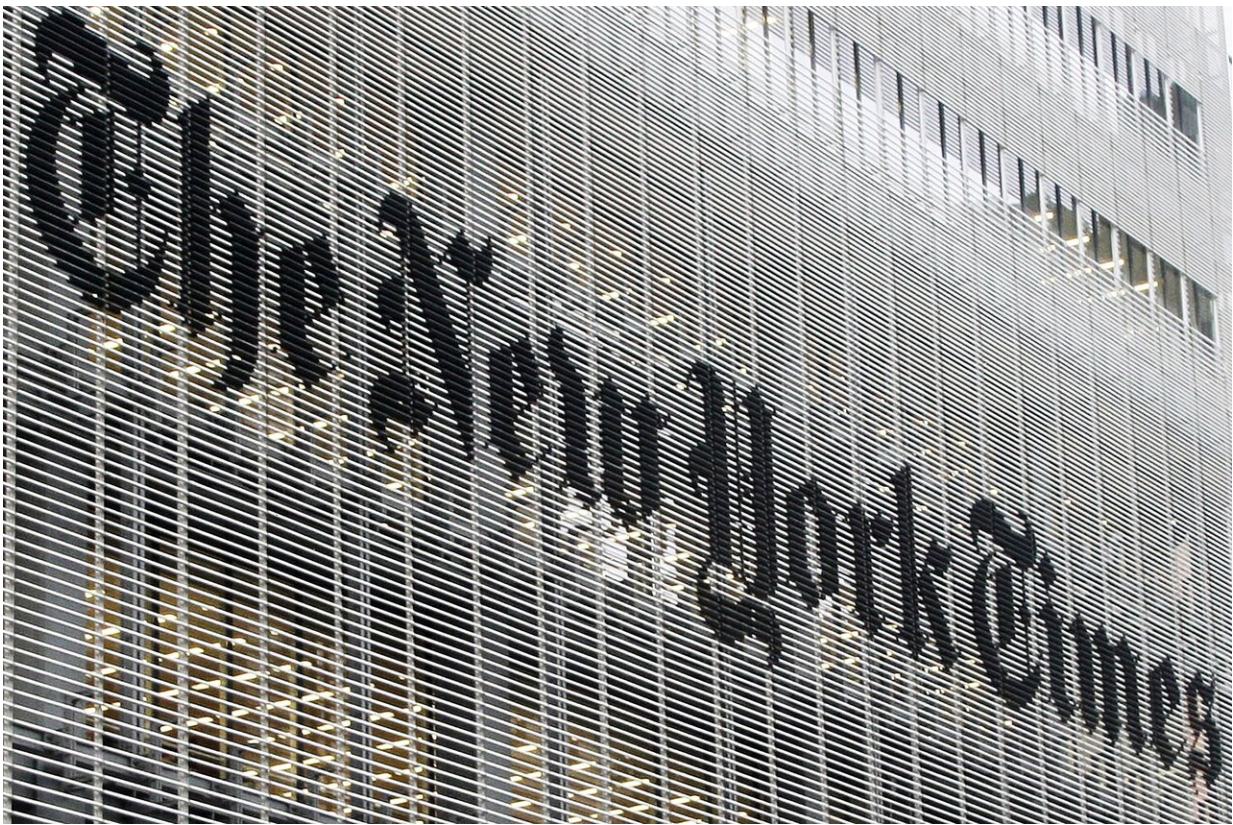


NYTimes wins new digital subscribers as ad revenue craters

August 5 2020, by Tali Arbel



This Oct. 10, 2012, file photo shows the New York Times logo on the company's building in New York. The New York Times Co.'s digital transformation continued during the second quarter of 2020, with its online subscription and ad revenue now exceeding its print revenue, even as the economic aftershocks of the coronavirus pandemic slammed its ad sales. (AP Photo/Richard Drew, File)

The New York Times Co.'s digital transformation continued during the second quarter, with its online subscription and ad revenue now exceeding its print revenue, even as the economic aftershocks of the coronavirus pandemic slammed its ad sales.

The company said it was its best quarter ever for new digital subscriptions, with 669,000 new subscribers to its news, cooking and puzzle apps.

It now has 5.7 million digital subscribers and 6.5 million total. It has a goal of 10 million subscribers by 2025.

The Times has successfully built a digital subscription model, but a chasm has emerged between it and local news publishers whose struggles the pandemic has exacerbated. Many news organizations—even digital-only ones without a print newspaper history—have cut pay, furloughed or laid off thousands of workers or even shut down as advertising craters.

It's expanding its business into audio, buying the company behind the popular Serial podcast in July, and in TV and film. For example, film studio Lionsgate, Oprah Winfrey and New York Times journalist Nikole Hannah-Jones are partnering to adapt The Times' "1619 Project," which dealt with the legacy of slavery and racism, for film and TV.

Overall, The Times' net income fell 6% to \$23.7 million, or 14 cents per share, in the April-June quarter.



This July 15, 2020, file photo shows copies of The New York Times newspaper displayed for sale at a news stand in Hong Kong. The New York Times Co.'s digital transformation continued during the second quarter, with its online subscription and ad revenue now exceeding its print revenue, even as the economic aftershocks of the coronavirus pandemic slammed its ad sales. (AP Photo/Kin Cheung, File)

Revenue fell 7.5% to \$403.8 million, with digital subscriptions and ads pulling in more for the first time than print: \$185.5 million for digital versus \$175.4 million from print. There are other business lines as well, such as licensing fees from Facebook and an e-commerce business from its Wirecutter reviews site that is counted separately.

Ad revenue cratered 44% to \$67.8 million, while subscription revenue

rose 8.4% to \$293.2 million.

The company expects ad revenues in the current quarter to continue shrinking, dropping 35 to 40% from last year, while subscription revenues grow 10%.

The company had said it would cut jobs, but not newsroom positions, because of the pandemic. In the second quarter, severance costs rose because of job reductions, primarily in the advertising department.

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