

NY Times tops one million digital subscribers

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The New York Times said Thursday its digital paid subscriptions had topped one million for the first time, as it reported a jump in quarterly profits.

The prestigious US daily, which is seeking to manage a transition to digital, said it hit the milestone for digital-only subscriptions on July 30, some four-and-a-half years after launching its pay model.

The more than one million digital-only subscribers are in addition to Times' 1.1 million print subscribers, who also get access to digital news.

"This is a major milestone for our digital consumer business, which we launched in 2011 and has continued a strong and steady growth trajectory. It puts us in a unique position among global news providers," said Mark Thompson, president and chief executive of the New York Times Company.

"We believe that no other news organization has achieved digital subscriber numbers like ours or comparable digital [subscription revenue](#). It's a

tribute to the hard work and innovation of our marketing, product and technology teams and the continued excellence of our journalism."

The Times began its online paywall strategy in 2011 and has been emphasizing digital as print circulation and advertising decline.

In 2012, the company said it took in more revenue from circulation than advertising for the first time.

Thompson said international customers represent about 13 percent of the [digital subscribers](#), noting that it was "a percentage we expect will continue to grow very nicely in the coming quarters."

Digital traffic was up 27 percent year-over-year, to an average of 60 million monthly users, which helps boost ad revenues, according to Thomson.

Ken Doctor, a media analyst at Outsell, said the milestone for the newspaper is "worth celebrating for all who value journalism."

But Doctor said the newspaper cannot rest on its laurels.

"The next generation of Times execs faces this question: What do we build on top of the paywall?" he said in a blog post.

This model "can only take the Times so far; it needs to find additional spigots of reader revenue to get past flat revenue and into growth."

Quarterly numbers

The Times said separately that its profit for the second quarter jumped 79 percent from a year ago to \$16.4 million.

The rise in profit came amid lower costs, while revenues dipped 1.5 percent from a year earlier, to \$382 million.

Circulation revenues grew, but failed to make up for the drop in advertising revenues.

Second-quarter print advertising revenue fell 12.8 percent while digital ad sales grew 14.2 percent. Digital advertising pulled in \$48.3 million, or 32.5 percent, of total ad revenues for the quarter ending June 30.

Digital ad growth "was again driven by growth in mobile, paid posts and video," Thompson said.

"Expense management will remain a top priority as we head into the second half of 2015, although our emphasis on digital investment and execution is also more intense than ever."

Thompson said he expects to boost readership through partnerships recently announced with Facebook and Starbucks. Facebook delivers "instant articles" through the social network and Starbucks allows its customers access to Times' articles.

"We expect all of these platforms to contribute to our digital audience and revenue growth," he said.

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