




2019 Global Digital Subscription

Snapshot





Publishers double down on paywall content and technology as digital subscriptions become key revenue focus for 2019.

With the first issue of the Global Digital Subscription Snapshot published in 2018, FIPP celebrated publishers which were succeeding in growing their digital subscription into a substantial revenue stream. Less than a year later the focus of our report has grown to 13 million digital subscriptions, up from last year's 10 million. In this report we not only illustrate continued stellar digital subscription growth rates, but reveal a dogged determination and growing confidence in making reader revenue models work.


In January this year, Condé Nast announced that it would be moving all titles and their content behind the company's dynamic paywall. In doing so, they are one of the first major global magazine media players to go entirely behind a paywall. Whilst Anna Wintour, renowned editor of Vogue, is quick to point out that print itself is an enduring luxury product which will always be part of the company's repertoire, it is clear that parent company Condé Nast has its eye firmly on a future where digital reader revenue makes a substantial contribution to the bottom line.

The company is no stranger to success in this arena. With more than 167,000 digital-only subscribers, the company's iconic New Yorker magazine provides clear evidence that there is a healthy demand for high quality, original content, and consumers are willing to pay for it.

Condé Nast's paywall strategy has been four years in the making, and the company has been steadily putting titles behind their paywall in recent years. 2018 saw Wired and Vanity Fair being added, and although no figures are yet publicly available for these titles, the company seems to now have enough confidence in their model to put every single one of their brands behind their dynamic paywall.

“ The FIPP Global Digital Subscription Snapshot is rapidly becoming an established annual benchmark through which to measure the health of publishers' efforts to generate reader revenue through paid content. We're excited to see that this year's report covers more magazine brands entering the arena, and shows that paid content is a truly global phenomenon, with examples of success across the world. ”

James Hewes, President and CEO, FIPP



New York Media is following suit by placing New York magazine, the Cut, Vulture and all their other titles behind a dynamic paywall as well. And, of course, no article would be complete without mentioning another New York native that has become the de facto north star of subscription inspiration; The New York Times.

The New York Times' digital future is growing from strength to strength, and the title added 265,000 new digital-only subscribers in the 4th quarter of 2018. Their total subscriptions now number more than 4.3 million, of which 3.3 million are digital-only subscribers. The impact of this growth firmly reflects on their bottom line.

Digital revenue for 2018 was over \$700 million, and this is expected to rise to \$800 million by the end of 2020, and optimism about the company has seen its share price hit a 15-year high. The company is also seeking to buy back its New York headquarters. Of course, what is most interesting is that the company has set itself a lofty target of 10 million digital subscribers by 2025, a goal it believes it can eclipse.


But the market is heating up across the pond as well, and German publishers, in particular, have shown impressive gains in the nine months since our last report. Zeit has notched up an impressive 123% growth to more than 100,000 digital-only subscribers, Süddeutsche Zeitung boasts an increase of 42%, Der Spiegel is up 50%, and Neue Osnabrücker Zeitung has doubled its digital-only subscribers.

German market leader Axel Springer continues to enjoy success with WeltPlus and BildPlus which have a combined digital-only subscriber base of over 500,000. In a strategic move, the company has acquired CeleraOne, one of the leading providers of paywall technology in Europe. (Disclosure: CeleraOne is the sponsor of this report for the second year running).

Whilst there is a clear strategic advantage to owning a paywall technology company, from statement made by the company, that their own success will be easier attained by working with other publishers to nurture a culture of acceptance amongst consumers to support quality journalism, preferably with their wallets wide open to the cause.

“Users' willingness to pay has increased significantly worldwide. Paid content technology is one of the key value drivers of the digital distribution business. With the acquisition of CeleraOne, we combine three goals: investment in a growth business, the further expansion of technology and data competence as well as the constant development of paid journalistic offerings”

Stephanie Caspar, CEO News Media National and Technology, Axel Springer



But the growing optimism about, and confidence in, the potential of reader revenue models delivered by paywalls, is not restricted to the market leaders highlighted above.

According to Reuters, more than half of publishers identified subscriptions as their primary revenue focus for the next year.

“Continuing the trend of previous years we see a growing demand for Paid Content solutions, and more and more publisher all over the world establishing successful models. We are very confident that this will continue and we are looking forward to more journalistic products with a paid strategy in the digital era. We see online magazines following the successful path of newspapers as an exciting development!”





























































Mortiz Hilger, CEO, CeleraOne

Our emerging trends section provides a round-up of some of the exciting developments that have taken place in the digital subscription space during the last nine months. Among them a look at how local sports is becoming a subscription driver in the US, the increasing popularity of dynamic paywalls using propensity modelling, the dwindling allure of social media and how newsletters may just be the comeback kid of the year.

As before, this report is a collaboration between FIPP and CeleraOne, with thanks to our regional contributors: Markus Schöberl from PV Digest and Zhen Wang from Caixin Global.





























































[Information by title >](#)

Title Performance 1/4

	New York Times U.S.A. Source: Article	 3,300,000	 \$2/week	 '19 Q1
	Wall Street Journal U.S.A. Source: Article	 1,500,000	 \$19.50/week	 '18 Q4
	Washington Post U.S.A. Source: Article	 1,200,000*	 \$6/4 weeks	 '18 Q3
	Financial Times UK Source: Article	 740,000	 \$3.99/week	 '18 Q3
	The Guardian UK Source: Article	 570,000	 N/A	 '18 Q2
	Nikkei Japan Source: Article	 559,000	 ¥4200/month	 '18 Q2
	The Economist UK Source: Article	 430,000	 £55/quarter	 '18 Q2
	BildPlus Germany Source: Supplied	 423,000	 €7,99/month	 '18 Q4
	Sunday/Times of London UK Source: Article	 260,000	 £26/month	 '18 Q3
	Aftonbladet Sweden Source: Article	 250,000	 Swedish Krona kr69/month	 '17 Q4
	Caixin China Source: Publisher Supplied	 200,000	 \$20.99/month	 '18 Q4
	Folha de São Paulo Brazil Source: Article	 192,000	 R\$19.90/month	 '18 Q2
	Le Monde France Source: Article	 180,000	 €9,99/month	 '18 Q4
	Gazeta Wyborcza Poland Source: Article	 170,000	 zł19.90/mo.	 '18 Q4
	The New Yorker U.S.A. Source: Article	 167,000	 \$100/year	 '18 Q2





























































 Total digital only subscribers  Base subscription cost  Estimated reporting period

Title Performance 2/4

	Dagens Nyheter Sweden Source: Article	 150,000	 Swedish Krona kr119/month	 '18 Q1
	Verdens Gang (VG) Norway Source: Article	 150,000	 Norwegian Krone kr189/quarter	 '18 Q1
	Mediapart France Source: Article	 140,000	 €11/month	 '18 Q1
	Corriere della Sera Italy Source: Article	 133,000	 €2.50/month	 '18 Q2
	LA Times U.S.A. Source: Article	 133,000	 \$1.99/week	 '18 Q2
	National Geographic U.S.A. Source: Publisher	 123,000	 \$12/year	 '18 Q4
	Le Figaro France Source: Article	 110,000	 €9.90/month	 '18 Q4
	Aftenposten Norway Source: Article	 108,000	 Norwegian Krone kr249/month	 '18 Q2
	ZEIT Germany Source: PV Digest	 105,000	 N/A	 '18 Q4
	Clarín Argentina Source: Article	 100,000	 Argentine Peso \$55/month	 '18 Q2
	The Athletic U.S.A. Source: Article	 100,000	 \$9.99/month	 '18 Q3
	Boston Globe U.S.A. Source: Article	 100,000	 \$27.72/4 weeks	 '18 Q3
	WeltPlus Germany Source: Publisher	 89,000	 €9.99/month	 '18 Q4
	La Nación Argentina Source: Article	 82,000	 Argentine Peso \$160/6 months	 '18 Q1
	MittMedia Sweden Source: Article	 80,000	 N/A	 '18 Q4

 Total digital only subscribers  Base subscription cost  Estimated reporting period

Title Performance 3/4

	Dagbladet Norway Source: Article	 70,000	 Norwegian Krone kr99/month	 '18 Q3
	Süddeutsche Zeitung Germany Source: Article	 66,000	 €36.99/month	 '18 Q4
	Hesingin Sanomat Finland Source: PV digest	 60,000	 €12.90/month	 '18 Q1
	De Correspondent The Netherland Source: Article	 60,000	 €7/month	 18' Q3
	NewsPicks Japan Source: Article	 60,000	 ¥1500/month	 '18 Q2
	Svenska Dagbladet Sweden Source: Article	 57,000	 Swedish Krona kr99/month	 '18 Q4
	Star Tribune U.S.A. Source: Article	 55,000	 \$3.79/week	 '18 Q3
	Der Spiegel Germany Source: PV Digest	 47,000	 €19.99/month	 '18 Q4
	Handelsblatt Germany Source: PV Digest	 45,000	 €34.99/month	 '18 Q4
	Seattle Times U.S.A. Source: Article	 37,000	 \$3.99/week	 '18 Q2
	Faz Germany Source: PV Digest	 37,000	 €5.70/week	 '18 Q4
	Neue Osnabrücker Zeitung Germany Source: PV Digest	 30,000	 €4.95/week	 '18 Q4
	Neue Zürcher Zeitung Switzerland Source: PV Digest	 29,000	 €10/week	 '17 Q4
	Initium Media Hong Kong Source: Article	 23,000	 HK\$49/month	 '18 Q3
	El Diario Spain Source: PV digest	 20,500	 €7/week	 '17 Q2

 Total digital only subscribers  Base subscription cost  Estimated reporting period

Title Performance 4/4

	Republik Switzerland Source: Article	 18,000	 Fr22/month	 '19 Q1
	Zetland Denmark Source: Article	 10,000	 Danish Krona Kr10/week	 '18 Q1
	Liberation France Source: PV Digest	 9,900	 €14.90/month	 '18 Q1
	Le Temps Switzerland Source: PV Digest	 6,300	 Fr29/month	 '18 Q4
	Good Housekeeping South Africa Source: Publisher	 4,300	 R37.90/month	 '18 Q4
	House and Leisure South Africa Source: Publisher	 3,600	 R49.90/month	 '18 Q4
	Cosmopolitan South Africa Source: Publisher	 1,600	 R37.90/month	 '18 Q4

 Total digital only subscribers  Base subscription cost  Estimated reporting period

Methodology Q&A

How was the data collected?

FIPP used propriety survey data as well as publicly available data to compile this report. Due to the use of publicly available sources, we cannot guarantee the accuracy or recency of the figures reported. The sources of our data is referenced in the tables above.

Why is my title or group not included?

We have tried to be as comprehensive as possible in sourcing data, but due to our reliance on publicly available data, this report should not be viewed as an exhaustive list. Should you wish to be included in future reports, please register your interest by e-mail Helen@fipp.com.

Why did you not include print and digital combinations?

We are aware that many publishers are enjoying tremendous success with packages which include both print and digital subscriptions. To create a level playing field and celebrate the growing success publishers are enjoying in selling digital only subscriptions, we've excluded all other subscription combinations for this report.

[Emerging trends >](#)



Emerging Trends

Sport becomes the local content kingpin driving digital subscriptions.

The Athletic burst on to the scene with much fanfare. This well-funded digital start-up has attracted investment totalling \$70million and has over 100,000 subscribers. From the outset, their model was based on establishing local content teams, most frequently by poaching sports writers from local newspapers trapped in the unenviable position of constant cost cuts to stay afloat.

Their model has been hugely successful, and they boast that the new areas they launch into become successful in an incredibly short time. But their success has attracted attention and is spawning a series of nimble competitors focussed on providing the same local focus on sports in the US market.

DK Pittsburgh Sports, The Capitol Sports and Hookem.com owe their existence to a strong focus on local teams in a limited number of sports. In doing so, they are feeding moderately sized fanbases with a depth of coverage not available elsewhere, and are building up a dedicated following in the process. Counterintuitively, with fans for specific teams scattered across the country, their local content is developing national appeal, and more than half of DK Pittsburgh Sports subscribers are national rather than local.

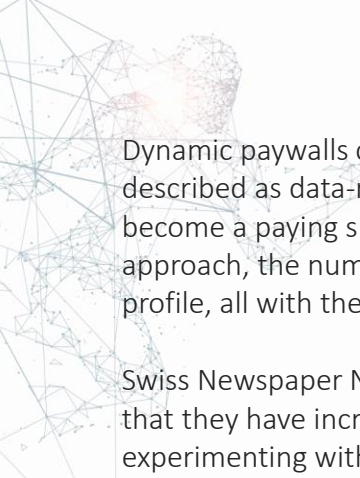
Many of these start-ups are, however, not managing to replicate the Atlantic's success in breaking out of narrow content areas. DK Pittsburgh Sports attempted to broaden their content offering, but in the end, had to do a very public climb-down and narrow their focus back to covering the three core teams on which their content was initially focussed.

The success of the Atlantic and other start-ups has also not gone unnoticed by local and regional newspaper groups which have now set their sights on clawing back their once dominant position on local sport and are using it as a potential subscription driver. Regional chains like McClatchy, are using lower-priced unlimited sports subscriptions to draw in subscribers.

Although most evidence of using sports as a subscription driver is coming from the US, The Telegraph in the UK recently placed all their rugby content behind their paywall alongside politics and business.

Less free content, more intelligent dynamic paywalls.

Irrespective of which model publishers are using, there is a general trend which sees more content placed behind paywalls. Those using hard meters have steadily been lowering the number of articles they offer for free. On average this number is around five articles per month, but others, like the Boston Globe, has reduced that number down to two.



Dynamic paywalls continue to grow in popularity. In short, dynamic paywalls are best described as data-rich, artificial intelligence systems able to predict how likely a reader is to become a paying subscriber, and what actions it will take to convert them. Using this approach, the number of articles the reader is shown depends on their behaviour and user profile, all with the goal of using the best method to convert them to paying subscribers.

Swiss Newspaper Neue Zürcher Zeitung (NZZ) has used this to significant effect and claims that they have increased their conversion rate fivefold in the last year on the back of experimenting with propensity modelling.

The technology has also brought some fascinating insight to life and has revealed that content which enjoys mass appeal on social media, tends to perform poorly in subscription conversion. Most frequently, it appears that it is specialised or local content that is the strongest predictor of a reader's propensity to become a subscriber.

The changing face of Facebook


While Facebook remains an important marketing channel for many publishers, the dynamic of the relationship with the platform has shifted dramatically in the last year. Research from Reuters has shown that Facebook is rapidly losing favour with publishers, and both reputation and functional considerations drive this.

Facebook's deepening woes around privacy and data usage have seen the company face increasing levels of scrutiny. In the US, presidential candidate Elizabeth Warren has even called for digital companies to be reclassified as platform utilities and split up, as was done to the telecoms monopolies in the US decades ago. She has made this pledge central to her election campaign.

In the UK, Chancellor Philip Hammond has asked the government to instigate an investigation into the dominance of Google and Facebook in the digital advertising market. In Europe and Australia, lawmakers are also applying increasing pressure to get greater visibility into the business model and finances of the digital duopoly.

But it may very well be performance issues that see the platform lose most favour with publishers. Algorithm changes in 2018 have choked referral traffic for publishers. And, while Facebook introduced these changes on the back of messaging to bring people closer together, but the reported fall of 50% in engagement levels on the platform is harder to ignore, or whitewash.

Publishers with advertising lead models who scale their audiences through platforms like Facebook took a particularly hard hit on the back of these changes, with more changes already on the way. While referral traffic for news and politics was down just over 30%, in categories like art and entertainment traffic is down as much as 71%, and for music and fashion, it's down over 60%.



Publishers focussing on subscription models have built increasingly sophisticated data systems to understand where their subscribers are coming from. And by using such data, publishers like Le Figaro and Amedia have given Facebook an enormous thumbs down as a source of new subscribers, stating that more than 90% of subscription conversions come from their own platforms.

Newsletters are making a comeback

As part of an effort to keep readers engaged, and to market on own and owned platforms, many publishers are focussing on newsletters with responsibility for these returning from the marketing department to the newsroom.

The Washington Post has more than 70 newsletters with content varying from parenting to politics, and they are being deployed to serve two vital purposes;

Firstly, to keep readers exposed to the brand and its content, whether they are actively visiting the site or not. In essence, it is being used as a secondary channel to stay in touch with the reader and keep the brand within their repertoire.

But the other purpose of newsletters is to serve as lead generation tools, which are marketed and promoted on social media channels and used to register users. They give readers the opportunity to enrol with the publishers without becoming a subscriber but ensures that the company has the chance to be in constant contact and can draw readers into the content ecosystem that puts them on a path to subscription.



CeleraOne provides cutting-edge technologies for paid content, identity management and user segmentation. It supports publishers to implement paywalls, registration walls, data walls and personalisation strategies. Clients include Axel Springer, Neue Zürcher Zeitung, Süddeutsche Zeitung, Zeit Online and more than 20 other news sites.

www.celeraone.com



FIPP is the network for global media, represents content-rich companies or individuals involved in the creation, publishing or sharing of quality content to audiences of interest. FIPP exists to help its members develop better strategies and build better businesses by identifying and communicating emerging trends, sharing knowledge, and improving skills, worldwide. www.fipp.com