

What's driving the popularity of newsletters?

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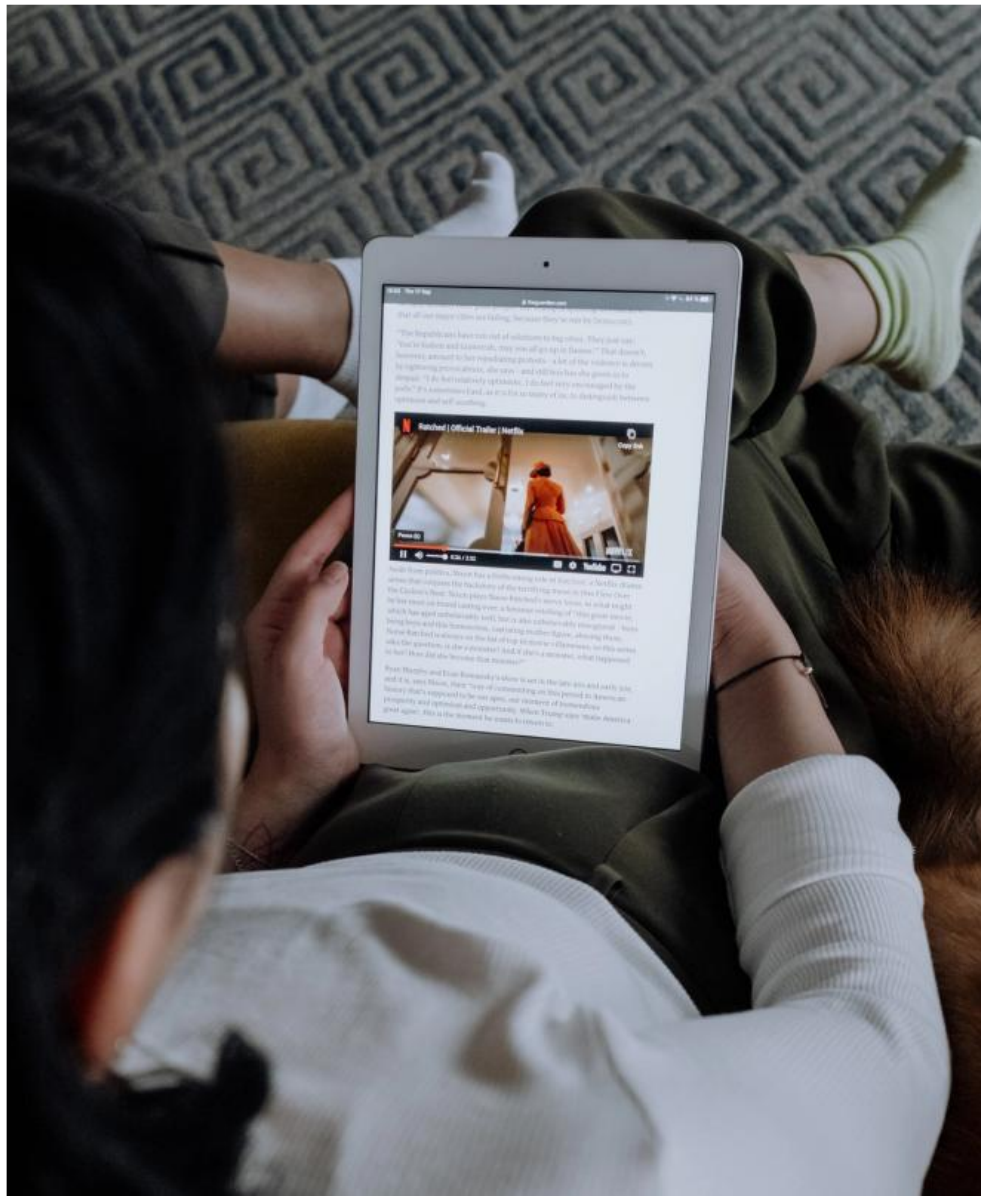
Email newsletters, once thought of as low-tech and unfashionable, are proving increasingly valuable to publishers looking to build direct relationships with audiences, and many media organizations are increasing their digital offerings. What has spurred on readers' desire for information curation?

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HIGHLIGHTS

- 01** More readers are signing up for newsletters than ever before, highlighting a desire to have information curated for them
- 02** Publishers are focusing on providing readers with a great newsletter experience that stays native to the format
- 03** Media companies are focused on personality-driven newsletters written by star reporters

DATA

- One in five people in the US access a news email weekly and for almost half of these readers, it's their primary way of accessing news
- Brands saw revenue bumps of up to 103% from their email newsletters during the pandemic
- Daily updates tend to be the most popular type of email, with 60% of readers preferring them

SCOPE

In May 2022, as the Met Gala took place in New York, thousands of people were visiting style and fashion magazine Vogue's website and, crucially, signing up for its newsletter. The event's coverage attracted almost 12 million visitors to Vogue's website and generated 100,000 newsletter sign-ups in the seven-day period following the Gala. The record-breaking number of sign-ups signaled a shift for media companies, many of which have been prioritizing newsletter readership, and offered a blueprint for how to translate a cultural moment into recurring readership. [1]

The timing couldn't be better. Email newsletters, once thought of as low-tech and unfashionable, are proving increasingly valuable to publishers looking to build strong direct relationships with audiences. Email can help build habit and loyalty, which is particularly important for new business models such as subscription and membership. [2]

Over the past year, The Guardian has launched ten in-depth newsletters in addition to First Edition, its flagship daily current affairs newsletter, bringing its readership to over a million unique subscribers across a portfolio of 50 newsletters. [3]The New York Times had over eight million subscriptions as of August 2021, and nearly 15 million users read The Times newsletter each week, with its 'Opinion' section alone having 12 subscriber-only newsletters. [4]

This proliferation of newsletters signals a shift in consumer attention and behavior, from seeking out information to having it curated and delivered directly to them. One in five people in the US access a news email weekly, and for almost half of

these readers, it's their primary way of accessing news. Emails have also proven effective in attracting new subscribers, as well as encouraging existing users to come back more frequently. Daily updates tend to be the most popular type of email, with 60% of readers preferring them. [5]

This focus on newsletters is why, rather than relying exclusively on maximizing traffic, Vogue sought to highlight their newsletter offerings during the Met Gala. The Red Carpet Gallery feature, for example, allowed visitors to view and vote on celebrities' outfits in real-time by entering an email address, and generated 30,000 new subscribers. Traffic and free subscriptions from the Met Gala also led to a 270% increase in member sign-ups for Vogue Club, a membership program that costs \$25 per month. The day after the event, the club had more sign-ups to the program than any other day since its launch.

KEEPING IT NATIVE

When newsletters such as Morning Brew and theSkimm became popular in 2015, they were largely curated emails. The goal for publishers was to move readers over to the website and the success of a newsletter was measured in not just open, but click-through rates. Quartz was one of the first news publishers to think of newsletters as a standalone product instead of simply pushing out links to drive click-through traffic. [6] What they found is that readers wanted short, concise emails with the option to go deeper, but did not want to have to click through to a website to get the primary information. "Until then, publishers were seeing websites as a place to put the content and the newsletter as a push notification to tell people that the content is available," says Louis Nicholls, co-founder of SparkLoop, a newsletter growth tool. "What they've now realized is that people really hate getting push notifications in their Inbox." [7]

The Guardian, too, is shifting its newsletter strategy from automated or curated newsletters that summarize the day's news to more in-depth newsletters with original reporting and analysis. They're actively de-emphasizing click-throughs. [3] As part of this new focus, the publication has launched niche, single-author newsletters including Tech Scape by technology editor Alex Hern, Pushing Buttons from gaming editor Keza MacDonald, and Down to Earth from the publication's environment correspondents. Also forthcoming: Moving the Goalposts, a weekly women's football newsletter.

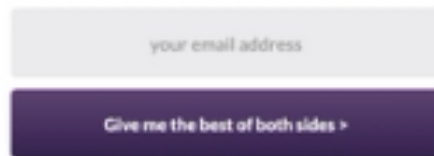
Niche newsletters, especially from trusted media organizations, are particularly appealing to readers who want to get news or information about a specific industry or subject. This is why the number of newsletters in a media organization's portfolio can number in the dozens. And why niche newsletters such as [Front Office Sports](#), [The Flipside](#), and [Tangle](#) do so well, and why [Substack](#) has become such a thriving platform. In the era of TikTok-driven culture, people are normalizing connecting over hyper-specific topics and events. Newsletters, with their decentralized approach to more lengthy forms of information exchange and cultural discourse, are a perfect format for reaching micro audiences on a macro scale. In fact, in a poll of 200 senior marketing and publishing executives from small to mid-sized companies, with newsletters ranging from 10,000 to over one million subscribers, 99% believe that the email address is vital to the future of identity resolution after the third-party cookie's demise. [8]

See both sides of important issues— in 5 minutes a day.

In a free daily email, get the most thoughtful points from the left, right, and in-between—across 30+ news sources.

No clickbait. No trolls.

We do the research. You decide.



your email address

Give me the best of both sides >

Email can help build habits and loyalty, which is vital for new business models

The Flipside (2022)

ADVERTISING AND SUBSCRIPTIONS

A reader's inbox is a personal space, a place where a reader chooses to go and, typically, where every piece of email is either wanted or quickly unsubscribed from. For this reason, a regular newsletter reader is often an engaged reader. This opens up a variety of options for publishers to add to their revenue, either directly through advertising or indirectly through subscriptions, paid memberships, or educational products. Brands saw revenue bumps of up to 103% from their email newsletters during the pandemic. [9] And research suggests that every \$1 spent on email marketing will generate \$36 in return, making email strategies highly compelling. [10]

In the media space, Adams Publishing newsletters increased digital subscriptions in some markets by as much as 150% during 2021, long after the initial lockdowns ended. Gannett/USA Today added 1.4 million newsletters into their network ecosystem during that same period, and editorial newsletters contributed to an approximately 17% increase of total new paid subscriptions via the email channel. [11]

Media organizations are trying out a number of different revenue models with varying degrees of success. For example, Axios launched a membership program for some of its local newsletters with suggested contributions on city-specific sites ranging from \$50 to \$500 per year. [12] The New York Times has subscriber-only newsletters, a third of their total portfolio, that are only available to readers who have a monthly or annual subscription to the newspaper and/or website. The Atlantic brought the work of nine writers, including one former Substack writer, under the magazine's single payroll in a Substack-style paid subscription model. [13] And Vox Media is looking at adding shopping content, either directly into existing newsletters or through the creation of separate e-commerce newsletters. [14]

Advertiser-supported newsletters have remained popular both with readers and publishers. Morning Brew, for instance, generated \$50 million in sales in 2021, more than doubling 2020's \$20 million annual revenue. Almost all of this revenue came from advertising, including ads within the newsletter. [15] According to Sarah Ebner, head of newsletters at the Financial Times, readers on a trial are 134% more likely to be retained if they subscribe to a newsletter. "[Newsletters] drive traffic and engagement," Ebner says. "They also definitely enhance loyalty and create habits and they really can push

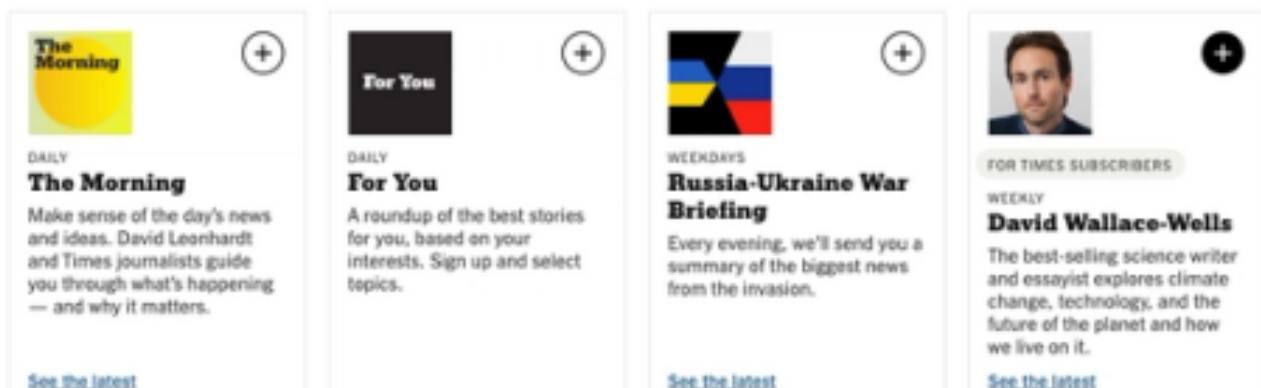
people to subscribe and donate. You can also promote events or other newsletters through them.” [16] Nicholls believes that much like the content, the advertising can be native. “There’s a really big opportunity here to make advertising more native in the same way that it’s done on podcasts or on YouTube,” he says. “Even if you have all the first-party data, you’re still probably going to make more money if you have a personal message, similar to a host read in podcasts.” [7]

Email Newsletters

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FEATURED



The newsletter taps into an inside-track mindset of staying one step ahead

The New York Times (2021)

PERSONALITY-DRIVEN NEWSLETTERS

Publishers are realizing that newsletters offer a distinct opportunity to talk to readers directly, a sort of ‘talking to your mates at the pub’ kind of feeling that is not possible through websites. For it to work, however, readers want to feel like they’re hearing from a person, not a brand. This is why the smartest publishers aren’t simply relying on their interest in a subject or region to capture a subscriber’s attention. Some of the most popular New York Times subscriber-only newsletters are written by columnists Jamelle Bouie, Paul Krugman, and Frank Bruni. [17]

Opinion editor Kathleen Kingsbury hopes to go even beyond that. Last year, she signed Rage Against the Machine guitarist, songwriter, and political activist Tom Morello to write 12 opinion columns on the subject of music, politics, and race, that would be delivered exclusively via email to The Times’ paid subscribers. Kingsbury is now looking to bring in novelists and visual artists to play with form and see how audiences engage with it. [4]

Other media organizations are not too far behind. The New Yorker introduced a new look and feel for The Daily, its flagship newsletter, which has two million subscribers and one million daily opens, with the goal to use more ‘voice’ and have it feel like ‘a letter from a trusted and well-informed friend’. [18] And The Economist, which is known for not having bylines (because of the ‘collaborative’ nature of its newsrooms), offers writers who write first-person pieces for their specialty newsletters, a photo byline. [19] “There will definitely be more personality-driven newsletters and also celebrity newsletters,” says Nicholls. “On the business side, I think [publishers] will convert them into more than just newsletters. There will be podcasts and YouTube videos arising from that. There will be physical products and events built on the back of these things.” [7]



What can brands learn about the connection a newsletter offers its readers?

Yan Krukov (2021)

INSIGHTS AND OPPORTUNITIES

SOMETHING TO TALK ABOUT

The power of a newsletter format is that it feels intimate and exclusive, tapping into an inside-track mindset that people covet when wanting to stay one step ahead. According to Nicholls, who has helped many major media brands grow their audiences through referral programs, 5-20% of a newsletter's subscribers will try and make a referral. With the right rewards and incentives, that can go even higher. Both Morning Brew (four million subscribers) and theSkimm (six million subscribers) credit their early growth to in-house referral programs. theSkimm had, in its first year, 6,000 advocates signing up and recommending the newsletter. Over the next five years, that number rose to 30,000. Readers wanted to tell their friends about this new, cool newsletter that they'd found because it made them look smart and well-informed.

SCALING EFFICIENTLY

For Front Office Sports, too, word of mouth was a key growth strategy, at least in the beginning. The daily newsletter, about the business of sports, that goes out to almost a million subscribers, found its audience primarily through readers who couldn't stop talking about or forwarding it. "When I first found it, I was working in the front office of a minor league baseball team in South Carolina," says Kyle Martin, who is now the associate manager of growth and audience operations at Front Office Sports. "We'd spend 80 hours a week with each other during the season. You're seeing what's in other people's inboxes, you're sharing everything, you're talking about this stuff all day." [20] These days, Front Office Sports, like many other media newsletters, relies on apps such as [SparkLoop](#) that automates their referral program easily and efficiently without the need for a custom build.

COUNTERING ATTENTION DEFICITS

Roughly 306.4 billion emails were estimated to have been sent and received each day in 2020 and this figure is expected to increase to over 376.4 billion by 2025. [21] But whereas attention from other media formats can be drawn by second screen, the power of a newsletter is that it grabs people's attention and keeps it there. "If you ask a reader, when was the last time you went to ESPN, they don't remember, but ask them when did you check your email and they'll say, oh, I've checked it 80 times since this morning," says Martin. "The newsletter is coming to you where you are. You don't forget to check it, like with social media. So there's a convenience aspect to it. There is also the fatigue of trying to find relevant news constantly instead of having it come to you." [20]

BUILDING TRUST

While 15- to 24-year-olds rely on social media and other digital sources for their information, including news, they're also the least likely to trust the information they get through these channels. [22] And as social media becomes a less reliable news source, newsletters are filling the gap. The shift away from social media isn't entirely reader-dominated, says Nicholls. "Over the last ten years, you had publishers hyped up about publishing content on external platforms like Facebook, Twitter, and Google News. And then they've been rent extracted. Plus, you now have the difficulty of tracking and privacy. All the things that allowed them to make money from advertising on websites are going away, so they need to care a lot more about collecting email addresses." [7]