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# U.S. NEWSPAPERS' PRICE HIKES AND DIGITAL CIRCULATION

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Presentation at WAN-IFRA's World Printers Forum Conference, Berlin

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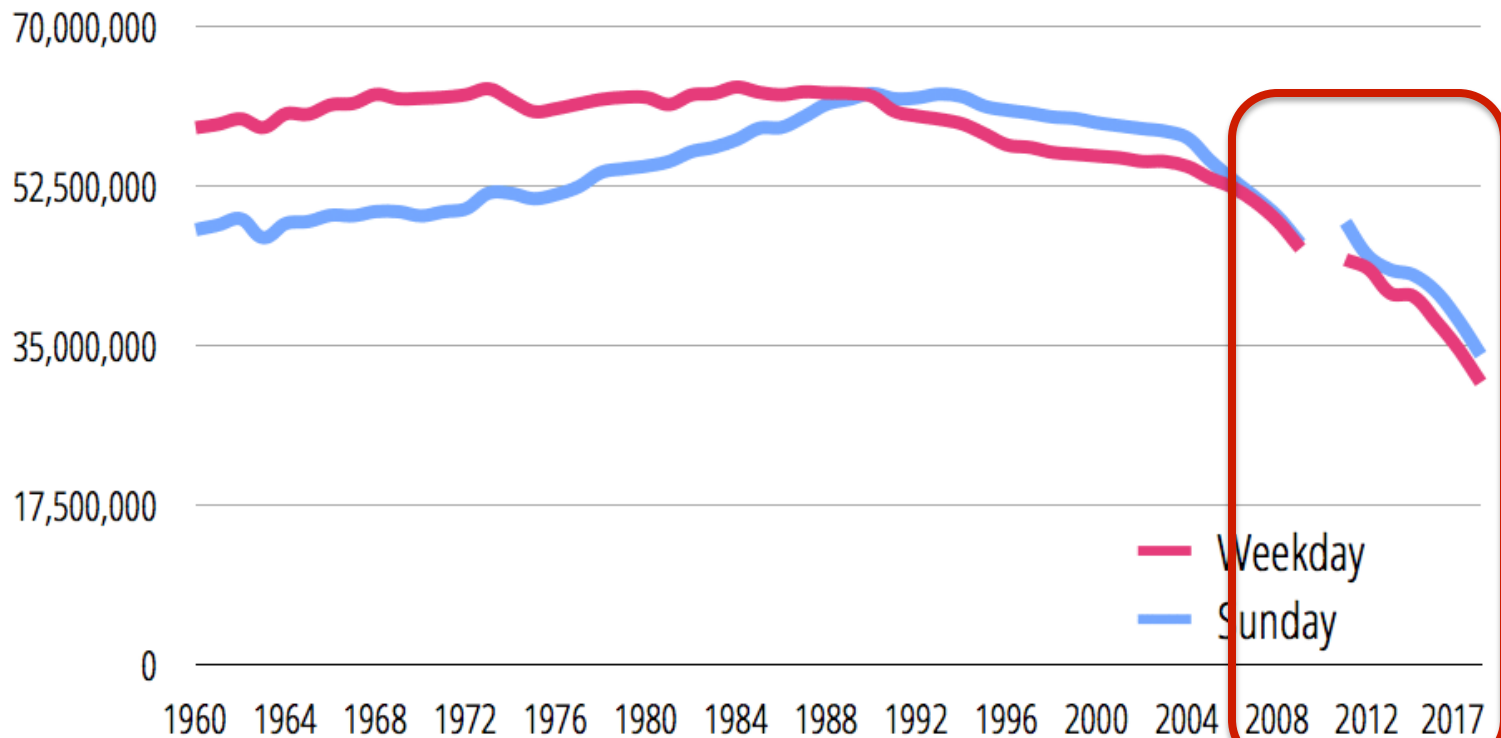
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# Unchecked assumptions:

1. Print is dying.
2. The future is online.

Data seem to support these assumptions.

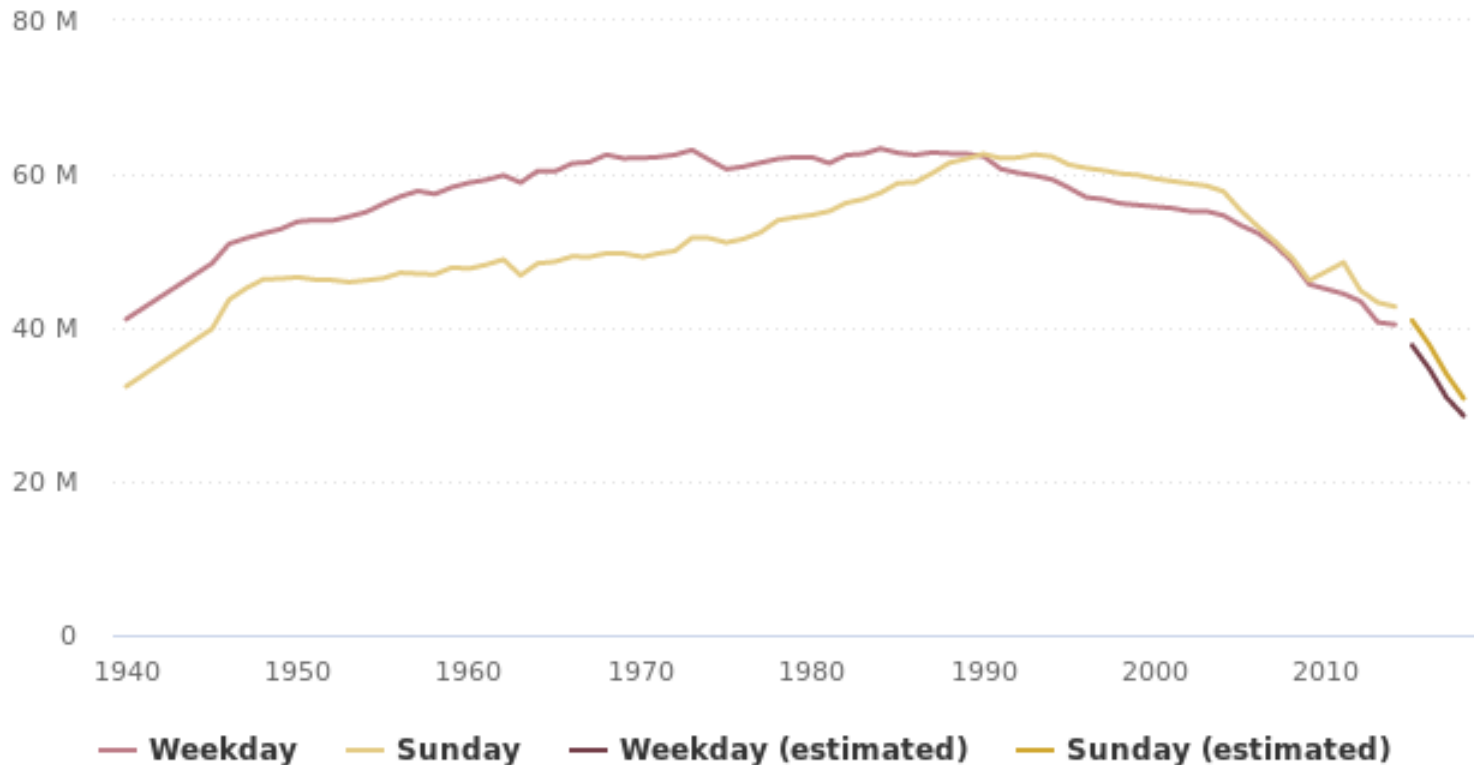
## Newspaper Circulation (USA) - Total



Source: Pew Research Center - Newspaper Fact Sheet (June 2018)

Total estimated circulation of U.S. daily newspapers

*Total circulation of U.S. daily newspapers*





## Audience

The estimated total U.S. daily newspaper circulation (print and digital combined) in 2018 was 28.6 million for weekday and 30.8 million for Sunday, down 8% and 9%, respectively, from the previous year.

Weekday **print circulation** decreased 12% and Sunday **print circulation** decreased 13%.

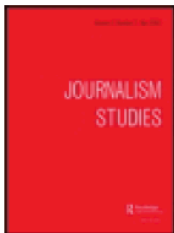
Source: [Pew Research Center, 2018](#)

# Problem

- Circulation data are often reported out of text by the media or trade organizations.
  - Price information is almost always missing.
- Misinterpretation of reader preference and misinformed strategy.

# STUDY 1

## Changes in the Price of Print Subscriptions



Journalism Studies

 **Routledge**  
Taylor & Francis Group

ISSN: 1461-670X (Print) 1469-9699 (Online) Journal homepage: <http://www.tandfonline.com/loi/rjos20>

**Charging More and Wondering Why Readership Declined? A Longitudinal Study of U.S. Newspapers' Price Hikes, 2008–2016**

Hsiang Iris Chyi & Ori Tenenboim

To cite this article: Hsiang Iris Chyi & Ori Tenenboim (2019): Charging More and Wondering Why Readership Declined? A Longitudinal Study of U.S. Newspapers' Price Hikes, 2008–2016



Newspaper	Print subscription price (7-day)			Price change	Price ratio
	2008	2012	2016	2008 to 2016	2016/ 2008
New York / The Wall Street Journal <sup>a</sup>	\$249	\$374	\$525	\$276	2.1
New York / The New York Times	\$530	\$608	\$978	\$448	1.8
California / San Jose Mercury News	\$198	\$225	\$673	\$475	3.4
California / Los Angeles Times	\$104	\$162	\$624	\$520	6.0
New York / New York Post	\$208	\$363	\$389	\$181	1.9
New York / Newsday	\$260	\$332	\$831	\$571	3.2
California / The Orange County Register	\$240	\$261	\$520	\$280	2.2
California / Los Angeles Daily News	\$58	\$70	\$120	\$62	2.1
New York / New York Daily News	\$80	\$236	\$390	\$310	4.9
Washington DC / The Washington Post	\$187	\$305	\$559	\$372	3.0
Illinois / Chicago Tribune	\$234	\$299	\$727	\$493	3.1
Nevada / Las Vegas Review-Journal	\$208	\$130	\$650	\$442	3.1
Florida / Tampa Bay Times	\$169	\$247	\$286	\$117	1.7

	Print subscription price (7-day)			Price change	Price ratio
Newspaper	2008	2012	2016	2008 to 2016	2016/ 2008
Colorado / The Denver Post	\$100	\$164	\$286	\$186	2.9
Minnesota / Star Tribune	\$225	\$244	\$299	\$74	1.3
Illinois / Chicago Sun-Times	\$215	\$267	\$377	\$162	1.8
Texas / The Dallas Morning News	\$204	\$407	\$421	\$217	2.1
Ohio / The Plain Dealer	\$210	\$264	\$338 <sup>b</sup>	\$128	1.6
Pennsylvania / The Philadelphia Inquirer	\$273	\$316	\$619	\$346	2.3
Massachusetts / The Boston Globe	\$403	\$481	\$746	\$343	1.9
Texas / Houston Chronicle	\$186	\$312	\$520	\$334	2.8
Texas / Austin American-Statesman	\$233	\$307	\$552	\$319	2.4
New Jersey / The Star-Ledger	\$207	\$273	\$361 <sup>c</sup>	\$154	1.7
California / U-T San Diego	\$189	\$352	\$289	\$100	1.5
California / San Francisco Chronicle	\$247	\$507	\$668	\$421	2.7

	Print subscription price (7-day)			Price change	Price ratio
	2008	2012	2016	2008 to 2016	2016/ 2008
<b>Mean of 25 papers</b>	<b>\$217</b>	<b>\$300</b>	<b>\$510</b>	<b>\$293</b>	<b>2.53</b>

*In addition, single-copy price tripled from 2008 to 2016.*

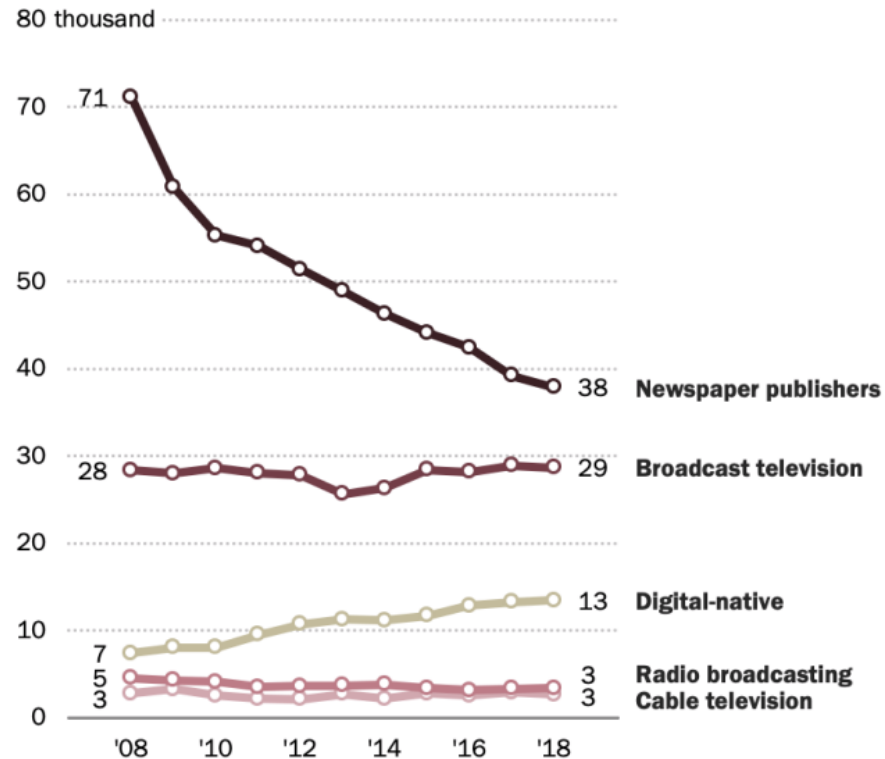
Source: Alliance of Audited Media

# Product quality

- Tens of thousands of journalists lost their jobs.
- Mostly on the print side.

## The number of newsroom employees at U.S. newspapers declined by 47% between 2008 and 2018

*Number of U.S. newsroom employees in each news industry, in thousands*



# Readership change

	7-day in-market reach			Reach ratio
	2008	2012	2016	2016/ 2008
<b>Mean</b>	<b>37%</b>	<b>31%</b>	<b>26%</b>	<b>0.65</b>

*About two-thirds of print readers remained loyal to a product that has become much more expensive.*

- Analysis on price elasticity of demand indicates that demand for the print product remains inelastic to price.

# IN SUM

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Most newspaper readers are willing to pay a lot more for less.

# Implications

- Negative: How sustainable is this pricing strategy?
- Positive: **Readers' attachment to the print product is much stronger than expected.**



From the same Pew report:

“Using only the AAM data, **digital circulation** in 2018 is projected to have risen, with weekday up 6% and Sunday up 8%.

According to the independently produced reports from The New York Times and The Wall Street Journal, both companies experienced substantial gains in **digital circulation** in the past year: 27% for the Times and 23% for the Journal, on top of large gains in 2017.”

# Back to these two assumptions:

1. ~~Print is dying.~~
2. The future is online.

# Industry narrative focuses on

- “Reader revenue”
- “Trump bump”
- “Digital surge”



# New York Times subscription growth soars tenfold, adding 132,000, after Trump's win

[Matthew J. Belvedere](#) | [Michael Newberg](#)

Published 10:32 AM ET Tue, 29 Nov 2016 | Updated 11:38 AM ET Tue, 29 Nov 2016



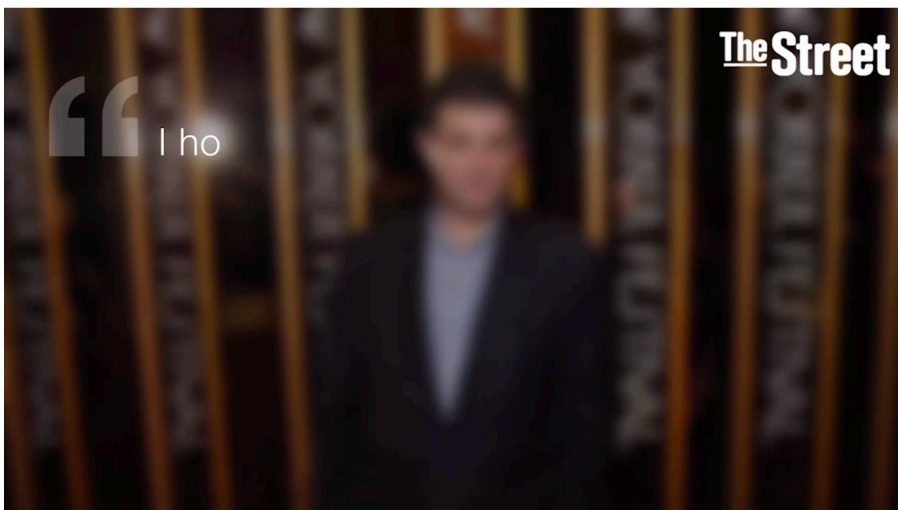
# Trump Bump Grows Into Subscription Surge -- and Not Just for the New York Times

*Newspapers, magazines, digital-only publishers and public radio companies all have reported big increases in reader support since the election.*

By **Ken Doctor** 

Mar 3, 2017 1:44 PM EST

[READ AS SINGLE PAGE](#)



Donald Trump and the Digital News Boom

## WATCHLIST

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## ADVERTISING PARTNERS

# Too good to be true

- Are we seeing fundamental changes in consumer behavior?
  - Boosting willingness to pay that was almost non-existent (Chyi, 2012; Lichterman, 2014, 2014; Myllylahti, 2014; Newman, Fletcher, Levy, & Nielsen, 2016) into a viable revenue stream?
- Or, is this the most recent example of wishful thinking?
  - Simply because online advertising did not work, digital subscriptions have to?

## Research question:

At what price are we seeing the “subscription surge,” *if at all?*

# STUDY 2

## **Still Unwilling To Pay: An Empirical Analysis of 50 U.S. Newspapers' Digital Subscription Programs**

By Chyi & Ng

Accepted by *Digital Journalism*



# Method

Analysis of top 50 U.S. newspapers' pricing and digital circulation data

		Subscription Price		
State	Newspaper	(1) Digital Nonreplica	(3) Print	Ratio (1)/(3)
	The New York Times		\$1,014	
	The Wall Street Journal		\$525	
	USA Today	\$144	\$300	48.0%
	The Washington Post	\$144	\$637	22.6%
AR	Arkansas Democrat-Gazette		\$406	
AZ	The Arizona Republic	\$120	\$510	23.5%
CA	Los Angeles Times		\$780	
CA	The Mercury News	\$72	\$465	15.4%
CA	The Orange County Register		\$520	
CA	The Sacramento Bee	\$100	\$999	10.0%
CA	The San Diego Union-Tribune		\$289	
CA	San Francisco Chronicle	\$72	\$694	10.4%
CO	The Denver Post	\$72	\$754	9.5%
CT	The Hartford Courant	\$311	\$831	37.5%
FL	The Miami Herald	\$120	\$684	17.5%
FL	South Florida Sun-Sentinel	\$51	\$468	11.0%
FL	Orlando Sentinel	\$207	\$675	30.7%
IA	The Des Moines Register	\$120	\$876	13.7%
IL	Chicago Tribune	\$180	\$727	24.7%
IN	The Indianapolis Star	\$156	\$702	22.2%
KS	The Kansas City Star	\$142	\$1,040	13.7%

		Subscription Price		
State	Newspaper	(1) Digital Nonreplica	(3) Print	Ratio (1)/(3)
KY	The Courier-Journal	\$156	\$492	31.7%
MA	The Boston Globe	\$360	\$1,347	26.8%
MD	The Baltimore Sun	\$259	\$657	39.5%
MI	Detroit Free Press	\$144	\$288	50.0%
MN	Star Tribune	\$197	\$410	48.0%
MN	Twin Cities Pioneer Press		\$422	
MO	St. Louis Post-Dispatch		\$449	
NC	The Charlotte Observer		\$1,040	
NJ	The Jersey Journal		\$296	
NJ	The Record	\$168	\$939	17.9%
NY	The Buffalo News	\$168	\$273	61.5%
NY	Newsday		\$1,039	
NY	New York Daily News	\$29	\$390	7.4%
NY	New York Post	\$100	\$389	25.7%
OH	Cincinnati Enquirer	\$120	\$754	15.9%
OH	The Plain Dealer	\$242	\$447	54.1%
OH	The Columbus Dispatch		\$519	
OR	The Oregonian	\$108	\$432	25.0%

		Subscription Price		
		(1) Digital Nonreplica	(3) Print	Ratio (1)/ (3)
	<b>Median</b>	<b>\$132</b>	<b>\$546</b>	<b>23.1%</b>

Source: Alliance of Audited Media

A print subscriber generates 4 times as much revenue compared with a digital subscriber.

✕

The San Diego Union-Tribune

You qualify for this **exclusive** offer. Try Unlimited Digital Access

**16 weeks for just 99¢**

**Or add Sunday Delivery for \$1.25!**

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# *Continues to Add Online Subscribers as Digital Advertising Grows*



With a promising first quarter, The New York Times remained on a pace to reach its goal of having more than 10 million paid subscribers by 2025.

Jeenah Moon for The New York Times

**By Edmund Lee**

“The total number of paid subscriptions, including digital and print, topped 4.5 million, a high. **More than 3.5 million people pay for the publisher’s online products.**”

# # of digital-only news subscribers, Q2 2019

- 3 million (news) + 792,000 (cooking and crossword puzzle)



# The New York Times, Q2 2019

- Digital-only subscription revenue: \$113 million
- Print subscription revenue: \$158 million
- Why? Because a print subscription generates 4 times as much income compared with a digital subscription.

# How about other papers?

1. *Los Angeles Times*: 105,000 digital-only subscribers
2. *Boston Globe*: 90,000
3. *Chicago Tribune* and the *Star Tribune*: 50,000 each

(Ken Doctor, 2017)

# Poynter.

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## Trouble at the Los Angeles Times: Memo says digital subscriptions way below goal



*The L.A. Times' headquarters in El Segundo, California, in 2018. (Shutterstock)*

# Findings: Top 50 U.S. newspapers' digital circulation

Source: Chyi & Ng (2019) based on 2017 Alliance of Audited Media data

		Circulation		
State	Newspaper	(1) Digital Nonreplica	(2) Digital Replica	(3) Print
	The New York Times		1,280	513,776
	The Wall Street Journal			1,111,167
	USA Today	5,447 <sup>a</sup>	7,679	796,767
	The Washington Post	9,066 <sup>a</sup>	619	286,481
AR	Arkansas Democrat-Gazette		5,771	98,469
AZ	The Arizona Republic	10,384	6,155	142,354
CA	Los Angeles Times	42,985	43,527	296,572
CA	The Mercury News	519 <sup>a</sup>	30,743	72,498
CA	The Orange County Register		2,216	107,679
CA	The Sacramento Bee	6,618	11,506	104,486
CA	The San Diego Union-Tribune	202 <sup>b</sup>	18,414	106,775
CA	San Francisco Chronicle	25,662	2,959	106,548
CO	The Denver Post	2,557	17,716	105,553
CT	The Hartford Courant	89 <sup>a</sup>	9	66,282
FL	The Miami Herald	6,144	5,493	100,991
FL	South Florida Sun-Sentinel	4,788	6,819	70,389
FL	Orlando Sentinel	7,225		69,968
IA	The Des Moines Register	6,983	4,535	60,249
IL	Chicago Tribune	2,083 <sup>a</sup>	186,478	224,910
IN	The Indianapolis Star	10,424	5,542	82,125

		Circulation		
State	Newspaper	(1) Digital Nonreplica	(2) Digital Replica	(3) Print
KY	The Courier-Journal	6,020	5,211	76,330
MA	The Boston Globe	94,593	2,385	116,992
MD	The Baltimore Sun	11,776	16	63,826
MI	Detroit Free Press	1,120 <sup>a</sup>	8,945	167,598
MN	Star Tribune	69,364	28,569	156,777
MN	Twin Cities Pioneer Press		31,742	82,664
MO	St. Louis Post-Dispatch		887	91,794
NC	The Charlotte Observer	3,510	2,674	67,441
NJ	The Jersey Journal		9	8,375
NJ	The Record	197	119	72,353
NY	The Buffalo News	45,576	884	95,151
NY	Newsday	6,778	736	179,892
NY	New York Daily News	5,556 <sup>a</sup>	11,216	183,805
NY	New York Post	2,524 <sup>c</sup>	36,704	214,670
OH	Cincinnati Enquirer	9,834	5,705	64,373
OH	The Plain Dealer	540 <sup>a</sup>	1,942	123,176
OH	The Columbus Dispatch		13,901	77,942
OR	The Oregonian	582 <sup>a</sup>	1,549	96,333
PA	Pittsburgh Post-Gazette	5,491	9,526	88,064
PA	The Philadelphia Inquirer	1,533 <sup>c</sup>	4,201	125,182

		Circulation		
		(1) Digital Nonreplica	(2) Digital Replica	(3) Print
	<b>Median</b>	<b>5,556</b>	<b>5,696</b>	<b>100,991</b>

**Are you seeing a digital future?**

# Back to these two assumptions:

1. ~~Print is dying.~~
2. The future is online.



# Back to these two assumptions:

1. ~~Print is dying.~~
2. ~~The future is online.~~

# REALITY

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Based on pricing and circulation data, we estimated that **digital subscriptions** account for less than 3% of total reader revenue.

# THE PRINT-DIGITAL GAP

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Despite declines, more people read newspapers in print than online.

They are willing to pay a lot more (for less) in print, not online.

Print remains the dominant revenue source of reader revenue for the vast majority of newspapers.

# TAKEAWAY

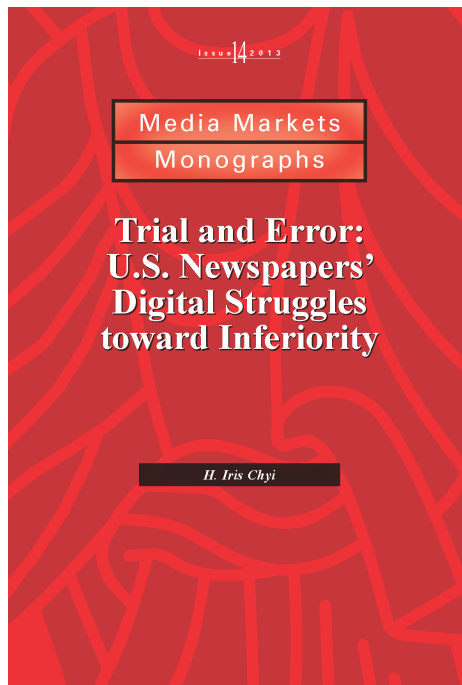
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Readers' attachment to print newspapers has remained much stronger than expected.

Publishers' competitive advantage lies in print, which happens to be the format readers prefer and are willing to pay for.

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# Thank you.



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# How about young people?

