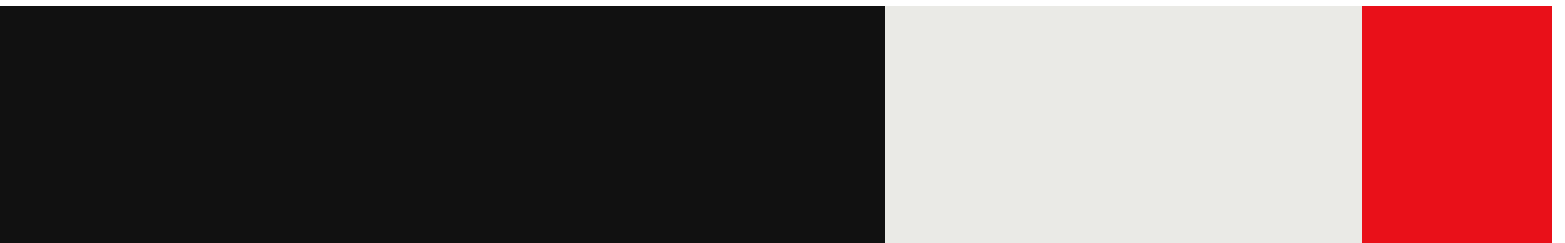


Publishers are torn on how to monetize newsletters

Article



The trend: Newsletters are the new frontier for publishing. The rise of **Substack** and other email services has caught struggling publishers' attention and driven them to go all-in on the content model, but some still haven't figured out how to best monetize the format and risk driving away users with ads, per a [report](#) from **Adweek**.

Newsletters are everywhere: CNN, The New York Times, The Washington Post, you name it—all of them have tried to find a daily place in readers' inboxes. The newly launched **Semafor** from former New York Times and **Bloomberg** staffers is especially focused on newsletters. Hey—you're reading a newsletter right now (consider [subscribing](#) if you don't already)!

- Recent months have been [rough for newsletter companies](#) like Substack and **Patreon**, which both laid off employees this year to reach profitability after growing during the pandemic. But for publishers, both free and paid newsletters are giving them a way to reach users [during a difficult time](#).
- The publishing market is ripe with churn, but the daily ritual of newsletters gives them a brand and community-building strength that visiting a web page lacks. For some, newsletters have been about diverting traffic to the main site. For others, it's about building a relationship with readers.
- That attention and attachment makes newsletters a valuable product for attracting advertisers. From August 2021 to August 2022, Advertiser Perceptions surveys found that the numbers of marketers who had advertised with newsletters rose from 37% to 65%.

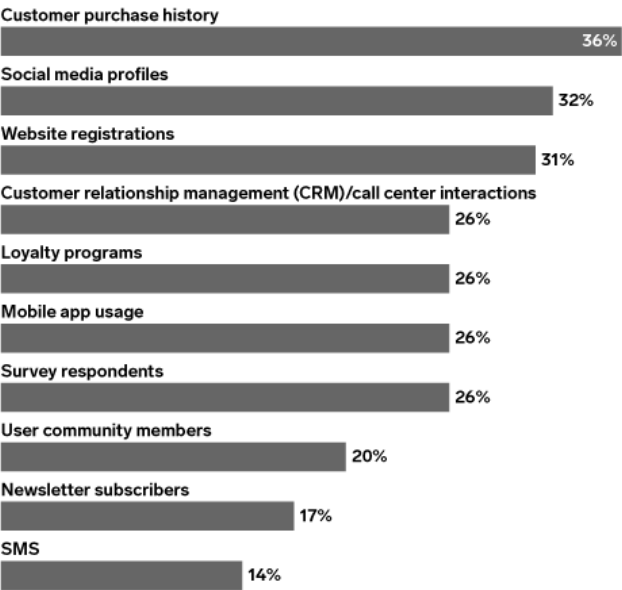
History repeats itself: The way those ads have materialized differs between newsletters.

- Some newsletters have opted to go with programmatic ads. But while those may be easy to implement, they often clash with the layout and intimate nature of the newsletter format. Others, like **Morning Brew**, have opted toward sponsored content or advertisements that are less disruptive to the text-focused experience.
- Publishers are learning the hard way that a balance needs to be struck between user experience and ad revenues. The industry's band-aid solution for its inability to find a new business model has generally been to blast open the ad load spigot, which hasn't stopped the decline but *has* driven users away.
- Some publishers are finally taking a hint. The New York Times has focused on a subscription model that's helped it weather tough times, and **Bloomberg** is ditching programmatic ads and taking monetization back into its own hands.

Our take: Publishers can't afford to take a decade to relearn the lessons about user experience that they're just now arriving at. Striking the balance between advertising and user experience is a tough one, but it's clear that dumping programmatic ads into a newsletter as though it were a standard web page isn't the solution.

Which First-Party Data Sources Will Be Most Valuable to Marketing Professionals Worldwide in 2022 to Address the Loss of Third-Party Cookies?

% of respondents



Source: Ascend2 and Oracle, "Marketing Trends 2022: Marketers Tell All About Successes, Struggles, and Solutions," March 29, 2022