

# MATHER ECONOMICS

COVID-19:  
EARLY SUBSCRIPTION INSIGHTS &  
CONSIDERATIONS FOR BUSINESS  
CONTINUITY

mather:

[mathereconomics.com](https://mathereconomics.com)

# EARLY INSIGHTS FROM MATHER'S SUBSCRIPTION DATABASE

OBSERVATION PERIOD  
24 FEB – 23 MAR 2020

mather:



# SUBSCRIPTION OBSERVATIONS

**The COVID-19 pandemic has created tremendous disruption across global business, including publishing.**

**Our partners are experiencing several impacts to their operations, including:**

- a sharp increase in news consumption, particularly via digital channels
- a significant decline in demand for advertising, both online and in print
- a significant decline in single copy draw as quarantine procedures impact traffic

We are receiving many questions from our partners, including not only how COVID-19 impacts pricing and retention programs, but also how an individual publisher's experience is comparing to the broader market.

In order to gauge the early impacts of these turbulent times on subscriptions, we can leverage Mather's database, which includes weekly subscriber data from hundreds of news publishers.

The following benchmarks include a broad cross-section of ~200 publishers and are analyzed over a recent one-month period from 24 February through 23 March.



# AGGREGATE METRICS AT-A-GLANCE

## Insights

Over the previous month, digital subscription volumes have accelerated, leading to total **circulation growth of 3.32%**

Total **print volumes** are down **0.89%**

Retention rates for digital and print subscribers were similar, but **marginally higher for print at 96.12%**



DIGITAL

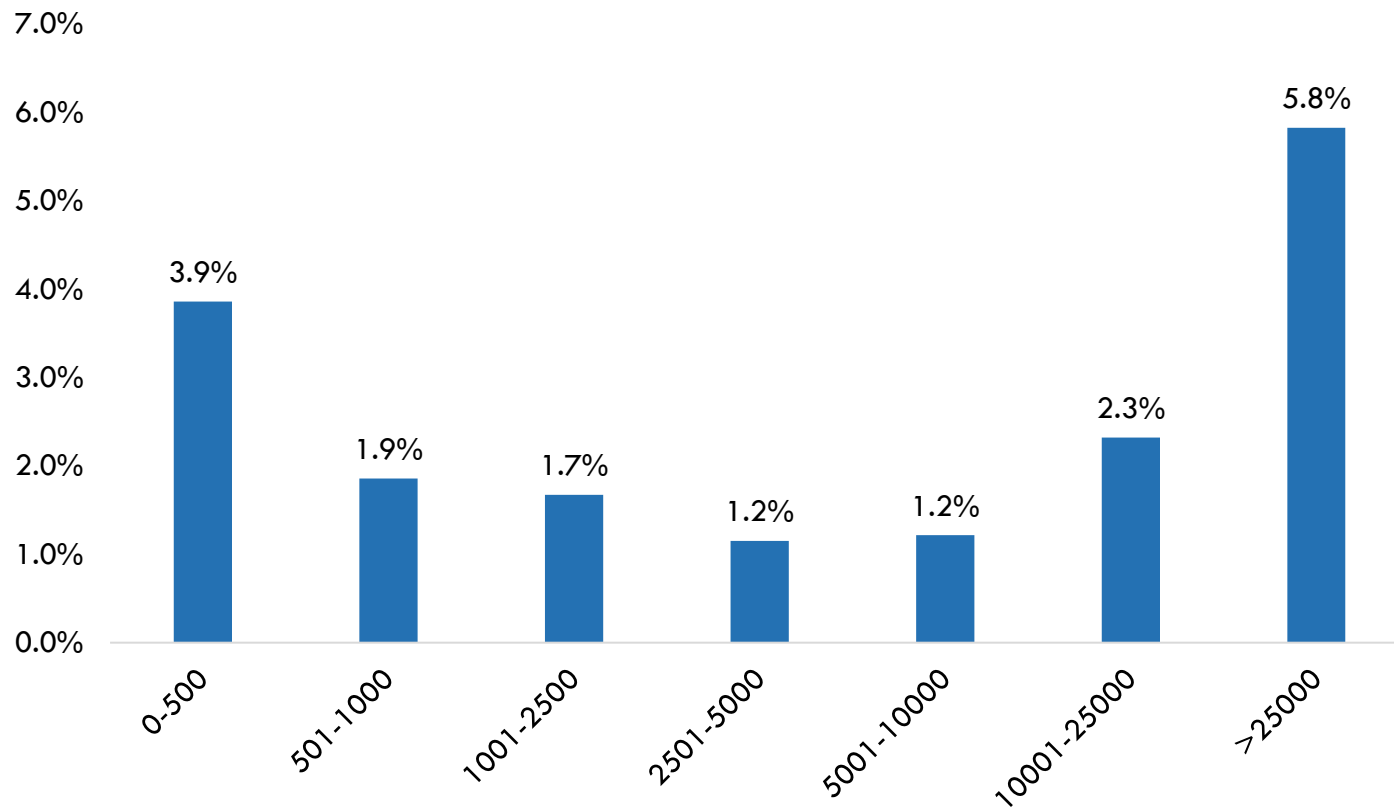


PRINT

Publications	196	176
Volume Growth	3.32%	-0.89%
Current Rate (wk)	\$2.13	\$6.74
Current Rate (wk)	\$2.12	\$6.70
Rate Growth	0.31%	0.59%
Start Rate	7.43%	3.00%
Stop Rate	4.06%	3.80%
Retention Rate	95.89%	96.12%

# DIGITAL BENCHMARKS – CIRCULATION

Avg. Digital Circulation Growth  
by Market Size



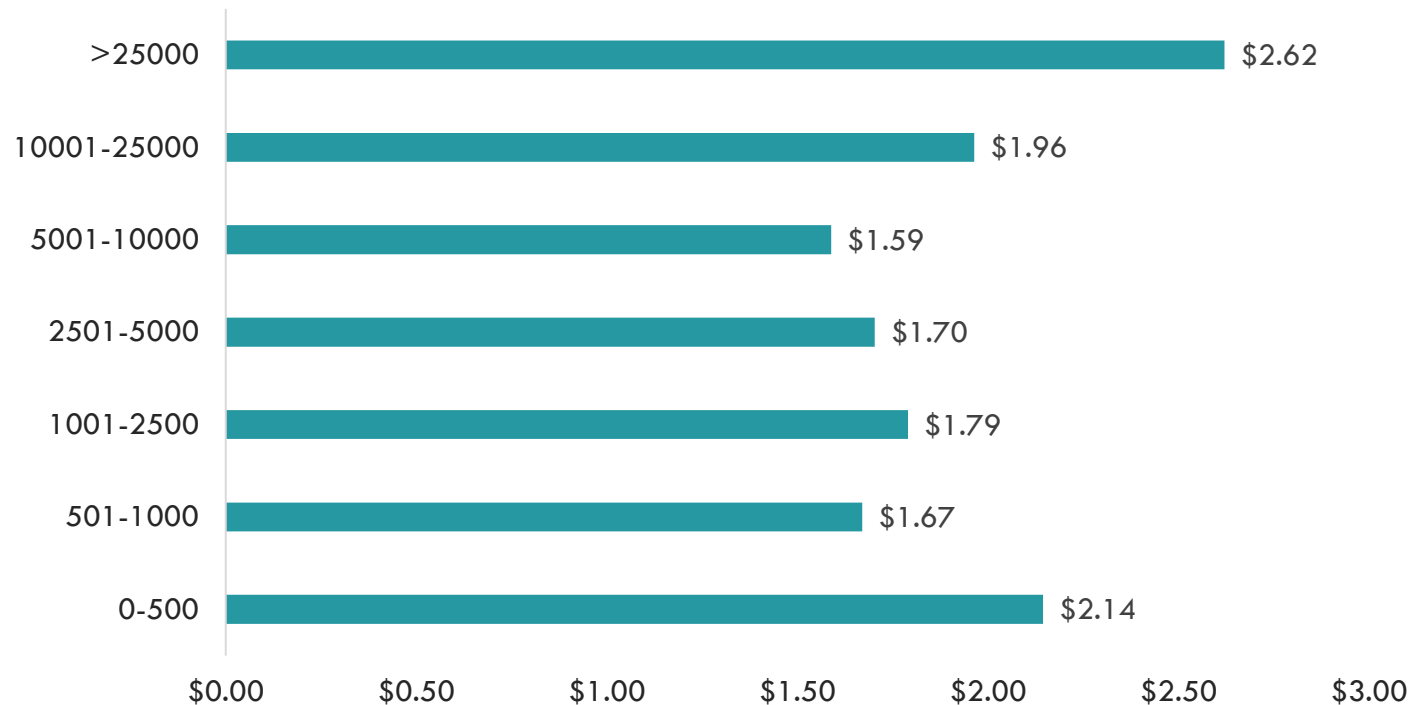
## Insights

The largest digital publishers have experienced the sharpest percentage growth in circulation over the previous month

Small digital publishers have also grown significantly, while those from 2.5k – 10k have experienced the smallest growth

# DIGITAL BENCHMARKS – RATE

Avg. Digital Rate (Weekly)  
by Market Size



## Insights

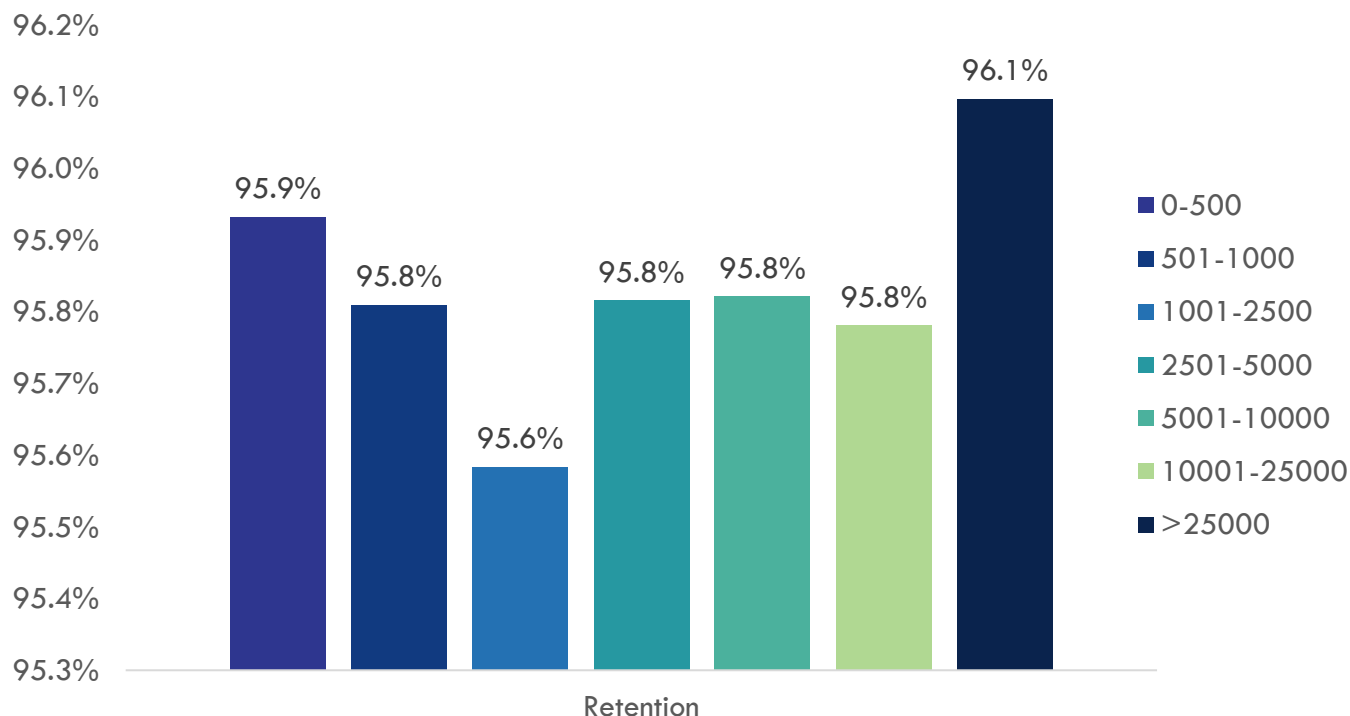
The largest digital publishers also have the highest average subscription rates

Interestingly, the smallest digital publishers have the second highest average subscription rates

Those with circulation sizes between 5k and 10k have the lowest rates

# DIGITAL BENCHMARKS – RETENTION

Avg. Digital Retention  
by Market Size



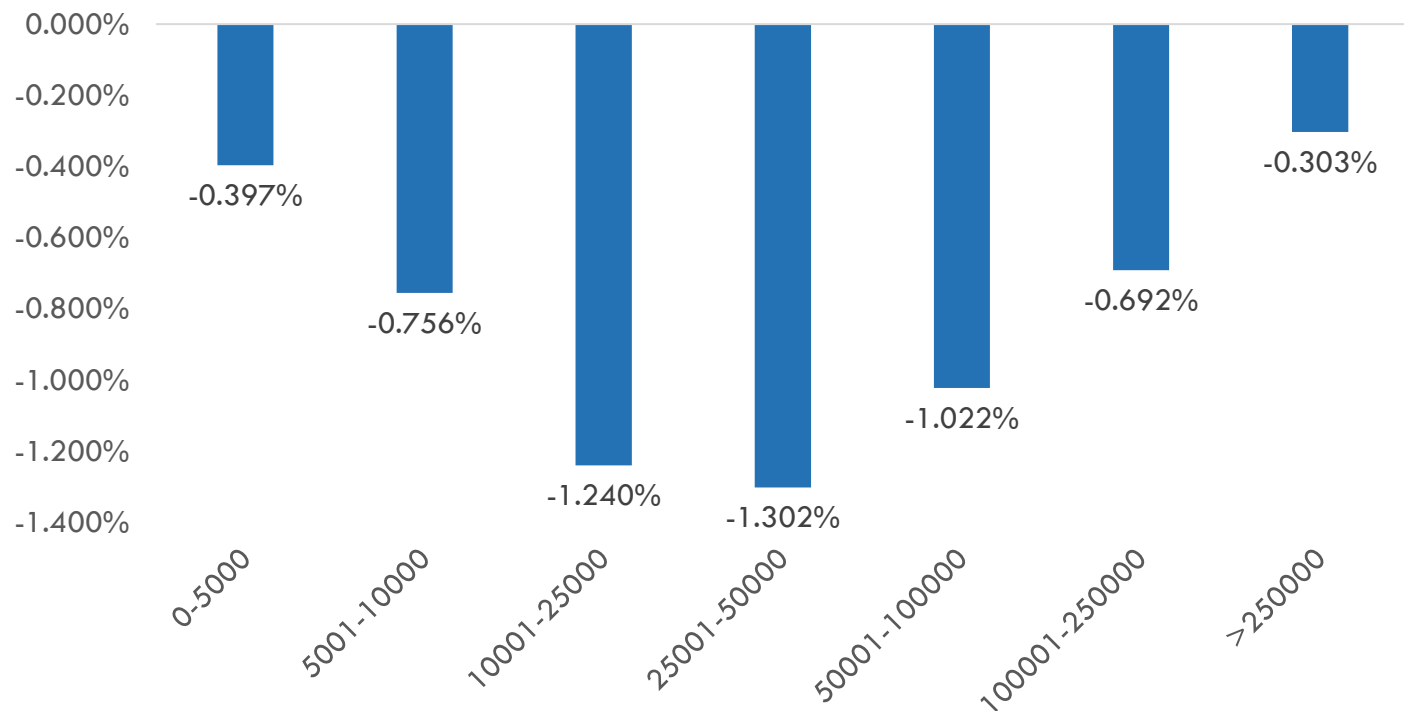
## Insights

The largest digital publishers also have the highest average retention over the previous month

Those with circulation sizes between 1k and 2.5k have the lowest retention rates

# PRINT BENCHMARKS – CIRCULATION

Avg. Print Circulation Growth  
by Market Size



## Insights

The largest print publishers have experienced the lowest percentage loss in circulation over the previous month

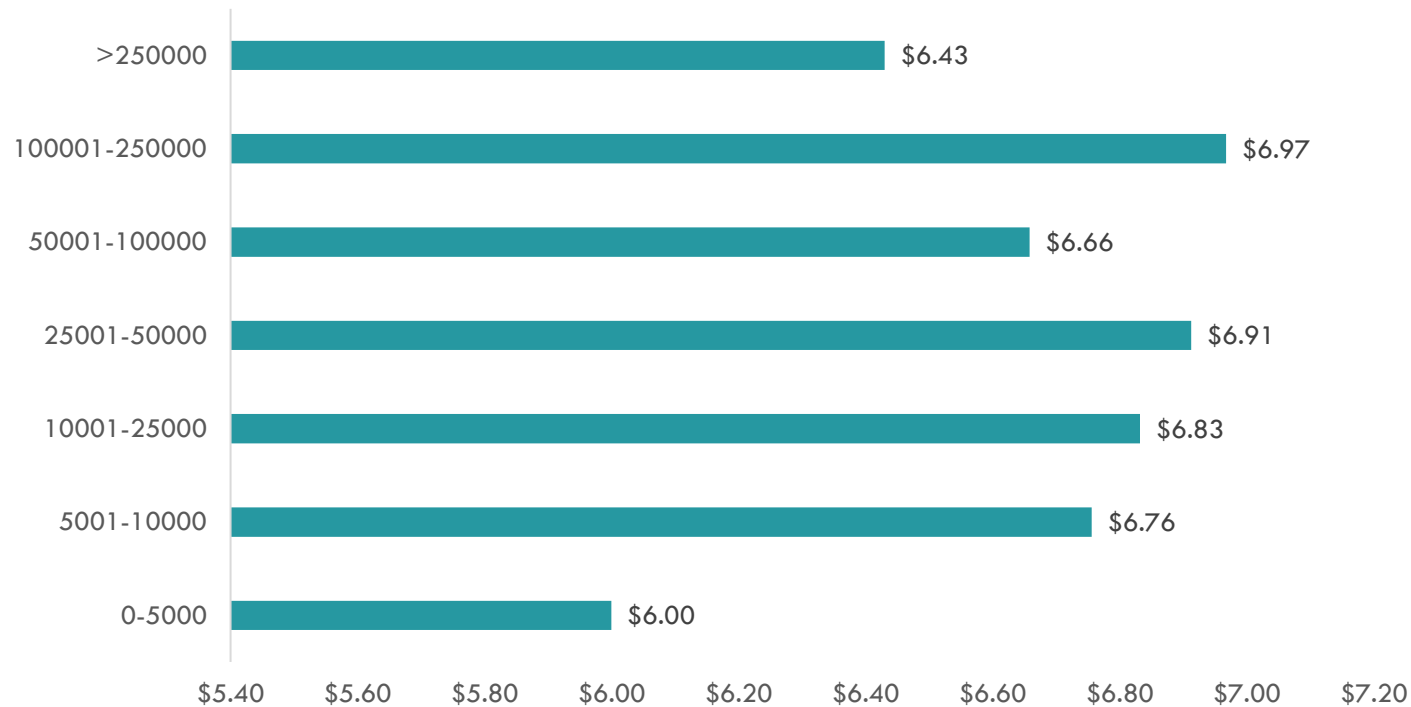
Small digital publishers have also shown modest print subscriber losses

Publishers in the 25k-50k circulation range exhibited the sharpest print declines



# PRINT BENCHMARKS – RATE

Avg. Print Rate  
by Market Size



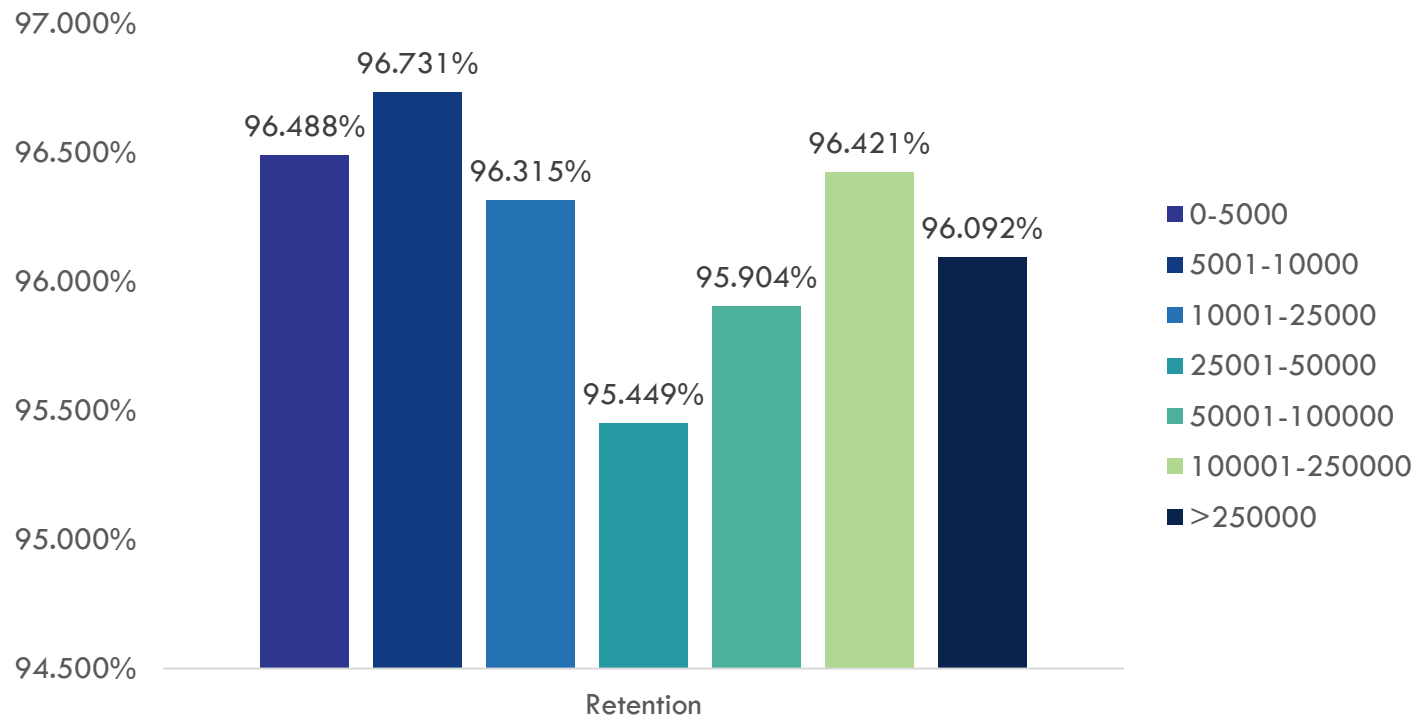
## Insights

Markets with 100k – 250k subscribers have the highest average print subscription rates

The smallest publishers have the lowest average print subscription rates

# PRINT BENCHMARKS - RETENTION

Avg. Print Retention  
by Market Size



## Insights

The smallest publishers are experiencing the highest average print retention rates

Publishers with 25k-50k print subscribers are exhibiting the lowest monthly retention

# PRINT TO DIGITAL CONVERSION BENCHMARKS

## Insights

US Newspapers continue to invest heavily in digital subscriptions (+52% YoY)

Print rate increases (+14.3%) are largely offsetting circulation declines (14.5%)

Share of digital subscribers as percentage of total circulation is growing, from 9.3% in 2019 to 24.3% in 2020



DIGITAL



PRINT

## YoY% CHANGES (2020 vs. 2019)

METRIC	DIGITAL	PRINT
Rate	7.14%	14.34%
Circulation	\$52.20%	-14.52%
Base Attrition	31.23%	30.41%
Weekly Revenue	0.31%	0.59%

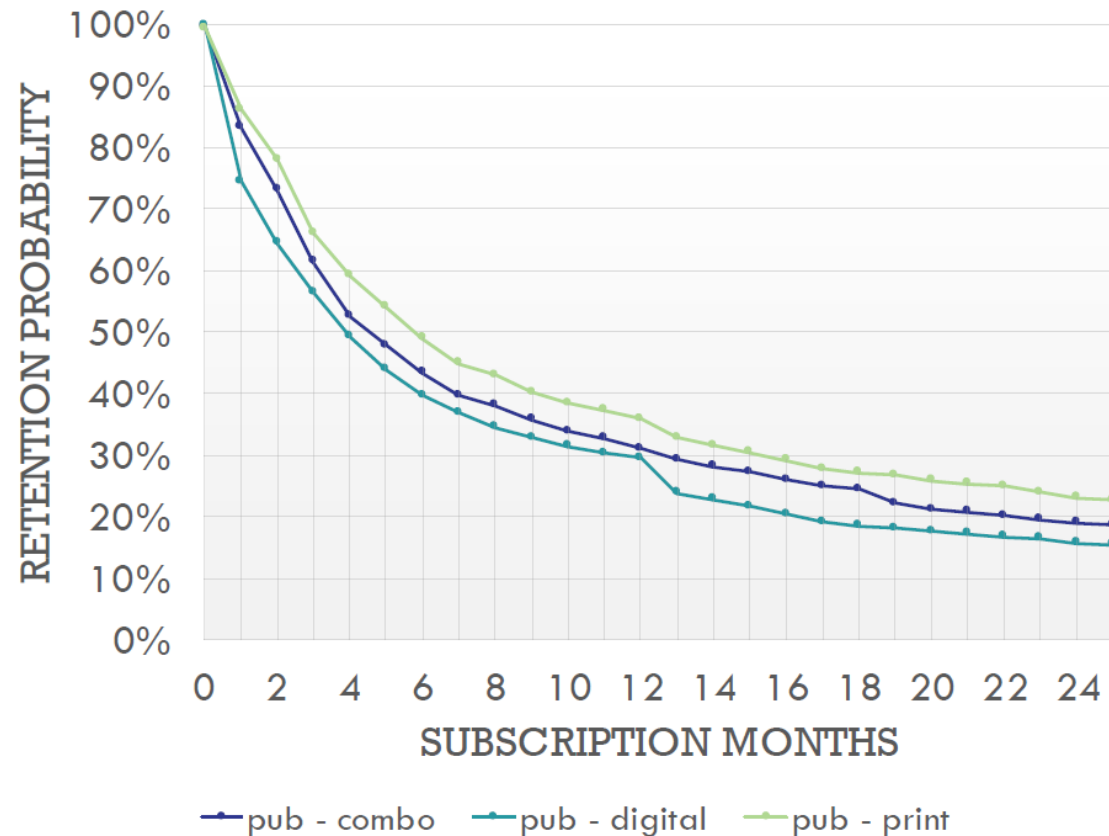
	2019	2020	% Change
Monthly Rate	\$8.52	\$9.13	7.14%
Circulation (avg.)	5,961	9,072	52.20%
Circulation (med.)	1,558	3,881	149.15%
Monthly Revenue (avg.)	\$50,840	\$82,812	62.89%
Monthly Revenue (med.)	\$11,606	\$22,649	95.14%

	2019	2020	% Change
Monthly Rate	\$25.16	\$28.77	14.34%
Circulation (avg.)	44,279	37,850	-14.52%
Circulation (med.)	15,087	12,094	-19.84%
Monthly Revenue (avg.)	\$1,114,583	\$1,088,228	-2.36%
Monthly Revenue (med.)	\$382,239	\$363,041	-5.02%

# RETENTION BENCHMARKS

## New Digital Customer Retention

New Digital customers converting through aggressive acquisition offers have retained at similar levels as new print customers for many clients, indicating a stronger loyalty to publishers unlike previous years.



# BENCHMARKING SYNOPSIS

01



Digital subscription volumes have grown considerably over the last month, with overall circulation growing over 3.3%, with start volume (7.4%) considerably outpacing stops (4%).

02



Large digital publishers, particularly those with more than 25k digital subscribers, outperformed the broader market in terms of digital subscriber growth (5.8) and retention (96.1%).

03



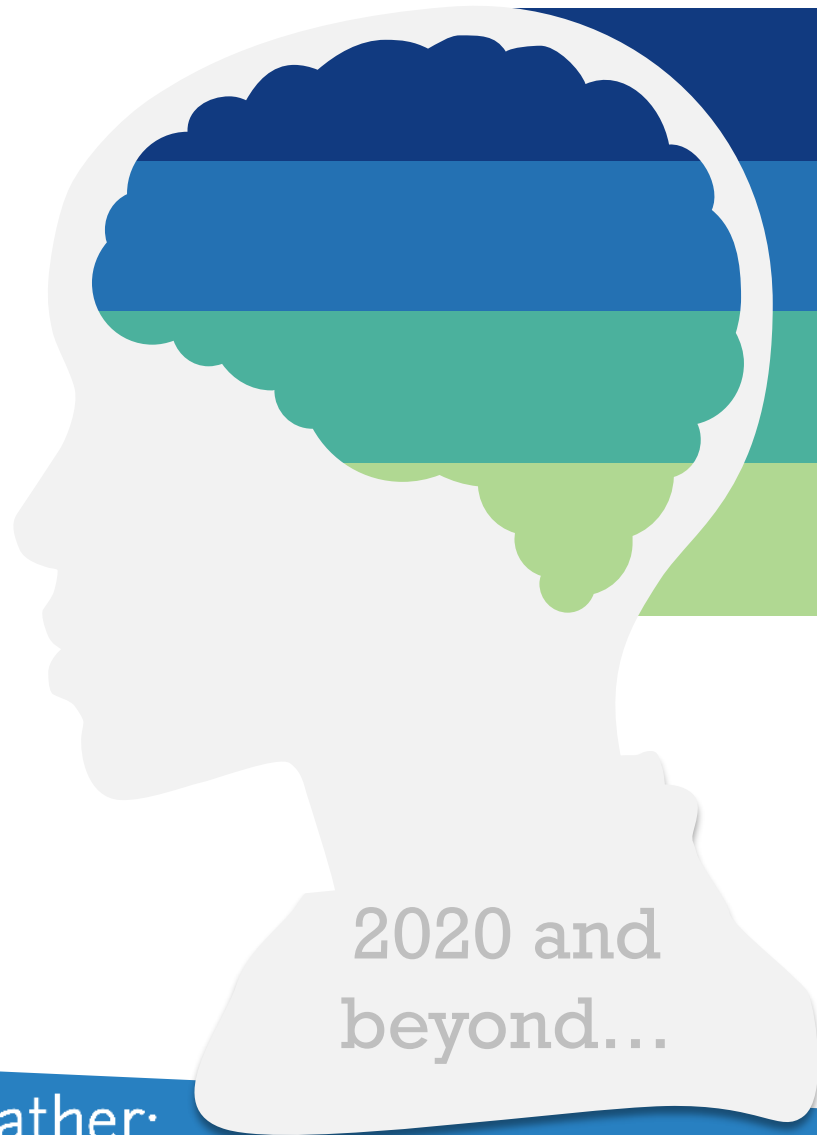
Print volume declines were moderate at -0.89% and largely on trend with last year's benchmarks.

04



Midsize print publishers, particularly those with 25k-50k print subscribers, had the highest rate of print circulation losses at -1.03%.

# CONSIDERATIONS FOR BUSINESS CONTINUITY



**Subscription benchmarks** are a helpful tool for gauging the impact of COVID-19 on subscription businesses and for use in comparing individual publisher performance against the broader market.

However, **individual market considerations** are still paramount when evaluating pricing and retention programs.

**For pricing considerations**, publishers should evaluate the impact of increased demand for news on the price sensitivity of print and digital subscribers. While the initial reaction may be to lower subscription rate or pause pricing programs, in many cases the increased demand for news may increase a subscriber's willingness to pay.

For retention programs, publishers can track and take proactive action on segments of their user bases that are at an increased risk of churn. In the current environment of surging online news consumption, subscribers that are disengaging from their normal behaviors are important to pay close attention to in the retention process.

... Mather's team of economists and data scientists are ready to discuss your individual conditions and provide the analytics support necessary to help your business through these challenging times.



# MEET THE EXPERTS



**Matt Lindsay**

President

[matt@mathereconomics.com](mailto:matt@mathereconomics.com)

678-585-4101



**Bob Terzotis**

Executive Vice President

[bob@mathereconomics.com](mailto:bob@mathereconomics.com)

225-444-5217



**Arvid Tchivzhel**

Sr. Director, Product Development

[arvid@mathereconomics.com](mailto:arvid@mathereconomics.com)

678-585-4130



**Matthew Lulay**

Sr. Director, Consulting Services

[matthew@mathereconomics.com](mailto:matthew@mathereconomics.com)

678-585-4132



**Dustin Tetley**

Sr. Director, Consulting Services

[dustin@mathereconomics.com](mailto:dustin@mathereconomics.com)

678-585-4113

# mather:

## USA

1215 Hightower Trail  
Building A, Suite 100  
Atlanta, GA 30350

## EUROPE

Basisweg 30  
1043 AP  
Amsterdam, Netherlands

770.993.4111  
[mathereconomics.com](http://mathereconomics.com)