

New York Times profits halve, digital subscription revenue climbs

NEW YORK, USA: The New York Times Co reported a sharp drop in profits as lower advertising revenues offset gains in digital subscriptions.



NYT's Mark Thompson says while print advertising and subscriptions are falling, digital is doing well, showing growth in both subscriptions and advertising. Image: [Ad Age](#)

Net profit for the second quarter fell from \$20.1m last year to \$9.2m this year.

Total revenues were essentially flat at \$389m, with circulation revenues up 1.4% and advertising revenues down 4.1%.

The bottom line was also hurt by higher operating costs, which the company attributed to increased investments in boosting the digital profile of the prestigious newspaper publisher.

Digital advertising revenues were up 3.4% but that failed to offset a 6.6% drop in print advertising revenue.

"We saw continued growth in digital advertising and circulation revenues during the quarter," said Mark Thompson, President and Chief Executive.

"But know that we still have more work to do to transform our business and deliver long-term sustainable revenue growth for the company," he said.

NYT apps driving up digital activity

The New York Times (NYT) added 32,000 digital subscribers in the quarter, helped by newly released subscription options including NYT Now, NYT Opinion and Times Premier.

The NYT Now app is designed for mobile device users, and Times Premier is a premium news and information service that adds to the cost of a regular subscription.

"We're encouraged by the reaction from users of the products, especially the high consumer satisfaction levels we're seeing with the NYT Now app," said Thompson, the former BBC Chief who became President and Chief Executive of NYT in 2012.

"But, while we expected the portfolio to take time to build, we want to accelerate the rate of growth in subscription sales, so over the coming months, we will refine some of the offers and the way we market the portfolio to accomplish this," Thompson said.

Like other media firms, NYT is shifting its focus from print to digital as it strives to adapt to a decline in readership and competition from other sources of news online.

Source: AFP via I-Net Bridge

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