

# About Substack

We are developing an all-in-one service to let writers get paid by reaching audiences that value them. Our tools will include easy-to-use editing software that can handle the simultaneous publication of stories and newsletters; a payments solution that makes subscriptions intuitive and manageable for both publisher and reader; sharing features that allow stories to find large audiences outside the paywalls; and design templates so that publishers can create beautiful reading experiences. We make money only when our publishers make money, taking a small cut of subscription revenue or charging recurring fees based on earnings thresholds.

Over time, we will introduce an ever-evolving suite of features and services to better serve independent publishers, helping them do the best work they can and build strong, enduring businesses. Publishers will be able to use our tools and resources to communicate with subscribers, grow their audiences, and find the help they need to get to the next level. They'll also be able to participate in a meta community that encourages the growth of the whole ecosystem.

## Contents

Vision.....	5
Mission.....	5
Values .....	5
<b>1. Compensation.....</b>	<b>6</b>
<b>2. Tools.....</b>	<b>7</b>
<b>2.1. Editing .....</b>	<b>7</b>
<b>2.2. Payments .....</b>	<b>7</b>
<b>2.3. Audiences .....</b>	<b>7</b>
<b>2.4. Templates .....</b>	<b>7</b>
<b>2. Enhancements .....</b>	<b>8</b>
<b>3.1. Communication .....</b>	<b>8</b>
<b>3.2. Audiences .....</b>	<b>8</b>
<b>3.3. Assistance.....</b>	<b>8</b>
<b>3.4. Growth.....</b>	<b>8</b>
Administrative Information.....	8

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## Substack (SBSTCK)

### Stakeholder(s):

#### Chris Best :

*Reader of things. Co-founder of Substack.*

#### Hamish McKenzie :

*Co-founder of Substack. Writer.*

#### Writers :

*Substack serves writers who are striking out on their own. Some of these will be professionals who can quit their jobs and financially support themselves by channeling their expertise into publications that they control. Others will be part-timers who are otherwise employed as teachers, academics, laborers, insurance agents, administrators, salespeople—or any number of other jobs—but can now earn money by writing about their passions.*

#### Media Companies :

*Entrepreneurial writers and editors may band together to bootstrap media companies focused on subjects that aren't well covered in the existing media marketplace.*

#### Non-Profits :

*We're not claiming that this model will work for all types of news, and we don't think it should be the only model. Perhaps it will co-exist with a non-profit model like ProPublica, a government-supported model like the BBC, or, perhaps something new, like a non-partisan fund for journalism paid into by the tech platforms that rely on the work of others to fill their newsfeeds. Whatever the case may be, however, it is clear to us that subscriptions will be a giant and important part of a new media ecosystem. It's the biggest opportunity for news since Benjamin Day invented the penny paper.*

#### Benjamin Day :

*In September 1833, Benjamin Day, the 23-year-old son of a hatter, put the New York Sun on sale for a sixth of the price of its competitors. The sensationalism-stuffed Sun, selling for a penny an issue, quickly became the most-read newspaper in America. The key to its low price and popularity was a business model innovation that would change the news industry forever: advertising.*

#### News Organizations :

*The ad-supported model would undergird a golden age of newspapers that lasted 180 years. Those days are all but over. Today, as a result of a mass shift of advertising revenue to Google and Facebook, the news business is in crisis. The great journalistic totems of the last century are dying. News organizations—and other entities that masquerade as them—are turning to increasingly desperate measures for survival. And so we have content farms, clickbait, listicles, inane but viral debates over optical illusions, and a “fake news” epidemic. Just as damag-*

*ing is that, in the eyes of consumers, journalistic content has lost much of its perceived value—especially as measured in dollars.*

#### News Publishers :

*It's easy to feel discouraged by these dire developments, but in every crisis there is opportunity. We believe that journalistic content has intrinsic value and that it doesn't have to be given away for free. We believe that what you read matters. And we believe that there has never been a better time to bolster and protect those ideals. Now, more than ever, publishers of news and similar content can be profitable through direct payments from readers. In fact, we are so convinced by this notion that we have started a company to accelerate the advent of what we are convinced will be a new golden age for publishing. The company is called Substack.*

#### News Industry :

*Benjamin Day radically altered the future of journalism with a tweak to its funding model. Almost two centuries later, the news industry is ready for another reinvention.*

#### Periodicals :

*Subscribe now ~ Subscriptions were pioneered by periodicals, including, in 1688, the first illustrated edition of Milton's Paradise Lost. Now, through the power of the internet, they're also used to sell things as varied as razor blades, meals, software, and underpants.*

#### Journalists :

*At Substack, we believe that the time has again come for journalists to thrive on payments from readers. The news business—and here we interpret the word “news” in its broadest sense—is unsustainable if it continues to rely on advertising.*

#### Independent Publishers :

*But a model based on subscriptions can trigger an explosion of independent publishing, eventually leading to a future in which the aggregate market value of subscription-based content is larger than the value of the news industry we know today.*

#### Subscribers :

*Times have certainly changed since the advent of the penny paper. The internet has saturated us with an information deluge that has changed the economics of news. No one wants to add more noise to their lives, let alone pay for the privilege. But that is the very reason that the right kind of subscription content can be even more valuable in the digital age. Precisely targeted and curated content means less noise. In fact, by attributing a dollar value to such content, people can make more focused decisions about their consumption habits. Instead of allowing ourselves*

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*Stakeholders (continued)*

as readers to be vulnerable to the social media platforms that war with each other to monopolize our attention, we can instead be selective with our media choices, honing in on the interests, writers, and localities that we find most meaningful. We can have direct relationships with the writers we trust to do high-value work. And, because online distribution is basically free and universal, writers can find paying readers for content that would otherwise reach only modestly sized or dispersed audiences that are unattractive to advertisers. So why aren't a million subscription-based flowers already blooming on the internet? Well, if you know where to look, you can see the first shoots of growth. The media future is here—it's just not yet evenly distributed.

**Andrew Sullivan :**

*Deep value ~ In 2013, the journalist Andrew Sullivan moved his politics blog, The Dish, from the Daily Beast to its own website and attracted 30,000 subscribers who paid \$20 a year. The site employed seven writers and, according to Sullivan, had more than a million dollars in revenue—without ads.*

**Jessica Lessin :**

*Later in 2013, Jessica Lessin founded The Information, a tech industry news site that charges subscribers \$399 a year. Lessin has used that revenue to build up a staff of about 20 people, including a dozen reporters based in the San Francisco Bay Area and a small bureau in China. The Information has more than 10,000 subscribers and is profitable, according to Lessin.*

**Ben Thompson :**

*Also in 2013, Ben Thompson, an American based in Taiwan, started charging \$100 a year for his newsletter-first publication, Stratechery, in which he dispenses analysis of tech industry news. Two years later, Thompson had more than two thousand subscribers, representing upwards of \$200,000 in annual revenue. He hasn't disclosed subscriber figures since, but in February 2017 he characterized the financial viability of his one-man publication as "more than a business." "[B]y making something scarce, and worth paying for, you are by definition limiting your number of readers," Thompson wrote in 2015. "Stratechery, though, serves a niche, and niches are best served by making more from customers who really care than from milking pennies from everyone."*

**Luke Timmerman :**

*In 2015, following Thompson's lead, former Bloomberg reporter Luke Timmerman established his own biotech news service, The Timmerman Report. It took him less than a year to reach a thousand subscribers—mostly biotech professionals—who at the time were paying \$100 annually. He has since increased the price to \$150 a year, with no apparent effect on the subscriber base. Timmerman does most of the writing for the publication, but he has also hired a couple of contributors.*

**Subscription Services :**

*Sullivan aside, however, these publications serve niche tech audiences. Can a subscription model work anywhere else?*

**Patreon :**

*Consider Patreon, a crowdfunding platform for creators. Patreon was launched in 2013 to help writers, artists, and other creatives solicit donations from people who love their work. The company recently claimed that a million people every month are making payments via its service, collectively supporting the*

*work of 50,000 creators. It expected Patreon payments to total \$150 million in 2017. A glance at the top Patreon writers list proves that distinctive niche content does well.*

**Jim Sterling :**

*Video game critic Jim Sterling has more than 5,500 patrons, netting him \$12,000 a month. The War Nerd has a following of more than two thousand patrons, who collectively pay him \$9,000 per podcast, of which he produces two per month.*

**Jeff Gluck :**

*And former USA Today reporter Jeff Gluck has amassed more than 850 supporters to fund his in-depth NASCAR reporting, which is available for free on his website. Although he has been on the platform for just half a year, Gluck's Patreon donations amount to more than \$6,500 a month.*

**NASCAR****Sports Teams :**

*If there is a community of people willing to pay a few dollars a month to get their fix of high-quality NASCAR writing, might there also be a community willing to pay for writing that is exclusively about their favorite sports team?*

**Derek Bodner :**

*(Actually, yes—more than two thousand patrons pay to support Derek Bodner's writing about the Philadelphia 76ers.)*

**Podcasters :**

*And if a critical mass of people are willing to pay for local sports writing, might they also be willing to pay for quality news about podcasting?*

**Nick Quah :**

*(Yep—Nick Quah has already found that with Hot Pod.)*

**Hobbyists :**

*Or how about a hobbyist blog about foreign affairs? (World Politics Review started as a grad student's side project). And are there any good reasons why a quality publication about, say, Game of Thrones could not support itself on subscriptions? How about a dedicated news site about your neighborhood—not one supported by ad revenue, but paid for directly by residents? Maybe there could even be paid publications about model trains, or League of Legends, or carbon sequestration.*

**Niches :**

*These niches can support meaningful businesses. After all, a niche is just something that at least a few people care about a great deal—and perhaps enough to pay for. A subscription publication, then, doesn't need to be the New York Times in breadth and scale. In some cases, it could be just one person writing for a small audience and earning pocket money. Others might attempt to professionalize their operations. Perhaps the NASCAR guy decides to hire another writer who covers racing in Europe. Maybe that move attracts more subscribers, allowing him to add more writers and editors to the team. Perhaps a writer covering happenings in her local neighborhood joins forces with someone in the adjacent neighborhood and grows the audience. Then, they might add a copy editor, or a writer who covers City Hall. Soon enough, it could be the best local news publication in the area. A group of writers and*

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Stakeholders (continued)

*editors could raise funding to start a publication about, say, geoengineering, white-collar crime, or even the White House. One day, they could be counting subscribers in the millions. Once the old rules are gone, a new world of possibility opens up.*

### **New York Sun :**

*One hundred and eighty-four years since the New York Sun first went on sale, we are standing on the cusp of a new revolution in the news business. The time for mourning the loss of the old media model is over. Now is the time to look ahead to the next two centuries.*

## Vision

A better future for news

## Mission

To make it simple to start a publication that makes money from subscriptions.

## Values

**User Experience:** Our focus on subscriptions and creating a great user experience comes at the expense of advertising. All Substack publications without exception will have subscriptions, and we will not accommodate ads in the design of our publishing system. Publishers will own their data, which we will never attempt to sell or distribute, and we won't place ads next to any of our own or our customers' products.

**Democratization:** A new Day ~ At the core of Substack's mission is the belief that, by democratizing the tools that they need to create independent businesses, we can help writers succeed in an era in which the overall market for news grows dramatically.

**Growth:** When it has reached maturity, the subscription-based news industry could well be much larger than the newspaper business ever was, much like the ride-hailing industry in San Francisco is bigger than the taxi industry was before Lyft and Uber.

**Monetization:** Democratizing this subscription-based future will enable more writers to earn more money by writing about what truly matters.

**Independence:** It puts the media's destiny into the right hands.

## 1. Compensation

*Enable writers get paid by reaching audiences that value them.*

### Stakeholder(s)

#### Writers

#### Audiences

We are developing an all-in-one service to let writers get paid by reaching audiences that value them... We make money only when our publishers make money, taking a small cut of subscription revenue or charging recurring fees based on earnings thresholds.

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## 2. Tools

Our tools will include easy-to-use editing software that can handle the simultaneous publication of stories and newsletters; a payments solution that makes subscriptions intuitive and manageable for both publisher and reader; sharing features that allow stories to find large audiences outside the paywalls; and design templates so that publishers can create beautiful reading experiences.

### 2.1. Editing

*Provide editing software that can handle the simultaneous publication of stories and newsletters.*

### 2.2. Payments

*Offer a payments solution that makes subscriptions intuitive and manageable for both publisher and reader.*

**Stakeholder(s):**

**Publishers**

**Readers**

### 2.3. Audiences

*Provide sharing features that allow stories to find large audiences outside the paywalls.*

### 2.4. Templates

*Make available design templates so that publishers can create beautiful reading experiences.*

**Stakeholder(s):**

**Publishers**

## 2. Enhancements

*Introduce an ever-evolving suite of features and services to better serve independent publishers.*

### Stakeholder(s)

#### Publishers

Over time, we will introduce an ever-evolving suite of features and services to better serve independent publishers, helping them do the best work they can and build strong, enduring businesses. Publishers will be able to use our tools and resources to communicate with subscribers, grow their audiences, and find the help they need to get to the next level. They'll also be able to participate in a meta community that encourages the growth of the whole ecosystem.

#### 3.1. Communication

*Communicate with subscribers.*

#### 3.2. Audiences

*Grow audiences.*

#### 3.3. Assistance

*Find the help to get to the next level.*

#### 3.4. Growth

*Participate in a meta community that encourages the growth of the whole ecosystem.*

### Administrative Information

**Start Date:**

**End Date:**

**Publication Date:** 2021-06-15

**Source:** <https://on.substack.com/p/a-better-future-for-news>

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