



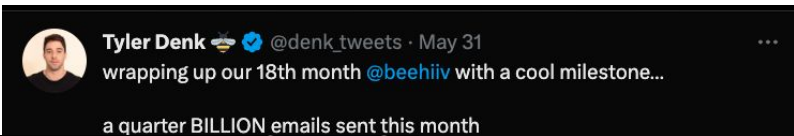
Kernal x beehiiv

The Newsletter Revolution: Empowering Creators & Companies with beehiiv

→ About beehiiv

#1 platform to start, scale, and grow your newsletter.

- Profitable (\$2M + ARR and growing)
- 80,000 users
- Scaling (hiring!)



Tyler Denk 🐝🔵 @denk_tweets · May 17
18 months into this journey @beehiiv and couldn't be more bullish about the future

SaaS revenue: 30%+ MoM since launch
Ad revenue: +250% MoM in April
Boosts revenue: new but substantial

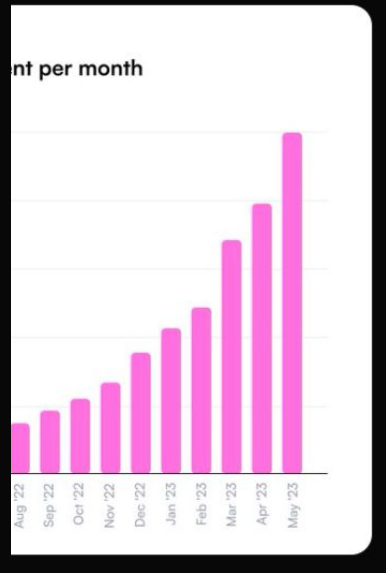
(MRR only includes SaaS)

MRR ⓘ
\$200.1K

\$0.00

Jan 2021

May 2023



→ Agenda

The newsletter business

- **Reviewing Great Content**
- **Overview**
 - Pros & Cons
 - Niches
 - Examples
- **By The Numbers**
 - Revenues models (Ads, Subscriptions, Offers, etc).
 - CAC:LTV
 - Exits, Valuations, Structure
- **Starting A Newsletter**
 - Topic Selection
 - Getting Started
 - Stealing From The Best

→ **By The End of This Presentation:**

You will have what you need to start and scale a newsletter.

You will also understand the economics of the business model.

→ Overview: When The Newsletter is the Product

A Newsletter is not (always) Email Marketing. Selling content.

What makes “great content?”

- Content > Audience match (promise & delivery)
- Readable (Clear, concise, line-breaks, pictures).
- Delivering on the promise (meeting/exceeding expectations).

→ Content > Audience Match

Key Words:

- Daily.
- A “dose.”
- 5 minutes or less.

Readers know what they're getting.

Newsletter delivers.

Ben's Bites

Your daily dose of what's going on in AI. In 5 minutes or less, with a touch of humour. Read by over 100,000 others from Google, a16z, Sequoia, Amazon, Meta and more.

Subscribe

→ Poor Readability

Enough said.

24% failed to recognize the role played by AI and 17% did not know whether it had played any part or not. However, despite its advantages, its negative effect has also been debated all over the years. Many pieces of research have been conducted in order to analyze the pros and cons of this creation. Therefore, this essay will discuss the advantages of AI in the various field which are education and expert system. Next, this writing will expose the reader on a risk on the involvement of AI in both fields which is unemployment.

First, the creation of artificial intelligence has contributed a lot to the education field. The creation of artificial intelligence is able to solve the intellectual problem that cannot be solved by the human (Shukla, Jaiswal, 2013). A major thrust of AI is the development of computer functions normally associated with human intelligence, such as reasoning, learning, and problem-solving (Hafiza,2018). Machines that are invented, have the ability to works beyond human's ability. For example, a computer would be programmed as a tutor that would observe the efforts of a student in solving a problem. Robots such as Ozobot and Cubelets teach and help children anytime over office hours (Stone, et al. 2016). In addition, the computerized tutor is trusted to be more critical than a "live" teacher as it can detect student's error effectively and more critical. However, relying on the machines teacher, disadvantages come when the machines sometimes are not adaptable to some situations that may not be programmed to it.

For instance, when it comes to the High Order Thinking Skills question, the machines cannot solve the problem because they are not programmed to it (HOTS question). Next, AI in education also may become not as effective are they are emotionless. In the AI world, there is nothing to do with emotion, understanding. They cannot understand the student's situation on emotion and unable to solve student's situation which is unfamiliar to them. As the result. it will

→ Great Readability (The Rundown)

- Header
- Bolded key points
- Lists
- Links

🔗 [Nvidia Reminds Us Why They're Coming For #1](#)

As covered last week, California-based chip manufacturer Nvidia has been swinging for the fences in their recent developments, approaching a **\$1 Trillion market cap**.

Nvidia's CEO Jensen Huang kicked off [COMPUTEX](#) Taipei—Asia's largest computer tech trade show, with some incredible announcements:

- The full production of the GForce RTX 4080 Ti GPU for gamers (*really big graphics cards*)
- Nvidia Avatar Cloud Engine (ACE) for Games (*AI helper for game devs, specifically in NPCs*)
- The success of the Nvidia Cuda computing model (*allows devs to use powerful graphics cards to speed up their programs*)
- Production of the HGX H100 GPU server (*really big computer for AI*)
- Nvidia's partnership with SoftBank for its distributed data centers in Japan (*gave them Superchips to host their own AI data*)
- Nvidia's partnership with WPP, the worlds biggest advertising agency (*using AI to generate ad creatives*)

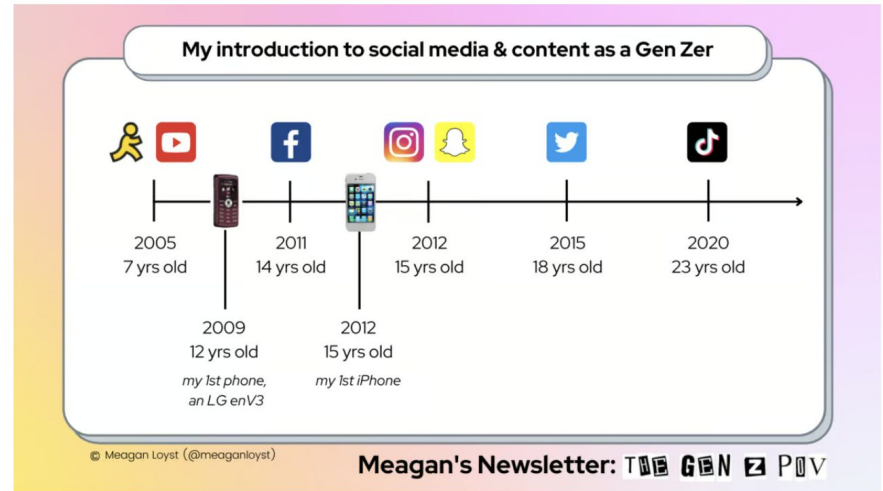
This all may seem like tech jumbo, and it is — but it's precisely this tech jumbo that has propelled Nvidia to **heights most of us never saw coming**.

→ Great Readability (The Gen Z POV)

- Clear image + timeline
- Presenting her POV (as promised).
- Visualizes paragraphs in one image.

There are tons of tools online that can help you.

Templates!



Why YouTube Kids will win over TikTok

Kids are asking for TikTok, but parents don't know what to make of it or how to provide their kids with safe access to the platform. I've done Gen Z presentations for companies

→ Business Overview

→ Business Overview: Pros & Cons

Pros:

- Low Barrier to Entry (start for free)
- Proven (thousands of success stories)
- High Margin (especially at first)

Cons:

- Competitive (how many AI newsletters are there right now?)
- Standing Out
- Scaling Up (hiring, commissions eat into ad revenue, CAC rises with paid)

Question:

What's your favorite example of a newsletter business?

From Creator



Business

→ Riches in The Niches

The niche (aka topic) is critical.

There are no “bad niches” per-se. But expectations change.

Smaller niches (typically) command higher prices and earn more/sub.

If:

- If the audience has purchasing power.
- Engagement is high (45%+ open rates, 10%+ of those opens click).

→ **Niches: Small but Rich**

Focusing a small audience of people who have purchasing power.

Creates demand for advertisers and higher price-points for subscriptions.

Lists of 5k - 10k readers can earn 6 or 7 figures.

→ Niches: Small but Rich

Morning Floss: the #1 newsletter for Canadian Dental Professionals.

- Profitable,
- 14k subscribers
- 80k potential readers.

Readers are 6, 7, or even 8-figure earners.

BUT:

- CAC is high.
- Small market of advertisers.



Get smarter about what matters in dentistry.

Join **14,000+** leading Canadian dentists and dental professionals who read Morning Floss for free. Every Saturday, you will receive the leading 5-minute email on Canadian dentistry that you'll *actually* enjoy reading.

Stay ahead of dental news, clinical research, business, tech, and politics. 🇨🇦

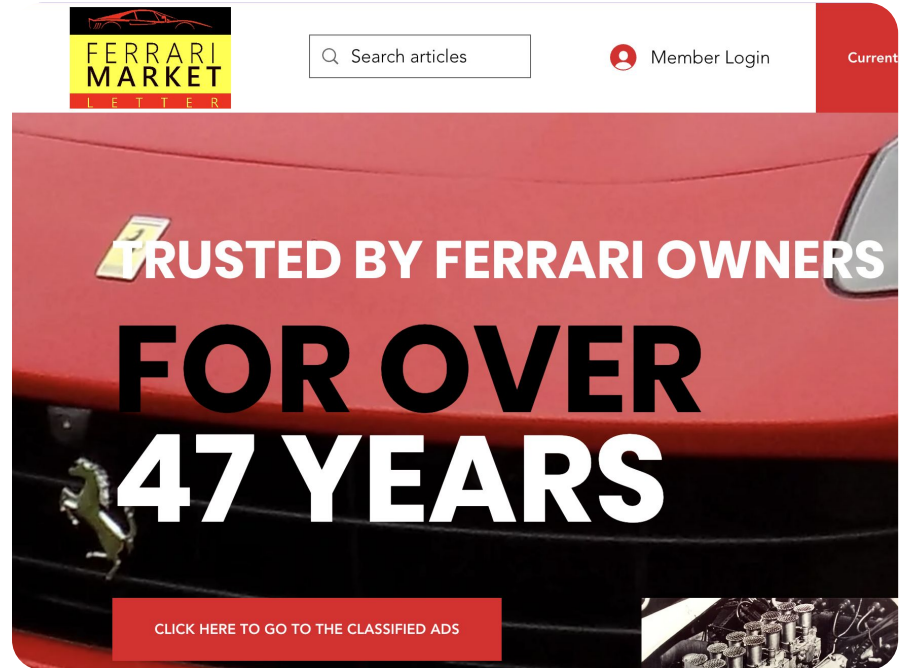
SUBSCRIBE

→ Niches: Small but Rich

Ferrari Market Letter

Earning \$2M with **5k subscribers.**

- Content
- Listings
- Partnerships with Ferrari



→ Niches: general topics with a large total market

- Business
- Tech
- Finance

Large audiences with a more general topic

Requires a critical mass of readers, and scale.

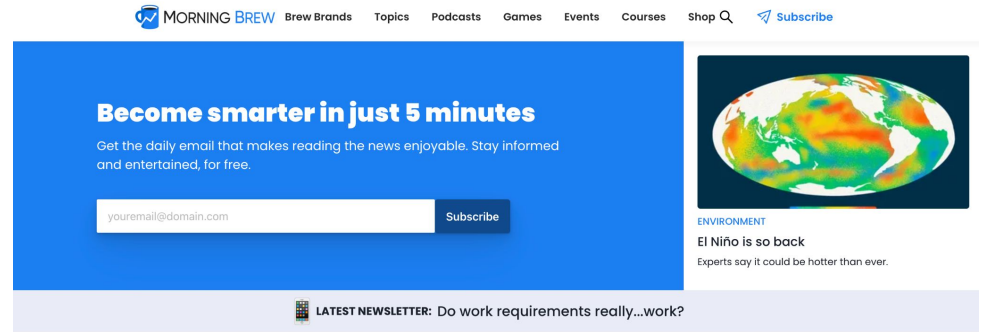
→ Niches: General topic, big audience

Morning Brew:

Sold majority stake to Axios for \$75M in 2020 with ~3m subscribers at the time.

Across 5 publications.

- Morning Brew
- Emerging Tech Brew
- Retail Brew
- Marketing Brew
- The Essentials



Oct 29, 2020 - Economy & Business

Exclusive: Insider Inc. buys majority stake in Morning Brew in all-cash deal



Sara Fischer, author of [Axios Media Trends](#)

→ Niches: General topic, big audience

The Hustle:

Tech and business news.

- Sold to Hubspot at 1.5M subscribers.
- Valued at ~\$20-27M
- Cash and stock.

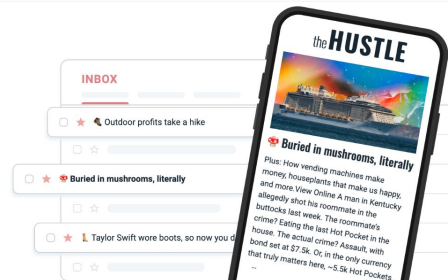


Get Smarter on Business and Tech

Get the 5-minute newsletter keeping 2M+ innovators in the loop.

✉ Your email address

Join Free



Enterprise

HubSpot acquires media startup The Hustle

Anthony Ha @anthonyha / 8:23 AM PST • February 4, 2021



→ Niches: Industry Topics

In the middle.

Topics not quite as general as business and not as specific as “ferrari owners.”

- Creator Economy
- Artificial Intelligence
- Luxury watches
- Wine

Even better if the topics are trending.

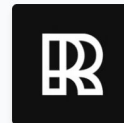
- AI
- Crypto (back then)

→ Niches: Industry Topics

The Rundown:

- 190k subs in ~4 months
- 43% open rate
- Ad supported
- Main Sponsor: \$2,500

The latest developments in AI.



The Rundown

Get the rundown on the latest developments in AI before everyone else.
Join 190,000+ daily readers from Microsoft, Tesla, Nasa, Meta, and more.

→ Niches: Industry Topics

International Intrigue

- 50k subscribers.
- 48% open rate.
- Ad supported.

The Economist, but written for a modern audience.

“Global News That Hits Different”

The screenshot shows the Intrigue website landing page. At the top, there is a navigation bar with a 'MENU' icon on the left, the 'intrigue' logo in the center, and 'SHARE WITH FRIENDS' on the right. The main content area features a headline: 'GLOBAL NEWS THAT HITS DIFFERENT' followed by 'KNOW WHAT'S GOING ON IN THE WORLD, AND WHY' in large, bold, blue and black text. Below this, a sub-headline reads: 'Craving apolitical, jargon-free news and analysis from around the world? You're in luck! Get the 5-minute newsletter designed by former diplomats and be the most intriguing person in the room.' There is an email sign-up form with the placeholder text 'Your email address...' and a 'TRY IT OUT' button. A small disclaimer below the form states: '100% FREE. NO SPAM. NO NOISE. UNSUBSCRIBE ANY TIME.' To the right, there is a promotional graphic for a 5-minute briefing, showing a smartphone displaying an email inbox with various news items and a tablet displaying a briefing slide with a portrait of a man. The text above the graphic says: 'Join 50,000+ leaders who start their day with Intrigue'. Below the main content, there is a section titled 'WHY INTRIGUE?' with the subtitle 'WE EXPLORE THE INTERSECTION OF GEOPOLITICS, BUSINESS AND TECHNOLOGY'. At the bottom, there are three circular icons with the text 'SAVE TIME', 'GET UNIQUE', and 'ENJOY STAYING'. A row of logos for 'Trusted by PROFESSIONALS at' includes 'WORLD BANK', 'BBC', 'BLACKROCK', and 'BOEING'.

→ Niches: Industry Topics

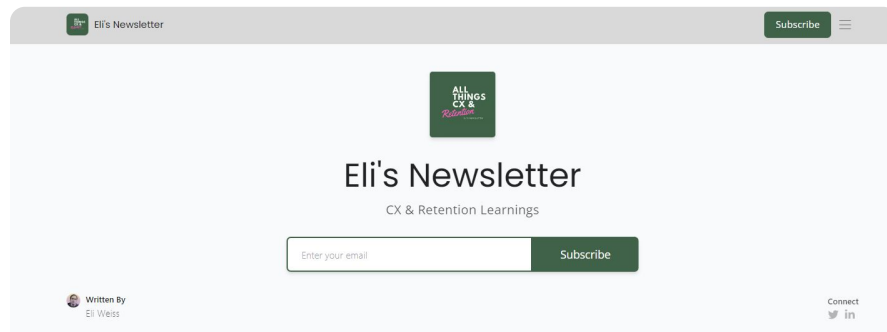
Eli Weiss: CX & Retention.

- >5,000 subs.
- 47% open rate.
- Ad supported.

Eli is an authority in the space.

Earning a full-time income with this side hustle.

First 1,000 subs & ad before his first send.



The Future of Customer Retention: Personalization

Eli Weiss / 4 days ago

Search posts...



The Ideal Customer Journey to Increase Retention

Eli Weiss / 11 days ago



Techniques to Build a Real Brand

→ Niches: Industry Topics

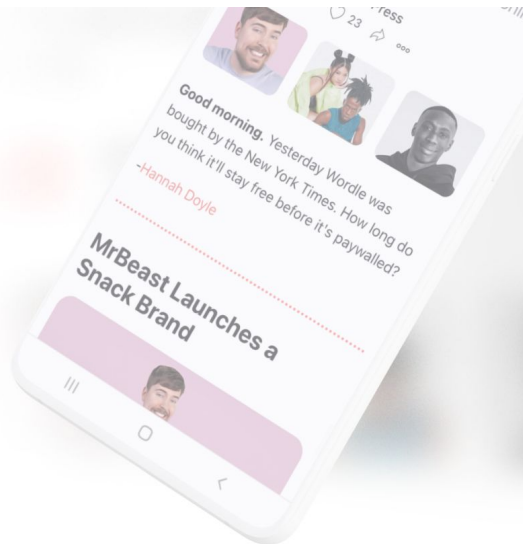
Publish Press

- Very clear niche.
- Paid acquisition
- Ad supported.

“Where creators get their news.”

WHERE CREATORS GET THEIR NEWS

The Publish Press delivers the latest creator news—plus why it matters—straight to your inbox, 3x/week. See you there 🙌🙌



By The Numbers

→ **By The Numbers (Subscriber Growth & Revenue Growth)**

This is just an introduction, and so much more than what I'm about to say goes into this.

- Supply/Demand dynamics (your ad-inventory, fill-rate).
- Brand.
- Niche.
- Engagement.

What's true today may not be true next year.

→ By The Numbers (Growth)

Organic:

- Social (Twitter, LinkedIn, Reddit, TikTok, Insta).
- Recommendation swaps, word of mouth, events, etc.

Paid:

- Paid Social
- Good target for <\$2 per sub.
- Niche makes a massive difference.

Don't be afraid to test paid sooner than later.

→ By The Numbers (Growth)

Referral Programs:

- \$100 for 10 subscribers is \$10/sub.
- If each person refers 2 friends (20 more), that's 30 in total.
- Becomes \$3.33/sub.

- Digital products cost (marginally) \$0. (just the cost of making the product).

“beehiiv has given our startup superpowers and helped us scale noticeably faster across the board. The referral program was set up in under 15 minutes.”

Ryan Duffy
Payload Space

17%

Average increase in monthly growth with referral program.

→ By The Numbers

Scaling

Typically involves:

- Hiring staff
- Paid acquisition
- Repeatable processes around revenue, expenses, etc.
- “\$1 in \$2 out.”

Don't delay this for too long. **Check out EOS.**

→ By The Numbers

Scaling

Issues if not addressed (10k, 20k, 100k, whatever that means for you):

- Content quality drops.
- Engagement drops.
- Not charging enough.
- No real control over the business.

→ By The Numbers (Revenue)

Advertising:

- CPM
- CPC

Process - a price sheet:

- Stats (subscribers, open rates, testimonials)
- Pricing
- Social Proof (logos, testimonials)

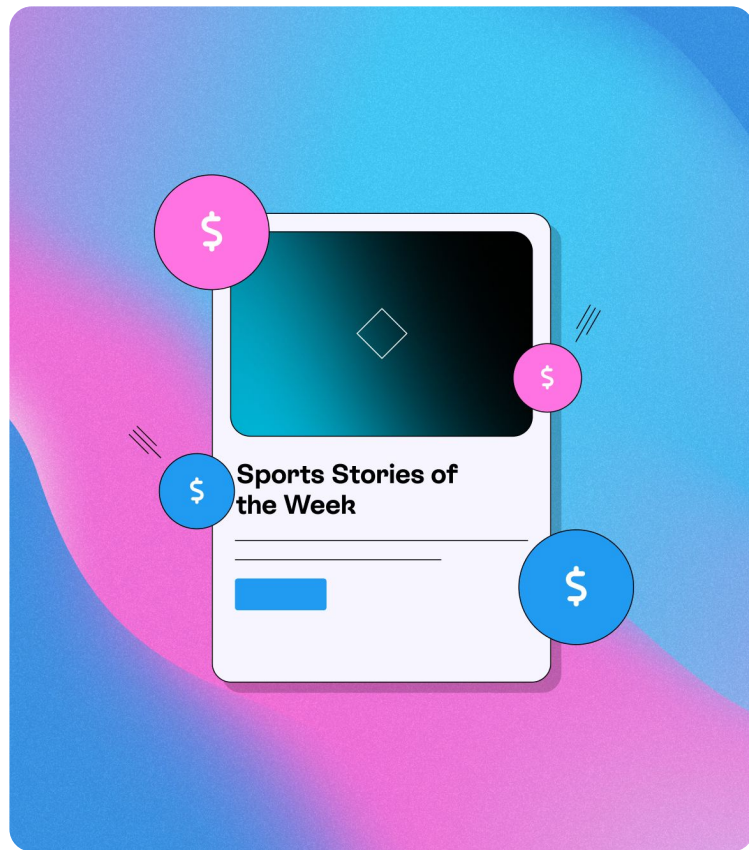
Ad-Fill Rate:

- High fill rates (typically) suggest you can raise prices.

→ By The Numbers

Ad Inventory

As publications grow, the only way they can multiply revenue is to multiply ad slots while keeping the same fill rate.



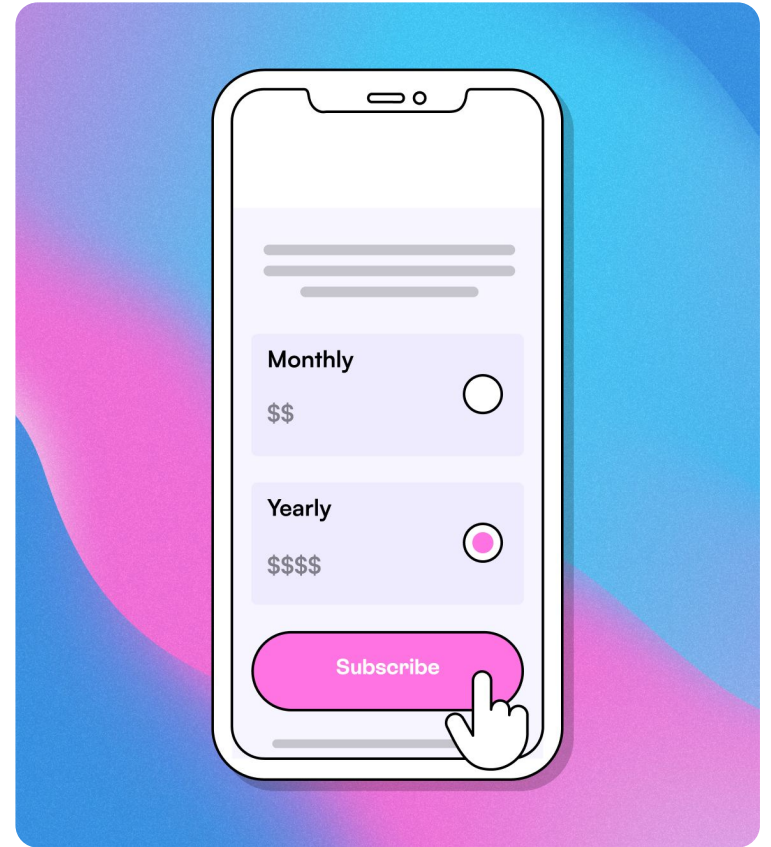
→ By The Numbers

Subscriptions:

- Premium content
- Aggregating benefits (discounts)
- Exclusive events.

Dead Zone: \$1 - \$20/month

Some go for thousands a month. Politico:
~\$2,500/month.



By The Numbers

Boosts:

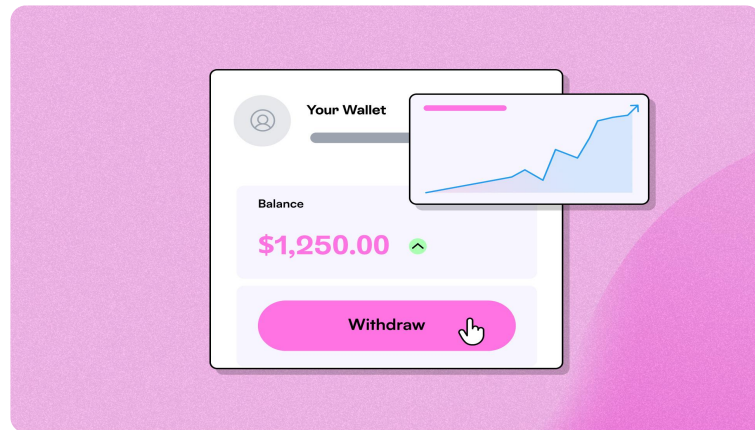
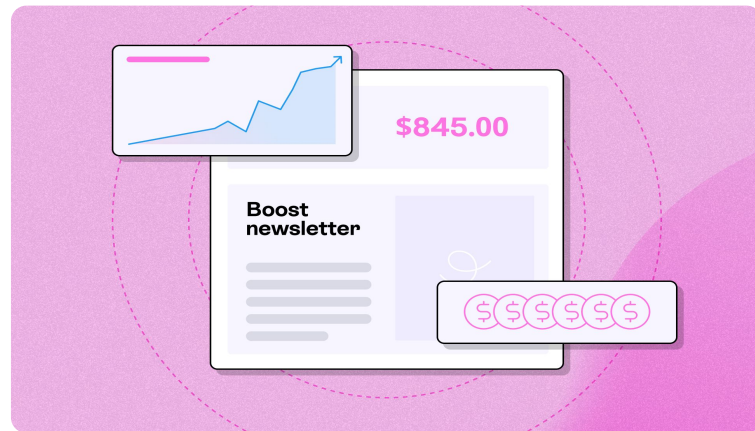
- \$\$ for referring subscribers to other customers.
- Some already earning \$1,000/week.
- Subscribe



Boosted Recommendations



Get Paid.



Questions?

Exits:

→ Exits

Major Factors:

- Subscribers
- Engagement
- Revenue/Profits
- Brand*

Not always a multiple on profits or revenue.

Easiest way to do this is price per subscriber.

- Morning Brew: 3M - \$75M = ~\$25/subscriber.
- Hustle: 1.5M - \$27M = \$18/subscriber.

→ Exits

If a subscriber costs \$2 - \$4, a 10,000 person list (typically) sells for well over \$20k - \$40k.

More if the business makes money. Less if it's just a list, even if engaged.

Increasing valuation:

- Additional publications
- Premium subscriptions
- “Brand”

Be very careful about buying lists.

→ Milk Road

0 to sold in 10-12 months.

[More here.](#)

Milk Road: From 0 to Acquisition in 10 months

How Milk Road scaled to over 250,000 subscribers and got acquired, in under a year.



Tyler Denk

December 15th, 2022



→ Politico

\$1B sale.

- 30M daily readers.
- 20,000 paid subs.
- \$3,295/year subscription (2012)

Politico Is Sold to Axel Springer for More Than \$1 Billion

The publishing giant will take control of Politico, Politico Europe and Politico's tech news site, Protocol.

Politico Pro, one year in: A premium pricetag, a tight focus, and a business success

Around one-third of Politico's newsroom is dedicated to Pro, its \$3,295-a-year premium product for Hill staffers, lobbyists, and others who need policy news on their BlackBerry — now.

By **ADRIENNE LAFRANCE** @adriennelaf April 17, 2012, 10:30 a.m.

→ Axios

- > \$100M/year (revenue).
- ~500 employees.
- 4.4M subscribers.
- 23 newsletter publications

~\$119/sub.

4 years.

Aug 8, 2022 - Economy & Business

Axios agrees to sell to Cox Enterprises for \$525 million



Sara Fischer, author of [Axios Media Trends](#)

SUBSCRIPTIONS

Axios Pro generated \$2 million in 2022 with more than 3K paid subscribers

January 20, 2023 · 4 min read · By [Kayleigh Barber](#)    

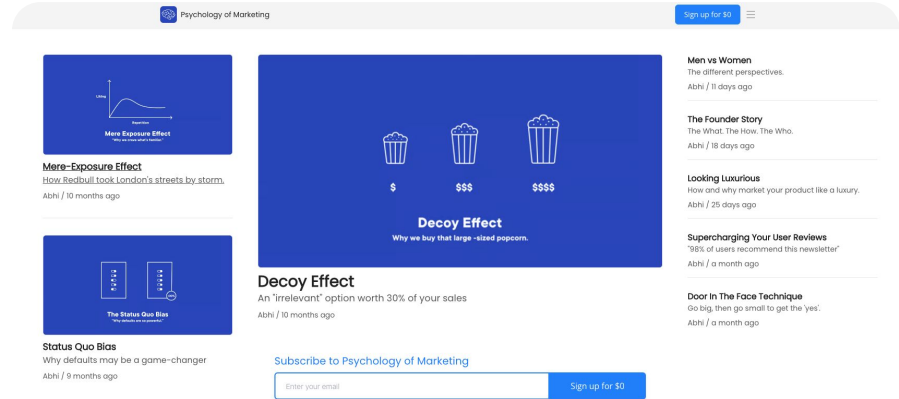
→ Psychology of Marketing

- Senior at Northwestern.
- ~25k subs at time of purchase.
- Active for < 1 year.
- 6-figure deal* (don't quote me)
-

Abhi wrote material from his psychology textbooks in newsletter with a different format.

Made friends on Twitter, recommendations were huge for his growth.

Sold it.



→ Notes on Exits:

Considerations:

- Can you add inventory to someone else's publication?
- Can you deliver recurring revenue?
- Have you demonstrated \$1 in \$2 out?
- Is there scale in what you're doing?

A “creator” vs a “business” looks very different when asking these questions.

Very hard to exit a newsletter when your name is on it and you're the only growth channel.

Questions?

→ Demo



Thank you!