



MORNING BREW

A DEEP DIVE INTO THEIR
MARKETING

by



STACKED MARKETER

www.stackedmarketer.com

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What to expect from this report

We're very familiar with the topic of newsletters and we've been following many of them, especially Morning Brew, very closely since before we started our own.

While this deep dive is focused on Morning Brew's growth tactics, we feel the end product could also be considered a complete guide to growing a newsletter from 0 to over 1,000,000 subscribers.

Here are the highlights:

- While they don't have the biggest subscriber base, Morning Brew stands out with their engagement at this scale.
- Even though 100% ad-based, they made over \$20M in revenue in 2020.
- Morning Brew was first called The Market Corner and it looked nothing like it is today. It probably looked worse than the average newsletter started in 2020 but through constant repetition, they became a flagship of the newsletter space.
- Less is more on your home page if you want to get subscribers.
- A breakdown of their marketing efforts split by the percentage of new subscribers it brings.
- The Morning Brew co-founders manually signed up thousands of people to their newsletter in the early days, when they had under 10,000 subscribers.
- Building a high-performing referral system and giveaways.
- How much it costs Morning Brew to get a new subscriber from Facebook Ads.
- A one page Twitter playbook from Toby Howell, the person behind Morning Brew's Twitter successful account.



- Morning Brew primary sponsor placement with logo below the email header and one piece of editorial content - ~\$50k
- Morning Brew secondary sponsor placement with one editorial piece in the newsletter **after** the main sponsor - ~\$30k
- Brew's Bets placement, similar to a classified ad (a bullet point in the newsletter) - ~\$15k
- Retail, Emerging Tech and Marketing sell weekly sponsorships for the main and secondary placements. Pricing between \$15k - 30k per week.

Who are Morning Brew's main competitors?

There are certainly many businesses that can overlap with Morning Brew's audience or with their monetisation model but there are two that stand out as having huge overlap in all aspects: **The Skimm and The Hustle.**

Let's take some key stats to compare between the three of them.

- Total subscribers to their main newsletter.
- Unique openers, aka unique daily readers, for their main newsletter.
- Advertising price for similar placements.
- Average performance on advertising placement.

Morning Brew

- Total subscribers: 2,700,000.
- Unique openers: 1,100,000 giving them a 40% open rate.
- Advertising price: ~\$50k for primary sponsorship placement
- 1.36% CTOR for the primary placement or an estimated 15,000 unique clicks.
- **Own experience:** 0.56% CTOR for Brew's Bets placement for 4721 unique clicks.

The Hustle - a daily newsletter focused on business, tech and startups, with approximately 1.5M subscribers.

- Total subscribers: 1,400,000.
- Unique openers: 420,000 giving them a 30% open rate.



Pause. If you look on their website and read about them, you will tell us they have 45%+ open rate. They don't.

We have first-hand experience with their stats from buying an ad placement from them. **The reason The Hustle says they have 45%+ open rate is because they repeat opens. In other words, if you alone open their newsletter 1,400,000 times, they will say they have >100% open rate.**

We would recommend reading [this article](#) to understand how some newsletters can provide extremely misleading stats by comparing apples to oranges.

Back to our comparison.

- Advertising price: ~\$30k for main sponsorship placement.
- Estimating ~1% CTOR for the primary placement which means ~4,200 unique clicks
- **Our own experience:** secondary placement, 0.62% CTOR which at the time meant 2,225 unique clicks.

The Skimm - a daily newsletter, usually tackling general mainstream news, with approximately 7M subscribers.

- Total subscribers: 5,700,000 active (you will find 7,000,000 mentioned but they don't send to everyone anymore)
- Unique openers: 1,700,000 giving them 30% open rate.
- Advertising price: \$55k for primary placement, \$20k for "Skimm Picks" similar to Brew's Bets or The Hustle Says (25-30 word bullet point in the second half of the newsletter).
- Skimm Picks estimate: 0.70% CTOR which would mean ~12000 unique clicks.
- We don't have a good estimate for the other placements.

As you can see, although Morning Brew's reach is not necessarily the highest, their engagement can make up for it.

Branding and positioning

Morning Brew had a few phases when it comes to their branding and positioning. We'd say they had three major phases.

Phase 1: The Market Corner

Morning Brew was first called The Market Corner and it was specifically designed to help finance students get the relevant news they needed for their class in a better format. Instead of students spending hours reading The Wall Street Journal, they could read The Market Corner.

The name here is also very much investment-focused.

Phase 2: Becoming Morning Brew and doing broader business news.

After rebranding to Morning Brew, while there was still a finance-focused audience, the team there started broadening from pure finance to broader business news. Things like tech made their way in as well. Their homepage tagline became "The latest news from Wall St. to Silicon Valley."

Phase 3: Transition to an even broader media brand

If you look at Morning Brew's homepage (for the main newsletter) right now you see "Get the daily email that makes reading the news actually enjoyable. Stay informed and entertained, for free."

They clearly deal with overall mainstream news from just about every aspect. Of course, they didn't forget their initial audience but in order to grow into the 2M+ subscriber range, they had to broaden... **a lot!**

The newsletter preview element disappears and **everything is comfortably above the fold.**

From our experience with our own page and from working with over 100 advertisers, we know that one of the biggest factors for a good conversion rate for lead gen is **having all form elements above the fold on mobile. This alone can take your conversion rate from 30% to 50%+ on traffic from email or social ads.**

Very important lesson: Make sure all your elements are easily visible above the fold on all devices (as much as reasonably possible, depending on what information you have to gather from your leads).



You're probably wondering: *"But doesn't the page need more information?"*

We have some first-hand experience on this. We tested both a version of a page with above-the-fold only and one where you can scroll for more information and sign up in the footer as well.

In our experiment, the version with the footer **slightly won.** The difference wasn't big so an improved above-the-fold copy, combined with a faster loading page could certainly flip the results.

How you generate your traffic will also make a difference. If homepage visitors are aware of your brand, they don't need much convincing. If it's ice-cold traffic, this might not work.

We would certainly recommend trying out this page format. We know it can get between 50% to 75% conversion rate on visitors from email and social ads.

Here's how Morning Brew's subscriber growth is estimated to be:

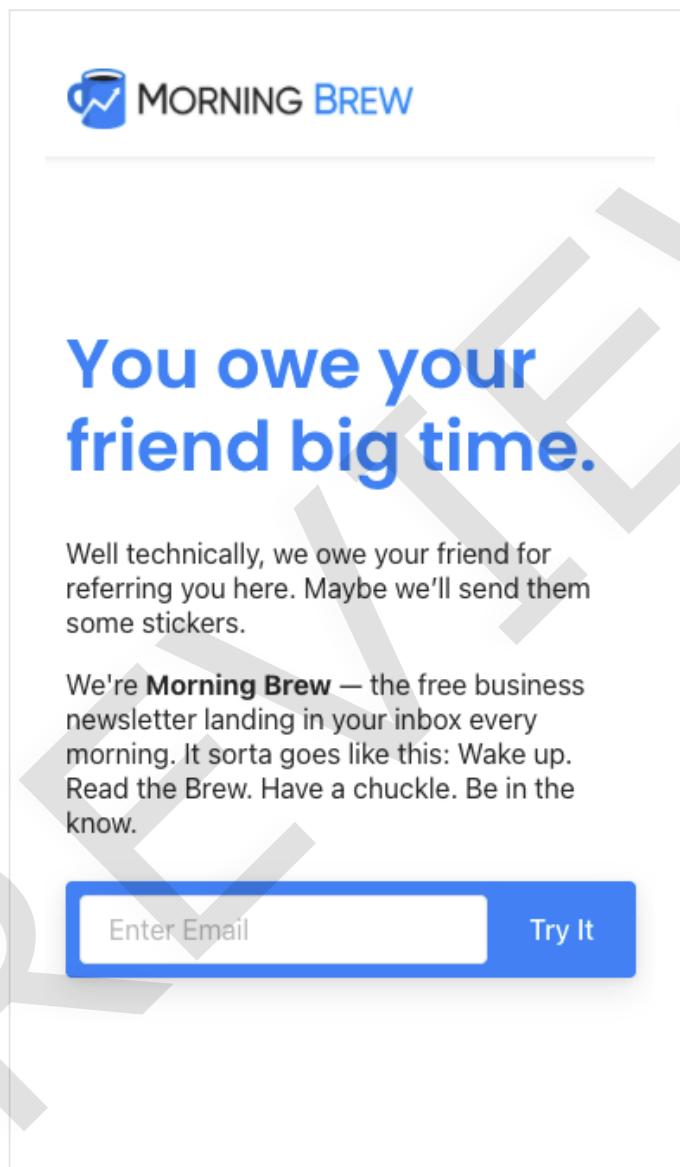
- **Referral system - 20% of growth.** It's a number other newsletter creators also see so we have no reason to think this number is too far off.
- **Word of mouth - 10-20% of growth.** Unlike the referral system, this is just people sharing content or mentioning the brand without their referral link. Depending on what you count as "word of mouth" (does a mention in Business Insider count?) we would estimate it to be between 10-20%.
- **Paid advertising - 15% of growth.** This was the number at the time of the key conversation. We think this went up over time until it then shrunk significantly at the start of the pandemic. This includes platforms like Facebook, Instagram, Reddit, Quora and more. A more detailed breakdown per major platform will come in a dedicated section.
- **Giveaways - 10-15% of growth.** Morning Brew has a giveaway every couple of months where every new subscriber referred gives the existing subscriber a raffle ticket to win a prize. The most common (and likely successful prize) is a MacBook Pro. These giveaways can generate upwards of 10,000 new subscribers in a single day given their existing readership but they also tend to be lower quality/intent.
- **Others - 30% of growth.** Cross-promotions and the Brew U campus ambassador program are the main parts of "Others". There are also things harder to attribute such as PR and certain organic social posts.


Notice how no channel has anywhere close to 50% or more share of the growth.



Converting referral visitors into subscribers

Don't send referrals to your generic page. Sure, they will convert but there's a clear uplift in conversions with a customised sign up page.



 MORNING BREW

You owe your friend big time.

Well technically, we owe your friend for referring you here. Maybe we'll send them some stickers.

We're **Morning Brew** — the free business newsletter landing in your inbox every morning. It sorta goes like this: Wake up. Read the Brew. Have a chuckle. Be in the know.

[Try It](#)

It doesn't have to be anything fancy. Simply reminding people that they were sent here by a friend (and that they have something to gain) will likely increase your conversion rate. **We've tested this for our newsletter, it's a clear difference.**

Results

In the past, giveaways brought around 10,000 new subscribers, at a time when Morning Brew had under 1,000,000 active subscribers. We can estimate that a good giveaway can add 1% to your existing subscriber base. *That number is close to our results for the first three giveaways we've done as well.*

A few best practices for giveaways

- **Have a prize that universally appeals to everyone.** A laptop is good, Apple AirPods that work only with an iPhone are not as good.
- **Resist the temptation to bundle.** Unlike when you bundle sell, when giving away something for free, most bundles become the average value of their components rather than the sum.
- **Don't offer prizes that are inconvenient to claim.** Especially true for educational content you might want to offer that requires the winner to then invest more time. Sure, some people will love it but the goal here is to get as many referrals as possible.
- **Set up strong fraud detection.** You will get low-quality referrals so you must either have a good fraud detection system or a quick way to trim out the disengaged new subs.
- **Don't overdo it with frequency.** Once every 2-3 months seems to be the sweet-spot to keep up the performance.

Let's also talk about shared giveaways

We haven't seen Morning Brew use this type of giveaway but it's worth bringing up. It might be a better fit for you...

The way it goes is like this:

- You and several other newsletters (or brands) create a raffle with a big prize, for example a car.
- You create a dedicated opt-in page for this and all the partners in this giveaway drive traffic to it.
- Every entry into the giveaway also opts into every brand's newsletter.

It wasn't always the case. Facebook Ads, specifically Instagram Stories, were an important growth avenue when Morning Brew was smaller.

Austin Rief, Morning Brew's COO and co-founder, [describes how a funny conversation style](#) Instagram post turned into an Instagram Story campaign where subscribers flew in for \$0.10 CPA.



Twitter

We saved the best for last in this organic social media breakdown.



We'll just say it: Morning Brew does it extremely well. They might reach the level of Wendy's or Domino's at some point if they keep this up.

Their secret? He's not a secret, he actually regularly tweets about this. His name is Toby Howell and we've actually featured him in our newsletter. Before we look at actual tweets from Morning Brew, let's put some context out there, straight from Toby's playbook.

At the time he wrote this, Toby had been managing Morning Brew's Twitter for about 2 months. His main tips and approach:

- **Turn on post notifications for some big names in your niche,** and each time they share something, be the first one in the comments. And here's how Morning Brew borrowed visibility from none other than Elon Musk.
- **Double down on your voice in the comment section.** Your brand has its own voice. Use it in stats but even more in comments. [This Twitter thread](#) will show you exactly what this means.
- **Invest in tools to create memes,** such as Photoshop for pictures and Kapwing for videos.
- **Always be borrowing.** This means, don't be afraid to reuse videos and images shared by other accounts, as long as you add your brand touch, tone of voice and credit as needed.
- **Interact with power followers.** If you have some celebrity among your audience, always try to interact with them on social media. Same principles of the first point: borrow visibility.
- **When it comes to the hard stuff, be genuine.** There are no right answers in such cases, but you can do what it feels right to you as a company.
- **There's no secret sauce to go viral.** Throw as many darts as you can, and eventually, you'll hit the bullseye.

Those points are the main things Morning Brew still does with their Twitter account. Is there any theme in terms of posts types? **Why, yes there is!**

Closing Thoughts

As we said in the beginning - newsletters are hot!

In the past couple of years, software companies have looked to acquire audiences and newsletters are prime assets for that.

It's one of the main talking points of marketing and tech Twitterverse too, and [this tweet by Bilal Zaidi](#) highlights the main moves from software companies to buy audiences

- HubSpot bought The Hustle.
- Robinhood bought Market Snacks and renamed it to Robinhood Snacks.
- Stripe bought IndieHackers.
- AngelList bought ProductHunt.

When it comes to balancing growth and engagement, Morning Brew stands out in the newsletter world.

Even though some of us might prefer other newsletters when it comes to content, Morning Brew seems like the best newsletter to look at if you want to understand how to grow from 0 to over 1,000,000 subscribers while keeping the list highly engaged.

We're sure there are many tactics that could garner better short-term results when it comes to subscribers but those tactics won't get long-term readers.

What's also encouraging is that none of these tactics require you to have the \$750,000 in funding to see success. **Yes, paid ads require an ad spend but you don't have to spend what's not profitable...** Plus the word of mouth and referral tactics are very affordable.

Final thought: All the tactics in the world won't work if the product is not good. Morning Brew's content, while not everyone's cup of tea (or coffee), is certainly up there with the best, which helps retain those subscribers who come through all their growth efforts.

We think they show the best fundamentals for creating and growing a newsletter.



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